

NEW YORK, 13.—The *Herald's* London special, of the 12th, says the formal withdrawal of Prince Leopold has been telegraphed to Madrid. His action is based solely on the ground that in consequence of the insult which has been offered to Spanish honor, the Cortes would be guided in their vote by a determination to uphold the independence of the nation, and therefore his election would not be a spontaneous expression of favor, without which he would not be willing to ascend the throne. Prussia maintains her dignity in action, and yields not an inch to the French demand. The British government has addressed a circular note to its representatives abroad, defining its position in Spanish affairs. The note deprecates the discourtesy of Spain in concealing from a friendly power negotiations with a foreign province in connection with the Spanish throne; it also deprecates the threatening of France, which it says is calculated to obstruct explanations and an amicable statement; and approves of Prussia's position in the absence of proof of her complicity in the intrigue. The note further says that while the election of Prince Leopold would be destitute of political importance, England will do all in her power to induce him to withdraw in order to preserve the peace of Europe.

A Paris special to the *Herald* says the excitement here over the quarrel with Prussia is tremendous. On the Bourse and Boulevards and in the Cafes and Clubs heated discussions are going on, and personal encounters are not unfrequent. The ministerial agents are exciting the people against Prussia, whom they charge with the mangling of Count Bennettedi's telegrams, and the detention of trains yesterday, which they say are Prussian tricks to gain time. Military activity is unabated. A fleet is under orders for the Baltic. It will be commanded by Admiral De La Gravier. General Doany is ready to march on Luxemburg with an army of sixty thousand men. The ministers of war, marine and finance, had a protracted interview with the Emperor to-day. The Opposition charge that the violent speeches of the Duke de Grammont and Ollivier were made by the express direction of the Emperor, who is devoted to the interests of the Prince of Asturias. They also say that the Emperor's motive is personal ambition, and they ridicule the idea of a decrepid invalid leading an army, with a child of fourteen as his aid-de-camp.

The *Herald's* Berlin special says the people are united in favor of the stand taken by the government, and though stocks are declining the belief is general that the peace will be preserved.

There is a rumor afloat that Prince Leopold is about to address a letter to the Spanish government, declining the crown, and that said letter reflects severely on the conduct of France, and the Prince declines because he is not willing to be instrumental in involving Spain and Europe in war.

CHICAGO, 13.—A Washington special says that there will be a good deal of work left unfinished by Congress, notwithstanding the rapid progress made during the last two days. There are on the Speaker's table in the House nearly a hundred bills; and on the Senate calendar over fifty more bills, including that for the abolition of polygamy in Utah, and that out of the thirty-five hundred bills introduced in both houses for two sessions, not more than three hundred will become law.

The committee of conference on the tax bill have settled many points in dispute. The income tax is to be collected two years more at two and a half per cent, with two thousand dollars exemption, and then to cease forever.

General Smith, who was in charge of Red Cloud's party, returned here to-day. He expressed the opinion that there need be no general Indian war. Red Cloud was using all his influence for peace and with great effect. A thousand lodges were gathered to receive Red Cloud, and extraordinary demonstrations were made over his return.

#### FOREIGN.

MADRID.—The *Epoca* says the dignity of Spain is yet safe, the Cabinet alone is compromised, and there is time yet for the ministers to listen to the voice of Europe, and to stop in their perilous course.

CAIRO.—A body of Egyptian troops attacked the Italian settlement on the Bay of Ashab, tore down the Italian flag and took possession of the place.

PARIS, 10.5 p.m.—The excitement on the Bourse is unaltered. *Rentes* have declined to 6,925. Negotiations con-

tinued, but it is impossible to predict the result. It is rumored to-day that Hohenzollern has settled the whole question by withdrawing his acceptance of Prim's offer, but the *Constitutionnel* contradicts this and says the Prussian journals say that their government has been a stranger to the candidacy of the Prince. If this be so the Prussian government should now prove its sincerity by forcing the Prince to renounce the offer. The Prince is under the authority of the King of Prussia and the latter thus has the peace of Europe in his hands. The answer of Prussia is expected to-night or to-morrow; if it is unsatisfactory the necessary measures to enforce with arms the rights of France will immediately be taken. Already the government is preparing for an emergency. A telegram from Ems says that Benedette, the French ambassador, before his interview with King William, saw Baron Werther, the Prussian ambassador, at Paris, who came to Ems to consult with the King. The Baron said the government of Prussia was profoundly surprised at the attitude of France; it could not comprehend the haste to assume hostilities, except as a verification of the belief that France had, for a long time, desired war on the Rhine frontier question.

A Vienna dispatch says the Austrian minister of foreign affairs received, with coldness, a communication from Spain relative to the candidature of Leopold, and in reply to the Spanish ambassador dwelt upon the ill effect it could not but produce.

The Belgian journals pronounce, a calumny, the statement that the King of the Belgians had any part in procuring the offer of General Prim or inducing its acceptance.

PARIS, midnight.—The Minister of War has declared to the Emperor that the army is ready to march at the first signal.

A telegram from St. Petersburg reports that the French minister there has declared that the coronation of Hohenzollern, King of Spain, will be regarded by France as a *causis belli*.

There is no farther confirmation of the Pekin massacre, and no official advice of the affair in London, Paris, or St. Petersburg.

The ministerial journals are violent against Prim and Bismarck, and say that France will not accept explanations from them semi-officially.

Berlin journals say that Bismarck is the accomplice of Prim, and the King of Prussia gave permission.

The *Gaulois* has a report that Prince Napoleon has gone to Copenhagen to propose a treaty alliance with Denmark and Sweden; and while negotiations are going on actively the French government makes no attempt to conceal its warlike preparations. The Emperor remains at St. Cloud, and it is announced that he won't go to the Mineral Springs. Couriers arrive all day and far into the night. The Emperor opens their dispatches himself and directs or dictates answers.

The journals say that McMahon is ordered to be ready to move at the first signal, and an order has been sent to the command at Cherbourg to prepare a fleet of transports for thirty thousand troops. A large number of army and navy officers in Paris, on leave, have disappeared and have doubtless been ordered to their posts.

The editor of the literary journals *Gavier* and *Oche* has been sentenced to four months imprisonment and 6,000 francs fine, for violating the press law and an offense against the Emperor.

Seven workmen have been convicted of belonging to a secret society, and condemned to a year's imprisonment and five hundred francs fine; twenty-seven were convicted of belonging to an illicit association and sentenced to two months' imprisonment and a hundred francs fine.

LONDON.—The Court of Sessions at Edinburgh has rendered judgment, requiring Fowster, a Glasgow book-seller, to pay £500 damages for selling an American edition of Tennyson.

FRANKFORT.—U. S. bonds have rapidly declined to 91.

PARIS.—*Rentes* have fallen from 68 to 65. The members of the Cabinet are at St. Cloud in close consultation with the Emperor.

The *Moniteur* announces that it will no longer give publicity to the movement of troops, and exhorts other journals to adopt a similar course.

Up to a late hour last night Prussia's definite answer had not been received. The city is greatly excited. *Rentes* sixty-eight francs seventycentimes.

The *Constitutionnel* says it is rumored that the King of Prussia has approved of the candidature of the Prince

Hohenzollern. The *Figaro* pretends that the King is willing enough to aid the affairs of Spain, but less so regarding the guarantees requested of him. It is said that in case of war the Emperor will command in person, with the Prince Imperial attached to his staff.

BERLIN.—One of the semi-official journals, this morning, has an article, stating that France persists in the insult to Prussia, in holding her answerable in the Hohenzollern matter. It says the policy of Spain was adopted without any foreign promptings. The North German Parliament has been summoned to give France her answer.

MADRID.—The Regency has returned its declaration that the choice of Hohenzollern was dictated by no hostility to France.

The Republican newspapers of Spain blame the government for its present course, and think the immediate proclamation of a republic the best reply to France. The *Impartiale* insists that the French aim is to force Prince Alfonso upon the Spanish throne.

HAVANA.—On Friday and Saturday evenings the citizens living near the Captain General's palace were alarmed by loud explosions, and the wildest rumors prevailed; but finally it was discovered that the foul air in the sewers opposite the palace had ignited and exploded.

LONDON.—Sergeant W. A. Kinglake died yesterday.

A complete panic exists both here and at Liverpool, in the market, as shown in the following comparison of prices of securities, just made, and the closing figures on Saturday evening: American bonds, the five twenties of '62, Saturday evening 89½; Monday noon 86½; 65s on Saturday 89½, now 86½; 67s, on Saturday evening 89½, now 86½. Consols on Saturday evening 92½ @ ½; Monday noon 91½. Breadstuffs firmer, and an advance in the price of American wheat. Dispatches from the various European capitals this morning announce that excitement, generally, is increasing, particularly in monied circles, and all sorts of securities have declined heavily. The *Telegraph* says the war panic might die out, but the only men known to be in the Emperor's confidence are selling heavily. The *Times* has an article on the Spanish question in which it says it is still possible to look calmly at the future. The ministers must seek to impress France with the extravagance of its pretensions and susceptibilities in the absence of real danger. Eventual war is too probable,—yet such jealousies have passed without collisions, as in 1840 and '58. The balance of power is undeserving a thought, the real issue is the possession of the left bank of the Rhine, and the contest would last until one or the other became exhausted. Civilization has everything to lose in such a struggle. France is clearly in the wrong. Prussia denies the responsibility France ascribes to her. France refuses to accept her disclaimer, but how can France object to the arrangement. The neutral powers must act instantly, unitedly and firmly to prevent a collision. Some of the papers deplore the damage inflicted on French credit by the long continued excitement.

PLYMOUTH.—Several Prussian cruisers, in this harbor, received orders yesterday to proceed to the Baltic; to-day these orders were revoked and the vessels will visit Cherbourg, France, immediately.

The London corporation has tendered Lessees the freedom of the city.

LONDON, 5 p.m.—The feeling is much quieter, both here and in Paris, and an impression is fast gaining ground that the question between Prussia and France will be settled without resort to arms. Securities of all kinds have advanced several per cent since morning, and the tendency is upwards. The American 62s, which were 86½ at one o'clock closed at 88½, and other funds have advanced proportionately. A much better feeling prevails at the Paris Bourse: at two o'clock *rentes* were 69.40, a very decided advance.

PARIS.—It is asserted that France will not consent to a congress of the Great Powers until Prussia yields on the question of Leopold's candidature. It is also reported that a telegram, sent yesterday from Ems to the Emperor by Beneditti, was so altered by the Prussian telegraphers that little could be deciphered; and the only part understood was that Leopold had received the King's consent to the acceptance of Prim's offer. Leopold is at Ems and assists in the councils of the King and ministers.

Paul Dacre left for Ems last night with the last instructions for Beneditti. It is said that Prussia will establish

an entrenched camp of twenty-five thousand men at Corroch, within a few miles of Basle, on the French border.

The strike at Mulhouse continues. Sixteen thousand men are idle. The manufactory of Mr. Jourdan has been burned, whether accidentally or by an incendiary is not known. There have been no serious outbreaks.

BERLIN.—The North German *Gazette* says the words of Grammont in the Corps Legislatif were the words of provocation, more than the prudent language of a statesman, and if this was the object of the minister he had better take care.

The Paris correspondent of the Prussian Cross *Gazette* says the Empress Engenie is an implacable promoter of war to defeat the Hohenzollern; she is as strong a partisan of Alfonso as of the fatal expedition of Maximilian to Mexico.

HAVANA.—Consul General Biddle is ill of yellow fever.

PARIS, 2 p.m.—It is reported that the question at issue between France and Prussia has been amicably adjusted. The Bourse is active, *rentes* 70 francs 55 centimes. This news is founded on the announcement that Prince Charles, father of Leopold, through Ollosaga, has telegraphed Gen. Prim that he should refuse the crown for his son even if elected by the Spanish people.

The Parisian journals have reports of immense movements of troops in Germany. They represent that the roads to the frontier are incumbered with men and horses; even in Baden military activity is remarkable. Railway transportation has been so arranged that 35,000 infantry and 50,000 cavalry can reach the frontier in one day. Secret exercises of artillery have been going on in the fortress of Rastadt and on the common roads in Western Prussia. The sergeants of the regular Prussian army are drilling young soldiers in handling arms.

PARIS.—The strike in Mulhouse has extended to all classes of workmen, even the bakers have ceased work and there are at least 20,000 men idle. Good order is preserved without the interference of the police or soldiers.

The drought in France continues; the reports of its ending are utterly untrue. No rain fell for ten weeks previous to July 4th, and there has since been only a few light showers, insufficient to revive the drooping crops. From present appearances half the grain crops will be lost.

PARIS, 13.—The *Constitutionnel*, ministerial organ, has the following: "The government has testimony that the candidature of Prince Hohenzollern is withdrawn, and the peace of Europe will not be disturbed. We are satisfied that Hohenzollern will not reign in Spain. We demand nothing more and rejoice at this solution of the question."

An unquestionable dispatch from Dusseldorf this morning, says that Prince Leopold accepts the Spanish crown on the condition of an immediate declaration of war against France, should the latter attack Germany.

The Bourse opened firm; *Rentes* 70 francs and 80 centimes. There is a better feeling everywhere.

It is certain that several interpellations will be made in the Corps Legislatif to-day, touching the Spanish question, and it is believed that some parties in the Chambers will force the government into a declaration of war with Prussia.

The *Journal Official* states that the government has no news of the reported massacre in China and the story is generally considered false.

BERLIN.—The *Kneuz Massoto* says the situation is serious and energetic; its article closes with the following sentence: "In Germany the public indignation repeats the measureless arrogance of France, and Prince Leopold returns his candidature because he is unable to reconcile his character of a German soldier with any action involving Germany and Spain in war."

Bismarck has returned to this city. LONDON.—There is no doubt that Prussian troops are concentrating near Baden and Mayence.

A Paris letter to the *Pall Mall Gazette* says that many news dispatches from Paris to the United States have been delayed or altered, because they contained details of preparation for war. It adds that the regimental bands are busily practicing the *Marseillaise* and reproduces the statements of the *Gaulois*, that the Emperor's horses, after training to accustom them to artillery fire, have been sent to the frontier.

The formal opening of the Thames embankment takes place to-morrow; it is expected that the Queen will participate in the ceremonies.

Clasher, the noted oarsman and boat builder, is dead.