

HIGHLY IMPORTANT FROM NICARAGUA.

The Refusal of President Martinez to Sign the Cass-Yrissari Treaty.

GEN. CASS' DISPATCH TO GEN. LAMAR.

Sharp Language—Vested Rights of Americans to be Protected.

A Fleet Gone to Both Sides of the Isthmus.

From Our Own Correspondent.

PANAMA, Monday, July 19, 1858.

By the steamship *Columbus* I have received the following letter on Transit matters, and the Cass-Yrissari Treaty, dated Managua, June 29, which is from a source that may be relied upon. My correspondent has seen Gen. CASS' dispatch on the refusal of President MARTINEZ to sign the Treaty, and quotes the substance of it as follows:

"You President MARTINEZ have insulted this Government by withholding the treaty, after pledging yourself to Gen. LAMAR that you sent it by a special messenger, and asking the General to expedite his journey by sending him on the *Fulton*, if he were too late for the *Aspinwall* steamer. You, also, induced me to believe that he bore the treaty. You afterwards assigned as a reason for not having sent it, that you had written an autograph letter to President BUCHANAN, asking him to submit to certain modifications to it, which letter you never wrote. We demand, as the only reparation you can make, the return of the treaty as ratified by the Assembly.

The fact is further known that MARTINEZ even sent a certificate to YRISARI that the treaty had been ratified, but telling YRISARI to get amendments, if possible, and if not, to promise that the ratified treaty should be sent on in four weeks. He said his political feelings being with the people of Nicaragua, depended upon a radical change in the treaty, as they were all opposed to it, and would use it to his ruin, and much more of the same sort."

As regards vested rights of American citizens in Nicaragua, General Cass told President MARTINEZ that the Government of the United States would not submit to any arbitrary action of Nicaragua—that as the country was devoid of adequate tribunals, the Cabinet at Washington had no other resource but to decide these matters for themselves; and for this purpose a proper naval force had been dispatched to both sides of the Isthmus.

The White Company has succeeded in fixing three things:

First. The Assembly will, with the understanding of the Government, disapprove of all and every act it has done in relation to the Transit matter with VANDERBILT, and enable it thus, by decree, to get out of the compromise. The Government will then send a special commission to the United States with full powers to settle the dispute between the Ship Canal Company and the Government of Nicaragua relative to the extension of time. If the parties cannot agree, the questions at issue will be submitted to arbitration, in accordance with Article 32 of the primary grant, as amended by Article 8th of the 19th of June, 1857. Gen. JEREZ, I have reason to know, has been offered this mission, both to the Government of the United States and to the Company, and will accept it, acting in conjunction with YRISARI, or under his direction.

Should there be positive news of the intention of VANDERBILT to open the route, then there is but one way left, and that is to deny him the right of the land transit.

By the 15th of August next, all these matters will be settled.

The transit road from La Virgin to San Juan del Sur is in good condition, and will be kept so by the agent of the White Company. SCOTT is fixing up the river boats at San Juan del Norte for VANDERBILT, while MILLER is working for him at Castillo. In a couple of days President MARTINEZ goes to Castillo, and will take the lake-steamer *Virgin* again in possession, and bring her up to Granada.

The *San Carlos*, the best lake-steamer, is still on the sand-bank, where she went ashore on the 27th of February. It is believed her boilers, bed-plates and engines will have to be taken out before she is raised on blocks for repairs. F. W. R.

Arrival of the *Columbus*—Progress of Federation—Politics in Honduras—The Cochineal Harvest—Resignation of the President of San Salvador—The Cass-Yrissari Treaty—Loss of the Steamer *San Carlos*—Affairs in Costa Rica—A Railroad from San Jose to Punta Arenas.

From Our Own Correspondent.

PANAMA, Monday, July 19, 1858.

The Panama Railroad Company's mail steamship *Columbus*, capt. LUDWIG, arrived here from Central America on the morning of the 6th inst. Her cargo consisted of 352 ceroons cochineal, 852 bags coffee, 3,620 hides, and 125 packages sundries. Among her passengers were AMORY EDWARDS, Esq., one of the engineers and surveyors for the Honduras Railroad; F. H. HARCSTABLE, Esq., a British naturalist; and Dr. J. W. LIVINGSTON, of New-York. The dates are from the city ofatemala to June 27, Acajutla, Salvador, 29th; La Union, June 30; and San José de Costa Rica to the 2d of July. The *Columbus* did not touch at San Juan del Sur on her return, so we have papers from Nicaragua only up to June 16.

HONDURAS.

Honduras, in response to President MARTINEZ's proclamation inviting a union of the Central American States into a single Republic, has expressed her willingness to join in any measures calculated to secure the safety and stability of the Central American Republics. It is not at all probable, however that President GUARDIOLA is disposed to let his power slip out of his hands so long as he can keep his head on his shoulders. He has lately dismissed his Minister of Foreign Affairs PEDRO ALVARADO, and has appointed in his place Gen. XATRUCH, who commanded in Nicaragua, as Minister of the Interior. The Government has recommended that a fair be held for the sale and purchase of agricultural products and goods at Cholulteca, to commence on the 8th and end on the 16th of December of each year.

The municipalities of Honduras, in accordance with law, are collecting antiquities, for the formation of a national museum. Some curious and rich articles have been found in the valley of Copan.

GUATEMALA.

The cholera, which visited the principal towns between San José and the capital for the second time in the month of May, has nearly ceased, after carrying off some of the principal citizens of Esquintla, Amatitlan and Palen.

The cochineal harvest had terminated. The crop amounted to 12,000 ceroons, of 150 pounds each. It brought from \$90 to \$105 the ceroon, according to quality. In 1827 Guatemala exported only 100 ceroons, in 1830 only 300, and in 1851 709. From that year the crop began to augment rapidly, until in some years it amounted to 18,000 ceroons. The cholera greatly lessened the harvest this year.

Mr. V. WYATT has been surveying the port of San José, with the view of making an iron pier. It is proposed to run it out 900 feet, and to make it 20 feet wide. The cost, with light-house, cranes, railroad track, &c., is estimated at thirty-four thousand pounds sterling. San José, which is the port for the city of Guatemala, is a very inconvenient and dangerous one at present, the breakers being very high, and the landings and embarkations being made in large surf-boats. A wharf is, therefore, a great necessity for the commerce of

the country. Mr. WYATT goes forward in this steamer to make arrangements for the enterprise.

SAN SALVADOR.

President SANTIN, who only succeeded to the place of CAMPO in March or April last, has become disgusted with the cares of State, and resigned, under the pretence of ill health. The Vice-President, Don JOAQUIN GUZMAN, declined to assume the reins of office, under the same plea. General GERALDO BARRIAS, father-in-law of GUZMAN, by right of being the oldest Senator, had assumed the office of President of the Republic, and issued a long programme of promises. BARRIAS commanded in Nicaragua, and attempted a revolution against CAMPO on his return to San Salvador. He is a merchant and an enlightened man, but extremely ambitious.

NICARAGUA.

Congress was still in session, but had done no business of importance, except to ratify the treaty of limits with Costa Rica, so happily arranged by President MORA on his late visit to Rivas. This treaty was agreed to by 13 to 3. President MARTINEZ had returned the Cass-Yrissari Convention to Congress, with his reasons for refusing to sign it.

The *Centro-Americano* says: "The Cass-Yrissari Treaty is again under discussion, the Executive having returned it to Congress, and that body has resolved that the thing is legal, being in conformity with the 17th article of the *Costa Constitution*. Undoubtedly, in taking this matter a second time into consideration, Congress will be more scrupulously mindful than it has been of public opinion.

A decree has been issued in favor of the cultivators of coffee in the Republic, to be in force for twelve years. By it they and their servants are exempt from military service in time of peace, from direct taxes on their plantations, and from the payment of tithes; also, from payment of duties on goods imported to the value of their coffee exported, calculated at the rate of \$10 per quintal."

The same paper says that many persons are turning their attention to the cultivation of this valuable product.

A petition from DON FERMIN FERRER, (WALKER's late Minister,) to the Minister of Foreign Affairs is published, asking permission to return to his native country.

Mr. GERALD RAOUI PERRY, son of the British Consul at Panama, has been appointed British Vice-Consul for Nicaragua.

The fine iron lake steamer *San Carlos*, which went ashore on the 27th of March last in Lake Nicaragua, and which it was supposed could be got off and repaired for \$5,000, is now said will be equivalent to a total loss, as it will cost as much to float her as it would to build and place on the Lake a new vessel. She must be raised on a frame, her engines, boilers and bed-plates be taken out, and her bottom repaired, before she can be launched.

COSTA RICA.

This Republic is making rapid progress in the arts of peace, under its intelligent and patriotic ruler, President MORA. By a private letter which I have received from San José, dated July 2, I learn that:

"The treaty of limits between Costa Rica and Nicaragua has been ratified, and this country and Nicaragua find themselves on the most amicable terms in their political relations, and are also united by the most brotherly sympathies and interests. The general opinion in Nicaragua is strongly in favor of a union between the two countries under a single head; and it is only necessary, in order that Costa Rica may consent, that Nicaragua should, by a few years of peace, prepare herself for such a union."

A decree of the 15th May permits the importation of flour, barley, rice, corn, and other grain of which bread is made, free of duty for six months, which was subsequently extended to two years. The same exemption is granted to manufactured bread, cereals, meat, fish and lard. A decree of the 17th June enacts that all merchandise imported into Punta Arenas must pass through the Custom-House, for the purpose of preventing the importation of tobacco and gunpowder, where it must pay one real of the package.

A survey has been made for a wharf or pier at Punta Arenas, and it is likely the work will be soon commenced. Mr. CASSID has the privilege for twenty years.

A gentleman also goes to Europe by the next steamer with surveys and plans for extending the Punta Arenas Railroad to San José, the capital.

Señor CRISANTO MEDINA, a wealthy and most intelligent merchant, commenced operations on the 14th of June, as President of the "National Bank of Costa Rica"—capital to be \$1,000,000.

Messrs. CAUTY & SON propose to open the road from San José to the Serapiquí River, which river empties into the San Juan, at a cost of \$500,000 and with that view they ask a charter of the Costa Rican Government guaranteeing them 5 per cent. on the capital. Such a road would be greatly beneficial to the country, opening up, as it would, hundreds of thousands of acres of the richest lands in the world; but it would be a long time before the travel on it could be made to pay for repairs and interest of money invested.

In regard to the Cass-Yrissari treaty, the *Cronica de Costa Rica* remarks:

"The opinion of Costa Rica upon the Yrissari-Cass treaty is well known, and in our conception, Central America entire is agreed that the prudent emendations made by the enlightened President of Nicaragua, Gen. President MARTINEZ, are indispensable, and that without them, neither the liberty of our soil nor our honor is safe.

Upon the National Union (of the five States) public opinion has made great progress in a short time; the negotiations between Nicaragua and Costa Rica, and Salvador and Guatemala must conduce inevitably to the formation of a general pact. When this is effected (with the celerity which our danger counsels) we shall have no necessity for external protection." F. W. R.

Additional from Nicaragua.

Correspondence of the *Aspinwall Liberal*.

SAN JUAN, Thursday, July 1, 1858.

Times still dull; plenty of rain, which makes everything very dreary. The *Morgan* has taken WEBSTER and the ALLENS up the river with \$100,000, which is now known to be the amount brought here by the *Granada*. The party in all probability are in Managua by this time. This money it appears is a loan, in part, an equivalent for the steamers. It appears that as WEBSTER failed to get possession of the steamers and property on the Point from SCOTT, MILLER was dispatched up the river for the purpose of obtaining an order from the Government for the surrender of the boats, which he at length succeeded in and returned with an acknowledgment of its validity by HAMA, our Minister at Managua. On his return to the Point, he was enabled to get possession of the property, SCOTT yielding it. It appears now that VANDERBILT has everything in his possession, and the route will soon be in running order, with such improvements as will increase the comforts and shorten the distance. This route is every way more desirable, more healthy, with better chances of profit with the passengers during the transit, and without the possibility of having every business strangled in its birth as, you know, is practiced by that monopolizing Panama Railroad Company. Goods are much required for the interior, and can now find their way up the country with ease by the river steamers, and secure from molestation. The British Consul is sending in the Mosquito grant. I suppose somebody has been recommending fencing to the happy individual. You know a country is nothing until it is fenced in, and to say truth, it might be further improved if a part of the people were whitewashed—this is a recommendation of mine. Fenced in and whitewashed are always beneficial for new countries. Down East, or further westward, "when the wind is northerly I know a hawk from a side of sole leather." We are to have a Fourth of July ball here, rather strange for these Anti-Americans to engage in this sport on such an anniversary. I presume, however, they are blissfully ignorant, or like Pat, estimate St. Pat-

rick equally as great a man. Should it be a hot night, Santa Maria, won't it be odoriferous!

Pacific Steam Navigation Company.

From the *Panama Star*.

With a view to meet the growing wants of the countries bordering on the west coast of South America, and bring them into closer alliance with the centres of civilization and manufacturing wealth of Europe and the United States of North America, we understand that it is in contemplation by the Directors of the Pacific Steam Navigation Company to introduce into the steam service which has been so successfully conducted by them along this coast, for a period of upwards of 16 years, improvements which will still further enhance the services rendered by that Company to the west coast of South America.

Although the Pacific Company, during this long space of time and running along an extent of coast from Panamago to the Island of Chiloe, and lately extended even still further south to the new German Colony at Port Montt, making the steaming distance for a single round voyage, upwards of 7,500 miles, night and day exposed to what is even a greater barrier to steam navigation than the storms of the Atlantic, viz.: dense fogs which prevail at certain seasons of the year along nearly all this line of coast, have had the misfortune to lose one or two of their fine steamers, still the Company can congratulate itself, with sincere satisfaction, that not a single life or limb has been sacrificed through any of these accidents.

This must be no small satisfaction to the Directors and Agents of the British Mail Company, especially when it is compared with the misfortunes which have overtaken many other lines of steamers, where hundreds of victims have been hurled, without a moment's warning, into eternity, by accidents which, even Linnæus speaking, could all have been avoided. Even Lima has had to lament the loss of not a few of her sons in some of these catastrophes.

It has been a source of considerable complaint with many of the commercial houses along this coast, having connections with the United States of North America, and with the passengers to and from Europe who wished to embrace a visit to the "model Republic," as our American friends delight to call it, that the connection at Panama with the New-Orleans and New-York lines was not better arranged, so as to avoid detention, and we are delighted to find that the proposed changes embrace a remedy for this grievance.

It is but just, however, to state that for the last year the mails and passengers from the United States have been brought with considerable regularity, arriving in Lima from 18 to 20 days from New-York; this has been accomplished, as we have had the pleasure of noticing on several occasions lately, by a faster and better class of steamers being placed on the New-York and Colon lines, and partly by the courtesy of the commanders of the English steamers, having delayed their departures from Panama to accomplish that end.

In order to be able to carry out the contemplated improvements which we understand will shortly be announced for the public, the Company have now building in England, in addition to the following steamers already in service,

	Tons.	Horse Power.	
Lima	1,200	400	Paddle
Bogota	1,200	400	Paddle
Valparaiso	1,000	350	Paddle
Bolivia	900	300	Paddle
New-Granada	750	280	Paddle
Lima	500	200	Paddle
Cloda	900	300	Screw

two new paddle-wheel steamers of 1,000 tons and 400 horse power. The first of which is to be called the *Callao*, and is now in a very advanced state. The second, which will be named the *Panama*, will also be in the Pacific within a year.

When the arrangements are matured, which we trust will be in a very few months, the sailings contemplated will embrace a trunk line running fortnightly direct from Panama to Payta, Callao, Islay, Arica, Caldera, and Valparaiso, touching at the same places on the return voyage to Panama. By this more direct course, and by the leaving of several small ports, which often cause detention in foggy weather, and otherwise to be embraced by the subsidiary lines, the mails and passengers from the North will arrive in Callao and Valparaiso about six days earlier than at present, and at Payta on the return voyage, fifteen days earlier, so that the answers from Correspondents in Peru or Chili to their constituents in Europe or the United States will arrive in those countries fifteen days earlier than at present.

In addition to the trunk mail line, it is intended to have branch lines arranged to connect with it at various points, so that the principal places of call, such as Panama, Payta, Callao, Pisco, Islay, Arica, Caldera and Valparaiso shall enjoy a weekly communication; those of Buenaventura, Guayaquil, Lambayeque, Huanchaco, Casma, Huzcho, Cerro Azul, Chala, Iquique, Cobija, Huasco, Coquimbo and Talcahuano a semi-monthly communication, and those of Constitution, Tume, Lota, Valdivia, Chiloe and Port Montt, in Chile, a monthly communication.

In addition to these vessels actually running in performing this service, the Company will have at Panama and Callao a steamer in reserve, in case of accident or interruption.

In those cases where the mail steamer may have left Panama before the mails and passengers, via the United States, have arrived, these will be brought on by the steamer intended to be placed on the Panama, Buenaventura and Guayaquil line, principally with the view of carrying cargo to and from those ports in connection with the Panama Railroad Company, and which will be so arranged as to connect at Guayaquil with the intermediate steamer sailing from that port for Callao and the South, so that the complaints of detention on the Isthmus when the United States steamers arrive at Colon, will be entirely obviated.

We understand, also, that arrangements are being made by the Company to relieve passengers of the trouble and care of their own luggage by a simple plan which will give them perfect security for its safety, and at the same time will relieve them of all trouble in looking after it; this we are sure will be esteemed a great boon by the traveling public of this coast.

Rectification.

We find the following in an *Aspinwall* correspondence of the *New-York Herald*, dated June 18:

"F. W. RICE was chastised yesterday in this town, for an attack made on the reputation of Dr. A. B. SUTHERLAND, and published in the *New-York Times* of May 31. This time he calculated without his host. This individual drew a pistol upon the Doctor, when the Doctor seized it and then slapped his face. RICE had the Doctor bound over in the sum of \$1,000, and so rests the matter."

The following is a correct version of the affair: Mr. SUTHERLAND approached to attack Mr. RICE, but the latter drawing a pistol on his assailant, no blows were exchanged. Mr. SUTHERLAND, afterwards, being dissatisfied with the course things had taken, sent Mr. RICE a threatening note, demanding an apology for something he had written of him in the *New-York Times*, which note Mr. RICE refused to receive, and then had Mr. SUTHERLAND arrested, when he was sentenced to three days' imprisonment, and bound over in the sum of \$1,000 to keep the peace.—*Panama Star*.