SURRENDER OF MASON AND SLIDELL

The rebel commissioners, James M. Mason and John Slidell, with their two secretaries, who were taken from the British mail steamer. Trent. by Capt. Wilkes, of the U.S. steam sloop-of-war, San Jacinto, have been again placed by our authorities under the protection of the British flag. This was demanded in a dispatch from Eurl Russell, Her Britannic Majesty's Secretary of State for Foreign Affairs, to Lord Lyons, the representative of the British government in this country. After a statement of the facts of the case

The dispatch concludes as follows :----Her Majesty's government, therefore, trust that when this matter shall have been brought under the considera-tion of the government of the United States that govern-ment will, of its own accord, offer to the British govern-ment such redress as alone could satisfy the British nation, namely, the liberation of the four gentleman and their de-livery to your lordship, in order that they may again be placed under British protection, and a suitable apology for the aggression which has been committed. Should these terms not be offered by Mr. Seward you will pronose them to him.

will propose them to him. To this dispatch, Mr. Seward, the Secretary of State

of the United States, replies with an elaborate discussion of the law of nations in its bearing upon the case. He savs :-

The question before us is, whether this proceeding was authorized by and conducted according to the law of nations. It involves the following inquiries: 1. Were the persons named and their supposed dis-spatches contraband of war? 2. Might Captain Wilkes lawfully stop and search the *Trent* for these contraband persons and dispatches? 3. Did he exercise that right in a lawful and proper man-ner?

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4. Having found the contraband persons on board and in presumed possession of the contraband dispatches, had he a right to capture the persons?

a right to capture the persons ? 5. Did he exercise that right of capture in the manner allowed and recognized by the law of nations ? If all these inquiries shall be resolved in the affirmative, the British government will have no claim for reparation.

Arguing each of these points at length, he comes to the conclusion that the first four must be answered in the affirmative, but the last in the negative, taking the same ground as the law officers of the British government, that Capt. Wilkes should have taken the steamer and brought her into port in order that the affair might have been adjudicated by a judicial tribunal. Mr. Seward intimates that the conduct of Capt. Wilkesmight have been justified by old English precedents, but he shows that it was in violation of those principles of international law for which this country has always contended. In this connection he cites the following instructions of James Madison, Secretary of State in the administration of Thomas Jefferson, to James Monroe, our Minister to England :-

England :--Whenever, he says, property found in a neutral vessel is supposed to be liable on any ground to capture and con-demnation, the rule in all cases is, that the question shall not be decided by the captor, but be carried before a legal tribunal, where a regular trial may be had, and where the captor himself is liable to damages for an abuse of his power. Can it be resonable, then, or just, that a belliger-ent commander who is thus restricted, and thus responsi-ble in a case of mere property of trivial amount, should be permitted, without recurring to any tribunal whatever, to examine the crew of a neutral vessel, to decide the im-portant question of their respective allegiances, and to carry that decision into execution by forcing every individ-nal he may choose into a service abhorrent to his feel-ings, cutting him off from his most tender connexions, exposing his mind and his person to the most humiliating discipline, and his life itself to the greatest danger? Rea-son, justice and humanity unite in protesting against so extravagant a proceeding. extravagant a proceeding.

Mr. Seward's reply concludes as follows :

The four persons in question are now held in military custody at Fort Warren, in the State of Massachusetts. They will be cheerfully liberated. Your lordship will please indicate a time and place for receiving them.

The steamtug Starlight left Fort Warren at 11 a.m. January 1st with Mason and Slidell, and Secretaries, for Provincetown, where they will be transferred to the British war-steamer Rinaldo, now lying there.

THE REBELLION CBUSHED IN MISSOURI.

Generals Hallcck and Pope, of Missouri, are pushing their operations with an enterprise, energy and courage worthy of emulation by our other comman-The brilliant success related in our last has ders. been followed by others and a resumé of the operations of the Union army in Missouri for the past two weeks shows that we have captured 2,500 rebels, including 70 commissioned officers, 1,200 horses and mules, 1,100 stand of arms, ten tuns of powder, 100 negroes and an immense amount of commissary stores and camp equipage, and all this with the loss only of a hundred men killed and wounded. General Price is ience caused by disabled engines in severe frost.

NOTES ON MILITARY AND NAVAL AFFAIRS. in full retreat for Arkansas, having passed through Springfield on Monday the 23d of December. THE SITUATION IN KENTUCKY.

> In the southwest part of the central portion of the State is the town of Bowling Green. It is a place of some 3.000 inhabitants, and is situated on the line of the Louisville and Nashville railroad, 113 miles from Louisville and 72 from Nashville. It is at the head of steamboat navigation on Barren river, a branch of Green river which runs a short distance north of the town and flows northwest into the Ohio. At last accounts the largest rebel force in the State was at Bowling Green, and General Buell with a large We Union army was advancing from the north. have reports even that his advanced division of 60.-000 men had crossed Green river, and that a great battle might be expected very soon.

> > GENERAL BURNSIDE'S EXPEDITION.

The preparations for this expedition are being rapidly pushed forward at Annapolis and Fortress Monroe, and it is expected to sail in a few days. Its destination is unknown.

THE CLOSING OF CHARLESTON HARBOR.

The fifteen old whaling vessels, which have been so long in course of preparation for being sunk in the channel of Charleston harbor, reached their destination and were placed in position on the 19th of December. They were towed over the bar by the steamers of the blockading squadron, and as each reached her position, the plug was withdrawn and she quietly settled down. They were first dismasted by cutting the shrouds on the weather side, when the whole of the rigging fell over to leeward with a crash. They were filled with stones, and they completely block up the main channel in which they were sunk.

COMMODORE PORTER'S EXPEDITION.

A flotilla to operate against some of the southern sea coast fortifications is in process of preparation, and will be ready within a few weeks. In addition to a number of steamers and other vessels, it will contain 21 schooners, each armed with a mortar for throwing shells. A part of these schooners have been built for the purpose, and others were purchased from the merchant service. Those that were bought are hauled up on railways and cut down near the waterline; the lower portion is strengthened in a very thorough manner, and the upper portion of the sides is built up some two feet thick with solid timber. A support for the mortar is constructed amidships of solid timber from the floor of the vessel to the deck. The mortars weigh $8\frac{1}{2}$ tuns each, and throw shells 13 inches in diameter. Each schooner carries two guns besides the mortars. The flag ship of the flotilla is a large, fine, ocean-going steamer built on the plan of a ferry boat to run either end foremost. This is to facilitate her movements in narrow channels and rivers.

THE ARMY ON THE POTOMAC.

In the meantime, the great army on the Potomac is shivering in its tents-waiting.

The London Times states that some further experiments with the Armstrong guns took place recently under the direction of the Ordnance Select Committee, when two 100-pounder guns of the ordinary service pattern fired a large number of consecutive rounds at the Woolwich butt. The rapidity of fire was nearly uniform throughout. One 100-pounder fired its last fifty rounds in 341 minutes, and the other 100-pounder fired its last 50 rounds in 331 minutes. This included every stoppage. The guns were not sponged for 70 and 80 rounds respectively, and remained clean to the end. There was no escape whatever of gas from the breech.

MR. E. WATKIN, who lately went from England to Canada to examine into the condition of the Grand Trunk Railway, has stated to the proprietors that, among other things, he obtained the alteration of forty heavy tenders (18 or 19 tuns each), hitherto running on four wheels only, and which, in his opinion, were a main cause of the excessive breaking of rails of last winter. The work had been completed; twenty engines would also be fitted up in time for the winter with Giffard's injector, the use of which in substitution for or in addition to the ordinary pumping apparatus would, he believed, save much of the inconven-

The Manufacture of Salt in Michigan.

The dearth of this article the Southern States, and the suffering that has followed from its scarcity in many localities there, makes any facts in regard to salt and its manufacture of much interest at the present time. Michigan is a great salt producing state. However, before the year 1859, business of boring for salt had never been attempted-hardly thought of. This business has been prosecuted since that date with much energy and success. In April, 1859, operations were commenced at Great Rapids and East Saginaw. The business at the former place has never amounted to much; but at the latter, the work has been exceedingly successful.

The brine from which the salt is obtained, is procured by boring wells to great depths below the surface. After passing through about one hundred feet of soil of various kinds, they penetrate brown sandstone, and with alternations of strata of clay shales, limestone and sandstone, with occasional thin seams of coal, they enter the salt-bearing sandstone at depths ranging from 480 feet, at Bay City, near Saginaw Bay, to 714 feet, at Saginaw City, eighteen miles distant. The East Saginaw Manufacturing Company have produced about 20,000 barrels of salt. The works now in operation are the following

The works how in operation are the remember			
Name of Company.			
E. Saginaw Salt Man.	Co2	200	\$30,000
Saginaw City Man. Co.		60	15,000
Hail, Gilbert & Co		• ·	5,000
Carrolton Mill Salt Co.	1	120	12,500
Curtis, Ward W Clark,.		60	10,500
Saginaw Valley Salt C	Co 1	60	10,000
Portsmouth Salt Co		50	10,000
Bay City Salt Co		50	10,000

600 \$102,500 These works produce in the aggregate shout 550 barrels daily. It is probable that before another fall, there will be investments engaged in the manufacture of salt from \$300,000 to \$400,000 in this district. where not a bushel of salt was produced prior to the summer of 1860. The aggregate production for 1861 has probably reached 100,000 bushels.

THE DUTIES RAISED ON TEA, COFFEE, SUGAE AND MO-LASSES.—On the 23d of December, Congress passed an act increasing the duties on coffee, tea, sugar and molasses, and the act was signed by the President. The duties now are on tea, 20 cents per pound, on coffee, 5 cents, on sugar, 21, 3, 5 and 8 cents, varyingwith the quality, and on molasses, 6 cents per gallon. The act went into effect immediately on its passage, applying even to the articles which have been stored in the bonded warehouses.

IT appears that the Italians have 83 men-of-war, with 989 cannon and 13,480 horse power. The Austrian navy has only 80 ships, with 703 cannon and 6,473 horse power, and Spain 144 ships, 907 cannon, 13,040 horse power. Italy has, beside, eight frigates in the docks, four of which will be launched within a few months. The new law for naval conscription will add 2,500 to 3,000 sailors to the present force.

THE GALWAY LINE.-By the English Post-office report it appears that the public loss upon each letter conveyed last year to the United States by the Galway steamers was 6s. But the greatest absolute loss was on the West Indian line; £200,000 of the £240,000 subsidy being a dead loss.

A TERRIFIC explosion of paraffine, the second that has been reported within the week, took place on Saturday, December 7th, on the premises of Mr. Barnett, grocer and druggist, of Smithfield, Birmingham, England. Several persons in the shop were injured.

THE London Engineer asserts that while wages and iron are much higher in America than in England, locomotives of the same weight and dimensions in the United States, range at from 20 to 25 per cent lower prices.

A MONUMENT is about to be erected to the memory of Sir Humphrey Davy at Penzance. It will consist of a granite column and base, surmounted with a statue of the great chemist holding a safety lamp in his hand.

THE LANCASHIRE COTTON MILLS.-Returns from 1,233 mills, ordinarily employing 266,507 persons, show a diminution, at present, of 84 per cent from their ordinary scale of employment.