

Transit boats, the reestablishment of Slavery and the publication of his views in regard to the future Government of Central America. And then followed a falling off in the shipments of recruits and munitions of war from San Francisco and from New-York.

Meanwhile the allied army was improving rapidly in the art of war. WALKER was strong in Granada. There is no Granada now. Seek for more than a thousand graves together, and when found you will be upon the boundary of its ruins. He beat back his enemies from Masaya easily. They shut their eyes and turned their backs when they discharged their arms, and they fired too high. But they came back to Masaya again, and again he repulsed them. This time, however, his men remarked an unpleasant difference in the firing of the natives. They used Minié rifles, and aimed with uncomfortable accuracy. Nevertheless he drove them back. But he does not hold Masaya yet. He fought and won at Virgin Bay. Gen. CANAS was there the other day, with four hundred men, and there were none to oppose him. He held San George and Obraje. They have been better fortified since, but not by Gen. WALKER. He sent his men to take them on the 26th and 28th of January last, but they returned without them, leaving some thirty of their number dead witnesses of the strength of adobe walls.

We have mentioned a decree of President WALKER, concerning the Transit, and also the seizure of the Transit boats. Since then the Costa Ricans have issued a decree, and they, too, have seized the boats, and fortified and occupied the line of the San Juan to Lake Nicaragua. He once spoke of his men by thousands; he now counts by hundreds and by fifties. And during all this time the Allies, with experience, and French, German and English officers to teach them, have been improving in the art of war.

From this review, it will be observed that, from having entire control of Nicaragua, and a numerically respectable army to sustain him, his power has gradually but steadily declined, until now he holds only Rivas, with an army that has twice proved insufficient to retard the progress of his enemies in their work of hemming him in. What, then, is his prospect of extricating himself from the meshes the allied army is throwing around him? He has but one that we can discover, and there is at present no satisfactory reason to suppose that even this will be realized. If the rescue party were twice its present strength it could not reach Gen. WALKER in time to serve him, by way of the San Juan del Norte. Grant that Col. LOCKRIDGE will take Serapiqui, although there is, as yet, no assurance of even that. They lost ten men and had a number wounded in simply getting ready to attack it. He cannot, under the present circumstances, avoid losing many more, before he succeeds. The fort is a very good one, and it is occupied by men who proved, while he was taking Cody's Point, that they were expert gunners. The shots fired at and into the little steamboat from which Gen. WHEAT caused them considerable annoyance, were equal in accuracy of direction, to the firing of French or English artillerymen. All told they were but 400 strong.

But if LOCKRIDGE succeeds here, he must then attack Castillo, a still stronger fortification, and he must do it with a smaller force than at Serapiqui. Suppose that he killed and wounded they are short of one-quarter of their strength—one hundred men. Their chances at Castillo are not so good as at Serapiqui, for it is known to be well manned, and from its position, much more difficult to reach.

Grant again, that they will take Castillo. They must lose more men; and then, far above them, at the entrance to Lake Nicaragua, is Fort San Carlos—the Gibraltar of all the line of fortifications. But grant that he will take San Carlos also, with the number of men whom he can bring to attack it. From its known strength and the skill of those who man the guns, it is easy to see of how little service the remnant of his troops would prove to Gen. WALKER, even allowing that they receive an average reinforcement from New-Orleans, while on their way. In this calculation we have granted, also, that as they proceed they will secure the regular river boats, with which to pass Machuca Rapids, Balas Rapids, Mico Rapids, Castillo and Toro Rapids. But before they made an attempt upon Serapiqui, they found that the steamer *Wheeler* had been sunk. And we have the authority of Costa Rican officers for the statement that for several weeks all the other boats, the lake boats included, have had quantities of powder on board, so arranged that in case of any unexpected disaster they can be blown up, and the progress of the reserve party thus arrested. If they should arrive at the mouth of the lake and find themselves without boats that could live on that water, they might as well have staid at their first quarters at Punta Arenas. It may be thought that the schooner *General Walker*, hauled up for repairs at Virgin Bay, could be sent down. But it must be borne in mind that since it was known to be there, Gen. CANAS has been at Virgin Bay with four hundred men.

The only chance, then, for effective relief to Gen. WALKER is by way of the San Juan del Sur. If a large force were sent that way before the Costa Ricans close the road to Rivas, he might be relieved for a time. But the prospect is not good. He expected five hundred recruits by the *Orizaba* on her last trip, and he received but forty-four. In spite of the vigor and courage he has displayed, it is impossible, therefore, to conceal the fact that his present position is exceedingly precarious, and that there is little prospect of its improvement. A letter from our special correspondent reports the health and spirits of his troops as far from satisfactory; and the chances now seem to be that his race is nearly run.

Gen. Walker's Position.

The present position of Gen. WALKER is by no means encouraging. Even the most ardent of his friends have serious apprehensions for his safety and the success of his cause. A glance at the successive changes in his condition, since he became President of Nicaragua, will show that these misgivings are not without foundation.

At the outset, when President RIVAS first disputed his right to the Executive chair, it was believed that a majority of the natives of the country regarded him as a friend, and it is certain that many of them fought on his side, and that, too, quite as bravely as any of their race. He was then regarded as the hope of the Liberals, and all who opposed him were esteemed Serviles. But whether by his own acts or by the natural course of events, he soon lost that position and was universally regarded as an invader. He abandoned all claim of the popular will as the basis of his authority, which he held avowedly and exclusively by the sword. It was then that the other Central-American States became alarmed, and combined for their own safety in defence of what they called the rights of the people of Nicaragua. They denied WALKER represented the wishes of any recognizable portion of the native residents; and he appeared to be of like opinion, for from that period he sought the means of sustaining his power in a foreign land. The terms Serviles and Liberals were no longer used to designate the contending parties in Nicaragua.

The struggle was now between the Central Americans and the Fillibusteros; Gen. WALKER commenced the fight with Serapiqui, Castillo and San Carlos, on the line of the San Juan del Norte, and nearly all the strongholds on the Pacific side in his own hands. Enthusiasts from San Francisco, New-Orleans, New-York and other large cities of the United States flocked to his standard and fought well. For a time victory followed victory in rapid succession, and his ultimate triumph was not doubted. Proclamation followed proclamation and decree followed decree. There was the seizure of the