

AFFAIRS IN NICARAGUA.

The Capture of Castillo—Operations on the San Juan—The Costa Rican View of Walker's Prospects—The Resources of Nicaragua—The Transit Route and the Clayton-Bulwer Treaty—Letters from Col. Hall and Capt. Faranum.

AFFAIRS AT GREYTOWN.

The following letter arrived by the *George Law*, addressed to a gentleman in this city, who has kindly offered it to us for publication:—

GREYTOWN, April 3, 1857.

The Capture of Castillo—San Carlos not to be Attacked—A German offers to Raise Costa Rica 1,000 German Soldiers in Prussia—The Allies Forcing the Inhabitants of Granada to Rebuild their City—Patriotic Song of the People of Leon against the Costa Ricans, &c.

From General Walker's camp, at Rivas, we have no late news since the arrival of the *Orizaba* at Panama.

Last night Colonel Lockridge sent a courier to Captain J. N. Scott, informing him that he had taken Castillo, with the loss of twenty-seven men, and had killed upwards of one hundred Costa Ricans. We momentarily expect to have further news, giving the details of the action. General Wheat, it is said, distinguished himself in this battle; Major Baldwin also did his part with heroism. From all that I have been able to ascertain, Colonel Lockridge will push his way up to join General Walker as soon as possible. It is intended not to attack Fort San Carlos, but to pass up into the lake at night and capture the large steamers at Ometepe. At this season of the year the river steamers could very well run up to Virgin Bay if requisite. The lake is now like a basin. Should Colonel Lockridge carry out this plan, he will oblige General Mora to surrender or die of hunger in a very short time at Fort San Carlos.

From Costa Rica we hear by way of Moín that a German had offered the government at San José to raise a loan in Berlin, taking the Costa Rican government bonds at fifty cents to the dollar, redeemable in thirty years, and bearing interest at six per cent per annum. Public lands offered in security, and taken at thirty cents an acre at maturity, if the bonds are not redeemed by the government. He proposes to get one million dollars on such terms; this amount to be invested in getting out fifteen hundred German soldiers, with their competent arms and ammunition. The Costa Ricans are hypothecating that which they do not possess at present and will never have. No doubt they counted on the lands of Nicaragua to pay their debts.

By a friend lately from Costa Rica I am informed that Fulgencio Vega, the Marshal Radetsky of Nicaragua, has organized at Granada a chain gang, in which there are upwards of six hundred natives, whose crime is having aided Walker. Men and women are made to work; they are clearing the streets of the ruins, and it is intended they will rebuild the city. The sufferings of these poor miserable people are said to be horrible.

The poor Americans are yet kept by force on the lake steamers by the Costa Ricans. Who knows if they will not be put to death as soon as Lockridge makes his appearance to capture the boats? English subjects are certainly better off in foreign countries—away from home, the revolver and bowie knife are an American's only protector.

I have been able to get a copy of some verses made by the inhabitants of Leon. They prove that the natives know very well that Guatemala, Salvador, Honduras, and Costa Rica are as great filibusters as Uncle Billy.

A lerta Nicaraguenses escuchad,
En los ceata Estrados que aqui veis.
No hay amor, no hay piedad, no hay auxilio,
Es divina es la opresion;
Casi sangrientas seras
Repararse este suelo,
Es la frenetica ambicion.

Cuán secciones componen Nicaragua,
Cuán elementos aspiran devorarla,
Gatos, lobos, serpientes y Esquitos,
Combinados estan en sus ambrosias Miras,
Rejen y muerdan la desventurada preza.

De las gajos de Costa Rica,
En ambicion es el mediodia
Es serpientes de sus ocultas;
Sin simpatias al Oriente,
Esos del Salvador esperar,
Al occidente su dominacion,
Y los lagartos de Honduras
Gobernar en el setentrion.

I shall write to you farther by the *Tennessee*, which leaves to-day.

GREYTOWN, March 21, 1857.

Costa Rican Accounts of Walker's Success and Prospects.

Permit me to transfer you these lines, in order to give you the last details of the Walkerian achievements. This chief, famous by his utter incapacity, his avarice and cruel oppression, is most fortunately in a very precarious situation. After having tried in vain to take San Jorge at four different times, and having shot off more than a hundred bombshells, he was wholly unable to add this little village to the list of his victims. Heanigsen and Sanders, seeing the utter hopelessness of his position, have separated from him; hundreds of deserters are leaving in every direction, and the killed ones, amongst whom are Colonels O'Neal and Leonard, as well as Major Dusenberry, cover the inglorious field of battle. Amongst the killed is a Frenchman, who came with \$25,000 to Nicaragua to buy up some of the confiscated plantations, and whom Walker forced to a most involuntary loan, and then put him in the ricks to fall at the next attack.

Lockridge took Serapiqui after twelve hours' fighting, but met with a most severe repulse at Castillo, where he was obliged to cut the ropes of his steamboat in order to save himself against a most furious bayonet charge of the Costa Ricans. Fifty men, whom he left in that village, were cut to pieces, and their corraes were seen floating on the river, to become the prey of the crocodiles. Reinforcements, amounting to 150 men, arrived and joined their hapless comrades, but will undoubtedly be destroyed, as 800 new Costa Rican troops will be here in a few days to occupy Point Arenas and attack these adventurers in the rear, conjointly with the balance of those enemies which occupy the upper part of the river. Many deserters arrived here likewise, who, having been refused admittance by the American man-of-war, were forwarded by English vessels to the next maritime stations.

For further communications you may address yourself to me, here in Greytown.

Permit me only to add, that Walker, after having seized more than \$500,000 worth of tobacco, confiscated beyond a million of acres, destroyed more than \$5,000,000 worth of buildings and goods in Granada, Masaya, &c., is still reduced to absolute want; as the retributive justice of all disarming Providence took what oppressions the most cruel and abject had extorted in vain.

ILL HEALTH OF CAPT. FAYSSOUX—NEWS OF WALKER'S VICTORY AT PANAMA.

PANAMA, April 4, 1857.

Captain Fayssoux, noted in the annals of the Nicaragua navy as commander of the *Granada*, is here. He is at present on board the steamer *Orizaba*, lying in port, and is suffering severely from a rheumatic affection.

The news from Walker, as brought here by some of his men, would lead us to suppose that his star is again in the ascendant. He is reported to have gained a victory over the allied forces of Central America, forcing them to retire with a loss of about 300 men.