New-York Tribune.

Vol. XXXII....No. 9,921. NEW-YORK. MONDAY, JANUARY 20, 1873. PRICE FOUR CENTS

THE CREDIT MOBILIER.

A BUSY DAY IN THE TWO COMMITTEES. MORE VOLUNTARY WITNESSES—OPEN AVOWAL OF HAVING HELD STOCK—A NEW REVELATION FROM MR. DURANT—HOW THE CONTRACT WAS MADE A SHREWD AND UNSCRUPULOUS SCHEME.

[BY TELEGRAPH TO THE TRIBUNE.]

WASHINGTON, Jan. 19.—Two more self-constituted witnesses presented themselves at Judge Poland's confessional on Saturday, to put as good a face as possible on their operations in Crédit Mobilier stock. These were ex-Congressmen James F. Wilson of Iowa, and Benjamin M. Boyer of Pennsylvania. The former was eight years in Congress, from 1861 to 1869, and was Chairman of the Judiciary Committee for a portion of the time. He was much talked of for the position of Attorney-General when President Grant made his first candidate, and had some support for the Vice-Presidential nomination at Philadelphia last June. Very soon after he left Congress he was appointed a Government director of the Union Pacific Railroad, and has held the office ever since. Mr. Wilson got into the Crédit Mobilier on the advice of Col. McComb. Mr. Ames offered him some stock, but he refused to take it. Afterward Mr. McComb urged him to do so, and explained how he had been swindled out of the stock which belonged to him, asking Mr. Wilson to get what he could for him. Mr. Wilson then applied to Mr. Ames, and after some haggling, Mr. Ames consented to let him have ten shares at par and interest, but without accrued dividends. He wanted a larger list, but Mr. Ames would not let him have it. Mr. McComb would not take these ten shares, because he wanted them "on the ground floor," which meant with all dividends from the start. So Mr. Wilson held them. Afterward Mr. McComb put some papers in his hands which revealed to him the secrets of the Company, and the manner in which its enormous profits were secured. Mr. Wilson thereupon gave a legal opinion that the Union Pacific directors were individually liable for all the profits they had received on the construction contract, as stockholders in the Crédit Mobilier. The insight he got into the affairs of the corporation from these papers induced Mr. Wilson to make haste to get rid of his stock, and he gave his friend, Gen. G. M. Dodge, a power of attorney to sell it for him in New-York. The stock was thence transferred at will, and Mr. Ames settled the business by paying Mr. Wilson $3,000. The investment, therefore, yielded a profit of 200 per cent in less than a year's time. At the conclusion of his statement Mr. Wilson said that when he bought the stock the country was ringing with the praises of the enterprise shown in the construction of the Pacific Railroad, and argued that it was unfair to judge of the motives of men who acted under the state of facts then existing by subsequent developments which now give direction and tone to public judgment, but which were at that time unknown.

Mr. Boyer was the Democratic representative from the Norristown District of Pennsylvania from 1865 to 1869. He got 100 shares of Crédit Mobilier stock from Mr. Durant about the same time that Oakes Ames was engaged in "securing friends" among the Republican Members of Congress, and received the dividends the same as other stockholders. He considered it a perfectly honorable business transaction, and only regretted that he had not bought more of the stock. Mr. Durant had promised to sell him the stock before it became a profitable investment, but he had not taken it till some time in the Spring of 1869. The Committee considerately refrained from pressing him with questions as to his knowledge of how the Crédit Mobilier made its profits. He was a member of the House Committee on the Pacific Railroad at the time, and ought to have known all about it. Perhaps it would be uncharitable to suppose that he was given the stock at par, which was worth at least 200, and on which dividends of 130 per cent had already accrued, on account of his membership of that Committee. It does seem, however, as if he might have suspected fraud somewhere, when his dividends began to reach up in the neighborhood of 1,000 per cent within two years.

The last witness examined was George W. Kennedy of North Easton, Mass., Oakes Ames's bookkeeper and private secretary. A man with a worse memory never got on the witness-stand. He must have known at one time all about Ames's stock transactions, but he could remember nothing. After trying for half an hour, by alternate encouraging and worrying to stimulate his feeble powers of recollection, the combined efforts of the Committee finally extracted from him an admission that he had seen a pocket memorandum-book of Mr. Ames, in which were some entries about the stock, and he thought there were some references in it to Senator Patterson and Mr. Colfax. Mr. Kennedy's name appears on the books of the Company as owning 30 shares of stock. He said he never owned this. It had been transferred to him by Mr. Ames, who afterward transferred it back to himself, with the dividends in Union Pacific stock that had accrued on it. He professed entire ignorance of the meaning of this mysterious game of pitch and toss. The Committee did not finish taking testimony, as they had hoped they would be able to do, and they will hold another meeting on Monday, when Oakes Ames will again be put on the stand and asked to explain what became of the remainder of the 343 shares of stock that remain unaccounted for, and which he took to place "where it would do most good."

The Wilson Committee had another long session on Saturday. Oliver Barnes, who was Secretary of the Crédit Mobilier from 1863 to 1865, was examined without any profitable result in the way of obtaining new information. The Committee then resumed the tiresome task of getting at the transactions and profit of the Crédit Mobilier from a multitude of books and documents, and from the unwilling explanation of Dr. Durant, who was kept on the witness stand for over two hours. A new vein was struck by a question in regard to the Sioux City branch of the Union Pacific Railroad. Mr. Durant explained that this road was to have been built from Sioux City westward to the 100th meridian, where it was to have formed a junction with the Western Pacific. It was the property of the latter road, but, by some hocus-pocus of legislation, the branch was taken out of its hands and given to a new company, who built it southward in Iowa to a point not far north of Omaha, and thence across the Missouri and westward till it joined the Union Pacific at Fremont. The new company thus got all the Government subsidies of money and land for building an unimportant local road, chiefly in Iowa. Oakes Ames and J. B. Alley got up a construction company and built the road. When this information came out, a member of the Committee remarked, *sotto voce*, that it was "lucky that Ames and Alley were not alive when the world was made, for they would certainly have had a construction contract on it." Mr. Durant testified that Mr. Ames had told him that he had paid the Iowa members $5,000 apiece for their interest in the Sioux City branch. When asked what members, Mr. Durant recollected that J. F. Wilson and W. B. Allison had been mentioned by Mr. Ames.

The Wilson Committee exhibit great diligence and perspicuity in getting at the facts in the Crédit Mobilier business. Their investigations have already laid bare the real nature of the construction contract by which the Union Pacific road was built. Stripped of all circumlocution, the Crédit Mobilier contract was a shrewd and unscrupulous scheme of the directors of the Union Pacific road to make the nominal cost of its construction and equipment double the actual cost, and to enrich themselves by dividing the difference among themselves, leaving the road burdened with an enormous debt. The Crédit Mobilier Company was the cunningly devised machinery for accomplishing this fraud. The stockholders in the railroad were not wronged, for they all consented to the operation, and shared in the profits. There were but few of them, and they paid only five per cent of their subscriptions. The parties wronged were the Government and the holders of the first mortgage bonds. The directors of the road made the contract with Oakes Ames to build the road, but before completing it had him sign a transfer of it to the Crédit Mobilier, a corporation composed exclusively of these same directors and the railroad stockholders. The directors and stockholders, therefore, bargained with themselves to build the road at nearly double the actual cost of the work. As directors of the road they took its assets with one hand and transferred them to the other, and then pocketed them in their capacity of Crédit Mobilier contractors. The profits on this corrupt transaction have not yet been definitely ascertained, but they were probably not less than $30,000,000, enough to have paid the Government for all its loans to the Company.

In view of the developments already made, people begin to inquire whether Congress would not be justified in passing an act authorizing the seizure and sale of the road by the Government for the benefit of itself and the holders of the first mortgage bonds. The stockholders have no claim to consideration. They got back the 5 per cent which they paid on their subscriptions with a profit of more than 1,000 per cent. Another question is asked, Where were the Government directors when this Crédit Mobilier fraud was consummated? They were charged with the duty of vigilantly watching the interest of the United States in the road. Not one of them protested when these interests were seriously jeoparded if not sacrificed. Were they paid for their silence?

The Hon. Aaron F. Perry, the attorney for the Government before the Crédit Mobilier Committee No. 2, has got fairly started in that investigation, and has shown an earnest desire to aid the Committee in an honest and searching inquiry into the facts of the extravagant use of money to the detriment of the Government interest in the Union Pacific Railroad. It has been thought by the Attorney-General that it is essential to have the other attorney, provided for by Mr. Randall's resolution, a resident of Washington, in order that he may have convenient access to the departments and the Government records at all times, and without the delay and expenses of a journey to the capital. He will, therefore, to-morrow, offer the appointment to J. Aubley Ashton, a prominent lawyer in this city, who was the Assistant Attorney-General under President Johnson.

PROCEEDINGS IN THE FIRST COMMITTEE.

EXAMINATION OF EX-CONGRESSMEN BOYER AND WILSON, COMMODORE C. K. GARRISON AND G. W. KENNEDY.

[GENERAL PRESS DISPATCH.]

WASINGTON, Jan. 18.—Judge Poland's Special Committee to inquire into the Crédit Mobilier charges resumed its session this morning, and Benjamin M. Boyer, ex-member of Congress from Pennsylvania, being sworn, made the following statement:

STATEMENT OF EX-CONGRESSMAN BOYER.

I appear voluntarily before the Committee without a summons, because I have been mentioned in the testimony as the owner of stock in the Crédit Mobilier while I was a member of Congress. I desire that I may be examined in relation to my purchase of that stock; I have nothing to conceal concerning it. I took the stock in my own name, and have so held it, as the books will show. I held 75 shares as my own, and 25 shares as trustee for my wife, making 100 shares in all. I always regarded it as a legitimate stock operation, and never denied having made the investment. It did not interfere with my duties as a member of Congress. I entered Congress in 1865, and retired four years afterward. During that time neither the Crédit Mobilier nor the Union Pacific Railroad required any legislation by Congress that I know of. The land grants and subsidies to the Union Pacific Railroad had all been voted before I became a member of Congress, and the legislation relating to the postponement of the payment of the interest on the Government bonds took place after I had left Congress. I am not conscious of ever having voted while in Congress for any measure in the interest of either the Crédit Mobilier or the Union Pacific Railroad. I invite the most critical examination of my record. The investment in Credit Mobilier stock was recommended to me by Dr. Thomas C. Durant, who was my personal friend, and with whom I agreed for the purchase of 100 shares at par, at a time when the success of the enterprise and the profits dependent thereupon were by no means certain. This was in the Winter of 1866. The stock was not actually transferred to me until long after I had agreed to take it. There was some difficulty and delay in obtaining all I had agreed to take. At first 75 shares were paid for and transferred to me in December, 1867, and some time afterward the additional 25 shares, which I had transferred to me as a trustee for my wife. This completed the original contract between Dr. Durant and myself, and I had no idea of wrong in the matter, nor do I see how it concerns the public. No one connected with either the Crédit Mobilier or the Union Pacific Railroad ever directly or indirectly, or in any way hinted, that my services as a member of Congress were expected in behalf of either corporation in consideration of the stock I obtained, and certainly no such services were ever rendered; I was much less embarrassed as a member of Congress by the ownership of Crédit Mobilier stock than I should have been had I owned stock in a national bank or in an iron furnace, or a woolen mill, or even as a holder of Government bonds, for there was important legislation while I was in Congress affecting all these interests, but no legislation whatever concerning the Crédit Mobilier. I can, therefore, find nothing in my conduct in that regard to regret. It was, in my judgment, both honest and honorable, and consistent with my position as a member of Congress, and as the investment turned out to be profitable, my only regret is that it was no larger in amount.

To Mr. Herrick—Left Congress in 1869; never voted to smother any investigation into the affairs of the Union Pacific Railway.

TESTIMONY OF THE HON. J. F. WILSON.

James F. Wilson of Iowa was sworn and testified as follows: I once bought and piad for three shares of the capital stock of the Credit Mobilier of America; the par value of the shares was $100 cash, in all $1,000; the purchase of this stock came about in this way: when Mr. Oakes Ames was soliciting subscriptions to the stock of said Company he asked me to subscribe for $5,000 of it, which I declined to do; I heard nothing more of this stock until some time in the year 1868; the exact time I cannot state, but certainly not earlier than May, when I met in this city Mr. H. S. McComb, with whom I had been acquainted for several years, and against whose character I had never heard any reproach, who, during a conversation had between us, asked me if I held any Credit Mobilier stock; I told him that I did not; that Mr. Ames had once asked me to subscribe for $5,000 of it, but that I had declined the offer; Mr. McComb replied that I could get the stock yet, and that he wished I would do so; I told him that I knew but little about it, and inquired its value; he said that would depend somewhat on circumstances, but that I need not hesitate because of that; that he thought he could get it at par, and that he would take it, furnish the money to pay for it, and allow me an advance which would have been a liberal compensation for the negotiation; he then related the circumstances under which he had subscribed for a number of shares; that he had made the subscription in good faith; that the Company refused to recognize his subscription, and were trying to cheat him out of his rights under it; that he was determined to have the stock, and that if he could not get it quietly and peacefully he would enforce his rights at law; that he did not want to have or make any unnecessary trouble about it, but that he would not be cheated out of it, and that he was willing to do anything for peace short of surrendering his rights; that to go to law would lead to strife, delay, and expense, but that he would go through with it all if driven to it; the impression which he made on my mind was that if he could get the stock even by indirection he would rather do that than resort to the courts, and in this connection he said that there was other stock in the same position as that, which he said I could get, and that, therefore, that was no reasonable excuse for the Company treating him as they had done.

PURCHASE OF THE STOCK.

As a result of this conversation I had an interview with Mr. Oakes Ames; I inquired of him if there were not $5,000 of Crédit Mobilier stock that I could have; he said: "No, you declined to subscribe for it, and it has been disposed of;" I replied that I had been informed that that amount and more was undisposed of, and that I could have 50 shares; he replied that the stock was disposed of, and that whoever had told me what I had stated was mistaken; I communicated the result of this interview to Mr. McComb, who said that it was just like Ames, and that if he could take care of himself and friends everybody else might whistle for their rights, and said, "See Ames again, and tell him that there is no mistake about the matter, and that I (McComb) know there is not;" I did see Mr. Ames again, who said that Mr. McComb's statement was not true, and repeated his former statements; I then asked him if it could not be arranged so that I could get the stock; he replied that he did not believe that it could be, but that he was soon going to New-York and would see what could be done; some time afterward Mr. Ames told me that he had arranged for 10 shares for me at par and 7 per cent ex prior dividends; that that was the best and most he could do then, but he would see if he could do any more; I took the ten shares, and asked him to arrange for the rest if he could, but no more was arranged for; when I subsequently told Mr. McComb he said, "Well, that is another of his tricks; he don't want to do any better, but if you insist on it he will;" and that he (Mr. McComb) wanted the stock on the "ground floor," just as the rest had had theirs; I had talked so much to Mr. Ames that I concluded to await his movements; that anything further would look too much like importunity; but, as I have stated, he never arranged for any more stock, and the ten shares were on my hands; I held the stock until some time in the Winter of 1869, when I sold it, the reason for which I will state; a good deal of contention had sprung up among the parties interested in the Union Pacific Railroad and the Credit Mobilier relative to the management of the affairs of the said companies, and an effort was to be made at a meeting of the stockholders of the Union Pacific Railroad Company in March, 1869, to change a part of the Board of Directors; my opinion was asked for concerning the right of stockholders in the Union Pacific Company to vote shares held by them regardless of a proxy, which was said to run with the stock under the terms of the contract and agreement existing between said company (the Crédit Mobilier) and certain parties designated as trustees; in order to enable me to understand the question submitted, copies of certain papers were placed in my hands, some of which I have now in my possession, and among which were the contract of Oakes Ames, of the first part; T. C. Durant, Oliver Ames, John B. Alley, Sidney Dillon, C. S. Bushnell, Henry S. McComb, and Benjamin S. Bates, of the second part; the Crédit Mobilier of America, of the third part, an agreement between the aforesaid parties of the second part, in which they bound themselves to vote their own stock, and for which they held, and should hold proxies, which was represented to embrace all that issued or to be issued under the Oakes Ames contract in the manner provided in the agreement, and some other papers not bearing directly on the question submitted; I examined the question and gave an opinion to the effect that stockholders of the Union Pacific stock could vote their own shares regardless of the proxy running with it, and that the affairs of the corporation could not be tied up in the hands of a few individuals in the way attempted by said contract and agreements, and that the scheme of the Crédit Mobilier was one which might render every officer and director of the Union Pacific Railroad Company which was a party to it accountable to the latter company for the profits accruing to him from the construction contract.

WHY HE SOLD OUT.

Down to the time these papers were placed in my hands, I knew almost nothing of the organization and the details of the Crédit Mobilier, or of the value of its stock, but then saw that there was abundant ground for further trouble and litigation, and as one of the results sold out my interest, and have at no time since been in any manner interested in the Crédit Mobilier, nor did I at any time or in any manner have any interest of any kind or character in said Company other than as hereinbefore stated. So far as Mr. Ames is concerned, his action was the result of my application to him for the purchase of the stock. My action was induced solely by the conversations had with McComb, who was actuated, as I understand, by what he denounced as a gross injustice practiced on him by the Company, and it was well known to both of them, as it was to everybody, that my connection with Congress would end with my third term. The reports of the testimony given before this Committee, as published in the newspapers, show that Mr. McComb has testified that he had requested Mr. Ames to let me have some Credit Mobilier stock. Not one word of this ever came to my knowledge from him, Mr. Ames, or any other person, except as I have related in this statement, and I desire here to recall the fact that when the transaction above related occurred the whole country resounded with praises of the energy manifested by the constructors of the Union Pacific Railroad. They had pushed the work with great vigor and under great difficulties. In March, 1868, the chief engineer, in reviewing the difficulties attending, told the country that "during the past two years the road had been built through the Indian country with all the tribes banded together and hostile; our best and ablest men had been killed; our cars, stations, and ranches burned; our men driven off and our stock stolen. Graders and track-layers, tiemen and station-builders, have had to sleep under guard, and have gone to their work in the daytime with their picks and shovels and their mechanical tools in one hand and their rifles in the other, and they have often to drop the one and use the other. The graders went to their work as soldiers, stacked their arms by the cuts, and worked all day by hostile bands of Indians in view, ready to pounce upon them, and kill and scalp any unlucky or negligent person who gave them an opportunity." Down to this time the interest on the bonds advanced by the Government had been paid by the Company, and with only about 400 miles of the road completed. There had been saved to the Government in the cost of transportation for the year 1867 over $1,500,000. Every person seemed satisfied with what was being done, and astonished at the results produced. These facts, together with the recognized high character of most of the gentlemen connected with the enterprise, were sufficient to satisfy any person unlearned in the data which those versed in the secrets of the Credit Mobilier in purchasing stock in either company possessed; and it will be remembered that the praises of what was being done swelled on until they burst forth in the ringing of bells and firing of cannons all over the country.

A LIBERAL PROFIT.

The witness then testified, in answer to questions of Judge Poland, that he sold the stock, carrying the dividends with it; to the best of his memory he realized a profit of $8,000 on the stock; knew nothing about any other members of Congress having held stock; as a Government director of the Union Pacific Railroad he desired to enter his protest now against the reports going round the country that the Government would lose its investment in that road; he had no doubt the road would be able to pay back every dollar; neither Mr Ames, Mr. McComb, nor any one else attempted to influence the action of witness as a member of Congress; did not know at first whether he had a profit or a loss on the stock; would act again exactly as he did under the same state of facts.

TESTIMONY OF COMMODORE GARRISON.

Commodore C. K. Garrison was then sworn, and testified that he never was connected with the Credit Mobilier or the Union Pacific Railroad to the amount of $1 either directly or indirectly; was entirely ignorant of any dealings of any member of Congress or any Senator in the stock; Mr. Brooks introduced Mr. Durant to witness; Durant desired him (witness) to take an interest in the Union Pacific Railroad; after considering the matter he declined; understood that Mr. Durant desired to dispose of a portion of the stock to New-Yorkers; did not remember of having application made to him to take Credit Mobilier stock; had no knowledge of either Mr. Brooks or his son-in-law holding any Credit Mobilier stock.

To Mr. Merrick—Have been familiar with Mr. Brooks 20 years.

In answer to a question of Judge Poland as to what he believed of certain statements he had heard, the witness replied: "Oh, well, you can't believe everything you hear, gentlemen; if I was to believe all that I hear I should believe one-half of you gentlemen in Congress were interested in the road." [Laughter.]

TESTIMONY OF G. W. KENNEDY.

George W. Kennedy sworn: Resides in North Easton,

See Fifth Page.

SENATORIAL BRIBERY.

THE CALDWELL INVESTIGATION.

CORRUPTION OF THE KANSAS LEGISLATURE—HOW A PROBABLE COMPETITOR WAS BOUGHT OFF—MONEY LYING AROUND LOOSE—A SIXTY THOUSAND DOLLAR ELECTION—THE TRICKS AND MANNERS OF CALDWELL'S RETAINERS.

[FROM THE REGULAR CORRESPONDENT OF THE TRIBUNE.]

WASHINGTON, Jan. 19.—The Caldwell investigation was continued yesterday morning by the Senate Committee on Privileges and Elections. Senator Caldwell informed the Committee that, as he was sick, he desired this meeting to be postponed until Monday. Senator Morton said that the Committee had so much business before it that it would be impossible to do so. Judge Crozier, Senator Caldwell's counsel, was, however, present, and the investigation proceeded by the examination of ex-Gov. Carney of Leavenworth, Kansas. Before beginning his testimony, Gov. Carney said that there were certain transactions between men that ought to be regarded as secret, and he was sorry that some things of such a character which took place between himself, Mr. Caldwell, and Len. T. Smith had already been revealed by Smith and Caldwell. Gov. Carney added that he had avoided going to Topeka when the Legislative investigation took place there on account of the secrecy of the arrangements referred to. Senator Morton remarked that Gov. Carney was not present as a voluntary witness, but was bound to tell all he knew about the matter under investigation. His testimony was substantially as follows:

Some time before the meeting of the Legislature, perhaps a week or ten days, the witness was told by Mr. Scott, a banker at Leavenworth, that Mr. Caldwell and Mr. Smith would like to see him. He met them at the First National Bank, and at that interview Mr. Caldwell said that he was a candidate for the United States Senatorship, and wished to know if witness intended also to be a candidate. Carney replied, expressing some surprise at the question, that he should not. Caldwell then asked for his support. Carney said that he could not promise that. He had long been before the people of Kansas, and if he owed political service to anybody it was to those who had given him support in times past. On some accounts he would prefer the election of Clarke to Caldwell; there were some respectable people in Kansas who desired Clarke's election, but he knew of no one who desired to see Caldwell succeed. Caldwell replied that the witness was mistaken; he had been talking around among the members elect of the Legislature, and was convinced that the time had come for Leavenworth to secure a Senator. If a Leavenworth man went into the canvass with money and means, he could be elected, and he, Caldwell, was prepared to win in the coming contest. He continued to press witness for his support, offering him political patronage and other considerations. Carney said that there was only one consideration on which he could support Caldwell. His political expenses during many years past had been heavy, and his support would now be simply a matter of dollars and cents; he would do it for $15,000. Caldwell said that he would give him $15,000 when he was elected. That Carney would not agree to, and so the matter ended for the time.

When the Legislature met, Carney did not go to Topeka for several days. During the latter part of the week when he did go, and on the evening of his arrival, Len. Smith called upon him, and said that the canvass was proceeding so favorably that witness's assistance was the only thing necessary to insure success. The next day Carney called together the Leavenworth delegation for consultation. Three members of that delegation were in favor of Mr. Caldwell's election, and they were the only members of the Legislature whom Carney knew of who were his supporters. Some of the delegation pressed Carney to allow his name to be used. This he refused to do, saying that if he was a candidate both he and Caldwell would be defeated. It was currently reported that Caldwell would spend $250,000, and he, Carney, would have no chance. Carney afterward called together some of his other friends in the Legislature and similar consultations took place. A number of these latter gentlemen then called upon Mr. Caldwell, and on their return told Gov. Carney that they had come to the same conclusion that he had, and that he had better not stand as a candidate. Soon after this Carney told Smith that he would accept his offer of $15,000. The bargain was concluded, and Smith asked as a favor that Carney would take his note at 30 days for $10,000, and his due-bill for $5,000, the latter to be paid when Caldwell was elected. The $10,000 note was paid at maturity, but the $5,000 was not paid until some time last Spring. These negotiations took place between Smith and Carney alone, but the witness knew that Caldwell was a party to them, because he had asked Smith to pay the due-bill, and Smith replied that Caldwell was to pay it. Carney afterward had several conversations with Caldwell about this $5,000. On one occasion Caldwell said that the Kansas Pacific Railroad owed him some money as a part of his election expenses, but that they had not paid it, and that the railroad would not get any legislation, as far as he was concerned, until they did pay it.

Gov. Carney denied positively Len. Smith's statement that Smith had paid him $7,000. The circumstances in connection with that $7,000 check, according to Gov. Carney, were as follows: About the 23d of January, Mr. T. J. Anderson came into the room which was used for the meetings of Caldwell's Campaign Committee, and said to Len. Smith, in witness's presence, that he must have $7,000 that evening. Smith replied that he did not have it. Anderson said that a check would do, but that he must at all events have the money. Smith then gave Anderson a paper which witness supposed was a check. Anderson went away, and in about 15 minutes returned and said that the persons for whom the money was obtained would be willing enough to take the check at ordinary times, but these were political times, and they would prefer the money. Len. Smith then became very angry, tore up the check, and said that they might go to the d—l. Anderson and Smith then had a conversation apart, after which Smith asked Carney if he would indorse his check on Scott & Co. for $7,000. He did so. Anderson went out, and soon after returned with a small package done up in a newspaper and looking very much like money. This package Anderson left on a table in a private room, and several hours after remarked that somebody had taken that package. Smith replied that no fuss had better be made about it until after the election. Witness had an idea that the package contained money, and that it was intended for somebody.

Caldwell has told the witness that his election had cost him more than $60,000, and that he owed his election to him and his friends. When the canvass was in progress, Caldwell told the witness that if, after his election, any of his friends desired anything, he hoped they would call upon him. Some of Carney's friends did write to Caldwell, and sent the letters through Carney, who indorsed the requests they obtained. At one time, Caldwell called on Gov. Carney, at his store, and, taking out of his pocket a memorandum-book, after examining it, remarked that he did not owe certain men, whom he named, anything, for he had paid them for their votes. To one member of the Legislature, Byers by name, Caldwell said he had paid $2,500. At one time, some one remarked that Legate was an expensive member. Caldwell replied that he was not, and that he only cost $1,000.

Gov. Carney was then questioned by various members of the Committee in regard to several points of his testimony. At an early interview between Smith, Caldwell, and Carney, Smith told Caldwell that he had already involved him to the amount of $40,000. Caldwell remarked that this was a large sum, and asked Carney how much he thought the election would cost. Carney replied that he had no doubt that he could carry the election for the sum it was currently reported he was willing to spend ($250,000). Smith then told Caldwell that it was necessary to have courage, and put out money so that he should lead on the first ballot, and that if Caldwell would allow him to go on he would secure his election, or would pay half the expenses. The witness also remembered hearing Smith tell T. J. Anderson, when the latter asked for money for members of the Legislature, that they had used all the currency there was in the banks, but that they had sent for more, and that the members must be patient. Anderson was employed by Caldwell and Smith to secure votes; he was to get them in any way he could, by the use of money, if necessary. On one occasion, Smith said that the Kansas Pacific Railroad had paid him $10,000; Gov. Carney supposed at the time that it was money contributed by the Company to assist Caldwell. Carney repeated the description given by a previous witness of the manner of conducting the business of Caldwell's Campaign Committee. Carney labored with his own friends in the Legislature, and on some occasions when he was talking with them they would say they understood that everybody was being paid for votes; that they would have to defend their action at home and that if Caldwell wanted their votes, he must pay for them. Carney was in the habit of reporting these cases to the Committee or to Len Smith, and Anderson was generally appointed to look after them. One member of the Legislature, named Williams, was in considerable trouble about whom he should vote for, and was a long time in doubt. At last this man came to Gen. Carney and asked his opinion of Smith's responsibility. He said that he had concluded to vote for Caldwell, and that Smith had agreed to give him some money. Carney told him that Len Smith's credit was good. George Smith said in Carney's hearing, one day before the election that he had made an arrangement with a Mr. Butler for his vote for Caldwell. He said that Butler owed a note for $850 to the firm of which he was a partner, and that he had been obliged to give up that note to Butler. Gov. Carney was asked if he knew or had heard of the payment of any money to Sidney Clarke for his expenses. He replied that he did not. In the evening after the first ballot had been taken, Len Smith came into a room where Carney was, and asked for Caldwell. Some one replied that he was probably with Clarke. Smith exclaimed, "What the devil is he doing there? I have reckoned with all his men." On another occasion Carney heard Len Smith say that if he was in Caldwell's place he would not give Clarke a cent. It was generally understood that some arrangement had been made between them. Two or three days before the election a Mr. Manning, a member of the Legislature, called on Carney to ask his advice about voting. Carney told him that between Clarke and Caldwell he had better vote for the latter. Manning said that he would not take any of Caldwell's money, but that if he could get a loan of $2,000 for two or three years, on his own note responsibly indorsed, he would vote for Caldwell. Carney mentioned the matter to Caldwell, and he said that he should be glad to give Manning such a loan. After the election Caldwell said that he did not have the money and could not, therefore, lend it. In closing his testimony Carney said that the Senatorial campaign of 1871, was a very dirty and very disgraceful one.

Mr. Fletcher, who was examined about a week ago, was recalled to testify in regard to some conversation with T. J. Anderson about a note of $3,500, which Caldwell was to pay for him.

Mr. Anthony, also examined early last week, was recalled, and gave further evidence touching his conversations with T. J. Anderson at the time the Legislative investigation was in progress last Winter. He swore Anderson told him that the $7,000 in regard to which Carney had testified was left on the table in Gov. Carney's private room; that it was intended for the Doniphan County delegation (seven members), and that Sol. Miller of that delegation put it into his pocket and took it away.

Wm. S. Burke, editor of *The Leavenworth Bulletin*, Caldwell's newspaper organ, gave some particulars of his dealings with Caldwell during the campaign, but it did not appear from the testimony that Caldwell had done anything improper in connection with that journal. He lent the editor money, and in return the latter printed and distributed a great number of extra sheets in Caldwell's interest. Incidentally, Burke remarked that Caldwell once told him that the election cost about twice as much as the salary for the whole Senatorial term would amount to.

Mr. Snead, a member of the Legislature which elected Caldwell, was never offered directly any money for his vote, though there was a conversation that he interpreted that way. Caldwell did, however, promise to give him the disposal of the Receivership of the Land Office of his district for his vote. After the election Caldwell failed to redeem his promise.

Gov. Carney is to be cross-examined to-morrow.

MR. CALDWELL'S DEFENSE.

[BY TELEGRAPH TO THE TRIBUNE.]

WASHINGTON, Jan. 19.—The Caldwell investigation will probably close this week, but it is not likely a report from the Committee will be submitted to the Senate until the following week. The examination on behalf of the accused will begin to-morrow, after the cross-examination of Gov. Carney. About 25 witnesses have been summoned, 8 or 10 of whom are already here, but it is not thought the examination will be a long one. Mr. Caldwell will probably begin his defense on his own behalf on Wednesday.

WASHINGTON.

THE BOWEN-DE LARGE ELECTION CONTEST.

[GENERAL PRESS DISPATCH.]

WASHINGTON, Jan. 19, 1873.

The report of the Committee on Elections in the case of Christopher C. Bowen, contesting the seat of Robert C. De Large from the IId Congress District of South Carolina, says the Committee find upon the whole evidence that Mr. De Large did not receive a majority of votes legally cast, and is not entitled to the seat. The case came before the Committee to be heard at the December session of 1871 and 1872. Mr. De Large then applied for a postponement and for leave to take further testimony, on the ground that the counsel employed by him to prepare his case and take testimony in his behalf had possession of the evidence and refused to surrender the same to be used before the Committee; and further that said counsel had been tampered with and bribed by Bowen to act for him. The Committee found both these allegations to be proved. Some of the Committee are of opinion that this proceeding, which would furnish ground for the expulsion of the contestant if he were a member, would justify a refusal to permit him to proceed with the contest or award him the seat. An examination of all the testimony and the statements on both sides show the frauds and irregularities in the conduct of the election were so great that it is impossible to determine which had the majority of the ballots legally cast, and for this reason the seat should be declared vacant. It further appears that on Oct. 19, 1870, on the same day when he claims to have been elected to the House of Representatives, the contestant was chosen a member of the House of Representatives of the State of South Carolina for a period of two years, and on the 1st of November took his seat as a member of the said House. It further appears that in 1872 Bowen was elected Sheriff of Charleston for a term of four years, and in November last took the oath of office and entered upon the duties of the same, and which office he now holds. These offices are in their nature incompatible with the office of member of this House, and are expressly declared to be so by the Constitution of South Carolina. Some of the Committee are of the opinion that the acceptance of this office by Bowen disqualifies him from the further prosecution of a claim to a seat, and from taking a seat therein if he should be found to have been duly elected. While the Committee are unanimous in finding these facts, they are not unanimous in holding that either one of the reasons aforesaid is sufficient of itself to disqualify the contestant, but they are unanimously of the opinion on the whole case that Mr. Bowen is not entitled to the seat, and therefore recommend the adoption of a resolution that neither De Large nor Bowen is entitled to the seat.

WASHINGTON NOTES.

[BY TELEGRAPH TO THE TRIBUNE.]

WASHINGTON, Jan. 19, 1873.

A good deal of interest is felt among Congressmen in regard to the probable action of the Senate on the credentials of the rival Senators from Louisiana, who are expected to arrive in Washington to-morrow. This contest will involve the legality of the two Legislatures in the State, and, incidentally, the regularity of all the recent revolutionary proceedings there; and as the whole Louisiana matter has been referred to the Committee on Privileges, to whom also the certificates of these men will be sent, it is fair to conclude that no action will be taken by that Committee until they have completed their investigation, so that Louisiana will probably have no representative in the Senate in Mr. Kellogg's place until the last days of the session, if at all.

[GENERAL PRESS DISPATCH.]

The House yesterday passed the Senate bill to quiet the titles to certain lands by a vote of 94 Yeas to 70 Nays. The bill provides that the title to the lands in the State of Iowa, heretofore approved and testified by the Department of the Interior for railroad purposes, to aid in the construction of a railroad from the City of Davenport via Iowa City to Council Bluffs, under the grants made by Congress, according to the adjustments thereof made at the General Land Office, shall be confirmed to the Mississippi and Missouri Railroad Company, and the Chicago, Rock Island and Pacific Railroad Company and their assigns, the corporations to whom the lands were certified. This act is to be construed as conveying only any reversionary or other interest which the United States may have in the lands, and all lands settled upon in good faith and now occupied by homesteads or preemption settlers are to be excluded from its operations.

INDIAN TROUBLES.

CHEYENNE, Jan. 19.—The Indians stole five horses from John Phillip's ranche, near Fort Laramie, last night, and retreated to the northern country, out of reach of pursuit. The citizens of this neighborhood are anxious that the Government should reëstablish military posts at Forts Phil. Kearney, Reno, and F. C. Smith, and keep the Indians on the reservation. Such action would open to settlement the best part of Wyoming and guarantee the safety of the lives and property of settlers.

ALBANY.

LEGISLATIVE PROSPECTS.

WHAT HAS BEEN DONE—THE CHANCES OF THE CUSTOM-HOUSE CHARTER—AN UNCOMPROMISING MAYOR—THE RAILROAD SITUATION.

[FROM A REGULAR CORRESPONDENT OF THE TRIBUNE.]

ALBANY, Jan. 19.—Beyond the organization of the Assembly, the appointment of the standing committees of the two Houses, and the settlement of the question who is to be United States Senator for the next six years, the first two weeks of the Legislature of 1873 have developed nothing of special interest, and have not foreshadowed with any degree of certainty what is proposed to be done in the future. The unanimous verdict thus far is that affairs at the capital are unprecedentedly dull. The crowd of volunteer patriots who annually come to Albany to represent their constituents in the Third House is thinner than has been known for several years. Since the withdrawal of the army of Federal office-holders, who made their appearance here at the beginning of the session to see that the Assembly was rightly organized and the machine set to running in the proper groove, the streets and hotels of Albany have been nearly deserted by all except residents and those having legitimate business before the Legislature. It would not be prudent to infer, however, that this state of things is to continue. Already bills have been introduced that are calculated to draw hither a formidable lobby when the time arrives for their consideration before the committees, or before the two houses.

Prominent among them is, of course, the new charter, or the amendments to the old charter, for the City of New-York. The Assembly Committee on Cities has fixed on Wednesday afternoon for a general hearing on the merits of the charter introduced by Speaker Cornell, and variously known as the Republican Committee's charter, or the "Custom-house" charter. The Committee of Seventy has given notice of its intention to appear before the Committee in opposition to this charter, and it will also be opposed by both wings of the Democratic party, by the Liberal Republicans, and even by the Custom-house Republicans who are so unfortunate as not to be retained in office under its provisions. A charter that makes the invidious distinction of ousting from office a portion of the political friends of its framers while it retains others, will have to encounter the opposition not only of all its political foes, but of a large share of those who should be its friends. It will be a house divided against itself at the start, and will be open to the charge of inconsistency, favoritism, and the domination of a clique. The charge of inconsistency will be especially strong against the framers of the charter; and, although politicians are not accustomed to consider consistency much of a jewel, there are times when it is of almost vital necessity that they should keep up an appearance of it at least. Stripped of all false pretenses, the sole object of the framers of the Cornell Charter is to devise a method whereby New-York City, with a Democratic majority of 30,000 or over, can be put under Republican rule, or rather under the rule of one branch of the Republican party. To accomplish this object, and at the same time to keep up an appearance of non-partisanship and retain the support of the "Reform" element in New-York, has been the chief study of the Custom-house politicians ever since the election. They were bound to have the offices at all hazards, and they hoped to get possession of them in a way that would delude the people into the belief that they took them not as politicians eager for place, but as disinterested "reformers," to whom the acceptance of office was a duty but by no means a pleasure. They talked about their "responsibility" for the future government of New-York—as having been the successful party at the election—and hinted occasionally that wherever there was responsibility there ought also to be power. They did not mean by this to convey the idea that they held the old doctrine, "To the victors belong the spoils." Oh! no. Their only meaning was that in carrying out true "reform" there must necessarily be a change in all officials who served under the "Ring," and that in making that change it would be in accordance with the expectations of the people that those who had shouted the battle cry of reform and been victorious in the fight should be alone selected to fill the vacant places. There could not, of course, be anything partisan in this. But unfortunately for the Custom-house leaders, the man whom they chose for their Mayor puts a different interpretation on the theory of the campaign which resulted in his election. His idea of reforming the City Government is to select honest men to fill the offices without regard to their party politics. He takes the Republican leaders at their word, and assumes that when they asked him to run for Mayor on their ticket as a reformer and non-partisan they meant it. Here is the whole difficulty in a nut-shell. The Custom-house politicians were all the time playing a partisan game, and only used Mr. Havemeyer as a decoy, while he was all the time in earnest; and, having won them their victory, is now determined to hold them to their professions. He asks that the appointment of all heads of Departments in the City Government be placed in his hands alone, and that they be subject to removal at his pleasure. In support of this demand he uses the same argument as the victorious party—that power should go with responsibility. They cannot controvert the theory of his argument, for they advance it in their own behalf, and they cannot object to him as a proper man to exercise the power, for he is the man of their own choice. This is the "fix" that the Custom-house clique appear to be in, through the necessity they were under of looking outside of their own ranks for an honest man and available candidate for Mayor. It is still an unsettled point whether they were not equally unfortunate in their selection of a candidate for Governor. So far as he has expressed himself, Gov. Dix appears to hold the same views as Mr. Havemeyer with regard to a proper charter for New-York. Whether the Republican Committee, whose charter is to come up for discussion this week, will consent to modify their bill so as to conform to the views of their Governor and Mayor is a question. They would gladly do so if they could make any arrangement or bargain with Mayor Havemeyer, whereby in making his appointments, he would give them the control of all the Departments. But Mayor Havemeyer is understood to decline making any promises or bargains in advance; and his recent action in voting for a good lawyer like Charles Shaw, as counsel to the Board of Health, in preference to a mere politician and office-holder, like Mr. Davenport—and that, too, in face of the fact that Mr. Shaw was a Liberal Republican and voted for Horace Greeley—has caused the Custom-house clique to lose all confidence in their Mayor. They are reluctantly forced to the conclusion that he cannot be "trusted." Therefore it is not probable they will yield the point in regard to appointments, but will rather insist upon the provision of the charter, which makes all appointments subject to confirmation by the Board of Aldermen. On this, as well as on other features of the charter, there is expected to be a fierce contest, the result of which at present is entirely a matter of speculation.

There is quite the usual amount of railroad legislation in prospect, both for city and country. Existing railroad corporations are well protected in the Assembly Committee on Railroads, which is said to contain no less than seven members who are either presidents or directors or salaried counsel of railroad companies. Vanderbilt's interests have been well looked after in making up the Committee, and, so far as it is concerned, he will probably enjoy the sole privilege which his agents say he craves—that of being "let alone." Vanderbilt is said to be content with what he has got, and so long as he can be protected against "strikers," he will ask nothing from the Legislature. If they will let him alone he will let them alone. And yet it is rumored that the Commodore is to be here this Winter for an amendment to his Underground charter, which shall ask the city to pay half the expense of building the road below Forty-second-st. On the other hand, among the bills that the Commodore would probably class as "strikes," the old "pro rata" freight scheme has already made its appearance again, and will have to be fought off or bought off as it has been so many times before.

TELEGRAPHIC NEWS.

....William H. Harrison, a member of Battery A, Fifth Artillery, stationed at Fort Adams, Newport, R. I., was found murdered, Saturday, on the Fort road.

....William Rule, one of the editors of *The Knoxville Daily Chronicle*, a Republican, has been elected Mayor of the city, over John S. Van Gilder, who has held the office for three years past.

....Judge Colt of Pittsfield, Mass., one of the Supreme Judicial Court of Massachusetts, was taken to the Small-pox Hospital at Roxbury, Saturday, having been attacked by the disease.

....Andrew M. Jacobs, a clerk in the Treasury Department, was found dead in the grounds of the Smithsonian Institute yesterday. A Coroner's jury found that he came to his death by cold and exposure.

....The Philadelphia Soldiers' Colony Association held a large meeting at Concert Hall, Saturday night, Col. Forney presiding. The Association numbers about 100 members, and is designed to form a settlement on one of the Pacific railroads.

....A dispatch from Martin, Ohio, says that three men were instantly killed by the boiler explosion in the saw mill of Huffman & Co., Saturday morning. They were O. Huffman, the engineer; John Hancock, and Henry Hanson. Four men were fatally injured.