THE POTTER COMMITTEE.

YESTERDAY'S TESTIMONY.

THE MATTHEWS LETTERS AND TELEGRAMS—LEVISSEE RELATES THE STORY OF THE ATTEMPT TO BRIBE HIM FOR $100,000.

When the Potter Investigating Committee met yesterday, Mr. Cox presented a number of letters and telegrams, which he said were all that Senator Matthews had in his possession on the Anderson matter. A resolution was passed inviting Mr. Matthews to appear before the committee. A. B. Levissee, of Louisiana, one of the Republican electors, then took the stand, and was questioned all day by Mr. McMahon. He told about the attempt to bribe him to vote for Tilden for $100,000, and his refusal to accept the offer. He denies that his name upon certain papers was signed by himself.

A LONG DAY'S WORK.

ALL THE LETTERS IN SENATOR MATTHEWS'S POSSESSION SENT IN TO THE COMMITTEE.

WASHINGTON, June 6.—The Potter Investigating Committee got to work at 11:40 o'clock this morning.

Mr. Cox said that he had received from Mr. Matthews a file of correspondence (completing it so far as it can be completed) between himself and Anderson, twelve papers in all. A thirteenth, he said, is in the possession of Mr. Smith, Appointment Clerk of the Treasury; it is a telegram from Mr. Smith to Senator Matthews, which Senator Matthews has not preserved, but he believes that Mr. Smith has the original draught. He continued: "These (I desire the committee to understand), Senator Matthews says, are absolutely the whole of the correspondence except one letter, which was brief and of no material importance of any kind, and which he at the time did not think it necessary to preserve, and it was allowed to be destroyed. It was of no significance as compared with the special correspondence."

Mr. Cox thereupon handed over the letters to Mr. McMahon, who examined and arranged them, and put them in evidence in the following order:

I.

CUSTOM HOUSE, NEW-ORLEANS, LA., COLLECTOR'S OFFICE, March 27, 1877.

DEAR SIR: As soon as the Commission is appointed please write me definite instructions. Nash will be here this week, and will demand possession of that agreement, after offering me (a possible) clerkship. Of course I shall decline. Shall I inform him that it is in your possession? Truly yours, JAMES E. ANDERSON.

Hon. STANLEY MATTHEWS, *etc., etc., etc.*

II.

WASHINGTON, D. C., May 1, 1877.

Hon. STANLEY MATTHEWS:

The President claims to have received no letters. I want no more correspondence and no more nonsense. Come here and settle this affair, or you can all face the music. Care nothing about documents in your possession. Answer immediately. JAMES E. ANDERSON, 73 H-st., N. W.

III.

CUSTOM HOUSE, NEW-ORLEANS, LA., COLLECTOR'S OFFICE, May 5, 1877.

MY DEAR SIR: Yours of April 27 received. The extra session, according to morning dispatches, will not meet until October 15.

Both the President and Mr. Evarts in March alleged, as their reason for not giving me an appointment as consul, that it was their policy to make no removals simply to create vacancies.

I recognize the force of this argument, especially in connection with myself. Since that time, however, there has been one removal, and half a dozen vacancies, two of them in places to which I was anxious to go. I. they are already filled it is pretty conclusive evidence that my application is a dead letter. I do not think the position to which I aspire is of sufficient importance to repay me for what I have done, nor will anything repay me, barring trouble and expense already undergone. Should I secure a position here there will be arrayed against me a class of men willing at all times to resort to any means to secure my removal. If I must remain, however, something must be done immediately, as the new Collector, the Hon. Jno. E. King, will assume charge the coming week, and will undoubtedly appoint his principal officers immediately. There are three deputy collectors. One of them, T. V. Coupland, simply signs the routine business papers of the office. It is a position any man of ordinary intelligence can fill, and I think I possess sufficient to fill any position in the building.

Hoping you will give my case the earliest consideration possible, I remain, truly yours, J. E. ANDERSON.

The Hon. STANLEY MATTHEWS, *etc., etc., etc.*

IV.

NEW-ORLEANS, May 10, 1877.

MY DEAR SIR: I presented your letter to Anderson yesterday. He informed me that two of the deputies would be retained and the third had been promised, as had also all positions that I would accept. The Ring that has controlled the Custom House for eight years has not lost is grip. I have consulted Congressman Darrad, and he has advised that I apply for the position of Appraiser of Merchandise vice C. W. Ringgold, one of West's appointments, whom nobody wishes to retain. Either the President or Secretary Sherman can make the appointment at any time. Both Darrall and Leonard would support me. If an appointment as consul were given me and no mention made by the department, it would not be known here until October, and then the public would be so engrossed with other matters as to give it little attention. I would prefer this. If anything is to be done for me I hope it will be done quickly. Should my presence be necessary, telegraph and I will come up. Yours truly, JAMES E. ANDERSON.

Hon. STANLEY MATTHEWS.

V.

[Dispatch.]

"WASHINGTON, D. C., May 25, 1877.

Hon. STANLEY MATTHEWS:

I cannot accept position offered me by Evarts. Am disgusted with the whole affair. Can you not take some step to secure my speedy appointment to some acceptable position?

Address, 73 H.-st., Northwest. ANDERSON.

VI.

WASHINGTON, D. C., June 2, 1877.

MY DEAR SIR: After my interview with the President yesterday, and while thoroughly discouraged and disheartened, I met a gentleman who holds a responsible position here, and he assured me there was no intention on the part of the Administration to provide for me. On the spur of the moment I sent a despatch which I have since thought you may misconstrue. Do not understand me as threatening you. I may have many bad qualities, but ingratitude is not one of them. I have thought of a plan by which the President can get rid of me without embarrassing himself—that is to give the appointment I ask to a gentleman whom I shall designate. He is a Baltimore a. resident of unimpeachable character, but a Democrat. I presume, however, that would not interfere. I will suggest the matter to the President on Monday. Truly yours, JAMES E. ANDERSON.

To Hon. STANLEY MATTHEWS, 73 H.-st., N. W.

VII.

"WASHINGTON, D. C., June 6, 1877.

"MY DEAR SIR: During the past week a simultaneous attack has been made on me by different newspapers throughout the country, and all sorts of charges made against me. It was inexplicable at the time, but yesterday I learned the truth. It seems that certain anti-Administration Republicans in Louisiana wrote to others here that I was in possession of documents damaging to the Administration, and suggested the manner in which I might be induced to use them. At the same time they would revenge themselves on me. Their plan was to have the papers attack me in such a manner as to force the President to throw me over. This part of the programme has been carried out. At the same time they represented to me that the President had no intention to do anything for me. I fell into the trap so far as to send you that telegram. Their impression was that I would immediately proceed to throw mud for their edification. I have told you on several occasions that I had no desire to embarrass either yourself or the President. I repeat it. As my appointment to another Consulship would do so, I have withdrawn my application, and suggested another mode to the President by which I can be taken care of. I will be in Cincinnati in a few days, and will submit it to you. I have spent all my own money and several hundred borrowed money, in a vain attempt to get something from the Government. I have undergone a strain that at times I thought would drive me mad. I shall make one more effort, and failing in that, I shall give up the fight. Very truly yours, JAMES E. ANDERSON.

To Hon. STANLEY MATTHEWS.

VIII.

[The following letter differs in some respects from the duplicate already published.]

WASHINGTON, June 19, 1877.

MY DEAR SIR: When any ward hummer, shoulder-hitter, etc., who can fill no other position, must be provided for in any seaport city he is given a position as inspector of customs. The hours are from 6 a. m. to 6 p. m.; the duties, to prevent a lot of rascally sailors from smuggling. It is necessary to stand under a broiling not sun twelve hours daily at a salary ranging from $1,095 to $1,400 per annum. This is what has been offered me, and what I have declined. I propose to wait here until Saturday, and if my case is not settled by that day, I shall take such steps as the occasion may require. Yours, etc., JAMES E. ANDERSON.

IX.

TREASURY DEPARTMENT, June 25, 1877.

MY DEAR SIR: Yours of the 22d is received, and I have seen Mr. Anderson and he declines altogether to consider the place I offered him as adequate to his expectations or his desert. He has written you a letter which I inclose this with, without having read his letter. This I do at his suggestion. Yours very truly,

T. C. H. SMITH.

P. S.—I only do this as a precaution. I have been courteous with him entirely.

X.

WASHINGTON, June 26, 1877.

MY DEAR SIR: General Smith has given me the text of your letter. I have nothing further to ask of you or the monumental fraud who occupies the White House, except to return those documents. A refusal on your part to do so will justify me in publishing (and I shall publish) your letters, in the statement I propose to make, showing how Louisiana was carried for Hayes. In one of them you specifically acknowledge their receipt. I shall remain here until Friday evening. Should they not be returned by that time, I promise you faithfully you shall hear from me—before the Ohio election.

Yours, etc.,

JAS. E. ANDERSON, 73 H-st., Northwest.

To Hon. STANLEY MATTHEWS.

XI.

THE NORTH AMERICAN, ROOMS OF THE EDITOR, PHILADELPHIA, Feb. 11, 1878.

MY DEAR SIR: I understand that Mrs. Jeaks and some other parties have called on you lately. I can only imagine what their business was, and would say that I am not responsible, directly or indirectly, for it. They were not authorized to speak for me or those with whom I am acting.

In my last I warned you of just such a state of affairs as has come to pass. Had you adopted my suggestions then (in two respects) it could have been avoided. It is not too late yet, if prompt measures are taken.

Am no applicant for, nor would I accept, any position under the Administration, and only desire to avoid the scandal that is in prospective. It is not advisable that I should come to Washington, and I think it would be worth your while to run over at the earliest day possible, or I could meet you in Baltimore. Very truly yours, JAS. E. ANDERSON.

Hon. STANLEY MATTHEWS.

XII.

[Personal.]

THE NORTH AMERICAN, N. W. CORNER SEVENTH AND CHESTNUT-STS., PHILADELPHIA, April 23, 1878.

MY DEAR SIR: In one of our interviews recently you said you knew nothing of my proposition to General Smith to cancel my claims with two appointments, and intimated it would have been acceptable.

My brother did not receive a place worth what was promised, and I suggested to General Smith, on Saturday, a means of promoting him with little trouble.

Will you, in addition to this, secure for a gentleman now connected with this paper, a $1,200 or $1,400 clerkship in the Custom House in this city? His recommendation will be of the best character, and his appointment would advance me on the paper. If you will do this, I will consider my claims fully satisfied.

You could make the arrangements with General Smith, who could notify me. Very truly yours, JAMES E. ANDERSON.

Hon. STANLEY MATTHEWS.

The papers having been all read, Mr. Butler offered the following resolution:

Resolved, That the Hon. Stanley Matthews be invited to appear before this committee at once to make such explanation as he may desire of the letters just read from Anderson to himself, and such letters of his own as have been produced before this committee, and to answer such questions as he may deem pertinent to the subject matter under investigation.

Some discussion took place with reference to Senator Matthews's desire to appear at once, and also concerning the right to subpœna a Senator. Mr. Cox thought the resolution might safely lie over for the present; it was merely a question of a little time. Mr. Morrison thought it would be courteous to strike out the words "at once."

The resolution, as modified (substituting "at his convenience" for "at once"), was adopted.

A recess took place while members of the committee went up into the hall to vote on the tobacco tax question.

LEVISSEE'S STORY OF BRIBERY.

After about half an hour, the committee came to order again. Senator Matthews had not put in an appearance, and the committee went on to examine Mr. Aaron B. Levissee, one of the Presidential electors for Louisiana. Levissee testified as follows:

My domicile is in Shreveport, La., where I have resided since 1855. I have been actually residing in Washington for over a year, my occupation being that of a gentleman and a man of leisure. I have held the office of District Judge in the Shreveport District, and was afterward (and until my resignation subsequent to the Presidential election) United States Commissioner. On the evening of the 4th of December (while out dining with Mr. Parker, the postmaster, Mr. Smith, recently appointed Collector of the port, and others), a man named Johnson called at my boarding house and manifested extreme anxiety to see me. The ladies of the house appeared very anxious to know the object of his visit, for he was much excited and seemed excessively anxious to see me, and, among some of the phrases and expression which he made use of was something like this. I do not know that I would undertake to give the precise words now after such a length of time, but one of his expressions was this. In speaking of me, he said: "I would like to be in his shoes; I would make $200,000 out of it." That is the way it was reported to me, shortly after my return the same evening. He said that it would be too late after to-morrow. This was on Monday night, the 4th of December, and the electoral vote was to be cast on the 5th.

Q.—Who first suggested the idea that you were to be bribed—you or the ladies? A.—The ladies. I was not looking for any bribe.

Q.—The ladies, therefore, caught the idea from Johnson's conversation with them? A.—And from his manner—from the whole thing. I went in and they handed me this note. Almost before I had read it the ladies (you know they are very impulsive) dashed right in to talk about it, and wanted to know what it meant.

Q.—Did you know what it meant? A.—I did not know what it meant.

Q.—Then why do you say that you pretended not to know it? A.—Perhaps I used that word unadvisedly, but I did not know what it meant any more than you would if you received such a note now. I never had any business with Mr. Johnson.

Q.—And the next day you saw him? A.—Yes; I saw Johnson the next morning; he called at the house quite early—before I had got out of my room. He asked me if I would make an appointment to see Mr. Asher. I called on Asher next morning, and we walked to a retired portion of the town, directly back from the river. The locality is occupied by poor people, blacks, etc. It is a quiet portion of the town, where we would not be noticed, and where we would not meet many persons.

Q.—Then all this conversation between you and him took place on the streets? A.—Yes.

Q.—State what took place between you and him on that occasion? A.—He commenced with some apologetic remarks—that he hoped I would not take amiss what he was about to say, for, in his view of the case, it was altogether a legitimate business, although it was one which might be misconstrued or misunderstood; but, relying on my friendship and his long acquaintance with me, etc., etc., and for various reasons of that sort. He broached the subject very slowly, and I did not hasten him. My object was to hear what he had to say, and let him develop his own plan.

Q.—You were pretty sure in your own mind that he wanted to reach you with a money proposition? A.—I believed he was coming to that; I felt very certain of it from the indications. Everything indicated to me that there was something unusual about to take place. After showing that he felt very awkward about broaching the matter, and after various apologetic remarks and explanations, he came at it in about these words: "Now, Judge, what I want to know is this—would you be willing to accept a round sum, say $30,000 or $40,000, and refuse to accept your certificate of election as elector?" That was very nearly precisely the manner in which he first presented the proposition in a tangible shape.

Q.—What reply did you make? A.—I do not think I made any immediate reply, but I talked to him in a way to show that I was considering the matter. My intention was from the first—

Mr. McMahon (interrupting)—I would rather that you would give us the words used as nearly as you can, than any inference as to their purport.

The witness—I suggested to him, after reflecting a little, and after some hemming and hawing, that that was a small consideration for so big a thing. I reminded him that a man man did not have a chance often to make a President of the United States by his single vote, or to defeat one; that it was a very big thing, and that it would be worth a large amount; that $30,000 or $40,000 was a mere bagatelle for a thing of that sort. That was the style and the manner of the conversation on my part. I only said enough to keep him talking. Of course, once in a while, Asher would have nothing to say, and would come to a pause, and then to assist him, and help him along, and keep him going, I threw in an encouraging word, leading him to believe that his proposition would be likely to receive favorable consideration.

Q.—In about what language did you give that encouraging word? A.—Just what I have been saying—that that was a small consideration, not near enough for so big a thing as that was.

Q.—Did you do that more than once? A.—I presume so. I presume that the same thing was repeated.

Q.—What answer would Asher make to that? A.—He conceded the fact that that was not enough. I told him that I thought it was just as easy to make $200,000 or $300,000 out of it as it was to take less. My object from the first was to develop the theory as fully as possible, and to find out who were concerned in it, where the money was to come from, and everything in regard to it, and whether it was really intended as a genuine proposition to bribe me. The conclusion was this, which I remember very well: S id I, "Tell your man—that is to say, your backer, whoever it is—your man who has the money—the man who is putting you forward"—that is what I meant, and that is what he understood, for I knew he had no money, and he knew that I knew that. "Tell your man that Levissee is willing to listen to a proposition of this sort, but you have not got up to his price yet." That was about what I told him on parting.

Mr. McMahon—I understood you to say that you put it at $200,000 so as to get the amount out of his reach!

The witness—That is precisely what I did. I did not want him to be able to say that he was ready to pay the amount indicated, for then what reason would I have for saying to him that I would not take it after indicating that I intended to do it. I simply wanted to leave the impression on his mind that I would take that sum.

Q.—I understood you to say that he opened right away with the proposition that you were not to accept your certificate in consideration of—say $40,000 or $50,000? A.—Yes.

Q.—Did you make up your mind right away, as soon as he made that proposition, that you did not want to return an answer to that, which he might accept? A.—Yes.

WHY LEVESSEE PUT THE PRICE UP.

Q.—And you say that you put the price up right away, for fear that he might accept it? A.—I never intended to accept any price.

Q.—So if he had accepted that $200,000 offer you would have stood by it? A.—I did not say that, but I simply thought it a better way to put the price so high that I was satisfied he would not get it.

Q.—Did you mention a higher figure than $200,000? A.—I do not think so. I do not recollect. I may have put it at $200,000 or $300,000.

Q.—You thought that the "barrel of money" was lying around loose? A.—Yes, I supposed so.

Q.—You put the price so high that you knew he would not offer and thus you secured your own virtue? A.—I had secured my own virtue aside from that.

Q.—Is not that the plain, honest truth, that you wanted to secure your own virtue? A.—I am not telling anything but the simple, honest truth.

Q.—Was not the plain, honest truth that you thought there was a big thing lying around and that if he would give you the $200,000 you would take it? A.—Yes, sir (correcting himself), no, sir. I beg your pardon, I did not say that, I want to make a central statement right there which covers the whole case, and it is not worth while for you to try to lead me off from the track one way or the other. Here is the fact. I had an intimation twenty-four hours in advance, and more than that, there was something wrong going on. These ladies' suggestion to me set me to thinking, and after reflection I was pretty well satisfied that they were correct. This put me on my guard, and accordingly I went to a friend and told him what I anticipated.

Q.—Was it to Marshal Pitkin that you went?

A.—Yes. "Now," said I, "this may be all a mistake, possibly nothing of the kind is intended, but it looks much as if there was something wrong, and I told him the circumstances. I did it with the view of getting myself beyond temptation as regards my political virtue, although you may think it strange that a man should be talking of political virtue in regard to Louisiana politics. [Laughter.]

Mr. McMahon—It does seem strange.

The witness—But it is a fact that they have political virtue somewhere, and I intended to guard mine and thereupon I put myself in such a position that, under no circumstances, could I be tempted to take any price whatever. Then I said to myself, and I said to Pitkin at the time, "If it turns out as I suspect, I shall try to manage the thing and to develope it as fully as possible and find out who they are who are wanting to bribe me, and I will find out everything concerning it." Accordingly, when Asher commenced to make his proposition, I was not surprised, for I was pretty sure that I could guess what was coming, and I was prepared to treat the question with a view of accomplishing my ends. Instead of bluffing him squarely off and threatening to have him arrested, and calling for the police or the like of that. I listened to him very patiently, and as if I was in a good mood to receive such a proposition. I left that impression on his mind. I wanted him and everybody else connected with him to understand that there was a chance for that thing to succeed. That was all the way that I was likely to find out just what there was in it—what bottom there was to it. I did not mention to him that I thought $200,000 little enough to take for so big a thing with any view of taking it, but simply to fix a price up to which he could not get, so that he could never say, "Now I have come up to your own price and I want you to comply with your agreement."

THE LOUISIANA CONSCIENCE.

Q.—What was your object in that? A.—To draw him out, to hear what he had to say, to find out where the money was, where they had it and whose money it was * * I did not wish to come to terms with him. I did not want to agree with him. I did not want him to come and say, "Here is the amount that you yourself stipulated; now, sir, comply with your words."

Mr. McMahon—Why not?

The witness—Why would a man want to fly from his word? When a man agrees to do a thing, he ought to feel bound to do it. That is my style. [Laughter.]

Mr. McMahon—Is that your answer?

The witness—Yes, sir; that is my answer. When I agree to do a thing I stand by it.

Q.—Did I not understand you a while ago to say that you went to see Marshal Pitkin for the express purpose of guarding yourself from falling from virtue, by letting him know that there was a proposition pending to bribe you? A.—Yes, sir, I suspected what was going on. I had reason to suspect that there was something wrong; "and now," said I, "I am going at 1 o'clock to see the man; I believe it is all wrong, but possibly there is nothing of the kind on hand."

Q.—And still, for fear there might be something wrong, you went and confided the secret to Marshal Pitkin? A.—Yes, sir. You know that Louisiana virtue requires to be carefully and tenderly treated. [Laughter.]

Mr. McMahon—Do you speak from observation or from consciousness? [Laughter.]

The witness—From both; both from reason and experience. Both demonstrate the fact that Louisiana needs to be carefully watched—there is no doubt of that. [Laughter.]

Mr. McMahon—If you wanted to discover Asher's backers, which you say was your prime object in your conference with him, why did you not say to him, "Bring me $40,000, and it is a bargain"?

The witness—How would that reveal to me who the backers were, or who were attempting to bribe me in the matter?

Mr. McMahon—It would be just as easy with the $40,000 as with the $200,000.

The witness—He did not offer the $40,000.

Mr. McMahon—But you said that you would take $200,000.

The witness—But I had several interviews with him after that first one, which revealed a great deal more than you have got yet. [Laughter.]

OTHER INTERVIEWS.

Mr. McMahon questioned the witness long and minutely about this first interview. He then finally came around to the second, and the witness related the facts in regard to that at considerable length. He said that they met the same night at the St. Charles Hotel; that they went out into the street; that Asher proposed to him to cast his vote directly for Tilden; that the witness demanded to know who the backers were; that Asher left him to have a consultation, and when he came back the two men walked to a certain lamp-post, where they found Hernandez, a broker of the city. Levissee said that he did not ask Hernandez about the money, but, being satisfied that he was the man that had it, walked with him a short way and then excused himself, and left Asher with him. He then told about meeting Asher subsequently, and the latter urging him to accept $100,000, which he refused. The witness was asked if it had been suggested to him that he should get up a speech and deliver it in the Electoral College, taking the high moral ground that he could not vote for Hayes.

Witness (smiling)—Yes; that was part of Asher's talk first. After he had broached the matter, and found that I didn't take offence at once, he said: "You can make yourself immortal in this country." [Laughter.] I said I thought it was a rare thing that a man could be so well paid for immortalizing himself. [Laughter.] "Now," said he, "the way to do it would be to just put that thing on high moral grounds." [Laughter.] "Take the ground that you were not elected; refuse to accept your certificate, and say to them in plain terms that you believe Tilden was elected."

THE SIGNATURES ON THE RETURNS.

The attention of the witness was next directed to the Louisiana Presidential electoral returns which were before the Electoral Commission, and have since been in the custody of the Secretary of the Senate, and he testified that in several instances where his name appeared upon the papers, it was not written by him or with his consent or knowledge. One return which was shown to the witness he identified as having been signed by him the day or the day after the vote was taken in the Electoral College, about the 7th of December. The returns on which the signature was not genuine bore the New-Orleans postmark of December 29, 1876. Adjourned.

XLVth CONGRESS—IInd SESSION.

REGULAR REPORT OF PROCEEDINGS.

CHIEF CLERK M'DONALD'S DEATH REFERRED TO—THE ARMY BILL DEBATED IN THE SENATE—THE HOUSE ADOPTS THE REDUCTION OF THE TOBACCO TAX, AND TAKES UP THE DEFICIENCY BILL.

SENATE....WASHINGTON, June 6, 1878.

In the Senate to-day, the PRESIDENT pro tempore said it was his sad duty to lay before the Senate a communication from the Secretary announcing the death of Major Wm. J. McDonald, Chief Clerk of the Senate, which occurred yesterday afternoon.

The communication having been read, Mr. ANTHONY (Rep., R. I.) in an appropriate manner alluded to the long and faithful service of Major McDonald, his courtesy to all, his usefulness as a public officer on account of his familiarity with the practice of the Senate, etc. He submitted a resolution providing for the payment out of the contingent fund of the Senate of $300 for the funeral expenses of the deceased, and a further sum equal to three months' of his annual compensation be paid to his heirs. Agreed to unanimously.

On motion of Mr. DAVIS (Ind., Ill.) the Senate now concurred in the amendments of the House of Representatives to the bill to provide for the distribution of the awards made under the convention between the United States and Mexico, concluded on the 4th of July, 1868, with a view to having a conference committee appointed.

Mr. PATTERSON (Rep., S. C.), from the Committee on Territories, reported a resolution authorizing the subcommittee having in charge the investigation in regard to bonds issued by certain railroad companies, to sit during the recess and visit the Indian Territory, for the purpose of taking testimony. Placed on the calendar.

The following were also reported and placed on the calendar:

The House bill granting a right of way to the Barataria Ship Canal Company from New-Orleans to the Gulf of Mexico.

The House bill to amend Section 3835 of the Revised Statutes, in regard to deficiencies in the accounts of Postmasters.

The Senate Bill to annex a part of Dakota to the Territory of Wyoming.

A bill creating a board to be known as the Pacific Railroad Commission.

Mr. CONOVER (Rep., Fla.) introduced a bill to provide for ocean mails in American ships. Referred to the Committee on Post Offices and Post Roads.

Mr. SARGENT (Rep., Cal.) called up his resolution providing that until otherwise ordered, each morning after the disposal of morning business, the Senate will proceed to business on the calendar, and dispose of cases thereon under the Anthony rule.

Mr. VORHEES (Dem., Ind.) said he would oppose the consideration of all bills in order that the bill to repeal the Resumption Act might be considered. He would move upon every opportunity from now until the close of the session that this matter should be disposed of.

The resolution of Mr. Sargent was then agreed to, with the understanding that it should take effect to-morrow morning.

Mr. HOWE (Rep., Wis.) called up the Senate bill relating to telegraphic communication between the United States and foreign countries. Passed.

Mr. DAVIS (Ind., Ill.) called up the Senate bill to amend the act of May 28, 1872, to provide for furnishing trusses to disabled soldiers. Passed.

Mr. HOWE (Rep., Wis.) introduced a bill to incorporate the United States Railway Mail Service Mutual Beneficial Association. Referred to the Committee on the Judiciary.

Mr. BAYARD (Dem., Del.) submitted a resolution that at 1:30 p. m. to-morrow the Senate will take a recess for two hours to enable its members to attend the funeral of the late William J. McDonald, at the Church of the Epiphany. Agreed to.

The morning business having been concluded, Mr. SPENCER (Rep., Ala.) moved to take up the River and Harbor Appropriation bill.

Mr. BLAINE (Rep., Me.) moved to take up the Army Appropriation bill.

Mr. WOORHEES (Dem., Ind.) hoped that both motions would be voted down, and gave notice that if they should be he would move to take up the bill to repeal the Specie Resumption Act.

A discussion of nearly an hour ensued as to the order of business, and especially the necessity for passing the bill to repeal the Specie Resumption Act. Mr. COCKRELL (Dem., Mo.), Mr. HEREFORD (Dem., W. Va.), and Mr. COKE (Dem., Tex.) favored the consideration of the Specie Resumption Bill; and Mr. KERNAN (Dem., N. Y.) and Mr. HILL (Dem., Ga.) favored the consideration of the Army Appropriation Bill.

Finally Mr. EDMUNDS (Rep., Vt.) called attention to the eighth rule, forbidding a discussion of the merits of any bill on a motion to take it up.

The motion to take up the River and Harbor Bill was rejected—yeas, 24; nays, 35.

The Senate then, by a vote of yeas 35, nays 23, took up the Army Appropriation Bill.

Mr. BLAINE (Rep., Me.), in charge of the bill, explained that the total amount appropriated as it came to the Senate from the House of Representatives, was $25,329,671. The Senate Committee had added $859,914. The principal item which the Senate Committee added ($301,287) was for the pay of the Army, owing to the fact that the Senate Committee on Appropriations had not agreed to the House clause cutting down the Army to 20,000 men. Another item was $150,000 for building a military post or garrison at the Foot Hills, near the Black Hills, in either Wyoming or Dakota. The committee had also stricken out the twenty-seven sections of the House bill, decreasing and changing the organization of the army, had retained the clause providing for the transfer of the Indian Bureau from the Interior to the War Department, and had stricken out the twenty-ninth section of the House bill, forbidding the employment of the army as a posse comitatus.

By unanimous consent the five minute rule was applied to all amendments except those in regard to the transfer of the Indian Bureau and forbidding the use of the army as a posse comitatus.

Mr. BLAINE said that the House, after fixing the number of men, associated to a provision that there should be no more than 20,000 enlisted men in the army at any one time, unless authorized by law. The Senate Committee on Appropriations retained this clause, changing the number to 25,000 men, and it was retained for the purpose of permanently fixing the army at 25,000 men. The Revised Statutes now fix the number at 30,000, but for several years past the appropriation bills each year have fixed the number at 25,000, and the clause above mentioned was to fix the number permanently.

Mr. ALLISON (Rep., Iowa) submitted an amendment to strike out of the House bill, the words above mentioned to fix permanently the number of enlisted men. Agreed to.

In the clause making appropriation for the expense of recruiting and transportation of recruits, etc., the committee reported an amendment providing that no money appropriated should be paid for recruiting the army beyond the number of 25,000 instead of 20,000, as the House proposed.

Mr. SARGENT (Rep., Cal.) said the amendment involved the safety of the frontier. The army was the police force on the frontier, and 25,000 men were not too many.

Mr. TELLER (Rep., Col.) also opposed the reduction, and said it was his belief that we are on the eve of the greatest Indian war the Government has ever known.

Mr. MERRIMON (Dem., N. C.) said he believed 20,000 men enough to protect the frontier.

Mr. MITCHELL (Rep. Oregon) opposed the reduction and argued that there are not enough troops to-day to protect the people of the frontier against Indian raids.

Mr. INGALLS (Rep., Kan.) said 25,000 men are too few and he would favor an amendment to increase the army to 40,000 men, which would be about one soldier to every thousand of our population.

Mr. MERRIMON (Dem., N. C.), having referred to the use of troops in elections, Mr. Edmonds (Rep., Vt.) inquired if the Senator from North Carolina knew of any troops being used now for controlling elections.

Mr. MERRIMON—I do. Not just now, though I did within a short period past.

Mr. EDMUNDS—Where?

Mr. MERRIMON—In South Carolina and Louisiana.

Mr. EDMUNDS—What did the army do in respect to controlling the elections?

Mr. MERRIMON—They stood there with arms in their hands, for the purpose of aiding those who were to determine the election in a particular way.

Mr. EDMUNDS—Does the Senator deny the fact that the Governor of a State can call upon the Federal Government for troops to put down a rebellion at home?

Mr. MERRIMON—It can be done in a lawful way.

Mr. EDMUNDS—That is just what was done, only at last the rebellion triumphed.

Mr. MERRIMON—I deny the fact, and challenge the Senator from Vermont to show it to be true.

Mr. BUTLER (Dem., S. C.) said he was not here to apologize for the improper use of the army. The soldiers were in many instances used improperly, but he suggested to his friend (Mr. Merrimon) that he visit whatever displeasure he might have upon the proper persons, and not upon the army. So far as he had observed, the soldiers of the army deported themselves with propriety and with due regard for the laws of the country. When men of character and stated that an army of 25,000 men was necessary to guard and protect the frontier, he accepted their statements, and would vote for the amendment to increase the army to 25,000 men.

The amendment of the Committee on Appropriations, increasing the army to 25,000, was then agreed to—yeas 39, nays 19, the nays being the following, all Democrats: Messrs. Bailey, Beck, Dockrell, Eaton, Eustis, Harris, Hereford, Hill, Johnston, Jones (Fla.), Lamar, McCreery, McDonald, Merrimon, Ransom, Saulsbury, Thurman, Voorhees, and Withers.

A number of other amendments were agreed to, including the one to strike out of the House bill all the Section in regard to the reorganization of the army.

Mr. BURNSIDE (Rep., R. I.) from the Committee on Military Affairs, submitted an amendment providing for the appointment of a commission consisting of two members of the Senate Committee on Military Affairs, three members of the House Committee on Military Affairs, and three officers of the Regular Army, to consider the whole subject matter of reform and reorganization, and report at the next session of Congress. Agreed to without discussion.

Mr. BAYARD (Dem., Del.) submitted the following as a substitute for the section proposing to transfer the Indian Bureau from the Interior to the War Department: "That the commission upon the reform and reorganization of the army herein provided for, shall also take into consideration and report upon the expediency of transferring the jurisdiction now possessed and exercised by the Secretary of the Interior in relation to all acts of the Commissioner of Indian Affairs, Board of Indian Commissioners, or otherwise, in relation to Indian affairs, to the Secretary of War, and report such measures as they may deem necessary and proper to effect such transfer of jurisdiction."

Mr. BAYARD spoke in support of his amendment.

Mr. BLAINE (Rep., Me.) submitted a substitute for the amendment of Mr. Bayard, as follows: "That the Commission upon the reform and reorganization of the army, hereinbefore be provided for, shall also take into consideration the transfer of the Indian Bureau from the Department of the Interior to the War Department, and, if it be judged expedient to make the transfer, said Commission shall report in detail a bill to carry the change into full effect." Mr. Blaine also moved to amend so as to provide that the Commission should consist of two members of the Senate Committee on Military Affairs, and one member of the Committee on Indian Affairs; two members of the House Committee on Military Affairs, and one member of the Committee on Indian Affairs, and three officers of the regular army.

Mr. WINDOM (Rep., Minn.) opposed the transfer of the Indian Bureau.

Mr. BLAINE then gave notice that he would, at the proper time, submit an amendment authorizing the Secretary of the Interior to appoint two civilian members of the Commission.

Mr. ALLISON (Rep., Iowa) submitted an amendment directing said Commission to consider and report upon the general Indian question. He spoke at some length in favor of the peace policy for the government of the Indians.

Pending discussion, Messrs. Dorsey, Sargent and Withers were announced as the Conference Committee on the Post Office Appropriation Bill.

The Senate then, at 5:40 o'clock, on motion of Mr. SARGENT, went into executive session, and when the doors were reopened adjourned.

HOUSE OF REPRESENTATIVES.

In the House to-day, the Senate bill, granting the use of artillery, tents, etc., to the Soldiers' Reunion, to be held at Centreville, Iowa, was passed.

A session was ordered for next Tuesday night for the consideration of reports from the Committee on Naval Affairs.

Mr. TIPTON (Rep., Ill.) introduced a bill authorizing the States of Ohio, Illinois, and Indiana to prosecute suits against the United States in the Supreme Court. Referred.

Mr. FULLER (Dem., Ind.), from the Committee on Public Lands, reported a bill declaring forfeited certain public lands granted to aid in the construction of certain railroad and telegraph lines. Ordered printed and recommitted.

A session was ordered for Friday night for debate upon the bill in regard to letter carriers.

Mr. LAPHAM (Rep., N. Y.), by request, offered a resolution for the appointment of a committee of five members to act with Senate committee, to receive, on the 22d of February, 1879, the United States Centennial safe and its contents. Adopted.

Mr. SINGLETON (Dem., Miss.), chairman of the Committee on Printing, reported back the bill for printing the agricultural report for 1877, with the Senate amendment, providing for printing 5,000 copies of the colonial charters and constitutions of the United States, and recommending nonconcurrence in the amendment.

Mr. FRYE (Rep., Me.) moved to concur, which motion was carried by a vote of 122 yeas, to 115 nays. So the bill was passed.

The Conference report on the bill making appropriations for the payment of invalid and other pensions was agreed to.

The Speaker appointed the following Conference Committees: On the Legislative Appropriation Bill, Messrs. Atkins, Durham, and Foster; on the Post Office Appropriation Bill, Messrs. Blount, Clymer, and Baker (Ind.)

The regular order being demanded, the House resumed the consideration of the bill amending the Internal Revenue laws, with Mr. Carlisle (Dem., Ky.) in the chair.

The pending question was on the amendment of Mr. Covert (Dem., N. Y.), as amended by Mr. Tucker (Dem., Va.) fixing the tax on snuff and all chewing and smoking tobacco, fine cut, cavendish, plug or twist, cut or granulated, of every description, on tobacco twisted by hand, etc., at 16 cents per pound; on cigars of all descriptions, $5 per thousand; on cigarettes weighing not more than three and a half pounds per thousand, $1 25 per thousand; and on cigarettes weighing more than three pounds per thousand, $5 per thousand.

The amendment was adopted—yeas, 137; nays, 103.

Further action on the bill was then suspended and the House went into Committee of the Whole, with Mr. Reebe (Dem., N. Y.) in the chair, on the General Deficiency Bill.

Mr. BLOUNT (Dem., Ga.) explained the provisions of the bill. The total appropriation asked for was $4,520,120. He claimed that the total saving in the appropriations in 1878 over 1876 had amounted to over $28,000,000.

Mr. FOSTER (Rep., Ohio) denied that statement. The books of the Treasury would only show a saving of $19,000,000.

Mr. CLYMER (Dem., Penn.) explained the item in regard to the pay of the Navy.

Mr. HERBERT (Dem., Ala.) spoke in opposition to the Texas Pacific Railroad Bill. He asserted that the subsidizing of the Texas Pacific was a scheme of Colonel Scott, which would not benefit the whole country, and particularly would not benefit a single Southern State east of the Mississippi River. It would be found, when the vote was reached, that it was a mistake to think that the bill would be supported by every Southern member.

Mr. WILLIS (Dem., N. Y.) explained the item in regard to paying certain Navy contracts. It was true that in entering into various contracts the Government officials had, in many cases, ignored the law, but that did not in any way interfere with the rights of the men who had rendered services to the Government. No one had a right to advocate the repudiation of the claims, and to pronounce the sentence of bankruptcy and death against the claimants. In some cases, notably the cases of Wood, Dialogue & Co., and Donald McKay, there appeared to be controversies between the contractors and the Government. Such cases, the Committee had not yet acted upon, but had left to be determined by legal tribunals. The contracts in regard to the double turret monitors conformed with all the legal requirements. So, also, were the contracts in regard to steam boilers.

Mr. WHITHORNE (Dem., Tenn.), a member of the Committee on Naval Expenditures, defended his action in refusing to give assent to the report of the Committee recommending the appropriation of $3,217,000 for the payment of the claims against the navy.

General debate upon the bill then closed, and the Committee rose and the House at 4:55 adjourned.

INAUGURATION OF GOVERNOR PRESCOTT.

CONCORD, N. H., June 6.—Governor Prescott was ina