SPAIN.

Don Carlos' Programme of Government.

Fealty to the Constitution, Foreign Recognition and a Lookout for a Loan.

TELEGRAM TO THE NEW YORK HERALD.

LONDON, March 5, 1874.

A special despatch to the *Times*, from Bayonne, contains the following intelligence, obtained from Carlist sources:—

"Don Carlos has announced that it is not his intention to impose a contribution upon the population of Bilbao when that place is taken.

"On his entrance into the city he will proceed to the cathedral and be crowned King of Spain.

"He will swear to support the liberties of the people and will constitute a government, with General Elio as President of the Council.

"An appeal will be made to the foreign powers to recognize the belligerency of the Carlists.

"He will declare the Spaniards exempt from allegiance to any other government than his own.

"He will draw $5,000,000 as the first instalment of a loan previously contracted."

RUSSIA.

Closing of Polish Churches by Order of the Imperial Government.

TELEGRAM TO THE NEW YORK HERALD.

LONDON, March 5, 1874.

A correspondent of the *Daily News* at St. Petersburg writes under date of the 28th ult. that serious rioting has occurred in Eastern Poland in consequence of the closing of the churches by order of the government.

At one place the disorder was so great that the military was called out and fired on the rioters, killing and wounding seventy persons.

TICHBORNE.

Jean Luie Committed for Perjury—Bogle, "The Black Man," Sick Unto Death.

TELEGRAM TO THE NEW YORK HERALD.

LONDON, March 5, 1874.

Jean Luie, the claimant's witness in the Tichborne case, was to-day fully committed for trial on the charge of perjury. Large crowds filled and surrounded the court room in the expectation of seeing the claimant himself on this occasion, but the latter was not allowed to appear in the Court.

AN AGED SERVANT SICK UNTO DEATH.

Andrew Bogle, the old negro servant of the Tichborne family, and one of the strongest witnesses for the claimant, has become hopelessly ill since the verdict was rendered against Orton.

THE LEHIGH VALLEY STRIKERS.

No Surrender—The Pay Car Turned Back.

WAVERLEY, N. Y., March 5, 1874.

A proposition was received here this morning that the company would restore to the strikers the ten per cent taken from their wages last December, which they refused to accept. The pay car came to the State line this evening with the officials on board, but remained on the Pennsylvania side. They proposed to pay off and discharge all who refused to work at their offer. The strikers refused to cross into Pennsylvania to receive their pay, and the pay car went back.

The strikers are firm in their demand to have the same pay as is received on the Erie road. No trains are running. The mail cars are not run, the company refusing to move them unless the trains can go with them. All the sidings between Waverley and Sayre are filled with cars, the brakes set, wheels taken off and switches spiked.

Last evening a passenger train came up to Athens, four miles from here, and was left there, with the view of returning in the morning. The strikers, learning this, went down, took possession of it and brought it up to their headquarters. No violence has occurred.

RAILROAD MEN ON STRIKE AT BUFFALO.

BUFFALO, N. Y., March 5, 1874.

Yesterday afternoon the carpenters and painters and the track hands and the freight house employés of the Erie Railway stopped work and held an indignation meeting at night which culminated in a general strike this morning until such time as the railway company shall pay their back wages, due since January 1. About 400 men waited upon the superintendent of the railway this morning and stated their grievance and their ultimatum. Not receiving any satisfactory reply, they marched in a body to Bonney's Hotel and saluted John Fehrenbatch, the President of the United Association of Machinists and Blacksmiths, who is visiting the city. The machinists and blacksmiths of the railway are not engaged in the strike, their organization preferring a different mode of redressing their wrongs.

The employés of the railway on strike held a large and enthusiastic meeting to-night. Large additions have been made to the number of strikers, until now there are no trackmen, carpenters, painters or freight house employés of the road on this division. The meeting was one of the most orderly ever held under similar circumstances. The speakers used no harsh language nor indulged in any resentment to the officers of the road here. The meeting deprecated any acts of violence towards the road or disorderly conduct in those contending for their rights. All they demanded was that they should be paid arrearages and have a fixed time set for the payment of wages, and be paid promptly.

A resolution was passed denouncing any attempt to interfere with passenger trains. The different organizations refuse to return to work until part of their number is restored the amount paid before the reduction, which was from $1 75 and $1 50 per day to $1 40 and $1 25 per day.

THE HOMOEOPATHIC COLLEGE.

Fourteenth Annual Commencement—Thirty-two Graduates Receive Diplomas—Honors to the Junior Class.

The fourteenth annual commencement of the New York Homœopathic Medical College was held last evening at Association Hall, Professor J. W. Dowling, M. D., Registrar, presiding. A large audience was in attendance, and a number of prominent homœopathic physicians, with the faculty of the college, occupied seats on the platform. The President of the Board, Salem H. Wales, was absent, and the degrees were therefore conferred by Dr. Wight, the Vice President.

The degree of doctor of medicine was conferred on the following named graduates:—George A. Adams, New Jersey; D. A. Babcock, Massachusets; R. A. Bennett, New Hampshire; J. Bowman, Michigan; F. H. Boynton, New York; L. R. Brainard, New York; E. E. Case, Connecticut; Louis B. Couch, Massachusets; O. H. Crosby, New York; G. D. Dresser, Maine; G. S. Farmer, New York; G. W. Flagg, Massachusets; T. Foote, Connecticut; Edward E. Fuller, M. D., New York; H. Gilbert, Ontario; W. W. Griffith, New York; C. B. Holmes, New York; Leander P. Jones, Connecticut; C. S. Kingsbury, New Hampshire; R. J. Krebs, Pennsylvania; O. D. Kingsley, M. D., New York; C. J. Miller, New York; W. E. Rounds, New York; H. C. Smith, New York; R. M. Stone, Iowa; E. P. Strunk, New York; W. H. Toby, New York; James E. Tuits, New York; C. E. Van Cleet, New York; Henry A. Wilcox, Vermont; S. Worth, California; H. S. York, New York.

The junior students who passed the examination in some or all of the studies of the junior course are as follows:—Richard K. Valentine, Walter W. French, Henry D. Baldwin, Edmund L. Wyman, William G. Hartley, Arthur T. Sherman, Alfred Wanstall, George A. Terhune, Henry J. Anderson, Perley H. Mason, Richard B. Sullivan, Arthur Beach, John Lance, J. M. Price, J. M. Dart, Miner W. Gallup, Frederick W. Bradbury, Arthur T. Hills, Charles E. Rowell, Francis A. Gile, Horace H. Tinker, John Merritt, Charles P. Saxton, O. L. Jenkins, Hugh M. Smith, Theodore H. Baldwin, George H. Routledge, Albert T. Piper, J. A. Winans, Rev. F. Oertel.

ASHANTEE.

The British Army Safe After Its March and Victory.

King Koffee a Prisoner in the Foreign Camp.

TELEGRAM TO THE NEW YORK HERALD.

LONDON, March 5, 1874.

Despatches have at last arrived from the Gold Coast, fully confirming previous reports of victory and dispelling the fears which were entertained for the safety of the expedition.

A ROYAL CAPTIVE.

The Ashantee King finally surrendered himself into the hands of the British troops, and was a prisoner at General Wolseley's headquarters.

INDIA.

Famine Still Pressing Among the Provincial Population.

TELEGRAM TO THE NEW YORK HERALD.

LONDON, March 5, 1874.

Despatches from Calcutta report that the distress among the famine-stricken people in Eastern Tirhoot is increasing.

In one village alone eighteen persons have starved to death within the past four days.

PUBLIC WORKS RELIEF.

The number of applicants for employment on the government relief works has increased from 15,000 to 30,000 within a week.

ENGLAND.

Parliament Reassembled in Session—Speaker Brand Re-elected—Mr. Gladstone in the Front Rank of the Opposition.

TELEGRAMS TO THE NEW YORK HERALD.

LONDON, March 5, 1874.

The new Parliament assembled to-day. The opening proceedings in the Chamber of Peers were formal and uninteresting.

THE SPEAKER RE-ELECTED.

In the House of Commons, Mr. Henry Chaplin (conservative) proposed, and Lord Cavendish seconded, a motion that the Right Hon. Henry Bouverie Brand, Speaker of the last House, be declared Speaker of the present House.

After eulogistic speeches the motion was unanimously carried. The Right Hon. Percy Herbert congratulated the Speaker in behalf of the absent Ministers, and Mr. Gladstone tendered him the compliments of the opposition.

SWEARING THE MEMBERS.

The swearing of members then began.

THE OPPOSITION LEADER CHEERED.

Mr. Gladstone was most warmly received by the liberal members when he entered the hall and took his seat on the front opposition bench.

PROBABLE ADJOURNMENT.

It is stated that Parliament will adjourn until the 19th inst.

Searching for a Guy.

LONDON, March 5, 1874.

The search of the Parliament building, which has been customary since the discovery of the Guy Fawkes' plot, was made this morning before the assemblage of the Lords and Commons.

FRANCE.

TELEGRAM TO THE NEW YORK HERALD.

PARIS, March 5, 1874.

The metallic reserve in the Bank of France has increased 22,859,000 francs during the past week.

CUBA.

Volunteers Marching to the Field—The Captain General on Board an American War Ship.

TELEGRAM TO THE NEW YORK HERALD.

HAVANA, March 5, 1874.

The remaining detachments of the first draft of mobilized volunteers left for the field yesterday and to-day.

EXECUTIVE VISIT TO AN AMERICAN WAR SHIP.

Captain General Jovellar visited the United States frigate Wabash yesterday. Salutes were fired, the yards manned and the usual courtesies exchanged. This is the first instance of a visit to a foreign man-of-war by a Captain General of Cuba.

WEATHER REPORT.

WAR DEPARTMENT,
OFFICE OF THE CHIEF SIGNAL OFFICER,
WASHINGTON, D. C., March 6—1 A. M.

Probabilities.

For New England, rising temperature, winds veering to easterly and increasing cloudiness, with rain and snow during Friday night.

FOR THE SOUTH ATLANTIC AND MIDDLE STATES AND LOWER LAKE REGION FRESH AND BRISK NORTHEAST TO SOUTHEAST WINDS, CLOUDY AND RAINY WEATHER, PARTLY AS SNOW IN THE LATTER.

For the upper lake region east to north winds, cloudy and rainy weather, partly as snow over the northern portion.

For Tennessee and the Ohio valley fresh to brisk winds, cloudy and rainy weather, clearing away on Friday afternoon and night.

For the Gulf States, southerly winds, veering to westerly, partly cloudy weather and possibly light rain.

For Missouri, clearing weather.

The Ohio River will probably rise.

The Weather in This City Yesterday.

The following record will show the changes in the temperature for the past twenty-four hours in comparison with the corresponding day of last year, as indicated by the thermometer at Hudnut's Pharmacy, HERALD Building:—

	1873.	1874.		1873.	1874.
3 A. M.	11	33	3:30 P. M.	29	47
6 A. M.	11	32	6 P. M.	25	44
9 A. M.	14	34	9 P. M.	23	40
12 M.	22	40	12 P. M.	18	36

Average temperature yesterday 38½
Average temperature for corresponding date last year 19½

LOUISIANA LEGISLATURE ADJOURNED.

NEW ORLEANS, March 5, 1874.

The sixty days' session of the Legislature terminated to-night. A large number of important bills were crowded through during the last hours of the session, among others a bill creating a new criminal court for the trial of cases of treason, murder, falsification or abstraction of election returns or other State records; a constitutional amendment to make State elections in future holden on the same day as the election of Congressmen or President, so as to perpetuate federal supervision. A constitutional amendment limiting the State and city debt. The new Registration and Election laws, previously passed by Houses passed resolutions endorsing Senator West.

It is claimed by the financial officers of the Kellogg government that the bills passed reduce the State taxation seven mills, the parish tax seven mills and the city tax nine mills—an aggregate reduction of taxes throughout the State of over two and one-fourth per cent, and reduce the expenses of the city of New Orleans $1,500,000 per year.

A CANADIAN BREWERY BURNED.

LONDON, Ontario, March 5, 1874.

The brewery of Mr. Labatts, in this place, was totally destroyed by fire this morning. The loss is about $50,000.

AMUSEMENTS.

Lyceum Theatre—Mlle. Di Murska in "Lucia."

This remarkable *bravura* singer, who unites the electric qualities of the voices of Bosio and Frezzolini with the sympathetic expression of Lagrange and Lucca, made her first appearance since her return from Havana, before the New York public last night. Notwithstanding the abundant feast of opera which the public are being regaled with this season and the meagre announcements made of this extremely short season—two nights and a matinée—there was a very good audience present to welcome back the prima donna. Her impersonation of Lucia resembles to a great extent that of Bosio, with a greater wealth of fluid ornamentation in the music than even the famous *coloratura* singer gave it. Her extraordinary voice—extraordinary on account of its compass, flexibility, agility in execution and electrical effect in its very tone—was in its best condition, and from the opening aria, "Regnava nel Silenzio," to the close of the mad scene in the third act, Mlle. Di Murska enchained the attention of the audience. In every aria she introduced variations and cadenzas of the most difficult and yet appropriate character, the execution of which in the hands of any other prima donna would be anything but successful. Ease of execution, brilliancy of tone and absolute correctness mark the voice of Di Murska above that of her contemporaries, Nilsson and Patti alone excepted. It is only to be regretted that an artist of such surpassing ability should never have had the opportunity of appearing in Italian opera at the Academy of Music, the recognized home of opera in this city. Signor Vizzani sung the music of Edgardo very commendably, and seems to have gained to a certain extent in voice and acting during his absence from New York. Messrs. Mari and Reina, the Ashton and Raymond, are well known to the public of this city as being the fortunate possessors of voices of the most terrific kind in regard to quantity of tone. Their numerous admirers may be assured of the fact that their voices have lost nothing in power since they last appeared here. Signor Testa made a great deal more of the *rôle* of Arthur than such a small part generally receives on the American boards. The chorus and orchestra were under the direction of Mr. Maretzek. This evening Mlle. Sorsi, a new aspirant for operatic honors in this city, will make her début in "Faust."

Mme. Nilsson appears to-night at the Academy in "Trovatore," and Mme. Lucca, at the Stadt, in "Fra Diavolo."

"Medea" at Booth's Theatre.

The representation of "Medea" brought to this house an unusually large audience. This passionate story of love, despair and revenge will always exercise a powerful influence on the human heart because of the terrible vividness with which it paints the most intense emotions of the human breast. Medea is one of those *rôles* in which there can be for the actress no medium between success and failure. Without thought and discipline the most touching scenes would lose their magic power. Special difficulties lie in the way of Mme. Janauschek's success. She is a foreigner, with only a limited knowledge of the English language, and her enunciation, though distinct, is tinged with a foreign accent, which mars the beauty of the text. But so great is the effect of the naturalness, simplicity and force with which every varying emotion is shown, that the auditor is almost unconscious of the unaccustomed accent which strikes on his ear. Yet one cannot help regretting that the genius of the actress should be fettered even in a slight degree by want of thorough mastery of our language. In all the stronger passages, where love or hate had to be simulated, the triumph of Mme. Janauschek was complete. There was a terrific power and intensity expressed in tone, glance and gesture, yet in the stormiest scenes there was never even an approach to rant. The passions painted were real human passions—deep, fierce, burning, but self-contained and concentrated, as is all real passion, until their mere portrayal sent a shudder through the blood. The lovers of strong emotions must last night have left Booth's contented, and no doubt many impressionable persons had their hearts torn by the grand mimic pictures of all-absorbing sorrow presented to them by the gifted actress. Mr. Levick appeared in the *rôle* of Jason. The orchestra, under the direction of Mr. Mollenhauer, came to the relief of the harrowed feelings of the audience with a varied selection of popular music.

Musical and Dramatic Notes.

Wallack's "Veteran" will soon be again presented to the public.

Monsieur Alphonse's appearance has been postponed through "Charity."

Aimée will begin her farewell engagement in this city on the 9th of March.

Daly says "Charity" is a success. He ought to know. Charity sometimes pays.

Lydia Thompson and her blondes have been creating a sensation at St. Louis.

Mme. Janauschek appears to-night as Deborah, to-morrow night as Lady Macbeth.

"Over the Plains" is the title of a new drama to be produced on Monday at the Bowery.

The veteran Gilbert will reappear on Saturday night at Wallack's in the "Heir-at-Law."

This is the last night of "Money" at Wallack's. There will be a matinée performance to-morrow.

Shell Barry appears to-night in his new drama, "Even Unto Death," at the New Park Theatre, Brooklyn.

OBITUARY.

Morgan Bates.

From Detroit, Mich., we have particulars of the death of Morgan Bates, ex-Lieutenant Governor of Michigan and a veteran editor and publisher, which event occurred at Grand Traverse, in the above named State, on Monday, 2d inst.

Mr. Bates was sixty-eight years of age at the moment of his decease. He was born in Warren county, New York, and served his apprenticeship as a printer at Sandy Hill, Warren county, in an office owned by the father of Judge Emmons, of the United States Circuit Court. At the age of nineteen years he became the proprietor of a small paper published at Warren, Pa., which he maintained for several years.

The Detroit *Post* supplies the following interesting reminiscences of Mr. Bates' business life and of his political and official experiences:—When Horace Greeley went to New York and got into business there he became acquainted with and soon formed a friendship for Morgan Bates, which lasted so long as they both lived. When Mr. Greeley started the *New Yorker*, in 1834, Mr. Bates became one of the workmen thereon. He continued in Mr. Greeley's employ from 1834 till 1837, when he came to Detroit, became first foreman in the old Detroit *Advertiser* office, and then went into partnership with William Harsha, in the book and job printing business. In 1839 Mr. Bates formed a partnership with George Dawson, the present proprietor of the Albany *Journal*. The two purchased the Detroit *Advertiser*, and conducted it with great vigor and success. In 1841 Dawson retired and Bates became sole proprietor. In 1843 he sold out and retired from the business with what, for those times, was a handsome competency. Being an ardent and very sanguine whig politician he could not let politics alone; and in 1844 he met very heavily upon the result of the Presidential election, and became so embarrassed as to speedily lose all his property. In 1845 he went back to New York, and went to work again as a printer, in the office of the New York *Tribune*, with his old friend Greeley. In 1849, when the California gold hunting excitement was at its first height, he borrowed money of Greeley to go to the Pacific in search of another fortune. For this loan he gave Mr. Greeley a mortgage on forty acres of land in Michigan, owned by his wife. Mr. Greeley, who was never a good business man, sold this land at a loss, though it presently became worth more than the mortgage. While in California Mr. Bates purchased, on credit, the *Alta Californian*, which was not then making money. In his hands it did not succeed any better. California was a peculiar country and required peculiar journalism. Until a race of young and peculiarly gifted journalists sprung up, who threw aside the old rules, and made California journalism a new species, so to speak, the profession did not flourish, though it has since grown to great proportions. In about a year Mr. Bates relinquished the office to his creditors; and, in 1851 he returned to Michigan, with some means. In 1853 he essayed California again, but his prospects of success not appearing good he returned to Detroit in 1854. In 1857 he became a clerk in the office of the Auditor General, under Whitney Jones, in which position he remained about a year. He then purchased a small printing office and removed to Grand Traverse, where he established the Grand Traverse *Herald*, now a flourishing journal. In 1861 he was appointed by President Lincoln Register of the United States Land Office at Grand Traverse, which office he continued to hold until his death. In 1868 he was elected Lieutenant Governor of the State, being re-elected in 1870, and serving two terms. There was, at the time of his first election, a dispute as to whether he could hold the office, and continue to also hold the office of Register of the Land Office, under the United States. But our State constitution only forbids members of the Legislature to hold National offices, and it was decided that the Lieutenant Governor does not fall within the prohibition. The life of Morgan Bates, as will be seen by this brief sketch, was an exceedingly busy one. He had a fair faculty for acquiring property, but not so good a faculty for keeping it. He died, however, in possession of a fair competence, as we are informed. He was a man who had many friends, among them a number distinguished in politics and in business. His death will be sincerely regretted by all classes of people of the State, by whom he was highly respected and esteemed."

REVENUE ABUSES.

The Famous Case of Phelps, Dodge & Co. Reviewed.

TREASURY TERRORISM.

Special Agent Jayne's Skill—The System of Espionage, Intimidation and Mystery Employed—Testimony Before the Committee of Ways and Means.

WASHINGTON, March 5, 1874.

The Committee of Ways and Means resumed its session on the moiety question this morning. The persons present from New York are Jackson S. Schultz, D. C. Robbins, John Austin Stevens, S. B. Eaton and Cephas Brainerd, representing the Chamber of Commerce. There were also present, in addition to those previously mentioned, John D. Jones, William H. Lee, Josiah O. Low and Samuel D. Babcock.

Mr. J. A. Stevens has received a letter from Henry Vining, of the Philadelphia Board of Trade, in which he says that Philadelphia is in unison with her sister cities with regard to the customs laws. As chairman of a committee of the Board of Trade he drafted a memorial to Congress which will soon be presented. The memorial is as follows:—

The Philadelphia Board of Trade respectfully represent that the customs laws are confused and difficult to understand, and that the proceedings of informers and government officers, acting under these laws, have sometimes been high-handed and offensive to the moral sense of the mercantile community, and, consequently, injurious to the government itself, which has thereby been brought into disrepute. Your memorialists therefore pray Congress to revise the said laws, and amend them so that honest importers may not be injured in property and reputation by proceedings instituted at the instigation of men who are actuated by the hope of pecuniary profit to themselves rather than by a desire to promote the public good.

Benjamin F. Nourse, representing the Boston National Board of Trade, after a few preliminary remarks as to the purpose of his appearance before the committee in connection with a change in the customs laws, suggested that, as the firm of Phelps, Dodge & Co. had been assailed here, it was but right Mr. Dodge should be heard, and for this purpose he would yield to that gentleman.

TESTIMONY OF WILLIAM E. DODGE.

William E. Dodge said it was not his intention to trouble the committee with his case, but this seemed to be now rendered necessary after the extraordinary course of Special Agent Jayne, who had spoken to the committee concerning what he called duplicate and fraudulent invoices, with injustice to himself and to his firm. He had occupied the position of a merchant for fifty years, but had not, until lately, been assailed and maltreated by the officers of our own government, one of whom had made statements for the purpose of satisfying the committee that a great wrong had been committed by his firm. Mr. Dodge said, after their case had been before the public some time, they had paid the money. The press, notwithstanding all the circumstances, made unfavorable comments; rather than subject themselves to a suit for $1,000,000 they paid the $271,000 demanded. He said then and now that a great injustice had been done them. He mentioned to the attorney that Jayne could write or sign a letter saying that, instead of letting the matter go to Court, where there might be a formal judgment for $1,000,000, the payment of $271,000—the total value of the goods—was not the amount of money they owed, but that the sum of $1,640 or $6,000 of undervaluation was all the government was entitled to receive. The attorney took this paper to Jayne, and afterwards reported that Jayne acted in an ugly manner regarding it.

THE WORKING OF THE LAW.

Mr. Dodge then showed the committee the working of the law, saying, at the present time, and without any agency on the part of his firm, an attempt was made to again parade their case before the public as one of the most terrible that had ever occurred under the customs service, and attempts were also made to show there was evidence beyond all question that there had been premeditated fraud for a series of years. Such efforts to injure the firm were traced to those who participated in the division of the money, and it was said the case was to be brought to the attention of Congress, where it would be shown that the firm was composed of men who had deliberately undertaken to defraud the government. All this was done to strengthen the system which had placed money in the hands of the accuser. How could a firm which had been pursuing business for forty or fifty years, and had always sustained a reputation for honest dealing, not only with the government, but with individuals, and which had never had any difficulty with the government until now—how could such a firm, for the sake of saving a few hundred dollars, descend to such things as had been charged against it. This firm had imported goods to the value of from $400,000,000 to $500,000,000, and paid more than $50,000,000 in duties. Its good name had never been assailed until it was assailed by government officers. If errors or even frauds were suspected, the persons suspected should have an opportunity to explain before legal proceedings were instituted. As the Custom House was managed a fourth of a century ago, the chief executive officer would have sent for a member of the firm and asked him to go before an attorney or solicitor, or heard a statement himself before deciding on a judicial course.

FIRST MEETING WITH THE INFORMER.

The first knowledge or hint that ever crossed his mind that he was accused of any fraud or commission of business wrong was when he was sitting at the board of one of their public institution. He was asked to come to the Custom House. There, for the first time, he confronted this Jayne. The then District Attorney, Judge Davis, was also present. Mr. Dodge's junior partner accompanied him. He had no idea what he was called there for, or he never thought that anything was wrong. Mr. Jayne, opening the conversation in his usual bland way, said he was sorry the government was in possession of facts to show that the firm was engaged in a deliberate attempt to defraud the revenue by a systematic series of forgeries; and, secondly, by importing goods with false and duplicate invoices, and that he (Mr. Jayne) supposed that he (Mr. Dodge) knew very well what were the penalties involved under these circumstances, giving him to understand that every act of perjury of which he might be guilty subjected him to a fine of $5,000 and imprisonment for not less than two years. Jayne also said that under such false invoices and undervaluation, according to the law of 1863, the firm had forfeited $1,750,000 to the government, "and now," he continued, "I have a warrant from the District Court to take possession of your books and papers." This came to him like a thunderbolt. He knew Judge Davis to be an honorable and upright man and said to him, "This is a strange proceeding; it is entirely new to me. I deny the whole of it. I defy this man Jayne to produce a single duplicate invoice ever used by Phelps, Dodge & Co." Jayne said, "I have the affidavits to show that you tampered with officers of the government." Mr. Dodge said to Judge Davis, "If there are any books or papers to establish such cases they are at your service." Judge Davis remarked to Jayne, "Nothing could be more fair, and there is no necessity to issue a warrant." Mr. Jayne then said he would go to the store and get what books he wanted. Going to his office and entering the back room, Mr. Dodge said to those present, "There is a fearful charge against us of defrauding the revenue and of perjury, and here is a United States officer to take possession of our books." Mr. Jayne had one or two officers with him. The fifty men in the store were at their desks, and astonished at the proceedings. Mr. Jayne took what books he wanted, and a cart was backed up at the door to take them away.

A RED BOOK WITH A CLASP.

Mr. Jayne, looking over his paper, said he wanted a red book with a clasp. Neither he, Mr. Dodge nor his partners or clerks had ever seen such a book. But Jayne said it was there, and he must have it. Although there was no such book, the District Attorney said it was kept back. Mr. Dodge wanted the committee to understand how the government deals with merchants under the law. He was not contradicting anything Mr. Jayne had said about doing his duty and guarding the government. The law was made to enable just such work as his to be carried out. Mr. Jayne said he was industrious and watchful and faithful. It was submitted to the committee whether any man engaged in such business must not be industrious to receive extraordinary sums of money as the emoluments of labor.

THE BLOOD MONEY.

The members of the committee receive but a small pittance and the country thinks they ought not to have more. But this gentleman (Mr. Jayne) receives four times more than the salary of the President of the United States, or twenty times more than any member of Congress. The alleged false and duplicate invoices are a great bugbear. Just enough of the case of Phelps, Dodge & Co., in the way of despatches, had been published in London, St. Petersburg and India, where they were doing business, to create false impressions. It was not so much that he (Mr. Dodge) feared the jail and the accusation of perjury, but the payment of $1,750,000—that was like a pistol held to his ear; it was money or ruin. The effort was made to impress upon the victim that this was one of the most wonderful cases of fraud on record. Judge Davis said he was never called on to examine a case so terrific as this one. The firm did not know nor could they ascertain what the government claimed could be undervalued. All they could learn was that the amount was large, and further that it was a very terrible case.

THE MATTER OF INVOICES.

Mr. Dodge then examined the matter of invoices, confuting the statements of Mr. Jayne, who yesterday read only one, but not the other oath required, and Mr. Dodge said in this connection that Messrs. Phelps, Dodge & Co. could not go into the market at Liverpool and buy any time ready manufactured one-eighth part of the tin they kept constantly in stock. They make their contracts with ten, twenty, thirty or forty parties for tin plate, taking so many boxes a month or week. They fix the price on the 1st of January for supplies throughout the year or quarter. Tin plate was at first small, ten by fourteen inches, afterwards fourteen by twenty, and twenty by forty. Formerly 300 boxes of tin was the limit imported, but now the importation is between 1,500,000 and 2,000,000 boxes. There are no regular manufacturers of the largest sizes of tin. They are not of merchantable sizes and weight. All the immense sizes are made to order. Vessels are made of such tin without seams, the manufacture being by stamping them into shapes. The firm make contracts with manufacturers in Chicago, Philadelphia and all over the country. There is hurry in doing the business in Liverpool, six or eight vessels leaving per day at four o'clock, and it being necessary to have the papers on board at one. In no case were there duplicate invoices, and he defied that man, Jayne, to say there were. In order, however, to save labor copies are taken with a press from the bills of the manufacturers. These copies were made to facilitate the business, and to instruct the young men in charge of the business in New York, on the arrival of the vessel, as to the particular destination of goods coming by the vessel instead of first carting them to the warehouse. These copies were posted on the invoice book to indicate where the goods should go.

A FALSE HEARTED CLERK.

In this connection Mr. Dodge referred to one of his dismissed clerks for complication in the alleged matter of frauds, and who went where he thought he could better his condition. This high minded and conscientious young man, who said he could not be guilty of copying invoices of Phelps, Dodge & Co., to aid their iniquity, went to work, and going back a year or two, took from the invoice books any single paper showing what goods cost, exhibiting a shilling or sixpence a box difference at the time of invoice, but has also torn off many more that showed the cost a good deal more than was stated in the invoice. These are gone. The firm was met by a proposition that these things could be compromised; Mr. Dodge gave a check for the amount; Jayne had eminent counsel, a member of the United States House of Representatives.

The discharged clerk made a bargain with the Treasury agent, who thus became the informer; the firm, seeing such a large array of law, and having been told their case was such a dreadful one and that their goods were all forfeited to the government, agreed to give $250,000 to compromise the case. The first interview took place about the 20th of December; the day after they gave a check for this amount the fact was paraded in the newspapers; after a few days there was a change of attorney, when they were informed the amount should have been $371,017 22. Now the entire amount on which duties were not paid was only $4,658, and the amount due the government $1,658.

MR. BOUTWELL'S ADVICE.

He wanted to do justice to a government officer, namely, Mr. Boutwell. Certain statements had appeared that Mr. Boutwell did not treat them fairly and honorably; but, if they had followed the Secretary's advice, they probably would not have paid $271,000. He came here to see Mr. Boutwell, and stated the case to him. He told Mr. Boutwell they had looked these things over with great care, and it was simply a matter between themselves and the government. They objected to going to the courts, but Mr. Boutwell advised that they do so, saying, if the matter should then come back for his consideration he would look at it personally and carefully. Mr. Dodge consulted with his partners, and they came to the conclusion not to go to court. Mr. Dodge remarked that General Butler said he had a single letter from Phelps, Dodge & Co. which was sufficient to convict them in any United States Court. The firm, learning what it was, laughed. When the firm for the first time imported tin for cheese vats, instead of putting it in boxes, it was put in bundles, with strips of galvanized iron round them. The appraiser called their attention to the fact that the tin should have been in boxes. To avoid future trouble they wrote to their friends abroad to thereafter put the tin in boxes, with marks of their weight and manufacture; the reply came that they would endeavor to follow instructions, but the manufacturers added—"If in any respect we shall differ let us know and we will fix it." General Butler now had it. "We will on this," he said. "Convict Phelps, Dodge & Co. in any court in the United States." When he (Mr. Dodge) returned from Washington the firm decided they had better pay the amount demanded than have a judgment of $1,750,000 entered against them in court; besides, instead of receiving a moiety on this large amount, the informer would receive the moiety on only $271,000. The firm did not take the advice of Mr. Boutwell, as at that time the question of his being elected to the Senate was pending, and they did not know who would be his successor as Secretary of the Treasury. They therefore concluded not to renew their offer, and settled and paid the money to get rid of the infamous charges against them, and being at that time in ignorance of the real amount they owed the government.

BLACKMAIL AND TERRORISM.

They now think they were fools for paying the money, but there was terror in this thing. The first day they went into the room at the Custom House there was terror and there was terror throughout. They found themselves dogged by spies in any steps they took. They could not have a private meeting of the firm at night but what it was known in that dark hole at the Custom House. There was no lawyer in their office but what it was known. One of his partners, in January, came round, opened his desk, and, cutting out such letters as he wished to retain, burned the rest. They received a letter from their attorney informing them that Mr. Jayne said that Phelps, Dodge & Co. were burning up their papers, and he would have them all in Ludlow street jail that night. How did Mr. Jayne know? Because he had under pay a man in their store, the second bookkeeper. They traced the fellow and turned him out of their store. He went where he was now employed. He was a clerk in the Post Office. A place was obtained for him by the agent of the United States. In answer to a question Mr. Dodge said the man is named Kennedy. Mr. Dodge remarked, being now seventy years old and having been in the business fifty years, he had hoped to be permitted to die in peace. Theirs was the case characterized as the greatest on record, held up to vindicate the law and to show who these infernal merchants are.

THE UNDERVALUATION A MISTAKE.

The firm admit that some of their goods were undervalued by mistake, the market value at the time of shipment being governed by the value of the goods in the main lines of invoice. The undervaluation was on a few boxes, and the difference was between the price at that time and what they paid a few months before they put it on their invoice book. It was at a time of fluctuation in metal in England. In the month of January, 1872, they paid twenty-eight shillings, in July forty-four shillings and in December, thirty-five shillings. In reply to the accusation that they had paid $1,000 to an appraiser for damages on Russia sheet iron, he said they found that the ship sailed from St. Petersburg six months after the date it was said the money was paid. He could prove that they paid on one single contract in 1872 duties on $58,000 by their own overvaluation, and on their total imports that year, $8,500,000, they voluntarily added to the invoice sent from Liverpool $260,000 on account of tin, paying the government twenty-five per cent duty.

With this statement Mr. Dodge submitted the case.

The committee then adjourned, to meet at half-past seven o'clock to-night.

Evening Session.

On the assembling of the Ways and Means Committee to-night, Mr. William E. Dodge concluded his statement, saying:—

From the first moment the great thunderbolt fell on us great stress has been laid on the assumption that no one for a moment suspected that I had any knowledge of irregularities in my office, thus, by implication, placing the pretended fraud on some other members of my firm. Whatever responsibility there may be, we will stand or fall together. We are all one family, consisting of brothers-in-law and our own sons; and, as parents, we thank God that none of our children are capable of an attempt to cheat the revenue. They are all independent of any motive to such an act, and the three seniors, after maintaining an honorable position till we have reached near three score and ten, with God's blessing on our honest labor, and having enough, without stealing, intend to go to our graves leaving our children at least the inheritance of an unspotted reputation, save that which our government has inflicted.

ALIENATING MERCANTILE SUPPORT OF THE ADMINISTRATION.

Permit me to say, with all frankness, and not as one suffering from a sense of injury, but as one who has for the past fifteen years stood by the administration, giving five times as much every year as the amount claimed due the government, that unless something is done to reassure the confidence of the importing merchants very soon, they cannot be expected to continue their support, and a few years will suffice to drive American merchants from the field and transfer the business to unnaturalized foreigners, who, keeping no books in this country, will, after making their money, return home to spend it, and our American merchants will be driven from commercial pursuits. We shall then present to the world the sad spectacle of a great country without a merchant marine and its commerce handed over to strangers.

In conclusion, Mr. Dodge said it was desirable for those in his business to have a specific instead of an *ad valorem* duty—one cent a pound, including the weight of the box, which would make the duty 16 or 17 per cent. It would make a few hundred thousand dollars a year in favor of the government. This would avoid future difficulties as to excess of value.

THE SYSTEM OF SPIES.

Mr. Dodge was interrogated at some length on the subject of foreign values, invoices, bills of lading, &c., and gave it as his opinion that specific duties should be levied in all cases where practicable. Private bonded warehouses were liable to more risk than otherwise. In other words, there was more opportunity for abuse. As to moieties, he was opposed to the whole system of spies and detectives; but there should be carefully prepared laws, with officers of high character and standing in the Custom House, and not men solely to make places. The seizure of books and papers was a remnant of the dark ages. He made a correction in his remarks of this morning. He should have said that during forty years the importations of his firm were between $300,000,000 and $400,000,000, and not between $400,000,000 and $500,000,000, but paying duties to the amount of $50,000,000.

Mr. Hyde, representing the Boston Board of Trade, resumed his remarks from yesterday against the present system of moities. He thought, however, a Treasury agent might be instrumental in correcting mistakes at points where they occur, and thus secure the government revenue. Such officer should be fitted for the place and paid a good salary. He submitted whether it was fair that when a man attempted to cheat the government of $5,000 the penalty should be $100,000, as in a case he cited. He knew the special agent in Boston and his assistants were honest.

He did not make a charge against them, but against the law. A recent case occurred in Boston, at the instance of a special agent, not the one in Boston or Jayne, now here. The books and papers of a mercantile firm were seized by the marshal. The agent left an article with a newspaper, stating that the house in question had been guilty of defrauding the revenue to the extent of $1,640,000. If this had occurred during the late panic the firm would have been ruined. The charge had not yet been made against the firm in court. The special agent had a brother who had been a clerk in that importing house for years. The gentlemen could have an idea of the terrible fear of merchants that attempts may be made to tamper with their clerks by special agents for the purpose of retaining moieties. He recited some of the practical workings of the law, saying as it stood it was driving the business of importing by Americans from our own ports, the foreign houses running no risk. It was impossible for merchants to live with the terror of special agents pending over them. In New York and Boston a member of Congress (he meant General Butler) is retained, and with a shrewd special agent and the government attorney what chance has the merchant with the Secretary of the Treasury, who may be honorably disposed in all cases?

He read from the communication of Secretary Boutwell against the present moiety system, in which Secretary Richardson concurs:—

The Senate Committee on Retrenchment in 1872 also condemned the system. It might, however, be retained in cases of smuggling. We have never dared to seize a Cunard steamer for smuggling by its officers, but our own citizens are stripped of their property for violation of law, either by design or inadvertence, while the foreigner is relieved on paying the duty.

Mr. Hyde alluded to the fact that in Boston in four years it cost the government $326,000 to collect $21,000 as duty due from delinquents. Who would deem it safe, he asked, if the police of cities should have a promise of reward for every arrest made? If there should be such an attempt made the people would drive the police from their midst.

The committ