WASHINGTON.

A Starting Point for Civil Service Reform.

DESIGNS ON THE NEW YORK CUSTOM HOUSE

Exigencies of Party to Give Way to Public Business.

THE EXTRA SESSION OF CONGRESS

Wade Hampton's Reply to Chamberlain's Letter.

FROM OUR SPECIAL CORRESPONDENT.

WASHINGTON, April 4, 1877.

CIVIL SERVICE REFORM—A QUESTION OF INSTRUMENTALITIES.

The great question of civil service reform appears before the administration in the shape of General Sharpe, of the New York Custom House, whose term is about to expire. The question arises whether he and other heads of the Custom House shall be reappointed or whether a clean sweep shall be made. It is pretty well understood that the New York Custom House has been a huge political machine, and that to make it a useful business establishment and nothing else, to exclude politics from it and make the Collector really a collector of customs duties and all his assistants and subordinate helpers in that business and make them leave politics alone is one of the first, most necessary and most difficult steps in a reform of the civil service. It means a thorough reorganization of the whole establishment, and the question they are pondering here is whether the men who have worked the machine under the old system are the best or can be expected to work it under the new and better plan.

The President said in his inaugural message that he meant to make a reform in the civil service "thorough, radical and complete," and to "divorce the public business entirely from partisan politics." He is thoroughly in earnest in the matter, and there is some reason to believe that he sees that he cannot begin anywhere better than in the New York Custom House. While the campaign there is not yet completely planned it is pretty certain that he means to make a complete sweep of those who are so mixed up with the old system as to make it doubtful whether they would be efficient leaders in a reform.

It is a good time just now for the importers and merchants of New York to give the President their support toward such an attempt at reform by making known the defects of the present service. He would probably be grateful for information of this kind, which would enable him to remedy abuses and establish a new and better order of things.

THE EXTRA SESSION OF CONGRESS AND THE BUSINESS TO BE TRANSACTED.

It is not true that the President has decided to call Congress together in May. He said to a gentleman today that he saw no reason to call the extra session earlier than the time originally fixed, the 4th of June.

The meeting will probably be very brief. The democrats will undoubtedly organize the House, and they have no disposition to prolong the session. Mr. Randall seems at this time to be the strongest candidate for the Speakership. Committees on rules and elections and probably on expenditures in the Navy Department will be appointed, but no others, and there is no disposition to do any other business than passing the Army Appropriation bill and probably a small deficiency bill for the pay of the navy until July 1. As the two Southern States will by that time be restored to local self-government, and under Governors energetic enough to keep the peace, it is not likely that there will be any dispute about the clause forbidding the use of the army in the Southern States. The navy deficiency arises from the alleged use of the navy pay by Mr. Robeson in meeting other obligations of the Navy Department.

GENERAL WASHINGTON DESPATCH.

WASHINGTON, April 4, 1877.

GOVERNOR HAMPTON'S CRITICISMS OF CHAMBERLAIN'S LETTER TO THE PRESIDENT.

Governor Hampton left Washington early this morning on his way to Columbia. Previous to his departure he said, in conversation with friends, that the militia companies which Mr. Chamberlain styled "unlawful organizations" were composed of some of the best citizens of South Carolina, and have been in existence for a long time, some dating back prior to the war, and that Mr. Chamberlain often addressed these very "unlawful organizations" and occasionally joined them in procession. He was an honorary member of some of them and has presented them with flags. Governor Hampton further said, in reference to Mr. Chamberlain's letter to the President, that the Supreme Court of the State, consisting of three republican judges, unanimously decided the Mackey (republican) House illegal, and yet, in the face of this, Mr. Chamberlain allowed this very House to count the votes and declare him Governor, and proposed in his letter to stand by that proceeding. Governor Hampton, in reply to the question what he expected would be the result of his recognition as Governor, said that, in his judgment, the results would be the best indication of the wisdom of the President's policy, which would finally be sustained by the whole country.

THE ORDER FOR THE WITHDRAWAL OF TROOPS.

General Sherman went to Baltimore to-day to attend the wedding of Miss Barry, a daughter of General Barry; and, in consequence of his absence, the formal order directing the withdrawal of the troops from the State House at Columbia will not be issued until to-morrow.

CENTENNIAL DONATIONS ON EXHIBITION AT THE SMITHSONIAN INSTITUTE.

Congress having failed to provide for the display of the Centennial donations made to the United States by foreign governments, and which have been stored in the old armory annexed to the Smithsonian Institute, the managers of the institution have placed on exhibition in the western hall of the Smithsonian Building the finest of the works of art comprised in the collection. These are the terra cotta copy of the group "America" upon the Albert monument in London; two magnificent vases, inscribed respectively "1776" and "1876," and adorned to illustrate these two eras in American history; an octagonal pulpit in terra cotta, with designs from the life of the Redeemer, and two terra cotta baptismal fonts of tasteful and artistic workmanship. These articles attract much attention from visitors.

THE BIDS FOR SUPPLYING POSTAL CARDS.

The opening of bids for supplying postal cards to the government for the term of four years from May 1, which was to have taken place at noon to-day, has been indefinitely postponed by order of the Postmaster General, and a new advertisement will be issued. The late advertisement contained a proviso, which the Department has recently announced, that it might require the cards to be made with differently tinted sides. Several manufacturers this morning filed protests, representing that there are only three or four establishments in the country where cards of this description can be cheaply manufactured, and that they had put in proposals under the impression that the present style of card was to remain unchanged. Under these circumstances, and acting on the advice of Judge Spence, the assistant attorney for the Department, the Postmaster General determined to readvertise for proposals. About thirty bidders were in attendance at the Department to-day.

THE POSTAGE STAMP CONTRACT.

Judge Spence has submitted his opinion on the question submitted to him by Postmaster General Key as to the validity of the recent award of the postage stamp contract to the Continental Bank Note Company of New York city, which was contested by the Standard Publishing Company of Syracuse. He takes the ground that the award was legal and that the Continental Company should be allowed to fulfil the contract. At the request of the contracting party, the matter will now, however, be referred to the Attorney General.

POSTAGE TO TRIPOLI AND TUNIS—INCREASED RATES TO ST. HELENA.

From the 1st inst. the rates of postage on correspondence from the United States for Tripoli and Tunis by the Italian mail are the same as for correspondence to Italy. Postal cards are not transmissable, however, and registration is not possible. Prepayment of letters is compulsory in case of Tripoli and optional in the case of Tunis.

The Post Office Department being to-day notified by the British government of an increased postage charge on letters from Great Britain to St. Helena, gives notice that from this date twenty-seven cents per fifteen grammes (half ounce) will be charged on letters from the United States for that colony sent in the British mails.

THE NEW ASSISTANT SECRETARY OF THE TREASURY.

Governor McCormick entered actively upon the duties of Assistant Secretary of the Treasury to-day, Mr. Conant retiring. Governor McCormick was visited by a vast number of friends, offering congratulations.

A PEDESTRIAN FROM GEORGIA AT THE WHITE HOUSE.

Among the large crowd at the Executive Mansion to-day, eager to see the President, was a foot-sore homespun-clad Georgian, who, upon the assertion that he had walked all the way from Georgia to see the President, was admitted to his presence without the usual waiting. The Georgian informed the President that he had no favor to ask in the way of obtaining an office, but desired to give him some information regarding affairs in Georgia. The opportunity was at hand, and the pedestrian related several matters that he thought should be attended to, of which the President made a note with a view to their proper official reference.

ARMY INTELLIGENCE.

CHANGES IN THE STATIONS OF PAYMASTERS—MORE RECENT PROMOTIONS.

WASHINGTON, April 4, 1877.

By direction of the Secretary of War the following assignments and changes in the stations and duties of paymasters of the army have been made:—Major N. Vedder is relieved from duty in this city and will report to the Commanding Officer Department of the South. Major J. B. Keeler will repair to Portland, Oregon, and report for duty to the Commanding General, Department of the Columbia. Major C. W. Wingard, as soon as his health will permit, will repair to this city and report for duty to the Paymaster General. Major J. R. Wasson will repair to San Antonio, Texas, and report for duty to the Commanding General, Department of Texas. Major J. A. Brodhead is relieved from duty in the Department of California, and will report for duty to the Commanding General, Department of the Missouri. Major J. B. M. Potter is relieved from duty in the Department of the Missouri, and will report to the Commanding General, Military Division of the Pacific and Department of California for duty in the Department of California. Major J. W. Wham will repair to Cheyenne, Wy. T., and relieve Major T. H. Stanton, who, upon being relieved, will repair to Salt Lake City, U. T., and relieve Major J. O. Dewey. Major Dewey, upon being relieved by Major Stanton, will repair to New York city and report for duty to the Commanding General of the Military Division of the Atlantic.

RECENT PROMOTIONS.

A general order just issued from the War Department announces the various promotions and appointments in the army during the past six months, nearly all of which were published when confirmed by the Senate. Since the adjournment of that body the following promotions have been made:—Captain Joseph R. Gibson, assistant surgeon, to be surgeon with the rank of major, vice Hasson deceased. Second Lieutenant Edward H. Shelton to be first lieutenant in the First cavalry, vice Kyle, deceased. Second Lieutenant Fielding H. Davies to be first lieutenant in the Twenty-second infantry, vice Reedy, resigned. Second Lieutenant Julius H. Pardee to be first lieutenant in the Twenty-third infantry, vice O'Connor, dismissed.

BATTERIES RELIEVED.

By direction of the General of the Army the following batteries of artillery are relieved from duty at Washington arsenal, D. C., and will proceed to take post as indicated:—Battery A, First artillery, at Fort Warren, Mass.; Battery C, First artillery, at Fort Trumbull, Conn.; Batteries B, E and F, First artillery, at Fort Adams, R. I.; Battery L, Second artillery, at Fort McHenry, Md.

NAVAL INTELLIGENCE.

MOVEMENTS OF NATIONAL VESSELS—REAR ADMIRAL PREBLE AT PANAMA—THE PENSACOLA EN ROUTE FOR SAN FRANCISCO.

WASHINGTON, April 4, 1877.

The Board of Naval Inspectors, recently reorganized, have inspected the new steamer Adams, at Norfolk. She will be detained a short time for some necessary alterations and then leave for Rio Janeiro.

The Ranger, now at New York, will be inspected soon, and then leave for the Asiatic station.

THE SOUTH PACIFIC STATION.

A despatch received at the Navy Department this morning from Rear Admiral George N. Preble, commanding the South Pacific station, dated Flagship Omaha, Panama, March 18, announces his arrival at that place.

STAFF OF REAR ADMIRAL PREBLE.

A general order names the following officers as the staff of the Rear Admiral:—

Captain L. A. Kimberly, Chief of Staff.
Lieutenant A. M. Thockara, Flag Lieutenant.
A. M. Massie, secretary to the Commander-in-Chief.
Ensign E. L. Reynolds, aid to Commander-in-Chief.
Frederick W. Dow, clerk to Commander-in-Chief.
Captain W. Wallace, Fleet Marine Officer.
Albert Alston, Fleet Engineer.
G. W. Brush, Fleet Surgeon.

AFFAIRS OF THE ISTHMUS.

Affairs on the Isthmus are reported as tranquil, the residents at Panama entertaining no apprehension of any revolutionary action at that point.

THE PENSACOLA.

Rear Admiral Murray was to leave Panama in the Pensacola for San Francisco after the arrival of the mail steamer due March 25, and would touch at the intermediate ports on the Central American and Mexican coasts. He does not expect to reach San Francisco until late in August.

The United States steamer Swatara arrived at Kingston, Ja., on the 22d ult.

THE MONITOR FLEET.

SAVANNAH, April 4, 1877.

The entire fleet of monitors have arrived and are anchored in the river.

HOMEWARD BOUND.

William Green, a London detective, arrived in this city yesterday, from San Francisco, with one Frank Ford who has been looked for in all the principal cities of both hemispheres. Ford is twenty-three years of age, of handsome form, and very stylish. When he was arrested in Los Angeles, in California, he was in the company of a beautiful young woman, who did not desert him during his imprisonment in the San Francisco jail. Ford was the confidential clerk of Arthur Turner Hewitt, a prominent solicitor in London, and absconded with twenty New South Wales bonds, valued at £200 each, which were the property of his employer. Ford first took the bonds from the safe and showed them to one of Mr. Hewitt's brothers, who wanted to invest some trust funds for minor children. The young man did not make a bargain with Mr. Hewitt, but sold some of the bonds for £486 to another, receiving a check upon the London Joint Stock Bank. On the 3d of July, 1876, Ford was discharged from his employer's service. On the 11th of January, of this year, Mr. Hewitt discovered that the bonds were missing. Ford took the twenty bonds to Henry Graves, a London broker, and asked to have them cashed. He presented a letter, purporting to be signed by J. Noel Welman, requesting that Mr. Graves should favor Ford. Mr. Graves purchased five of the bonds and paid Ford £500. In December Ford was in San Francisco. He went to the banking house of B. Davidson & Co., and there disposed of more of the bonds for $3,336. Ford sold them under the name of Frederick Lord. The banking house sent the bonds to London, and thus Ford's whereabouts were discovered. Captain Lees, of the San Francisco detective force, arrested Ford in Los Angeles, and the English detective, Green, went from London to San Francisco after the prisoner. Yesterday the detective and Ford sailed from this port for England.

THIEVING DURING A FIRE.

A fire broke out last evening in the three story brick house in the rear of No. 47 Bethune street, occupied by Budd's paint and putty works and Loomis' sewing machine case factory, and destroyed about $1,000 worth of property before it was extinguished. While the excitement caused in the neighborhood by the fire was at its height Mrs. Ann Perselt, of No. 61 Bethune street, was sitting alone in her room, looking out of the window. A mendicant suddenly appeared in the room and asked her for assistance. She offered him food, but he rejected it and demanded money. A profer of a small sum was also declined, and before the lady could utter a cry the man threw her upon the floor and was about to ransack the bureau, when she struggled to her feet and gave an alarm, which frightened him from the house.

CHARLEY ROSS AGAIN.

Charley Ross' father was at the Central Office yesterday, and conferred with Superintendent Walling touching a new clew he has as to the whereabouts of his lost son. This time the boy is reported at San Francisco.

MEDICAL EXPERTS.

HOW FAR THEIR TESTIMONY MAY BE RELIED UPON IN COURTS OF LAW.

A meeting of the Medico-Legal Society was held last evening in West Thirty-first street, the President, Dr. Frank H. Hamilton, in the chair. Mr. Jacob F. Miller, of the New York Bar, delivered a lecture on the subject of "Medical Experts." He commenced with the remark that the object of evidence is to establish facts for judicial determination. Such evidence consists of written documents and depositions of living witnesses. They are of two kinds—ordinary witnesses, who depose to facts, and experts or skilled witnesses, who depose to matters of science. The former tell what they know; the latter tell what they think. The first tell facts; the latter tell what they believe the facts mean. An expert is one who is taught by experience. His knowledge extends beyond the reach of ordinary men. It reaches the domain of science. Courts and juries are not supposed to be skilled in all the scientific questions which are involved in cases that they are called upon to try. They cannot understand the evidence produced; they need an interpreter. The lecturer proceeded to illustrate this view of his subject with reference to languages, by homicides of different kinds, calling upon witnesses to explain the relation between causes and effects. Upon this point he cited a number of opinions.

THE SPHERE OF MEDICAL EXPERTS.

Physicians may appear in two capacities. When they depose to facts they differ in no respect from ordinary witnesses. They may also be called as experts. It is in this capacity we are interested in them to-night. Many physicians think they are not obliged to respond to a subpœna. While they are in both cases required to respond to the subpœna it is only as an ordinary witness that they are compelled to testify. A physician's opinions, his knowledge of his profession, his skill, are his own, to be kept or imparted at his pleasure. While, therefore, he might be compelled to come to court to be punished for contempt if he refused, he could not be compelled to give his opinions, except, perhaps—the lecturer remarked—in the case of the government, which has the right to demand the services of every individual owing allegiance to it. The position of a medical expert, therefore, is one of dignity. His appearance is voluntary. He speaks to science. He produces the connecting link between causes and effect; between the act of the accused and the allegations made against him. As the jury are usually ignorant of the matters to which he speaks the physician should be a person of the highest skill and strictest integrity. His opportunities for good or injury are great. He may rescue a person from the gallows and save his family from disgrace or bring them all down in one common ruin. Many physicians refuse to be medical witnesses in consequence of the sharp examination they have to undergo in court. But their feelings should not be spared in cases involving great public or private interests whenever the truth is likely to suffer from ignorance. The medical expert, in the strict sense of the term, should be neutral. He has nothing to do with the result. A large number of cases were cited in illustration of this strictly impersonal character. Reference was also made to incompetent medical experts, and to certain cases where their testimony was ruled out or not allowed to be put in at all. In one case a man who had been educated a physician, but had not practised his profession, was not allowed to testify, because, in the opinion of the Court, he lacked the experience which was necessary to make him an expert.

VARIOUS SCHOOLS OF MEDICINE.

The lecturer proceeded to enlarge upon the point of the various schools of medicine, in regard to which the doctors themselves often disagree; and how, he asked, could the Court, that is presumed not to be skilled in medicine, discriminate between them?

Within the last ten years trials have taken place in which the medical witnesses did more harm than good—more to mislead the jury than instruct them. The subject of insanity was referred to, and mention was made of prisoners who were acquitted upon medical testimony, and nobody was more astonished than the medical experts themselves at the result. The tests touching the testimony of medical experts, as established by the Legislature, were frequently questioned by the profession. If they were faulty the medical people should apply to the Legislature for a revision of the statutes and not attempt to decide the law and the facts for themselves.

CAPTAIN MURRAY'S DISCOVERY.

A TALE OF TWO BONDS FOUND IN THE CUSTODY OF AN ARRESTED PICKPOCKET—THE PROCEEDS OF A FOUR YEARS' OLD BURGLARY.

William Lloyd, the alleged pickpocket who was captured by Captain Murray on Tuesday afternoon, on Chambers street, was arraigned at the Tombs Police Court yesterday before Justice Flammer, but remanded to give the Captain opportunity to trace the bonds found in his possession. At the time of the attempted larceny, Captain Murray was walking along Park row. He saw the prisoner emerge from a crowd and run at the top of his speed toward the City Hall, followed by an elderly man, who rapidly lost ground. Without waiting to investigate the Captain joined in the pursuit, and after a lively chase, extending over several blocks, finally succeeded in outrunning the pursued, capturing him on Chambers street, near Broadway. The prisoner demanded the reason of his arrest. The Captain confessed that as yet he did not know, but would speedily ascertain. In a few minutes the elderly gentleman came hurrying along, nearly out of breath, and explained that the prisoner had attempted to pick his pocket of a pocketbook containing a large amount of money. The complainant gave his name as Daniel Steele, of No. 2,230 Third avenue. The Captain handed the prisoner over to an officer to take to the Oak street station house and walked behind. On the way he noticed the prisoner slip something from his coat pocket into his vest pocket. The movement was adroitly performed, and almost escaped detection, which fact caused the Captain to make a mental note of the occurrence. At the station house the Captain personally searched the prisoner's pockets, but found nothing except a few pennies, a key and a knife.

WHAT THE SEARCH DISCLOSED.

"Is that all you have about you?" asked the Captain. "That is all," said the prisoner. The Captain then took off the man's coat, when there dropped from a concealed place in the lining two gold bearing United States bonds, representing $50 and $100, with eight years' interest. They were apparently genuine. The prisoner stammered and turned red, and said, "Oh, those are worthless bonds that I have had some time. They are good for nothing and I meant to have thrown them away." The Captain scented a forgery and took possession of the bonds. Yesterday he visited the firm of Fisk & Hatch and asked if the bonds were genuine. The answer was in the affirmative. Returning to the station house the Captain asked the prisoner how he obtained the bonds. The explanation was that they were given to him by an old lady now dead. The police ridiculed this story and the prisoner said he would tell the truth—he found them. Satisfied that there was some crime behind the bonds, the Captain called on Superintendent Walling for consultation.

The result was a general alarm to ascertain who had lost them. Yesterday afternoon Mr. S. D. Andrew, of Perth Amboy, N. J., called at the Oak street station house and informed the police that the bonds were part of the proceeds of a robbery effected in the residence of his daughter over four years ago, on which occasion several thousand dollars' worth of property were stolen. Upon this information an officer was sent to Perth Amboy to investigate. The police believe that the bonds will result in proving Lloyd to have been one of the burglars.

The two bonds were last night identified by Sarah Watson, of Perth Amboy, N. J., as part of the proceeds of a burglary committed at her residence as stated above, and were the only bonds stolen. The other property was jewelry and silverware, valued at about $4,000, which was never heard from.

THE RIOTOUS SAILORS.

William Tynan, John Tynan, Philip Scanlon, Thomas Beston and Griffith Mason, the five sailors who were brought before Judge Duffy on Tuesday morning on account of a drunken row on board the steamer John Bramhall, lying at pier 40 East River, were again arraigned yesterday. Devan P. Evans, the mate who was so violently assaulted by them, asked that they be committed because, he said, they were desperate men, and neither the captain nor the owners of the steamship wanted them on the vessel again. They had threatened to create trouble when they got back to the ship, and from their general character he thought they would carry their threats into execution.

Judge Duffy held the four first mentioned in $500 bail to keep the peace for six months, to stand committed one month, and held Griffith Mason, the ringleader, in $1,000 bail to keep the peace for twelve months and to stand committed three months.

The Judge instructed the mate to bring he a letter from the British Consul showing that the money at present due to the men who were committed was deposited with him, so that they might be able to get it when they were released from jail.

MADHOUSE INVESTIGATION.

The Kings county committee of the Board of Supervisors engaged in investigating the abuses at the Flatbush Lunatic Asylum held another session yesterday. Mrs. Sarah Boyd, of No 56 Taylor street, testified that she had once seen a colored female patient confined in a cell, the woman being without clothing and having a filthy straw bed; witness also saw a patient, a Mrs. Smith, whose face bore marks of violence, and she inquired of the nurses as to how the woman came by the injuries, but could get no satisfaction; the physician told Mrs. Boyd that Mrs. Smith was a very bad woman, and received as good treatment as she was entitled to, but the doctor finally told her that he would inquire into the abuses; Commissioner Midas, of the Board of Charities, had informed the witness that he would discharge the nurses, but he did not do so. Mr. George Boyde corroborated the testimony of the witness in relation to the colored woman. Dr. Dailey, medical superintendent of the Asylum for Incurables, stated to Supervisor Nathan, chairman of the committee, two days ago, that many of the patients in the latter institution, transferred there from the old asylum, might have been cured if proper and timely attention had been paid to them.

THE STATE CAPITAL.

Fish's Bill for Reducing Salaries Passed in the Assembly.

Three-Quarters of a Million of Dollars to Defeat the Omnibus Bill.

STREET CLEANING IN NEW YORK.

ALBANY, April 4, 1877.

The "boys" are reaching out in the impalpable for the "boodle" (Anglice, the money) which I indicated was here to defeat certain measures of legislation. Nearly $750,000 to bribe legislators, and they will not be bribed!—so far. I will take upon myself the office of a prophet and say that despite the "boodle" and the bull-dozing the Omnibus bill will go through, and I am assured the Governor will put his signature to it the moment he sees it. Of course the bill is not immaculate. It might be amended in certain particulars with advantage, but it will be a great achievement if any bill that saves even a ten dollar note to the taxpayers of New York city goes through. For the past several years the metropolis has been seeking for relief at this headquarters from its very heavy burdens of taxation. It never got the relief it sought, but it appears to me and to many that this Omnibus bill and the measures accompanying it will work retrenchment to a very large extent. I write, of course, from a purely disinterested standpoint, and I take no consideration as to whether the bill will help or harm this property or that. It is certainly clear from the debates I have sent you that the democrats are apprehensive that these measures will be detrimental to their party. But the democratic party is not the whole people; and, while these bills may be detrimental to party interests, they may at the same time be fruitful of good results to the people *en masse*. It is to them, and not to party, that the HERALD addresses itself, and for them I presume to advocate this bill.

It will be amended in Committee of the Whole of the Assembly, and a judicious amendment will be that to restore to the Mayor the Bureau of Licenses, in place of putting it in the Police Department, which has, indeed, already quite as much as it can attend to. The lager beer men will kick tremendously against the proposition to put the Excise Department in the Police, but after all, when you come to think of it, what more appropriate place could you put it than in the Police Department? It is objected that the police will bull-doze and blackmail the beer and whiskey sellers, but that I think is a delusion. The Mayor will be responsible for all, and he will see that there are such men in the Police Board who will permit no injustice to be practised by any member of the force.

FISH'S SALARY BILL.

There was nothing of any consequence done in either house of the Legislature to-day. Third reading of bills took up the time of the Assembly, but a breeze sprung up over Fish's bill for the reduction of salaries and compensation of certain officers in the cities of the State. Mr. Fish moved to recommit, for the purpose of adding an amendment excepting from the provisions firemen, police and school teachers, and reducing the bonds of the Chamberlain from $2,000,000 to $1,500,000. Mr. Spinola moved to strike out that portion relating to the Chamberlain. Purdy said the bill was wrong from the word "go." There was no sense in making such a sweeping and indiscriminate reduction of salaries. Ruggles opposed the bill, and Rockwell of Chemung spoke in favor of it. Burns of Troy moved an amendment excepting officers in Troy receiving a salary of $2,000 and less. This was adopted. Tighe moved to except Brooklyn, but the motion was lost. Finally Fish's motion to recommit was carried.

OUTSIDE TALK.

There is much speculation to-night in the halls of the Delevan whether Fish's bill will go equally through the Senate. It is a sudden bill that has taken the lobby all aback, and they are bound to make a grand rally on the Senate, but this body is so committed to retrenchment already that they can hardly do otherwise than pass it, and the Governor's signature is pretty sure.

POSTPONEMENT OF A CAUCUS.

The caucus of republican members of the Assembly, which was put down for to-day, has been postponed until to-morrow.

STREET CLEANING IN NEW YORK.

At a meeting of the Assembly Committee on Cities this evening it was agreed to report the Omnibus bill to-morrow, amended so as embrace a portion of Mr. Peter Cooper's plan for the street cleaning in New York city, and also the plan of Mr. Ambrose. There is a disposition to take it out of the hands of the police and give it to the Board of Health.

The Ambrose system of street cleaning is in successful operation in London and other large cities in Europe. It provides for a force of men, who shall be uniformed in order that they can the better be kept under discipline and more constantly employed. They shall be allotted separate districts and sections of districts, and be kept at work all the time cleaning the streets. This system is regarded as the most efficient yet devised.

TRYING TO CONCILIATE THE GOVERNOR.

In the Executive session of the Senate the rule requiring unanimous consent for Executive sessions on any but the stated days was suspended. This is simply a notification to the Governor that the majority in the Senate are now both willing and anxious to confirm any nomination he may send in for Superintendent of Public Works, but it is unlikely he will do anything to relieve them from the dilemma in which they have placed themselves by the rejection of his nomination of McClellan.

INSURANCE INVESTIGATION.

TESTIMONY OF THE PRESIDENT OF THE MANHATTAN LIFE, THE VICE PRESIDENT OF THE UNIVERSAL LIFE COMPANIES AND MR. STEPHEN ENGLISH.

ALBANY, April 4, 1877.

The Insurance Committee resumed its investigation this morning.

At the opening Mr. Moak, counsel for the committee, asked permission to make a statement to the committee in reference to the condition of the Equitable as shown by the testimony of Mr. Hyde, upon which he desired to make a suggestion to the committee. It appearing that the statement should be made solely in executive session it was ruled out in order that it might be made later in the day.

THE PRESIDENT OF THE MANHATTAN LIFE INSURANCE COMPANY.

Mr. Henry Stokes, president of the Manhattan Life, testified that he had held that office since 1869; his company had presented to the Legislature a statement of the salaries called for by the original resolution and was not one of the five companies in default; the average loading of policies in his company, he guessed, was about twenty per cent of the gross premium; the amount set aside for a reserve would depend upon the age, but it was so purely an actuary's duty that he could not venture to state it; the character of their investments in stocks had not changed in 1876 from what it was in 1875; they usually held to an investment once made; the company had on bond and mortgage in December, 1876, about $5,000,000; the property was situated in various localities, but principally in New York city; it has no home office; pays about $14,000 rent; hires no offices elsewhere except in allowances to agents—say about $15,000 a year; the usual percentage to agents is twenty-five per cent on the first premium and about ten per cent for renewals; "loading" is an actuary's word, and is his way of getting at the proper reserve on the policies; the balance is an excess applicable for dividends and contingencies; in our company the reserve is everything after the loading; everything except the loading is invested, except that used for the expenses of the business; the reserve named at four per cent is expected to equal the total policy net at the time when it becomes due, according to the American mortality table; the company charges an excess for insurance over the legal reserve and the loading; we return to policy holders from fifteen to sixty per cent upon their premiums in the way of dividends; if we charge more for insurance than it is worth it is because we propose to keep the company strong and be prepared for any contingencies; the surplus of $1,972,282 in our last report was in addition to the dividends paid to stockholders, which was about $60,000 in all; these two items do not represent the entire surplus; they are not connected at all; the entire amount of funds which the company had on the 31st of December was $9,977,413 17; the company is a mixed mutual and stock company; each policy holder casts one vote; the capital stock is $100,000; we have divided about 55 per cent on our capital stock during the last five or six years; the charter allows us to pay them seven per cent and one eighth of the profits; it was organized in 1850, and we paid our first dividend about three years after—about eight per cent for the three years; the next was declared three years later, and was about eight per cent per year, or twenty-four per cent for three years; since then up to the fifty-five per cent in 1875 the stock was kept at eight per cent, with interest, but jumped up to twenty-five per cent finally; Mr. Kerr was the largest stockholder; he held $12,000 or $15,000; I hold $9,000; my brother holds $1,000; there are only two stockholders larger than myself; a son of mine is assistant cashier at $5,000 salary; the Board usually make a New Year's present of about $5,000; no other member of my family receives a salary; the present is made out of the same fund out of which we pay for advertising; I cannot say that it comes from loading, that is an actuary's term to cover the expenses of the business; it must come out of the dividends to the stockholders, of course, as every expense must; we determine the dividend arbitrarily; one-eighth of the profit is set aside for the purpose; it is a rule of the charter to pay that; the rule has never been changed; the profits are the surplus beyond the necessary revenue; the present is a percentage on the officer's salary; it is usually ten per cent; it is given to all the minor clerks in the office; the salary to the assistant secretary has been $5,000 for a year; the $500 has been given him because the expenses of living are high, and we can increase his pay in this way without compelling ourselves to continue it; we believe we have a right to exercise discretion in disposing of the funds of the company; the salary to the president was $10,000, and other bonuses amounting to some $15,887; the excess was a per centum of the net profits; two and a half per cent was allowed to be distributed among certain officers in proportion to their salary; the vice president received $2,395 in addition to his salary of $6,000; nothing additional to this bonus was allowed to any one; the salary of the President has been $10,000 for six or seven years; the bonus has seldom ever exceeded the amount paid last year; the total additional compensation paid to officers was $12,952; the medical examiner has not been paid any additional compensation; I hold no profits from a policy holder; no one connected with the company does nor does any one else so far as I am aware; the bonuses paid to the officers were paid out of the general fund.

Q. Does the payment of that sum as a bonus depreciate the dividends to the policy holder to that extent? A. No, sir, not to that extent; the policy holders have some interest in the profits; the profits will show that with the reduction at the end of the year it would be in the surplus if it were not paid out; but we consider it part of the expenses of the company.

A STORY BY MR. STEPHEN ENGLISH.

Stephen English testified that he had never had any litigation with the Mutual Insurance Company; it was with Mr. Winston, the President; I am editor and proprietor of the *Insurance Times*; the litigation grew out of a statement made in that paper; there were so many actions against me I do not remember the number; there were two against me by Mr. Winston; they grew only partially out of matters connected with the Mutual Life; they were settled, but there was no arrangement that the publications relative to Mr. Winston should cease; they did cease some time prior to the settlement, but not while I was in jail; the bail required of me was $80,000 in two actions due by a fire company and another by Mr. Winston; the aggregate of bail for eleven actions and five indictments against me was over $440,000; the whole thing grew out of my having Mr. Miller turned out; the companies were favorable to Miller, and Mr. Winston tried to have them take away my patronage; then I turned against Mr. Winston.

Q. Were you paid anything by Mr. Winston in settlement of these troubles? A. Yes.

Q. How much?

Counsel for Mr. English objected and said that was a private matter.

Mr. Husted said, as acting chairman, that the question was not pertinent.

Q. What irregularities did you charge against Mr. Winston? A. He had proxies upon which he voted, and he paid something to State officers for some purpose connected with the soldiers during the war.

Mr. Husted—It was a loan to the Comptroller—was it not? A. Yes, sir, to the present Governor; there was no loss by it to the company, but I objected to the principle; I objected also to the giving of bonuses, which was done, and the sums given were charged as dividends; then he allowed his son's policy to lapse, and had it revived after his death.

Q. Were these the charges upon which he brought suit? A. No, sir; he brought suit upon other matters; they were not embodied in the suits against me; these charges provoked the suit, probably; I do not remember what was the real charge against me.

Q. Did you cease the publications after the settement? A. I ceased them several months before the settlement; the settlement did not include them, and I have never retracted them; my business was injured, my health was ruined, and I came out of jail wrecked; that was all; Mr. Winston became ashamed of himself and did what he could to retrieve the wrong he did me.

BROKE DOWN BY EMOTION.

The witness here became so affected that his emotion overcame him.

TESTIMONY RESUMED.

I was robbed by the Sheriff's officers; they charged me $150 a night trying to get bail; Judson Jarvis, the Clerk of Arrests, extracted $250 from me for one night going around with me trying to get bail.

A RULING BY THE COMMITTEE.

The committee here declared that the whole testimony was out of order.

Mr. Moak then urged his original question as to how much money the witness received in settlement, and a general discussion ensued.

NEVER RECEIVED A CENT.

Mr. English very positively stated that he never received one cent from a life insurance company or any corporation in settlement of that difficulty.

The question was thereupon rejected.

SPURNED THE PROPOSITION.

Mr. Moak then asked if any person had sent for him to settle the difficulty. A. Yes; Mr. Hyde and Mr. Bliss, but I spurned the proposition; they offered me money, but said the attacks were injuring the insurance business; nearly every life insurance company asked me to stop for the same reason; I had something to do with the commencement of the suit for winding up the Continental Life; when the Superintendent of Insurance and the officers of the company were fighting witness had gotten up all the facts placed before the receiver; he had been injured in nearly every company in the country, and now holds policies in the Mutual, United States, New York, Columbia and St. Louis Mutual, all for small sums.

THE CONTINENTAL INSURANCE COMPANY.

Q. What were the charges against the officers of the Continental? A. The charges against them were levying money on the fire companies to corrupt legislators; in 1875 Stephen H. Hammond introduced his bill to tax insurance companies, but Mr. Tobey told me it was in the handwriting of Miller; George T. Hope then began levying assessments on the fire companies to defeat the bill and I denounced him; Mr. Hammond then brought his bill into the Senate, where it is now; the bill was what I call a striking bill.

IRRELEVANT TESTIMONY.

Here it was discovered that Mr. English was talking of the Continental Fire instead of the Life, and on motion of Mr. Cowden the testimony was stopped and declared irrelevant.

BUYING UP POLICIES.

Continuing, Mr. English, speaking of the Continental Life, related what evils the officers of that company had been guilty of, for which he had denounced them. For instance, buying up policies on statements that the company was in danger and swallowing the reserve, transferring assets to the New Jersey Mutual, of which Frost, President of the Continental, was also an officer, for that company to hold as assets of their own, while the Superintendent was preparing to investigate them; of these assets $87,000 of bonds fell out on the way and were never returned. The buying up of policies cost about $120,000, and these officers drew checks for them as lapsed policies amounting to $800,000. The officers afterward ran away. He knew nothing detrimental to any of the other companies. He did not know of any other companies having persons buying up policies or transferring assets in the same way as the Continental. The companies generally were all sound and solvent.

A recess was taken until three o'clock P. M.

AFTER RECESS.

TESTIMONY OF MR. FURBER.

The investigation was resumed this afternoon, and Henry J. Furber, Vice President of the Universal Life Insurance Company, testified:—

Am connected with the Universal, the Charter Oak, and until a month ago was President of the North America Company; there is stock in the Guardian and the New York State companies which has been held in his name to qualify him as director in them, but it was owned by the Universal company; first became connected with the Universal in November, 1865, as manager of the agenta, but with the title of Vice President; the Universal was organized in February, of that year; witness still holds the position of vice president; the Universal is a purely stock company, with a capital of $200,000; it was the first purely stock company in this country; it started with the policy of no dividends—so much insurance for so much money; became connected with the Guardian in 1874; in February my attention was called to that company, and upon an examination into it found an apparent deficiency of $350,000 in its assets as compared with its legal reserve; I said to the directors of the Universal that this company had built up $30,000,000 of business with this deficiency; we needed business; if the Guardian had been left alone it would have gone into the hands of a receiver; could we with $650,000 build up an equal business, or should we not buy that business for that sum; I believed the Universal could afford to take it and take care of all of its policy holders and build up our business; the directors discussed the matter and agreed to make that $650,000 good in such a way as not to create a liability; the sum was added to the assets and contracts were made between the Universal and myself—one for $320,000 and one for $330,000—to the effect that I advance those sums and should receive a certain percentage and proportion of the Guardian's business until the sum advanced by me should be returned to me; that payment was arranged so as not to create a liability, because there was no agreement to pay that money back to me except out of certain sources of profit that were sure; the "apparent" deficiency proved afterward to be nearly twice that much; the other portion of the deficiency was not discovered, possibly because I had no time to investigate it; the $650,000 would not have certainly gone into the hands of a receiver if a receiver had been appointed afterward, because it would have made the company apparently solvent; the Universal agreed to pay the Guardian eighty per cent of its losses upon outstanding obligations, and the Guardian agreed to pay the Universal eighty per cent of its premium income; the contract was made to protect me, because I knew the Universal had enough to pay that eighty per cent; no loss could have resulted to the Universal if a receiver had been appointed, nor to me either; of the policies, $2,400,000 were reinsured in the Universal at the time by the Guardian.

Q. How does that prevent the Universal or you being out in case a receiver of the Guardian was appointed? A. The addition of the $650,000 to the assets of the Guardian made its assets equal its liabilities, and prevented the appointment of a receiver.

Mr. Furber then went into a long explanation of the business methods by which all three parties to this transaction were perfectly secure. He continued:—

Upon reinsuring the previous loading is not paid for; only the re