asphyxia have occurred among the workmen. Men have actually fallen dead in the graves they were digging, as was recorded during the London plague. Walking back from the cemetery to the city I counted fifty-two bodies going to burial. This broad sand beach in front of Fortaleza is a main road to the burial ground. From morning till night a stream of corpses is passing along here. I never went to the beach without seeing four or five. While I took my morning bath in the surf a score would pass me. There are two or three smallpox hospitals; but, of course, they were overflowing during the epidemic. The one I visited was close by the cemetery. Every cot was full, and as fast as one was vacated it was taken up by a new patient. In many cases they did not even wash the cot, and I believed that many deaths were caused in this way, as when a patient only slightly attacked was placed on a cot where one had recently died of some aggravated form of the disease.

WRETCHED HOVELS.

The flies were swarming about here by millions. I think these insects had much to do with the propagation of smallpox, passing as they do from house to house and lighting on face and hands. You must not suppose that all the smallpox patients were gathered in these hospitals. I visited many of the refugee huts, and in almost every one I found the dread disease. Some cases I saw were horrible enough. I stopped at one hut, two or three miles out of town and away from the main roads. It was the merest shelter, made of boughs and palm leaves; no floor, of course, and no furniture beyond a dirty hammock, a mat and two or three cooking utensils of clay. A woman to whom I spoke looked up drowsily. She was suffering from fever, plainly the fever of smallpox. A baby in the hammock was tossing with the fever also. A little girl on the mat had the white sores just breaking out on her face. A boy on the ground was one horrible mass of rotting flesh, with the blood oozing from all parts of the body. He could not have lived an hour longer. And yet there was no one to give a cup of water to this sick family. It was so in many cases. People died of hunger and thirst because disease left them helpless and there was no one to aid them. The refugees seemed indifferent to their fate. They laughed even to see some distorted body. They gambled for their rations. I often saw them at this sport. The only sign of fear I observed was in the repugnance which the men showed for hospital and cemetery service. It was very difficult especially to find gravediggers. The dead were collected every morning by a corps of searchers. A fixed sum was paid, I believe, for each body.

DISEASE DEPOPULATING THE VILLAGES.

If affairs were bad in Fortaleza they were worse in some of the villages around it. From its centre in the capital the epidemic spread in all directions.

At Pacatuba, with a population (refugees included) of 3,500, the death rate went as high as 120 per day—three and one-half per cent of the whole. In this place I visited some twenty houses at random, and in every one I found from one to five smallpox cases. At a friend's house where I stopped the servants had scabs still on their faces. Children, lightly attacked, were crawling about the streets or begging at the railroad station! One man had twenty-four workmen. Seventeen of these died in forty-five days, and another was sick when I left. Another had nine clerks. Six of them died within four weeks. Families of ten died one after another until none were left. Cases were common where only two or three remained out of a large circle. And this, you must remember, was among the richer class as well as among the poorer, though, no doubt, the mortality was greater with the refugees. Along the new railroad line the mortality among the workmen was often very great; but the engineer, Mr. Mossing, had introduced a semi-military system. The people lived in decent houses and the sick were rigidly separated from the well.

WHAT VACCINATION MIGHT HAVE DONE.

I believe that the epidemic itself might have been prevented by vaccination and the commonest hygienic rules. What can be done? I was at Baturité, a beautiful village about seventy-five miles from Fortaleza. There were some 15,000 refugees there. They lived in decent barracks, had food enough and to spare and were clothed by the government. The labor system had been in use all along. Vaccination was enforced and smallpox had hardly been felt there up to January, 1879. Out of the 15,000, during my visit, the mortality ran no higher than five per day—a very low rate when it is considered that people were still coming in in a starving state. The good condition of affairs at Baturité is almost entirely owing to one noble man, Dr. Antonio Gomes Pereira. This gentleman, one of the wealthiest in the province, devoted himself from the first to succoring the poor people. When the great exodus took place he fed thousands at his own expense. As government commissioner he introduced order and economy into the work. He vaccinated 1,500 people with his own hand and enforced the measure with all. He is now honored by his neighbors, worshipped by the refugees, and he deserves to be known as a man who has saved 10,000 lives.

APPEARANCE OF THE BLACK PLAGUE.

I could write much more of Casrá and the good and evil I saw there; the evil, alas, too sadly predominant! Only one thing more I will note, for it may be the sign of another scourge in the future. When I left Fortaleza people were talking of a disease which they called black smallpox. It was utterly unlike the ordinary smallpox. The patient was seized with a sudden giddiness, fever and burning of the tongue; then dark spots like bruises appeared on the body, and in twenty-four hours all was over. I surmised from the first, and I believe there is now no doubt, that this is the terrible black plague, the scourge that has so often swept through Europe and Asia, but which, so far as I know, has never appeared before on this side of the Atlantic. The cases were already numerous at the beginning of this year. One of the first victims was the wife of the Provincial President, Senhor José Julio. She died in a few hours after the disease attacked her. She was buried at night without attendance. What will be the result of this new pestilence? I only know what has been—a province utterly ruined; a population of 900,000 reduced to 400,000, and these dying at an enormous rate. Probably there have been 300,000 deaths in the other drought-stricken provinces of which I have few notices. There is nothing in history that will compare with it. God grant that there never may be again!

TENNESSEE'S DEBT.

THE NEW YORK PROPOSITION OF COMPROMISE SUBMITTED TO THE LEGISLATURE.

[BY TELEGRAPH TO THE HERALD.]

NASHVILLE, Feb. 13, 1879.

The proposition of the New York bondholders was presented to the Senate to-day and referred to the Finance Committee, after a heated discussion. Senator Savage, who is known to be an extreme low tax man, favored an immediate settlement of the question, and did not want any dodging. The House invited General Pryor to address it at the close of some session, as he might designate. He will respectfully decline the invitation, on the ground that the members of the Legislature already have all the facts before them.

SCALING TENNESSEE BONDS.

BALTIMORE, Feb. 13, 1879.

A meeting of holders of Tennessee State bonds, held here to-day, indorsed the proceedings and action of the bondholders at the meeting recently held in New York, agreeing to scale the debt to sixty cents on the dollar. Among the gentlemen present at the meeting to-day was Enoch Pratt, representing the Peabody Institute of this city, which holds $354,000 of Tennessee bonds included in the endowment of the institution by the late George Peabody.

At the annual meeting of the directors of the Institute last night the Board passed a resolution agreeing to accept, in common with other holders of Tennessee bonds, a new 6 per cent bond for 60 per cent of the amount of the debt or a 4 per cent bond for the face of the debt, accrued interest being added.

THE SARATOGA MONUMENT.

[BY TELEGRAPH TO THE HERALD.]

NEWPORT, R. I., Feb. 13, 1879.

A memorial from the Saratoga (N. Y.) Monumental Association was introduced in the House of Representatives to-day asking for an appropriation of $1,000 toward the Saratoga Monument, which is to be erected by the thirteen original States. It was referred to the Committee on Finance.

WASHINGTON.

Last Desperate Effort for an Extra Session.

FRIGHTFUL NOTE OF WARNING.

Southern Representatives on the Federal Election Laws.

GOVERNMENT ESTIMATES AND EXPENDITURES.

Rear Admiral Ammen on the Uses of the Navy.

FROM OUR SPECIAL CORRESPONDENT.

WASHINGTON, Feb. 13, 1879.

THE EXTRA SESSION MOVEMENT—LAST DESPAIRING EFFORT OF THE SUTLERS' BRIGADE—A HORRIBLE PLOT OF THE ADMINISTRATION TO GET CONTROL OF THE NEXT HOUSE.

The attempt of the sutlers' brigade in Monday night's democratic caucus to take command of the democratic camp and force an extra session of Congress in order to more quickly divide the spoils broke down so lamentably that these anxious patriots have been obliged to devise a new mode of attack. They have accordingly discovered one of the most tremendous mare's nests of the period, and are to-day busily displaying the contents to an amazed public. It is nothing less than a horrible and dastardly plot of the administration to carry the organization of the next House by a combination of bribery and tyranny, corrupting the greenback members with office and patronage and sticking into the Albany penitentiary enough incorruptible democrats to accomplish its fiendish purposes. It is against this gloomy and soul harrowing plot that the sutlers and bummers are to-day solemnly warning democratic representatives and Senators, and they have managed with singular good luck to get the assistance, whatever that may be worth, of the Washington *Post*, a lively newspaper, which professes to be the democratic organ here, and which is in fact the organ of some Western democrats.

A HORRIBLE WARNING AND A GLOOMY VIEW.

The *Post* this morning devotes a double leaded leading article to the exploitation of this mare's nest, which is sent you herewith. It will be noticed that this gives an extremely gloomy view of the democratic prospects, and is eminently calculated to alarm any one who believes it. It says:—

In the absence of any formal test on the floor of the House, and judging solely from the drift of comment on the part of individual members and Senators since the joint caucus of Monday night, we are reluctantly compelled to admit that while there is no serious doubt as to the repeal of the juror's test oath, the far more important question of repealing the federal election law is still unsettled. The unfortunate, and, as it seems to us at this time, almost suicidal attitude assumed by senator Bayard appears to have found adherents in the House; not many, indeed, but enough to jeopardize the narrow majority which enables the democratic party to protect the rights and conserve the liberties of citizens.

When a repeal of the election law is urged, there are a few democrats who meet it with set repetition of the unfortunate doctrine advanced by Mr. Bayard, to the effect that it would be "revolutionary," "contrary to usage" and "violent."

We will not attempt to argue the case but we will say that, unless that election law is repealed, unless the desperate hand of frantic radicalism is stayed now and stayed with an emphasis admitting of no cavil as to its meaning, *the next House will not be organized as a democratic body.*

The radical programme, fully resolved upon and completely calculated, is this:—To carry all four of the California districts by the aid of the corruption fund and the Election law; to buy or bribe with chairmanships and executive patronage all the independents, nationals and greenbackers elected to the next House, and, finally, *to indict, convict and imprison*, under the Election law, *seven democratic members elect.* The men selected for this treatment are King, of Louisiana, and Hull, of Florida, who are already under indictment; Elam, of Louisiana; Shelley, of Alabama; Conner, of South Carolina; Chalmers, of Mississippi, and one other, to be chosen out of three or four names under consideration by the chief prefect of national police under our present imperial form of government, Devens.

This is all we have to offer. We hope the democrats in the House will fully consider what they are doing and what the consequences will be before they act, and we repeat that if this Congress passes the Appropriation bills leaving the Election laws unrepealed, the Speaker, committees and chairmen of the next House will not be democrats.

If in the face of facts like these the democratic majority in the House choose to accept the untimely conservatism of Senator Bayard as their guide, it will not be because of any failure on our part to suitably warn them of the consequences. We do not believe they will be so infatuated, but if they should prove to be, we only ask that our protest may be recorded and our prediction borne in mind.

Again we state that if this Congress fails to repeal the Election laws, or, in default of repeal, fails to force Hayes to the wall and obediently votes him the money he needs to carry out his infamous designs, the democratic party will not control the organization of the forty-sixth House of Representatives, and when that body meets seven of its members-elect will be serving out sentences in the Penitentiary, if there is force enough to put them there, in accordance with the sentences of packed juries and corrupt judges.

THE BUMMERS' LAST GASP.

Of course nothing more horrible than this could be imagined, else its amusing authors would have imagined it. It is their last gasp, so to speak, and if with this tale of a cock and a bull they cannot scare the democratic party, including the unfortunate and almost suicidal Senator Bayard, why, then they will have to give it up as a bad job and wait till next December for the division of plunder for which their souls hunger.

How far they will succeed is yet to be seen. At present it remains true that almost all the democratic Senators and a large number of Representatives are opposed to the attempt to tack on to an appropriation bill a clause repealing the Federal Election laws, an act which, as the sutlers' brigade perfectly understand, would result not in a repeal of those laws, but in the failure of the bill and the necessity, therefore, of an extra session.

FEELING AMONG THE SOUTHERNERS.

The Southern Senators and Representatives, with a few exceptions—and those exceptions members of the House—declare that they are content with the repeal of the test oaths. A Southern Senator, who is generally believed to be one of the most extreme of his section, said to your correspondent on Tuesday:—"If the test oaths are repealed, we of the South do not ask for anything more now. That will give us fair juries, and if any man tried before a fair jury is found to have violated the law he must take his punishment. All that we have a right to ask for any of our people is a fair trial before an intelligent jury, and not before a jury made up by excluding from the tales the intelligent and responsible citizens of the neighborhood and leaving only the ignorant, unreasoning and easily prejudiced."

This substantially has been repeated to your correspondent by every Southern man he has spoken with on the subject, and it is an undeniable fact that this movement has not had the countenance of Southern men, with a few exceptions, and they have not even been consulted about it, although it will be noticed that it pretends to originate in an extreme anxiety to protect Southern democrats.

SENATOR THURMAN'S POSITION.

It would have, therefore, but little importance and would not be worth the space given to its discussion here were it not that Senator Thurman has apparently placed himself at the head of it. He is the only man whose connection with it gives it an air of respectability, just as his connection with the greenback and inflation movement in Ohio last year was needed to give that an appearance of respectability, though it did not secure its success. Mr. Thurman has been for several years playing the part as a democrat which Senator Morton for many years played in the republican party. Morton was once described by one of his fellow republicans as a man whose habit it was to sit on a high fence and whenever he saw a crowd anywhere to jump down and put himself at the head of it, in the hope that it was marching to the White House. Unfortunately for him he never headed the right crowd, but he always knew when to drop it and get up on his fence for another chance.

A SOUTHERN SENATOR'S STATEMENT.

Concerning Mr. Thurman's present attitude as the head of the movement for forcing an extra session on the plea of relieving the South from bad laws, a Southern Senator remarked to your correspondent to-day:—

The South is poor and feverish and tired—it wants peace and rest. It can only be injured by being once more made the football of political contention, as it has so often been used by Northern democrats. We of the South are not moving for the immediate repeal of the Election laws; we have thought nothing about it. It is time enough, in our judgment, to repeal them next December. So far as Senator Thurman is concerned, if he is really in earnest and has not been carried away by a momentary impulse, he appears to be repeating the manœuvre of Douglas when he suddenly sprang the Nebraska bill and the doctrine of squatter sovereignty on us. The South had not asked the repeal of the Missouri compromise; it was flung into politics by Mr. Douglas, a Northern democrat, a very influential and eminent one, not to please us, but to coerce us, not for us, but for his own advantage. When the gift was forced on us we could not refuse it. Just as now, if the Northern democrats insist on immediately repealing laws of which we have long complained we can hardly refuse to co-operate with them. But the South is tired of being used by Northern democrats as a mere political football. We see the danger to ourselves of this constant renewal of sectional issues or questions in which the Southern States are made the political target. Douglas harmed us to advance, as he hoped, his own political fortunes, and it may be that Thurman thinks the same policy a good one for himself.

Of course the answer to this is that Southern men need not follow a dangerous leap. If this theory of Senator Thurman's motives should be correct, as it is certainly plausible, the Southern men are not bound to follow him. They can do themselves and their section far more good by resisting what, no doubt, is a temptation by replying that they prefer the good of the country to the untimely and irregular repeal of even bad laws. In such a matter men like Senators Bayard, Kernan, Randolph and other Northern men are far safer guides and leaders than Senator Thurman. Mr. Kernan spoke wisely when he warned the Southern men, in Monday night's caucus, that they had to look to carrying the North much more than the South, and that if they allowed themselves to be misled into a movement which Northern democrats could not defend before their constituents they committed a fatal fault.

There appears to be little doubt that the republican Senators will agree to the repeal of the test oaths. The President is also said by his friends to favor this measure.

DEMOCRATIC SENATORIAL CAUCUS ON THE REPEAL OF THE FEDERAL ELECTION LAWS.

At a caucus of democratic Senators held this morning the question whether it is judicious to attempt at this late stage of the session to effect the repeal of the Federal Election laws was discussed. The discussion showed that there was a largely preponderant sentiment against such a movement. Another meeting of the caucus will be held to-morrow morning, when there will probably be a substantially unanimous decision that such an attempt at this time would be unwise and inexpedient. The consultations of the last two days have produced the general conviction that this movement has its origin not in the South, but among Northern politicians, and this takes away whatever strength it at one time seemed to have.

FROM OUR REGULAR CORRESPONDENT.

WASHINGTON, Feb. 13, 1879.

USES AND PURPOSES OF THE NAVY—PAPER OF REAR ADMIRAL AMMEN READ BEFORE THE WASHINGTON BRANCH OF THE NAVAL INSTITUTE.

Rear Admiral Ammen read last night before the Washington Branch of the United States Naval Institute a paper on the purposes of a navy and the best methods of rendering it efficient.

The army and navy were supposed to be the hedges of a nation, no less important to its welfare and security than the hedges of the farmer were to him; he hoped to show that they did not exist idly and unprofitably, and that their fruits were not the less valuable because they were common property.

The purposes of the navy are usually afloat. The high seas are policed by the navies of the world, without which there would be no safety on the ocean. A purpose of the navy was shown in the expedition of Commodore Perry to Japan, in 1854, which resulted in bringing into the family of nations 35,000,000 of ingenuous and highly industrious people, who now occupy a distinguished position, owing to their high character and great artistic taste. Had it not been for this expedition Japan would probably still be an isolated nation. An expedition about the same time to Paraguay had done much to bring that nation, then isolated, into commercial relations with the world. Our navy had explored the Amazon from the head waters to the sea, and now that magnificent river is navigable its entire length. Only last year one of our vessels of war had made an excellent survey of the River Madeira, one of its principal branches which would soon bring us into commercial relations with an extensive and rich region.

Within the past eight years the navy has completed surveys wherever required of the watersheds of intertropical America, leaving nothing in doubt as to the solution of the interoceanic canal question. It has furnished inspectors of lighthouses and officers for the hydrographic duties of the coast survey, both of which are of great value to us and to foreign flags visiting our coasts. Surveying the oceans and determining the positions and character of their dangers must be done by navies or forever remain undone. The navy gives "moral support," and sometimes something more positive in the countries whose governments are not stable, to our merchants and citizens abroad. Such have been the purposes of a navy more or less since its formation; such will be its purposes more or less as long as it is efficiently directed and exists in an efficient condition.

These functions were so constant and important in times of peace that they may be regarded as indispensable to any great commercial nation, and the performance of them serves as a school of instruction in times of peace, without which in times of war the loss to a nation would be incalculably greater than all the cost incurred in maintaining such an establishment.

The importance of being able to instruct a large number of officers taken from the merchant service is dwelt upon, and also in this connection the latent force that a nation possesses in having a large retired list of competent officers. The provisions made by Great Britain to place comparatively young men in responsible positions and to retire a large number of officers to effect this were given and the benefits derivable from this action.

Compound engines were not regarded as proper for vessels of war, nor was it thought possible to convert vessels built for the merchant service into vessels of war that would be able to meet vessels of the same tonnage built for vessels of war. Wooden propellers having long shafts were not thought well of from the want of rigidity of frame—a defect that constructors have not yet overcome. This want of rigidity made bad lineage for the enginery, which caused friction, heating, consequent expansion and breakdowns.

An unarmored iron vessel was thought useless as a vessel of war, and the reasons given therefor. Vessels having iron frames, and known as "sheathed" and as "composite," were regarded as those which should take the place of wooden vessels of war. They would be found as expensive in construction as wooden vessels, at least those first built, but when rebuilt the cost would be comparatively small and the hull as good as new, which is not the case with wooden vessels rebuilt, the cost of the repairs being often as great as a new hull, and the vessel then soon passing into the long list of disabled vessels.

It was assumed that "sheathed" and "composite" vessels should be our schools of instruction, and police the seas in time of peace and should destroy an enemy's commerce in time of war, and that marine rams would be able to destroy armor-plated gun-bearing ships, but that we could not hope to rely upon supposititious and untried elements of naval strength, and, therefore, in peace, should devise and try them so as to make naval warfare economic, but that nothing could be considered economic that was not effective.

Sounding the depths of the ocean, surveying the islands and shoals and hidden dangers, policing the seas and thus preventing the existence of piracies, protecting by "moral force" our merchants and citizens abroad, and in the many countries having unstable governments forming a material support, and thus avoiding the necessity of making demands for indemnity—these are the constant purposes of a navy, and could not be dispensed with by any power without great loss in time of peace and ruin in time of war.

The Admiral thinks highly of the present training and effectiveness of the personnel of the navy, and concludes as follows:—

"Courage is a natural quality, far more common than many suppose, at least sufficient courage to do a recognized duty; but that alone will not suffice. That eminent divine, the Dean of Westminster, said:—'Courage, self-control, discipline—these are the gifts by which victories are won on earth.' These are golden words. If they are taken to heart by our young officers we have nothing to fear from the power of any adversary."

BUTLER'S TAX IN THE DISTRICT OF COLUMBIA—SARCASTIC APPENDIX TO THE OPINION OF THE ATTORNEY FOR THE DISTRICT.

Mr. A. G. Riddle, attorney for the District of Columbia, this afternoon forwarded the following to the District Commissioners as an appendix to his opinion relative to the letter of General Benjamin F. Butler declining to pay his personal tax:—

The communication is from an eminent representative and distinguished lawyer of Massachusetts, a temporary resident of Washington, complaining of the assessment of taxes upon his personal property situate in the District, and accompanied with an indication of grave calamity to the capital of the nation if redress is withheld. The letter seems to have been written under an impression that the Commissioners of the District are the authors of the obnoxious law sought to be enforced, and that the whole legislative and administrative power in the premises is in their hands. I submit four conclusions that may be drawn from the opinion:—

First—That the laws under which taxes are assessed and collected in the District of Columbia are not the product of the government of that municipality.

Second—That if the property referred to actually travels with its distinguished owner in his journeys between the capital and the State where he is domiciled it should not be taxed here, although here when taxes are assessed in the District, and hence within the words of the law.

Third—If the property is here continuously, is used and employed here, then it should be taxed here, no matter where the domicile of the owner may be, unless

Fourth—The owner actually pays a tax on this specific property in the State of his domicile.

If the text of the tax laws does not warrant the opinion referred to the more accurate learning of the complainant will at once detect its errors. He will lay the District under obligations by pointing them out. If it should prove to be a sound view of those statutes the undersigned respectfully hopes that the complainant will entertain the idea of appealing directly to the two houses of the American Congress, now in session, ere he resolves upon the execution of the purpose so distinctly declared in his communication.

A copy of the opinion and appendix will be transmitted to General Butler to-morrow.

CHINESE IMMIGRATION—ACTION OF THE STATE DEPARTMENT ON THE QUESTION.

It transpired in the course of the debate in the Senate to-day on the Anti-Chinese bill that the State Department was in correspondence with the Chinese Minister, Chin Lan Pin, on the subject of the modification of the treaty with China, looking to the limitation of the number of Chinamen who should be permitted to embark on vessels bound for the United States. It is understood that the purpose of the State Department is to effect by diplomatic negotiations the result proposed in the bill. It has transpired that the Chinese Minister has no authority to promise any modifications of the treaty, so that whatever may be done will have to go through the hands of the Chinese imperial government. This would require many months of delay in the ordinary course of correspondence, and it is this knowledge which prompts the advocates of the bill to insist upon legislation as the only speedy way of meeting the question in time for the fall election in California.

GENERAL WASHINGTON DESPATCHES.

WASHINGTON, Feb. 13, 1879.

EXTENSION OF TELEGRAPH LINES—DR. GREEN BEFORE THE SENATE COMMITTEE ON RAILROADS—ARRANGEMENTS BETWEEN THE WESTERN UNION AND THE ASSOCIATED PRESS.

The Senate Committee on Railroads met this morning for the purpose of hearing arguments with respect to Senator Jones' bill authorizing railroad companies to construct and maintain telegraph lines for commercial purposes, and to secure to the government the use of the same for postal, military and other purposes. The Senators present were:—Messrs. Mitchell (in the chair), Teller, Barnum, Stanley Matthews, Shields and Dorsey. The Chairman announced that this meeting had been called on an application made by Dr. Green on behalf of the Western Union Telegraph Company, who wished to make a statement in regard to the bill. A letter had also been received from Mr. Reiff, the President of the Automatic Telegraph Company, applying for permission to appear before the committee.

The following is that portion of Dr. Green's examination referring to the Associated Press:—

The Chairman—I am inclined to the opinion that what has done more to agitate this question and cause a great many people to call for some legislation on the subject is what is regarded as a great monopoly on the part of the Associated Press. I would like to know for my own information, if it is proper, what relations exist between what is known as the Associated Press and the Western Union Company?

Mr. Dorsey—And the public press?

The Chairman—Of course.

Dr. Green—I am very much obliged for this question, and it gives me pleasure to answer it, for there is absolutely nothing to conceal in connection with those relations. Announcements have been made by us again and again that we would transmit the despatches of any other associations of like service for a like price without favor of any kind. The Associated Press of New York was organized to collect the news of the world. They have their reporters everywhere, at home and abroad, and they pay a very large sum for cable telegrams. They are a company formed expressly to gather news, and the news so gathered is just as much their property as a private telegram or a private letter. They do not monopolize the news, but they collect it also for the New York State Press, the Missouri and the California State Press, the Western Press and other associations. They transmit all their news to these associations over our wires. The Western Associated Press transmits through us about seven thousand words a day and we deliver it to about fifty different papers in twenty-five or thirty different towns. We transmit it from New York to every one of these towns at one sending, and we get for it about three and a half cents per word. Now an opposition paper comes to us and wishes us to transmit a special report for the same rate as we send one of these fifty, or else they must have that same report. Well, we say, we cannot give you that report, because it does not belong to us. If you want a special report, get up a combination and then we will send it at the same rates. We have always made concessions to the outside papers where they are reasonable.

The Chairman—Is there anything in your contract with the Associated Press that would prevent your sending the news of other combinations if you wished?

Dr. Green—Nothing whatever except that we cannot afford to supply anybody at a tenth or a fiftieth part of the price paid by our best customers. Of course, we have propositions made to us that we should establish a news bureau, collect the news and sell it to all the papers. Hitherto we have had no ownership or proprietorship in the news, but have transmitted it simply. We shrink from the proposition of a news bureau because it is a dangerous power in the hands of any corporation. We could not undertake to make reports of political news for all the journals in the United States. Why, if we did we could elect anybody we pleased. You place that power in the hands of a telegraph company, and let them make two columns of news a day for every paper in the land, what show would anybody have against them?

The Chairman—Do you know what the arrangement is between the Associated Press and other papers?

Dr. Green—I can only say I have some knowledge of it, but it is none of my business. For instance, the Western Associated Press and the Associated Press of New York make arrangements with us for news by cable, and by forming a combination they get it cheaply. If the outside papers want to get such news the combination charge a big bonus, of course; but we have nothing to do with that.

Mr. Dawes—But could not the public or the other papers send this news?

Dr. Green—We have not the slightest objection. It is not our funeral; they can send as much as they like.

Mr. Dawes—The complaint seems to be that the Western Union shields itself in the statement that it is none of their business, while at the same time they give the Associated Press special facilities. I think some legislation is needed to correct this.

Dr. Green—Let the government start a news bureau, then, and collect and send the news itself.

Mr. Dawes—You have the right to make such terms as you please with the Associated Press, have you not?

Dr. Green—I assume that as public carriers we have to carry all public messages at a common charge.

Mr. Dawes—My impression is that you have a right to charge any price you please.

Dr. Green—Well, that might be, but wherever we make concessions we have special conditions attached.

ESTIMATES AND EXPENDITURES OF THE GOVERNMENT—SECRETARY SHERMAN TO THE CHAIRMAN OF THE COMMITTEE ON APPROPRIATIONS.

The following is the full text of the letter from the Secretary of the Treasury, which was read in the House to-day, in relation to the estimates, and expenditures of the government:—

TREASURY DEPARTMENT,
WASHINGTON, D. C., Feb. 12, 1879.

Hon. J. D. L. ATKINS, Chairman of the Committee on Appropriations, House of Representatives:—

SIR—I am in receipt of the communication of your committee of the 7th inst., asking whether it is my intention to submit an estimate of arrears of pensions under the act of January 25, 1879.

I understand that the Secretary of the Interior has transmitted to Congress an estimate of the Commissioner of Pensions of the amount necessary to pay the arrears of pensions under this act as follows:—For the payment of arrears on pensions granted prior to the passage of the act, $34,000,000; for the payment of arrears that may be allowed during the fiscal year, $2,500,000, and for those that may be allowed during the next fiscal year, $5,000,000, making a total of $41,500,000.

In my last annual report I estimated the revenue of the next fiscal year as follows:—

From customs	$133,000,000
From internal revenue	115,000,000
From miscellaneous sources	16,500,000
Total	$264,500,000

The expenditures, exclusive of the sinking fund, were estimated at $236,334,912 68, leaving a surplus of $28,165,087 32.

The revenue from customs for the seven months of the present fiscal year ending January 31, 1879, was $78,185,719 13, and for the corresponding period last year, $75,856,995 46, showing an increase of $2,328,723 67, at which rate of increase the estimated amount for the next fiscal year may be realized.

The receipts from internal revenue for the same periods were as follows:—

For 1879	$66,022,190 23
For 1878	64,744,708 78
Showing an increase of	$1,277,481 45

This rate of increase will not give more than $112,500,000 for this year, and no increase may be expected for the following year under present laws. If, however, the tax on tobacco is reduced, as is proposed, the total receipts from internal revenue for the next fiscal year will not exceed $106,000,000, and may fall as low as $104,000,000.

The receipts from miscellaneous sources may be increased $2,000,000 during this year and a corresponding amount over the estimates for next year. The expenditures for the first seven months of the current fiscal year were $152,590,941 06, and for the same period last year $141,092,848 15, showing an increase of $11,598,092 91, from which should be deducted the amount paid for the Halifax award, $5,500,000, leaving a net increase of $6,098,092 91. If to this be added the amount necessary for the payment of arrears of pensions, $41,500,000, and the expenditures for the last fiscal year, $236,964,326 80, the total estimated expenditures for the next fiscal year will be $284,562,419 71.

The receipts as estimated will be:—

From customs	$133,000,000
From internal revenue	106,000,000
From miscellaneous sources	18,500,000
Total	$257,500,000

Leaving a deficiency of $27,062,419 71. This estimate is based upon the assumption that the expenditures for the balance of the fiscal year will not be increased by unusual deficiencies, and that the appropriations for the next fiscal year will not exceed in other respects the amounts appropriated for this fiscal year.

The saving of interest resulting from the refunding of the debt will not inure to the benefit of the Treasury for the present, as the double interest paid during the three months allowed by law and the necessary expenses will offset the decrease in the interest account.

It would thus appear that the sinking fund must be entirely ignored and the $29,000,000 be provided for by additional legislation. This may be accomplished by the imposition of some new tax adequate for the purpose, or by authorizing the money to be borrowed upon four per cent bonds, which, in the present state of the market can be sold at par. As new taxes cannot be immediately productive, it is recommended that authority be given to raise the amount necessary by the sale of four per cent bonds described in the acts of July 14, 1870, and January 20, 1871.

JOHN SHERMAN, Secretary.

CIPHER TELEGRAMS OFFERED FOR SALE.

In addition to the subpœnas which were issued yesterday by the Potter Investigating Committee, Mr. Woodward, of Indiana, a newspaper correspondent, has been summoned. It is understood that this gentleman was recently offered a batch of cipher telegrams providing he would pay the price asked therefor, namely, $500. There will be no meeting of the committee to-day.

CROOKED POLITICS.

ALLEGED ATTEMPT TO PLAY THE LOUISIANA RETURNING BOARD GAME AT CASTLETON, S. I.—EXCITEMENT OVER THE LATE ELECTION OF TOWN OFFICERS.

The town of Castleton, Staten Island, is greatly excited over an alleged case of attempted returning board tactics in connection with the recent election for town officers. It appears that the democratic party is in a majority in Castleton and has been for many years. Democrats filled all the offices and republicans had to grin and bear it. On Tuesday last an election was held to fill nine town offices. The republicans nominated a straight ticket with the exception of one name, Mr. Herpich, democratic candidate for Supervisor. Mr. Clark, a republican, had many democratic friends who declared their intention to vote for him, otherwise he had no chance of being successful. Those democrats who were determined to support their regular nominees felt bitterly on the subject, and there was consequently great excitement on election day. The total vote for Collector was 1,893, of which Clark received 949 and Farrelly, the democratic candidate for the same office, 944. The count was made after sundown, and the results were given to the people at the police stations later on. The inspectors of election were Tom Haley, John McGee and William Hayes, the latter a republican and the other two democrats.

In counting the returns of the First district of Castleton fourteen straight republican tickets were laid aside, it is said, with the purpose of subsequently adding the number of fourteen votes to the democratic poll for Supervisor. This, by an oversight, was neglected, and when they came to canvass the ballots they found that out of a total of 150 votes cast in that election district only 136 could be found. Unable to discover where the mistake was, they concluded to go home to bed and sleep over the matter. It was this that put it in the heads of John A. Hayes, an ex collector of the town, and Tom Haley, who was formerly a United States Revenue Collector, to raise a point about the validity of the whole count. They waited till long past midnight, and then awakened one of the inspectors, William Hayes, and told him to come along at once and rectify the returns.

A NEW CANVASS OF THE VOTES.

Hayes refused to act unless the other inspector, McGee, was called so that the whole Board might be brought together. This was finally accomplished, and the three inspectors (Haley being one of them), accompanied by two clerks of the polls, proceeded to make a new canvass of the vote, Hayes demanding it as a citizen and a friend of one of the candidates. They were engaged in the work of recounting till five o'clock on Wednesday, when Clark was found to be left out in the cold and Farrelly elected. The two inspectors, McGee and Hayes, appeared to be astounded at this result, and the former took the so-called revised poll to the Town Clerk, to whom the returns have to be made, and he rejected it because the heading was not strictly in conformity with law. So Mr. McGee decided to keep the poll paper for presentation before the Town Board at its meeting yesterday.

CLARK LOOKING OUT FOR HIMSELF.

In the meantime Clark, the counted out candidate, had been looking into the mystery of his defeat after all Castleton had been apprised of his victory, and, meeting with the inspectors, he gave them a piece of his mind. But he was willing to waive all harsh proceedings in the matter if they would go before the present Supervisor, who is Chairman of the Town Board, and make individual statements of what hand they had in the transaction. This they did, and the Supervisor recommended that they should put the facts in the form of an affidavit before a notary public. Mr. Clark engaged the legal services of Mr. Sydney F. Rawson to look after his interests, and yesterday, when the Board of Town Canvassers met, at ten o'clock, that gentleman presented the sworn statements of two of the inspectors, Hayes and McGee, and two of the clerks of the poll. The Board consisted of democrats. They heard arguments on behalf of the two candidates and then took the statements of the inspectors, McGee, Haley and William Hayes, and the clerks of election, Simonson and Chubby, and finally concluded, as the points raised were so momentous, to employ counsel and take advice in the premises, and meet again on Saturday. The Board is believed to be composed of fair minded men, who will have justice done though the heavens fall. If Mr. Clark desired to proceed to extremities he could have had the whole election declared illegal, from the fact that it was held in a saloon, which is expressly against the law.

THE VIRGINIA INDEBTEDNESS.

[BY TELEGRAPH TO THE HERALD.]

RICHMOND, Feb. 13, 1879.

In the lower House of the General Assembly, the Committee on Courts of Justice to-day reported, declaring that the State of Virginia will not be responsible for the debt represented by the West Virginia certificates of indebtedness, of which there is about $10,000,000 in the hands of holders, except such amounts of that debt as may be paid to Virginia by the State of West Virginia. This action is considered important because of the fact that the Legislature of West Virginia has recently disowned the certificate debt and disclaimed any responsibility for it. At the settlement of the old debt of Virginia made by the Virginia Legislature soon after the war, $15,000,000 was apportioned as West Virginia's share, of which about $10,000,000, as above stated, has been funded in certificates.

THE BILLINGS MURDER CASE.

[BY TELEGRAPH TO THE HERALD.]

BALLSTON, N. Y., Feb. 13, 1879.

The Saratoga county Grand Jury, in session here, are considering a bill against George W. Jones for perjury, in having testified falsely in the Billings murder trial while on the stand as a witness for the defence. Billings has employed counsel to defend Jones. It is thought that this action will help the chances for a new trial of Billings on the charge of wife murder. The motion for a change of venue comes up for argument on Saturday morning. The District Attorney claims to have discovered very important new evidence bearing on the case. The populace of Saratoga county seem generally opposed to another trial.

THE STATE CAPITAL.

Legislation as to the Sheriff, County Clerk and Register of New York.

SALARIES INSTEAD OF FEES

[BY TELEGRAPH TO THE HERALD.]

ALBANY, Feb. 13, 1879.

Dr. Hayes' Committee on Cities have unanimously agreed to report the Seventh Regiment Armory bill, which permits that organization to issue bonds to the amount of $150,000 and authorizes the Comptroller to pay them $15,000 for ten years in lieu of rent.

NO CHANGE AS TO EMPLOYES.

Nearly the whole of to-day's session in the Assembly was occupied in discussing the reports of the Committee on Legislative Employés and Expenditures. The majority report agreed as to the inexpediency of interfering with the present employés or their salaries, and recommended two additional appointments—that of Superintendent of Mail Matter and Superintendent of Documents. It was contended in support of the adoption of this report that the law was mandatory upon the Speaker as to making all such appointments, defining their duties and fixing their salaries. Mr. Alvord himself took this ground, and was supported in his position by Messrs. Grady, Husted, Sheard and others. Mr. Skinner, of Jefferson, read a lengthy speech in denunciation, on general principles, of the practice of appointing so many employés. Mr. Brooks vigorously advocated reform in this direction. The debate lasted from eleven o'clock until fifteen minutes to two. Most of the speeches contained the usual buncombe flights of oratory as to necessity for economy and reform. The whole matter ended in the passage of the majority report by a decisive vote. Recommendations are made in the document as to the passage of a bill by the present Legislature which will remedy all evils on this subject.

SHERIFF, REGISTER AND COUNTY CLERK.

If Mr. Varnum's excellent bills, introduced in the Assembly, becomes a law the next Sheriff, Register and County Clerk in New York must be content with receiving salaries instead of fees. They provide that after January 1, 1880, all the fees received by the Sheriff and County Clerk shall be turned over to the Comptroller toward the expenses of the city, and the Sheriff and County Clerk shall thereafter be salaried officers, receiving the following salaries:—Sheriff, $12,000;