WASHINGTON.

Summary of the President's Message.

STRONG GROUNDS AGAINST POLYGAMY.

Retirement of the Greenbacks Recommended.

OVER-CERTIFICATION OF CHECKS.

FROM OUR REGULAR CORRESPONDENT.

WASHINGTON, Nov. 26, 1879.

THE PRESIDENT'S MESSAGE—SUMMARY OF ITS CONTENTS.

A gentleman who read the President's Message to day gives the following as its main points:—

The President congratulates Congress upon the success of resumption, but takes the ground that unless the coinage of silver dollars is limited gold will soon begin to flow out of the country and will be replaced by silver. He, however, does not think that Congress should attempt to fix any ratio between gold and silver at present, nor until an international monetary conference has agreed upon a ratio. He recommends the suspension of coinage as the only step now necessary in silver legislation. He takes the ground that as it is only in time of war or other pressing emergency that the issue of circulating notes by government is warranted, and as the emergency exists no longer, that the circulating notes of government should be retired. The President says that, as it has been the policy of the government ever since the adoption of the constitution to pay all indebtedness as soon as possible after it has been incurred, a sinking fund should be provided by which the public debt can be paid within some limited time. If the revenues of the government will not furnish such a fund the President thinks it should be raised by tax on tea and coffee, this being the most convenient tax and one least felt by the people.

Very decided ground is taken in regard to polygamy in Utah. Attention is called to the open violation of the law on the subject in that Territory and to the great importance of dealing vigorously with the question in view of the fact that the time is rapidly approaching when Utah will demand admittance as a State. He recommends that polygamy in the Territories be made a bar to suffrage and to sitting on juries, and that the test oath be used to ascertain the facts.

Considerable space is devoted to civil service reform, and the improved condition of the public service is referred to, with the recommendation that a commission be appointed to consider the subject and act as an advisory board.

The President reports a very agreeable condition of affairs with all foreign nations. He advises against reopening the question of transferring the Indians to the care of the army. He urges that a sufficient sum be appropriated to complete the Washington monument at an early day. He gives renewed attention to the election laws in connection with the request that money be promptly appropriated to pay marshals, for whose services Congress at its last session refused to pay. This is the most "stalwart" part of the message.

THE WAR PORTFOLIO AND THE ENGLISH MISSION.

A member of the Cabinet said to-day that the President would not nominate Mr. Ramsey for the position of Secretary of War until Mr. McCrary was confirmed as Circuit Judge in place of Judge Dillon, resigned. The nomination of Mr. McCrary will be renewed next week in the first list sent to the Senate. While it is not known positively that ex-Senator Frelinghuysen has been tendered the office of Minister to England it is known that it has been tendered to a prominent gentleman who has the acceptance under consideration. It is said that ex-Senator Frelinghuysen would be glad to accept a first class foreign mission if his means were sufficient to enable him to do so.

GENERAL WASHINGTON DESPATCHES.

WASHINGTON, Nov. 26, 1879.

OVER CERTIFICATION OF CHECKS AND LOANING OF MONEY UPON UNITED STATES OR NATIONAL BANK NOTES—COMPTROLLER KNOX'S REPORT.

Comptroller Knox's forthcoming report, which has not yet been completed, will contain, in addition to the extracts made public yesterday morning, the following interesting paragraphs:—

On February 19 and March 3, 1869, two extraordinary acts in reference to the business of banking were passed by the Fortieth Congress, which enactments were subsequently embodied in sections 5,207 and 5,208 of the Revised Statutes. The first of these sections prohibits the loaning of money upon United States or national bank notes as collateral security, with the purpose of withdrawing such notes from use, and the latter section prohibits the certification of checks drawn upon any national bank unless the drawer has the money actually on deposit in such bank. The violation of the section first named is made a misdemeanor and punishable by a fine not exceeding $1,000 and by a further sum equal to one-third of the money loaned. The officer or officers of the bank who shall make such a loan are also liable for a further penalty equal to one-fourth of the money loaned. The penalty for the violation of the last named section is forfeiture of the charter of the bank and the appointment of a receiver to close its affairs. It seems scarcely credible that it should have been found necessary to prohibit by positive legislation the practice by national banks located in the principal commercial city of the country of methods of business so inconsistent with the principle of good banking. But it was soon found that even this legislative prohibition was not sufficient in times of extraordinary activity in the Stock Board to entirely prevent the illegal certification of checks. A few months thereafter the Committee on Banking and Currency of the House of Representatives, after an investigation which occupied some weeks was instructed to inquire if any further legislation was necessary to prevent the improper certification of checks by national banks, and to report by bill or otherwise.

[Reports of committees, No. 31, H. R., Forty-first Congress, second session, "Gold Panic Investigation," 1870, page 23.]

In compliance with these instructions a bill was reported, which on June 19, 1870, passed the House, and which provided that any officer, clerk or agent of any national banking association who should violate the provisions of the act of March 3, 1869, relating to certified checks, should be deemed guilty of a misdemeanor, and be fined not more than $5,000, or imprisoned not more than five years, or both, in the discretion of the Court. This bill, like the similar acts which preceded it, passed the House almost unanimously and with but little discussion. A representative from New York city, who was also a member of the Committee on Banking and Currency, seemed to reflect the sentiment of the House and also of his constituents when he said:—

"I concur with my colleagues in regard to reporting this bill, after a careful examination of the facts ascertained by the Gold Investigating Committee and of the statements by the substantial merchants of New York—not the speculators either in produce or gold, but the men of solid parts, the men who look to the substantial interests of the people outside as well as inside their city, men of character and property."

The House bill of June 19, 1870, failed to pass the Senate, but the action of the House had the effect to largely diminish although it did not entirely put an end to this illegal practice. No complaints of its renewal reached the Comptroller until recently, when his attention was called to the large increase of certified checks among the Clearing House exchanges, their amount having risen from $31,000,000 on April 4 to $44,000,000 on June 14, to $60,000,000 on October 2, and finally to more than $90,000,000 on October 30th last. He was also informed of an informal conference of the presidents of some of the prominent banks with the object of devising some plan to avoid the risk and loss of such over certifications. It had also about the same time been brought to the knowledge of the Comptroller that certified checks drawn upon an institution which was known to be largely addicted to this practice had been refused by banks in good standing, whereupon he considered it his duty to exercise whatever power belonged to his office for the arrest and prevention of the custom complained of. He, therefore, on the 29th ult., directed the National Bank Examiner for the city of New York to examine such banks as were believed to be certifying checks illegally, and to report the facts to this office; and a separate letter was transmitted to him on the same day requesting him to consult with the Clearing House Committee and to take its advice in reference to the best course to be pursued. The Examiner soon after reported that nine of the city banks had at various times certified checks contrary to the provisions of the law, but that only five of them were largely given to the practice, and he added his opinion that the amount of such illegal certification had been very much overstated by the public press. A subsequent investigation was made on November 6, which was conducted in such manner as to avoid publicity, and the Comptroller was then advised that the certifications complained of had been very largely reduced in number and amount, and in the case of some banks entirely discontinued, and that it was believed that in a short space of time all the banks would conform fully to the provisions of the statute.

Section 5,239 of the Revised Statutes provides that every director of a national bank who participates in or assents to violation of law "shall be held liable, in his personal and individual capacity, for all damages which the association, its shareholders or any other person shall have sustained in consequence of such violation." If a loss were to result from such certifications or overdrafts, there would seem to be no doubt that consequential damages could be collected from those directors who knowingly permitted them.

The Bank Examiner has been instructed to report to this office every instance of over certification which shall come to his knowledge, when the Comptroller will not hesitate to enforce the provisions of law in reference thereto, and in the event of the appointment of a receiver he will endeavor to have determined in the courts the question of the several liabilities of the directors for violation of the law mentioned. In the meantime those banks which consider the law inimical to their interests have the option either to conform to its provisions or to conduct their business under some banking system in which the restrictions that to them are so objectionable do not exist.

The Comptroller is glad to be able to state that he has no reason to suppose any national bank has been guilty of withdrawing circulating notes for illegitimate purposes, but the Examiner has been directed to report any violations of section 5,207, if any such should occur, and upon the receipt of such report the Comptroller will immediately transmit the same to the law officer of the department for his action.

While the national banks have held in the aggregate the amount of reserve required by law the proportion of their reserve to their liabilities was much less during the month of October last than it has been since October, 1873.

The returns of the banks to the Clearing House for the week ending October 25 showed that the reserve of a considerable number of them was below the requirements of the law. Letters were at once addressed to these banks directing them to increase their reserve to the necessary amount. Replies were received showing that the deficiency of reserve was in many cases but temporary. Other banks still showed a deficiency during the week following. These delinquent banks were again notified, and the returns for the week ended November 22 show that the specie had increased $27,633,032 since October 2, which, notwithstanding the fact that the legal tender notes had decreased in the same time $16,578,284, made a net increase of $11,054,748 in the reserve funds.

THE SECRET SERVICE DIVISION OF THE TREASURY—OPERATIONS FOR THE YEAR IN SUPPRESSING COUNTERFEITING AND OTHER CRIMES.

James J. Brooks, chief of the Secret Service division of the Treasury, in his report of the last fiscal year states that the number of arrests by his employés and by local authorities, to whom contingent rewards were paid by the Secret Service, was 539. Counterfeit money to the amount of $33,651 was captured, together with a large number of plates, dies and moulds used in counterfeiting notes or coin, and several of the arrests made during the year were of unusual importance. Among them were those of Henry C. Cole, who had been concerned as a "capitalist" in nearly every important combination of counterfeiters for twenty-five years, but who is now serving a twelve years' sentence in the New Jersey State Prison, and Charles T. Ulrich, of whom it is said that "the annals of counterfeiting do not present his peer in skill, celerity of operation and reckless daring." The latter pleaded guilty, but had thus far escaped sentence upon some legal technicality, "An unfortunate result, to which," Chief Brooks remarks, "this division did not in any way contribute." He says that during the last fiscal year there has been increased activity among the counterfeiters of our paper currency, but that the vigilance maintained by the agents of the division has anticipated the coming of the fraudulent issues and protected the public from any considerable loss. The report continues:—

At no time in the history of national banking in this country has such mechanical skill been displayed in the production of counterfeit notes as has marked the issues of the past year. So fine is the work and so close the imitation that it has become necessary in several instances to recommend to the public the refusal of all notes of the denominations and banks thus counterfeited. Of the old gangs of counterfeiters of paper money who for years depredated upon our communities but two remain, and they are somewhat attenuated through the intervention of justice. But new and more skilful combinations have been formed from the criminal classes, known as forgers, check-raisers, bank burglars and gamblers, and these gangs, by the aid of much ill-gotten wealth, command talent and skill and present phases of operation which render the detection of the criminals more difficult, tedious and expensive than heretofore. Nevertheless, I assert, without fear of successful contradiction, that there never was so small an amount of counterfeit paper money in circulation. Of coin counterfeiting it may be said it was never so extensively engaged in as now, and never were arrests for the offence more numerous. The increase is attributable mainly to the cheapness of the material of which most of the coins are composed and the facility with which they can be manufactured. Fortunately, however, the attempt to circulate them usually brings detection, but not always punishment, for not infrequently the people in their capacity as jurors regard the offence as a venial one and the culprit escapes, or being convicted, he is easily pardoned through the unwise interference of influential citizens.

The Chief complains of the Congressional reduction of the appropriation for his division from $100,000 to $60,000, and says the economy it is now compelled to practise amounts to parsimony and injuriously affects the success of its operation. He calls special attention to the fact that this action of Congress has diminished the ability of the division to compensate the local police officers throughout the country, without whose cordial co-operation the Secret Service force of the Treasury would be inadequate to furnish the needed protection against counterfeiters to many sections.

THE LOTTERY WAR—OPINION BY THE ASSISTANT ATTORNEY GENERAL—THE SUIT AGAINST THE POSTMASTER GENERAL.

The Assistant Attorney General for the Post Office Department, in reply to an inquiry from the Third Assistant Postmaster General, has addressed to the latter the following letter with regard to the treatment of lottery correspondence:—

WASHINGTON, D. C., Nov. 24, 1879.

HON. A. D. HAZEN, Third Assistant Postmaster General:—

SIR—In reply to your letter of the 20th inst. I have the honor to advise you, first, that "lottery letters" reaching the Dead Letter Office may be returned to the writers by mail; second, that postmasters are not justifiable in withholding letters to an individual for the sole reason that such individual is an agent of a lottery company; the letter must be addressed to the agent as such to justify its detention, unless it is addressed to a person or firm declared by a special order of the Postmaster General to be fraudulent, in which case registered letters are returned to the writers and the payment of money orders forbidden. Very respectfully, A. A. FREEMAN, Assistant Attorney General for the Post Office Department.

The case of M. A. Dauphin vs. the Postmaster General, in which the complainant seeks an injunction to restrain the enforcement of the recent order of the Post Office Department with regard to lottery letters and money orders, came up in the Supreme Court of the District to-day. Chief Justice Cartter said that the Court had decided after due reflection to remand the case to the Equity Court, where the proceedings were originally instituted and where the proper order would be made. The case would then, he said, come up regularly to the Court in banco, and if the parties interested should desire to carry it to the United States Supreme Court the District Supreme Court in General Term would expedite it as far as possible. Subsequently counsel for the complainant obtained an order in the Equity Court certifying the case to the Supreme Court in General Term and fixing Thursday of next week for a hearing.

MR. VOORHIS' BROKEN BANK.

President Hardenbergh, of the Hudson County Bank, and assignee of the Voorhis estate, is now engaged in contesting the right of Mr. Jordan, cashier of the Third National Bank, of New York, to vote at the recent meeting of stockholders, under a power of attorney given him by Mr. Voorhis after the latter had made an assignment to Mr. Hardenbergh. The matter has been submitted to eminent counsel in New Jersey and a decision is expected from them in the course of a few days. Mr. Voorhis owned over 500 shares of the bank stock, all of which has been hypothecated with other banks as security for loans. Under the stipulations of the National Banking Act, Mr. Voorhis is unquestionably disqualified from voting himself or giving a power of attorney to any one else. It is now understood that the Comptroller of the Currency will uphold Mr. Hardenbergh in his protest, and promises his interference with the scheme of voluntary liquidation proposed by Cashier Jordan, and adopted by both stockholders and directors. The bank will in all probability be placed in the hands of a receiver.

STRANGE POLITICAL RUMORS.

How Tammany May Control the City Patronage Next Year.

AN "ECONOMICAL" MOVEMENT.

Reports That the Wigwam Is To Be Reorganized.

There was no dearth of gossip and speculation in the political world yesterday. The events of the past few days have formed out the base upon which the politicians have exercised their speculative powers and put forth theories as to what will be the next move on the political chessboard. The rumors that have been current for weeks past as to the probable removal or suspension of Mayor Cooper after January next were given fresh life by the nomination and confirmation of Jacob M. Patterson, Jr., as Police Justice. The excuses that were offered to account for the Mayor's action in this respect have been fully detailed in the HERALD. Mr. Patterson's well known intimacy with Mr. Cornell, the Governor elect, was, it is alleged, the sole motive for Mr. Cooper's proceeding. He had become thoroughly convinced that, according to popular report, an attempt would be made to shorten his term of official life, and with a view to checkmating the operations of his political enemies he, upon the advice of a few friends, concluded to give Patterson a "fat" office. It would appear from what has been gathered from various sources that the apprehensions of the Mayor were not by any means groundless. That it was intended to ask Governor Cornell to remove His Honor very few well informed persons now deny. Indeed, it has come to be well known that the leader of Tammany and some of his henchmen even went so far as to discuss the matter over several times. At each conference there was not by any means a unanimity of sentiment or feeling on the subject. It was urged by those opposed to the scheme for getting rid of the Mayor that it would be very impolitic to take such desperate measures against him. It would be only making a political martyr out of Mr. Cooper, and there were many other ways to hamper him in his official duties. Tammany's leader, however, did not, so the story goes, at first see the force of these objections to having his old enemy retired to private life. Had he not helped to secure the election of Cornell to make use of him in "rearranging" affairs in the city? What would all his labor amount to if he could not have the Mayor put out of his path? A number of the leaders in the Tammany organization, however, announced themselves as being so strongly against this project that the matter was not decided on, except on the part of some of the officials who were removed by Governor Robinson. When the next Board of Aldermen comes into office on the 1st of January it is hoped that a Tammany member will be elected president of that body. If the present combination between Tammany and the republicans is kept up this can easily be accomplished. The Board will stand nine Tammany men, seven anti-Tammany men and six republicans. It will be seen, however, that a union between anti-Tammany and the republicans would have the effect of destroying this programme, but Tammany men argue that such a union will not and cannot be made. From present appearances it is argued this would appear to be true, but there is no telling what change may take place in the situation when the charges that it is rumored will be preferred against the Mayor are laid before Governor Cornell. That official can immediately suspend Mr. Cooper, and the President of the Board of Aldermen would become acting chief magistrate and could, under the provisions of the law, perform all the duties that would legally devolve upon the suspended Mayor. Nominations could be made to the Aldermen, and "good Tammany men" could, as is represented, be accommodated "with most tempting places under the city government. The patronage that will be at the disposal of the Mayor next year is very great.

WILL THIS METHOD BE ADOPTED?

But many shrewd observers of political events say that no attempt to disturb the Mayor will be made. He will, according to these gentlemen, be allowed to serve his whole term out, at least Mr. Cornell not making any effort to remove him. Whatever efforts are made on the part of removed officials to punish Mr. Cooper for alleged illegal acts in their cases do not enter into the calculations of these persons. They, however, claim that there is no necessity for shortening the Mayor's term.

"What is the use of doing that?" said a republican of prominence in city affairs, last night, to a HERALD reporter. "We can accomplish our purposes in a better way."

"In what manner?" questioned the reporter.

"If I tell you I must ask that my name should not appear in the matter, because it would place me in rather a peculiar position. You promise? Well, then, I'll give the outline of the programme that, in my judgment, will be adopted by those in authority in Albany the coming year. What I say to you I have reason to believe came from a person very near to Mr. Cornell. In the first place all legislation next year will be shaped with the view of lessening the expenses of the city government in New York. If in doing that we happen to injure some of the anti-Tammany people it cannot be helped. Economy is to be the watchword."

"How will you proceed to diminish expenses?"

"First, by consolidating some of the departments and bureaus, and second, by making one-headed commissions. Suppose we begin with the Building Department. Of what use is it? The duties of the employés are nominal. Make this department a bureau in the Department of Public Works and you effect a saving of thousands of dollars in one single year. Then give the Police Department a single head—and, by the way, in that way we can get rid of Mayor Cooper's and ex-Comptroller Green's pets."

THE BUREAU OF ELECTIONS.

"How about the Bureau of Elections?"

"That seeming difficulty is easily adjusted. Make that an independent bureau and put John J. O'Brien or some other man at the head of it. Associate some one else of opposite political views with him, and everything will go on much more smoothly than it has done during the past few years. Make a separate bureau of street cleaning and place a competent man at the head of it. All this would save a round sum to the city and the work would be very much better performed than it is at present."

"How about the other departments?"

"Make them all single-headed commissions, put a good man at the helm of the Park Department and have a man familiar with the needs and necessities of the shipping interests to manage the Department of Docks. For that matter it might be deemed advisable to abolish the latter department. You can very easily see how legislation in this direction would take with the people. The cry of economy is a stirring one, and affects rich as well as poor. Besides, by adopting this issue next year we can euchre the Mayor's party and obtain control of an immense amount of patronage, either for ourselves or our friends."

"But can the Legislature select the men who are to be at the head of the new commissions and departments?"

"Not by having their names formally put in the bills. That would be unconstitutional. There is a way, however, by which the thing can be successfully worked. In all the measures of the character proposed the party who has been chosen to fill the position can be designated and the bill can be made to read after this fashion:—The person who held the office of [mentioning the place] on the [giving the date] shall hereafter be known and designated as chief of the department of ———, and shall possess all the powers, prerogatives, rights and immunities heretofore possessed by the said Department of ———. In this manner you can see how any person can be placed in charge of a department or bureau under the new order of things. That some move of this kind is intended I feel certain. That it will be made I am sure—that is, unless unforeseen circumstances should arise in the course of the legislative session."

A number of other gentlemen, when approached by a HERALD reporter on the subject of such legislation being attempted, corroborated what is given above in the main, but refused even to do this unless a pledge of secrecy was given to withhold their names from publication.

Ex-Police Commissioner Sidney P. Nichols was seen yesterday by the reporter and was asked as to his intention to prefer charges against Mayor Cooper. Mr. Nichols said he had heard rumors that such action would be taken, but for himself he could say that he had thought nothing about the matter yet. The subject, so far as he understood, was in the hands of Mr. John D. Townsend, his counsel. Ex-County Clerk H. A. Gumbleton also said that he had not taken any steps to have the Mayor removed, and, so far, he had not thought of the matter at all. Some other gentlemen also denied that they had heard anything further in relation to the matter.

A CURIOUS RUMOR.

A rumor was current in political circles last night to the effect that a reorganization was contemplated in Tammany Hall. According to the story the present leader was to nominally resign his position and leave the management of the affairs of the organization in the hands of a board or council of twelve men, who were to make up the "slates" for conventions, and, in fact, manage the party. The report flew from lip to lip, and somehow the Tammany men seemed to be anxious to say nothing on the subject. Some of them, it is true, denied the truth of the rumor after a certain fashion. Mr. Nichols and Mr. Gumbleton both said that they had heard nothing about the matter, and they thought they would be likely to have known if there was any truth in the story. A number of the Tammany Aldermen also gave it as their opinion that the story was "made out of whole cloth." An air of reticence was, however, observable among the ranks of the wigwamites.

The second letter of Colonel George Bliss to General Chester A. Arthur was the theme upon which republicans talked all day yesterday. The general opinion appeared to be that the letter was a very able one, and that the treatment of the subject under review showed that its author knew whereof he spoke. General Arthur's refusal to defend the party "machine," of which he is the head, was generally regarded as showing that he was unable to do so, although some persons maintained that he did not want to take the trouble "to make the complete defence he is able to do, if necessary." Nevertheless, the fact remains that the republicans in the city are thought to be almost as much divided as their democratic brethren.

WHY WAS COLONEL MASON'S NAME NOT SENT IN?

The uptown resorts of politicians were well patronized last night, and nearly everybody was discussing a new rumor that had rippled over the political surface. The rumor referred to related to the alleged intention of Mayor Cooper to nominate Colonel Joel W. Mason, the well known republican leader in the Seventeenth Assembly district, for Police Commissioner in place of the present incumbent, Mr. De Witt Clinton Wheeler. It was said that at the next meeting of the Board Mr. Mason's name would be sent in, although no confirmation of this statement could be obtained. In regard to this, however, a curious story, if true, has come to the surface. It is alleged that on Tuesday morning, just prior to the assembling of the City Fathers, Mayor Cooper had determined to nominate Mr. Mason for the Police Commissionership. The letter nominating the gentleman, so the story goes, was prepared and the Mayor examined it, taking it into his private office to do so. When he emerged from his sanctum he laid the letter on his desk. This was just previous to the meeting of the Board. The Aldermen met, but Mr. Mason was not nominated. Nobody but the immediate intimates of His Honor, it is said, knew of his alleged intention to send in Mr. Mason's name until last evening, when what is given above leaked out. What caused the Mayor to change his mind is not known, but it is claimed that he had fully made up his mind half an hour before noon on Tuesday to nominate Colonel Mason. This gentleman, although a member of the republican organization in his district and considered a leader there, is not, it is said, such a strong ally of the Arthur "machine" as the General might desire. For this reason some doubt as to his confirmation by the Aldermen has been professed. The republican "machine" in this city, it is argued, will keep Mr. Wheeler in office at all hazards although his term has expired long since.

PRESIDENTIAL PROSPECTS.

GRANT'S AND SHERMAN'S PROSPECTS OF ELECTION IN 1880 DISCUSSED BY MR. SMITH, OF THE CINCINNATI GAZETTE—THE DEMOCRATS TOO MUCH IDENTIFIED WITH REPUDIATION—A NEW PARTY WANTED IN THE SOUTH.

Mr. Richard Smith, the editor and proprietor of the Cincinnati *Gazette* and one of the leading moulders of public opinion in the West, visited this city yesterday and was called on at the Windsor Hotel by a HERALD reporter, with a view to obtaining his opinions on current political topics and especially with regard to the next Presidential election.

"Will General Grant, in your opinion, be a candidate for the Presidency in 1880?" asked the reporter.

"Secretary Sherman is a candidate for the Presidency and is popular in Ohio. He is regarded as one of the ablest politicians in the country," was the reply of Mr. Smith. "He has served in the Legislature, in Congress and in the Senate, and in every position in which he has served he has commanded the respect and confidence of his party, and very largely the respect of all parties. His record as a public man is without a blemish, and, in the absence of General Grant, there would be no doubt of his carrying the vote of Ohio solid in Convention, and even with Grant as a candidate it is not improbable that he might get the solid vote of the State, or at least a majority of it. With reference to Grant, he is very popular with the people, and but for the fact that he has served two terms as President there would not be any very serious opposition to his nomination. There is a large class of republicans who are opposed to electing any man President of the United States for any period of years, whether taken together or separately, longer than President Washington served in that capacity. That is particularly true of the Germans, who come to this country with their prejudices against anything that might be construed as one man power. They favor frequent elections and as frequent changes in men occupying high positions, so as to guard against what they consider kingly control of any department in the government. With the Germans of Ohio Sherman is the most popular man prominently mentioned as a Presidential candidate, although Washburne would be quite acceptable to them. The business community would favor Sherman pretty generally because they approve of his financial policy which accomplished resumption, and with him as President they feel that they would be safe in relying upon a policy that would guard against a financial disturbance that might injuriously affect business. There is besides, with reference to Grant, a fear that his surroundings would partake, in part at least, of those which characterized his previous administrations.

WHY GRANT IS POPULAR.

"The popularity of Grant is traceable mainly to this cause," went on Mr. Smith. "The extra session of Congress developed a determination on the part of the democratic leaders, if they should obtain full control of the government, to repeal all of what is known as 'war legislation,' being that legislation which defined and put into the constitution the terms upon which the settlement of the war was effected. The people also feel that the democratic party would, upon the slightest pretext, seize the Presidency by throwing out electoral votes that might be in their way, and that therefore the man for such an emergency would be the man who suppressed the rebellion. Naturally, therefore, they turn to Grant, and do not care to stop to reason about a third term or about the defects of Grant's two administrations, and those people in their support of Grant for the Presidency seem to be in advance of the politicians as the people of 1864 in their support of Lincoln for re-election were in advance of the politicians."

"What weight do you attach to the Southern democratic movement in favor of Grant?"

"I had a conversation last week with a prominent Southerner, an editor who controls an influential paper in the South. He told me that if Grant should be nominated he would support him. I asked him if that would not depend upon the nominee of the democratic party, as he seemed to be especially hostile to Mr. Tilden. He said 'No,' that he would support Grant anyhow; that he wanted the 'Bourbons,' as he called the present democratic leaders, driven from the front. He said he had fought through the rebellion on the rebel side, and when the war closed it was supposed that the old secession leaders had been effectually shelved, but they had since come to the front again and taken full control, so that there was no chance for the young men of the South to be anything else to the democratic party than hewers of wood and drawers of water. He wanted to see a reorganization of parties at the South that would break up the solidity of that section of the country, politically speaking. Divide the white men into two parties and thereby divide the colored vote. He thought the future interests of the South demanded it. There is something in this, in my opinion. Nevertheless I don't think there is a fighting chance for the republicans in any of the Southern States in the next Presidential election except in Florida and South Carolina and possibly Tennessee. There is in Tennessee already a very strong republican element composed of white men (native), aided by the colored vote. Then the democrats have recently split on the question of repudiation, and they are not in a condition to unite cordially in the Presidential contest. But for the rest, I have no doubt the Southern States will vote for anybody the democratic party may nominate for President, and the chances, I should say, are that the South will be solid on that side. The division of sentiment that is now showing itself would unquestionably become formidable at the South in case the republicans should carry the next Presidential election. I think a republican victory in 1880 would be the end of a solid South, as it might also be of a solid North; for as soon as a solid South shall be dissolved questions having no reference to the war will be likely to arise that will lead to the reconstruction of both parties as the new issues will come up."

REPUDIATION.

"Will the question of repudiation take prominence in the next campaign?"

"Undoubtedly. It is a prominent fact that nearly every Southern State has in some shape or other either repudiated debts or favored repudiation. Their whole drift has been in that direction, and it will be difficult to make the people believe that States that disregard their own obligations, if they should obtain control of the national government, would not favor the repudiation of the national debt. That is a question that will affect seriously the course of the people of the North who are now experiencing the effects of a revival of business, which everybody traces to an honest policy on the part of the national government in regard to its financial obligations. It is also noticeable that repudiation has nowhere been proposed or suggested except in States controlled by the democratic party."

"Will these facts have any effect outside of party lines and affiliations during the next campaign?"

"It will. In Ohio, a great many democrats who had never voted anything but their party ticket before, voted the republican ticket at the late election for purely business reasons. The democratic party, as a party, has so fully identified itself with unsound financial principles that no matter what they may resolve in a national platform, business men, whatever they may have been in their political associations in the past, will distrust it. Mr. Thurman, who is one of the best and ablest men in the democratic party, destroyed his future political prospects by yielding his sound financial views to the demand of the soft money element. Hendricks has been sitting on the fence in regard to finances, and Bayard is the only one of the candidates now prominently mentioned, since Tilden is out of the way, who can go before the country consistently upon a hard money platform, and he would be distasteful to the soft money element, which such leaders as Thurman and Hendricks have helped to warm into life and give strength and vigor."

THE GREATEST SALE ON RECORD.

Mr. Vanderbilt Transfers Fifteen Millions' Worth of New York Central Stock.

BOUGHT BY A SYNDICATE.

Ten Millions More at the Option of the Purchasers.

Much excitement was created in Wall street yesterday morning by rumors of the sale of $25,000,000 worth of New York Central Railroad stock by President William H. Vanderbilt to a syndicate of New York and London bankers. The news, however, was received with great caution, as similar reports spread during the past two weeks had, on investigation, been positively denied by the parties whose names were prominently connected with the movement. Notwithstanding these denials it leaked out during the morning that there was really something in the reports, and later in the day the fact of a large sale of New York Central stock by Mr. Vanderbilt was fully confirmed. About noon several well known bankers and railroad men were seen ascending the steps of the banking house of Drexel, Morgan & Co., at the corner of Wall and Broad streets, and before two o'clock in the afternoon there were present in the private office of that firm Messrs. William H. Vanderbilt, Chauncey M. Depew and Treasurer Clarke, of the New York Central, and representatives of the following banking firms and railroad magnates composing the new syndicate:—L. Von Hoffman & Co., August Belmont & Co.; Winslow, Lanier & Co.; Kuhn, Loeb & Co.; E. D. Morgan & Co., Woerishoffer & Co.; Morton, Bliss & Co.; the Drexels, of Philadelphia; Jay Gould, Russell Sage, Cyrus W. Field, William L. Scott and D. O. Mills. Drexel, Morgan & Co. represented the London banking firm of J. S. Morgan & Co.

THE PURCHASE.

After a secret session of three-quarters of an hour it was announced that the syndicate had purchased from Mr. William H. Vanderbilt $15,000,000 of New York Central stock, to be paid for to-morrow, and had been allowed an option of $10,000,000 more. The terms were refused to the press, but it was intimated that the price would be $120 per share, the same to be paid for in four per cent government bonds, which would advance the purchase figures to $123 50 per share.

The syndicate agreed that a general agency for the company should be opened in London with Messrs. J. S. Morgan & Co., to secure the transfer of stock and the payment of dividends there at a fixed rate of exchange. The purchase of this stock will cause some changes in the Board of Directors of the New York Central Railroad, but it is impossible to tell which of the present directors will retire. It is a fact, however, that Mr. J. Pierpont Morgan, of Drexel, Morgan & Co., will represent the London interest in the Board, and that Mr. Cyrus W. Field and Solon Humphreys, of the firm of E. D. Morgan & Co., will go in for the railroad men. They will represent the Wabash Railroad interest, with which the New York Central will, through the Lake Shore road, now come into an alliance and thereby secure Mr. Vanderbilt the Southwest traffic business.

The transactions in New York Central stock in the Board Room of the Exchange yesterday were unusually large for that security, amounting to 6,065 shares. It opened at 130, fell off to 129¾, advanced to 135 on the strength of the purchase by the syndicate, and closed at 134¾ a 135.

NEGOTIATIONS FOR THE STOCK.

As far as could be ascertained negotiations for the purchase of this stock have been going on for the past two or three weeks. It is said that Mr. Cyrus W. Field, representing the syndicate, approached Mr. Vanderbilt on the subject at the time mentioned and offered to purchase 250,000 shares of New York Central at $120 per share, provided the latter would tie up the remainder of his stock for one year. This Mr. Vanderbilt refused to do, and the syndicate modified their terms, asking that no Central stock should be thrown on the market for six months. This proposition, it is claimed, was also rejected by Mr. Vanderbilt, and on Friday last it was thought that the negotiations had fallen through. On Monday night, however, it is said, Mr. Vanderbilt reconsidered his decision, came to an agreement and signed a contract with the syndicate, giving them until yesterday afternoon to perfect their arrangements.

INTERVIEW WITH MR. VANDERBILT.

"It is the biggest thing that ever happened in New York," said Mr. W. H. Vanderbilt to a reporter of the HERALD last night. "I only knew of it at six o'clock. Young Mr. Morgan came here to my house and told me what had been done. I had seen it mentioned in the papers, but I really knew nothing of it until I was notified officially."

"You expected something of the kind was likely to happen at any moment?"

"Well, yes. You see I began to discover in the public sentiment some time ago a feeling that I was a great railroad monopolist and all that sort of thing, and there was a feeling in the public mind against it. I always believe in popular feeling, and I made up my mind there must be something in that objection, and I am convinced now that there is; so I determined to widen the circle of management and make it as extended as would be safe and reasonable. There is always a lot of fellows who are discontented and have little to do but go round the grogshops and talk and find fault and get up schemes to grind axes. They will pretend here and there to get up committees and say they represent the Chamber of Commerce, and go before the Legislature and get up investigating commissions and other powerful machinery to sharpen their hatchets. The subject of all this fuss is mostly rates. Some of the active spirits want rebates and various other little concessions, like parties I could name. Well, now the railroad must own the commission or the commission will soon own the railroad. Everybody knows how that is."

"Will this new arrangement put a stop to all that annoyance?"

"I think so. The great benefit to this city will be the close connection it brings about between the several railroads spread over the West."

"Reaching as far as Ogden?"

"Yes; and covering an immense territory. The gentlemen managing those roads went to the Baltimore and Ohio and the Pennsylvania and endeavored to make arrangements with them, but did not succeed. Then they came to me. The New York Central and Lake Shore are the two finest properties in the world. I thought the matter over and finally went to Mr. Morgan, of Drexel & Morgan, who are known throughout the commercial world, and told them what I would do.

"WANTED TO MAKE FRIENDS."

"I wanted to make those people who were always complaining and making trouble my friends, and I think I have succeeded. The way to do that is to touch their interest. Help them and at the same time help yourself. If they make $10 and I make $2 I shall be perfectly satisfied. All these rolling and turning mill fellows were screaming when their places were closed and they were making no money. They said the railroad was making it all. Now they are making money and are willing to see the railroad make a little too. What would New York be without the Central Railroad? Of course the Central owes something to New York, and that is why I am concerned about public opinion. I am, to a certain extent, a public man, and I believe public opinion is always or nearly always right. That aversion to one man growing too great is founded on a sound basis. I think that is right."

"How much stock has been sold, Mr. Vanderbilt?"

"That I cannot answer you. The gentlemen who purchased the stock may tell that if they like. I shall not say anything on the subject. That part of it is their business."

"Is the amount named correct?"

"I cannot say."

"Is the price quoted right?"

"I cannot answer that either. If they chose to make their business public that is their affair, and not mine."

"How soon will the stock be placed on the London market?"

"It will take a little time to perfect all the arrangements, but it is in good hands, and will reach there in due course. I think it will go there for 150. It is worth 150, and will be bought here as a permanent investment."

"How long ago is it since you sent to Mr. Morgan, saying this arrangement would be agreeable to you?"

"I really don't remember."

"Did he come from London on that business?"

"No, nothing of the kind."

THE WABASH MANAGERS.

"Then the sale of this stock brings the gentlemen managing the Wabash railroads into the direction of the Central?"

"Practically they will be one institution, with a common interest. It is in that connection the city will derive its great advantage. If the jointure had been made with the Pennsylvania or the Baltimore and Ohio Philadelphia or Baltimore would have been the cities benefited; but I have succeeded in bringing that advantage here. The Michigan Central and the Canada Southern are also brought into the line. They are both tremendous properties and have scope enough within their own limits to make them immensely profitable concerns. The people will soon begin to understand the value of what these gentlemen have done to-day."

"It was a very extensive transaction."

"Yes, very."

"Probably the largest ever made?"

"I shouldn't wonder. At all events the largest ever made here. I never heard of such another."

"When is it to go into operation?"

"Immediately. That is as soon as the necessary arrangements can be perfected."

"You will continue at the head of the Central?"

"I hold the balance of stock in my pocket. They send me in their proxies just the same. I vote myself in, and so we go along."

ONE OF THE SYNDICATE ON THE SUBJECT.

"There is no doubt the arrangement will be of immense advantage to the city," said Mr. Russell Sage to a reporter.

"In what way?"

"Well, in the knitting together of all these interests. They will bear directly on the commerce of the city."

"Is the operation a stockjobbing one?"

"No, sir, it is not. It was brought about because the Wabash railroads wanted communication with the seaboard and Mr. Vanderbilt gave it to them."

"Then these railroads will in future be represented in the Central's direction?"

"Yes, they will be one concern."

"Retaining at the same time their individuality?"

"Of course."

"Will it be likely to bring about a reduction of fares and rates for freight?"

"I think it is quite probable. You will hear more on that subject in a day or two."

"There are $15,000,000 of stock sold?"

"So I hear."

"Will money be paid over for that?"

"Undoubtedly."

"And it is said if this stock can be disposed of to advantage $10,000,000 worth more is at the disposal of the syndicate at the same price?"

"That appears to be the arrangement."

"This will be a partnership of financiers as well as one of railroads?"

"To be sure; and that in itself is a great thing for New York and its benefits will be plainly visible by and bye."

CANADA PACIFIC RAILWAY.

OTTAWA, Nov. 26, 1879.

The contracts for the British Columbia section of the Pacific Railway have been awarded