The Agitator.

A. F. BARNES, EDITOR.

TUESDAY, MAY 13, 1873.

We publish this week a quarter-sheet supplement containing about a page of matter, and making the AGITATOR *consist of forty columns of print. We are impelled to this course by the great pressure upon our advertising space, and by the desire to give our subscribers the usual amount of reading matter.*

A glance at the forty long columns of this number will convince anybody that the business men of Tioga county and of many regions more remote thoroughly appreciate the fact that the ten thousand readers of the AGITATOR *are among the most thrifty and enterprising citizens of the land.*

The AGITATOR *is now sent to all its subscribers with a printed address-label pasted on the paper or on the outside of the wrapper. This label shows the date to which the subscriber has paid. For instance, a label reading "John Smith, 1 jan 72," informs John that his subscription is paid up to the first day of January, 1872, and that he will confer a great favor on us by forwarding his subscription immediately.*

We request each subscriber to notice the date on his address-label, and if in arrears to remit us the money as soon as convenient. Its receipt will be at once acknowledged by mail and by a change of the date on the address-label the next week.

The too-well-known Oakes Ames died at his residence in North Easton, Mass., last Thursday night.

Saturday's dispatches from New Orleans report the recent troubles in Louisiana at an end—a statement that seems almost too good to be true.

Senator Sumner was granted an absolute divorce from Alice M., his wife, last Saturday by the Superior Court of Boston.—Alice had deserted Charles for five years—therefore this putting asunder.

The journal "founded by Horace Greeley" devoted a portion of its editorial columns last Friday to a covert effort to justify the attempt to assassinate Gov. Kellogg of Louisiana. "How are the mighty fallen!"

The funeral of the late Chief Justice Chase took place last Saturday afternoon at St. George's chapel in New York, and the remains were then taken to Washington where further services were held yesterday.

It is announced that the President will not fill the vacancy on the bench of the Supreme Court occasioned by the death of Mr. Chase until the meeting of Congress. Eight months of agony for ambitious aspirants!

There is little reliable news from the Modoc war since the terrible slaughter of our troops two weeks ago. It is said the Indians have left the Lava Beds, but the report is not credited by the authorities at Washington.

A report came from London last Sunday to the effect that the Emperor of Germany was fired upon a few days since by a priest while reviewing the Russian troops at St. Petersburg where he had been visiting the Czar. The ball passed through the Emperor's helmet.

The General Term of the Supreme Court at New York last Wednesday denied the application for a new trial made in behalf of Edward S. Stokes. Judges Fancher and Brady wrote able opinions in the case. The question will probably now be taken to the Court of Appeals—the court of last resort in the State.

John Stuart Mill, a leading thinker and writer on political economy, logic, and social science, died at Avignon, France, last week. Wherever the English language is read there Mill is known and admired for the logical force and intrepidity of his philosophical speculations and the simple beauty and vigor of his style. He was one of the small class of men who lead the leaders of the world.

The Lock Haven *Democrat* quotes a statement of a correspondent of the Philadelphia *Press* to the effect that the law continuing State Treasurer Mackey in office released him from giving any security. Perhaps the *Democrat* does not know that the *Press* has contradicted this silly story in its editorial columns. The fact is that the Treasurer is required to give good security to the amount of $1,000,000.

One of the most wonderful adventures of the age transpired last Saturday when news arrived from Captain C. F. Hall's arctic exploring expedition. The dispatches state that Captain Hall himself died in November, 1871, from an apoplectic attack. He had just returned from an expedition on sledges, in which he reached within seven degrees and forty-four minutes of the north pole. But the strangest part of this tale of arctic adventure remains to be told. Briefly it is as follows: On the 15th of October last, when the Polaris was in latitude seventy-seven degrees, thirty-five minutes, a party of nineteen left the vessel to put some provisions on an ice floe. A gale coming on the Polaris parted from her moorings, and the unfortunates on the ice saw the ship steam away, leaving them to their fate.—The iceberg was slowly drifted south, and passed with its living freight down through Baffin's Bay and Davies's Straits, until on the 30th of last month the steamer Tigress fortunately fell in with the novel craft and rescued all of the unwilling navigators. This was in latitude fifty-three degrees, thirty minutes, near the coast of Labrador. In other words, these nineteen souls, including one woman and four children, had lived on the iceberg more than six months, and had drifted in that time about fifteen hundred miles, and finally were all safely rescued.—This is part of the story of the Polaris told in a most marvelous manner; when the rest will be unfolded only time can determine. After this rescued party left the ship there remained only thirteen men on board, and they were without a single boat.

Phelps, Dodge & Co.

Many of our readers will need no second invitation to read carefully the statement of Messrs. Phelps, Dodge & Co. in relation to their recent difficulties with the customs department of the Government, which will be found on this page. That firm have long been known all over the country as merchants of unquestioned business and personal honor, and anything relating to the fair fame of the house will be perused by not a few of our readers with an interest almost personal in its intensity.

And we are sure that whoever reads that statement with an unprejudiced mind will agree with us that it is a calm, candid and most convincing refutation of the charges made against the firm for months past—charges to which the action of the treasury department has lent the appearance of plausibility. It seems clear that so far from being guilty of any fraud upon the revenue, the firm have been the victims of an unjust extortion by the department. A dishonest clerk and rapacious custom officers have succeeded in filling their own pockets at the expense of casting a cloud of suspicion upon a company of honorable merchants after robbing them of over a quarter of a million of dollars. That is the whole story in a nut-shell.

But we believe that cloud has already passed away, for even the officers of the Government, whose letters are referred to at the close of the statement herewith published, fully bear out the statement of the firm. The crowded state of our columns alone prevents us from printing those letters. We make one quotation however from that of Hon. Noah Davis, who was the United States District Attorney by whom the question was investigated. He expressly acquits the firm of any intention to defraud the Government, and says, "in a business of many millions of dollars during the period of five years in which these irregularities had occurred, and during which they [the firm] had paid to the Government several millions of dollars in duties, the whole amount lost by the alleged fraud fell short of the sum of $3,000." This admission of the prosecuting officer should be enough to satisfy anybody of the baseless nature of the charge of fraud. But read the full statement of the case; it will be found highly interesting.

The Late Chief Justice.

But eight years have come and gone since the close of the civil war which threatened the overthrow of the Republic and resulted in the complete destruction of human slavery on this continent, and already have passed away to the Unknown Land the great statesmen upon whose shoulders the destinies of the nation mainly rested during those terrible five years of gloom and carnage—LINCOLN, STANTON, SEWARD, CHASE. This roll of the dead embraces all that was really essential and indispensable in statesmanship and civil leadership during the darkest days the nation has known since the struggle for independence. Other men played well their parts in that great human drama; but *these* were the great masters who organized the material, political and moral forces of a peaceful and money-loving people into the most tremendous engine of war that the world has yet seen. And now, in less than a decade from the time of their labors and their triumphs, they have all been laid in the dust, victims more or less directly of that great struggle for the national life and for human freedom. And they have all passed away honored and mourned by the people whom they served so well, leaving their countrymen the priceless legacy of a fame untarnished by a breath of suspicion, and an example of the most stubborn and unselfish patriotism.—Let us keep their memories green, for in honoring them we are paying homage to patriotism and purity.

The last of these statesmen, the great financier of the war for the Union, died at the residence of his daughter, Mrs. Hoyt, in New York city, last Wednesday morning at ten o'clock. His death was a surprise to the whole country and to his family, for since his partial paralysis three years ago he had, by careful exercise and regular habits, recovered a fair degree of his wonted health, and although no longer a man of robust strength, he seemed justified in looking forward to a happy and useful if not a vigorous old age. He retired at ten o'clock Monday night, in his usual health, and his servant, on entering his room at half past six the next morning, found him sleeping quietly with his hand under his face, as he habitually lay. Half an hour later he was seized with a spasm, his features being convulsed, and foam appearing on the lips.—Physicians were at once called, and the attack was pronounced an apoplectic fit, with paralysis of the left side. From the time of the attack he was entirely unconscious, being part of the time under the influence of chloroform, up to the time when he ceased to breathe.

Salmon Portland Chase was born at Cornish, N. H., on the 13th of January, 1808.—He came of good stock, several of his family having been distinguished in the walks of civil life. One uncle was a Senator of the United States and Chief Justice of Vermont; another stood at the head of the bar in Portland, Me., and a third was Bishop of the Protestant Episcopal Church in the diocese of Ohio. Ithaman Chase, the father of the future Secretary, died while Salmon was still a boy, leaving his family in straightened circumstances. Nevertheless, the boy was sent to school at Windsor, Vt., and at the age of twelve he was sent to his uncle, the Bishop, at Worthington, Ohio. Here his time was divided between hard work on a farm and hard study in his uncle's academy. After a time he was sent to a more ambitious school at Cincinnati, where he remained until 1823, when he returned to New Hampshire. Here, almost as a matter of course, he taught school a little while before he entered Dartmouth College. He remained in the college two years, and was graduated at the age of eighteen.

With a few dollars in his pocket and his head full of the classics, he at once went to Washington, where another uncle was then serving as Senator. There he advertised his intention to teach a select classical school, but met with little encouragement. After a time, however, he obtained charge of a school from which the proprietor was about to retire, and so managed to pay his way while he pursued the study of the law under William Wirt. The entrance of the future Chief Justice into the legal profession was not promising, for it is said that on his examination, in 1830, he barely escaped rejection, and was admitted to the bar only because it was understood he intended to practice at Cincinnati, "where any sort of a lawyer was at that time supposed to be good enough." He at once went to that place, and while waiting for clients prepared an edition of the statutes of Ohio, which brought him into notice.

Very early in his professional career the young lawyer was brought face to face with the question of slavery extension, and in opposition to every apparent personal interest, he at once took strong ground against the pretensions of the slave power. In 1837 he defended Mr. Birney, the celebrated Abolitionist, who was prosecuted under a State law for harboring a fugitive slave.—He took the position that slavery was a local institution, dependent upon State laws for its continuance, and that the slave having been brought by his master into Ohio, was by law and by right free. Thus early did the courageous young advocate enunciate the then novel and heretical doctrine that slavery was sectional and freedom was national—the doctrine upon which a great national party was afterward formed, and by which it triumphed.

Nor did he confine his advocacy of this dogma to the forum. Opposition to the nationalization of human slavery became the end and aim of his political action. Party bonds sat lightly upon him, and he acted with that cause which promised most immediate advantage to human freedom. He was a leading spirit in the Anti-Slavery Convention at Columbus in 1841, and wrote a stirring address on the occasion. He was an influential member of the committee on resolutions at the National Liberty Convention at Buffalo in 1843. He projected the great Liberty Convention which met at Cincinnati in 1845 with 2,000 delegates, and he drafted the address put forth by that body. He was Chairman of the Buffalo Convention which nominated Martin Van Buren and Charles Francis Adams in 1848, and the platform on which those candidates stood was substantially his work.

Early in the next year, at the age of forty-one, he was chosen United States Senator by a coalition of the Democrats and a portion of the Free Soilers of the Ohio Legislature. He entered the Senate as an avowed Free Soil man, and when the Democrats of his State indorsed the nomination of Franklin Pierce in 1852, he acted consistently in severing his connection with that party.—He sought to amend Mr. Clay's Compromise bill so as to prohibit the introduction of slavery into the Territories, and he opposed strenuously the subsequent repeal of the Missouri Compromise. On retiring from the Senate, in 1855, he was elected Governor of Ohio by the opponents of the Administration, and two years later he was re-elected by the Republican party.

It was while Governor that he gave the first practical evidence of his great ability as a financial manager. He found the Treasury of the State crippled and in disorder, and he at once entered upon the work of reform with a vigor and skill which attracted the attention of the country. In 1860 he was again chosen to represent his State in the Senate, but he never took his seat, being called to another and a more conspicuous field of labor.

On the 6th day of March, 1861, he entered upon his duties as Secretary of the Treasury under Mr. Lincoln. It is almost impossible to over-estimate the value of the services of Mr. Chase during the time he held this position. It was the crowning work of his life—that upon which his fame will chiefly rest so long as the annals of the great Rebellion shall interest the student of history. When the Treasury came into his hands it was not only empty, but the country was without credit at home or abroad. But a few months before treasury notes payable a year from date had been selling at from six to twelve per cent. discount, and it had been impossible for his immediate predecessor, Gen. Dix, to dispose of twenty-year six per cent. bonds at less than 94 per cent share. In the face of these difficulties the Secretary was required to raise over 300 million dollars to meet the estimates of the next fiscal year. He proposed to raise eighty millions by taxes and 240 millions by loans. Congress authorized the loans, but not the taxes, and when the two houses met again in December, 1861, the demand for money had increased, while the revenue had fallen below the estimates. New taxes were laid and old ones increased, but the deficit grew rapidly larger.

The next year Mr. Chase was forced to ask for the enormous sum of 900 million dollars, and to assist the operations of the Government he urged the creation of the national bank system which the country has since seen so firmly established. This was the corner stone of Mr. Chase's policy. It at once furnished a market for hundreds of millions of national bonds, and supplied the people with a currency of uniform value in every part of the country—while it enlisted the moneyed interests of the nation on the side of the Government. The public credit rose rapidly, the savings of the people were largely invested in the public bonds, and from that time the safety of the Republic was assured.

After stamping his name indelibly on the history of the country as the great finance minister of the war, Mr. Chase resigned his portfolio in September, 1864, and was soon after appointed Chief Justice by President Lincoln. Of his action in that high office it is not necessary to speak at length. He has been called upon to decide many important and novel questions arising out of the war, and while it is true that some of his judicial opinions have excited surprise in view of his action as Secretary, it is admitted on all hands that he has shown himself a not unworthy successor of Jay, Marshall, and Ellsworth.

It is matter for regret that Mr. Chase was never satisfied with the honors and labors of the great office in which he died. He was ambitious to become President, and his exhibitions of that aspiration while filling a high judicial post were witnessed by the people with considerable impatience. His undisguised efforts with the Democratic party with a view to securing the nomination in 1868 destroyed much of the respect felt for the great Secretary by the men who upheld the hands of the Government during the war. But now that he has passed away, his wanderings after the Will-o'-the-wisp of American politics may be well forgotten in the remembrance of his earlier labors as a champion of human freedom and his almost invaluable services during the war for the Union.

The Formation of New Counties.

The evils incident to the formation of new counties, known as legislative tinkering, are such as to make it very desirable, if not necessary, to have engrafted in our fundamental law principles which shall direct in these cases; thus protecting the people from greedy and unprincipled jobbers—men who, to advance their own interests, would not scruple to do almost anything.—The trickery, misrepresentation, strife, and bribery of last winter in the Minnequa struggle, are strong arguments in favor of the above proposition.

One of these principles should be the fixing of the area of the proposed county, that individuals, communities, and towns might not be tempted to use undue influence to secure the formation of new counties for their own benefit, while it worked injury to others. Our present Constitution makes the minimum area four hundred square miles. This has been tried and found good. Let it remain.

Another principle should be the naming of the minimum population; for suppose some little town, which wants to be a county seat for the sake of having the court house and jail and entertaining those in attendance at court, should stake a four hundred square miles about itself, and *engineer* a bill through the Legislature forming it into a new county; or suppose it to sell or trade off a part of an old county that it might become a county seat; might it not in either case impose upon the people of the district, especially if it be sparsely settled, burdensome taxes?

Again, there should be a provision to prevent unscrupulous individuals from taking parts of counties adjoining the county seat, thus imposing upon the inhabitants of these parts not only additional expense but inconvenience in visiting the county seat.

And last and most important, no county should be formed without the consent of the people. We boast much of our popular form of government, and well we may; but we must carry the principle of popular sovereignty into all the affairs of government, from the highest to the lowest, jealously watching and earnestly opposing all attempts at centralization, whether it be by the United States Government encroaching upon the rights of the State, the State upon the county, or the county upon the township. The people are, and must be, sovereign, and to them must be referred the decision of all such questions as concern them.

Holding these opinions, we are glad to indorse the course of our representatives, Messrs. Niles and Elliott, in the Constitutional Convention. The following amendment was offered by Mr. Niles to an article reported from the Committee on Counties and Townships, and supported by Mr. Elliott:

"No new county shall be formed or established by the General Assembly which shall reduce the county or counties, or either of them, from which it shall be taken to less contents than four hundred square miles, nor shall any county be formed of less contents, nor shall any county be formed or established containing a less population than twenty thousand inhabitants, nor shall any line thereof pass within less than ten miles of any county seat of the county or counties proposed to be divided.

"No county shall be divided or have any part stricken therefrom without submitting the question to a vote of the people of the county, nor unless a majority of the legal voters of the county voting on the question shall vote for the same."

This was adopted by a large majority of the Convention.—*Mansfield Advertiser.*

The Case of Phelps, Dodge & Co.

THEIR STATEMENT RELATIVE TO THE REVENUE DISPUTE—A CLEAR AND CONCISE EXPLANATION—THE GREAT FIRM FULLY EXONERATED.

Messrs. Phelps, Dodge & Co. have prepared the following statement relative to the dispute between their firm and the Customs Department about certain goods imported by them. A great deal of obloquy has been cast upon this reputable house in consequence of the merits of the case not being properly understood. The statement herewith given furnishes a complete exoneration of the firm, as will be seen by a perusal:

To our Friends and the Public:—For a period of nearly four months our firm has been made the subject of accusation and criticism so harsh and unjust that it had seemed to us as if the generally-accepted rule which assumes "all innocent until proven to be guilty" had been, at least in our case, set aside in favor of that other principle, "that all accused shall be held guilty until they establish their innocence."

During nearly all this period, by reason of various circumstances, such as the fact that the matters involved were still the subject of controversy between our firm and the Government, and, above all, that by the taking and retention of our books and papers by the authorities we were not in full possession of all the evidence relied on by the Government to sustain the charges preferred against us, it has not been considered expedient to say anything in the way of public explanation; but the time has now come when an explanation is proper.

In the extensive importing business in which we are engaged, tin plate constitutes the chief article subject to an *ad valorem* duty; and we are associated with the house of Phelps, James & Co., of Liverpool, which is largely occupied with its procurement and shipment. As the trade, furthermore, which we do in this article is very large, and it is entirely impossible to purchase at any time any very large quantity from accumulated stocks, it has been long the custom of our Liverpool house to arrange for the manufacture of supplies thro' contracts extending over lengthened periods, and also in many instances to advance to manufacturers the various constituents of their business, and even capital, and receive in return the finished product at prices conditional upon the fluctuating values of the raw materials, and through settlements effected at very considerable intervals.

The complicated tariff question now arises: In what manner are tin plates and similar products manufactured and purchased under such conditions to be invoiced?

The fundamental tariff law provides that duties on merchandise shall be assessed on "the *actual market value* or wholesale price thereof at the period of exportation in the principal markets of the country from which the same shall have been imported;" but another provision of another act further requires that although the duties assessed must be on the "*market value*," the invoice accompanying it, in case of purchase, must declare the *actual* cost—a statement which in some cases, as above explained, is often a matter very difficult of exact determination at the precise date of shipment.

To add still further to this complication of legal requirement, the ruling of the United States Treasury, according to which the law is administered, is to this effect: That all purchased goods must be entered at the Custom House at *actual cost* when that is higher than the market value at the time of shipment, but at *market value* when that is higher than actual cost.

With a business largely done, as ours is, on contracts for future delivery, it therefore often happens that, on an advancing market, the contract price paid by us may be considerably less than the market value at the time of shipment, in which case, if we invoice at Liverpool at the price paid, the authorities in New York may advance the value or, under certain circumstances, demand a penalty or complete forfeiture on the ground of undervaluation. On the other hand, on a falling market, an invoice rate representing actual cost may be greatly in excess of market value at the time of shipment; but in such case no allowance whatever is made to the importer. And thus it has actually happened that during the past year—which has been characterized by the most remarkable and violent fluctuations in the prices of metals, (tin plate selling for 28 shillings per box in January, 44 shillings in July, and 35 shillings in December,)—we have paid, on aggregate overvaluations, a very large increase of duties over and above what would have been required had the goods been purchased at the date of shipment.

Again, the very form of consular oath to which, as citizens of the United States interested in a house in Liverpool, we are required to subscribe, is not necessarily equivalent to the declaration which the consul himself is required to make and attach to the invoice, inasmuch as the *first* declares the actual cost, while the *second*, which immediately follows, and is upon the same page, is to the effect that the consul believes the merchant's declaration, and that the invoice exhibits the actual market valuation; which last the invoice cannot, unless "actual cost" and "market value" are held to be equivalent.

With this brief explanation of the letter of the law under which our goods are required to be invoiced, and its method of administration, we will next endeavor to make clear wherein, through its supposed infraction, we have offended and been made subject to penalties.

As has been already stated, the articles before mentioned imported by our firm are purchased in large quantities of many different makers, sometimes outright, sometimes under conditional and long-continued contracts. They arrive at Liverpool in other different lots every day, and are sent direct to the steamer, which often sails the same day. Triplicate invoices, one of which must go by the steamer with the goods, are required to be made out and taken to the consul's office for certification before one o'clock.

Under such circumstances, small errors in the invoices received from the many different makers, or disagreements between the Liverpool house and the makers in respect to the qualities, or the prices to be paid for particular goods, are almost unavoidable; but at the same time it was not charged by the Government that any of our goods had been passed through the Custom House except at their fair market value. It has, however, happened that on the receipt, from time to time, of sundry small quantities of special goods—mostly extra and unusual sizes—due on old orders or contracted for months in advance of delivery, our Liverpool correspondents have been at a loss to know how to invoice them.

The market value, in the first place, was different from contract cost. The requirement of law next was that they should swear before the consul as to actual cost, and that the consul should certify as to market value, which, according to the practice of the consul's office, is treated as the same. Then as the goods in question were mainly remnants of contracts delivered long after the time agreed on, and as there was a possibility of some deduction in the periodic settlements for non-fulfillment of contract, the matter of cost itself, within certain limitations was not fixed, but contingent. Under such circumstances, as the quantity and value of goods in question—as will be shown hereafter—were very small as compared with our regular and accompanying shipments, our friends in Liverpool, without perhaps sufficient consideration, met the practical difficulty of the law by marking up these small items in the invoice, where market value had advanced over cost, and making a reduction where market value had declined below cost.

In such instances, and in the way of explanation, the Liverpool house sometimes sent small memoranda by the same or the following steamer, and in a few cases letter-press copies of the bills of the manufacturers to them; the precise object of which bills and memoranda was to explain that such and such numbers of an invoice were remnants of an old order in respect to which the contract prices varied to a small extent, more or less, than the invoiced (but intended to be) true market value at the time of shipment; the exact truth, as investigation subsequently showed, being that the changes in question, on the side of *over*-valuation and in the favor of the Government, were very largely in excess of those in the direction of *under*-valuation and in our favor.

These bills and memoranda we, carelessly, did not examine personally, not regarding them in any sense as invoices, or as of the slightest importance as respects the Custom House; and under these impressions they were, on arrival, handed over to the assistant clerk who copied invoices into our foreign invoice book, to be pinned, without concealment, to its pages.

It is foreign to this explanation to dwell on the origin of the suit instituted against us by the Government, but it is sufficient to say that this clerk, who some years since was taken into our employment in destitute circumstances, and who was dismissed for complicity in allowing dishonest persons to enter our store secretly and at night, in order to inspect our letter books and papers, did carefully examine the bills and memoranda in question, and after surmising that they were not in accordance with the letter of the law, and in place of acquainting us with the fact, *as was his duty*, removed them from the invoice book to which they had been attached, and after suppressing those showing instances where the Government had been benefited, but collecting and carefully preserving the few where a small benefit had accrued to the firm, put himself in communication with the Treasury agents.

What followed was an invitation for two members of the firm to visit the Custom House, where they were informed that evidence had been obtained by the Government implicating in extensive frauds the house which they represented.

They at once denied any purpose or intent to defraud the Government, as well as any knowledge whatever of any irregularities in our business in connection with the Custom House; and as a further earnest of good faith and conscious integrity, they at once waived the service of a warrant which had been prepared against our books and papers, and voluntarily and immediately placed the same at the disposal of the authorities. We also at the same time gave our word that if the Government had any just claims against us by reason of the attraction of any law, we would pay the same to the uttermost farthing, without causing legal delays or expenses; and subsequently, at the suggestion of the then United States District Attorney, Hon. Noah Davis, now Justice of the Supreme Court of New York, that the matter should be adjusted on the basis of our paying an amount equal to the whole value of the items in our different invoices against which any charge of irregularity had been preferred, we accepted the same as a basis of settlement.—This amount was subsequently approximately ascertained to be $260,000, which sum we deposited to await the action of the Treasury Department in a *pro forma* suit which was then agreed upon between the District Attorney and our counsel.

With this understanding, in perfect good faith on our part, and, as we feel bound to acknowledge, with an absence of anything like a spirit of vindictiveness on the part of the authorities, the investigation commenced in December; the Government being in full possession of our books and our papers, and also aided by our dismissed clerk, who by becoming an informer would be entitled to a large share of all forfeitures which thro' his instrumentality might be established.—The result was that, to our surprise and astonishment, the slips and memoranda of the special goods referred to were regarded by the special agent of the Treasury as constituting in themselves "*duplicate*" invoices and evidences of illegal entry, and as such subjecting us to the full penalty of the statute, which in substance provides that when any part of an invoice is made in violation of the law, the whole invoice or its value becomes liable to forfeiture; but that the Secretary of the Treasury may accept a compromise of its full penalty when, upon the certificates of the Treasury Agent, the District Attorney, and Solicitor of the Treasury, he believes it proper and for the interest of the Government to do so.

Having come to this final conclusion, the Government examined all our invoices for a period of five years, and from the whole number, representing an importation of at least forty millions, and on which duties to the extent of upward of eight millions had been paid, selected about fifty, which by reason of the memorada slips were held to be vitiated. The aggregate value of all the goods included under this number of invoices was estimated at about one million of dollars, and it was claimed that the Government had the right, after establishing illegality in the smallest particular, to confiscate every item of such invoices, and a *pro forma* suit for the above sum was instituted against us. The aggregate value, on the other hand, of the several items in the fifty invoices alleged to be vitiated, amounted, when taken separately, to $271,017 23; and by the payment of this sum, the suit and claim of the Government were subsequently settled.

But it should not at the same time escape attention that the amount of alleged errors of these several items, whose aggregate value was $271,000, was in itself a comparatively small sum, not exceeding $10,000 to $15,000, if estimated at the maximum; and that of this sum, the duties which could possibly have accrued to the Government constituted but a fraction. In short, if they had been assessed at the maximum rate imposed since 1863, the amount would have been less than $4,000; but in fact we are given to understand that the whole amount of loss which after a careful examination of our books it can be claimed that the Government has sustained by reason of the above irregularities whereof we have been accused, (not taking into consideration the cases where we had paid on over-valuations,) is not in excess of $2,000; or, to put the matter still differently, if the case had been one between two merchants, covering a period of five years, and involving transactions to the extent of $40,000,000, (and considering only the invoices in question,) the supposed discrepancies of account could have been satisfactorily settled by the payment on our part of from $2,000 to $4,000; but in the case of the Government and the merchant the former can only be satisfied, under existing laws, by the payment of $271,000, and can further claim to have acted generously, inasmuch as it did not take from us a million.

As further proof and illustration of our statements, we give the following example of one of the memoranda returned to us by the authorities after settlement, and regarded by them as fully conclusive against us:

In July, 1871, we received per steamer Algeria an invoice of 2,194 boxes of tin plates, included under which was a lot of 174 boxes of odd sizes, 24 by 24 XXXX, and 24 by 13½ XX, (marks which the trade will understand,) the remnant of an old and special contract. All these goods, it is admitted by the Government, were invoiced at their true market value at the time of shipment, were so certified by the Consul at Liverpool, and so passed after examination by the Appraiser in New York. But there was, in addition, a memorandum transmitted apprising us that the 174 boxes, in virtue of an old contract, would be charged to the Liverpool house at a price which differed from the then actual market value to the extent of about a sixpence per box. The total value of the whole invoice was £3,237 14s. The total value of the 174 boxes was £293 4s. 2d., and the difference between the actual market value of these last and their contract cost was £4 7s.; on which difference the duty of 25 per cent. would have amounted to £1 1s. 9d., or a little more than $5. And yet, on account of this small difference in the general settlement, as a penalty we paid the full value of the 174 boxes, namely, £293 4s. 2d., or upward of $1,400. And thus the delinquencies ran throughout the whole of this extraordinary transaction.

But in admitting these irregularities, we do not admit that the Government, by reason of the same, has really sustained even the trifling loss that has been estimated; for the very principle which caused a few items to be irregularly invoiced led to errors against us and in favor of the Government of many times the amount claimed to have been lost by the customs; one single contract during the past year for special brands and sizes, which cost, net, £42,889 6s., having been invoiced to us at £54,655 17s., and passed for the payment of duties at the Custom House at such later valuation.

In view of these facts, it is also proper for us to state why we were induced to yield to, rather than contest the demands of the Government, when we found they were resolved upon.

And first and foremost, we regarded it as a question for the Government to determine, whether the enormous forfeitures incurred by us, without design or motive of fraud, misstatement, or concealment, were to be exacted because it was so written in the law, or were to be adjusted rather to the actual quality of the transaction. But when the measure of forfeiture finally exacted was insisted upon, and its legality was treated as equivalent to its justice, our own sense of its injustice and oppression could not relieve us from the necessity in which we had before placed ourselves of accepting the Government measure of its rights and our obligations. It may be true that in our confidence in our rectitude and in the justice of the Government we had not given due attention to the disturbing element introduced into the dealings of the Government with its citizens by the immense private interests of revenue officers and informers which our system has created and tolerates.

A second and subordinate consideration, but one of much weight, especially with the senior members of the firm, confirmed us in disposing of the case by settlement rather than by controversy. In the whole long course of our business it has been at once our fortune and our pride to have had no serious litigations; and that this enviable record should not be interrupted by long and bitter controversy with the Government, seemed but justly within our choice, provided the sacrifice we made to secure it was, as it has been, wholly our own. And if there are any who may be inclined to judge us harshly for such a decision, we would ask them to recall to mind the peculiar rigor of our present tariff law; the enormous confiscations which it is allowed to the Government to make under it; and furthermore, that during the whole continuance of the suit our books and papers were to be under the control of the authorities, our business be liable to be interrupted, and our credit affected by rumors and misrepresentations which it would be exceedingly difficult, if not wholly impossible, to at once refute or answer.

In view, then, of this statement, the correctness of which we believe the officers of the Government will affirm in every essential particular, and in support of which we append letters from the special agent of the Treasury Department, the Consul at Liverpool, who for twelve years certifies to the correctness of our invoices, and the gentleman who at the inception of the suit against us filled the office of United States District Attorney, we will ask the press, we will appeal to the great masses who know us, and those who do not know us, whether it is probable that a firm which pays annually to the Government hundreds of thousands of dollars in duties, whose total business transactions are measured annually by millions, would knowingly, willfully, and systematically defraud the revenue by means of short-paid duties to the extent of a few thousand dollars, extended over a period of five years? And we further respectfully ask the press and the community which may have prejudged us whether, after so many years of honorable life and unsullied reputation, such a calumny against us can be believed and accepted?

And on this statement we submit our case to the just judgment of our friends and the public.

PHELPS, DODGE & CO.

Hon. James L. Orr.

Hon. James L. Orr, Minister to Russia, whose death occurred on the 5th instant at St. Petersburg, was only in the 52d year of his age at the time of his decease. He was a man of some note, not only in his own section but throughout the Union. Like many Southrons who had family influence to aid them, he entered public life very young, having been elected to the Legislature of South Carolina, his native State, at twenty-two, and sent to Congress at twenty-seven. He represented South Carolina in the House ten years, and was chosen Speaker in 1857 at the age of thirty-four; being one of the youngest if not the youngest, of those who have occupied the speaker's chair. He was a secessionist through the war, but was not disposed to continue the contest when the war was over. Instead of keeping up an utterly hopeless fight against the Republican party in South Carolina, he used his influence inside the party to oppose the unworthy men who in that State sought to use the party power for personal ends. Appreciating his labors in favor of honesty and purity, he was appointed by the President, last winter, as Minister to Russia.—His death removes nearly the last of the distinguished South Carolinians of ante-war times.—*Harrisburg Telegraph.*

MERCANTILE APPRAISEMENT

Of the County of Tioga for the Year 1873.

	Class.	Tax.		Class.	Tax.
BLOSSBURG.			A. J. Smith,	14	7
Wilkins & Donly,	13	$10	John Purvis,	14	7
G. H. Goldsmith,	14	7	Benner & Dimon,	14	7
A. B. Hasey,	14	7	John Starkey,	14	7
R. M. Seely,	12	12½	O. B. Lowell,	14	7
W. Hackenburger, b'ys	8	5	MANSFIELD.		
Bloss Glass Co.,	14	7	J. D. Webster,	13	10
Bridget Kelley, c.h.,	8	5	Wesley Pitts,	14	7
M. Scully,	14	7	Ripley & Ramsay,	12	12½
Wm. Richards,	14	7	Pitts & Rhers,	11	15
James Morgan,	14	7	John Holden,	14	7
Patrick Costello,	14	7	N. Kingsley,	14	7
Jacob Miller,	9	25	J. W. Jaquish,	13	10
J. L. Belden,	13	10	C. V. Elliott,	13	10
Isaac Smith,	13	10	J. S. Murdaugh,	11	15
R. D. Horton,	12	12½	Ridgway & Cole,	14	7
Drake & James,	7	40	E. M. Phelps,	14	7
J. S. Mitchell,	14	7	Wm. Adams,	13	10
James & Tralley,	14	7	Bunce & Fisher,	11	15
Morris Tuck,	12	12½	R. E. Olney,	14	7
H. W. Holden,	13	10	H. M. Backer,	13	10
L. B. Smith,	14	7	E. W. Phelps, 1 b. t.,		30
W. S. Keagle,	13	10	MAINSBURG.		
D. P. Hurley,	14	7	J. W. Clark,	13	10
C. A. Yale & Co.,	14	7	G. D. Mann,	14	7
Mrs. S. E. Caldwell,	14	7	R. H. Doud,	14	7
Patterson & Freeman	14	7	T. B. Murdaugh,	11	15
R. Mills,	14	7	A. Dodge, c. h.,	8	5
Isaac Harris,	13	10	NELSON.		
E. Andrus, 1 b'd t.,		30	G. H. Baxter,	14	7
W. H. Bannon,	13	10	Campbell & Horton,	13	10
Wm. Short,	14	7	Seely & Crandall,	13	10
James Cox, c. h.,	8	5	H. Merritt & Co.,	13	10
W. B. Gilmore, c. h.	8	5	E. E. Campbell,	13	10
D. S. Adams,	14	7	G. Thyer,	14	7
M. A. Darrow, c. h.,	8	5	OSCEOLA.		
D. F. Mitchell, c h.,	8	5	Martin & Bosworth,	13	10
May & Silverman,	11	15	Crandall Bros. & Co.,	13	10
E. Smythe,	14	7	Clark Kimball,	14	7
BLOSS.			H. A. & M. Crandall,	11	15
Bloss C. & M. Co.,	4	80	C. R. Taylor,	13	10
Nelson Ingham,	14	7	F. P. Vauzile,	14	7
Alex. Dunsmore,	14	7	M. Strait,	13	10
COVINGTON BOROUGH.			J. V. Moore,	14	7
Packard & Patchen,	13	10	RICHMOND.		
E. Dyer,	13	10	C. J. Ripley,	14	7
J. C. & A. M. Bennett,	12	12½	T. J. Dilon,	14	7
John Kendrick,	14	7	Flower & Co.,	14	7
W. H. Wilson,	13	10	T. J. Jelliff,	14	7
Hartman & Everetts,	14	7	BUTLAND.		
Covington Glass Co.,	14	7	E. R. Backer,	13	10
Henry Brown,	13	10	M. M. Strait,	14	7
BROOMFIELD.			C. L. Strait,	12	12½
Stanborough & Wood,	14	7	SHIPPEN.		
Wm. Simmons,	14	7	G. D. Leib,	14	7
CHAPMAN.			SULLIVANS.		
M. E. Tuckey,	14	7	Albert Richmond,	14	7
John S. Mowry,	14	7	TIOGA TOWNSHIP.		
CHARLESTON.			F. J. Mitchell,	14	7
D. F. Stone,	14	7	TIOGA BOROUGH.		
J. R. Romsey,	14	7	G. W. Sweatland,	14	7
Brown & Co.,	14	7	W. T. Urell,	13	10
OLYMER.			S. Wile,	14	7
J. H. Rushmore,	14	7	Wickham & Farr,	9	25
Stebbins & Gee,	14	7	H. H. Hoxsey & Son,	13	10
L. Y. Stone,	14	7	P. S. Tuttle,	13	10
S. B. Goodell,	14	7	T. L. Baldwin,	9	25
DELMAR.			H. E. Smith & Son,	14	7
G. D. Leib,	11	15	J. Scheiffelin	13	10
Wm. F. Horton,	14	7	C. F. Miller,	13	10
Bailey, Lowell & Co.,	14	7	P. Tuller,