

Latest War News.

The official notice of the declaration of war by France against Prussia was sent on Monday to the European powers.

France has notified Prussia she will not use explosive bullets if Prussia will not.

Bismarck says private property on the high seas will be exempt from seizure without regard to reciprocity.

Dispatches report that Prussia has received the formal declaration of war from France.

France has communicated to the powers notification that she has entered into reciprocal engagements with Belgium and Holland, insuring their neutrality. France is also in active negotiation with Russia, to obtain her formal promise of neutrality.

A French proclamation for the purpose of exciting the people to revolt has been distributed in Hanover.

The London Times abounds all hope of mediation, and says the sword must now decide.

Congress.

Congress opened up its business on Friday, and adjourned *sine die*. The Senate spent five hours in Executive session, discussing the nomination of Mr. Frélinghuysen as Minister to London, vice Motley, recalled. Mr. Sumner made a two hours' speech in favor of the retention of Mr. Motley, and then the Senate voted to send Mr. Frélinghuysen, by 40 to 3.

Those voting nay were Harris, Sprague and Robertson, Mr. Sumner not voting. The Indian bill was again sent to the Conference Committee, and an agreement was effected. It adopts the substitute of the Senate for the House bill, making appropriations fixed by the Senate, with a proviso that nothing contained in the bill shall be construed either to affirm or deny the validity of the treaties made by the Indian Peace Commissioners. A message was received from the President referring to the prospects of a European war, and the necessity of increasing our commercial marine by the purchase of ships abroad. Discussion began on this bill, but before a vote could be reached the hour for adjournment arrived, and the Senate adjourned.

The House passed the Indian Appropriation bill, listened to the reading of the President's message, and took no action in regard to it. The contested election of Julian vs. Ried was decided in favor of Mr. Julian. At 5 o'clock the House adjourned *sine die*.

Decline in U. S. Bonds.

A further decline in United States bonds in London on Tuesday (says the Gazette) was followed by an advance in the gold premium in New York, but this did not prevent a fall in prices of bonds in the latter city. Our bonds, however, were not alone in the decline in London. Consols fell to 89½, and Illinois Central to 103. The decline within ten days is 3½ per cent on consols, 11½ on Illinois Central, and 9½ on 5-20 bonds.

The comparatively small decline in consols probably arises from the fact that they are held more for a permanent investment than American securities. There must be a pretty severe panic when such securities as these are thrown overboard so freely. By this we may measure the excitement which exists in London over the war on the continent, and the importance with which it is regarded.

The excitement in New York can not be much short of that in London. The impetus given to speculation in gold has made such a demand on the banks for money that rates for call loans have advanced from 3 to 7 per cent. per annum. Under this tightening up of the money market stocks have fallen 3@5 per cent.

In our local money market matters have not been materially affected as yet by the war news.

Excitement in the Gold Market.

There was another intense excitement on Friday in Wall street. Gold advanced to 116½ at the close. Railroad stocks fell heavily.

Gold was greatly excited, Monday, in New York. It opened at 117½ and touched as high a point as 122½. Then it receded to 120½, and finally closed at 120½.

After another day of great excitement in the New York gold market, the price finally closed on Tuesday at 123½.

The Funding Bill.

The tribulation over the Funding bill is past, and with the President's signature the question is at last settled. As one of the most important measures of the session, tending directly to a large reduction of the annual burden of interest on the national debt, we hail its passage with joy. It marks an epoch in our financial history. On our first page will be found the text of the bill, as finally agreed upon, in full.

The Treasury Department is already sending out the additional currency provided by the late law.

Judge Wilson returned from Minneapolis last week. His family will remain there during the summer.

The population of Greenfield, Hancock Co., according to the census just taken, is about 15,000, or an increase of over 100 per cent. in ten years.

A Washington special says that Supervisor Williams, having been appointed Second Deputy Commissioner of Internal Revenue, the State of Indiana has been included in the District of Northern Ohio, of which Supervisor Dwyer has the charge.

Morton at Terre Haute.

The first important meeting of the campaign in Indiana was held Monday night at Terre Haute. Governor Morton made an extemporaneous address. His speech was mainly a review of the doings of the Republican party under Grant's administration as compared with the administration of President Johnson, showing the increased efficiency of the revenue service, the greater amount collected under the same laws, and the efforts of Congress and the administration to lighten the burdens of taxation by a large reduction of the tariff and internal revenue. He also alluded to the management of State affairs, showing how successfully the Republican party had conducted the finances and liquidated the debt. There was a very large audience present, including Governor Baker, the officers of State and many distinguished citizens from various localities.

The Tax and Tariff Bill.

The Tax and Tariff bill, as passed by Congress, is expected to reduce the burden of taxation about 80 million dollars. It abolishes all taxes on gross receipts, legacies, successions, watches, carriages, gold and silver plate, billiard tables, passports, salaries, banks and bankers, the whole system of special or license taxes, except those on brewers and distillers, and all taxes on sales except those now paid by stamps and those on sales of leaf and manufactured tobacco, snuff, cigars, wines and liquors. It also abolishes the stamp tax on all receipts, transfers of mortgages, notes for less than one hundred dollars, and canned and preserved fish. The taxes that remain are those excepted as herein noted as well as present taxes on spirits, tobacco, gas, fermented liquors, bank deposits, capital and circulation, income tax and stamp taxes, except as abolished. Special taxes do not cease till next May; taxes on sales not till next October, and others that are abolished expire on the first of August. The income tax is to be collected but two years more, and at the rate of 2½ per cent, with two thousand dollars exemption. The tax on salaries of Government officials ceases on the first of August, and the difference to that date between five and two and one half per cent, is to be deducted next spring. In social or religious communities five persons are to be counted as a family. The publication of income returns is positively prohibited. Two and a half per cent. tax is laid on the dividends of incorporated banks, trust companies, savings institutions, and all insurance, railroad, steamboat, canal, turnpike, slack water, gas, coal, mining, bridge and manufacturing companies, whether payable to citizens or non-residents. Interest allowed depositors in savings banks is not to be called dividends. The consolidation of collection and supervision districts, and the discharge of needless officers, is allowed the President.

The New Pension Bill.

Passed by Congress near the close of the session makes several changes which are important to pensioners. Hereafter payments are to be made quarterly, the agent forwarding bank vouchers to each person on the rolls by mail, and on the receipt of these vouchers in proper form, returning a check by mail to order of the claimant. Pension Agents are allowed thirty cents for making out each voucher, which the Government is to pay, and no agent can collect any fees whatever of any pensioner for his services. No attorney or agent is allowed to collect a fee of over thirty-five dollars for prosecuting any claim for pensioner or bounty land.

Synopsis of the Funding Bill.

The following is a synopsis of the Funding Bill, as finally passed by both Houses of Congress: Section first provides for the issue of 200 millions five per cent. bonds, \$300 millions 1½ per cent. bonds, and 1,000,000 four per cent. bonds, running respectively ten, fifteen and thirty years.—

Section second authorizes the Secretary of the Treasury to sell such bonds at par for coin, and to apply the proceeds to the redemption of the outstanding 5-20s at their par value, or to exchange new for old bonds at par for coin, but new bonds shall be issued for no other purpose. A sum not exceeding one half per cent. is allowed for commissions in negotiating new bonds.

Section four provides for the redemption of 5-20s now or hereafter falling due at par beginning with those first numbered and issued, interest to cease three months after the proper notice has been given.—

Section five authorizes 2½ per cent. interest on gold deposits; 25 per cent. of such deposits must be retained in the United States Treasury, the balance to be used in the redemption of 5-20s, under the provisions of section four. Section six provides for the canceling of all bonds now held or hereafter purchased on account of the sinking fund.

Awards for Reapers and Mowers.

There is a mistake widely prevalent in regard to the recent trial of reapers and mowers at Mansfield, Ohio, namely: That the awards would be made shortly after the trial was over. Mr. Klipper, Secretary of the State Board, states that no award will be made until the holding of the State Fair, in Springfield, in September, and that this is in accordance with a regular rule of the board.

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The Effect of a European War.

In 1866 when Russia and Austria were at war, gold rose rapidly from 180 to 160 within one month; and, had the contest continued, prices would have reached a much higher figure. The causes, however, which were at work then have now ceased to exist, and although we may feel the effects of a protracted European war, we are better prepared for it than at any period since 1861. Our financial credit abroad has been steadily increasing with our growth as a nation. Foreigners are rapidly learning more about us, and have shown their confidence in our prosperity by sending their funds by millions of dollars for investment in schemes which will develop our hidden resources. Idle foreign capital, which has been profitably employed here, will not now be hastily withdrawn. It is not probable that a war between Prussia, Spain and France will strengthen the credit of either of these nations to such an extent as to cause the holders of United States bonds to throw them upon the market. The majority of our securities are in the hands of investors who depend upon the high rate of interest, and the prompt payment of the same, for their support. Should our country continue to maintain its present credit, such investors would not willingly exchange a certainty for the securities of nations about to engage in costly war, which may increase twofold their heavy debt.

The prospects of good cereal and cotton crops also are encouraging, and the demand which must come from abroad will go to meet the payment for whatever bonds may be returned, as was the case in 1865, when we shipped our cereals in the place of gold, at that time a scarce article.

The first effect of a European war may be a sudden advance in gold and decline in United States bonds, but the result, in the end, will be in favor of the United States, inasmuch as foreign capital would seek investment here as the safest place, our cereals would be in greater demand than ever, which would benefit our farmers and our railroads, and thus stimulate trade in the interior, while on the seaboard our commerce would receive an impetus which would soon restore it to its former prosperous condition.

The Amended Tariff.

The new Tariff bill, as it finally passed both Houses, is in principle and substance so far as it goes, the same as that reported by Gen. Schenck from the Committee of Ways and Means. Of course, there are modifications in some details, and numerous items are passed over. But the main idea of enlarging the free list, and of reducing the rates on necessities and comforts, like tea, coffee, sugar and molasses, is carried out in the new bill. The strenuous efforts of the Free Traders to keep up the high duties on the articles just named, because they do not compete with any home product, were in strict accordance with their theory of a "revenue tariff," but these views will meet with as little favor among the people as they did in Congress. We believe the tariff reductions will be popular, and that the bill should everywhere be sustained in the present canvass as a Republican measure.

The bill is a long one, and we have not yet the text in full. It will go into effect on the 1st of January, 1871. We submit some of the principal items, giving the present duty and the amended rate:

| | Old Rate. | New Rate. |
|--------------------------------|----------------------|---|
| Tees..... | 15cts per lb. | 25cts per lb. |
| Coffee..... | 8 " " | 5 " " |
| Substitutes for do. 5 " | | |
| Molasses..... | 5 " per gal | 8 " per gal |
| Sugar..... | 1½ to 4½ per lb. | 3 to 5¢ per lb. (being a reduction of about 25 per cent.) |
| Pig iron..... | \$7 per ton. | \$9 per ton. |
| Cast iron..... | 6 " " | |
| Brick, stone, &c. 10 " " | | |
| Beeswax..... | 14cts per lb. | |
| Railroad bars, part steel..... | 1 " " | |
| Steel..... | 1 " " | |
| Nickel alloy..... | 30cts | " |
| Gold..... | 20 " " | |
| Other silver and metal..... | 45 per cent. ad val. | |
| Live stock..... | 20 " | |

The Franklin Democrat says we are hoaxed about the reduction of the national debt. We don't have any idea the Democrat will publicly admit that the debt has been decreased, even though the Secretary of the Treasury publishes a sworn statement every month to that effect. Nor will the Democrat acknowledge any good in the present administration. Facts are stubborn things, and Democratic papers are loth to give them to their readers.

The Democrat would rather say the public debt statements are false and then indulge in a little abuse of bond holders, talk about Radical thieving and how the poor soldiers' widows and orphans are oppressed. Still Hendricks, Pendleton and Edgeron are very popular among the bondholders, and all these soldiers' widows and orphans were made so by Democratic Rebellion—the debt itself was caused by the same party, high taxes were necessitated by the infamous actions of that party, and to the same are chargeable all the troubles of the country for the last ten years.

A Radical administration is doing all it can to relieve the country from the burdens of this Democratic rebellion. The debt has been rapidly decreased, taxes are largely diminished, and they are much better collected than when Johnson was in power. If the Democrat would willingly help now to liquidate the debt it helped to make, and admit facts as they exist, instead of telling its readers that it is all a hoax about the debt being reduced, it would stand in a much better condition.

That taxes have been reduced, we have the recent tariff bill passed by Congress, making a reduction of \$80,000,000. That the debt has been reduced, we have the sworn statements of the Secretary of the Treasury. Can the Democrat produce better evidence?—[Conversville Times.]

Among the prominent measures which failed to pass the session of Congress just

closed were the Apportionment bill, Fremont's Southern Railroad, the New York & Washington Air-line Road, the Commercial Navigation bill, Cullom's Anti-Polygamy bill, Jencks' Civil Service bill, the Cuban Resolutions, and the Postal Telegraph bill. About thirty land-grab bills also perished by the wayside.

The following gentlemen, prominent citizens of Aurora, Indiana, and vicinity, William S. Holman, member of Congress, Hiram Barwicklow, W. J. Edwards, Henry Bush, O. P. Miller and Capt. C. C. Kellogg, start for Kansas on the 25th inst., on a prospecting tour, with a view to settling permanently in that State.

We take the following paragraph from the proceedings of Congress for last Friday:

Mr. Cossen called up the Indians contested election case, the majority resolution being that Julian, the sitting member, was entitled to his seat, and that Reid be paid \$4,500 for his expenses. After discussion the resolution was adopted.

Correspondence of Indiana American.

Illinois Letter.

CHAMPAIGN, ILL., July 14, 1870.

Dear American.—If it were not so hot, I would like to tell you many things; but when one is sweltering with the thermometer up toward 100 degrees, what can he do? I need not tell you that the weather has been wretchedly hot, and we needed rain before it came, or that the crops are excellent, and fruit fairly plenty. You ought to know these things without being told. I need not tell you, either, that a late article in the American about instinct in animals, and denying their reasoning faculties, is all bosh, and wont do for this age of the world. It would have done a few hundred years ago. Your account of the 4th of July Celebration was wonderfully interesting, and that day will long be remembered in the Valley.

CHANGES.

I see that changes are rapidly occurring in your section, and some of these are for the better. The recent changes in your College Faculty will be an improvement, and, if I am correctly informed, it has probably never before been so well prepared for successful teaching. If your Valley would wake out of its Rip Van Winkle sleep and rally around that Institution, it would be well for the Valley as to finances, intelligence and morals. It remains to be seen whether the people will take advantage of this new arrangement for their benefit. If parents prefer to equip up their children by the fifties in a small, ill-ventilated, uncomfortable and unhealthy building, when they are able to do better, it is their privilege so to do. It would seem to be better to make an extra effort to send children where nearly every possible advantage is afforded them. But I did not intend a letter about the College.

HONORS.

If it were not that you have so many D's in your city, I would like to say something about the recent crop of sheepskins that our Colleges grew. Honors are very abundant this summer. Maybe the hot weather and the general productiveness of the season had something to do with it. One of your Indiana preachers tells me he was offered the double D. for \$10,000, but he was worth only \$500 and could not afford more than one D. Over here we made a man A. M. because he is a successful steer raiser, and we hope to get some of his money for a college. "Sick transit of our glory on Mundi," and boys who struggle five years for the degree of A. M. may take a short cut and go to raising cattle.

POLITICAL.

If it were not so warm I would tell you that there seems to be a desire in several Congressional Districts to have a new man the next term for Congress. Culion, the Mormon fighter, will probably be left at home, and, of course, Mr. Julian will enjoy the same blessing. Maybe it will be as well for all concerned.

CONFERENCE.

Your good people are soon to enjoy a visit from the so-called "chicken-eaters," and I have ample experience last year in providing for a conference, let me say that Dr. Lynch will not need the help of all who can help. I greatly desire to spend a few days with my old associates, but am hardly willing to take the room that properly belongs to others, and I am free to say that all cousins, uncles and aunts had better make their visit just after Conference, so as to help eat up the scraps.

They are not needed during the session of Conference, and of course the citizens baying invited the Conference, will first nicely provide for its members, and then take care of outsiders and lookers-on.

FINANCES.

I am glad to see that Indiana is out of debt. I wish Illinois were. We are assisted here for railroads, colleges, etc., until I think our taxes are about 8 per cent. in this county. It ruins a man here to be worth anything. Our new Constitution, lately adopted, will soon better our affairs.

GENERAL.

Health is good here, business fair, crops excellent, whisky plenty, and things in fair order generally; and when the harvests are over and the farmers begin to handle money, there will be more life than usual in