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UNION PACIFIC RAILROAD INDEBTEDNESS.

The Cabinet Decides to Begin the Foreclosure Proceedings at Once.

Line of Procedure Indicated in the Attorney-General's Report.

The Government Will Lose Many Millions of Dollars' of Interest Through the Sale, Unless a Much Higher Bid is Made Than the One Proposed by the Reorganization Syndicate.

WASHINGTON, Jan. 22.—It was decided at the Cabinet meeting to-day to begin foreclosure proceedings against the Pacific railroads at once. The line of procedure will be as indicated by the Attorney-General in his annual report.

The part of Attorney-General Harmon's report referred to is as follows:

"The report of Hon. George Hoadley, special counsel of the United States, which is affixed to the report, shows that there is no substantial change in the state of the litigation about the Union Pacific Railway and its branches, and concerning the subject the Attorney-General says:

"I have grave doubts as to the ability of the Government to preserve the present situation much longer. I am advised that an attempt will be made to enforce the Government's appearance in the foreclosure case, with a view of giving a complete title to the purchaser at the foreclosure sale.

"While I believe the position heretofore taken and still maintained by the Government is the true one—namely, that its appearance cannot be compelled—it must be confessed that the contention of opposing counsel is at least debatable—namely, that while the Government cannot be sued with a view to recovery again, it may properly be made a party to a suit in equity brought by the holders of bonds issued by its express consent upon property on which it has itself received a lien.

"As the only object of steadfastly keeping the Government out of the case thus far has been to secure some favorable solution of the difficult problem presented by its ownership of a subordinate security upon property whose value is generally believed to be insufficient to pay in full any but the first mortgage liens, I think that, unless the pending funding bill be passed and accepted the Government should endeavor to secure terms for its appearance in court in the way of an assurance of such a bid on the property in the case of a judicial settlement as will secure to it a fair realization of the value of its lien.

If this be not done and the Government should be compelled to sue to protect its own interests, or required to appear and set up its claim in the pending cases, the benefit of the position so long maintained may be largely lost."

HARMON'S STATEMENT.

WASHINGTON, Jan. 22.—Attorney-General Harmon has returned from New York fresh from his negotiations with the Reorganization Committee of the Union Pacific Railway Company. Prior to the regular Cabinet meeting to-day he explained to President Cleveland the plan outlned in the statement given, which received the President's approval. The Cabinet was told at its session of what had been done, but no formal action by that body was taken.

As indicated by the statement the settlement agreed upon by the Reorganization Committee marks the ending of the relations between the Federal Government and the Union Pacific Company. It does not nterfere, however, with the right of the Government to institute proceedings to protect itself in any phases of litigation that may be discovered later. So far as the Central Pacific Road is concerned, matters are not in shape for settling its relations with the Government, but something is likely to be done in the near future.

The Reorganization Committee of the Union Pacific Railway Company consists of Louis Fitzgerald (Chairman), Jacob H. Schiff, T. Jefferson College, Jr., Chauncey M. Depew, Marvin Hughitt and Oliver Ames.

The following statement was given to the United Associated Presses by Attorney-General Harmon this afternoon:

Upon the defeat of the funding bill in the House the President directed the Attorney-General to commence foreclosure proceedings against the Union Pacific Railway Company, first making the best arrangements obtainable for the protection of the Government interests. Following the lines indicated in his last report, the Attorney-General began negotiations with the Reorganization Committee. On Thursday an agreement was made which will result in immediate steps to foreclose. The chief subject of the negotiations was the protection of the Government against the risk of sacrifice of its claim by a sale at a price which would leave nothing substantial after paying prior liens.

The committee guarantees that the Government shall receive in its lien on the aided portions of the Union Pacific and Kansas Pacific lines, including the sinking fund, not less than $45,754,000. The sale will be public, so that the Government will receive the benefit of any higher bids.

The sum of four and a half million dollars cash was on Thursday deposited with the United States Trust Company of New York by General Louis Fitzgerald, Chairman of the committee, as security according to the terms of the agreement. The committee agrees to bid par for the sinking fund if it is desired to sell it at any time before the foreclosure sale.

Bills in equity have been prepared and signed by the Attorney-General and Hon. George Hoadley, special counsel, and forwarded to St. Louis, where they will on Friday be presented to Judge Sanborn, who has jurisdiction in all the districts, and whose consent to their filing is necessary, because the receivers in charge of the property are made parties defendant. They are original bills and not cross bills in the pending suits. Whether they will proceed as independent bills or be ordered to stand as cross bills in the pending suits will be determined by the Judge.

But in either event the result will be practically the same—the sale of the property under the Government lien as well as under that of the first mortgage.

The bills will be filed in the districts of Iowa, Nebraska, Wyoming, Colorado and Utah. Separate bills for foreclosure of the lien on the Kansas Pacific are in course of preparation. These were filed in Missouri and Kansas.

The proposed arrangement was submitted to the Government directors before it was closed. They will recommend its adoption.

The general opinion was thus expressed: "The Government cannot prudently longer defer the settlement of this matter. The Union Pacific system has already been much curtailed and its revenues have been permanently reduced. Reorganizations of allied and neighboring properties have either been accomplished or are in train for early consummation, and the breaking up of the entire Union Pacific system has been and is steadily progressing.

"It, itherefore, seems to us inexpedient if not dangerous to neglect this opportunity of realizing the sum offered and thus expose the Government to a continuous depreciation of its securities. It is believed that there will be higher bids, but if not an estimate shows that, crediting the amounts already received from the company, the Government will at least realize a sum equivalent to the principal of the subsidy bonds with interest at about 3½ per cent. from their issue to the average date of their maturity, or about 3.45 per cent. from the date of issue to January 1, 1897.

"The minimum of $45,754,000 guaranteed the Government is in cash, so that all relation with the property will terminate upon the confirmation of the foreclosure sale."

THE SENATE PLAN.

WASHINGTON, Jan. 22.—The Senate Committee on Pacific Railroads to-day favorably reported the bill introduced by Chairman Gear, providing for the appointment of a committee consisting of the Secretary of the Treasury, the Secretary of the Interior and the Attorney-General to settle the indebtedness of the Pacific railroads.

STATEMENT OF THE U. P. REORGANIZATION COMMITTEE.

NEW YORK, Jan. 22.—The following statement by the reorganization committee of the Union Pacific Railway Company was made here to-day:

The Union Pacific Reorganization Committee has come to an agreement with the Government in accordance with which the latter has begun foreclosure proceedings of its lien upon the Union Pacific lines, inclusive of the Kansas Pacific line. The reorganization committee guarantees a minimum bid of something over $45,000,000 for the Government's claim upon the railroad, and for the Government Union Pacific sinking fund, and has deposited $4,500,000 as earnest money. Kuehn, Loeb & Co., bankers for the reorganization committee, have assured the committee the funds required to carry its agreement with the Government into effect.

By the terms of the settlement the Government will receive the original amount of the 6 per cent. bonds issued by it and of the Union Pacific, less payments made by the company to the Government, with interest at the rate of 3½ per cent. per annum.

The detailed statement of the debt of the Union Pacific made on October 1, 1896, was as follows: Principal, $27,236,512; interest accrued and not paid, $343,748; interest paid by the United States, $46,094,544; repaid by the Union Pacific, $15,988,035; balance of interest paid by the United States, $30,105,709; principal of Kansas Pacific debt, $6,303,000; interest on Kansas Pacific debt, $6,493,843.

The principal of the debt by the foregoing figures amounted on October 1st, to $33,539,512, and interest to $36,944,300, while both together amounted to $70,483,812.

The sinking fund created for the payment of the Government debt now amounts to something over $17,000,000, and it is chiefly in Government railroad bonds. This fund is to be retained by the syndicate formed to provide funds to pay off the Government debt and to carry out the reorganization plans. The net to be paid to the Government is, therefore, $28,000,000.

TWO SWINDLERS ARRESTED.

Important Capture Made by the Police at Chicago.

CHICAGO, Jan. 22.—George F. McDonald and Edwin Noyes Hills, who twenty-five years ago made themselves famous by aiding George and Austin Bidwell in swindling the Bank of England out of £1,000,000, are locked up here on complaint of the J. W. Butler Paper Company of this city.

After the arrest of the two men McDonald was suspected of having been the author of the pencil will of the late James G. Fair of San Francsico. He is known to have been identified with swindling schemes of almost every kind throughout the country. The San Francisco authorities were communicated with, and a reply was received by the police here this evening to the effect that the prisoner was not wanted there.

By the arrest of the men the police believe a large swindle has been frustrated. They are charged with having ordered a large number of letter heads and bill heads bearing the firm name of the Butler Paper Company from a printer in Joilet. The latter suspected that something was wrong, and communicated with the firm. They had given no such order, and the police were notified. McDonald was followed from Joilet to Chicago and arrested. Several notes and papers bearing the name of the paper concern were found in his possession.

To-day Hills, a confederate of McDonald in the gigantic English swindle, and who since has been identified with him, it is alleged, in a number of offenses, was arrested. It is supposed that they were contemplating a swindle through the use of the name of this concern.

Blizzard in the Northwest.

BENTON HARBOR (Mich.), Jan. 22—A fierce blizzard is raging to-night in the Northwest. A heavy sea is running on the lake, but no vessels are out, so far as is known. The storm almost equals the one that marked the Chicora disaster two years ago.

PASSED OVER THE PRESIDENT'S VETO.

Bill to Establish a New Division of a Judicial District in Texas.

More Than Two Thirds of House Members Vote in the Affirmative.

Grosvenor of Ohio Caustically Criticizes President Cleveland in the Fact That Senators and Representatives Are Unable to See the Executive on Legislative Matters Until He Has Bowed Before His Private Secretary.

WASHINGTON, Jan. 22.—This was private bill day, and there was little of purpose done in the House. Cooper (D.) of Texas called up and the House passed over the President's veto the bill to establish a new division of the Eastern Judicial District of Texas. The feature of the debate on this matter was a caustic criticism by Grosvenor (R.) of Ohio that Senators and Representatives were denied access to the President except through the Secretary of the Private Secretary of the President.

Cox (D.) of Tennessee, rising to a question of personal privilege, read a newspaper paragraph crediting Walker (R.) of Massachusetts, Chairman of the Committee on Banking and Currency, with the statement that there was so little public demand for legislation on the subject of the banking and currency that he could not get his committee together to discuss this subject. He said he had attended every meeting of that committee (save a very few) ever since he had been a member ,and that he was now ready to meet the Chairman at any time and vote upon any proposition he may present.

Walker good-humoredly observed that that was one of ten thousand statements imputed to him which had no foundation in fact.

A bill was passed authorizing the Galveston and Great Northern Railway Company to build a railroad through the Indian Territory.

A joint resolution was reported from the Committee on Printing, providing for an index of the Government publications from 1881 to 1893 by Dr. J. E. Ames, Superintendent of the Documents, at a compesation of $1,000 a Congress, $6,000 in all. Passed.

On motion of Dalzell (R.) of Pennsylvania, it was voted to adjourn over until Monday next.

A joint resolution was passed providing for the distribution of atlases and maps published by the Geological Survey.

Cooper (D.) of Texas then called up the House bill constituting a new division of the Eastern Judicial District of Texas, providing for holding court at Beaumont, and authorizing the appoint of a Clerk for said court, and moved that it be passed, the objections of the President to the contrary notwithstanding. The Committee on Judiciary recommended that the bill do so pass.

The President's reasons for vetoing the bill were that the present accommodations were sufficient for transacting the business arising from the counties included in the proposed new division.

Cooper explained that he had made several attempts to see the President while the bill was before him. In all these at most he was unsuccessful, the Secretary of the President, "who holds the key to the door by which members of Congress are admitted to the President," denying him the right as a representative of the people of his district to see the Executive.

Grosvenor (Rep.) of Ohio said it was unfortunate for the American people that for three years past few self-respecting representatives of a respectable constituency would make any effort to see the President. It was represented that he had issued an order that no Senator or Representative in Congress should present himself in person until he had bowed before a Private Secretary, and had received for his errand the sanction of that just personage.

"At that time," continued Grosvenor, "I was in the midst of a matter connected with official relations to the President, and after having concluded it, I filed a statement with the Executive Mansion that I would never again seek to see the President of the United States under the present Administration. And I have kept my word. My constituents never commissioned me to percolate my business with the Executive through the lay of a Private Secretary."

It was unfortunate, Grosvenor went on to say, that the President excluded himself from comunication with members of Congress. "He surrounds himself with a skirmish line of moderate capacity, and keeps himself away from us. I condemn myself for not having expressed these views two years ago, when, if they had been carefully considered by the parties in interest, there might be two or three friends of the President in Congress."

The bill was passed—144 to 68—more than two-thirds voting in the affirmative.

Crowther (Rep.) of Missouri reported the agreement of conferrees upon bills to increase the pensions of Jane Stewart Whiting and of Celesta Boughton, fixing the amount at $50 a month. Agreed to.

The House then proceeded to consider bills on the private calendar reported from the Committee of the Whole.

The House proceedings from this point were largely confined to routine matters of bills of no general interest. At 5 p. m. the House took a recess until 8 o'clock to discuss private pension bills. At the evening session ten private pension bills previously reported from the Committee of the Whole were passed.

At 10:15 p. m. the House adjourned until Monday next.

Sir Isaac Pittman Dead.

LONDON, Jan. 22.—Sir Isaac Pittman, inventor of the system of stenography which bears his name, is dead. He was born at Trowbridge, Wilts, England, January 4, 1813, and besides inventing a widely known system of shorthand has written much on the subject.

U. S. MAIL ROBBERY.

Registered Package Containing Thirty-Five Hundred Dollars Missing.

DENVER (Col.), Jan. 22.—News was given out at the Postoffice to-day that a package containing $3,500 was missing from a sack of registered mail which arrived at Denver yesterday from San Francisco.

It has been learned that when the mail was transferred at Cheyenne the package was missing. The robbery must have taken place somewhere on the Union Pacific Road between San Francisco and Cheyenne, or at the San Francisco Postoffice.

It is rumored that there has been systematic robbery of mails on the Union Pacific main line for the past month.

Postoffice Inspector McMechen would not say a word about the big robbery. He spent the morning in close conference with the United States Marshal and the District Attorney.

Early this afternoon Deputy United State Marshals Pue and Lovel left for Cheyenne. It is said that they have warrants for several suspected persons.

ANTI-FOOTBALL.

A Stringent Bill Introduced in the Nebraska Legislature.

LINCOLN (Neb.), Jan. 22.—A decidedly stringent anti-football bill was introduced in the lower house of the Legislature to-day by Speaker John Gaffin, by which reporters for newspapers and even spectators are made liable.

The bill in substance provides that any person engaging as a participant in a football game shall, upon conviction, be fined a sum not less than $25 or more than $100, or imprisonment for a term not exceeding three months, or both. Further, if anyone is concerned as backer, umpire, assistant, reporter or lookout he is liable to a fine of from $5 to $25. Another clause in the bill enables the proper authorities to place persons under bond to keep the peace who shall be caught training for a football game.

CHARGED WITH FRAUD.

Warrants Issued for the Arrest of a Bank Cashier.

SIOUX CITY (Ia.), Jan. 22.—Warrants for the arrest of Cashier E. P. Stone of the defunct Sioux City Savings Bank were issued to-day. The depositors counted on $20,000 of cattle paper in the bank vaults as among the best assets. An investigation failed to discover either the cattle or the makers of the notes, and the depositors feared that Stone had forged them. Reports that he had fled increased the excitement, and to-day his arrest was resolved on by the depositors. He is charged with forgery, making false reports to the State Auditor and withdrawing the bank's money for his own use, and giving in return worthless securities.

TWENTY LIVES LOST.

An Unknown Steamer Sunk in a Collision.

LONDON, Jan. 22. — The British steamer Salisbury from Port Reath to Newport, collided with an unknown steamer about four miles from Ilfracombe, Devonshire. The latter is supposed to have sunk with a crew of about twenty men.

Admitted to the Bar.

FRANKFORT (Ky.), Jan. 22.—Miss Sophronia Breckenridge, daughter of Colonel W. C. P. Breckenridge, was admitted to the bar by the Court of Appeals this morning.

Cardinal Blanchi Dead.

ROME, Jan. 22. — Cardinal Angelo Blanchi, Bishop of Palestrina, is dead, aged 80.

PACIFIC CABLE.

HEARING BEFORE THE HOUSE COMMITTEE.

Merits of the Scrymser Bill Over the Spalding Bill Argued at Length.

WASHINGTON, Jan. 22.—James C. Scrymser and Edmund L. Baylies were before the House Committee on Interstate and Foreign Commerce to-day in the interest of the Pacific Cable Company of New York. They both argued upon the merits of the Scrymser bill over the Spalding bill of the New Jersey Company. Scrymser stated that his company would want eighteen months after the passage of the bill to complete a cable to Hawaii and eighteen more to complete it to Japan.

Patterson of Tennessee said it had been charged that the Scrymser company was in sympathy with or had connection with England and English interests. Scrymser said of course his company would expect to do English business.

Patterson said there should be inserted in the bill a provision that the cable company should not come under British influence.

Scrymser referred to Swayne's statement that Japan wanted no cable connection as ridiculous. He said the Japanese and Chinese telegraph lines were dependent upon and controlled by Russian lines. The Spalding company, he said, would build to Hawaii and stop. His line to Japan would save the people of that country more than a million dollars in tolls. "The Japanese," he said, "are flocking into Hawaii now. This country is going to have a contest with the Japanese of some other power to control Hawaii. It is necessary to have a cable line there as soon as possible."

Scrymser did not like the idea of leaving the matter of contract with the Postmaster-General. "The present Postmaster-General will not have time to act and we don't know who the next Postmaster-General is or what he will do," said Scrymser.

The discussion among members of the committee developed a wide difference of opinion.

A DAY OF BREEZY DEBATE IN THE U. S. SENATE.

Two Questions of Importance Come Up in an Unexpected Manner,

The Recognition of Cuba and the Arbitration Treaty.

Senator Turpie Assails Secretary Olney for Defying Congress in Relation to Cuba—Senator Sherman Speaks in Defense of the Arbitration Treaty, Congratulating the People That the Time Had Come When Nations Might Peaceably Settle Disputes Without Resorting to Arms.

WASHINGTON, Jan. 22.—Two questions of deep interest and importance came before the Senate to-day in a rather unexpected manner. First arose the subject of the recognition by Congress of the Republic of Cuba, Turpie giving notice of his intention to call up Senator Cameron's resolution on Monday next and to address the Senate on the question. Turpie adverted to Secretary Olney's defiance of Congress in the matter of Cuba, and said it reminded him of the schoolmaster of antiquity who "whipped his pupils gently." He referred to a newspaper statement of an alleged compact between the present Secretary of State and the Premier of the next Administration that there would be no action in relation to Cuba during the present Congress.

This statement was bluntly contradicted by Senator Sherman as one without the slightest foundation. "There has been," he declared, "no conversation at all between us on the subject matter, no expression of opinion."

After this episode the question of arbitration treaty was brought upon the tapis in an equal informal and chance manner. Mr. Cullom (R.) of Illinois had earlier in the day sent to the Clerk's desk for publication in the record a large number of letters which he had received on the subject of the treaty, some favoring and others opposing ratification.

Hoar (R.) of Massachusets presented other memorials on the same subject, and took the opportunity of lecturing a great many of the wisest and best men in all parts of the country for what he called their "intemperate zeal in favor of ratification of the treaty. He reminded them that the treaty was still in progression of negotiation, and it was poor diplomacy while the matter was still inchoate to have learned, eloquent, heated and impassioned expressions coming from pulpit press and college halls in favor of ratification. He pointed out that if some modifications were deemed necessary, if Mr. Olney submitted them to the Marquis of Salisbury, the Marquis might well reply: "Your people are clamoring for it as it is. You do not represent your country and your country's interest."

"I hold," said Hoar, "that this meddling with important diplomacy by angry and impassioned utterances of this kind is infinitely mischievous and foolish. While, as far as I am at present advised, there is not likely to be a Senator not in sympathy with the great public object of promoting peace on earth and good will toward men, I wish to enter my protest against this method of constant meddling with our diplomatic procedures by sermons from pulpits or by professors' lectures."

Sherman (R.) of Ohio, Chairman of the Committee on Foreign Relations, said that he congratulated not only the people of the two great nations on the completion of the arbitration, but he congratulated the people of all the world. The time had come, he said, when nations might quietly, seriously and earnestly provide against the contingency of war. The Committee on Foreign Relations regarded it as a treaty of great importance, and one of the effects of which had to be very carefully studied, for it was possible that it might create controversies which did not now exist. The committee had, therefore, put off its consideration for a while, but an arrangement had been made that it will be taken up and acted upon on Monday next. He had no doubt that the committee would give to the treaty important consideration and deliberation, with a careful review of existing treaties which it might affect. He had received from all parts of the country telegrams and letters implying that the committee was holding back the treaty and defeating that great object of public desire. He declared with much emphasis that there was no such purpose on the part of any member of the committee, but that the committee would give to the treaty full and careful consideration.

Allison (R.) of Iowa asked Sherman how long the negotiations had been in the hands of the Secretary of State.

Sherman was not able to give the time exactly, but said that the treaty had been a long time under consideration. The Senate certainly could not be blamed for not acting immediately upon a treaty which it had taken a year or two or perhaps longer to conclude. He understood that Secretary Gresham had taken part in the negotiations.

Hoar spoke again to the effect that the matter had been considered between the two Governments for more than twenty years, directly or indirectly, and that Mr. Gladstone himself had expressed opposition to it in the House of Commons twenty-five years ago. "The idea," he added impetuously, "of saying to the United States Senate, 'If you do not dispose of that treaty in twenty-four hours you are to have spears jammed into you,' is one to be repelled."

"What are you going to do about it?" Gray (D.) of Delaware asked in a tone of calmness that contrasted with Hoar's manner.

Hoar—I think that we are going to point out to the very excellent, worthy and well-meaning men who are doing this that the matter is still in course of diplomatic discussion between the two countries, and that it is unwise for them to attempt to affect that diplomacy.

Gray—I think that the Senate of the United States will perform its duty with due deliberation, whether the intemperate criticisms cease of not.

Cullom, a member of the Committee on Foreign Relations, said that he was in accord with the views of Hoar. There had been meetings of the committee since the treaty had been received. It had been received at the first meeting, and laid over until the second, and as some members of the committee were absent at the second meeting, the matter had been laid over to the next meeting. There was no disposition on the part of the committee to delay action on the treaty a moment after the committee was convinced that it was proper to ratify it. So far as he was himself concerned, he believed in the general proposition embraced in the treaty, but was unwilling to vote for a treaty so extensive in its scope until he had fully satisfied himself that he was acting in the interest of the United States, as well as of the world. He wanted to be satisfied that the treaty was not tying up the United States in a way not expected. When satisfied of that, he was ready to vote for the treaty, but not before.

Lodge (R.) of Massachusetts said that he was exceedingly glad that his colleague, Hoar, had said what he had said, because there was a good deal of misunderstanding. While all Senators, he thought, agreed with the principles involved, they might disagree as to the meaning and effect of some of the provisions of the treaty. There were grave difficulties of opinion as to whether under this treaty a great question of national policy, which had been the American policy for years, like the Monroe doctrine, was involved in it or not. There were questions whether the Nicaragua Canal bill, now under consideration, was involved in it. These were not questions which the Committee on Foreign Relations or the Senate would dispose of in two or three days.

Hawley (R.) of Connecticut advocated careful consideration of the treaty in committee, and, discussing the main subject, said it was a matter for congratulation that the United States had forced Great Britain to arbitrate an old quarrel with Venezuela.

Sewell (R.) of New Jersey urged that the committee take time enough to ascertain the full scope of this treaty, so that they might understand thoroughly all the questions that might be conceded within its text.

Stewart (Pop.) of Nevada saw little reason to apologize for refusing to obey the demands of an imperious public, expressed in its first clamor. This treaty was a subject of such vast importance that it must necessarily consume time. The United States was not on equal terms with Great Britain in making an international treaty.

Stewart proceeded, despite the rules of the Senate, to discuss the merits of the case and criticised the selection of an European umpire. Europe was a family of States. Its sovereigns were related by blood and associated in interests and sympathy. An European monarch acting as umpire under this treaty would naturally be governed by his surroundings.

Senator Stewart did not believe a treaty could be framed that would put us on an equal footing with Great Britain, or that a tribunal could be formed that would do the United States justice if questions of a political and territorial character were submitted to it. Great Britain was making preparations that would enable her to enforce her demands. She had a long line of fortifications on our Atlantic seaboard from Newfoundland to our lowest boundary. On the Pacific Coast she was likewise engaged, and was annually making large appropriations for it. While she was doing this he thought we ought not to get into any entangling alliances where Great Britain might have any excuse to coerce us if she had the power.

In the further course of his remarks Stewart referred to Article VI. of the treaty relative to the settlement of territorial claims, which provides that if the court is equally divided there shall be no recourse to hostile measure until the mediation of one or more friendly Powers has been invited by one or both of the contracting parties. This mediation would, he contended, take time, possibly years, and meantime Great Britain, as she always does, would take possession of the territory in dispute. Reference was made to the British encroachment upon our Alaskan boundary, their establishment of Postoffices and other evidences of an intention to force a claim along a boundary which they dispute. On the Isthmus examples were found of Great Britain reaching out to embarrass us. The opportunities to delay offered by the treaty in this respect was sufficient, Stewart contended, to cause the same to be careful.

Up to this time only Republicans had taken part in the discussion. Senator Hill arose as Stewart took his seat. "And with one accord they all began to make excuses." That, said Hill, might not be a literal scriptural quotation, but it would answer. He had proceeded no further, when Morgan asked what was before the Senate.

"The debate is proceeding by unanimous consent," replied the Vice-President.

"Then I object," said Morgan, and Hill was shut off.

"I understand now who is hit," retorted Hill, as he sat down.

Just as the Vice-President laid before the Senate at 2 o'clock the unfinished business, the Nicaraguan Canal bill, Sherman sent to the desk a letter from the Secretary of State transmitting a communication from Mr. Rodriguez, the Minister from the "Greater Republic of Central America" on that subject. It called attention to the friendship expressed by the United States for these republics and the interest displayed in endeavoring to bring about the construction of an isthmian canal. At the same time it was pointed out that the provisions of all the bills pending in Congress were in contravention of the contract between the Government of Nicaragua and the Maritime Canal Company, and that if Congress were to attempt to carry out the provisions of any of these bills it would vitiate that contract. The Minister suggested a renewal of negotiations between the United States and the Greater Republic along the lines of treaty negotiations with Nicaragua by Secretary Frelinghuysen.

The moment this document was read Morgan was on his feet. He declared that Congress knew nothing officially of such a Government as the "Greater Republic of Central America."

(Continued on Eighth Page.)

INSURGENTS WAGING A FIERCE WAR IN CUBA

General Garcia Every Day Adding New Victories to His Military Record.

His Forces Attack and Capture a Town Near Havana.

The Fight Lasted Two Days, and the Spanish Lost Over Two Hundred Soldiers — Jiquani, Another Important Town, Also Taken by the Insurgents — Another Expedition Reported to Have Landed.

HAVANA, Jan. 22.—Spanish politics are absorbing much of the attention of the Spanish in Havana. The insurgents, however, outside the capital, are waging fierce war, regardless of Canovas, Sagasta or any kind of reforms or home rule.

At Santiago de Cuba General Calixto Garcia is every day adding new victories to his bright military record. The town of El Caney, a short distance from Havana, was attacked by the insurgents a few days ago under the orders of Garcia. Notwithstanding the proximity of Santiago de Cuba, the Spanish garrison surrendered and the Cubans entered the town in triumph. The fight lasted two days and the Spaniards lost more than 200 soldiers.

Jiguani, another important town of the same province, is now besieged by the insurgents. The last report said that the garrison was fighting desperately in the hope that Spanish re-enforcements would reach them.

The attempt to rescue Jiguani, however, has been a great failure, and has resulted in another important Cuban victory. General Bosh, with a column of more than 2,000 men, marched to Jiguani to raise the siege. Calixto Garcia in person met him on the road at the head of 1,500 Cubans. The engagement was hot and lasted a whole day, both sides using their artillery. Bosh could not advance, and after eight hours of continuous fighting he was obliged to retire. Then the Cuban cavalry attacked the retreating force and the right flank of the Spanish troops was thrown into the utmost disorder. When night came Bosh succeeded in escaping to Santiago de Cuba.

Here his troops arrived in a state of utter panic and exhaustion. This is the most important battle that has occurred since the death of Maceo, not even excepting Jabugnito, which was a brilliant triumph for Garcia.

In the province of Havana sad details are reported of the crimes and devastation of the column of the Spanish under Colonel Rotger, who is emulating the murderous reputation so well earned by Melguizo and Fondievella. Colonel Rotger burned the plantations of Mederos and Castenada, and killed a great many pacificos there. Marching to Guira de Melina, after these depredations, he met an insurgent band and was so badly defeated by the Cubans that he hurried into the town to get under the protection of the fort.

Friends of the American citizen Julio Sanguilly are beginning to lose hope that he will be released, as it was said he will be on next Saturday, the birthday of the King of Spain. General Weyler has semi-officially declared that the amnesty of prisoners on that day will apply only to non-political prisoners.

WEYLER'S RECALL.

NEW YORK, Jan. 22.—A dispatch to the "Sun" from Havana says: A great sensation was created by a cable dispatch from Madrid announcing that Senor Sagasta, the leader of the Liberal party in Spain, has declared in an interview that it is possible he will soon be called by the Queen Regent to form a new Government. Every one in Havana understands from this news that a political crisis is impending in Spain, which means the recall of Captain-General Weyler and a milder policy on the part of Spain in Cuban affairs.

ANOTHER EXPEDITION.

NEW YORK, Jan. 22.—A "Herald" special from Tampa, Fla., says: News reached here by the steamer which arrived yesterday from Havana, stating that official advices received by cable from Santiago de Cuba at the palace in Havana report the landing of a good-sized expedition on the southern coast of Santiago de Cuba province on Sunday night.

The palace authorities will neither admit nor deny the truth of the report. It is hinted by those who are in close contact with the officials that the expedition probably started from Jamaica and landed east of Santiago de Cuba, where, it is believed, the rebel forces under General Calixto Garcia went to take charge of the war material. The name of the filibustering steamer is not known here.

Another expedition, said to be of greater importance, is reported to have landed several days ago at a place on the southern coast of Pinar del Rio province. This one, it is thought, must have been landed from the United States, judging from the American labels upon the empty packages found on the beach.

The ammunition, to all appearances, was carried off by the Cuban forces of General Ruiz Rivera, which have had undisputed control of that part of the coast for two weeks.

ECUADOR'S CABINET.

New Ministry Formed by President Alfaro.

NEW YORK, Jan. 22.—A special to the "Herald" from Guayaquil, Ecuador, says that President Alfaro has formed a new Cabinet. It is made up as follows:

Minister of Foreign Affairs, Dr. Belisario Alban Mestauza.

Minister of the Interior, Dr. Rafael Gomez de la Torro.

Minister of Finance, Ignacio Rables.

Minister of the Treasury, Isidorio Maria Suarez.

Minister of War and Navy, General Juan Francisco Vorales.