

AGASSY MR. VILLARD

Decision of Master A. L. Cary in the Northern Pacific Case.

The Late Railway King Charged with Unlawful Gains of \$363,691 and Receiver Oakes Fully Exonerated.

PLAN TO REDUCE EXPENSES

Twenty-Four Branch Line Receiverships to Be Terminated.

All the Roads to Be Operated by the Main Line Receivers Under Traffic Agreements—Railway News.

MILWAUKEE, Sept. 8.—Master in Chancery A. L. Cary filed his report on the matters referred to him for investigation, in connection with the Northern Pacific receivership contest this afternoon. The report is a bulky document, covering 123 closely typewritten pages, and contains about 4,000 words. It is a complete victory for the receivers, the Master exonerating Thomas F. Oakes from every charge preferred against him, but Henry Villard is found guilty of having made unlawful gains as a director of the Northern Pacific Railway Company. A synopsis of the Master's report, showing the various findings, follows:

First—The Master finds that Thomas F. Oakes had no pecuniary interest in the receivership, derived no personal advantage or gain from any of the matters referred for investigation.

Second—The Master finds that Henry Villard, a director of the Northern Pacific Railroad Company, was not guilty of the acquisition of the railway of the Northern Pacific & Manitoba Railway Company, by the Northern Pacific Railway Company, to the extent of \$363,691.70.

Third—It is found that Mr. Oakes did not, and was not held to, have any interest in the Northern Pacific & Manitoba railroad, or that he was making any unlawful gains by the acquisition of said railway by the Northern Pacific Railway Company. As a consequence, the Master finds that Mr. Oakes is not bound to take any measures to prevent Mr. Villard from making such unlawful gains, or for the protection of the interests of the Northern Pacific Railway Company in respect thereof.

Fourth—During the four fiscal years ending June 30, 1893, the Northern Pacific Company, made savings under its contract with the Rocky Fork Coal Company to the amount of \$1,833,511.96, an average of over \$458,000 per year for each of the four years.

Fifth—The master finds that William L. Bull, Charles T. Barney, James B. Heggen and Charles E. Wright, directors of the Northern Pacific Railway Company, were interested in the Rocky Fork & Cook City Railway Company, and in the acquisition by the Northern Pacific Railway Company of the Rocky Fork & Cook City railway, and in the contract made by the Northern Pacific company with the Rocky Fork Coal Company.

Sixth—The master finds that none of the directors of the Northern Pacific company acquires any unlawful gains by the acquisition by that company of the Rocky Fork & Cook City railway, or by the arrangement made with the Rocky Fork Coal Company.

Seventh—The master says he cannot find that, as to these two subjects of investigation, Mr. Oakes was in any respect disloyal to his company or to its interests or negligent in his duties as president or director.

Eighth—The master finds that the Chicago terminals cost the original parties that were interested in them at the time they were turned over to the Chicago & Northern Pacific Company, \$10,200,000.

Ninth—The master finds that the Oregon & Transcontinental company received \$18,000,000 of the bonds of the Chicago & Northern Pacific company, and that it is possible to trace the disposition of all of them except three bonds. These bonds are unaccounted for.

Tenth—On pages 124 and 125 the master states the account with the Oregon & Transcontinental company, and shows that it received from these bonds \$15,968,573.38; that it paid out for these properties and for expenses, etc., \$16,481,085.42, leaving a balance of \$188,788.96 unaccounted for on the debit side of their account. That is, leaving by these considerations, the master credited the company with having paid \$1,530,000 for the station, which was in bonds, as all the other items in their account are on a cash basis; reducing these bonds to a cash basis, the same as the other 90 per cent, that would increase the debit side of the account by \$136,000 more. Furthermore, he finds that the \$1,000,000 of bonds that were delivered to Baxter, treasurer, for the purpose of finishing the station, should be charged up, and would increase the debit side of the account to the cash value of those bonds at 90 cents, \$44,000. The testimony also shows that they had only paid in cash \$500,000 in the purchase of the station. The master finds that \$49,000 of the bonds were delivered to Mr. Villard by Mr. Wess, but are entirely unaccounted for, except that they were received for by Mr. Villard through Colgate Hotel.

Eleventh—The master finds that the Oregon & Transcontinental company, in all its transactions relating to the acquisition of the several Chicago terminal properties, acted as the agent for the real parties in interest, whoever they may have been. This is indicated by the agreement of January, 1890, and the Wisconsin Central company, also by the account of these transactions. Considerable testimony was given tending to show the disposition made by the Oregon and Transcontinental company of the moneys which it had received on account of these properties, but the master says he shall not attempt to further trace such moneys or look into the accounts of the Oregon and Transcontinental company, as he has reached the conclusion that for the purposes of this investigation it is immaterial whether such moneys were sent or who received them, for reasons which are stated.

Messrs. Colby and Hoyt were the only members of the Northern Pacific board during the years 1889 and 1890, in which the transactions under review took place, that apparently had any direct interest in the Chicago terminals. They acquired such interest long prior to the time when they became members of the Northern Pacific board and at a time when they owed no duties to the Northern Pacific company. The Northern Pacific company did not furnish these bonds, and assumed all the responsibility for them. It is true that by its lease of April 1, 1890, with the Wisconsin Central company, it assumed all the covenants and agreements made by the Wisconsin Central company, and the Wisconsin Central company, with its terminals, and thereby had agreed to pay the Chicago & Northern Pacific company, in addition to a fixed rental, a sum sufficient to pay any deficiency on the first mortgage bonds of the Northern Pacific company, the bonds in question not derived from other rentals. This was not a direct promise to pay the interest due on this, and hence no right of action upon the covenants or agreements existed against the company. The agreement of the Northern Pacific Railroad Company to pay or guarantee as rental a sum sufficient to pay the interest on these bonds was of that character, that it made only with such purpose that it could at any time be cancelled by the mutual consent of the two companies and the holders of the bonds would be remediless to prevent such cancellation. Further, there was no agreement whatever on the part of the Northern Pacific Railway Company to pay or provide any funds for the payment of rentals or for the payment of these bonds. It cannot, therefore, be said that the Northern Pacific Railway Company has, or had, any interest in the bonds that came into the hands of the Oregon & Transcontinental company.

If this were a suit or proceeding on the part of the Northern Pacific railway to set aside the assumption of the Chicago & Northern Pacific lease, etc., the master hardly thinks it could compel the parties who had received the proceeds of the Chicago & Northern Pacific bonds to account therefor. If conclusions are correct, he continues, then Mr. Oakes, as an officer of the Northern Pacific Railway Company, had no duty to perform in relation to the Chicago & Northern Pacific bonds or their proceeds, and was not bound to investigate the transactions in the sale of these bonds.

The next finding is that the Northern Pacific company leased the Oregon & Transcontinental company, through the Wisconsin Central company, under the agreement of Jan. 12, 1890, with the Wisconsin Central company, for the purpose of aggregating to \$1,750,000, which were all paid back, with interest at 5 per cent, on the 28th day of June, 1890, and that the Northern Pacific, therefore, suffered no loss or injury by reason of the loan.

The next and most important question considered is whether, in respect to the lease of the

Chicago terminals to the Northern Pacific company, an exorbitant or improvident rental was agreed to be paid or whether the same was so exorbitant or improvident as to indicate nonfeasance or misfeasance on the part of Mr. Oakes in the discharge of his duties as an officer and director of the Northern Pacific Railroad Company. The finding is that the rental agreed to be paid by the Northern Pacific Railroad Company in its lease of the Chicago terminals of April 1, 1890, was not exorbitant or improvident, and Thomas F. Oakes was not guilty of any nonfeasance or misfeasance as an officer or director of the Northern Pacific company in respect to said lease.

Will Let Out 24 Receivers.

NEW YORK, Sept. 8.—Mr. Cromwell, counsel for the Northern Pacific receivers and the reorganization committee, announced today that in their behalf he had perfected an arrangement between the receivers of the company and the Farmers' Loan and Trust Company, trustee, whereby the twenty-four Northern Pacific branch line receiverships are to be terminated, the trustee to undertake the legal administration thereof for a limited sum per annum and the main line receivers to operate them under a fair traffic arrangement. By this arrangement over \$90,000 per annum will be saved to the trust and twenty-four receiverships will be closed, with the expense of local attorneys incident thereto. It is claimed by the receivers that the new system will be strengthened and the work of administration simplified. Counsel reports that the successful conclusion of negotiations with the bondholders' committee of the Duluth & Manitoba Railroad Company, whereby that road is leased to the main line receivers during their receivership at a reduced interest charge of \$3,000 for the first eighteen months and \$46,500 for the succeeding eighteen months. Also a similar arrangement with the bondholders' committee of the Spokane & Palouse Railroad Company whereby both branches of that road are leased to the main line receivers during their receivership at a reduced interest charge of \$157,000 for the first two years and \$122,000 for the second two years, and a similar arrangement with the bondholders' committee of the Northern Pacific & Puget Sound Railroad Company whereby that road is leased to the main line receivers during their receivership at a reduced interest charge of \$1,900 for the first eighteen months and \$20,745 for the second eighteen months. All branch line receiverships are to be terminated, no lease to extend beyond the life of the main line receiverships. The work of carrying out these various arrangements is now under way and counsel will soon go West to consummate.

GENERAL RAILWAY NEWS.

Possible War in Transcontinental Rates—C. G. W. Annual Report.

CHICAGO, Sept. 8.—Transcontinental lines concluded to take a week's rest before continuing their efforts to reorganize the association. When they meet this morning the Great Northern informed the conference that it could not consent to consider any agreement until its demand that differentials be allowed on business from St. Paul and points east thereof routed over the Oregon Railroad and Navigation Company be conceded. As none of the roads was prepared to agree to this demand there was nothing for them to do but adjourn. They will make another effort a week from Monday, but the Great Northern will not be represented. War in transcontinental rates may result. Rates in transmissouri territory and Utah common points will also suffer materially. The Union Pacific, Rock Island, Burlington, Santa Fe and Denver & Rio Grande have made a side agreement, and stand by each other, and they will be in a strong position to compete for business on the North Pacific coast points via the river and Ogden. The annual report of the Chicago Great Western railway, showing gross earnings for the year of \$4,011,709.00, as compared with \$3,983,014.15 for the previous year, a decrease of \$28,694.85. Operating expenses amounted to \$2,822,846.55, against \$3,965,770.05 for the previous year, a decrease of \$1,142,923.50. Net earnings amounted to \$1,188,862.45, against \$1,017,244.10 for the previous year, an increase of \$171,618.35. Dividends on debenture stock to \$73,000; interest on priority loans and debentures to \$10,742, leaving a surplus of \$8,027.

SIGNED BY CORBETT

AGREEMENT TO FIGHT JACKSON NEAR SIOUX CITY, IA.

Peter's Name Not Yet Attached to the Athletic Club.

NEW YORK, Sept. 8.—William A. Brady and Thomas O'Rourke, representing, respectively, James J. Corbett and Peter Jackson, met Ed Lloyd, the representative of the Sioux City Athletic Club, at the St. Denis Hotel to-day. Lloyd had the articles in which the Sioux City club offered a purse of \$5,000 for the fight, the contest to take place between May 15 and June 15 next, at some point near Sioux City. Each fighter was guaranteed \$2,500 in case the fight was stopped by police interference. Brady signed instantly, but O'Rourke quibbled. He said that while he was representing Jackson he was not authorized to sign and therefore, would not. Lloyd then left the meeting and started for Chicago to see Jackson personally. Corbett was seen later. He said he was as anxious as ever to meet Jackson, and he had told Brady to sign at any cost. The fight, if arranged, will take place in open air on a bar in the Missouri river near Sioux City, and between Nebraska and Iowa. It has never been decided which State has jurisdiction over this island. The contract submitted by Lloyd is as follows:

"The following articles of agreement are to govern a glove contest for the championship of the world, between James J. Corbett, of America, and Peter Jackson, of Australia.

"First—The contest shall take place under the auspices of the Sioux City Athletic Club, on a date to be hereafter named by the club, between the dates May 15 and June 15, 1894, said date to be specified by the club on or before March 1, 1894.

"Second—The contest shall be governed by Marquis de Queensbury rules and the gloves shall weigh five ounces. The other details of the contest itself, such as the place and surroundings, shall be left to the decision of the Sioux City Athletic Club.

"Third—The Sioux City Athletic Club hereby agrees to pay the winner of the contest \$5,000 in cash, said amount to be placed in the hands of the referee, who is to be appointed by the Sioux City Athletic Club, and satisfactory to the principals, twenty-four hours before the commencement of the contest, the referee to be named fourteen days before the contest.

"Fifth—The Sioux City Athletic Club further agrees to deposit the sum of \$5,000 as a guarantee that each man shall receive \$2,500 for his training expenses in case the contest shall be prevented by any unforeseen occurrence other than the failure of the principals to appear after the signing of these articles.

"Sixth—The Sioux City Athletic Club hereby requires from each of the contestants a deposit of \$5,000 to be placed in the Northwestern Bank of Sioux City, or in the hands of a reputable person satisfactory to this club, to guarantee their appearance at the time appointed by the club, said amount to be posted on the signing of these articles. The \$10,000 now deposited in Chicago shall go, as stipulated in the former articles, on the result of the contest.

The fourth article was left blank, but it was undoubtedly that the fight be to a finish.

Schooners Released by Canadians.

TORONTO, Sept. 8.—The United States fishing schooners Visitor and Leroy Brooks, seized at Point Pelee for alleged infringement of the fishery laws, have been released upon an order of the Admiralty Court. In reference to the seizure of the United States schooner Grace, off Port St. Catharines, an order has been made for the trial of action at St. Catharines on the 28th inst.

Mayor Pingree Sued.

DETROIT, Sept. 8.—Fire Commissioner Goodfellow, Assistant Chief Elliott and Secretary Tryon today brought suit to punish Mayor Pingree for false imprisonment, on account of their arrest for alleged conspiracy to prevent his Honor's removal from the books of the department. Commissioner Goodfellow sues for \$25,000 and Tryon and Elliott for \$15,000 each.

Push It Along. It is a good thing. What? The Martinsville wheat at the Springs by Metzger & Co. Tel. 407.

WILL LOSE \$10,869,896

LOUISIANA SUGAR PLANTERS HAVE REASON TO PROTEST.

Treasury Figures Regarding the Bounty—Carliste's Latest Ruling Against Further Payments.

WASHINGTON, Sept. 8.—The reported action of the sugar planters' convention at New Orleans, yesterday, favoring an alliance with the Republican party on national issues, on the ground that they had been betrayed by the Democratic party in denying them protection for sugar, calls attention to the subject of the sugar bounty. The records of the Treasury Department show that during the fiscal year ended June 30, 1894, the payments as bounty on sugar aggregated \$12,699,899, of which amount \$11,114,290 was on cane sugar, \$852,174 on beet sugar, \$17,312 on sorghum and \$116,121 on maple. Of the bounty on cane sugar, \$10,869,896 was paid to producers in the State of Louisiana. The records also show that the \$11,114,290 on cane sugar was paid to 578 producers, which makes an average of \$19,156.66 to each producer. The amount paid as bounty on beet sugars was divided among seven producers or factories, making the average payment to each \$21,739. This, however, represents only a small proportion of the number of beneficiaries under the act, as each factory handles the crops of a large number of growers. This is also true of the cane factories, only the proportion of factories to producers is believed to be much less, while of course many persons are employed in the production of sugar. The figures on acreage for the year ended June 30, 1894, are not yet all in, but those for the preceding year show that in the State of Louisiana, the bounty averaged \$7.52 for each acre of cane produced; in Texas, \$25.99 per acre, and in Florida, \$8.22 per acre. It is believed that the average bounty per acre of cane produced in Louisiana for the year ended June 30, 1894, will be about \$5.

Secretary Carlisle is expected on Monday to render a decision on bounty for sugar bounties unpaid prior to Aug. 27, 1894, when the new tariff bill became a law. The amount involved is about \$200,000. The secretary will not pay them, he is not only unauthorized to make these payments, but is specifically instructed by the new tariff bill not to pay them. The sugar producers, on the other hand, contend that Congress had no right and did not intend to prohibit the payment of bounties on sugar produced while the act of 1890 was in force, and that the licenses issued under that act are to be construed as licenses to carry with them the obligation of the government to pay bounties provided for by the act. These licenses expire annually on June 30.

Canadians in a Hurry.

WASHINGTON, Sept. 8.—The officials remaining at the State Department have no knowledge of any offer by the United States to settle the claims of the Canadian sealers such as was indicated in an Ottawa dispatch yesterday. No appropriation has been made to pay the claims of the Canadian sealers. It is probable that the sealers who have claims have learned that Secretary Gresham endeavored, before Congress adjourned, to have an appropriation made for the purpose of establishing a board to pass upon the claims and to pay them. Even if the appropriation had been made for the purpose, the lump sum would be turned over to the sealers or to the Canadian government to be divided among them. The Canadian government would provide for the adjustment of the claims by a board consisting of commissioners of both governments. It was contemplated that the amount appropriated would pay the claims and the expenses of a board of arbitration. In the last communication Secretary Gresham had with members of the committee on appropriation of Congress he asked for an appropriation of \$300,000 for these sealing claims.

The Duty on Fish.

WASHINGTON, Sept. 8.—The collector of customs at Cape Vincent, N. Y., has raised a question of construction of the new tariff act as to the rates of duty on fish. He reports that one of the principal articles of import at that point is fish brought over in most cases the day they are caught. Section 431 of the tariff act places "fish, frozen or packed in ice, fresh," on the free list. But these fish are neither frozen nor packed in ice. Section 211 imposes a duty of 20 per cent on "fish in cans, or packed in any other manner, not specifically enumerated or provided for in this act." The Cape Vincent fish, however, are not "packed" in any way. The only provision of the act which can be made to apply to the case in point is Section 3, which imposes a duty of 10 per cent for importation of all raw or unmanufactured articles not enumerated or provided for in this act. The collector will be instructed to levy a 10 per cent duty.

Morton's European Trip.

WASHINGTON, Sept. 8.—Secretary Morton left to-night for New York, whence he will sail for Europe on Tuesday. He will meet his son, J. Morton, of Chicago, in New York, and together they will make a tour of five or six weeks in England, Germany and probably France. Dr. Dabney will be the acting Secretary of Agriculture during Mr. Morton's absence, and will return to the city Monday.

Last of the Troops Sent Home.

WASHINGTON, Sept. 8.—General Schofield has telegraphed orders for the withdrawal of the troops from the Coeur d'Alene mining district of Idaho. They will return to Fort Sherman, Idaho, where they have been regularly stationed. This order retires from special duty the last troops called on to preserve the peace during the railroad strike troubles.

Not Asiatic Cholera.

WASHINGTON, Sept. 8.—Surgeon-general Wyman put an official epitaph on the recent Cumberland cholera scare to-day by announcing that the microscopic examination of the diseased parts of the body of Walter, the man who died, has proved conclusively that he was not afflicted with the Asiatic cholera.



The Only Preventive of Pimples Blackheads Mothy Oily Skin is CUTICURA SOAP

It Strikes At the Cause viz. The Clogged Irritated Inflamed or Stagnant PORE

For pimples, blackheads, red and oily skin, red, rough hands with shapeless nails, falling hair, and baby blemishes it is wonderful.

Sold through the world. Forra Dues & Co., Sole Props., Boston, Mass.

Push It Along.

It is a good thing. What? The Martinsville wheat at the Springs by Metzger & Co. Tel. 407.

MODEL advertisement for suits. Text: 'Well, boys, to-morrow is the beginning of another school year. The days of your lous and pleasant vacation are over and you should get right down to hard work to prepare yourselves for future greatness. They say you can judge a man by his clothes. It is just the same with a boy. Your clothes don't have to be of the finest quality, but they should be neat and bright. As you begin the year so you will end it. We fully appreciate that some of the pennies are hard earned, but we are making it cost so little to conform with our ideas that no boy need be without his new suit the first week of school.' Prices: \$2.38 and \$4.69. Includes illustrations of two boys in suits.

BUSY AS BEES advertisement for carpet services. Text: 'Carpet Cutters! Carpet Sewers! Carpet Layers! BUSY AS BEES Carpet Buyers! Are You One? WE'RE STILL AT IT. Cutting Prices. Of course, IT HURTS; but the way IT sells Carpets is a caution to slow ggers.' Includes a small illustration of a bee.

THE H. T. CONDE IMPLEMENT CO. advertisement for bicycles. Text: 'WE HAVE THE EXCLUSIVE SALE OF ARROW BICYCLES. THE H. T. CONDE IMPLEMENT CO. BICYCLES THE BEST WHEELS. THE LOWEST PRICES. WHAT YOU PAY IN CAR FARE WILL SOON PAY FOR A BICYCLE. MONARCH, ECLIPSE, ARROW SCORCHER. We sell the Best Bicycles only, all fully guaranteed. If you cannot pay cash we will sell you on Weekly or Monthly payments. SALESROOM, 27 to 33 CAPITOL AVENUE, NORTH.'

TAYLOR'S advertisement for pianos. Text: 'TAYLOR'S 30, 32, 34, 36 S. Ill. St., Formerly W. H. ROLL'S. PEARSON'S MUSIC HOUSE. Easy: Monthly: Payments. 82 AND 84 N. PENN. ST., INDIANAPOLIS. Sunday Journal. By Mail, to Any Address, \$2 PER ANNUM. WORLD'S RECORD, Sept. 6, 1894.'

THE H. T. CONDE IMPLEMENT CO. advertisement for bicycles (continued). Text: 'THE H. T. CONDE IMPLEMENT CO. BICYCLES THE BEST WHEELS. THE LOWEST PRICES. WHAT YOU PAY IN CAR FARE WILL SOON PAY FOR A BICYCLE. MONARCH, ECLIPSE, ARROW SCORCHER. We sell the Best Bicycles only, all fully guaranteed. If you cannot pay cash we will sell you on Weekly or Monthly payments. SALESROOM, 27 to 33 CAPITOL AVENUE, NORTH.'

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THE "HOOSIER POET" advertisement for cigars. Text: 'THE "HOOSIER POET" 10-cent Cigar is also a Record Breaker. JOHN RAUCH, Manufacturer. Includes a small illustration of a poet and a cigar box.