

MRS. STANFORD WINS. Estate Not Liable for the Debts of the Central Pacific.

DECISION BY FEDERAL COURT. The Government's \$15,000,000 Suit Knocked to Pieces—Stanford in No Way Liable.

San Francisco, June 29.—United States Circuit Judge Ross today rendered his decision on the demurrer of Mrs. Jane L. Stanford against the suit of the government to recover \$15,000,000 from the estate of her late husband, Senator Leland Stanford. The demurrer was sustained. Judge Ross allowed the government to amend its former complaint and reargue its case if it so desired. It was intimated, however, that this step would not be taken.

The court began by reading and explaining the acts and statutes, both state and Federal, which had any bearing on the construction of the Central Pacific railroad and its branches. All the railroads west of the Missouri river were, he said, constructed under the same acts, so if one road was liable to the government all of them were. In nearly all of the corporations Leland Stanford was a stockholder. Together with C. P. Huntington and the other incorporators he owned 12,850 shares of the stock. The government, according to its contract, issued bonds to aid in the construction of this road. Though the road was built under that contract, it was incorporated under the laws of the state. Therefore it became in a way amenable to the laws of California. The laws of California providing that stockholders and corporations are individually responsible for debts contracted by their companies, he held, did not affect Mr. Stanford, as the government claimed, for the reason that the stockholder's liability acts were passed after the government had made its contract with the Central Pacific. If those laws had been passed before the government bonded the Central Pacific, however, the government would have had no difference, as the government had no intention of making the stockholders of the railroads it bonded personally responsible for the debts contracted by the company.

The Central Pacific, the court continued, had something of a national tone to it. When contemplated the country was in a state of turmoil. The government wanted quick communication between the Atlantic and the Pacific oceans. At that time the building of the railroad was a great undertaking—an undertaking too great for private enterprise. So the government, in order to assist in the work, issued the bonds and in this way made the railroad builders practically the agents of the United States.

It was very plain that in case the railroad did not pay the bonds upon maturity the secretary of the treasury has the power to take possession of the road. The bonds are identical with a first mortgage. Did the company become indebted to the United States promise to repay the money? asked the court. The statute on this point is not very explicit, which is to be very much regretted, said the judge. A promise is only implied. There was no explicit or unqualified agreement between the corporation and the government. It is to be observed that the lands and bonds were not to be delivered to the company until the road was equipped. Here is found a promise, but is it an unqualified promise to repay the money? Another condition on which the road was built was that not only the bonds should be paid on maturity, but the stockholders should keep the lines in repair. It should also transfer the mails and troops at a reasonable compensation. There is no common law liability on the part of the government.

"It was urged that, according to the laws of California, there was an individual liability on the part of the government had no intention of making these men individually responsible. That question ever entered into the contract. The covenant did not stipulate that the stockholders should repay the bonds. The acceptance of the bonds was an implied act of the stockholders to pay them. The stockholders accepted the assistance of the government with the agreement that they should pay for it. That was all. In accepting them, of course, it was believed that they would repay them. The question remains whether the liability rested with the stockholders.

"There are no common law liabilities. The state law fixes the liabilities of stockholders in proportion to the amount of stock they possess. That law, however, cannot be held to apply in this case, as it was passed subsequent to the making of the government contract with the Central Pacific Company. If the law had been in effect at that time the result would have been the same, as this suit is dependent on the contract, not on the laws of California, as the government would have it.

"Congress, on making this contract, did not mention the liability of the stockholders. The rights to all each company was put on the same footing. The powers and rights granted them were independent of the laws of California. The state act at that time freely understood the contract. It did not object to it, but ratified it.

"The court does not believe that the statute of limitations would be contended by the plaintiff. There is a writ of application made here which has nothing to do with the matter. Even if the limitation act could be made to apply it is so indefinite that it does not mention the proportion for which each stockholder is liable. The real question involved is whether there was a contract between defendant and plaintiff, and whether there was a liability proviso. Reverting to the provisions in the laws of the United States there can be found no such agreement. The statutes do not hold the defendants liable. There is absolutely nothing to establish this fact and I sustain the demurrer and give the plaintiff the power to amend," concluded Judge Ross.

The Reavis Frauds. Santa Fe, N. M., June 28.—The opinion in the Reavis case was unanimous, and in announcing the conclusions of the court Chief Justice Reed said: "The plaintiff's motion to suppress certain portions of the testimony filed by the defendant will be overruled. We are of the opinion that under the provisions of the statute under which the court is organized it is competent for a party to take his testimony before a member of the court at places beyond the limits of the several states and territories named in the act; or if it should be conceded that that cannot be done, we think it would be competent for the court to provide by order for the taking of testimony before a member of the court as its commissioner. Coming to the merits of the case, we are unanimously of the opinion that the several documents upon which the claim purports to be based are forgeries. We deem it unnecessary to introduce into this report specifically the evidence which leads us to that conclusion. The claim appears to us to be wholly frivolous, and the documents in question appear to have been surreptitiously introduced into the records and archives at Seville and Guadalupe.

"Entertaining these views, it is perhaps unnecessary to add anything as to whether Mrs. Reavis is the descendant of Miguel Peralta or not. Judging from her physical appearance, we would say that she is doubtless of Spanish origin. But a portion of the testimony by which her descent from the original grantee is sought to be established, namely, the baptismal records of the parish of San Salvador, Cal., are manifestly forgeries and have been evidently fabricated for the purpose of establishing her identity. Whether the claim may be rejected, Ballou accession Madison park today.

CAMPOS IS WORRIED. The Cuban Patriots Too Much for the Spaniards. REINFORCED FROM FLORIDA. Insurgents Surround Santiago and Cienfuegos—A Close Patrol Kept on the Coast.

Santa Fe, N. M., June 29.—In the preliminary examination before United States Commissioner Pope, the claimant of the famous Peralta land grant of 12,000,000 acres of land in Arizona and New Mexico was held in \$5,000 bail to appear before the United States court here in December upon a charge of filing a fraudulent claim against the United States. The defendant, James Peralta-Rovis, is a secure bail. It is believed he will succeed.

K. O. Kamoto, a Japanese cook, aged 27 years, died at the Yokohama house last night about 9 o'clock under circumstances that will require an autopsy to settle the cause of death. Kamoto arrived in the city about 7 o'clock, in company with S. Nakagawa, from Port Blakeley. Kamoto took a hot bath in the basement of the Phoenix hotel and then went to his partner to the Yee Loy Chinese restaurant, on Washington street, for supper. While the two were waiting for the food they had two bowls of Chinese gin. They had one bowl for both of them. Kamoto was suddenly taken ill, and his partner carried him on his back to the Yokohama house. While being carried up stairs to a room, Kamoto groaned three times. Dr. J. H. Koons was called and found that he was dead. Deputy Coroner Teater and Detective Wells investigated the case. The remains were taken to Buxton's undertaking rooms. An autopsy will be held.

SCHOOL SECTION 18. A Government Engineer to Look Into McBride's Preposterous Claim.

Another examination is to be made of school section 18 to determine whether or not gold is to be found there in quantities sufficient to justify John G. McBride's claim that it is gold-bearing land. The examination will be conducted by a geologist of the United States geological survey. Attorney General W. C. Jones is in receipt of an official communication from the interior department in reference to the now famous school section 18. The letter is self-explanatory and is as follows: "Department of the Interior, Washington, City, June 6, 1895.—In the year 1890 testimony was taken in the case of the state of Washington against John G. McBride, involving certain alleged mineral lands lying near the city of Tacoma, Washington. The case reached this department on the appeal of the state, and it was found that witnesses, apparently equally skilled as practical miners and prospectors, and equally honest in their opinions, had prospected the lands, and differed so widely as to the extent and character of the alleged deposits that a further examination could not be rendered upon the record.

"I therefore directed that the land be thoroughly prospected and a record kept of the quantity, character and value of the precious metals found therein, and when the tests were completed, the testimony as to the results found be taken and judgment thereon be rendered. "The case has again reached this department on the appeal of the state, and it was found that witnesses, apparently equally skilled as practical miners and prospectors, and equally honest in their opinions, had prospected the lands, and differed so widely as to the extent and character of the alleged deposits that a further examination could not be rendered upon the record.

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"I have, therefore, decided that a more satisfactory result may be reached by supplementing the testimony already taken by an independent examination made by a geologist of the geological survey. Such an expert, skilled in the investigation of placer mines, and experienced in sampling, will, as far as practicable, proceed to the grounds in controversy and take therefrom samples of the gravel at different elevations on each of the six locations, give the results and cause assays to be made of the resulting concentrates, and determine therefrom the value per cubic yard of the mineral so treated and the possibility of profitable operation.

"When he shall have sufficiently prospected the claim, his testimony and also that of any of his assistants may be given before the register and receiver, some other duly qualified to administer oaths. Opportunities will be given for thorough cross-examination, and five days' notice will be given to each party as to the time and place, and before the testimony will be given. There will also be submitted to both parties a copy of his official instructions as to his method of procedure.

"The expense of the investigation and also that of reducing the testimony to writing will be paid by the government, and when completed, the same will be promptly forwarded to this department to be considered with the record now made.

"The representatives of McBride have been duly advised of this action. Very respectfully, "H. O. SMITH, Secretary."

CONDENSED DISPATCHES.

Fire in the California Powder Company's works, at Hercules, point Oakland, Saturday afternoon, did \$15,000 damages. It was feared for a time that the stockhouse containing a vast quantity of explosives, would be ignited.

Lawrence Farrell, a pugilist, has been found guilty at Denver of highway robbery. He took Mrs. J. E. Healy, a divorced woman, for a drive, after having arranged with another man to hold them up on the road and steal her diamonds.

The reorganization committee of the whisky trust has made a wholly unexpected move by applying for a charter for the new corporation, which is to take and operate the seventeen plants of the old Distilling and Cattle Feeding Company.

Seven persons were killed and several wounded today by the explosion of the boiler of the steam launch of the German warship Kurfurst Friedrich Wilhelm. The United States and other warships at Holtzman have flags at half-mast on account of the accident.

The cruiser Olympia went out to sea Friday morning, and is expected to be the worst of her class in the fleet of white fighters comprising the United States navy. An official trial was called for by the government, such as is always the case with a new vessel just entering the navy.

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REINFORCED FROM FLORIDA. Insurgents Surround Santiago and Cienfuegos—A Close Patrol Kept on the Coast.

New York, June 29.—The Ward line steamer Santiago arrived from Cuban ports today. She brings 58 passengers from Santiago de Cuba. Among these are several residents of that city, who were compelled to flee for safety owing to the disturbed condition of affairs in that vicinity. The news of the landing of reinforcements for the insurgent cause was confirmed by one of the Cuban patriots, who stated that the expedition from Florida succeeded in making a safe landing on June 21.

Gen. Campos is also reported as being in a very bad position and greatly worried over the light success of the regular troops over the insurgents. It was also reported that Cienfuegos was almost entirely surrounded by the insurgents. Spanish reinforcements were sent to the Cuban coast on the south side night and day. Gainesville, Fla., June 29.—A man who was sandbagged here Tuesday night and who has become notorious as the medium through which Cuban letters from Major J. P. Hann have been given general circulation through the press, is not F. P. Anderfer, but E. P. Hann. The man said he possessed a Greek cipher, and many of which he communicated with Hann, then translated the news. The Jacksonville Citizen correspondent secured the cipher and asked Rev. Mr. Dunley to translate it. He did so, and it was proved to be a Greek copy of a letter written in England from a friend in Philadelphia and addressed to Hann. Anderfer or Hann is not a number of Cubans, and says that he will prove all that he claims when he gets up. It is known that he has received letters from Cuba which have been published, and there are many here who believe the man has some kind of connection with the Cuban insurrection.

Gail Hamilton Taken to Her Home. Salem, Mass., June 28.—Miss Abigail Dodge (Gail Hamilton) arrived at her home at Hamilton from Washington today.

DOESN'T WANT TO BE GOVERNOR. His Mind on Seattle Strawberries, and He Can't Think of Trifles.

Cleveland News and Herald.

"No, I had not heard about my being a candidate for governor until the start of Ohio on the Democratic ticket," said Virgil P. Kline to a reporter at his office in the Cuyahoga block yesterday.

It has been talked for the last few days that the Cuyahoga county was to have a candidate for governor after all. The Democrats appeared to have deluded themselves into the belief that the Republicans of Cuyahoga county were disgruntled, and that they might make a little noise in the coming campaign if some man like Virgil P. Kline were nominated.

"Have you heard any of the rumors regarding your candidacy for the position of governor?" persisted the reporter.

"No," replied Mr. Kline, as he thrust his hands in his pockets and stared meditatively away from the reporter, who watched the men who were planting flowers about the soldiers' monument in the public square. "I have just returned from Puget sound and Seattle, away out in Washington territory. It is a grand country. The possibilities there are incalculable. I never saw such a fine country in my life."

"Mr. Kline," broke in the reporter, "do you mean to say positively that you are not a candidate for the Democratic nomination for governor?"

"Most emphatically I am not a candidate. It has been away from the city for several weeks. As I was saying about the great Northwest, that is the country. You would be surprised to hear that the climate there is almost tropical. The weather last summer was almost as good at Seattle as it was at New Orleans. All business is good, and the people are pushy, energetic and wide-awake.

"You have nothing particular, then, to say about politics?"

"The climate there," remarked Mr. Kline, "is almost tropical in summer. Such fruit and vegetables as they do have" and he smiled a happy contented look, as he exclaimed, "Strawberries! You just ought to have seen the strawberries. I ate them two weeks ago. Greater than any berries, and home grown, raised right there in the gardens of that great Northwest country."

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MULEY HASSAN'S TREASURE. A German Physician's Account of the Hoard of the Sultan of Morocco.

New York Sun.

A French journalist has brought up again the treasure story of the Sultan of Morocco. The French ambassador to Morocco brought back to Louis XIV., in 1685, the story that the sultan of that day, Mulai Ismael, kept at Mequinez, the favorite residence of the sultans, a treasure valued at \$3,000,000. Chénier, another French ambassador, 100 years later returned with rumors of the treasure, but it has shrouded in a century to about \$2,000,000, which is supposed by some authorities to be about the ordinary annual revenue of the sultan. The legend of the treasure was still in sound health fifty years later, for General di Hemery, a traveler, arrived, about 1834, that the sultan's hoard, called Bit-el-Mell, was kept at Mequinez, under the guard of 2,000 negroes. It was believed to consist of 200,000 pieces of money, besides ingots of gold and silver and precious stones. The treasure house, according to this traveler, was an enclosure of massive walls, which were exactly repeated within. In order to reach the treasure it was necessary to open five iron gates, secured with secret locks, of which the keys were always in the hands of the sultan or of his favorite. It was the custom in earlier times to kill the guards that accompanied new treasure, lest the secrets of the treasure house be divulged.

Other travelers have kept the story alive, and from the manner in which they have related and published their adventures in Morocco it is generally believed that the sultan has great wealth laid up. The latest story of the treasure comes from Dr. Rohlf, a German, at one time physician to the harem of present sultan, Muley Hassan. Dr. Rohlf declares that the treasure of the sultan is greater than ever. Some have represented it as consisting of 2,000,000 pieces, but Dr. Rohlf says it is kept in several places, part of it at Fez, part in the oasis of Taflet, and part at other points in the empire. Dr. Rohlf declares that the sultan's 10,000,000 German thalers, or about \$1,500,000, are at Mequinez, in a sombre edifice which the light of day never penetrates. The custom of killing the treasure bearers is not kept up, and the guard is not 2,000, but 300 negroes, who keep watch in a living tomb. Dr. Rohlf has seen some of the sacks enclosing part of the treasure.

JAPAN-CHINA INDUSTRIAL DEVELOPMENT.

North China Herald.

The new soap works at Shaukiwan are now approaching completion, and the building in course of construction for feather-dressing works at Kennedytown is also advancing rapidly, and before long both industries will be in full swing. Another addition to the industries of the colony is about to be made at Kowloon, where Messrs. Sanler & Co. are about to erect glass works, to be managed by English experts and Japanese workmen. It is generally regarded that these are only the beginnings of industrial development in China, which will no doubt be a result of the opening up of the country to foreign trade.

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Veterans as a Special Class.

Literary Digest.

After a bitter and prolonged struggle, a bill virtually exempting men who served in the Union army from the provisions of the civil service law has been passed by the Massachusetts legislature, over the governor's veto, by overwhelming majorities. The measure is favored by the Grand Army men of the state and a section of the Republican press, but Gov. Greenhalge, a Grand Army man himself, and the majority of the newspapers are strongly opposed to it. Under this "veterans' preference bill," a veteran is only required to submit his sworn statement that he is a veteran, and fill the position which he seeks, accompanied by unsworn certificates of three reputable citizens as to his competency, and the appointing power is bound to give him the office, without any other evidence or test of fitness. Gov. Greenhalge, in vetoing the bill, showed that in all departments the authorities had invariably given preference to veterans, whenever the public interest permitted, and appealed to the legislature to drop the measure, which he characterized as a severe blow to civil service reform.

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