FOREIGN.

Hesse-Darmstadt to Go into Mourning for Twelve Weeks.

Progress of English Operations in the Mountains of Afghanistan.

Gen. Browne Sends Back a Sikh Regiment on Account of Sickness.

Reports that Russia Opposes and that She Advises a Turkish Loan.

The Sultan Seized with a Desire to Cut Off His Brother's Head.

ANGELL.

A COMIN'.

By Cable to the New York Herald.

NEW YORK, Dec. 16.—The agent sent from this city by the Pullman Palace-Car Company has arrived at Lisbon, and will start at once for this city with Angell. It has been learned that Angell sailed from this city, arriving at London in August. Early in October he left London in a sailing vessel for Rio de Janeiro. The vessel touched at Lisbon, and Angell, being sick, was left at the hospital at his request. In ten days he was discharged from the hospital, and took up his residence at the Central Hotel. He was very reserved, and when he went out always rode in a close carriage, declining to converse with any one who sought his acquaintance. He had made arrangements to start for Spain on the day of his arrest. The American Consul, Mr. Diman, identified him from the photograph sent by Detective Elder, of this city, and at his request Angell was arrested by the Superintendent of the Lisbon police. At first Angell was defiant, and declared he would answer no questions. When taken before a Police Commissioner he broke down, confessed the crime, and admitted his identity.

THE DEAD PRINCESS.

SYMPATHY.

ROME, Dec. 15.—Sympathetic references to the death of the Princess Alice were made in all the churches to-day.

AN AFFAIR OF STATE.

COPENHAGEN, Dec. 15.—The marriage of the Princess Thyra to the Duke of Cumberland will take place on the 21st inst., as originally intended, the funeral of the Princess Alice having been fixed for Dec. 18.

HOPELESSNESS.

DARMSTADT, Dec. 15.—As early as Friday morning the physicians recognized that the condition of the Grand Duchess was hopeless, and sent secret messages to that effect to England. Symptoms of suffocation appeared at 1 o'clock Saturday morning, but were temporarily removed. The Grand Duke was then induced to leave the room, but his mother remained ministering to the Princess until the last. The Grand Ducal Court, and Hesse-Darmstadt generally, will go into mourning for twelve weeks.

TURKEY.

MORE DEBT.

LONDON, Dec. 15.—A dispatch from Constantinople, under date of Dec. 15, states that Prince Lobanoff, the Russian Ambassador, has presented a note protesting against the issue of a new Turkish loan, and declaring that Turkey has no right to alienate her resources prior to liquidating her engagements, including the war indemnity. On the other hand, dispatches from St. Petersburg, under date of Dec. 14, deny that Russia would object to a loan.

A GENERAL CLEAN-UP.

LONDON, Dec. 15.—A Constantinople dispatch says the Council of Ministers has decided to settle without delay the questions pending with Greece, Persia, Montenegro, and Austria, and conclude a definitive treaty with Russia as soon as possible.

A MOB.

LONDON, Dec. 15.—A Philippopolis correspondent says the English and Austrian members of the Roumelian Commission were compelled to quit Yeni Saghra in consequence of the gathering of an excited mob.

THE RECENT CONSPIRACY.

A Pesth dispatch states that the recent conspiracy in Constantinople, according to some accounts, was a serious attempt to replace the Sultan by his brother, Reshad Pasha. The Sultan had to be dissuaded from executing Reshad and Mahmoud Damad Pasha. The former is confined to the seraglio.

ENGLAND AND TURKEY.

LONDON, Dec. 15.—A correspondent at Pesth telegraphs that the reports that a new Anglo-Turkish Convention is about to be concluded are becoming more and more consistent. A telegram from Constantinople, however, states Lord Salisbury has not answered Sir Austen Edward concerning the guarantee of a Turkish loan.

AFGHANISTAN.

OPERATIONS.

LAHORE, Dec. 15.—Gen. Roberts telegraphs, under date of Thursday, as follows: "We have finished a reconnaissance to the top of Shaturgardan Pass, and returned to Ali Khil without firing a shot. The country is friendly. I am rapidly fortifying Peiwar Pass camp."

Gen. Roberts was to leave Ali Khil for Kurum to-day.

Gen. Browne has sent a Sikh regiment back from Dakka to Peshawur on account of sickness.

Gen. Biddulph has constructed a road over Khojuk Pass unopposed.

NO OPPOSITION.

LONDON, Dec. 15.—A correspondent at Peshawur understands that Gen. Browne's advance on Jelalabad has commenced, and meets with no opposition. It is impossible that the Turkestan reinforcements, which the Ameer is reported to be intriguing for, will arrive in time.

CHINA AND SPAIN.

THEIR CONVENTION.

WASHINGTON, D. C., Dec. 15.—The treaty between China and Spain with regard to the immigration of the Chinese to Cuba provides particularly for the appointment of Chinese Consular officers in Cuba, and the treatment to be accorded to Chinese subjects resident in that island. They can leave the island or travel within it at pleasure, and are entitled to "the most favorable treatment accorded to subjects of the same class of the other higher Powers." Those entitled by contract to be sent back to China are to claim the enforcement of their contracts, but contracts not fulfilled must be carried out. The Chinese detained in labor depots will be released. The courts of the island are open to them as the subjects or citizens of other Powers. Prince Kung sent a copy of the treaty to Minister Seward, asking him to request our Government to instruct its Consular officers in Cuba to assist the Consular officers which the Chinese Government will send to reside in that island in case questions affecting Chinese laborers shall arise, to the end that there may be no failure to carry out the provisions of the convention.

PERSIA.

COMMERCIAL.

WASHINGTON, Dec. 15.—Minister Kasson, in a letter to the Secretary of State from Vienna, after speaking of the late reception of the Shah of Persia by the Emperor of Austria, says: "If the United States desired a commercial treaty with the Shah it is very probable a favorable one could be now obtained, which might be an especial advantage to our cotton manufacturers, and to some other branches of trade. The whole external trade of Persia is considered to amount annually to from $18,000,000 to $20,000,000."

CUBA.

EMANCIPATION.

Special Dispatch to The Tribune.

WASHINGTON, D. C., Dec. 15.—Private information in regard to the progress of emancipation in Cuba is to the effect that within the last thirty days nearly 3,000 slaves have been emancipated by planters who were engaged in the rebellion, and who have returned to the island. All of this class are pledged to set their slaves free. They are also united for active work to promote general emancipation.

AUSTRIA.

THE MONTENEGRINS WOULD TRY AND MAKE IT UNHAPPY.

PESTH, Dec. 15.—Count Andrassy, speaking before the Hungarian Delegation, declared that the annexation of Servia and Montenegro would be a most perverted and unhappy policy.

KASHGAR.

THE CHINESE.

LONDON, Dec. 15.—The Turkestan *Gazette* states that the Chinese troops in Kashgar are concentrating to operate against old Kuldja, which is occupied by the Russians.

ITALY.

A NEW CABINET.

ROME, Dec. 15.—Signor Depretis has undertaken the formation of a Cabinet.

CRIME.

FAMILY JAR.

Special Dispatch to The Tribune.

INDIANAPOLIS, Ind., Dec. 15.—A dissipated wretch named Dennis McCue, residing at No. 83 Maple street, and his wife, have had several quarrels during the last month, and last week finally parted, but to-day McCue returned to the house and demanded something to eat. His wife bitterly upbraided him for spending his money, and told him there was nothing in the house to eat. He left, and, going to the nearest butcher-shop, found that his wife had purchased meat there, and had the bill charged to his personal account. This enranged him, and, going back to the house, he renewed the quarrel, during which his wife struck him a most terrible blow on the side of the head, almost severing an ear and cutting a large gash on his head. The now infuriated man rushed into the yard, and, seizing a large stick of cordwood, returned, felled his wife to the floor, commenced belaboring her while in this prostrate condition, and would have killed her there had not the police pulled him off. He was at once arrested and taken to the police station, and being interviewed by a TRIBUNE reporter, denied having struck her with a stick of wood, but acknowledged having knocked her down and kicked her. McCue, with the blood running down his face and cheeks, presented a most repulsive appearance. The woman, at a late hour, was not expected to live, the blow on the head fracturing the skull and knocking the right eye out on her cheek. Three of her ribs were also broken. The affair all grew out of jealousy. The woman accused him of associating with prostitutes. Both parties are over 50 years of age.

HOSTILES SNUFFED OUT.

WASHINGTON, D. C., Dec. 15.—Indian-Agent John A. Wright reports to the Commissioner of Indian Affairs, under the date of the Lemhi Agency, Dakota, Dec. 2, that, at Salmon City the night of the 1st inst., two Indian prisoners (hostiles), who were in charge of the Agent to be conveyed from Salmon City to Fort Hall, were captured by a mob and shot to death. The Agent has procured the names of a number of participants in the riot. The participants include Charles Price, a former sub-contractor for beef at Lemhi Agency, and Dr. George A. Kenny, late Agency Physician.

COINERS.

Special Dispatch to The Tribune.

BLOOMINGTON, Ill., Dec. 15.—The police to-day arrested an iron-molder named William White for making and issuing counterfeit subsidiary coins. Base coins have been numerously circulated throughout this region for some time, principally quarters and dimes, made of lead, of good shape and appearance, but easily detected. Saturday night White passed a large number of them, and finally was detected at a saloon, and the police notified. Early this morning officers surrounded the house and succeeded in capturing White and two complete sets of molds in plaster of Paris. White confessed. The police are after several others of the gang.

LUCKY FELLOWS.

Special Dispatch to The Tribune.

CLINTON, Ill., Dec. 15.—At Kenney, Ill., last night, Jack Freist and Buck Waldon, two prominent farmers, while intoxicated, became involved in a quarrel, when Waldon, at an unpleasant remark made by Freist, drew his revolver and shot at him several times, but fortunely none of them were serious. The bullets took effect in his coat. It was a close call. A warrant was issued for Waldon.

MUTINY.

BOSTON, Mass., Dec. 15.—While the British bark Anaway was on a voyage from New York to Trieste, two Greeks attacked the mate, fatally wounding him, and afterwards attempted to kill the Boatswain and a seaman, both of whom had their skulls fractured. The Captain fired upon the mutineers, wounding one, when both jumped overboard, and were probably drowned.

ACQUITTAL.

Special Dispatch to The Tribune.

LASALLE, Ill., Dec. 15.—The verdict of acquittal at Ottawa yesterday afternoon in the trial of Heman B. Chapman, of this city, charged with having robbed the United States Express Company of $14,000 on the 14th of September last, is hailed here with almost universal pleasure. No right-minded people had believed him guilty.

BEATEN TO DEATH.

CINCINNATI, O., Dec. 15.—At Fernbank, a short distance below the city on the Ohio River, William Plow met William Myers on the road this morning, and was beaten to death by a club in the hands of the latter. The affair was the result of an old grudge.

CANADA.

The Dismissal of Lieut.-Gov. Letellier—Highlanders with Big Legs—Lorne Helps a Bucolic Gentleman—Canadian Colonization Society—Manitoba Elections.

Special Dispatch to The Tribune.

OTTAWA, Dec. 15.—The Hon. Mr. Chapleau, of Quebec, is in the city, and had an interview with Sir John A. Macdonald in reference to the dismissal of Lieut.-Gov. Letellier. It is understood that Mr. Chapleau is the bearer of a petition signed by all the French Conservative members of the Quebec Local Legislature, calling for Mr. Letellier's removal. Should this act be consummated, Judge Ramsay, of Montreal, will probably succeed Mr. Letellier as Lieutenant-Governor of Quebec.

The expense of the reception of the Vice-regal party, including the municipal expenditure at Halifax, Montreal, and Ottawa, has been estimated at $50,000.

Mr. De Boucherville, ex-Premier of Quebec, will probably be called to the Senate, vice Mr. Lacoste, deceased.

Col. McPherson is engaged in organizing a company of Highlanders. Each man must be over five feet eight and one-half inches in hight, and measure fifteen inches round the calf of the leg!

It is rumored that the Mayors of Halifax and Montreal, the Hon. Mr. Wilmot, the Hon. Mr. Arglip, and several members of the Cabinet, will be Knighted on the opening of the Dominion Parliament.

Col. McNeil, who accompanied the Marquis of Lorne and the Princess Louise to Canada, has returned to England.

M. Lefaivre, French Consul at Quebec, has a project for reopening the commercial relations between the Dominion and France, which cover the following articles: Canadian bottoms to be put on the same footing as English with regard to the Navigation laws; abatement of the Canadian duty upon French wines, and particularly clarets and brandies; reduction of duty upon articles under the Treaty of Paris.

The Princess Louise has lost her little rosewood cane with a buckhorn knob.

A wagon belonging to a countryman recently lost a wheel near the new Edinburg bridge. The man was unable to replace it himself, and, a couple of gentlemen happening along, he asked if they would give him a hand. They responded, and, when the wheel was right, the driver returned thanks. One of the gentlemen observed, "And so you ought, seeing that you had the Governor-General help you on with your wheel." The other was the Marquis of Lorne, and the man who was under obligations stared at his Excellency in surprise, unable to say anything, as the two moved off enjoying the little episode.

Special Dispatch to The Tribune.

MONTREAL, Dec. 15.—The Atlantic port of the Allan line of clipper ships to Glasgow is now, for the winter season, Boston. The first one leaves that city to-day.

The annual meeting of the Jacques-Cartier Bank will be held on Thursday next. A few of the shareholders favor the winding-up of the bank, but the majority evidently favor its being run on a different plan from that adopted under the regime of Mayor Beaudry. They contend that, as there is about $200,000 of the capital of the bank locked up in a coal mine, it would not be wise to liquidate.

The *Journal of Commerce* mentions the case of a sub-agent of a native insurance Company who has succeeded, during the past summer, in palming off upon his employers bogus notes covering about $200,000 worth of insurance policies. Of course the Company has assumed liability in the matter, and suffers only to the extent of the commissions paid out. The Company has also ample private guarantees in the case.

Special Dispatch to The Tribune.

LONDON, Ont., Dec. 15.—The Canadian Colonization Society, organized here, has adopted a constitution in which the objects of the Society are stated to be to assist deserving parties to obtain a homestead on the public lands under control of the Society, and, for that purpose, to endeavor to obtain from the Government a grant of a tract of land in some desirable locality; also, to provide provisions and transportation, implements, seed, stock, and general supplies, to the members of the Society who may be desirous of so settling, at the lowest possible market-rates; and to provide a market for the settlers by accepting in return all kinds of produce. The officers of the Society and its patrons are the most wealthy and influential men in the city.

FIRES.

AT RICHMOND, VA.

RICHMOND, Va., Dec. 15.—The large tobacco manufactory of Thomas C. Williams & Co. burned this morning. The loss is estimated at $75,000; no insurance on building, but the stock and fixtures are fully covered.

AT COBUORG, ONT.

COBOURG, Ont., Dec. 15.—A fire to-day destroyed the dwelling-house of Col. Chambliss, with contents. Loss, $40,000; insurance, $15,000.

THE PEORIA QUARREL.

Pretty Conclusive Evidence that There Was a Tin Thief in the Hotchkiss Cellar—The Members of the Seven-Up Club Getting a Good Deal of "Taffy."

Special Dispatch to The Tribune.

PEORIA, Ill., Dec. 15.—The Cunningham whisky case was continued yesterday. The prosecution called John R. Zeigler, who testified as follows:

My name is John R. Zeigler. My age is 47; business, showcase manufacturing; I came here in '54. In '74-'75 I was Superintendent of Springdale Cemetery; was in that business over two years. I am owner of real estate in this city. I have been in the Hotchkisses'. It was in June, '74. I was buying goods. I was in there twice. I saw barrels in the cellar. Johnson or young Hotchkiss told me whisky was in the barrels. When I was in once there was a tin instrument on the bunghole. I don't know what was in the barrel. The tin was about as large as the bung. I went down on the left-hand stairs of the store, looking towards the rear of the store. The barrel was next to the stairs. The other time I was in I can't say positively whether there was any tin thief lying there or not.

CROSS-EXAMINED.

I own five store-buildings and three dwelling-houses.

He named the parties occupying the buildings. A number of questions were asked to find out Mr. Zeigler's wealth.

The first time I went into the cellar I think was in June. I bought rakes at the time. The next time it may have been in June or September. I bought iron rakes after that, but did not go into the cellar for them. The first time I spoke to any one was to Ben Todd, about a year ago; told it to Jake Barnes about three months ago. I have used a whisky thief when a boy. Todd and I met on the street corner. The rakes were in the rear of the store. The barrels were about nine feet towards the middle, and nine feet back in the store from where I landed. The instrument was not in the first barrel. I did not know of this being Cunningham whisky.

Mr. Zeigler is an old citizen here. During the War he had a commission as Captain in the Eleventh Cavalry, and was always mentioned as a brave officer. So great a terror did he prove that a reward of $10,000 was offered for him by the Southern Confederacy. When Whiting was a Paymaster in the army, Capt. Zeigler's company often acted as his escort and bodyguard. At one time Mr. Zeigler's company was ordered to act as a bodyguard for Gen. Grant, but, owing to an oversight of Judge Puterbaugh, Whiting's counsel in this case, who was a Major in the army at that time, most of Mr. Zeigler's command was captured in Tennessee during the War, so, after many years, Whiting, Puterbaugh, and Zeigler all met again, but under different circumstances. As will be seen, his testimony was simply to the fact that he saw a tin thief sticking out of the bung-hole of one of the barrels when he went into Hotchkiss' cellar as a customer on business. The cross-examination was a tiresome repetition of questions on unimportant details to get the witness to contradict himself on trifling particulars. He did not change his testimony at all, although the annoyance to him was very great. The defense asked him how much he paid for this piece of property and that, their descriptions, who he bought them of, how much he paid, etc. The defense have claimed all along that there was no tin thief there, and, when Todd and other witnesses have spoken of it, have endeavored to make it appear that it was a falsehood.

As the particulars of Coffey's testimony concerning the Seven-Up Club become spread by the newspapers the talk increases. The parties implicated are so well known that they are worried and badgered on all sides. They are frequently interviewed as to whether they intend to deny the impeachment, but as yet there seems to be no haste in that direction. So far the prosecution have made a clear case, and the defense will probably commence their side in a day or two. It is the general impression that they will do some tall swearing, and endavor to get out of the scrape. All the evidence they can introduce will never change the minds of the people in this community, many of whom are acquainted with the facts, but do not wish to be drawn into the quarrel.

THE WEATHER.

OFFICE OF THE CHIEF SIGNAL OFFICER, WASHINGTON, Dec. 16—1 a. m.—Indications—For Tennessee and the Ohio Valley slightly cooler, northerly winds, clear and partly cloudy weather, and slightly higher pressure.

For (this) the lake region, southerly winds, slightly cooler, cloudy weather, occasional light snow, and stationary or rising barometer.

For the Upper Mississippi and Lower Missouri Valleys, northeast to southeast winds, rising barometer, stationary temperature, partly cloudy weather, and numerous falls of snows.

LOCAL OBSERVATIONS.

CHICAGO, Dec. 15.

Time.	Bar.	Ther.	Wind.	Vel.	Rain.	Weather.
6:53 a. m.	30.021	32	N.	4	.02	Cloudy.
11:18 a. m.	30.021	34	N.	4	.....	Cloudy.
2:06 p. m.	30.07	33	S. W.	3	.....	Cloudy.
3:53 p. m.	30.08	32	Calm	.....	.....	Lt. snow
8:43 p. m.	30.11	30	N. W.	6	.....	Lt. snow
10:18 p. m.	30.14	30	N. W.	6	.02	Lt. snow

Maximum, 34; minimum, 30.

GENERAL OBSERVATIONS.

CHICAGO, Dec. 15—10:18 p.m.

Stations.	Bar.	Ther.	Wind.	Rain	Weather.
Albany	29.87	26	N. W., fresh	.....	Fair.
Alpena	30.09	14	W., fresh	.....	Cloudy.
Buffalo	30.11	24	S. W., fresh	.....	Lt. snow.
Cairo	30.21	40	S. W., fresh	.....	Lt. snow.
Cheyenne	29.98	19	N., fresh	.....	Lt. snow.
Chicago	30.07	30	N. W., fresh	.02	Lt. snow.
Cleveland	30.07	30	W., fresh	.....	Clear.
Cleveland	30.07	30	W., gentle	.01	Cloudy.
Denver	30.01	26	N., gentle	.....	Fair.
Detroit	30.09	15	N. W., gen	.....	Clear.
Duluth	30.11	22	N. W., fresh	.18	Cloudy.
Escanaba	30.17	17	N. W., fresh	.01	Cloudy.
Ft. Garry	30.21	12	N., fresh	.....	Cloudy.
Ft. Gibson	30.18	25	N., light	.....	Clear.
Grand Haven	30.05	21	N., gentle	.03	Lt. snow.
LaCrosse	30.09	26	N., fresh	.....	Cloudy.
Marquette	29.99	22	N. W., gen	.04	Cloudy.
Milwaukee	30.12	30	W., fresh	.....	Cloudy.
Nashville	30.18	36	N. W., gen	.....	Cloudy.
New Orleans	30.17	48	S. W., fresh	.....	Clear.
Omaha	30.01	25	S., gentle	.....	Lt. snow.
Oswego	29.95	26	N. W., fresh	.....	Cloudy.
Pioche	29.99	34	N., fresh	.....	Clear.
Pittsburg	30.06	30	W., gen	.....	Lt. snow.
Port Huron	30.07	14	N. W., gen	.....	Clear.
Rochester	29.97	21	W., fresh	.....	Cloudy.
San Francisco	30.24	48	N., light	.....	Clear.
St. Louis	30.20	34	N. W., fresh	.01	Lt. snow.
St. Paul	30.16	24	N. E., gent	.02	Lt. snow.
Toledo, O	30.07	23	W., gentle	.....	Cloudy.
Virginia City	29.86	20	Calm	.10	Lt. snow.

OCEAN STEAMSHIP NEWS.

NEW YORK, Dec. 15.—Arrived, the Devonia, from Glasgow.

QUEENSTOWN, Dec. 15.—Arrived, the Indiana, from Philadelphia.

PHILADELPHIA, Dec. 15.—Arrived, the Ohio, from Liverpool.

LONDON, Dec. 15.—The steamship Frisia, from New York for Hamburg; the City of New York and St. Laurient, from New York, have arrived out.

NEW ORLEANS, Dec. 15.—Arrived, the steamships Murino, from London, and Braunschweg, from Bremen.

Sailed, the steamship Nuremberg, for Bremen.

SCOTCH BANKING.

The Ring that Used the Money of the City of Glasgow Bank.

Extraordinary Revelations—How Rotten Firms Were Kept Alive.

Millions of Pounds Squandered.

Correspondence New York Herald.

GLASGOW, Dec. 1.—The extraordinary network of fraud and deceit by which the City of Glasgow Bank has been wrecked and thousands of innocent persons ruined, is being gradually laid bare. This week, the affairs of Smith, Fleming & Co., of London, Bombay, and Kurrachee, and Matthew & Thielmann, of Glasgow and Leith, have been under the legal microscope, and an amount of commercial rottenness has been exposed which has seldom been equaled. Smith, Fleming & Co. at one time did a magnificent trade with the East Indies, and their wonderful prosperity reached its climax in the three years immediately preceding the outbreak of the Franco-German war, when their houses—in London, Bombay, and Kurrachee—earned among them an average of £90,000 per annum. This success could not go on forever. The tide turned, and in 1870 the firm suffered a series of heavy losses. By the failure of their Liverpool correspondents,—Nicol, Duckworth & Co.,—who had been speculating in cotton, they lost £233,000. They also suffered severely by the depression caused by the Franco-German war, and their losses by that cause ultimately amounted to £90,000. At this time, Smith, Fleming & Co. were indebted to the City of Glasgow Bank for £20,000 cash and £122,000 credit; but, as these sums were fully secured, the bank need have lost nothing if the firm had suspended, as they thought of doing. But it did not suit the bank to let Smith, Fleming & Co. collapse, and the partners themselves had still a hankering after the rich profits of their three big years. They could see no reason, as the head of the firm (Mr. J. Fleming) told his creditors, "why such earnings should not be continued if only our credit could be maintained, particularly having regard to the very low level to which prices of goods and produce had fallen in consequence of the war." Eventually Fleming came to Glasgow, and here is his own account of how they managed business:

ON THE DOWNWARD TRACK.

I went to Glasgow, and had a long interview with the Manager and several of the Directors, at which our position was very freely discussed, and our stoppage was by all strongly deprecated. Unfortunately, my partners and I did not regard our position as irretrievable, and were not unwilling to accept assistance, provided it could be given confidentially, so as to preserve our money-making power. I did not ask assistance; but, when it was offered, I did not feel justified in refusing it, provided it could be rendered in a manner which I considered essential to secure success. Much discussion took place; and, when it seemed to me that the magnitude of the difficulties and the corresponding requirements were not fully appreciated, and that the proposals then made of arrangement were calculated, in my judgment, to bring all concerned into discredit, I refused to go on, and left the room. I was, however, requested to return, and ultimately consented to undertake what I knew must be a long and arduous, although I believed not unsuccessful struggle, upon assurance being given of effectual assistance.

From that day onward the firm of Smith, Fleming & Co. were the slaves of the bank. They toiled on, but never recovered the shock which their credit received in 1870. In the eight succeeding years they added to their losses £900,000, not to mention the large sums which they had to spend in commission and interest on bills, and which they could only pay by the assistance of the managers of the bank. They kept the bank regularly informed as to the state of their affairs, submitted their balance-sheets and all other documents, and were bolstered up year after year by fresh advances. At the meeting of creditors Fleming was severely cross-examined by Mr. Abrahams, who represented the Credit Lyonnaise:

Mr. Abrahams—Can you tell us whether during the last year you made a profit in your trading? Have you made any profit since 1870?—Altogether I think we have.

Have you made any profit on the London business?—I think not.

You put down your losses on your trading in London only at £500,000; are you aware of that?—Yes, I am.

Were you in the habit of making balance-sheets each half-year?—We made a trial balance-sheet for the last time on the 30th of June.

Therefore I am to take it that on the 30th of June last, having made a trial balance-sheet, you knew the state of your affairs?—Yes.

And you knew that you owed more than you could pay?—We knew that we owed £1,500,000 more than we could pay.

Why did you not stop payment then?—Because I was prevented from doing so by the Glasgow Bank.

That is a corporation who prevented you?—I don't think I ought to mention the name.

I think you had better consult your legal advisers.

Mr. Fleming, after consultation, stated that Mr. Robert Stronach, Manager of the City of Glasgow Bank, was the gentleman who induced him not to stop before.

He told you not to stop payment?—Not exactly. I told him I must stop, and he said: "No, don't stop; we will find you in funds to keep on."

Did they know in what position you were?—Perfectly. I saw Mr. Stronach last in September, in Glasgow, and he prevented me stopping payment by providing me the money to meet certain acceptances.

I asked you these questions because my clients advanced their money after July, and, if you had stopped payment when you wanted to, they would not have appeared here to-day. Were these bills [holding out some bills] printed in London and sent out to Bombay to the firm there with the amount filled in?—They were all drawn abroad, and were not manufactured in London.

FICTITIOUS BILLS.

Some further questions brought out the fact that bills amounting to £318,396 had been drawn by the partner in Bombay and sent to London to the credit of the London firm, in order to keep down the apparent indebtedness of the bank; that the bills falsely professed to be "for value received," and that the latter statement was added in the bank. Mr. Abrahams then put some further questions with the object of bringing into view the dividend declared by the bank:

You are a shareholder in the the City of Glasgow Bank; do you know the amount of the dividend they paid last?—Twelve per cent.

You know that you owed them £1,500,000 at that time; did you not receive the dividend as a shareholder?—I did.

Did you make any remarks to Mr. Stronach that you owed a million and a half to the bank and could not pay it?—I did not.

Did you not consult any of your other creditors as to your position besides Mr. Stronach?—No; never.

You owed money to some of the London banks; did you not consult them?—No.

The general feeling of the creditors present was that the firm of Smith, Fleming & Co. had been driven into reckless courses by the pressure put on them by the bank; and it was ultimately agreed to liquidate their affairs by arrangement, and not in bankruptcy. Their liabilities amount to £1,620,359, while the assets are not expected to exceed £285,382.

A RECKLESS SYSTEM.

The case of Matthew & Thielmann is somewhat different in character from that of Smith, Fleming & Co., but it also brings out in strong relief the ruinous system of reckless advances pursued by the bank with the view of warding off the inevitable collapse. Matthew & Thielmann formed only a link in the chain, being merely the go-between from James Morton, of James Morton & Co. (who had unlimited credit with the bank), to William Hay, Sons & Co., grain merchants, Glasgow, who had unlimited powers of spending money, and were always calling for more. The whole story was told in the Glasgow Bankruptcy Court on Monday by Thomas Matthew, the senior partner. Matthew & Thielmann started business as grain and commission merchants in Glasgow and Leith with a capital of £3,000. For many years business prospered, and in 1864 their capital had more than doubled. In that year, William Hay, Sons & Co., who had had small transactions with the firm for two years, were unable to meet one of their bills. A consultation took place, with the result that Mr. Thielmann became a partner, without capital, of the Hays, and, in consideration of the partnership, Matthew & Thielmann agreed to supply them with the means of going on. Some large transactions in grain took place between the two firms soon after the partnership negotiations, but their relations were afterward of an almost exclusively financial character. By 1869, in which year Hay's grain-mill was burned, the Hays owed Matthew & Thielmann, in cash and bills current, £393,454.

MONEY! MONEY! MONEY!

A firm with a capital of £6,000 could not, of course, lend this sum themselves, but it was advanced by the bank through Matthew's brother-in-law, James Morton, who, it must be borne in mind, is indebted to the bank at the present time to the extent of £2,000,000. Thielmann's partnership with the Hays was for five years, but at the end of that time their difficulties were so great that they could not be allowed to drop; but Morton, on being consulted, promised to "see them through it." From that day onward the indebtedness of the Hays to Matthew & Thielmann increased by leaps and bounds, the money coming from the bank through Morton and Matthew to the ever needy Hay. In 1870 Hay had got close upon £220,000 in this way, and Matthew, who was receiving no benefit from these transactions, was desirous of putting an end to the system. So was Hay and so was Morton, who said the thing was an increasing load round his neck, but he said the bank did not wish it stopped. Matthew was asked:

What interest had they in the matter? This is the first time that we have had the City of Glasgow Bank directly mentioned. Had the funds Mr. Morton paid to you come direct from the City Bank?—I cannot say where he got them.

What interest had the City Bank in Hay & Son going on?—I presume he got the funds from the City Bank because the bank expressed a desire that they should go on so as not to expose the amount of indebtedness to the firm of Matthew & Thielmann, of which I was then senior partner, and I was also a partner of Matthew, Buchanan & Co.

Then the bank was desirous that Hay & Son should go on, as their stoppage might affect Matthew & Thielmann and have the effect of bringing them down?—Yes.

Would the stoppage of Matthew & Thielmann necessarily have affected Matthew, Buchanan & Co.?—The two firms were entirely distinct, but being the senior partner of Matthew, Buchanan & Co., I was engaged in large financial operations in behalf of James Morton & Co. and the City Bank.

You, as partner, were quite conversant with all the transactions of both firms?—Yes.

"SETTLING UP" THE FIRM.

Matthew, Buchanan & Co. had been started in 1868, with £20,000 of the bank's money, and the firm was used almost entirely for financial purposes. At the request of the late Alexander Stronach, manager of the bank and brother of Robert Stronach, now in prison, the firm soon after being floated negotiated a credit of £80,000 against certain securities held by third parties, and that system went on increasing until bills amounting to £1,200,000 were floated in this way.

So far as you know, the corresponding bills and credits of that £80,000 given you in 1868 may have been on the circle in 1878?—Yes; part of them were on circle.

It was just finance being kept on and increasing, and never being paid off?—Yes.

To turn again to the relations of Matthew & Thielmann with the Hays. In 1873 the latter were so deeply involved that it was impossible for them even to pay the £225,000 against them in Matthew & Thielmann's books, and it was agreed on the advice of James Morton to cancel the debt, in consideration of the surplus of the Hays' assets over the liabilities to outside creditors being assigned to them. This sum was estimated at £20,000, but it has never been paid. Matthew was questioned on this curious point as follows:

Did the arrangement carried out in 1876 practically cancel the obligations of Hay & Sons to your firm, except to the extent of any surplus?—Yes.

In canceling the £225,000 as a debt due to you did you consider you were canceling a corresponding amount due to Morton on the opposite side of the ledger?—Yes, I looked upon that as fully carried out.

And that the canceling of the one balance practically canceled the other?—Yes.

Why was that not given effect to in your books?—I presume simply on account of the relationship between Mr. Morton and myself.

You were a brother-in-law of Mr. Morton's, and it did not matter what was in your books, so far as he was concerned?—I knew he would never claim it from me, as far as he was concerned.

And that his creditors would have no claim upon you?—No, his creditors now have no claim upon me.

At this time more new blood was introduced in the firm of William Hay, Sons & Co., a Mr. Dalglish, with £15,000 of capital, being supplied by Matthew & Thielmann. The capital in this case also was provided by Morton, at whose credit it stands in Matthew & Thielmann's books, while it is placed to the debit of Dalglish. The Hays were thus made perfectly solvent by the wiping out of the £225,000 and the supply of new capital, but the old system of making advances continued, and at the date of Matthew & Thielmann's suspension they had received, in addition to the new capital, cash and bills amounting to £40,000.

LETTING THE CAT OUT OF THE BAG.

Interrogated as to the reasons for starting the advances again after the old burden had been removed, Mr. Matthew thus committed himself:

Was it not practically this, that the Hays could get from you, both before 1870 and after 1870, whatever they needed?—We were to a certain extent under their control.

Whatever sums of money they from time to time required to meet their obligations they came to you for, and you went to Mr. Morton, I presume?—Yes.

And was there ever any objection started by Mr. Morton to continue these never-ending advances?—He demurred frequently to it, but said it was necessary. The City Bank insisted on the business being carried on.

Hay's suspension would have inevitably led to to yours, I presume?—Yes.

And your suspension would have inevitably led to Matthew Buchanan & Co.'s?—Yes.

And Matthew, Buchanan & Co.'s suspension would have disclosed the huge financing that was going on for the benefit of the City Bank, and, therefore, it was essentially necessary that Hay & Sons should be carried on?—We were carrying it on for Mr. Morton.

Well, for Morton & Co., but in reality Morton & Co., as far as this account is concerned, are the City Bank?—Yes.

Then that was the real object of making the large advances to Hay, that they might be kept on their feet, because their suspension would have led to the disclosure of the large advances?—Yes.

But the relations with the Hay family in Glasgow were not all. John Hay & Co., Leith, were relatives, and they were in the same happy position to Matthew & Thielmann as William Hay, Sons & Co. were. In 1877 the Leith firm had received £75,000, and that was wiped out, as the debt of their Glasgow relatives was in the previous year. In the aggregate the Hay family had thus received in twelve or thirteen years from the friends of the City Bank, dribbling through Morton & Matthew, the sum of £250,378.

WHERE DID THE MONEY GO?

Have you any idea what became of that money, Mr. Matthew, although perhaps it is a delicate question to ask?—They said it was all lost in the way of business.

It must have been speculation,—it could not be legitimate milling?—I was never able to obtain any satisfactory account of it.

And you have asked them?—Over and over again.

Did you ever think it advisable to have access to their books and satisfy yourself where all the money was going to?—I was very dissatisfied with the statements of their business, and I at one time said that I thought it would be necessary to ask an accountant to investigate their affairs, but Mr. Hay declined to permit it.

So that you have no idea whatever of the different directions in which these large sums of money have gone?—I have never been able to obtain any information.

And, in fact, you were in this position, that they were the masters of the whole lot of you for any money they might demand?—Yes. Mr. George Hay wrote me every third or fourth day, saying he would require so much money, and I had either to get that or they would stop.

And you knew what the consequences of their suspension would be?—Yes.

In fact, the bank would not have allowed them to stop?—No.

With all this tremendous pressure on him on all sides, Matthew, according to his own statement, made only £300 per annum out of the business of Matthew & Thielmann, and nothing at all out of Matthew, Buchanan & Co.

All this enormous labor and responsibility that you took was solely, I take it, on account of your brother-in-law, Mr. Morton?—It may be said to be so.

But is it not so?—It is.

You had no interest in it, gained nothing by it, and did it really in consequence of the close relationship between you?—Yes, and in order to carry through creditably, as I believe it would have resulted had the bank not suspended payment.

But had any suspension of any of the houses that you referred to taken place before the City of Glasgow Bank I suppose it would have resulted in what has now taken place?—Undoubtedly.

And that was the real object in keeping it all afloat?—Yes, a desire to keep it all together.

Matthew's examination was adjourned till Dec. 19.

Hard Times in England.

Correspondence Cincinnati Enquirer.

NEW YORK, Dec. 12.—Yesterday I had a long talk with Mr. Armour, of Armour, Plankinton & Co., the largest pork and provision dealers in the United States. Mr. Armour has just returned from England, and he is filled with alarm at the distressing financial status of Great Britain.

"What is the matter over there?" I asked.

"A general financial ruin stares them in the face all over England, Ireland, and Scotland," said Mr. Armour. "Banks and individuals are failing everywhere. The newspapers do not tell half the story. The English people are in a dreadful condition. Manufacturers are running behind, the tenants cannot pay their rents, real estate has shrunk in value and cannot be sold at any price, the mechanic is idle, and the farmer is poor."

"Why can't the farmers pay their rents?"

"Because their crops do not pay. Prices for farm products are so low that the farmer only makes enough to live on. The 33,000 landmonopolists are all out in the cold. They can't collect their rents, and many seemingly rich families are actually suffering from poverty."

"What makes provisions so low?"

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