THE RAILROADS.

Another and Most Important Phase of the Denver-Atchison Fight.

Order of the United States Court Dismissing Receiver Risley.

The Decision in the Grand Canon Case Favorable to the Atchison Road.

Answer in Full of the Atchison to the Denver & Rio Grande Company.

The Inside History of the Greatest Railroad Steal on Record.

Speech of Judge Beckwith, Counsel for the Atchison, Topeka & Santa Fe,

In Reply to the Application for a Receiver in the Grand Canon Matter.

THE GREAT COLORADO FIGHT.

Special Dispatch to The Tribune.

DENVER, Col., July 14.—The court-room was literally packed with a sweltering mass of humanity this morning,—railroad magnates, millionaires, miners, lawyers, and other prominent persons,—in anticipation of the decision upon the great railroad cases arising out of the fight between the Denver & Rio Grande and Atchison Companies.

Immediately upon assembling, Justice Miller proceeded to announce the views of the Court upon the questions at issue. After stating a general resume of the litigation, he said that the Court was firmly convinced that the appointment of the Receiver was a collusive proceeding for the purpose of frustrating the order of restitution which was about to be entered against the Rio Grande Company. The case did not warrant the appointment of a Receiver, and justice demanded that he be be discharged. The Receiver was thereupon directed to return possession to the party from whom he received it, namely, the Rio Grande Company. The latter Company must restore possession to the Atchison Company by an order to be entered in the suit of the Attorney-General.

In the Grand Canon case, the Court, after deciding in conformity with the Supreme Court opinion that the Rio Grande had the prior right to select its location to Leadville unless by the lease it had transferred that right to the Atchison Company, which was a matter yet to be determined, the line to Leadville must be considered an entirety; and if the Rio Grande is permitted to occupy the other side of the river they must pay for the entire grade to Leadville.

A Commission of Engineers is appointed to report this and other matters, and until further orders no work is to be done upon the line by either Company,—everything regarding that to remain at a standstill.

Denver is in fever heat of excitement over to-day's decisions, and lively times are predicted within three days.

Judge Miller has signed an order upon Risley to deliver up the Rio Grande Road to the Rio Grande Company before Thursday, the 17th.

To the Western Associated Press.

DENVER, July 14.—In the Grand Canon case Judge Hallet decided that the mandate of the Supreme Court giving the prior right to the Rio Grande Company embraced the whole line from Canon City to Leadville, and that they must take all of the constructed line or none. They could not take parts here and there, accepting some and rejecting others, but must take all, and pay the legitimate cost of construction. This includes from the twentieth-mile post to Leadville.

All points concerning the matter of putting the Rio Grande Company in possession, and for the construction of the line westward, are put in the hands of three expert Commissioners, one selected by each of the parties, the third by the Court. Both parties are enjoined from proceeding any further with the work of construction until the preliminaries are settled by the Commissioners, when further orders will be given.

THE ANSWER.

Special Correspondence of The Tribune.

DENVER, Col., July 11.—The following is the answer in full of the Atchison, Topeka & Santa Fe Railroad Company to the Denver & Rio Grande Railway Company, which gives the entire inside history of the great railroad controversy now uppermost in the public mind. The same was filed in Court to-day. Judge Beckwith's speech in reply to the application of the Denver & Rio Grande Company for a Receiver to be appointed for the construction of the road from Canon City to Leadville will also be perused with great interest:

In the United States Circuit Court for the District of Colorado—The several answer of the Atchison, Topeka & Santa Fe Railroad Company to the original and amended bill of complaint of Louis H. Meyer, complainant, against the Denver & Rio Grande Railway Company and the Atchison, Topeka & Santa Fe Railroad Company, defendants.

This defendant now and at all times hereafter, saving and reserving all and all manner of benefit or advantage of exception or otherwise to the many errors, uncertainties, and imperfections of the said original and amended bill for answer thereunto, or unto so much and such portions thereof as this defendant is advised it is material or necessary for it to make answer unto, answering says:

That it admits the organization of the said Denver & Rio Grande Railway Company on or about the 27th day of October, 1870, and the making and filing by the corporators of said Railway Company of a certificate of incorporation, as is in said bill alleged; and this defendant, for the purposes of this suit, also admits that the said Denver & Rio Grande Railway Company became authorized to construct and operate the several lines of railroad thereafter constructed and operated by it; but this defendant denies that under and by virtue of said corporation, or in any other way, the said Denver & Rio Grande Railway Company became authorized to survey, locate, or construct any other or further line or lines of railway on or upon any particular route whatever.

And this defendant further admits that on or about the 18th day of April, 1871, the said Denver & Rio Grande Railway Company had located its line of railway from Denver to Monument Creek, but whether the Directors of said Company, on or about that time, resolved and determined to issue its corporate bonds, or to secure the same in the manner and form as charged in said bill of complaint, this defendant is not advised, and can neither admit nor deny the allegations of the said complainant's bill of complaint in that respect.

This defendant further answering says that it admits that on or about the 18th day of April, 1871, the officers of the Denver & Rio Grande Railway Company executed under the seal of said Company a certain mortgage or deed of trust of the general tenor and effect stated in said bill of complaint, but this defendant is not advised as to the particular terms and conditions of said mortgage or deed of trust, and therefore calls for the production of the original thereof, at the hearing of this cause.

This defendant further admits the delivery and recording of said mortgage or deed of trust as alleged in said bill of complaint.

This defendant further admits that the said Denver & Rio Grande Railway Company did execute and sell certain of its bonds purporting to be secured by the said mortgage or deed of trust, but as to the amount of such bonds, so executed, sold, or otherwise issued by the said Company, or the members thereof, this defendant is not advised and requires proof of the number and amount of bonds issued and now outstanding.

This defendant further answering says that it is informed and believes that the full amount of $6,382,500 of bonds has not been issued to, and are not now held by, persons who are bonafide holders thereof for value.

This defendant further answering, says that it is informed and believes that $804,500 of the bonds of said Company, part and parcel of said $6,382,500, were heretofore, to-wit: on or about the 1st day of May, 1877, by an arrangement between said complainant and his *cestius que trust*, or some portion of them, and the said Denver & Rio Grande Railway Company, set apart as a trust fund for the payment of said coupons then outstanding, which matured on the 1st day of May, 1877, the 1st day of November, 1877, and the 1st day of May, 1878, respectively, being the same coupons mentioned in said bill of complaint as now past due and unpaid; and that in pursuance of such arrangement the said Denver & Rio Grande Railway Company on or about the 1st day of June, 1877, issued certificates of indebtedness for and on account of said interest coupons which fell due on the 1st day of May, 1877, the 1st day of November, 1877, and the 1st day of May, 1878, a copy of which certificates is herewith filed, marked Exhibit No. 1.

This defendant, further answering, says that it is informed and believes that the holders of said bonds to whom said interest was payable and to become payable to the amount of $427,052.50, surrendered to the complainant the coupons issued with and attached to the bonds by them respectively held, for said amount of $437,052.50, and accepted certificates of indebtedness in lieu of the said coupons, as mentioned in said certificates of indebtedness, a copy of one of which is herewith filed.

And this defendant, further answering, says that it is informed and believes that it was agreed by and between the complainant and the said Denver & Rio Grande Railway Company and the holders of the bonds of said Company, or some of them, then issued and outstanding, and the holders of coupons which fell due on the 1st day of May, 1877, the 1st day of November, 1877, and the 1st day of May, 1878, or some of them, that the holders of such coupons might exchange the same, or any part thereof, for any of said $804,500 of bonds at the rate of 80 cents on the dollar for said bonds for the amount of the coupons so exchanged.

This defendant further answering says that it is informed and believes that it was agreed by and between the complainant, the Denver & Rio Grande Railway Company, and the said coupon holders last mentioned, or some of them, that said $804,500 of bonds should not be sold or disposed of, except for the purpose of paying said coupons, or in exchange therefor.

And this defendant further answering says on information and belief, that none of the said $804,500 of bonds, so set apart as a trust fund as aforesaid, were ever exchanged for said certificates of indebtedness, or for the said coupons which fell due on the 1st day of May, 1877, the 1st day of November, 1877, and the 1st day of May, 1878; and the defendant says that if said bonds have been sold and disposed of as in said bill alleged, and the coupons and interest certificates issued therefor have not been paid, such sale was fraudulently made, and the proceeds of said bonds have been fraudulently misappropriated, in violation of the trust hereinbefore mentioned.

And this defendant further answering, says that the market value of said $804,500 of bonds has at all times since the 1st day of November, 1877, been sufficient to pay said interest falling due on the 1st day of May, 1877, the 1st day of November, 1877, and the 1st day of May, 1878, and that said bonds were an ample security for the payment of said interest, and the proceeds of said bonds, if a sale thereof had been made, were amply sufficient to pay the said interest so falling due as aforesaid.

And this defendant denies that the said Denver & Rio Grande Railway Company has used and disposed of the bonds in said bill of complaint mentioned in the lawful exercise of its powers and authorities, as is in said bill alleged.

This defendant further answering, says that it has no knowledge, information, or belief relative to the surveys, maps, or plans of different routes of contemplated railway lines, or extension thereof, as is in said bill alleged, but this defendant admits that the said Denver & Rio Grande Railway Company has constructed a railway from Denver southward, via Colorado Springs, Pueblo, and Cucharas, to El Moro, in Colorado, and from Cucharas westward to Alamosa on the Rio Grande Del Norte, a distance of about 295 miles, and that the said Denver & Rio Grande Railway Company acquired rights of way, lands, depot, depot-grounds, water-stations, station-houses, and other structures, erections, and fixtures, and rolling-stock, machinery, fuel, supplies, and material for the use of said road, but relative to the extent of such acquirements, or the manner in or means by which they were made, this defendant has no knowledge, information, or belief.

And this defendant further answering says that it admits that the Denver & Rio Grande Railway Company claimed to have, in addition to the property hereinbefore mentioned, certain other rights, powers, and property, and particularly the right to construct, maintain, and operate a railroad from Pueblo to Canon City, but this defendant has no knowledge, information, or belief of any other right or property of the said Denver & Rio Grande Railway Company.

This defendant further answering says that it has no knowledge, information, or belief relative to any resolution of the Denver & Rio Grande Railway Company adopted by its Board of Directors on or about the first day of May, 1872, as is in said bill alleged, and requires proof of the same.

But this defendant admits that the said Denver & Rio Grande Railway Company, on or about the first day of May, 1872, executed, under the seal of said Company, a certain mortgage or deed of trust of the general tenor and effect stated in said bill of complaint, but this defendant is not advised as to the particular terms of the said mortgage or deed of trust, and, therefore, calls for the production of the original thereof at the hearing of this cause. And this defendant admits that said last-mentioned mortgage or deed of trust was recorded as is in said bill alleged.

And this defendant admits that the said Denver & Rio Grande Railway Company did execute and sell certain of its bonds purporting to be secured by said last-mentioned mortgage or deed of trust, but as to the amount of such bonds so executed and sold or otherwise issued by the said Company this defendant is not advised, and requires proof of the number and amount of such bonds issued and now outstanding.

And this defendant admits that on or about the 27th day of May 1874, John Edgar Thompson died, as is in said bill alleged, and that on or about the 10th day of October, 1874, said Samuel M. Felton, in said bill mentioned, resigned his trust in writing, as in said bill alleged, and that, by reason of such death and resignation, the complainant became the sole surviving and remaining Trustee under said deeds of trust, and that complainant is now the sole acting Trustee thereunder.

And this defendant further answering says that it has no knowledge, information, or belief relative to the manner in which the said Denver & Rio Grande Railway Company issued and disposed of said last-mentioned bonds, and requires proof thereof.

This defendant further answering says that it admits that the Denver & Rio Grande Railway Company acquired, between Pueblo and Cañon City, rights of way, lands, depots, depot-grounds, water-stations, station-houses, and other structures, erections, and fixtures, and also rolling-stock, machinery, supplies, fuel, and materials for use in connection therewith, but relative to the extent of such acquirements, and the means by which the same were made, this defendant has no knowledge, information, or belief.

This defendant further answering says that it has no knowledge, information, or belief relative to any rights acquired by the said Denver & Rio Grande Railway Company under the laws of the Territory of Colorado, or under the laws of the Territory of New Mexico, nor has it any knowledge, information, or belief relative to any rights acquired by the Denver & Rio Grande Railway Company under the acts of Congress in said complainant's said bill of complaint mentioned.

This defendant further answering says that relative to the allegations of the said complainant's said bill of complaint as to the agreements and stipulations in said deeds of trust contained, it refers to the said deeds of trust for particulars relative to said agreements and stipulations.

And this defendant further answering says that it admits that on the 1st day of May, 1877, there became due and payable on certain of the bonds of the said Denver & Rio Grande Railway Company, then issued and outstanding, and secured by said deeds of trust respectively, a semi-annual installment of interest; and that on the 1st day of November, 1877, there became due and payable on certain of the bonds of the said Denver & Rio Grande Railway Company, then issued and outstanding, and secured by said deeds of trust respectively, another semi-annual installment of interest, excepting so far as said last-mentioned installment of interest was included in certain certificates of indebtedness hereinbefore mentioned; and that on the 1st day of May, 1878, there became due and payable on certain of the bonds of the said Denver & Rio Grande Railway Company, then issued and outstanding, and which were secured by said deeds of trust respectively, still another semi-annual installment of interest, excepting so far as said installment was included in the certificates of indebtedness hereinbefore mentioned.

This defendant denies that said Company failed to pay said several installments of interest and made default in the payment of the same, as in said bill alleged, but says that said complainant, the said Denver & Rio Grande Railway Company and its bondholders, or some of them, on or about the 1st day of June, 1877, concluded the arrangement hereinbefore mentioned for funding the said interest so falling due as aforesaid.

And this defendant further answering says that it is informed and believes that the interest upon said certificates of indebtedness and upon said coupons falling due May 1, 1877, Nov. 1, 1877, and May 1, 1878, not included in said certificates of indebtedness, was fully paid up to the 1st day of May, 1879.

And this defendant, upon information and belief, denies that the said Denver & Rio Grande Railway Company is in default with respect to any interest installment for more than six months, as in said bill alleged.

This defendant further answering says that the said Denver & Rio Grande Railway Company is amply able to pay said interest falling due on the said 1st day of May, 1877, the 1st day of November, 1877, and the 1st day of May, 1878, if it has not been paid, unless it has fraudulently disposed of the proceeds of the $804,500 of bonds hereinbefore mentioned, and that if it has so fraudulently sold and disposed of the proceeds of said bonds, such sale and fraudulent disposition of the proceeds have been made with the assent of the complainant and of the holders of a large majority of the bonds represented by him.

This defendant further answering says that it was duly created and organized a corporation under the laws of Kansas, and is now transacting business by and under its corporate name of the Atchison, Topeka & Santa Fe Railroad Company, with such powers and authorities as were by the laws of Kansas conferred upon and granted to this defendant, and this defendant files herewith and makes a part hereof a copy of such laws of Kansas as conferred authority upon this defendant.

This defendant denies that it has no power or authority under the laws of Kansas or of Colorado to acquire, possess, operate, use, maintain, and enjoy railway lines and other property in the State of Colorado, as in said bill alleged.

This defendant further answering says that it has the right under the laws of Colorado to acquire, construct, maintain, and operate lines of railway in said State, and has the right to charge tolls for the transportation of persons and property thereon in as full and ample a manner as any corporation created by and organized under laws of the State of Colorado.

This defendant further answering says that it is entitled to possession of all the property mentioned in said deed of trust, and is the owner of such portions of said property as are hereinafter specified, and that the allegations in said complainants said bill of complaint that this defendant has no right, title, claim, or demand to said property, or to the possession thereof, are untrue.

The defendant admits that the agreements hereinafter mentioned by which this defendant acquired its interests in said property were made after the execution of said deeds of trust hereinbefore mentioned, but this defendant denies that the said Denver & Rio Grande Railway Company was in default when said agreements were executed.

This defendant admits that a suit was heretofore instituted by the complainant in this court against the said Denver & Rio Grande Railway Company for foreclosure of said deeds of trust, yet this defendant says that the said complainant, by his agents and attorneys, at the time the agreements hereinafter mentioned were executed, and at the time of the payment to him of $183,203.75, as hereinafter mentioned, fraudulently concealed said suit from this defendant for the purpose of inducing this defendant to enter into said agreements, and to make said payment.

And this defendant further answering says that at the time of the execution of the agreements hereinafter mentioned, and at the time of the payment of the $183,203.75, as hereinafter mentioned, it had no notice whatever of any default on the part of the said Denver & Rio Grande Railway Company in the payment of its interest or any part thereof, and this defendant says that if any default existed the same was fraudulently concealed from this defendant by the agent and solicitor of complainant, for the purpose of inducing this defendant to enter into said agreements hereinafter mentioned, and to make said payment.

And this defendant denies that there is any such provision of the Constitution or laws of the State of Colorado, or policy of said State, as is in said bill alleged.

This defendant admits that a fraudulent proceeding in the nature of a quo warranto was instituted by the Attorney-General of the State of Colorado, for and on behalf of the people of said State, in the District Court of the State of Colorado, in and for the County of El Paso, requiring this defendant to show by what warrant and authority it was exercising its corporate franchises to operate a railroad in said State, and to charge tolls for transportation of persons or property thereon, and that this defendant duly appeared and submitted to the jurisdiction of the Court, and demurred to the complain then and there exhibited against it by the said Attorney-General of the State of Colorado, and that thereupon such proceedings were had that on or about the —— day of April, 1879, a judgment of ouster was entered thereon against this defendant.

But this defendant says that the said proceeding was a fraud in its inception, the judgment therein for the complainant was a fraud, and, as it is informed and believes, corruptly procured, and that said judgment has been superseded by an order of the Supreme Court of said State, and that said Supreme Court has practically decided that there was no warrant on the part of the Attorney-General of said State for filing said information in the manner and form in which it was filed, nor on the part of the Judge for the judgment rendered in said cause, and that the whole proceeding was a fraudulent abuse of the powers of the Court for the purpose of harassing and annoying this defendant.

This defendant further answering says that it denies that the said Denver & Rio Grande Railway was, on the 13th day of December, 1878, in thorough working order and condition, and adequately equipped with motive power, rolling-stock, machinery, tools, materials, and supplies, and also with side-tracks, depots, and other structures as is in said bill alleged.

This defendant admits that it claims the possession of said railway and property under the contracts hereinafter mentioned, and it avers that the said Denver & Rio Grande Railway Company had full power and authority under the Constitution and laws of the State of Colorado to make said agreements, and this defendant had full power and authority to make the same and to accept the provisions thereof and the property described therein.

This defendant further answering says that it had full and ample authority under the laws of the State of Colorado and laws of the United States to acquire, maintain, and operate the railroads in the said agreements mentioned, and their appurtenances and appendages; and for that purpose had authority to make and enter into all proper contracts and agreements, and that none of the agreements hereinafter mentioned were ultra vires the power of this defendant or in violation of the Constitution or laws of the State of Colorado or the policy thereof.

This defendant denies that when the agreements hereinafter mentioned were made that the said Denver & Rio Grande Railway Company was about recovering from its financial embarrassments; that its business and earnings were steadily increasing, and that its net earnings were sufficient to pay the current interest upon its bonds as is in said bill alleged.

This defendant denies that the said Denver & Rio Grande Railway Company has since the 14th day of December, 1878, allowed or permitted the earnings of its railway lines to be diverted, and not to be applied for the purposes contemplated by the said deeds of trust, or that the complainant and his cestuis que trust have been damaged or injured by said agreements; but, on the contrary thereof, this defendant says that the said complainant assented to all of said agreements, and by his representatives and agents induced this defendant to enter into and execute the same, as hereinafter mentioned.

This defendant denies that it has with the knowledge and consent of the said Denver & Rio Grande Railway Company, or otherwise, misappropriated any of the earnings of the said Denver & Rio Grande Railway Company, or that the complainant and his cestuis que trust have been injured by any act or thing which has been done by the defendant, or that any act or thing has been done to the detriment of the complainant and his cestius que trust or in fraud of his rights or in violation of the terms and conditions of said deeds of trust.

This defendant further answering says that it is informed and believes that the said Denver & Rio Grande Railway Company has given out and published that it was wholly insolvent and without means to meet its obligations due or to become due, and that it had a large floating debt in addition to its bonded indebtedness and the interest in arrear thereon.

And this defendant admits that it has repeated from time to time the assertions so made by the Denver & Rio Grande Railway Company, believing that some of its assertions might be true, but of which it has grave doubts, since it has violated its trusts and fraudulently appropriated the proceeds of said $804,500 of bonds as hereinbefore mentioned.

This defendant further answering says that it refers to any legal proceedings it has had or taken relative to its assertions and allegations therein.

And this defendant denies that the Denver & Rio Grande Railway Company, its affairs and property, will be injured or mismanaged as is in said bill alleged.

And this defendant further answering says that on or about the 13th day of December, 1878, the Denver & Rio Grande Railway Company delivered possession of its railway and property to this defendant, under the agreements hereinafter mentioned, and that such delivery was with the knowledge of the complainant, and made by the procurement of himself and his cestuis que trust as hereinafter mentioned, and that this defendant had possession of said property until the 11th day of June, 1879, when the Denver & Rio Grande Railway Company, with the aid and assistance of the complainant, took forcible possession of the same and of a large amount of other property belonging to this defendant.

This defendant denies that the property mentioned in the said deed of trust, or any of it, has, since the 13th day of December, 1878, been wasted or its value impaired, or that any quantity thereof required for use has been removed by the defendant.

This defendant denies that, since the 13th day of December, the said Denver & Rio Grande Railway has not been properly operated and maintained, or that it has been operated exclusively in the interest of any other line owned or controlled by this defendant or any other company, or that trains have been run irregularly thereon for the benefit of lines controlled by this defendant or any other company, or have been in any manner or for any cause run irregularly, or that the mails to points along the line of the said road have been delayed or have not been delivered on schedule time, as required by law.

This defendant denies that the said Denver & Rio Grande Railway has, by reason of any matter or thing, in said bill of complaint alleged, become liable to be fined or to have its mail contract canceled, and says that said Denver & Rio Grande Railway Company has no mail contract not transferred to this defendant, or that its local business has been destroyed, impaired, or injured, or that its business and resources have been wasted, or that any arbitrary and excessive rates of fares and freights have been established so as to divert the business and earnings of said lines, or that the business and earnings of said Denver & Rio Grande Railway have been diminished, but on the contrary thereof, this defendant says that the earnings of said Denver & Rio Grande Railway Company have, since the 13th day of December, 1878, steadily increased.

This defendant denies that the earnings of the Denver & Rio Grande Railway Company were, prior to the 13th day of December, 1878, sufficient to pay the interest on the bonds of said Company, as alleged in said bill, and while it is true that the earnings of said road from the 13th day of December, 1878, have not been sufficient to pay the interest upon the bonds of the said Denver & Rio Grande Railway Company, yet the earnings of said Company have largely increased.

This defendant further answering says that it has no knowledge, information, or belief relative to the earnings of the Denver & Rio Grande Railway Company from the 1st day of July, 1878, until the 13th day of December, 1878, and cannot state the amount thereof, but this defendant says that from and after said 1st day of July, 1878, until the 13th day of December, 1878, purposely false and fraudulent accounts of said earnings were kept and published by the said Denver & Rio Grande Railway Company, and that in such false and fraudulent accounts credit was given for transportation of all materials used in the construction, repair, and operation of said road, and by such false and fraudulent accounts the earnings were made to appear much larger than they were in fact, that no comparative statement of actual earnings can be made by reason of such false and fraudulent credits to the earnings of said road.

This defendant has no knowledge, information, or belief relative to the earnings of said road since the 10th day of June, 1879, and by reason of the false, fictitious, and fraudulent credits to said earnings made in the manner hereinbefore stated, this defendant is unable to estimate the comparative earings of said road for that time, but this defendant admits that the business of the country has since the 13th day of December, 1878, increased.

And this defendant says that the increase of business of said road since the 1st day of April, 1879, would have been much larger had it not been for the well-known conspiracy of the officers and agents of the said Denver & Rio Grande Railway Company to take possession of said road by force, thereby endangering the safety of persons and property passing over the same.

This defendant denies that any act or thing of this defendant has decreased the business of said road, but, on the contrary, this defendant says that its management has largely increased the business of said road and its earnings.

This defendant denies that the said Denver & Rio Grande Railway has at any time since the 13th day of December, 1878, been in a bad and unsafe condition for use, or that the track, superstructure, or rolling-stock used thereon have not been maintained in good working order and condition, or that necessary and proper repairs, renewals, replacements, alterations, and additions have not been made, so that the condition and value of said property have been impaired; but, on the contrary thereof, this defendant says that said railway has been kept and is in a good and safe condition for use, that the track, superstructure, and rolling-stock in use thereon has been maintained in good working order and condition, and that the necessary and proper repairs, renewals, replacements, alterations, and additions have been made, and that the condition and value of said property have been greatly enhanced since the 13th day of December, 1878, and it is now in a better condition and worth more than it was at that time.

And this defendant further answering says that it has no knowledge, information, or belief relative to the prices of labor and materials when said road was constructed, as is in said bill alleged, or relative to what discounts the Denver & Rio Grande Railway paid for obtaining money, as is in said bill alleged, nor is it advised relative to the reason for the indebtedness represented by the bonds of the Denver & Rio Grande Railway Company, as is in said bill alleged.

But this defendant is informed and believes that at the present time a railway through the same territory and with the same gauge, length, and quality, and of the same general description, with equipment similar in quantity, quality, and value, could be constructed and provided at less than the sum of $22,000 per mile, but precisely the sum such structure and equipment would cost, this defendant is unable to state.

This defendant is not advised whether the property mentioned in said deeds of trust is a scanty and inadequate security for the payment of the money wherewith the same is charged or not, but this defendant denies that the property is charged with the sum mentioned in the bill of complaint, and this defendant says that if the business of said road should continue to increase the rental of said property to become due from this defendant will be nearly or quite sufficient to pay the interest hereafter to become due upon the bonds of the said Denver & Rio Grande Railway Company, and that futher increase of business may be expected as soon as this defendant completes its line to Leadville, now in process of construction.

This defendant further answering says that it has no knowledge, information, or belief relative to the non-payment of taxes upon any of said property as is in said bill alleged, but if there has been any default in that respect such default occurred prior to the 13th day of December, 1878, with the knowledge of the complainant, and such default has continued with his knowledge and was concealed by the complainant from this defendant at the time of its entering into the agreements hereinafter mentioned.

And this defendant further answering says that it has no knowledge, information, or belief other than as herein stated relative to any sales of said property for unpaid taxes, and if any such sales have taken place they occurred prior to the 13th day of December, 1878.

This defendant denies that the wages of employes engaged in the operation of said road, to any considerable extent, remain due or unpaid. The pay-day of this defendant is on or about the 15th day of each month, for all labor done prior to the 1st day of such month; and this defendant says that on or about the 15th day of May, 1879, being the day on which the pay-car of this defendant was on the line for the purpose of paying its employes, payment was made to all of its laborers who requested payment, and substantially the entire sum then due was paid; and that on the 15th day of June, 1879, this defendant was unable to run its pay-car over the road, as it had been accustomed to do for the payment of its laborers, and persons to whom the Company was indebted were requested by this defendant to apply to W. W. Borst for payment, and all persons who have made application to said Borst for payment have been paid or their accounts have been transmitted, and will be paid as soon as current checks for the same can be returned.

The defendant denies that the Denver & Rio Grande Railway Company has allowed the earnings of the property in said mortgages mentioned to be received by this defendant in violation of the rights of the complainant, or that the same have been misapplied, or that the same have been misapplied in any manner whatever, or that this defendant has negled by and with said earnings to pay taxes or interest on bonds or wages of employes, or to make necessary repairs, renewals, and replacement of ties, rails, chairs, rolling-stock, equipment, material, and supplies, as is in said bill alleged.

This defendant denies that it has asserted any control over the property of the said Denver & Rio Grande Railway Company, or its officers, other than it was authorized by law so to do; that it has operated said road, or any part thereof, other than for the best interests of the Denver & Rio Grande Railway Company, and for the benefit of this defendant, as is in said bill alleged; or that it has received any benefit other than such as it was entitled to receive from the operation of said road.

Defendant admits that it controls a line of railway from Kansas City in the State of Missouri to La Junta, and from La Junta to Pueblo, a point on the Denver & Rio Grande Railroad in the State of Colorado, a distance of over 600 miles, and from La Junta to Trinidad, in said State.

This defendant denies that it has been the policy of the managers of this defendant to increase the traffic over its line to the detriment of the lines of the Denver & Rio Grande Railway Company, or that, with that end in view, a pooling arrangement or contract was entered into by and between the managers of this defendant, the Kansas Pacific Railway Company, the Union Pacific Railroad Company, and the Colorado Central Railway Company, for a division of territory whereby business has been diverted from the railroad of the Denver & Rio Grande Railway Company and discriminations made against it, but on the contrary thereof this defendant says the arrangement made by it for a division of business with some one or more of the railroads in said bill of complaint mentioned was largely for the benefit of the said Denver & Rio Grande Railway Company, and by it said Company received at least 15 per cent more business than it had ever received before from the same sources or could obtain by any other arrangement or means.

This defendant denies that the said Denver & Rio Grande Railway Company was a competing line with any of the lines controlled by this defendant for the business and traffic of Southern Colorado and New Mexico, at Trinidad or El Moro coal-fields, or the surrounding country, as is in said bill alleged.

This defendant denies that the managers of this defendant and other persons interested therein, or other lines by it controlled, for the purpose of artificially stimulating through business from the Missouri River and increasing the earnings of such lines, or for any other improper purpose, have established discriminating rates to the injury or prejudice of the local business in Colorado of the Denver & Rio Grande Company's lines, or to the injury and detriment of the complainant and his cestius que trust, or have failed to meet and fulfill the requirements of the public and the State, or of the Denver & Rio Grande Railway Company, or in its duties to them, whereby its corporate existence has been endangered, as is in said bill alleged.

This defendant denies that it has omitted to provide rolling stock and equipment and other facilities for transacting the legitimate business on said lines mentioned in said deeds of trust to the said complainant as is in said bill alleged or has improperly benefited the other roads wherein this defendant is interested, or has improperly used said property to its own benefit or advantage, or has transported thereon any quantities of fuel, materials, supplies, or passengers, without charge, or has removed materials, supplies, or rolling stock to the detriment of the earnings of the property mentioned in the deeds of trust to complainant, or has injured the business facilities of the Denver & Rio Grande Railway by taking up side-tracks, or in any other manner whatever.

This defendant further answering says that it is entirely solvent, and able to pay all of its liabilities, and is responsible and able to perform all acts required by it to be performed under the agreements hereinafter mentioned, and that the rental under said agreements is more than the said road can earn in any other manner, and that for the reason that such rental would be largely to the benefit of the complainant and his cestius que trust, this defendant was urged by the agent of the complainant and said bondholders to enter into the said agreements hereinafter mentioned.

This defendent denies that it has no money invested in the property used on the Denver & Rio Grande Railway other than it has received from the earnings of said property, as is in said bill alleged, but on the contrary thereof, this defendant says, as is well known to the complainant, it has invested a large sum of money as hereafter mentioned in the property used and to be used in the operation of said road.

Defendant denies that it has in any manner manipulated the said property or its revenue accounts, as is in said bill alleged, or has kept such accounts in any manner so as to prevent ascertaining the true and correct revenues thereof, and says that the said property has been honestly managed for the benefit of the said Denver & Rio Grande Railway Company and its creditors, and that in no manner otherwise could said property earn as much as it has earned and will earn under the provisions of the agreements hereinafter mentioned.

This defendant denies that it, or persons in its interest, and by it supported, have harassed or embarrassed the Denver & Rio Grande Railway Company by costly litigation or have prevented, or sought, or endeavored to prevent the said last-named Company from utilizing its franchises and liberties for the benefit of its creditors and stockholders, but on the contrary thereof, this defendant says that the complainant and his cestius que trust have by all means in their power, by force, violence, and fraud, endeavored to ruin the said property and deprive this defendant of the money which it has paid for the same.

This defendant denies that the Denver & Rio Grande Railway Company has or ever had any such road as is mentioned in the bill of complaint which it has not completed or constructed, and says that it has no knowledge, information, or belief relative to the 895 miles of road in said bill of complaint mentioned, which, according to the complainant's own statement, has neither route nor termini.

This defendant denies that the Denver & Rio Grande Railway Company has any such franchises or property as is in said bill alleged.

This defendant further answering says, that it has no knowledge, information, or belief relative to the value of the pretended rights and franchises of the said Denver & Rio Grande Railway Company, if honestly used by it, nor what such honest user would enable it to pay to complainant, but this defendant denies that by litigation it has deprived the Denver & Rio Grande Railway Company of any right or interest belonging to it, or that it or persons in its interest have supported, or aided, or assisted litigation, or delayed or prevented the Denver & Rio Grande Railway Company from recovering from its financial embarrassment with the view and in the hope in said bill mentioned or otherwise, or that it has endeavored to appropriate any franchises or property belonging to said Denver & Rio Grande Railway Company on the unconstructed portions of its said railway not included in the said deeds of trust, or that it has endeavored to compel the said Denver & Rio Grande Railway Company to abandon any of its rights or sources of income as is in said bill alleged, or in any other way proposed to injure the said Denver & Rio Grande Railway Company or its interests, or to prevent the construction of railways under the charter of the Denver & Rio Grande Railway Company in extension of its constructed road, for the purposes in said bill mentioned, or for any other purpose.

This defendant denies that it has usurped or assumed control over the property mentioned in said deeds of trust, with the intent and for the purpose of defrauding the complainant's cestius que trust, as is in said bill mentioned, and denies that any false or inaccurate accounts were ever kept or that any false returns were even made of the business or income of the said Denver & Rio Grande Railway Company's lines or that the same were so managed or controlled as to impair the earnings or earning capacity of the said Company, or for the purpose of impoverishing or ruining the said Denver & Rio Grande Railway Company's lines or depreciating the value thereof or of its bonds, as is in said bill alleged.

Defendant denies that said trust property was in danger or peril at the time it was in the possession of this defendant; but this defendant admits that the Denver & Rio Grande Railway Company, by the aid and with the assistance of the complainant, has forcibly taken possession of said property from this defendant, and this defendant believes that unless said property is returned to this defendant it will become utterly valueless and unable to earn its operating expenses.

This defendant refers to the said deeds of trust respectively for any pledges therein contained of said property, and this defendant admits that said property can more conveniently be operated as a whole, but this defendant denies that the holders of bonds mentioned in one of said deeds of trust have any lien upon the property mentioned in the other deed of trust, or that said property is held in common for the benefit of said trusts respectively.

This defendant denies that any application has been made to the complainant on behalf of the holders of said bonds issued under said deeds of trust or of the holders of the unpaid interest thereon to represent them, and in their behalf to enforce the terms and conditions in said deeds of trust contained, and protect their interests as in said bill alleged.

This defendant admits that no proceedings at law or otherwise are now pending to enforce the trusts and conditions of said deeds of trust, as is in said bill alleged.

This defendant denies that by reason of the non-payment of said several sums of money required to be paid according to the tenor and effect of said bonds before mentioned in said several deeds of trust as is in said bill alleged, the whole of the principal sums of said bonds has become due and payable, as is in said bill alleged, or that the complainant is entitled to enforce the terms and conditions of said deeds of trust by taking possession of the property thereby conveyed or to manage and operate the same, or effect a sale thereof, as is in said bill alleged.

And this defendant further answering says that heretofore, to-wit, on or about the 4th day of October, A. D. 1878, its officers had a conference with Sebastian B. Schlesinger and Joseph D. Potts, a committee of the bondholders of the Denver & Rio Grande Railway Company and also representing said Denver & Rio Grande Railway Company and William J. Palmer, President thereof, for the purpose of agreeing upon the terms of a lease from the said Denver & Rio Grande Railway Company to this defendant; and that at such conference said Committee of bondholders exhibited to this defendant a statement in writing of the indebtedness of the said Denver & Rio Grande Railway Company as of the 31st day of August, 1878, as shown from its books, in which statement it was stated that said Company held $804,500 of its bonds for the purpose of funding $643,000 of unpaid interest upon the bonds of said Company falling due on the 1st day of May, 1877, the 1st day of November, 1877, and the 1st day of May, 1878, and that such statement, so submitted to this defendant, was relied upon in making the agreements hereinafter next mentioned, a copy of which said statement is herewith filed, marked Exhibit No. 2; and that on the day and year last aforesaid an agreement was made between the officers of this defendant and the officers of the Pueblo & Arkansas Valley Railroad Company and the agents of the said Denver & Rio Grande Railway Company and the representatives of its said bondholders, a copy of which agreement is herewith filed, marked Exhibit No. 3.

And this defendant further answering says that said agreement last mentioned was afterwards, to wit, on the 5th day of October, 1878, approved by the President of the said Denver & Rio Grande Railway Company, he having full power and authority to act for the said Company in making said approval.

And this defendant further answering says that afterwards, to wit, on the 19th day of October, 1878, the officers of the said Denver & Rio Grande Railway Company executed a lease of that date to this defendant of all of the constructed road of the said Denver & Rio Grande Railway Company, upon certain terms and conditions in said lease contained, a copy of which is herewith filed, marked Exhibit No. 4; and that, on the day and year last aforesaid, a certain other agreement was entered into between Alden Speare and William J. Palmer as a part and parcel of the agreement between the parties, a copy of which agreement is herewith filed, marked Exhibit No. 5; and that, on the same day and year last aforesaid, a certain other agreement was entered into between said parties, and as part and parcel of said agreement, a copy of which is herewith filed, marked Exhibit No. 6.

And this defendant further answering says that prior to the execution of the said several agreements hereinbefore mentioned, marked Nos. 4, 5, and 6 respectively, the said Sebastian B. Schlesinger, William J. Palmer, and Theodore F. H. Meyer, solicitor of the complainant in this cause, and then acting as the solicitor and agent of the said complainant, made to this defendant a verbal statement as to its indebtedness, correcting said written statement as to its unsecured indebtedness but in no other particular whatever.

This defendant further answering says that it relied upon said statements that $804,500 of the bonds of the Denver & Rio Grande Railway Company were to be retained to fund $643,000 of coupon certificates and coupons authorized to be converted into said certificates.

And this defendant further answering says that at the time last-mentioned statement was made to this defendant, as aforesaid, it was represented to this defendant by the said William J. Palmer, representing the said Denver & Rio Grande Railway Company, and assented to by the said S. B. Schlesinger, as the representative of the bondholders, and by the said Theodore F. H. Meyer, as the agent and solicitor of the said complainant, that the said $804,500 of bonds were set apart as a trust fund for the purpose of exchanging the same for said coupon certificates or coupons which might be converted into said certificates, and if not so exchanged that said bonds were to be sold and the proceeds applied as a trust fund for the purpose of paying said coupon certificates and coupons which might be converted into such certificates.

This defendant further answering says that the said Potts and Schlesinger had before that time represented to this defendant that the indebtedness of the said Denver & Rio Grande Railway Company would not exceed the sum of $22,664 per mile, but upon said verbal statement of such unsecured indebtedness it appeared that the entire indebtedness exceeded the said sum of $22,664 per mile, and thereupon the said Denver & Rio Grande Railway Company in making said agreement undertook to pay such excess of indebtedness, but with the distinct understanding between the parties that the said $804,500 of bonds of the said Denver & Rio Grande Railway Company should be used for the sole purpose of paying said coupon certificates or coupons so authorized to be converted into such certificates.

And this defendant further answering says that, relying upon such statements, the agreements hereinbefore mentioned were entered into by this defendant.

And this defendant says that at the time said agreements were entered into it was well known to the said Theodore F. H. Meyer and the said William J. Palmer that a suit was pending in this court to enforce the payment of coupons falling due May 1, 1877, Nov. 1, 1877, and May 1, 1878, but the said Theodore F. H. Meyer and the said William J. Palmer fraudulently concealed the fact that such suit was pending from this defendant for the purpose of inducing it to enter into the agreements hereinbefore mentioned.

And this defendant further answering says that the said lease hereinbefore mentioned, marked Exhibit No. 4, was ratified by the Executive Committee of this defendant, having the authority of the Board of Directors of said Company for that purpose, and that said lease was afterwards, to wit, on the 5th day of November, 1878, ratified by the Board of Directors of the said Denver & Rio Grande Railway Company, and on the 29th day of November, 1878, was ratified by the stockholders of the said Denver & Rio Grande Railway Company at a meeting duly called for that purpose, with a full knowledge of all the matters and things hereinbefore stated.

And this defendant further answering says that the said Denver & Rio Grande Railway Company, on the 10th day of December, 1878, at the request of the said bondholders, authorized William J. Palmer to deliver said lease, so ratified as aforesaid, to this defendant, whenever the other provisions of the agreements between the parties should be complied with, with a full knowledge of all the matters and things hereinbefore stated.

And this defendant further answering says that the said William J. Palmer, in accordance with the said agreement between him and the said Alden Speare, a copy of which is herewith filed, marked Exhibit No. 5, delivered to T. Jefferson Coolidge 42,510 shares of the capital stock of the said Denver & Rio Grande Railway Company, and the said Alden Speare delivered to said T. Jefferson Coolidge for the purposes of said agreement 8,502 shares of the capital stock of the Pueblo & Arkansas Valley Railroad Company, and that said Palmer has received 3,502 shares of said last-mentioned Company of the value of at least $210,000.

This defendant further answering says that, delays having occurred in making the appraisals of personal property sold to this defendant by said lease, and it being desirable that this defendant should take possession of the demised premises, it was agreed between the said parties that the said Denver & Rio Grande Railway Company should deliver possession of said demised premises to this defendant on the 13th day of December, 1878, and that this defendant should deposit with Sebastian B. Schlesinger the sum of $75,000 on account of property so to be appraised as aforesaid for the use of the said Denver & Rio Grande Railway Company, and a further sum of $75,000, whereof so much was to be paid to the said Denver & Rio Grande Railway Company as should be necessary, in addition to the first-mentioned sum of $75,000 to pay for said personal property, so to be appraised as aforesaid, and the residue of said sum of $75,000 was to be returned to this defendant.

And this defendant further says that possession of said road, rolling stock, and personal property was delivered to this defendant on the 13th day of December, 1878, and this defendant deposited the said sum of $150,000 with the said Sebastian B. Schlesinger for the purposes hereinbefore mentioned, and that this defendant thereafter, until the 11th day of June, 1879, operated said road in accordance with the terms of said lease, and that the said Denver & Rio Grande Railway Company received the said sum of $75,000, so deposited with the said Sebastian B. Schlesinger, and applied the same to its own use.

And this defendant further answering says that the delivery of the possession of the said railroad, rolling stock, and personal property of this defendant was made by the authority of said Denver & Rio Grande Railway Company, and with the knowledge and assent of the said complainant.

And this defendant further answering says that on the 27th day of December, 1878, an appraisal was made of the personal property so purchased by this defendant at the sum of $142,163.23.

And this defendant further answering says that after said appraisal was made, the said Denver & Rio Grande Railway Company claimed that a small number of articles, not exceeding $400 in value, were inadvertently omitted from said inventory, and this defendant avers that it was ready and willing to pay for any such articles (if there were any), and that the money deposited with the said Sebastian B. Schlesinger was ample for that purpose.

And this defendant further answering says that it has in all things complied with the terms, stipulations, and agreements in said lease contained, and with the several agreements hereinbefore mentioned, on its part to be kept and performed.

And this defendant further answering says that heretofore, to-wit: on the 30th day of November, 1878, the said Denver & Rio Grande Railway Company, having ratified and confirmed said lease as aforesaid, and in anticipation of the delivery thereof, executed and delivered two several assignments of all its right, title, and interest under said lease, and to the rents therein reserved to the complainant, in and by which assignments the said Denver & Rio Grande Railway Company recited that it, the Denver & Rio Grande Railway Company, was about to lease and demise its constructed railway to this defendant for the rental and upon the terms and conditions therefore agreed upon by the said parties, and that the said property so to be demised was part and parcel of the premises covered by the mortgages hereinbefore mentioned, and conveyed to the said Louis H. Meyer, as trustee, and, thereupon, said Denver & Rio Grande Railway Company assigned all its right, title, interest, claim, and demand in, to, and under said lease made or to be made, and to the rents and moneys therein reserved and agreed to be paid, or to be therein agreed, and to be ascertained and determined as therein provided or to be provided, and according to the terms and provisions of said lease, together with all remedies at law or in equity and powers of re-entry against this defendant for the recovery of the aforesaid rent or any arrearages thereof, or damages for waste or for violation of any of the provisions, covenants, or agreements in said lease contained, or which should be contained therein on the part and behalf of this defendant, a copy of which several assignments are herein filed, marked Exhibits Nos. 7 and 8.

And this defendant further answering says that relying upon the good faith of the said complainant, upon his representations, and upon the representations of the said Joseph D. Potts, Sebastian B. Schlesenger, Theodore F. H. Meyer, agent of the said complainant, and William J. Palmer, it entered into possession of the said property so demised to it, and assumed the responsibility of the said lease and other agreements.

The defendant further answering says that, relying upon said statements, so made as aforesaid, this defendant, on or about the 1st day of May, 1879, advanced to the said Louis H. Meyer, the sum of $183,203.75 for the purpose of paying the interest falling due upon the bonds of the said Denver & Rio Grande Railway Company on the 1st day of May, 1879, and the interest upon $210,547.50 of coupons falling due May 1, 1877, Nov. 1, 1877, and May 1, 1878, hereinbefore mentioned; and that the said Meyer, well-knowing that this defendant believed, and had reason to believe, that the interest which fell due on the 1st day of May, 1877, or the 1st day of November, 1877, and the 1st day of May, 1878, had been provided for by the trust fund hereinbefore mentioned, fraudulently concealed from this defendant the matters stated in his said bill of complaint, and by such fraudulent concealment induced this defendant to advance him the said sum of $183,203.75 for the purposes aforesaid, the said Meyer well knowing that this defendant would not have advanced said sum of money last mentioned if the matters and things stated in his said bill of complaint had been known.

This defendant, further answering, says that for a long time past, to-wit: several years, the said Theodore F. H. Meyer has acted as the agent and representative of the said Louis H. Meyer, and has been the solicitor of the said Denver & Rio Grande Railway Company, and that Hanson A. Risley, heretofore appointed Receiver in this cause, for several years past has been the solicitor of the said Denver & Rio Grande Railway Company, and was its solicitor in the suit of the said Louis H. Meyer hereinbefore mentioned.

And this defendant further says that the said Denver & Rio Grande Railway Company, its President, and solicitors aforesaid, entered into a fraudulent conspiracy to obtain possession of the property so demised to this defendant, and for that purpose procured the Attorney General of the State of Colorado to file a bill in the District Court of the State of Colorado for Costilla County, for the purpose of obtaining an injunction against this defendant retaining possession of said property and operating said road, and that such bill was filed in said Court, and an order for an injunction was fraudulently procured, but before said injunction was issued, said cause was removed to the District Court of the United States for the Western Division of Colorado; that notwithstanding such removal, the said Palmer, Meyer, and Risley, combining and confederating together, procured one William B. Lawrence, pretending to be the Clerk of the said District Court of Costilla County, to issue a writ of injunction restraining this defendant from retaining possession of said road and property and from using the same, which said writ of injunction was wholly unauthorized and void, but nevertheless the said Palmer, Risley, and Meyer, combining together under color of said void writ of injunction, by force and fraud, unlawfully obtained possession of the said Denver & Rio Grande Railway, its rolling-stock and property used in connection therewith, together with a large amount of property belonging to this defendant to which the said Denver & Rio Grande Railway Company had no claim whatever.

This defendant, further answering, says that, heretofore, to-wit: on the 11th day of June, 1879, it made an application to the District Court of the United States for the Western Division of Colorado for the restitution of said property; that the said Denver & Rio Grande Railway Company, the said William J. Palmer, Hanson A. Risley, and Theodore F. H. Meyer had notice of such application, and that after the hearing thereof was commenced and before the final decision thereof, to-wit: on the 14th day of June, 1879, the bill in this cause was filed, and said Hanson A. Risley appointed Receiver upon the voluntary appearance and consent of the said Denver & Rio Grande Railway Company, and without any notice to this defendant: that the said proceedings were commenced for the purpose of evading any order which the District Court of the United States for the Western Division of Colorado might make relative to the restitution of said property; that afterwards, to-wit: on the 25th day of June, 1879, the said District Court of the United States ordered the said Denver & Rio Grande Railway Company, its officers, agents, servants, etc., to restore said property to this defendant, which the said Denver & Rio Grande Railway Company declined to do on account of the fraudulent proceedings caused to be instituted by it, in which the said Hanson A. Risley was appointed Receiver, as aforesaid.

And this defendant further answering, says that in pursuance of said fraudulent conspiracy, the said Denver & Rio Grande Railway Company and its said Receiver, took forcible possession of a large amount of freight in the possession of this defendant as a common carrier, upon which a large amount of money, to-wit, the sum of $15,000, was due as charges for the transportation thereof, and that by reason of having obtained such possession they extorted from the consignees of such freight said amount of money so due for the carriage of the same, and that the said Denver & Rio Grande Railway Company and the said pretended Receiver took forcible possession of a large amount of timber, iron, and other property belonging to this defendant, which has been partially wasted and destroyed, and the residue of which they now retain.

This defendant further answering says that it has not only paid the $75,000 hereinbefore mentioned to and for the use of the Denver & Rio Grande Railway Company, but it has bought five locomotive engines, costing $7,000 each, making in the aggregate $35,000; seven passenger cars, costing $2,400 each, making in the aggregate $16,800; 100 flat cars, costing $303 each, and 130 box cars, costing $403 each, making an aggregate of $83,960, which engines and cars were for use on the line from Denver to Leadville; 2,000 tons of steel rails, costing (including transportation) $55 per ton, amounting in the aggregate to $110,000; and a corresponding quantity of splices, bolts, and spikes, costing (including transportation) $12,610; 80,000 ties at 25 cents each, amounting to $20,000; and large amounts of other property, all of which were for use on the line of the Denver & Rio Grande Railway, and this defendant has paid for all of said property, or obligated itself to pay for the same, and for which it has received no compensation whatever.

This defendant further answering says that on the 13th day of December, 1878, the Denver & Rio Grande Railroad Company was indebted to the Philadelphia & Colorado Trust Equipment Company and the Baldwin Locomotive Works in large sums of money for property purchased of said Companies respectively by the said Denver & Rio Grande Railway Company, and that in and by the terms of said purchases said Companies were entitled to retake possession of said property if payment was not made therefor, and this defendant was obliged to pay to said Companies the sum of about $34,000, and assume further payments to be made upon the said property, in order to retain possession of the same.

This defendant further answering says that the payments made and obligations assumed by it were made with the knowledge of the said complainant, and were for the use and benefit of said railway property, and form no part of the operating expenses of said railway.

This defendant further answering says that it has kept a true and just account of all the earnings of the said road, and such accounts have been at all times open to the inspection of the Denver & Rio Grande Railway Company and its officers, and this defendant herewith files (marked Exhibit No. 10) a true statement of the earnings of said railway from the 13th day of December, 1878, to the 30th day of April, 1879, including the expenses of operating the said road for the same time.

This defendant further answering says that it has not been able to make up a statement of the earnings of said road from the 30th day of April, 1879, to the 10th day of June, 1879, by reason of the depredation committed by the said Denver & Rio Grande Railway Company and its officers, and the said Receiver, of the books and papers of the Company, under color of an order of the Hon. Thomas M. Bowen, Judge of the District Court of Costilla County, from which this defendant has thus far been unable to obtain any relief.

And this defendant does and will insist that the Receiver heretofore appointed in this cause should be discharged, and that this defendant should be allowed to retain possession of said property until it is reimbursed the sums lost by it by reason of the depredation committed by the said Denver & Rio Grande Railway Company and its officers, and the said Receiver, and