

## BY TELEGRAPH.

PER WESTERN UNION TELEGRAPH LINE.

## AMERICAN.

NEW YORK, 21.—The storm of hail and rain which broke over this city this morning, originated in the northwest and has moved eastward across the country. The officer in charge of the signal service station said this morning that the storm will probably pass over the city some time this afternoon, and be followed by clearer, cooler weather. Up to noon to-day the total amount of water which had fallen was a trifle over an inch. Ice formed so heavily upon the wires connected with the wind gauge that they broke under the weight. Up to 7 o'clock this morning the greatest velocity of the wind was about 30 miles per hour, but it continued to increase in force, and at noon was blowing over forty miles. The flagpole swayed to and fro, and while a reporter was in the office of the weather bureau, the ice which had formed upon a flagstaff, fell upon the roof with a startling crash. The storm has caused an entire suspension of telegraphic communication throughout the country. The wires of the Gold and Stock Telegraph Company were interrupted everywhere. Along Canal street a great many poles had been prostrated by the weight of the ice forming upon the wire, and about 10 o'clock this morning an officer of the First Precinct reported a number of poles along South street blown down. The office of the manager of this system of telegraph, 61 Broadway, has stated that the wires were out of order everywhere, and very few were in working order. Up to 9 this morning wires were in working condition in all parts of the city, but at that hour the accumulation of ice upon them became so heavy that they began to break and from that time up to 2 p. m. continuous reports of broken wires and interrupted circuits were received. Soon after 9 o'clock this morning one of the derricks upon the new Stock Exchange was blown over and fell into Broad street, carrying away in its fall, about 25 wires of the Stock Exchange system of telegraphy. Great loss to the telegraph companies will be caused by the interruption of business. The American Union and Atlantic and Pacific have entirely suspended business. The streets are in a deplorable condition and many crossings knee deep with rain and slush. Ice has stopped the hands of church clocks. A high tide accompanied the storm and filled the cellars.

The storm worked terrible havoc with the telegraph wires in Jersey City and Newark. The wires of the Western Union, Continental and American Union Telegraph companies, and the wires of the Telephone Company were blown down and carried along the streets. Many telegraph poles were also blown down. Untold damage was done in Brooklyn. Up to noon, twenty-one telegraph poles had fallen. Trees are falling all over the city, and it is absolutely dangerous to be out of doors. Telegraph wires are lying helter skelter all over the streets, and the thoroughfares are in a generally dilapidated condition.

Ashbury Park, N. J., 21.—The mammoth hotel in course of erection was demolished by the gale this afternoon, the wind blowing eighty miles an hour. A partially completed cottage was blown to pieces. The storm has done immense damage all along the Jersey coast.

New York, 11.30.—The rain has turned to snow, which is now general in this vicinity. At Port Jervis, New York, the snow is fifteen inches deep and still falling. The storm played havoc among the vessels lying in the North and East Rivers, and the damage is heavy. A heavy squall threw the ship *Sachem* on her side, when she took fire and was partially destroyed; valued at \$5,000.

A London dispatch from Buenos Ayres, dated January 20th, says: The Chilians attacked and completely defeated the Peruvian army at Miraflores. General Pierola, president of Peru, and commander-in-chief of the army, fled. The Chilians occupied Lima, the capital, without resistance, on the 17th inst. Gen. Pierdas' brother and the Peruvian minister of war were taken prisoners. The Peruvian loss in the battle at Charallas is said to have been 7,000 killed and 2,000 prisoners. Twenty-five thousand Peruvians were engaged in the battle at Miraflores. The Chilian loss in both battles is heavy. The diplomatic body at Lima have urged the conclusion of an armistice, and ask that the

person of Senor Pierola be respected.

CHICAGO, 21.—At 7 o'clock to-night a fire broke out in 319 and 321 Canal Street, occupied by Mayer & Co., and by 10 o'clock the building had been gutted, causing a total loss of \$50,000. While the fire was raging at its height, the wall in the rear building toppled over, burying the entire fire department in that quarter. Following are the casualties: Capt. Jas. Tobin, of No. 1 engine, badly hurt internally and will probably die of his injuries; Capt. Ed. Murphy, of No. 17, chest and back, will probably die; Capt. Donohue, severely; Jas. Conway, pipeman, internally; Mike McMillen one leg broken; Tom. Howard, back and head hurt; Mike Threl, pipeman, slightly; John Klingler, slightly; John Quinn, shoulder; R. Moore, slightly; Capt. M. Sullivan, severely bruised; Wm. Van Osdel, cut in the head; Keating, head cut; Wheeler, generally bruised. The fall of the wall was without warning, and the whole force of pipemen and other firemen were beneath it and unable to escape when the tardy alarm was given them. None of their injuries are fatal except those of Captains Tobin and Murphy. At 9.30 one of the truckmen was thrown from his wagon and badly hurt while going toward the fire.

The insurance amounted to \$40,000, and was placed in five companies. Fifty of the employees lose all their tools. The men who were injured by the fall of the wall belonged to three engine companies. The latest reports from the injured say that James Conway and Mike McMillen are in a critical condition. It is also learned that policeman Kinney was badly bruised by falling bricks and mortar.

This morning a body was found near the lake shore, which was identified as that of J. A. Copeland, a young man of excellent family and reputation, who had been cashier for Aldrich, Milnes and Co., and whose accounts had just been found to be short. He had evidently been unable to bear the disgrace of exposure and had gone to a secluded spot and blown out his brains.

ANNA, Ills., 22.—In a smash up yesterday on the Illinois Central, a few miles from Cobden, fireman Sanderson and brakeman Markham were killed and an engineer was seriously injured. Two brakemen were badly hurt and have broken bones. The accident was caused by two trains stopping on a grade to examine a bridge reported unsafe when a third train dashed into the rear of the second completely wrecking the engine and cars with a loss of life as already stated.

An unknown man was run over and killed at Welang by a freight train, and conductor Morse barely saved himself from death by clinging to the revolving axle of his train under which he had fallen.

About midnight a hydraulic air chamber attached to a water supply pipe in the large building at the northwest corner of Wabash Avenue and Monroe Street, Chicago, burst and the Chicago Carpet Co., who occupied the building lost about \$5,000 by damage to goods stored in the basement. There was a loud report when the explosion occurred and one third of the chamber was blown some 14 feet.

WASHINGTON, 22.—In the evening session of the House last night, the bill relieving T. P. Chandler, as treasurer of Boston, of responsibility for \$48,000 loaned by the disbursing clerk to Miller, Ward & Co., came up. Briggs and Sparks opposed the measure. Carlisle favored it. The vote stood 81 to 17, no quorum, and the Sergeant-at-Arms was sent for absentees.

CHICAGO, 22.—The *Inter-Ocean's* Washington special has a long story which simmered down is that Blaine is not certain to be Secretary of State after all; that Morton of New York is the man; that the Grant men will have two men in the cabinet which will be a Grant and not a Blaine cabinet. From the manner in which the correspondent slashes about and crosses himself the conclusion is natural that he has no particular information on the subject.

The *Tribune* also mentions the above story as being an "output of Garfield's fool friends."

Senator Carpenter is quite ill, having been confined to his house some days. His physicians have forbidden him to receive callers. Although his condition is not considered to be dangerous, his trouble is said to be threatened congestion of the lungs.

The House judiciary committee instructed Representative Harris to the House with favorable recom-

mendation the Lowell bankrupt bill as modified by the committee. This is the bill which was before a delegation of merchants in session here during the week.

SAN FRANCISCO, 22.—Leland Stanford, president of the Central Pacific Railroad, publishes a three-column letter this morning to the special committee on fares and freights of the New York Board of Trade, answering the questions propounded by them, and also Judge Black's opinion. Stanford starts out saying the general scope of the question goes to the control, to a greater or less extent, of the property which stockholders in railroad companies believe to be of right their own. Here it is pertinent, it seems to me, to call attention to the principles upon which our government is founded. They are laid down in that great bill of rights known as the Declaration of Independence. There it is clearly enunciated that governments are instituted to secure the people in their inalienable rights to life, liberty and the pursuit of happiness. Tariffs and the supervision of commerce and trade originated in a barbarous age, and where the direct offspring of robbery and rapine enforced by the hand of might. If the question of the control of railroads were to be treated purely from a legal standpoint, I should have nothing to say, because it is *stare decisis*. The essence of ownership is in control. The value of property consists in its use or the rents and profits to be derived. In the celebrated Granger cases, so called, the use of profits and the control were declared to be the subject of legislation. The principle in these cases, especially as enunciated in the warehouse case, was, that the right of the legislature to control the use and the benefits of the property of private individuals in concert with their own personal services, was to be determined by the nature of the business of the people with whom the business might be transacted. To sanction these decisions there was a violent assumption of fact. It does not follow that the warehouse man necessarily does business with a large number of people. A single individual might tax to the utmost the capacity of the warehouse, and, indeed, of several. In such a case, if one of more individuals may use the property and appropriate the services of one or more persons, there is no limit to which the power may be exercised over all kinds of business. Then, where is the harmony between a decision of the courts sustaining this doctrine and the fundamental principle of our government to which all has before been made subservient. These decisions sustain Judge Black's assertion, but there can be no denying that they are a most flagrant violation of the principles of a free government, and are entirely in harmony with the theory of government which rests its foundation in might and asserts the divine right of kings. It was never intended that this should be a paternal government, yet does it not begin to assume that form when it is claimed that it should fix the terms of contracts between independent parties by attempts at regulating the rates shippers shall pay and carriers shall receive for their services?

Stanford adds: But I proceed to treat the subject in its politico-economic aspect. In your first interrogatory you seem to beg the whole question and assume that railways are public highways and common carriers, and derive their franchise and existence from the public. I do not think that the assumption is proper. Corporations are formed, I believe, throughout all the States of our Union under general incorporation laws, and they are formed by the individual incorporators. The property of the incorporation is contributed by the stockholders and the State no more creates the corporation or its property than it creates partnership between individuals on the partnership property. The corporation obtains nothing which cannot be had by any set of individuals who choose to associate themselves together as a corporation for some purpose. Your second question: "Railroad managers justify the practice of giving low rates to some shippers, and refusing them to others, on the ground of development of business in certain localities. Is it consistent with public welfare and the rights of citizens to allow railroad managers to decide what persons and places shall be thus developed?" I shall not say anything to justify discrimination against individuals and communities, but content myself on

this head by simply stating that such has never been practiced by railroad companies with which I am connected. So far as they are concerned they practice the same general business principles that govern and regulate individuals in the management of their affairs. The primary consideration with railroad managers under the observance of the golden rule, is their treasury. With this in view, and to meet competition, they often carry freight at less rates for a longer than for a shorter distance, and they accept the less rate because they can't do better, because a small profit is better than none. This is only in accordance with the principles of industry and thrift and economy which should ever be encouraged. To deny the companies the privilege of working for a small profit would be on a par with saying to an individual, "better be idle than take small earnings when larger cannot be had." It is the policy of the Central Pacific, and I believe of railroad companies of the United States generally, to accept small profit when larger cannot be obtained, as it is also its policy to encourage the development of the resources of the country. In doing so it practices no unjust discrimination of charges, but it puts in practice common and economic principles. In fixing the charge for service by railroad companies, there are various things that may enter into the determination of rates; prominently among them the quality of article carried, and the quantity, the distance moved, the climate and other difficulties to be overcome in the transportation, the volume of business, whether the movement in either direction is about equal and the question of competition. Your committee is undoubtedly aware that a very large portion of the coarse, unmanufactured products of the country is moved below the average rate of the cost of transportation, yet in doing so nobody is harmed. The railroad companies find the smallest profit better than none. A rate barely sufficient to pay the expenses for movement is better than idleness. Under this rule the country obtains a development, homes for the people are possible at remote distances from markets, and every industry finds encouragement. Under the substantially unlimited control of their own affairs which companies have enjoyed, rates of transportation have steadily been reduced, until at the present their general rates are far below what even your committee would ten years ago have deemed possible. The higher the maximum rate the lower is the possible minimum. Given a certain amount to be earned and a reduction of the maximum necessarily increases the minimum. These minimum rates largely affect individuals, and the question of the production and the general development of the country. The maximum charge being upon manufactured and costly articles, it is not felt by the producer or by the consumer, and a reduction of this rate is of great convenience to the carrier and the producers of cheap manufactured materials, and without which a very large portion of the latter commodities could not be produced or moved, and would go substantially to the benefit of the middle men, without making these articles any cheaper to the consumer. In other words, the great efforts made to reduce rates would not, if successful, be of any advantage to the laboring man who makes or the laboring man who consumes. Reductions are sought by those engaged in business, and, if made, would insure almost solely to their benefit, and for this reason they are seeking to exercise a control over the property of others. There is not a principle of business exercised by the railroad companies in their management that is not deemed honorable, and which is not in constant practice by the merchant, the manufacturer, the lawyer, the doctor and the farmer. As to the idea suggested by question five, that a court be established to decide, upon full inquiry, the questions of justice between the carrier and its patron, that is one matter, but so far as the establishment of a board of commissioners to exercise control over the property of others is concerned, that is another matter, and which I cannot be expected to approve. As to question six, I am not informed that competition is mainly supplanted by pooling arrangements. I believe that this pooling reaches only to the through business of a few roads, but if the government is to equitably regulate railroads, the earnings of all will have to be pooled or the roads

consolidated. The ninth question relating to limiting earnings, Stanford answers that there is no justice in limiting what may be earned by the exercise of sagacity and industry. Regarding increasing the capital of railroad companies, he says that is the concern of the companies themselves, and intimates that it is nobody else's business.

As to question twelve, "What do you think of the practice of the railroad companies or railroad managers contributing large sums to control elections or to influence legislation, or to political campaign fund?" Stanford answers that I think of that as I do of individuals doing the same thing. It is neither better nor worse in this case than in the other. I know, however, that if the railroad companies do these things it is invariably when they are compelled to do so to resist aggression and oftentimes threatened confiscation of their property, under the plea of regulation.

Question thirteen reads: "Do you think the uncontrolled power of public rights, as developed in the late railroad investigations, is of communism, and the antagonism of capital and labor in this country." Leave the railroad industry uncrippled, leave the control of railroad property as you leave other property, and you will never have occasion to ask such a question. It seems to me that communism does not come from the people who seek to control only their own property, but rather from those who wish not only to control and regulate properties in the creation of which they had no part or ownership, but also the labor of others bestowed in their management. What you propose in regard to railroad property is, to my mind, on a par with the principles contended for by the communists and the agitators. Kearney advocated no doctrine in regard to property more atrocious than the principles embodied in the Granger cases, and the laws which they sustain. Stanford goes at length into the question of legislative control of railroads. He says in any scheme of congressional legislation the mileage would have to be taken into consideration in order to be just, allowing to one company the same rates as allowed another for the same service. It would also consider the difficulties of operation, the different grades, the various climatic influence, the different cost prices of labor and supplies, the question of the movement of freight in different directions, the volume of business, local and through, and the distance each moved, and so on. Under such a system it would be found that the advantages offered for transportation by the different companies would be unequal. The road having the least number of miles, were a mileage rate adopted, would move freight between two given points at a less rate than the other roads; and upon that basis it would command the entire business. If in distance the various roads were equal, the one having the easiest grades would have the advantage. So on through all the various circumstances that probably would be taken into consideration by a legislative body in making rates. It would be found that things unequal in themselves cannot be made equal by any mere declaration of equality. The topography and the geography of a country are the controlling factors in the regulation of rates and will remain unchanged. Business would seek the route offering the cheapest and best service between two points. To give a fair distribution of business so the different roads might live, would require a minimum as well as a maximum price to be established. Here you will have an arbitrary system. Regulation would necessarily deny the privilege of competition and disregard those economic principles which should govern and regulate business. From the foregoing my conclusion is inevitable, that railroad property should be left to the management of its owners. The business is legitimate. Any interference by those who do not own it is a burden upon the property, and one which must eventually be borne by the people. If the people want to exercise a control over the road they must do as they have said to corporations—it must do when the State exercises the right of eminent domain, that is, to pay to the individual owners the full value of what ever is taken for public use, and to this it must come at last if the control is to be taken from the stockholders without confiscation. There is only one honest way to acquire control of property, perhaps, since the wide circulation given to Judge Black's communication, in answer