

ies. The government was vitally interested in the amount of the mortgage to which its security had been subordinated and it had the right to insist that none of the bonds secured by this prior mortgage should be issued, fraudulently or for the purposes of diversion among the stockholders without consideration. The doctrine of complete independence on the part of the directors of these companies and their freedom from any obligation to care for other interests than their own in the construction of these roads, seems to have developed the natural consequences of its application, portrayed as follows in the

MAJORITY REPORT
of the commissioners: "The result is that those who have controlled and directed the construction and the development of the companies have become possessed of their surplus assets through issues of bonds and stocks and the payment of dividends voted by themselves, while the great creditor, the United States, finds itself substantially without adequate security for the repayment of its loans. The laws enacted in aid of these roads, while they illustrated the profuse liberality and generous surrender of the government's advantages which it is hoped experience has corrected, were, nevertheless, passed upon the theory that the roads should be constructed according to the common rules of business, fairness and duty, and that their value and their ability to pay their debts should not be impaired by unfair manipulation, and when the government subordinated its lien to another it was in the expectation that the prior lien would represent in its amount only such bonds as should be

NECESSARILY ISSUED
by the companies for the construction of their roads at fair prices, agreed upon in an honest way between the real and substantial parties.
For the purpose of saving or improving the security afforded by its junior lien, the government should have the right now to purge this paramount lien of all that is fraudulent, fictitious or unconstitutional. If the transfer to innocent hands of the bonds of this character, secured by such first mortgage, prevents their cancellation, it might be well to seek a remedy against those who issued and transferred them. If legislation is needed to secure such remedy, Congress can readily supply it. I desire to call attention, also, to the fact that if all that was to be done on the part of the government to fully vest in these companies the grants and advantages contemplated by the acts passed in their interests has not yet been perfected, and if the failure of such companies to perform in good faith their part of the contracts justifies such a course, the

POWER RESTS
with Congress to withhold the further performance on the part of the government. If the donated lands are not yet granted to these companies, and if their violation of the contract and duty are such as in justice and morals forfeit their right to such lands, congressional action should intervene to prevent the further consummation. Executive power must be exercised according to the existing laws, and executive discretion is probably not broad enough to reach such difficulties. The California and Oregon is now a part of the Central Pacific system and is a land grant road. Its construction has been carried out with the same features and incidents which have characterized other constructions of this system as is made apparent in the report of the majority of the commission. I have in my hands

FOR APPROVAL,
the report of the two commissioners appointed to examine the two completed sections of this road. Upon such approval the company, or the Central Pacific Company will be entitled to patents for a large quantity of public lands. I especially commend to the attention of Congress this condition of affairs in order that it may determine whether or not it should interfere to save these lands for settlers, if such a course is justifiable.
It is quite time that the troublesome complications surrounding this entire subject which has been transmitted to us, a legacy from former days, should be adjusted and settled. No one, I think, expects that these railroad companies will be able to pay their immense indebtedness to the government at its maturity.

ANY PROCEEDING
or arrangement that would result now or any other time in putting these roads or any portion of them in possession or control of the government is in my opinion to be rejected, certainly as long as there is the least chance for indemnification through any other means. I suppose we are hardly justified in indulging in the irritation and indignation naturally arising from the contemplation of this malfeasance to such an extent as to lead to the useless destruction of these roads or the loss of the advances made by the government. I believe that the new efforts should be in a more practical direction and should tend with no condonation of wrong doing to the collection by the government on behalf of the people, of the public money now in jeopardy. While the plan presented by the majority of the commission appears to be well devised and gives at least a

PARTIAL PROMISE
of the results sought, the fact will not

escape attention that its success depends upon its acceptance by the companies and their ability to perform its conditions after acceptance. It is exceedingly important that any adjustment now made should be final and effective. These considerations suggest the possibility that the remedy proposed in part only of these aided railroad company settlements, and the determination of the questions involved are peculiarly within the province of Congress. The subject has been made a quite familiar one by congressional discussion. This is now supplemented in a valuable manner by the facts presented in the reports herewith submitted. The public interests urge prompt and efficient action.

GROVER CLEVELAND.
Executive Mansion, Jan. 17, 1887.
St. Louis, Jan. 17.—Reports from different sections of Texas note the cessation of the blizzard, but the temperature continues very cold for that latitude. The weather has been the

MOST SEVERE
known for years, and in many places has been unprecedented both in respect to low thermometer and snow and sleet. Several deaths, by freezing, are reported. Many different points send in reports of the most unprecedented snow and cold. Advices from a great many cattle ranges are meager, but it is feared the loss of cattle and sheep will be great. News comes from every part of northern Texas of unheard of suffering among the people, and wholesale destruction among the cattle, many of which were frozen to death under good shelter. The effect of this weather will cripple the cattle interest in this part of the state for some time, and its effect upon growing cereals and the flattering prospects of fruit for this year will prove almost an annihilation.

RAWLINS, Wyo., Jan. 17.—The storm of last week had but

LITTLE EFFECT
on cattle as there was but little snow. The cattle entered the winter in better condition than for years past and are fat and healthy. Ranchmen from all ranges in this vicinity give good reports and have hopes for a prosperous season next year. Reports from the Platte Valley are very satisfactory. The storms which may come between now and spring cannot do much injury.

NEW ORLEANS, Jan. 17.—Freezing weather is reported all over north Louisiana, extending as far south as Baton Rouge. Snow and sleet are reported at Shreveport, Alexandria and other points.

St. Paul, Jan. 17.—Reports of the loss of life in last week's storm continue to come in. The list numbers 160. It is probable that the

FINAL LIST
will increase this to 200. Dispatches tonight say that Sarah Dolan, a school teacher of Goodwin, near Clear Lake, Dakota, and Hugo Scheff, a farmer of Altamont, Dakota, have been found frozen to death. So far, four deaths have been reported in this county, but it is feared there are many more. News reached Jamestown, Dakota, this afternoon of the freezing to death of M. A. Ryan, a farmer, living near Windsor.

Dispatches from Alexandria, Minnesota, say the body of Stanley Countryman was found this morning. The death of Ed. W. Killing, a farm boy, has been reported from Canton, Dakota. It is reported that thirty-one school children are missing in Turner County. Three children of Mr. Helmes, northwest of Lennox, perished, while going from school. The

LADY TEACHER
argued and pleaded with the scholars not to leave the school room, and finally locked the door, but they were too many for her and had their own way. This makes seven children lost in the vicinity of Lennox. From Aberdeen, Dakota, the Pioneer Press has tonight a report of two more victims of the storm. The report of the death of a school teacher and sixteen children at Clear Lake township in Eastern Edmund county, at first discredited, is probably true. Parties who came from Warner, Dakota, tonight state that the teacher and six of the children have been found. Highmore, Dakota, reports that Sister Williams, of Stephen Mission, twenty miles south of there, was caught by the blizzard and frozen.

From Wolseler comes the report of two more bodies found. A Yankton, Dakota, correspondent says only two deaths are reported so far in the county. Nineteen deaths are reported from South Dakota; 104 deaths are reported in Bonhomme county; 200 head of

FROZEN CATTLE
were counted in one place and 140 in another. Dead cattle and hogs may be seen all along the road from Yankton to Springfield. The snow drifts are said to be 30 feet deep.

LINCOLN, Neb., Jan. 17.—A dispatch from O'Neill, Nebraska, says: Fifteen persons perished in last Thursday's storm in Custer County alone. The loss of stock is said to have been enormous. Particulars are not obtainable.

DENVER, Jan. 17.—The blizzard accompanied by a light snow which struck this section Friday and raged for a couple of days, has passed away without causing serious damage. So far no reports have been received from any portion of Colorado or New Mexico, where persons or stock suffered from the cold or want of provisions. Reports from the various parts of the

state show the thermometer on Saturday and Sunday registered from 10 to 25 degrees below; yesterday and today from 15 to 30 above. As the

RANGE COUNTRY
has an abundant supply of grass and water, and is covered by little or no snow, the loss to stock will be no greater than usual, unless there are severe storms later on. Telegrams from Santa Fe, N. M., show the condition of affairs in that territory the same as exists in Colorado.

CLEVELAND, Jan. 17.—A passenger train on the Lake Erie & Western Railroad was wrecked this morning near Blynton, Ohio, by a

BROKEN RAIL.
The locomotive and baggage car ran over the break all right, but the smoker and ladies' car turned over on their sides and were dragged a long distance before the train was stopped. Albert Gilbert, a traveling man from Fostoria, Ohio, jumped from the front platform of the smoker and was crushed to death. Nine persons were more or less injured, the most serious being Edwin Noid, of a theatrical company whose left hand was so badly crushed that it had to be amputated.

MOUNT CARMEL, Pa., Jan. 17.—A fire this morning consumed a row of seven frame houses occupied by Hungarians. Three men were burned to death and a woman and one child were missing. The fire originated in a house where a Hungarian christening was being celebrated, and it is supposed was caused by the drunken inmates.

UPSETTING A STOVE.
MONTREAL, Jan. 17.—The Thompson auction room, a Japanese fancy store, burned today. Loss, \$150,000; partly insured.

FORT MCKENNEY, W. T., Jan. 17.—The post commissary building burned today, involving a loss of \$100,000, on which there was no insurance. The building was stored with commissary supplies to last until next May. Only ten days' supplies are left, and the garrison has been ordered on half rations.

LONDON, Jan. 17.—The American ship John T. Berry, from Philadelphia for Hogo, was burned on January 9th in latitude 34 south, longitude 164 east. Fourteen of the crew were landed at Nabucca Head. A boat with eleven others

IS MISSING.
KANSAS CITY, Jan. 17.—An immense bon-fire containing fifty-two persons collided with another sled while descending Broadway hill tonight and was overturned. Seventeen riders sustained injuries, three of them being fatally hurt. They were Maud McDonald, Maud Wolseler and Jennie Tracey.

BERLIN, Jan. 17.—The Military Wochenblatt publishes, with authority, a reply to the *Invaliden Russen's* late comparisons of the frontier forces. It says authentic estimates of the peace effectives stationed in the frontier provinces of Austria, Russia and Germany, show that Russia has 315,500 men and 160 field guns; Germany 284,200 men and 338 field guns. The *Wochenblatt* next compares the military situation on the Russian side of the frontier with that on the German side, taking the forces within the territories of about an equal area. The Russians have 128,275 men, 24,198 horses and 741 guns of all kinds, while Germany has only 81,714 men, 14,520 horses and 238 guns. The garrison of Warsaw, consisting of 20,000 men, 200 horses and 50 field guns, is contrasted with the garrison of 7,700 men, 1,400 horses and 50 field guns and the garrison of Breslau with 6,000 men, 1,160 horses and 22 field guns.

CINCINNATI, Jan. 17.—Something of a sensation was created in the Hopkins trial in the United States Court when Miss Josie Holmes, exchange clerk of the Fidelity Bank and Harper's confidential clerk, was called to the witness stand.

SHE EXPLAINED
how the questionable drafts used in the wheat deal were made, by saying Hopkins would bring Lloyd, the broker, to her desk and tell her to make out the exchange, and he (Hopkins) would give her his check, which he told her to take to Harper to have it made good. She had frequent conversations with Hopkins about the wheat deal and the price of the deal. He bought 50,000 bushels for her and she thought it was a present, for she gave nothing for it. She wanted to sell at 91 cents but Hopkins advised her to hold on. Soon after it went down. Her cipher

letters to Harper were produced, and she identified them. One of them was read to the jury. She told how Hopkins' son obtained these letters. He was her messenger and betrayed his trust. She never mentioned his name in speaking of him, always referring to him as "Mr. Hopkins' son."

AN EMBEZZLER.
DETROIT, Jan. 17.—A sensation in business circles was caused this afternoon when it became known that Charles E. Young, for many years confidential bookkeeper of the Michigan Carbon Works, but more recently secretary and treasurer of the concern, had been arrested, charged with embezzlement. Young has for years past revealed in the possession of a blooded horse, a bobby turn-out and a colored coachman on a salary of \$1,800, but as his father was known to be wealthy it excited no special attention. Last September Young was promoted to the position of secretary and treasurer and not long afterwards a decrease in the dividends to the stockholders caused complaint. This dissatisfaction led to an investigation. It was ascertained then that somebody high in office had

BKEN POCKETING
the money belonging to the company for the last two or three years. President Jarvis has been active in the search for the guilty party, and at a meeting of the board of directors held a few days ago, informed his conferees that Young was the culprit. He said Young, even as confidential bookkeeper, had handled money for the purchase of bones, and had credited bone peddlers with many pounds of bones that they had not shipped, and that he had pocketed the difference between the truth and falsity. This explanation was accepted. Accordingly Young was locked up last night. He was not shut up in the ordinary quarters at the jail, but in a room of the sheriff's residence. There is an air of mystery about the affair, and when a reporter sought an interview at the jail this evening he was told that negotiations were under way to settle the affair and that he could not see the prisoner.

PRESIDENT JARVIS,
after consulting with his attorney, stated this afternoon, that as near as it could be ascertained, the defalcation amounted to \$50,000, and had extended over a period of three years, being accomplished in a very clever way, so as to avoid suspicion most effectually. The action is one of trespass on the case for embezzlement, and Young is held in \$50,000 bail, which he has not yet given.

LAWRENCEBURG, Ind., Jan. 17.—Kraus, the eccentric Swede alleged to be connected with a great Swedish bank robbery, who was last night arrested by a Chicago detective for swindling at Peru, conducted his own case in the magistrate's court today, and was discharged, as the statute of limitations came to his relief.

BOSTON, Jan. 17.—Walter F. Gregg a jeweler,

WAS ARRESTED
this morning charged with having obtained goods from H. A. Prentice to the amount of \$12,000 upon false pretenses. Gregg confessed he had obtained \$1,000 worth of jewelry from A. Davis, in the same way, and turned over a number of pawn tickets for a large amount of Prentice's goods. He was held on charges of forgery and theft.

DENVER, Jan. 17.—Oliver Gratton was arrested at the Union Depot this evening as he stepped off the train from Breckenridge, Colorado, on a warrant charging him with stealing in the neighborhood of \$30,000 in gold nuggets from the Victoria Placer Mine near Breckenridge. The mine belongs to Colonel Ware and Wm. Hunsdon, who had employed Gratton to work the property for them. The prisoner's trunks were searched and nuggets and mint certificates amounting to \$18,000 or \$20,000 found, besides deeds of

SEVERAL FARMS
in Canada. Gratton denies his guilt and says he is persecuted by Ware and Hunsdon, with whom he had trouble before he left the mine. He declares he was on his way to Canada to spend the winter and intended to return in the spring.

FORT WORTH, Texas, Jan. 18.—Three additional deaths from freezing are reported, an unknown tramp near Henrietta and two negroes near Waco. No reports of the loss of live stock in the Paw handle are yet received, although it is known to be great.

TEXARKANA, Ark., Jan. 18.—Doctor John Gordon died Monday night in a little box cabin which charitable neighbors here had provided for him. His life was sad but romantic. He was born in Scotland in 1813. George H. Gordon, fourth Earl of Aberdeen, was his cousin. Dr. Gordon came to America in 1843 and engaged in business for a short time successfully in New York and then moved to St. Louis. Here he was also prosperous. Reverses finally overtook him and he surrendered all to the liquidation of claims against him. He then moved to Texarkana, where he had a hard struggle for an existence. It is asserted that the obstacle to his succession to the earldom of Aberdeen was his refusal to take the Burgess oath.

PESTH, Jan. 18.—The *Pester Lloyd* says that Russia's candidate for the Bulgarian throne is Volvoide Marka Milanoff, of Kucsi, a leading Montenegrin commander. The paper considers, however, that he has even less chances for success than the Prince of Mingrelia.

DUBLIN, Jan. 18.—W. J. Lane, member of Parliament for the eastern division of Cork county, has been sentenced to three months' imprisonment without labor for inciting tenants to resist bailiffs.

DUBLIN, Jan. 18.—Father Matthew Ryan, the priest who was imprisoned at Americk for a month, for inciting the people to illegal acts in connection with the plan of campaign, was released today. Ten thousand persons were collected around the prison, and when he emerged he was received with prolonged cheers. The mayor of the town, the sheriff, municipal council and many members of the clergy crowded around him and congratulated him upon his release.

PARIS, Jan. 18.—The strained relations with Italy in consequence of the Florence consulate affair have depressed both commercial and financial business today. The bourse was heavy. Several evening papers violently attack Italy, and *La France* alludes to Premier Crispi as "Bismarck's valet." The French consul at Florence has received certain instructions as to the course to pursue in case the incident is prolonged. It is semi-officially announced that Count DeMony, the French ambassador at Rome, having informed M. Flewens that the proctor of Florence has intimated his intention to move on Friday the seals affixed by the French consulate to the documents relating to Housse, in succession, M. Flewens has requested Count DeMony to inform Signor Crispi that if such an act of violence is committed the French government will hold Italy responsible.

LIVERPOOL, Jan. 18.—The British steamer *Toronto*, from Portland, Jan. 4, for Liverpool, arrived in the Mersey today. She reported that during a fog off the Sherrles, Ireland, she collided with and sank the Norwegian bark *Fredrik*, from Liverpool for Savannah.

CHICAGO, Jan. 18.—A day coach and sleeper of the east bound Illinois Central train were thrown from the track near Scales Mound today. Five passengers were

BADLY BRUISED,
but the train dispatcher asserts that none were fatally injured. The mail train had a rib broken and was injured externally.

OLYMPIA, Jan. 19.—Governor Sample late this morning found the bill giving the ballot to the women of Washington Territory.

NEW YORK, January 19.—The *Bryan*, a new day steamer, sailed off the light ship this morning. No bling has been learned as to the cause of her delay.

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