THE OMAHA DAILY BEE.

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FROM PUBLIC FUNDS

Lincoln Financiers Making Great Profit Through Juggling School Money.

PEN AND INK THEIR ONLY CAPITAL

Warrant Brokers Who Have Thrived at the Expense of Taxpayers.

SELL THE STATE BONDS AT A PREMIUM

New Schemes for Cutting Down the Surplus in Public Coffers.

GOVERNOR CROUNSE ON THE MATTER

He Discusses One of the Peculiar Phases of the Permanent School Fund and Suggests a Remedy for the Condition.

LINCOLN, May 30.—(Special to The Bee.)—The financial depression which is causing so much inconvenience in most of the large cities of the entire country seems to be having but little effect upon the financiers of Lincoln. No city in the west possesses a class of financiers more fertile in resources, more ingenious in argument or more adroit in scheming. The financiers referred to do not include the well known bankers and capitalists. These gentlemen are attending strictly to their legitimate business. But the financiers who are just now reaping a harvest are the men who make fictitious investments and reap large profits from ventures involving nothing more serious than a small outlay for pen and ink and a large outlay of nerve and assurance.

For years these financiers have made large profits from speculation in state warrants. As warrant brokers they infested the corridors of the capitol building, associated themselves intimately with state officials, and in the Benton regime in the auditor's office one of the clerks kept a book full of signed checks with which he purchased warrants for a well known broker as fast as they were issued from the office.

But the supply of warrants is running short, and the financiers are compelled to turn their attention to new and undeveloped fields. They were not long in hitting upon an expedient. It was suddenly discovered that there was a new and untried field in the matter of refunding county bonds and selling them to the State Board of Educational Lands and Funds. The conditions for the successful working of the plan were more than favorable. At the beginning of the present fiscal year, December 1, 1893, the state treasury held something like $783,568 of idle funds belonging to the permanent school fund. Opportunities for investment had been so few that the administration of Governor Boyd had been unable to secure bonds as fast as the money was paid into the hands of the state treasurer. The presence of so much idle money in the permanent school fund created a demand for its prompt investment. Spurred by a series of articles in The Bee, Governor Crounse and his colleagues on the Board of Educational Lands and Funds took active steps to secure the speedy investment of the funds. There was one difficulty in the way, however. As long as the state could offer par and no more for bonds, just so long was the state being outbid by the agents of eastern brokerage companies. Every issue of county bonds was eagerly snapped up by eastern parties. Confronted by this state of affairs, Governor Crounse and Secretary of State Allen proposed, as the only solution of the difficulty, that the state take advantage of an ex parte opinion of the supreme court and pay a premium on all bonds that could be purchased. This opinion was delivered by the supreme court in 1883 under the following circumstances. In order that the entire subject may be fully understood the provisions of the constitution and the statutes bearing upon the question are quoted.

FUNDS TO REMAIN INVIOLATE.

Section 9, article viii., of the constitution provides:

All funds belonging to the state for educational purposes, the interest and income whereof only are to be used, shall be deemed trust funds held by the state, and the state shall supply all losses thereof that may in any manner accrue, so that the same shall remain forever inviolate and undiminished.

Section 29, act of February 24, 1883, defines the duties of the Board of Educational Lands and Funds with reference to the investment of the permanent school fund as follows:

The said board shall, at their regular meetings, make the necessary orders for the investment of the principal of the funds derived from the sale of said lands, then in the treasury, but none of said funds shall be invested or loaned except on United States or state securities and registered county bonds. Provided, the said board at their discretion may, in purchasing of said bonds, pay from the temporary school fund a premium on high rates of interest bonds. Provided, however, the said premium shall not be such as to reduce the investment in said cases to a lower rate of interest than 6 per cent per annum.

The legislature of 1885 repealed the law quoted above and placed on the statute books the following simple provision:

The said board shall, at their regular meetings, make the necessary orders for the investment of the principal of the funds derived from the sale of said lands then in the treasury, but none of said funds shall be invested or loaned except on United States or state securities or registered county bonds.

Under the first mentioned provision of the statutes the Board of Educational Lands and Funds made purchases from time to time of bonds bearing a high rate of interest, the practice being to detach enough coupons to reduce the rate of interest to the market value of such bonds at the time of purchase. But there came a time when a protest was entered to the practice. On November 13, 1883, nine months after the first act of the legislature quoted above had been approved, a block of bonds bearing 10 per cent interest was offered to the board on a 6 per cent basis, the seller to retain coupons for the difference in interest. State Treasurer P. D. Sturdevant made a vigorous protest, and the other members of the board, which at the time consisted of A. G. Kendall, commissioner of public lands and buildings, E. P. Roggen, secretary of state, Isaac Powers, attorney general, and James W. Dawes, governor, addressed a communication to the supreme court asking for an opinion upon three questions. These questions were formulated in accordance with the provisions of the constitution above quoted and of the act of the legislature approved February 24, 1883. The questions were as follows:

1st. Can the Board of Educational Lands and Funds under the said section of the constitution and law invest the principal of the permanent school fund in United States 3 per cent bonds, and if so, can they pay the premium therefor from the temporary school fund, or will the board, in paying such premium, be compelled to draw from the permanent school fund therefor?

2d. Can the board in purchasing a high rate of interest county bond detach coupons therefrom so that the remaining coupons will net the state 6 per cent interest from the date of purchase to maturity?

3d. Have the board, after purchasing United States 3 per cent bonds for the permanent school fund, the power under the law to sell or convert such bonds into a high rate of interest county bonds?

DECISION OF THE SUPREME COURT.

The decision of the supreme court—or rather, the opinion, for the court had no case at law before it to adjudicate—is to be found on page 684 of the fifteenth volume of Nebraska supreme court reports, and is as follows:

To the first question, taking them in the order in which they are put, we answer that you clearly have the authority under the sections named of the constitution and the statutes, to invest those funds in the United States 3 per cent bonds if you deem it advisable to do so. * * * As to the payment of premiums, if they be necessary, in the purchase of United States bonds, these must be made out of the permanent school fund, for there is no authority for making them out of any other. The only cases in which premiums can be paid out of the temporary school fund are those of investments in "high rate of interest" county bonds as provided in the above mentioned section, and even those, for this special provision, would have to be made out of the permanent fund.

The payment of a premium in making an investment when the market value of the security justifies and requires it, is a legitimate use of the money as a part of the investment, and does in no sense violate the constitutional provision that this fund "shall remain forever inviolate and undiminished." Investment of this fund in any of the securities permitted by the constitution, whether at their par value or above or below it, although made in the reasonable hope of an advance in their market value, and a consequent gain, must necessarily be at the hazard of a depreciation and consequent loss. Within the restrictions of the constitution which limits these investments to United States and state securities, and registered county bonds, the law leaves them entirely to the judgment of your honorable body.

To the second question, we answer no. While so far as we now see a purchase of high rate of interest bonds in the mode suggested by the question might produce substantially the same result as would that designated by the statute, it is different, and when the legislature in precise terms has specified the means by which to reach a desired end, those means should be used. By using the means provided there is absolute safety of action, while in adopting and using any other there is not. The mode of paying the premiums required in the purchase of this sort of bonds, the statute provides, must be drawn from the temporary school fund, and this should be followed.

The third question is answered in the negative, but it is not germain to the subject under discussion.

The opinion was presented by Chief Justice George B. Lake and concurred in by Justices Cobb and Maxwell.

It is upon the above opinion that the Board of Educational Lands and Funds is today operating in the payment of premiums on bonds bought as an investment of the permanent school fund. It was not entirely clear to the Board of Educational Lands and Funds in 1884, for after discussing the matter in a meeting held on January 8, 1884, the members repaired in a body to the consultation room of the supreme court and asked for further light upon the opinion. The supreme court then rendered the following supplemental opinion:

The board being in doubt as to whether, in view of the recent opinion of the supreme court, it had the authority to make investment in county bonds for the benefit of said fund at rate of less than 6 per cent, after consultation called upon the supreme judges in their consultation room and were informed that in answer to the questions heretofore propounded, the said court intended to convey the opinion that no investment whatever could be made by said board in county bonds bearing a less rate of interest than 6 per cent.

In observing the first opinion of the supreme court the supplementary opinion, it would seem, was binding and of equal force.

SOME PRACTICAL RESULTS.

The present members of the board are thus working under an opinion of the supreme court given for the purpose of interpreting a law passed in 1883, and which law was by the legislature of 1885 repealed in express and explicit terms. The results are somewhat startling.

For two years prior to January 1 of the present year but a small amount of the permanent school fund had been invested in interest-bearing bonds. Governor Crounse was extremely anxious to secure the speedy investment of the fund, and he repeatedly urged upon the other members of the board the urgent necessity of investing the money from which the state has received no benefits, either directly or indirectly. It was due largely to the energetic action of Governor Crounse that the board was finally urged up to the point where it would do its duty. The first difficulty that presented itself was the scarcity of bonds being offered for sale. In one case, that of Fillmore county, the bonds were promised the board at par, but before a definite agreement could be entered into the bonds were disposed of to speculators, who sold them on the eastern market. To overcome this difficulty and to meet outside competition, the board determined to meet bid with bid and to offer a premium, when necessary, to secure bonds.

The first opportunity came in February of the present year, when N. C. Brock, a Lincoln broker, proposed to sell to the state for an investment in the permanent school fund, $150,000 in Douglas county road bonds, bearing rate at 4½ per cent, payable semi-annually. Mr. Brock offered the bonds to the state on a basis of 4 per cent per annum. The bonds had been originally sold to Spitzer & Co. of Cleveland and Boston for $150,000. Mr. Brock claimed to represent the eastern firm. On February 6 the board, on resolution of Attorney General Hastings, accepted the proposition, and the state treasurer was directed to pay Brock the sum of $160,893.75. The money was paid out of the permanent school fund.

On March 5, C. H. Imhoff, cashier of the Union Savings bank of Lincoln, offered the state Blaine county bonds to the amount of $5,500, bearing date of 1889 and drawing interest at the rate of 6 per cent per annum. He also offered Logan county bonds to the amount of $2,000, the bonds bearing the same date and drawing 6 per cent per annum. On May 2 the Board of Educational Lands and Funds accepted the proposition and directed the state treasurer, upon resolution of J. C. Allen, secretary of state, to pay to Imhoff the sum of $9,512.59, thus purchasing the Blaine and Logan county bonds at a basis of 4½ per cent per annum. One of the features of this transaction is that the state already holds a part of the same issue of Logan county bonds and the county is in default of the interest for one year and six months. Every attempt of the state to collect the interest without resort to the courts has been met with failure. So far as can be learned, the Logan county bonds are the only ones held by the state upon which the interest has not been met with rasonable promptness. The Logan county bonds purchased of C. H. Imhoff were also in default of interest for one year and six months, the coupons being detached and retained by Imhoff.

On May 10 C. H. Imhoff offered the board Nance county bonds to the amount of $17,000, bearing 5 per cent interest per annum. The state purchased the bonds on a basis of 4 per cent, thus paying a premium of $3,400. The peculiar feature of this transaction is that the bonds were originally offered to one member of the board at their face value at 5 per cent interest. Imhoff visited the county commissioners of Nance county and offered a premium of $275 for the bonds, and got them. He then sold them to the state for $3,400, thus netting a very tidy sum, which has gone to swell the total of his private bank account. In this case Nance county secured simply the face of the bonds, with a trifling premium of $275.

Another similar deal is now being negotiated. Washington county recently issued $50,000 in refunding bonds bearing 5 per cent interest. The statement was made in a meeting of the board that the bonds could be purchased by the state. A short time later N. C. Brock appeared with the proposition to sell the same identical bonds on a 4 per cent basis. The transaction has not been closed, but inasmuch as the securities are looked upon as gilt edged, the proposition will doubtless be accepted.

STARTED A NEW INDUSTRY.

But there is still another feature of the matter which calls for more serious attention. A number of brokerage firms have been formed in Lincoln for the purpose of making a specialty of refunding county bonds. The plan of operation is briefly as follows: A broker will visit the commissioners of a certain county and say: "I see by the records that you have a bonded indebtedness of $125,000. These bonds you issued a number of years ago when interest rates were higher. In consequence

(Continued on Seventh Page.)

WAITE TO ACT AS MEDIATOR

Colorado's Executive Has a Conference with the Cripple Creek Miners.

TO MEET THE MINE OWNERS TODAY

Reports That He Has Authority to Make Terms on Behalf of the Miners—Obnoxious Deputy Sheriff Reported to Have Been Captured.

CRIPPLE CREEK, Colo., May 30.—The entire day has been spent by the miners on Bull Hill anxiously awaiting the arrival of Governor Waite. The chief executive of the state spent from 5 o'clock a. m. to 3 p. m. in traveling from Florence to Victor, a distance of twenty-four miles. On reaching Victor his excellency was hastily put into an express wagon, the only vehicle that could be had and transported to Bull Hill. Here he met the officers of the union in secret session. The word secret is used, because all day long it has been impossible for a newspaper man or a person not a member of the union to tarry in the vicinity of Bull Hill, if, in fact, he was permitted to reach the summit, for a longer time than five minutes. The governor insisted that nothing like oratory should be practiced upon him, and in consequence a statement of so-called facts were submitted to him. What the governor said in reply it is impossible to learn, but it is given out as a fact that at the conclusion of the conference he was given power to act in behalf of the miners with the mine owners.

Governor Waite left Victor over the Florence Cripple Creek railroad tonight in company with President John Calderwood. It is understood that his excellency and the representatives of the miners' union are to have a conference with the mine owners at Colorado Springs some time tomorrow.

The Gatling gun ordered from Chicago is expected to arrive tomorrow.

A rumor is current today that a party of miners' scouts have captured Deputy Sheriff Bob Mullin, together with three other deputies, but it cannot be confirend. Mullin is the man whom the miners are so bitter against, and who was reported as shot in Colorado Springs the other day.

INDIANAPOLIS, May 30.—Representatives of the Evansville & Terre Haute and Indianapolis & Terre Haute railroads this morning called on Judge Baker of the United States court and asked for a restraining order to prevent the striking miners from interfering with trains. Judge Baker said he did not feel like takink upon himself the duties of a peace officer. He suggested a conference with Governor Matthews, and went with the railroad officials to participate in it. Late this afternoon the governor instructed the railroad attorneys to file a written complaint with him citing the instances where the strikers have interfered with the running of the trains. The governor tonight issued a proclamation instructing the strikers to cease their interference with the trains. If the strikers do not take heed of this, the governor will order out the militia at once.

LA SALLE, Ill., May 30.—Two companies of militia went home this afternoon. Four companies of militia still remain here.

BRAZIL, Ind., May 30.—An effort was made today to move thirty cars of slack from a Vandalia switch east of this city. As soon as an engine was attached to the train a crowd of miners blocked the track with ties. The strikers then dumped several half cars of slack on the track, blocking the cars.

PITTSBURG, May 30.—Governor Patterson has issued a proclamation, admonishing all good citizens and all persons within the coke region and under the jurisdiction of the commonwealth against aiding or abetting lawlessness, warning them that persistance in violence will compel a resort to such military force as may be necessary to enforce obedience to the laws.

WALSENBERG, Colo., May 30.—Only thirty men were working in the mine at Rouse today, all the others having joined the 2,000 strikers assembled here.

COLUMBUS, O., May 30.—The trouble at Gloucester has been settled peaceably. About 5 o'clock a telegram was received at the governor's office from Sheriff Riley of Athens, stating that the T. & O. C. railway company had agreed to capitulate to the miners and no more West Virginia coal would be hauled during the strike. The sheriff asked that the call for troops be revoked.

DENVER, May 30.—Another bill was filed in the federal court today by C. S. Thomas for the Raven Gold Mining company of West Virginia, asking for an injunction to prevent the miners from interfering with the working of its properties at Cripple Creek.

TRIMBLE, O., May 30.—Company A, Seventeenth regiment of the Ohio National guards of New Lexington, twenty-eight in number, arrived in Gloucester on the late passenger train to suppress the riots. They had no sooner alighted from the train than they were surrounded by miners who took their tents and cooking utensils and threw them into the creek. Several guns were also captured by the miners, and the Guards sought refuge in the school house. The city authorities wired Sheriff Riley at Athens to send no more troops and to withdraw those already there and wait for the trouble to subside. The Guards were accordingly put in box cars and taken south.

OMAHA MAN KILLED.

G. S. Wegener Meets Death in a Minnesota Railroad Wreck.

Mr. Jacob S. Wegener, traveling agent for the Santa Clara Manufacturing company of this city, with residence at 3319 California street, was killed yesterday in a railroad wreck near Stillwater, Minn., according to a dispatch received by The Bee last evening.

Mr. Wegener came to Omaha from Chicago about a year ago, and had been with the Santa Clara company ten months. He leaves a wife. His brother, H. F. Wegener, is manager of the business of the company.

WEATHER FORECAST.

Partly Cloudy with Showers in the Western Part of Nebraska.

WASHINGTON, May 30.—The indications for Thursday are:

For Nebraska—Partly cloudy, with showers in the western portion; warmer; east winds.

For Missouri—Partly cloudy; showers in the southern portion; warmer, except in the northwest portion; east winds.

For South Dakota—Fair; warmer in the eastern and southern portions; east winds.

For Iowa—Generally fair; warmer; east winds.

POSTMASTER ARRESTED.

Charged with Fraud in the Illegal Issuance of Postal Notes.

Jules Sandoz, the postmaster at Grayson, Sheridan county, was brought o Omaha yesterday by Deputy United States Marshal Liddiard of Rushville. The cause of his arrest was that he filled out postal notes and then went over to Rushville, where he exchanged them for groceries and postage stamps. He is an old settler and has gained considerable fame as a hunter and trapper.

Rich Placer Discovery.

BOISE, Idaho, May 30.—Great excitement prevails here today over the discovery of rich placer fields south of Idaho county. Prospector Williams, who made the discovery, says he made $100 a day with a rocker and that there is plenty of rich ground there. A party, well equipped, started for the locality.

Lost is Found.

CHICAGO, May 30.—The police were today notified by the friends of Prof. John Dowe of the South Dakota university that they had learned that he was now on the ocean, bound for Scotland.

CROPS MUCH BENEFITED.

Tuesday Night's Rain Encourages Farmers Throughout the State.

HUBBELL, Neb., May 30.—(Special Telegram to The Bee.)—Nothing but a scarcity of rain will prevent a large corn crop in this vicinity. A refreshing and heavy rain, which was much needed in this locality, fell here last night, and farmers are wearing a cheerful countenance today as a result. Small grain cannot receive much benefit from last night's rain, but with occasional showers during the coming season a large crop of corn is anticipated.

LEIGH, Neb., May 30.—(Special Telegram to The Bee.)—A good rain fell in this vicinity last night. It was badly needed, and saves small grain. During the storm five head of cattle belonging to W. U. Forney, west of town, were killed by lightning.

NELIGH, Neb., May 30.—(Special Telegram to The Bee.)—Quite a rain fell here last evening, breaking a five weeks drouth. Crops are all right in the north half of the county, but small grain will be a failure in the south half.

BEATRICE, May 30.—(Special Telegram to The Bee.)—Either the Rock Island rain maker or nature is responsible for a nice shower in this vicinity last night. The rain maker has ceased operations and is awaiting orders from headquarters. On the whole his Beatrice experiments have been a failure.

SCHUYLER, Neb., May 30.—(Special Telegram to The Bee.)—A heavy rain fell in this drouth-stricken district last night and relieved much vegetation that was almost past redemption. Grass and grains were dying, corn was not coming up, but the heavy rain fall will start everything and cheer farmers.

NELSON, Neb., May 30.—(Special to The Bee.)—A very heavy rain fell here last night and farmers and business men are very much encouraged.

GRAND ISLAND, May 30.—(Special to The Bee.)—A fine half-inch rain fell last night, being general in the country. In the lower lands, along the Platte, the wheat and oats crop will be greatly benefited and farmers on these lands feel assured of a fair crop in all small grains. Corn has fine prospects. The absence of weeds, incident to a wet spring, has kept fields clean. Beets are in excellent condition. Garden produce will recover a great deal of its strength, lost by drouth and frost, while hay will be given a good start.

CHAPMAN, Neb., May 30.—(Special to The Bee.)—The long drouth was broken last night by a three-inch rainfall, which extended all over Merrick county, and everybody is jubilant in consequence. About one-half of the oat crop will be saved.

ST. PAUL, Neb., May 30.—(Special to The Bee.)—A fine shower fell here last evening for about one and one-half hours. The so much needed moisture came down in fine shape, accompanied by thunder and lightning. This rain is highly beneficial, bringing the corn out in good shape. Small grain in many places is beyond redemption, but some fields of oats may yet yield a fair crop.

DUNCAN, Neb., May 30.—(Special to The Bee.)—A good rain Monday night and an hour and a half rain last night has given the farmers spirits of lift. Prospects for oats improved 100 per cent in the last forty-eight hours. Corn looks fine; what was frosted is recovering rapidly. Gus Keuscher was the only one so far heard from who saved all his fruit and vegetables from the frost. This he did by building fires on the east side of his orchard and garden.

HASTINGS, May 30.—(Special to The Bee.)—About 10 o'clock last night a heavy shower of rain began falling here and continued until about 1 o'clock this morning. An inch and a half of water fell. This rain comes in time to do the corn much good and will help the oats and wheat crops to some extent, though the dry weather for the last few weeks has almost entirely ruined the prospects of those two cereals.

FAIRFIELD, Neb., May 30.—(Special to The Bee.)—The long drouth was broken last night by a good rain. It came too late to save small grain, but will be of inestimable value to corn and grass.

A fund of $50 had just been raised to pay an itinerant "rainmaker" for "bringing" the desired moisture. With the lightning flashing and the heavy rain clouds coming up the chemicals were set to boiling and in half an hour it rained.

NEWMAN GROVE, Neb., May 30.—(Special to The Bee.)—The drouth was broken last night by a splendid rain, which seems to have spread over a large scope of country. The small grain crop has been injured some, but the rich soil of this locality with the aid of rain will accomplish wonders in the line of restoration to its normal condition. Corn is a slendid stand and in excellent condition.

BLUE HILL, Neb., May 30.—(Special Telegram to The Bee.)—There was a nice rain at Blue Hill and vicinity last night.

FAIRBURY, Neb., May 30.—(Special to The Bee.)—A heavy rainfall visited this section last night, which will materially help wheat and corn. Oats have dried out beyond redemption.

WESTON, Neb., May 30—(Special Telegram to The Bee.)—A fine rain fell in this locality last night, and as a consequence everybody is happy. Crops were needing rain badly.

Sad Accident in a Pleasure Party.

WAVERLY, Neb., May 30.—(Special Telegram to The Bee.)—A sad case of accidental shooting occurred here this afternoon. Henry Cox, in company with a dozen ladies and gentlemen from Lincoln and Havelock, were fishing in Salt creek, a short distance northeast of town. In addition to the fishing outfit all carried large rifles. While Mr. Cox was fishing some of the others were firing at a target, which was placed about the bank where Cox was sitting. He happened to raise up just in time to get a bullet in his back. The wounded man was brought into town at 3 o'clock p. m. and physicians called to attend to him. By the use of the probe the ball was located in the spine, it being firmly wedged in between the lumbar vertebra. After a difficult operation the bullet was removed, and the unfortunate man was taken to his home in Havelock. The physicians say it is a serious case and may result fatally.

HORACE GREELEY'S STATUE.

Memorial of the Printers to the Great Editor Unveiled in New York.

NEW YORK, May 30.—Horace Greeley's memory was honored by Typographical union No. 6 today when the statue by Alexander Doyle, at the junction of Broadway, Sixth avenue and Thirty-third street, was unveiled. There was an oration by Congressman Amos J. Cummings and President Keller of the New York Press club spoke of "Horace Greeley's influence on the newspaper men of the day."

The statue was accepted on behalf of the city by District Attorney Fellows, who represented Mayor Gilroy. The statue is of heroic proportions. From the base of the plain polished granite pedestal to the top of the statue measures sixteen feet. It represents Mr. Greeley seated in an arm chair in meditation with a newspaper clasped in his right hand, his glasses in his left. The statue itself is seven feet in height. On the pedestal is the inscription, "Erected Under the Auspices of Typographical Union No. 6."

The first movement toward the erection of the monument was fathered by prominent citizens, capitalists and newspaper editors. The sum of $20,000 was readily subscribed, but the panic of 1873 put a stop to the movement and nothing was done until 1876, when the agitation was renewed. Little was accomplished at this time and the plan slumbered until 1891, when the Typographical union in New York and Brooklyn took the matter up. The custodians of the fund already raised readily consented to turn it over to the printers' committee.

Cigarette Trust Wins First Blood.

NEW YORK, May 30.—Judge Lacombe has issued a preliminary injunction restraining certain manufacturers of cigarettes from using cigarette machines, patented by the Bonsack Machine company. The order is a victory for the cigarette trust.

SILVER ONLY WILL SAVE US

Opinion Expressed by a Former Member of the Salisbury Cabinet.

INTERESTS OF CREDITORS DEMAND IT

Only England Stands in the Way of an International Agreement, and in So Doing Stands in Its Own Light—Values Are All Unsettled.

EDINBURGH, May 30.—An important speech touching upon wheat, silver, gold and American mining, railroads and land mortgages was delivered here today by Rt. Hon. Henry Chaplin, conservative, president of the Board of Agriculture in Lord Salisbury's government. The speech was an address to a crowded conference of the Scottish Members of Hisbandry, and had for its subject, "Bimetallism in Relation to Agricultural Depression."

The speaker declared that agricultural depression was chiefly due to the steady and heavy fall in the prices of produce, which he claimed, was due to the monetary changes of 1854 and could only be stopped by reverting to the previous monetary system. Nobody could foresee where the present fall of prices would end. According to the latest table, the fall from 1872 to 1893 of 40 per cent in wheat amply illustrates this. The British commissioners studied the price of wheat in America in 1879 and believed that it could never be exported cheaper than 40 shillings per quarter. Superior India wheat was sold last week at Hull at 19 shillings 3 pence per quarter. Continuing, he said the majority of the farmers believed that the fall in prices is due to foreign competition, and that the remedy was protected. But the fact that half the countries of the continent and the United States, while imposing the heaviest duties on importen produce, complain of agricultural depression, refutes this argument, Mr. Chaplin asserted. Touching upon the farmers of America, he said that they especially were being ruined and becoming bankrupt faster evn than the British farmers. Others contend that overproduction is responsible for the fall in prices, but he claimed statistics show that the production of wheat has decreased, although the prices have fallen. Therefore, from the point of view of the speaker, it was farcical and ridiculous to attribute the fall in prise to that cause. The real cause, he said, was the demonetization of silver in 1873, and the subsequent divergence of the relative values of the metals which enabled the silver-using countries like India to export wheat at the present low price. Mr. Chaplin also said: "And if silver continues to fall there is no reason why wheat should not cheapen indefinitely. We propose as a remedy an international agreement to revert to the system which prevailed prior to 1873.

"The failure of the Brussels conference is no argument against this, as it has since been clearly proved that nothing but the action of the English delegates broke up the conference. Chancellor von Caprivi's subsequent explanation of the conduct of the German delegates conclusively proved this to be a fact."

Mr. Chaplin reviewed the bimetallic movement on the continent and pointed out especially the importance of President Cleveland obtaining power to resume the conference, adding: "My answer to the argument that an agreement as to the ratio between silver and gold is impossible is that bimetallists will accept any ratio rather than continue as now, and silver is so sensitive that its market price will conform to any fixed international ratio. The increased output consequent upon such an agreement would in our opinion not affect the matter in the least and it would be infinitely small, compared with the immense exporting mass. The argument that an international agreement would make the fortunes of the American and Mexican silver miners does not touch the question of the expediency and morality. The most important adverse argument is that Great Britain, being the greatest creditor nation of the world, would receive payment of her debts in the cheapest metal. We contend that both metals would perform equal functions, while, on the other hand, we ask if it is wise for a creditor to embarrass a debtor by a monetary change?"

The speaker then referred to American railways and made the assertion that one-third of their number was in the hands of receivers. Mr. Chaplin followed this by dwelling upon the unfavorable inevestments made in American land mortgages and said. "From the accounts of the condition of the land and the farmers there, and especially in the west, owing to the fall in prices, I should be very anxious about such investments if they were mine. In fact, the creditors everywhere are in the greatest danger of losing their capital or the greater part of it, owing to the appreciation of gold. The argument in favor of monometallism is besade on the fact that enormous quantities of gold are lying idle in the Bank of England, and are erroneous, as it merely points to the fear to invest it in industry and enterprise in the face of falling prices. "The bimetallic prospects of the future are most promising, and I can reassure our foreign friends that the recent account of the bimetallic debate in the House of Commons was devoid of importance. The discussion of the matter was attempted against the advice of its friends, and the result was inevitable, seeing that no division was possible."

"Advices from railway quarters show that interest in the question is steadily and widely spreading, and that the city of London itself is coming in."

Mr. Chaplin's speech greatly impressed the audience and he was loudly applauded.

Fire in a Print Shop.

Shortly after 3 o'clock yesterday morning fire was discovered in the printing house of F. A. Manger, 312 South Thirteenth street.

When the department arrived it was some time before much could be done as the smoke poured in dense volumes from the windows and doors. It was fully twenty minutes after the alarm was turned in that the seat of the fire was located. Doors and windows both in the first and second floors were broken open. The fire was found to be in the rear of the store, and was soon extinguished.

The building is owned by the Northwestern Life Insurance company, and the damage to it will be about $200. The loss on the stock of Mr. Manger will reach $2,000; covered by insurance.

This is the second time during the past year that this place has been afire. The first time it started in the store proper, and the blaze was seen by an employe of the Electric Light company, across the street, who turned in the alarm. He, by the way, was the first to see the fire yesterday, and he turned in the alarm. In both instances no one was found who could give any idea as to how it started. From appearances it would seem that the fire yesterday started in the basement and worked its way up.

The Columbia Clothing company, in the rear of whose place is Manger's establishment, will suffer a heavy loss from smoke and water, reaching into the thousands. The store will remain closed till the insurance is adjusted.

Movements of Seagoing Vessels May 30.

At Liverpool—Arrived—Indiana, from Philadelphia.

At London—Arrived—Baumwell, from Montreal.

At Glasgow—Arrived—Norwegian, from New York.

At Philadelphia—Arrived—Maine, from London.

At Scilly—Passed—Busker, from Philadelphia; Russia, from New York.

Trust Company Reorganizing.

KANSAS CITY, May 30.—S. M. Jarvis and S. L. Conklin of the Jarvis-Conklin Mortgage company are in this city. With reference to the affairs of the Jarvis-Conklin Mortgage Trust company Mr. Jarvis said: "I can say that reorganization is now assured, and the creditors will receive 100 cents on the dollar. It will take about ninety days to wind up the affairs of the old company. The new company will be capitalized at $1,000,000."

UNITED PRESBYTERIAN ASSEMBLY.

Special Prayer Service Held for the Veterans of the Republic.

ALBANY, Ore., May 30.—The United Presbyterian assembly opened at 9 a. m. with prayer. The report of the committee on church extension was read and approved. The report of the committee on reform contains the following recommendations, which were adopted: Protesting against Catholic encroachment upon the Indian schools, especially against the measure before congress to appropriate $265,000 for the expenditure of the Catholic church for this purpose, protesting against Sabbath desecration; favoring suppression of the liquor traffic; favoring an amendment to the constitution of the United States recognizing the deity; expressing sympathy with unemployed labor and those who find no market for their product, and a resolution to use the right of citizenship to elect men who will rulein the fear of God and for the good of the republic. The assembly engaged in a special service of prayer for the veteran soldiers of the republic and gave an expression of sympathy with Decoration day exercises. The report of the committee on finance was adopted.

Dunkards' Annual Meeting.

MYERSDALE, Pa., May 30.—The weather has moderated considerably since yesterday and the Dunkards who gathered at the meeting today did not find the tabernacle quite so unpleasant. About 2,500 persons were present. All the business transacted was of a routine nature.

MYSTERIOUS SHOOTING AFFAIR.

Illinois Farmer Shot While in Bed Without Any Apparent Motive.

WATSEKA, Ill., May 30.—Stokes Hellings, an unmarried farmer, living alone about seven miles southeast of this city, was shot twice while in bed this morning. One ball penetrated his breast and the other his jaw. In this condition he arose and managed to reach the house of his nearest neighbor, about half a mile distant. Hellings saw the man who committed the deed, but did not recognize him. After the neighborhood had been aroused search was made for some clew to the assassin, when a yong man named John Zumwalt was found unconscious in an oats field across the road, his head covered with blood, his coat and throat cut. Zumwalt was met by his uncle, Jesse Zumwalt of this city, in Chicago yesterday. It is thought he came down on the midnight train and walked out to the scene of the tragedy. Young Zumwalt will probably die.

The case is very mysterious. Hellings had no enemies and little wealth, though the presumption seems to be that the would-be murderer thought he had money. Young Zumwalt formerly resided in that vicinity, but he has made him home in Chicago for the last two years. Whether he shot Hellings and then attempted suicide is not known.

MINNEAPOLIS FLOUR OUTPUT.

Mills Turn Out a Large Amount Which Was Practically All Sold.

MINNEAPOLIS, May 30.—The Northwestern Miller says: The Minneapolis mills ground practically the same amount of flour as the week before—191,881 barrels, against 178,817 in 1893. Production this week will probably be even heavier. Nearly as much flour was sold last week as was made. Some parties sold about as large a quantity of patent abroad as they did at home. Bakers continue to go for export, but offers are tending downward. The Superior and Duluth mills made 83,674 barrels, against 77,706 the week before. The condition of trade is not much altered from a week ago. The output at Milwaukee was 42,000 barrels, compared with 37,800 barrels the week before and 43,000 barrels in 1893. Flour has improved somewhat. At St. Louis nine city mills and eight near by made 25,950 barrels. The market is still lifeless. Kansas, Nebraska and Oklahoma crop reports are much less favorable than they have been, owing to the drouth, rust and frost.

SPLIT IN KELLY'S ARMY.

Colonel Speed and the Sacramento Contingent Desert General Kelly.

ST. LOUIS, May 30.—This being a holiday, thousands of people visited the camp of the Commonwealers. "Commodore" Kelly had planned to leave tomorrow, but will be unable to do so because of a split in the ranks, caused by dissensions of long standing. Colonel Speed of Sacramento has succeeded in getting companies N, B, C, H and D, representing the Sacramento contingent, to follow him, and will go to Washington by some other route than that taken by Kelly. The army left camp at 6 o'clock this evening, and after being joined by several local assemblies of the Knights of Labor marched to Twelfth street, in the vicinity of the Grant monument, where an immense crowd had assembled. Kelly and a number of labor leaders addressed the assembly, after which they marched back to camp.

Working for an Old Claim.

CHICAGO, May 30.—The western heirs of Jacob De Haven perfected the organization of the Jacob De Haven club today and adjourned. The new club is to work in conjunction with the eastern heirs to secure the payment of the claim against the government, which has been variously estimated at from $2,500,000 to $10,000,000. The president of the club is R. G. Sisgofus of Racine, Wis. During revolutionary times Jacob De Haven, who lived at Valley Forge, loaned the government $400,000. This money was never repaid, and the living heirs want to get the principal and interest from the government.

Killed in a Freight Wreck.

SHARON, Mass., May 30.—Three men were killed and one seriously injured in a freight wreck here today. An express freight smashed into some freight cars left on the northbound track by the local freight train. The dead are:

FIREMAN EDWARD T. GOODWIN of Roxbury.

BENJAMIN M'LEOD of Boston.

AN UNKNOWN TRAMP.

The one seriously injured is a tramp, who was stealing a ride in company with the one killed. His name is not known.

Horse Stealing by Wholesale.

GUTHRIE, Okl., May 30.—During the past eighteen months nearly 200 horses have been stolen in Pottawattamie county, but it was impossible to obtain any clew to the identity of the thieves until the past week, when a man in jail for murder made a confession, which gave the officers clews, resulting in the indictment by the grand jury yesterday of thirty-three residents of this county for horse stealing. Many of the indicted men are farmers of prominence. Seventeen of them have already been jailed.

Fell from a Trapeze.

Last night about 10 o'clock Mrs. Clark, one of the Razillian family, which has been performing at Courtland beach, fell from a trapeze, a distance of thirty feet. She fell on her back, her shoulders striking the ground first. She escaped without breaking any bones and it is thought without sustaining internal injuries, but was badly bruised.

She was in great pain when removed to the residence of W. R. Gould at 509 North Fifteenth street.

Mrs. Mary Cahill Divorced.

SIOUX FALLS, S. D., May 30.—(Special Telegram to The Bee.)—This morning a decree of divorce was granted Mary Cahill from Michael Cahill. Mrs. Cahill is the author of several well known novels. The defendant was here to contest the case. He is the editor of Home Light, a Catholic paper, published in Chicago. The ground for the divorce was nonsupport.

Princess Colonna Sails for Europe.

NEW YORK, May 30.—Among the passengers who sailed for Europe today on the steamer New York were the Princess di Calatro Colonna, with two of her children, maids and one man servant. The princess says she expects to be away from America six months.

Vesuvius on Her Summer Cruise.

NEW YORK, May 30.—The dynamite cruiser Vesuvius, which sailed from Boston yesterday on her summer cruise, arrived at he navy yard shortly before noon. She will probably remain at the navy yard for a few days before proceeding.

DITCHED AT A SWITCH

Removal of a Bolt Causes a Fatal Wreck in Wisconsin.

SIX LIVES LOST AND MANY INJURED

Coaches Immediately Take Fire and Cremate Most of the Victims.

ENGINEER AND FIREMAN DIE IN THE CAB

Trainwreckers Are Supposed to Have Tampered with the Switch.

PASSENGERS IN THE SLEEPER ALL SAVED

Scene of the Wreck an Abandoned Lumber Town Where Little Accommodation for the Injured Could Be Obtained—Details of the Disaster.

MARSHFIELD, Wis., May 30.—Train No. 4 on the Wisconsin Central railroad was wrecked here this morning. The cars took fire and there was a terrible loss of life. Six persons are dead and four others are missing, supposed to have been burned to death, and from fifteen to twenty persons are injured, some of them fatally. Among the dead are the engineer, fireman and brakeman.

A nut had been taken off the switch allowing it to get loose. Train No. 4 jumped the track. The forward cars took fire at once, but Conductor Gavin succeeded in uncoupling the rear sleepers and No. 47, thereby saving them from burning. Everything else burned except some mail and baggage.

The names of the killed are:

JAMES HUBBARD, engineer, of Stevens Point.

GEORGE GEBHARDT, fireman, of Stevens Point.

JUDSON BIGELOW, brakeman, of Stevens Point.

W. B. RUSSELL, a civil engineer in the employ of the company.

MRS. JOHN WAGNER, Butler, burned in the ruins.

Among the injured are:

Henry Chester, Marshfield, legs and spine badly injured.

O. W. Bozely, news agent, Stevens Point, injured internally; died in a few hours.

Arthur Turnice, Chicago, head cut and otherwise injured; will recover.

Dr. Weitzel, Glidden, hurt internally.

Fannie Burtie, Springdale, Ill., hand badly cut.

William Ryan, Sturgeon Bay, ribs broken and head cut.

E. A. Twitchell, attorney at law, Minneapolis, head cut.

Henry Klieber, received internal and external wounds, probably fatal.

Charles Weinburn, traveling man of Chippewa Falls, badly bruised.

Fred Jack of Bessemer, Mich., badly bruised.

Arthur Tunica of Chicago, cut in the head and legs sprained.

William Ryan of Sturgeon Bay, Wis., several ribs broken and head badly cut.

CAUSE OF THE DISASTER.

At the office of General Manager Whitcombe it was stated that the accident happened at 1:15 a. m., and the wrecked train was the southbound limited from Minneapolis to Chicago. It was a fairly heavy train and was running at the usual rate of speed when it struck the open switch and went off on a straight piece of level track. The baggage and mail cars, the smoker and second day coach and two of the three sleepers left the track and nearly all the cars, except one of the two sleepers, were either burned or badly wrecked.

Three or four members of the train crew were reported missing, and it is thought that they were beneath the wreck. Several passengers are not yet accounted for and may also be dead. None of the passengers in the sleepers were injured, but twelve or fifteen in the smoker and day coach were hurt. The injured were brought to Marshfield, where they are receiving every possible attention. The bodies of the trainmen were taken to Stevens Point.

A report that one of the Tweedy brothers of this city was among the killed was a mistake. A man supposed to be among the dead was referred in the first report as thought to be one of Tweedy's men, meaning one of the men he employs as laborers. Robert B. Tweedy is the chief engineeer of the Wisconsin Central, and the first supposition was that it was he who was in the wreck.

The opinion strongly prevails in official circles of the Central that the wreck was the result of criminal tampering with the switch at Manville. It does not appear that it can be out of place except by being tampered with, and it is believed that some wrecker has caused the terrible accident by a murderous act.

The town of Manville, where the accident happened, was almost totally destroyed by fire last fall, and since that time there has been little there except a railway station. It was formerly a lumber center, and a large saw mill was operated there.

Receiver Howard Morris was in the rear sleeper, and telegraphed the first facts to General Manager Whitcombe.

RUSHED HEADLONG TO DESTRUCTION.

MILWAUKEE, May 30.—A special to the Evening Wisconsin from Marshfield, Wis., says: The St. Paul limited southbound train on the Wisconsin Central railroad, which passed here at 1:30 a. m., met with a horrible accident, which has never been equaled in northern Wisconsin, and adds another long list of victims to the disasters of this kind. The train, which was in charge of Conductor Gaven, and was made up of seven coaches and sleepers, left Abbottsford behind time, and while running at fifty miles an hour struck a defective split switch at Mannville, a deserted station, derailing the entire train and piling engine and cars in a heap of broken timbers. To add to the horror the entire mass was soon in a sheet of flame, which, mingled with the groans and cries of the injured, made a scene that turned the hearts of the bravest.

No. 3 northbound passenger passes No. 4 at this place, and as soon as word was received No. 3 went to the scene with a number of physicians and nurses from here. The dead and wounded were brought back and the depot was turned into a hospital, where everything was done to make the unfortunates comfortable.

Mannville, the scene of the accident, was once a lively saw mill town, but of late years has gradually sunk to nothing, until now all that remains are a few scattered buildings. During the forest fires last fall the depot burned and about all that is left to mark the place are a heap of burned ruins and a number of side tracks. The accident occurred at the first switch, where a supposed broken bar caused a switch to open sufficiently to derail the train.

After leaving the track the train plowed along over the ties for a distance of ten rods and then toppled and rolled over, the engine and tender going into the ditch and the cars piling on top of each other. All were soon set on fire from the stoves. From out of this tangled mass men and women who were lucky enough not to be pinned down crawled, many making wonderful escapes. The bodies of Russell and Jud Bigelow, who were caught in the timbers, were not recovered until about 7 o'clock this morning, and were burned to a crisp.

As near as can be ascertained about fifty passengers were on the train, and as the work of clearing away the wreckage goes on others may be yet found to swell the list of those who met their death by burning.