

FORECLOSE MORTGAGE

Says McKinley in Reference to Union Pacific.

ORGANIZATION WILL FOLLOW

Twenty-Five Million—Indulgent Back of New Company.

Sept. 27.—A special to the Union Pacific reorganization committee proposition for the settlement of the company's debt to the United States will be accepted, the government mortgage will be foreclosed, the road sold and the company reorganized. This statement is made by the highest authority.

Several days past the president and conferences with the representatives of the company and with the attorney-general, and before he left Washington he agreed to the sale of the road and its reorganization upon the terms which the reorganization committee suggested. The announcement of this decision may be looked for at an early date. It will come in an order of foreclosure issued by the president and the secretary of the treasury.

The agreement to which President McKinley has agreed to give his sanction is the same which was submitted to Congress by President Cleveland in January. Under this agreement the reorganization committee will bid the road under a foreclosure sale, the sum of \$45,000,000.

In order to give an intelligible statement of what this bid will mean to the United States, it is necessary to enter into the history of the Union Pacific obligation to the government.

The principal debt of the Union Pacific to the United States was \$35,000,000. A portion of this has not yet been advanced by the United States.

Interest paid by the government amounts to \$36,954,893. The whole indebtedness on the 1st day of July, 1900, was \$70,494,405. The sinking fund of the Union Pacific in the hands of the treasurer of the United States on the same day was \$17,738,209. After deducting the sinking fund, which is a part of the company in the hands of the United States for the purpose of paying the debt of the Union Pacific to the government, the sum of \$52,756,206 remains to be paid.

This is the only sum which the Fitzgerald reorganization committee, as it is known, will be required to pay the government.

The loss to the government is the difference between \$53,000,000, which is the amount due the government in principal numbers, and the \$28,000,000, being a loss of nearly \$25,000,000 in principal numbers, according to the figures of the opponents of the agreement.

The agreement for the foreclosure also contains a provision for the reorganization of the Union Pacific Railroad Company and its Kansas Pacific branch. The reorganization committee consists of Louis Fitzgerald, J. H. Schiefel, T. Jefferson Cooney, Jr., Chauncey M. Depew, Marvin Pitt and Oliver Ames. The reorganization of the new company under the Fitzgerald plan will be \$100,000,000 in 4 per cent bonds, \$75,000,000 of preferred stock and \$61,000,000 of common stock.

SHORTAGE INEVITABLE.

Captain Tuttle's Report on Conditions in the North.

Washington, Sept. 27.—Captain Tuttle, in command of the cutter Bear, on the Behring sea patrol, in a report to the secretary of the treasury, gives an official account of the rescue of Captain Whitesides, his wife and a number of the crew of the steamer Nevarch, which was caught in the ice pack off Cape July 30, and also reports as to the condition of affairs at St. Michaels.

The Bear reached St. Michaels August 23, where about 300 miners were camped on the beach. On arrival Captain Tuttle received requests from the Alaska Commercial Company to remain with his command at St. Michaels until some means could be found to maintain law and order.

It was informed that among the sudden influx of people were many bad characters, and previous to the arrival of the Bear, open threats had been made as to what they would do if the transportation company failed to get up the Yukon. This was impossible with the means at hand.

Captain Tuttle says that navigation had closed in a few days and that 12 vessels were then on the way to St. Michaels, the most of them with passengers, and he thought if they did not return on the vessels which brought them, much suffering must result.

The captain decided to comply with requests which had been made by Captain Hooper, of the command of the Behring sea fleet, could be communicated with.

In concluding his report Captain Tuttle says that in his opinion the situation on the Yukon this winter will be a very serious matter, and in his judgment the limited supply of food will result in starvation.

DEATH IN DYEA PASS.

Eighteen Packers Buried Under a Monster Avalanche.

Port Townsend, Sept. 27.—The steamer Pioneer, which left the Sound September 12 with the bark Shirley in tow for Skaguay, returned at 1 o'clock this morning, having made the run down in 96 hours.

The Pioneer brings down a story of a snow or landslide between Sheep Camp and Chilkoot pass last Sunday morning in which 18 men are supposed to have lost their lives; only one body had been found, that of a man named Choyinski, cousin of Joe Choyinski, the prizefighter. The 15 or 18 men supposed to be lost were packers on the Dyea trail, and they had upwards of \$30,000 in their possession.

There are many here who do not believe the story, as it is very early in the season for snow slides. Officers of the Pioneer say the story was brought to Skaguay Sunday evening by three men, who told it in such a thrilling manner as to leave no doubt as to its truthfulness. They described the avalanche as consisting of rocks, ice and dirt, the mass having been loosened by the recent unprecedented hard rain which has been falling continuously for the past month.

All the bridges on the Skaguay river have been washed out and the river is a raging torrent.

W. W. Sprague, of Tacoma, who started eight weeks ago with a three-years' outfit, returned from Skaguay on the Pioneer.

The steamer Al-Ki, a week overdue from Alaska, arrived this morning at 4 o'clock. She carried a large list of men returning from Skaguay, who were unable to cross the pass. The snow is six inches deep at Lake Bennett, and three inches fell on the summit of Chilkoot pass last Saturday.

The Story Corroborated.

Port Townsend, Wash., Sept. 27.—Captain Neilson, master of the tug Pioneer, corroborates the story of the snowslide, or more appropriately, landslide, in the neighborhood of Sheep Camp. Captain Neilson says:

"Three men came to Skaguay beach Sunday night with a story that at Sheep Camp that morning at 3:30 o'clock a peculiar sound from the southwest side of the mountain was heard, and before the residents of the camp could fully dress they found themselves being rapidly borne down the canyon on a mass of moving debris from the mountain side. The majority of the residents of Sheep Camp escaped, although the entire town was almost wholly destroyed.

"The slide struck the town in the northern part, where nearly all the packers were quartered in tents and sleeping the sleep of hard, overworked men. The main part of the slide from the mountain missed Sheep Camp proper, although from the report very little of the town remains. Packers' camp was wholly carried away, and it is impossible to learn the full names of the unfortunates, as they were all known by surnames such as Jack, Jim, Dick, etc.

"The cause of the slide was reported to be the action of heavy rains on the hills where a sort of reservoir was formed, which body of water forced the land down into the basin below. Never before have such heavy rains been experienced by old Indians in the neighborhood of Chilkoot pass."

W. W. Sprague, of Tacoma, returning from Skaguay pass, verifies the above report.

THE UMPIRE CHOSEN.

Fifth Arbitrator of the British-Venezuela Boundary.

Washington, Sept. 27.—A final decision has been reached by the arbitrators who are to determine the British-Venezuela boundary line as to the fifth arbitrator, or umpire, who is to act with him. His name is for the present withheld. It is not Baron Courcel, whose name has been mentioned in this connection, nor King Oscar of Sweden, who was to name the umpire only in case the arbitrators failed to agree. An agreement was reached without the necessity of calling on the Swedish sovereign. The umpire is an European, but this is said to be without significance, since no question involving the Monroe doctrine is to be submitted to the tribunal. The arbitrators on behalf of Venezuela are Chief Justice Fuller and Justice Brewer, of the supreme court.

A Livestock Trust.

Washington, Sept. 24.—Assistant Attorney-General Boyd, of the department of justice, in charge of the case against the South Omaha Livestock Exchange, says he is satisfied the South Omaha exchange was organized on lines similar to those of the Kansas City exchange, which was a few days ago declared a trust by Judge Foster of the United States district court.

The suits against Western livestock exchanges begun under Attorney-General Harmon, of the Cleveland administration, but the present administration is prosecuting them with all possible vigor.

Killed by a Landslide.

London, Sept. 27.—A private dispatch from Rome says that about 40 persons were killed and many others injured by an earth slip at the sulphur mines near Girgenti.

THE MORTGAGE LAW.

Declared Unconstitutional by the Supreme Court.

Olympia, Wash., Sept. 27.—The supreme court today affirmed judgment in the case of Nathaniel R. Swinburne, respondent, vs. the Sheriff of Pierce county, appellant—a case that involved the legality or application of the act passed by the last legislature relating to the sale of property under execution and decree, and the confirmation of sheriffs' sales.

The case was appealed from the superior court of Pierce county, when a peremptory writ of mandamus was granted against the sheriff, commanding him to proceed with the sale under a special execution and order, issued on June 24, 1897, in the case of Swinburne vs. Delane, and to advertise certain mortgaged property for sale to satisfy the judgment in the said cause, without appraisal or without requiring either the judgment creditor or debtor to fix a value upon the mortgaged property as a minimum price for sale, and to proceed at once under the old law regarding such sales, without regard to the recent act of the legislature regulating such matters.

The respondent contended: First—That neither the title nor the body of the act sustained the contention that the law applies to foreclosure of mortgages.

Second—That it was not the intent of the legislature to make the law retroactive; and

Third—That, if the law does apply to mortgages and it was intended to be retroactive, that portion relating to a year's stay of sale and the provision for fixing a valuation are unconstitutional, because obnoxious to section 10 of article I of the constitution of the United States regarding impairment of contracts.

Regarding the first contention, the supreme court holds that it was evidently the intent to include mortgages as well as mortgages sold under execution. Also, that it was the intention of the legislature to make the provisions of this act retroactive.

In holding the act unconstitutional in its application to contracts made prior to the passage of the act, the court devotes some attention to the principle of the inviolability of contracts, which is founded upon honesty and good faith, supported in ethics as well as law. It the value of a contract is deteriorated or lessened by the passage of an act, the obligation of the act is most certainly impaired. It is a principle of law that the law which is in existence at the time a contract is made becomes a part of the contract. In this case it was expressly stipulated in the mortgage that the law in force at the time the contract was made should become a part of the contract, but in the absence of such stipulation the effect would be the same. Under the law, when the contract was made, the mortgagee had a right to the sale of this land at once upon the issuance of his execution, subject only to redemption. This was a valuable right, and was no doubt taken into consideration by the judgment creditor, or in this case the mortgagee. The law now compels him to wait more than a year after judgment before he can have the same made, and, says the court, it seems beyond controversy that, as to antecedent contracts, this provision of the law is void.

Defences at the Golden Gate.

San Francisco, Sept. 27.—The United States engineers in charge of the harbor fortifications of San Francisco have directed that a survey be made on the shore line on the south side of the bay, and the Golden Gate, from Black point to Point Lobos. The purpose of the survey, which has just begun and will be completed a week hence, is to accurately locate the forts for the information of the war department.

Army and navy officers here think the harbor defenses are now sufficiently well advanced to stand off any fleet that Spain or Japan could put into action here, and they are strong enough with the assistance of the batteries of the Monterey and Monadnock type and with the aid of torpedoes to make a splendid fight against the best fleet England would be likely to send here.

Punishment of King of Benin.

Lagos, West Coast of Africa, Sept. 27.—Drunami, the king of Benin, who has been on trial at Benin City since August last, with a number of his leading chiefs, charged with being concerned in the massacre of the unarmed expedition under British Consul Phillips, has been condemned to be transported to Calabar, a slave settlement of British West Africa. Three of the king's chiefs were previously sentenced. Two of them were shot and their bodies displayed hanging in the streets for 24 hours. The third of these chiefs escaped a similar fate by committing suicide.

Typhoid Wiping Out a Family.

Greensburg, Ind., Sept. 27.—An unusually peculiar case of family affliction is reported from Forest Hill. Two weeks ago the eldest brother of Mrs. Finley Sanderson died of typhoid fever. A few days later her mother passed away from the same disease, and the fever claimed her husband last Saturday. Yesterday she herself succumbed to the malady, and now two of her children are lying at the point of death.

SOLDIERS IN DISGUISE.

Well-Drilled Japanese Steerage Passengers Land at Honolulu.

San Francisco, Sept. 24.—If the stories of the passengers and crew of the City of Peking, which arrived here Tuesday evening, be true, a state of affairs exists in Hawaii which demands the attention of the state department.

When the Peking arrived at Honolulu, the attention of passengers on board was attracted by the remarkable symmetrical movements of 174 Japanese steerage passengers who were disembarking. Although classed as laborers, their well-drilled and military appearance was too palpable to escape observation, and occasioned considerable comment. The Japanese were evidently under the command of a veteran sergeant and divided into squads of 20 under noncommissioned officers.

During the voyage a military discipline was observed which created comment among the other steerage passengers and the steamer's crew, and many conjectures were hazarded as to the meaning of their being shipped to the islands. It was generally believed that they were sent to the islands for the purpose of forcibly resisting annexation, if necessary.

Rumors of the presence of the emperor's soldiers are not new on the islands, and it is said over 1,000 drilled men have been landed, and about 400 veterans of the Japan-China war were expected on the next steamer.

ORDERED THE LYNCHING.

Ex-Chief of Police of Mexico Responsible for the Death of Arroyo.

City of Mexico, Sept. 24.—Senor Don Eduardo Velasquez, late chief of police, today confessed that he directed the killing of Arroyo, the assailant of President Diaz. Velasquez was removed from office and placed in prison on suspicion of having acquiesced in the killing of Arroyo. Today, during the official investigation, the ex-police chief was placed on the stand and asked to detail his connection with the affair. To all questions he responded that he was a great admirer of the president and he felt that the scandalous attempt upon his life merited severe punishment. The judge permitted this evasive reply for some time, and then ordered the inspector to reply directly to the question, and then he confessed the part he took in the tragedy.

His servant admitted buying the knives with which the killing was done.

A Reindeer Express.

Washington, Sept. 24.—Secretary Bliss, of the department of the interior, has instructed the commissioner of education to have the reindeer now at Teller station, Alaska, which have been broken to work, forwarded to St. Michaels, to be held there for use in forwarding supplies to the Klondike country in case of emergency. There are about eight of the deer, which it is believed by the administration can be utilized in this way, and the opinion prevails that they would be much more useful than dogs, because they can travel more rapidly, draw more, and can live on the little forage the country produces. The secretary says that each reindeer will carry about 300 pounds, and will travel a hundred miles a day. They are to be sent to St. Michaels in preference to other places because of the available stores at that point.

Export Duty on Gold.

Washington, Sept. 24.—The owners of gold mines in Nicaragua are worried over a decree published August 15 and taking effect immediately, establishing an export duty of \$1 gold per ounce on gold ingots, and \$2 per ounce on gold dust. The information comes to the state department from Consular Agent Clancy at Bluefields. He says the old duty was 35.44 cents per ounce on gold. The mining interests have united in petitioning the government to revoke the decree, which they hold would be ruinous to the new industry. Last year the gold exports from Bluefields amounted to \$169,545, an increase of \$31,636 over the preceding year's shipment.

Cyclone in Italy.

Brindisi, Italy, Sept. 24.—A cyclone swept over Savar, Aroria and Lationo, all in the province of Lecce, yesterday evening. Forty persons were killed and 70 injured; 20 houses were destroyed and telegraphic communication with the scene was cut off.

At Orta, the railway depot was demolished and all the railroad men engaged thereabouts were killed. Two chateaus and 30 houses were destroyed in a neighboring village, where 20 were killed and 24 injured. At Aesagne, province of Lecce, 15 were killed and five injured. Great tracts of country have been desolated by the hurricane.

A Boy Accidentally Killed.

Chehalis, Sept. 24.—Robert, the 6-year-old son of W. J. Shields, of Pe-Ell, yesterday morning accidentally shot himself with his father's revolver, the ball taking effect in the head. He died in a short time. It is not known how the accident occurred, as the other members of the family were absent from the house at the time.

Gold on the Saale.

Southampton, Sept. 24.—The Saale, from Bremen, sailed for New York today with \$1,000,000 in gold.

WEEKLY MARKET LETTER.

Downing, Hopkins & Company's Review of Trade.

The renewed export demand has been the dominating factor in the wheat market during the last week. The forward movement of the new crop has been disappointing both in quantity and in quality, but has been sufficiently large to warrant the expectation of a fair increase in stocks at centers of accumulation. The market is lacking in speculative support, the volume of speculation having fallen to the minimum. This serves to emphasize the legitimacy of the present advance. There has been no change in crop prospects in America and we still maintain that the present crop will be the second largest raised in the history of this country. From a speculative point of view the market now possesses two sides. There is no longer any doubt that Europe requires all of our available surplus. We cannot meet this increased draft and at the same time replenish our at present depleted reserves in all positions. But it must be remembered that Europe has already bought largely and that her necessities are not entirely for the immediate present but for the entire crop year. The increasing movement of the new crop promises to more than offset the demand for the time and result in increasing stocks.

Corn is king. This has been and is a year of prosperity and advancing values. It is futile to talk of surplus supplies or the growing crop. The former is unprecedentedly large. The latter promises to be much smaller than anticipated, but neither will have but a temporary influence on values. We are emerging from a period of depression and panic. Every other commodity is advancing in value. Corn is going to participate in the general advance. It has been selling too low. It is going to sell higher. The shortage in the wheat, rye and potato crops of the world insures the substitution of corn as a food product to an extent never before known. To argue that corn is going to sell lower is to maintain that the panic still exists. Everyone knows better.

Portland Markets.

Wheat—Walla Walla, 83@84c; Valley and Bluestem, 86@87c per bushel. Flour—Best grades, \$4.40; Graham, \$3.85; superfine, \$2.50 per barrel. Oats—Choice white, 37@38c; choice gray, 36c per bushel. Barley—Feed barley, \$19@20; brewing, \$19@20 per ton. Millstuffs—Bran, \$14 per ton; middlings, \$21; shorts, \$20@21. Hay—Timothy, \$12@12.50; clover, \$10@11; California wheat, \$10 do oat, \$11; Oregon wild hay, \$9@10 per ton. Eggs—17½c per dozen. Butter—Fancy creamery, 50@55c; fair to good, 40@45c; dairy, 30@35c per roll. Cheese—Oregon, 11½c; Young America, 12½c; California, 9@10c per pound. Poultry—Chickens, mixed, \$2.50@3.00 per dozen; broilers, \$1.75@2.25; geese, \$5@6.50; ducks, \$4@4.50 per dozen; turkeys, live, 11@12½c per pound. Potatoes—Oregon Burbanks, 40@45c per sack; new potatoes, 50c per sack; sweets, \$1.40 per cental. Onions—California, new, red, \$1.25; yellow, 80c per cental. Hops—10c per pound for new crop; 1896 crop, 5@6c. Wool—Valley, 14@15c per pound; Eastern Oregon, 10@12c; mohair, 20c per pound. Mutton—Gross, best sheep, wethers and ewes, 2½@2¾c; dressed mutton, 5c; spring lambs, 5½c per pound. Hogs—Gross, choice heavy, \$4.50; light and feeders, \$3@4; dressed, \$5@5.50 per 100 pounds. Beef—Gross, top steers, \$2.75@3; cows \$2.25; dressed beef, 4@5½c per pound. Veal—Large, 4½@5c; small, 60c per pound.

Seattle Markets.

Butter—Fancy native creamery, brick, 22c; ranch, 14@16c. Cheese—Native Washington, 10@11c; California, 9½c. Eggs—Fresh ranch, 20@21c. Poultry—Chickens, live, per pound, 10c; spring chickens, \$2.75@3; ducks, \$2.50@3.75. Wheat—Feed wheat, \$30 per ton. Oats—Choice, per ton, \$22@23. Corn—Whole, \$24; cracked, per ton, \$23; feed meal, \$23 per ton. Barley—Rolled or ground, per ton, \$22; whole, \$22. Fresh Meats—Choice dressed beef, steers, 6c; cows, 5½c; mutton sheep, 5@5½c; pork, 7c; veal, small, 6c. Fresh Fish—Halibut, 6c; salmon, 3@5c; salmon trout, 7@10c; flounders and sole, 3@4; ling cod, 4@5; rock cod, 5c; smelt, 2½@4c.

San Francisco Markets.

Wool—Choice foothill, 8@12c; San Joaquin, 6 months' 7@9c; do year's staple, 7@9c; mountain, 10@11c; Oregon, 11@14c per pound. Hops—10@13c per pound. Millstuffs—Middlings, \$19@22; California bran, \$14.50@15 per ton. Onions—New red, 70@80c; do new silverskin, 85@95c per cental. Potatoes—New, in boxes, 30@85c. Butter—Fancy creamery, 27@28c; do seconds, 25@26c; fancy dairy, 24c; good to choice, 20@22c per pound.