



E. W. COLE,
NASHVILLE, TENN.

December 12th 1898.

Hon Robert L Taylor

My Dear Governor;

Not being well added
to the inclement weather renders ^{my going} ~~it~~ ^{impractical} to be
to the city tomorrow evening
one of your guests at dinner Complain-
-entary to the Executive Committee
of the Centennial, impracticable. This I
very much regret.

May the progressive spirit and
patriotism, that inspired the Centennial
of 1877 be kept alive by many such
reunions—

Yours faithfully
E. W. Cole

\$10 A YEAR—POSTAGE PAID

INCIPES | A FOREIGN BARK.

Consolidated March 18, 1877.

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[COMMUNICATED.]

A writer, supposed to be Gov. Brown, the President of the leases of the State Road, has recently attempted to frighten the stockholders of the Georgia Railroad by telling them that the Georgia Railroad Judge King during her life-time or at least after her death would be able to sell the road to the Georgia and Alabama C. & W. C. Cole, one of the lessees, now already President of the Nashville, Chattanooga and St. Louis R.R. He proceeds to do this by assuming that the first act of any other successor would be to sell the road to the Georgia and Alabama C. & W. C. Cole, one of the lessees, now already President of the Nashville, Chattanooga and St. Louis R.R. He proceeds to do this by assuming that the first act of any other successor would be to sell the road to the Georgia and Alabama C. & W. C. Cole, one of the lessees, now already President of the Nashville, Chattanooga and St. Louis R.R. He proceeds to do this by assuming that the first act of any other successor would be to sell the road to the Georgia and Alabama C. & W. C. Cole, one of the lessees, now already President of the Nashville, Chattanooga and St. Louis R.R.

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 AUGUSTA, GA., May 6, 1878.
 To the Stockholders of the Company.

When I gave notice that I would, when more at leisure, say something on subjects of a private nature, not suited to an official report, I intended to treat several subjects at some length. But, on reflection, I came to the conclusion that time and labor might be better employed. The charges I intended to notice are generally so well known to be false, or so very improbable, that refutation would be a waste of time. For instance, the reference to Mr. Hall Mr.

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the South, Bat, to return to the Macon and Augusta Road. Had it not been for the war the road would have been built, and built for cash, and would have been a paying road. The largest plantation in Southwest Georgia is a former cotton plantation in the cotton region of old Georgia, and many of the planters remaining in Georgia and the two Carolinas and Virginia had plantations in the South and Southwest, and they had to travel forth between their homes and plantations. The planters of Southwest Georgia, who had emigrated or had Southwestern plantations, were very anxious to get back to the cotton market of Augusta—the best cotton market at that time

that each Frenchman shall contribute to the public charges in proportion to his fortune. This property, which it is sought to virtually confiscate, brings no revenue, and has been rendered thus unproductive by the financial policy of the Government. True statesmanship, and a national wealth, by easing and relieving as far as may be, an oppressed and prostrate interest. I noticed a few days since that the British Government relieved, by a mitigation of taxation, the hop interest, which was in a depressed state. That is true statesmanship, and the sovereign power for relief and not for oppression and destruction, which builds up and preserves, and does not prostrate and destroy.

As I am on the subject of the railroad interest, I will say something of its importance in the national economy. It is a *ser vice* interest, and it is

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There is no theme pervasively suggested and restated which is truly contemptible. It is stated and restated that I am holding the place for Mr. Cole, *in fee*. Mr. Cole was long a partner in the business of the railroad, and I know his value as a *Director*. I take care of the interests of the Company in the West. But this unscrupulous falsifier knows that Mr. Cole, by request, has gone before the full Board, and stated that under no combination of circumstances could he accept of office in the gift of the Company *except* in place as *Director*. Who but an idiot could suppose that he would leave his large interests in the West and his well-

ed. Suddenly the *dogma* spread, and, as usual, did not stop at the point intended, 'but we find large appropriations to improve *inland* *vent* that would not float a canoe. The hole *entry* is covered with jobs for farmers, custom houses, ports of delivery, and a variety, etc. Of course, the *clashes* about of a custom house of polished granite brought from Maine is boxed with Stone Mountain within 15 miles. *agusta* is elevated into a *port of entry*, and these cities, by all means, should have navy yards, revenue cutters, and a *gunnery* school. The *agusta* is enough now, and if this work of dirt and jobs goes on figures will be of little use in estimating the amount. We shall have to measure it as we would measure an astronomical distance, and pay it as the old Bourbon dynasty did—by using sea sponge.

JOHN P. KING

and his co-essence. We have made on them, and we wish the prosperity and success, so far as concerns lie in the same direction (do to a large extent). We warmly prove of the most intimate and fraternal possible, but then there is a *medium* for *spiritual* control; *their* *entire* *control*; we don't see we have to gain by it, and they are *anxious*. It may be all right, but we don't see where the turkey comes in—in dividing our management for our President, with some hundreds of miles of that whole thing in a nutshell.

[COMMUNICATED]

Having thus constructed a man of straw to his satisfaction, he then proceeds to show how the lessees, with the aid of the Central Railroad, could demolish him, and he does this to his entire satisfaction. Now, the facts of the case are that the only railroad which it is not possibly inaugurated such a war even if it desired. The only road that would inaugurate it is the Louisville, Nashville and Great Southern, because that is the one which controls the freight at its initial point, and designates the route by which it shall be sent; and unless it should choose to change the route to Montgomery, the Georgia Railroad could have nothing whatever to say in the matter. Now, at present,

STOCKHOLDER.
Y. M. C. A.

Y. M. C. A.

What the Georgia Railroad wants and wants now to raise the stock from its deep depression and secure regular dividends to the stockholders is an action capable President, free from connections with the Georgia Railroad, yet willing to do *full justice to the State Road* (but not to all the other connecting roads. With such a President, and the present capable Superintendent under him to execute his orders and study with him the true interest of the Georgia Railroad, "the only reliable" will be the most leading railroad of the South. We say with the writer of the article "Georgia Railroad," let us elect General E. P. Georgia as the next President of the Georgia Railroad and Banking Company. He is a good, honest, skillful man in his own right—though a man—a man in his own right—thoroughly skilled in railroad business, intelligent, impartial and honest.

THE GEORGIA RAILROAD.

Editorial Office

The writer of the article "Georgia Railroad" well says "that artful, deep old scheme of the State Road lease is the bottom of the business." While the "lease" is a big thing for its owners, and Judge King's share is a small gold mine pouring its wealth daily into his treasury, the stock of the poor old Georgia Railroad goes down to

Augusta Evening News

WM. H. MOORE, Editor.

OFFICE AT COW'S BOOK STORE

AUGUSTA, GA., APRIL 30, 1878.

SAVANNAH is now projecting an elevated railway.

H. J. JEWETT has been elected President of the Erie Railway.

CONGRESSMAN VANCE, of Ohio, arrived a few days ago from Cincinnati, evidently insane.

PRESIDENT HAYES is said to be decidedly in favor of river and harbor improvements in the South.

There is peace day in Europe, and things will probably remain quiet there until the next regular telegrams are received.

It is proposed in South Carolina to send Gen. McGowan to the U. S. Senate to succeed Patterson, whose term expires in March.

The past three cool nights are considered very destructive to the growing cotton and corn. Slight frosts are reported in some sections of the State.

The Rev. Dr. Stephen H. Tyng, Sr., of the Protestant Episcopal Church of New York, preached his farewell sermon on Sunday. He is in very feeble health.

THERE was a fire in Laurinburg, N. C., on the 25th inst., when the firemen forgot all about an engine which had been recently bought, and rushed out with buckets and put a stop to the devouring element.

THE New Testament Revision Company held their monthly session last week, in the Bible House, New York, and finished the first division of Ephesians and a part of Colossians. The Old Testament continued the revision of Ezekiel. Philip Schaff is the President.

THERE are two Jeff Davises—Gen. Jeff C. Davis, of the Federal army, and our own ex-President, Jeff Davis. It is the former Jeff and his wife in Mexico, and who was "dressed to kill," and paraded in full view of the Mexicans the other day. Ex-President Jeff Davis is in Mississippi City, Miss.

WE have the authority of Hon. John H. James for saying that he has never written or dictated a line or word for or against the present management of the Georgia Railroad. The various articles which have recently appeared in print, and which have been attributed to him, has caused him to request the News to make this statement.

THE Atlanta Presbytery is now in session at Lawrenceville, Gwinnett county. The Block dancing case came up before the Presbytery last Friday. It is an appeal from the judgment of the Elders of the Central Presbyterian Church, of Atlanta, which deposed Mr. Block from membership of the church, for having permitted and encouraged dancing in his house.

At the recent session of the International Sunday School Convention at Atlanta, the Statistical Secretary, Mr. E. Payson Porter, made his report, of which the following are the totals: In the United States he reported 76,580 schools; 834,411 officers and teachers; 6,423,285 scholars. Adding Canada, there were reported 81,488 schools; 871,844 officers and teachers; 6,734,890 scholars.

CALIB LONG, a Yankee private during the war, is writing up his reminiscences for the South Norwalk (Conn.) *Sentinel*. As will be seen from the following pleasing little incident, Caleb knows how to "stretch the long bow." Giving an account of one of the assaults on Battery Wagner, in Charleston harbor, he says that the rebels would tie torpedoes to the wounded Yankees lying between the contending forces, so that they would be blown up if they attempted to move.

From Graniteville.

The Graniteville Dramatic Club and a number of friends leave here Wednesday morning for Beaufort, where they will give two of their interesting entertainments at the Sea Island Hotel. The Magnolia Route officers are always alive, and doing something to make travel and promote the interest of the line. This is some of Joe White's work, and the Beaufort people can rely on something good if he has a hand in it. No baby sacks to be raffled at this entertainment, so you can stay home.

The Georgia Railroad.

Editors Evening News:

Your valuable paper, of 25th inst., did not reach me at the usual time, owing to some irregularity for which you are not responsible. You can have no idea how I missed it, unless you are addicted to the use of tobacco and have been without the weed for the space of twenty-four hours. Suffice it to say, the EVENING NEWS eventually arrived at my rural house, when I eagerly commenced to peruse its columns.

The first thing which struck my eye was a long, windy article about the Georgia Railroad Company, in the shape of "an appeal to the stockholders." And what a stormy appeal! Just such a one as may be usually expected from some quarter prior to every annual convention—windy enough to lift the roof off another market house, but embracing only a narrow space, not by any means sufficient to do a great deal of damage to sturdy stockholders who disregard the breath of slander and feel perfectly secure and confident in the safety of their property, so long as a faithful old sailor is at the helm. The winds may blow and beat upon the rocks, and the waves may dash with all their fury, but good mariners have nothing to fear on an open sea, despite the howling of inexperienced landlubbers, who think they are going to be dashed to pieces by every wave that strikes, come from what quarter it will. "Equal Interest" appears to be unnecessarily alarmed. His chief object would seem to be the removal of Judge King and every other man who may have an interest in any other railroad outside of the Georgia Railroad Company. It matters not how great his interest may be in the corporation where he is a member of the Board of Directors, "Equal Interest" considers it an unpardonable sin to have a finger in any other pie—and so demented do some men become that it really appears criminal for a stockholder in the Georgia Railroad Company to own any of the company's bonds. This objection was brought against a very prominent and worthy citizen last year, who, it is believed, was kept out of the Board chiefly on account of his good opinion of the company's financial condition; so that stockholders like "Equal Interest" often work themselves into a fidget about nothing until, unawares, they become prostrate with State Road fever and *prize on the brain*.

With all their raving they have sense enough to admit that "our road is excellent property and earns money every year." Yet they have not sufficient candor to admit that Judge King deserves at least some credit for "our road earning money every year" after the fiery ordeal through which it passed for four long years during his administration. How much did the Western and Atlantic Railroad pay the State before it came under lease to Judge King and his associates? What makes it pay any better now in the hands of the lessees if it is not skill and economy? Look, again, at the bankrupt condition of the Nashville and Chattanooga Railroad before Col. Cole took charge of its affairs, and look at its present invincible status, and tell us if it is not all due to Col. Cole's railroad ability? Is it, therefore, any advantage to these skilled men to sacrifice their reputations and interests in the Georgia Railroad Company? If so, let us see what they can gain by so doing, and away with all insinuations to catch votes. Show us wherein the President or Directors have been willfully recreant to their solemn trust, and we are open to conviction, but don't accuse Judge King for every act of an intelligent Board that is not approved by the stockholders, unless you are prepared to admit that he is a second Napoleon, and the Directors are completely under his thumb.

Is it not disgraceful for respectable stockholders to keep up this eternal annual cry, "Our property is in danger of destruction," as though our property was managed by a squad of dishonest men, like "Boss Tweed," ready to take advantage of us at every turn? Why, Messrs. Editors, such a thing is incredible; and if much that is said in our papers were believed outside of our own State we would have no credit whatever, and justly so, for the credit of the Georgia Railroad Company is above suspicion, not only in our own country but beyond the seas; and I venture to say I could borrow more money on a Georgia Railroad bond, with Judge King's signature, than on any other paper issued in the State. Our friend, "Equal Interest," comes to the front, and points to the South Carolina Railroad, the Columbia Railroad, and some other such Railroad corporations, and gravely tells us to "look at them." Yes, look at them; take his advice; follow their footsteps, and where would we land? "The indefinite liabilities ahead of us," which so much disturbs his rest, is a small matter to a powerful corporation with ample means and able managers, but this proxy business seems to bear still more heavily upon him, and his great antipathy is not so much against the system as against those who hold the proxies, for he kindly informs us that we "are not bound by the proxy given, but can make it void by giving another of later date; you have a right

to do this, and you ought to do it on this issue." In other words, if the proxy game is not changed, he and his party go up the spout. Having studied his case thoroughly, he is bound to admit his doubts, and thinks "this contest is a very close one." Others, however, are of a different opinion, and believe it will require stronger arguments than any yet produced to change the present administration materially.

COUNTRY STOCKHOLDER.

AUGUSTA, GA., SATURDAY, MAY 4, 1878.

GEORGIA RAILROAD.

Editor's Chronicle and Constitutionalists.

The object of the communications that have appeared in the Augusta and Atlanta papers, as I understand it, is to induce the stockholders of the Georgia Railroad to vote against Judge King, in the approaching election for President, on the ground that the earnings of the road, by reason of the liability as endorser upon the bonds of other corporations, have been diverted from the payment of dividends to the stockholders, and devoted to the payment of the interest on those bonds.

Now, I do not propose to discuss the propriety of these endorsements, or to recall the condition of the country, or the railroad interests and prospects as they existed at that time. A full history of these transactions is found in Judge King's annual reports to the stockholders, and each of them has been formally endorsed and ratified by the stockholders herebefore.

I have not one word to say in depreciation of General Alexander, who, in my estimation, is an able, high-toned, and honest man. I would be under no obligation to the gentleman who seem so anxious to defeat Judge King if they would inform me, and other plain, common-sense stockholders, from the country, Judge Alexander will, since the Georgia Railroad Company from the ability on these bonds, or enable it to borrow and honestly to avoid pay, out of the interest on them.

I would also like to be informed what change is proposed to be made by a new administration, which will benefit the stockholders or make their property more profitable. Had such a change followed a change in the Presidency, where is the necessity for a change? If those outstanding obligations are just and binding—and I believe no one doubts that they are—they must be met, no matter who may be President.

Neither Judge King nor any one else expects or desires to incur any other such liability, and that being true, simply there can be no good reason to throw off an old, able, efficient and skillful officer, whose financial ability and skill is recognized and acknowledged throughout the land, unless some assurance be given, and proof furnished, that his displacement will, in some way, afford relief from obligations already existing by the action of the stockholders themselves. COMMON SENSE.

To General R. F. ALEXANDER, DEPUTY President of the Georgia Railroad, we extend the hand of friendship. He comes to us, not as a stranger in a strange land, but as one who has been true to his section when it cost something to be faithful and when life itself was freely offered in its defense. Few men of his age have so signal and enviable a reputation for high talents and excellent virtues. He has proved himself in possession of a capacious intellect, a mastery of practical affairs, and as full of courage as of brains. He has had the best training that could be found in a noble family circle and in the schools of his country. He has, in all fields of action, in peace and war, at a very early age, pushed his way to the top of that mountain where, some say, has said, there is abundance of room for aspiring souls. We trust most sincerely that his present position will be only the stepping stone to higher honors and, in grander achievements. We trust that all the lofty hopes built upon him by his friends and supporters will be realized. We will, as sincere lovers of the public weal, aid him in

every possible manner to consummate his work. We bid him welcome, cordially and in no half-hearted way.

A DECIDED INTERVIEW.

THE GEORGIA RAILROAD MANAGEMENT.

Editor's Chronicle and Constitutionalists.

The writer represents in fact and feeling a class of small, poor stockholders—a big class, needy but not influential. Greatly concerned in the good management of the road for the direct interest of the owners—the income derived from it being a considerable part of their small means. Numerous are the estates, the widows and orphans, the charities dependent on these dividends. Therefore, the discussion interests them much.

The real interests of the stockholders have long been represented by the Opposition and not by the Administration of the Georgia Railroad. Fortunately, indeed, has it been that the stockholders were not a compact body, going wrong, but that there has been an Opposition to stop the wrong tendencies, if they could not arrest them.

"Richmond" estimates the loss of the Georgia Railroad by the Macon and Augusta Road at \$700,000. Against this irretrievable investment the Opposition protested, and for years prevented it. Their protest was trampled down. In a way this writer always thought illegal and directly over the head of the Constitution.

The Port Royal Road swallowed a half million more. But for the strenuous and stubborn opposition of one or two Directors, another half million would have gone. One million dollars was the predestinated sacrifice here. The administration strongly urged it on the Convention and said it was a safe and profitable operation.

This one item of half a million would have paid all the tapers and clipped dividends for a long series of years. It would have paid three full dividends of 4 per cent. each.

Three more dividends were set apart for Port Royal, but saved by the skin of the teeth, by the Opposition.

The \$700,000 in the Macon and Augusta Road was over four full dividends of 4 per cent. each. The \$1,000,000 in the Western Road makes six more. Here we see that thirteen dividends have gone, viz: three to Port Royal (against the three saved by the Opposition), four to Macon and Augusta, and six to the Western Road. These sums are what those roads respectively cost us. Their present value do not know, but their present unproductiveness we do know, and their prospective unprofitableness.

A long time ago, we used to have a surplus fund. All that went too, though the Opposition struggled to put it into the right places—the pockets of the owners.

Their contented that the policy of piling up profits after a fair surplus of \$200,000 or \$250,000 was all wrong; that after a fair surplus there should follow a fair dividend over after.

A surplus of profits of contemplation to invest in outside matters—took away that stimulus to economy and close management, the real stock being more than the nominal shares. Perhaps about \$1,000,000 went that way, making a half dozen more dividends. We shall find for a long time to come. The management has fixed that part of the business for good and all.

It seems to the writer, therefore, looking back over a number of years, that the company is much more indebted to the Opposition than to the Administration, that we have a good property in spite of the management and not because of it. Had the Opposition been successful, there need never have been a failed or clipped dividend. The fair net earnings of the road would have paid regular dividends of ten per cent. annually, without a single lapse.

This is a great fact, ponder it. But the management has been peculiarly liberal to outsiders, penurious to stockholders; the earnings of the road have been given off and outside, not into the owners' pockets.

It is not of prudent management and reasonable foresight that the writer complains. Any necessary self-denial he would be ready to make. But all this has been bad policy, for which, from year to year, he has heard no adequate defense.

When shall we have the long threatened resignation? We think the resignation of Judge King would be received with powerful rejoicing by the stockholders generally—even by those who will vote for him for the sake of sentiment.

Does the road stand in imperative need of age and feebleness in its administration? Or is it for his own sake, and not that of the road, that age and feebleness must bear the burdens of office? He does not need it for himself. As he has grown old he has also grown wealthy. He does not need the salary—he needs ease and repose and retirement from office, and it were a charity to insist upon it. He has no reputation to make and none to lose by staying. Does the road need him on account of his experience and knowledge of its affairs? "Richmond" shows well that the numerous mistakes are now all accomplished facts; we all understand them but too well. What we need is to keep out of more. Are we so poor in ability? There are twenty men who would manage the business so as to pay regular dividends—by mere simpleness of eye, keeping Georgia Railroad interest in view. The whole affair is a matter of business, and not of sentiment. It is a matter of bread and butter to many. They cannot afford any nonsense about it.

If this fails they have to look about and work hard for the means they rightly expected from this source.

We would not mind it so much were it merely a matter of a year longer for Judge King. We could stand the expensive luxury one year more, were that all. But it is the ulterior object to which we object.

Railroads, like States, may do well to remember Washington's farwalled address concerning "entangling alliances."

The object in never resigning seems to be plain—to keep the thing in training for another lease. No suitably qualified man offers; it seems the next qualification being to be a lease. And so our property must be held in fee for life—remainder over to one of that far-fetched association. But the idea does not go down well—it takes time. Just at present it sticks in the throat even of that accommodating body called the Convention, and so it must lie in wait for a while. There are those who object to making the Georgia Road a permanent dependency of the State Road on the terms described by "Richmond." They are capital terms for the State Road, and work well, admirably, as "Richmond" shows, for its interest; that in our business with them, our agents and officers are its owners.

Fair, equal terms we wait—no more; no less. If sensibly more, all the worse for us, for we won't get it.

It seems to me that every Georgia Railroad stockholder is entitled as a debtor to an exhibit of the State Road management. That is a courtesy usually expected in the case of accommodation endorsers.

I observe a suggestion that a President alone is sufficient without a Superintendent. That is all wrong; both are

needed. But I hope not again to see the road run by two Presidents and a paid Secretary, two Superintendents and two Chairmen. That is a little too strong for my taste.

It is not too late for stockholders to charge or instruct their proxies. If the State of Georgia wants dividends it might yet do this itself—change or instruct. Its interests are the same as those of the humblest stockholder. And we may here remark that those who hold proxies and are governed in their personal vote by personal consideration ("grown old together" and the like), have no right to interpret their principles, and vote against the true interests of their principals on any such ground. It looks to me much like a breach of trust.

But after all, how are we little fish to help ourselves. The piles will swallow the minnows—the sharks, the pikes—and then will come the whale (the State Road) and swallow the whole corporation—big fish and little—all on one gulp.

The chief good management in Judge King for years has been exhibited in getting the stockholders and keeping them quiet and submissive and in having his way. Several conventions have been held, but the system made to relieve itself—once nearly successful—but unless they look well to their real and urgent interests, Judge King will get up in the Convention, talk vague generalities, and win away—not touch a point of the real management—and, with the help of Col. Cole, seek to vote out the Opposition by long speeches. If that can be done, then the proxies will vote him in and thank him to boot, for his invaluable services. A POOR LITTLE STOCKHOLDER.

THE GEORGIA RAILROAD.

Letter from Judge Reese in Reply to Judge King.

WASHINGTON, GA., May 3d, 1878.

Editor's Chronicle and Constitutionalists.

DEAR SIR:—In your daily of the 21st I notice a letter from Judge King, dated "Augusta, Ga., April 29th, 1878," which states some important facts so obscurely as to convey a wrong impression of my action in the Board of Directors of the Georgia Railroad and Banking Company.

With the most respectful remembrance to you by Judge King, granted by the Judge of the Superior Court in Augusta, Ga., at the instance of stockholders, I had no connection—do not know when it was granted—what it was for—how far it went—or how it was disposed of.

I have understood that it was a proceeding which Judge King did not consider of any value, and he states now that he disregarded it, and continues to disregard it, proof positive that it was utterly powerless, no matter by whom granted and at whose instance.

Judge King says that "an injunction was obtained by a resolution passed by the Board of Directors of the Georgia Railroad and Banking Company, and was obtained in the United States Court in South Carolina, and its purpose was to prevent a partial sale of the Port Royal Road, and to require all and every person having claims on the said Port Royal Road, whether for right of way, labor, bonds or for any other matter or thing, to appear and prove their claims before any sale was had, so that the Georgia Railroad and Banking Company might know certainly and accurately who was entitled to priority over them and for how much, in order that the Georgia Railroad might act intelligently in purchasing the Port Royal Road when it should be sold. I did introduce this resolution to procure this injunction, and there is not a word in it about stopping payment of the interest on the Port Royal bonds endorsed by the Georgia Railroad and Banking Company."

Judge King says: "We also obtained an order modifying the decree to sell on time and to recognize in full our rights, which were utterly ignored in the first decree, all of which refers to the proceedings and decree in the United States Court in South Carolina, and not proceedings gotten up before Judge Gibson, which nobody expected and which Judge King treated as impotent and worthless." Judge King says that I wrote a note, from which he makes a correct extract. I simply desire to say, as to this note, that I offered this resolution to the Board of Directors of the Georgia Railroad and Banking Company, and that I introduced this resolution to procure this injunction, and there is not a word in it about stopping payment of the interest on the Port Royal bonds endorsed by the Georgia Railroad and Banking Company.

While it is true that I offered this endorsement by the Georgia Railroad and Banking Company of the bonds of the Port Royal Railroad, it is not true, whether asserted openly or by insinuation, that I ever favored the failure or refusal to pay the interest on the same, after these bonds were endorsed over my objection and protest.

Yours, respectfully, W. M. REESE.

ITALIAN REPUBLICANS.

Political Causes, Wars, They Plead With Pride, Etc.

Rome, May 3.—Italian Republicans have been sitting in Congress for the past five days. About four hundred clubs are represented, one-fourth of them belonging to Liguria. Signor Pantano, director of the Mezzanin journal, Dovere, opened the proceedings with an address, in which he recapitulated the Republican programme. He denied that there were divisions in the Republican ranks. In conclusion, he said that all political parties, the Republican party could afford to be the most tolerant, for time was on its side.

This utterance was greeted with loud applause. The main discussion has been on the question of the practical organization of the Italian Republican party. A proposition was finally formulated and accepted unanimously for the election of a provisional Republican Committee, to be elected in the various districts throughout Italy, each district to have the right to elect one representative and more, not exceeding three for every three thousand members.

During the three days that the Congress sat repeated claims to the right of Italy to Trieste and Trentino were made. No Communist or international societies were represented.

THE METHODISTS IN MEETING.

Quadrangular Address of Bishop Doeggett—Commencement from North Carolina.

ATLANTA, GA., May 3.—The morning session of the Methodist Episcopal General Conference was mainly taken up in the discussion of the eligibility of Logan Danenon, lay delegate from St. Louis. The matter is still pending. The bishops quadrangular address was read by Bishop Doeggett. A communication from a Northern Methodist church, relative to holding a grand ecumenical Methodist council, was read and referred.

THE GEORGIA RAILROAD

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A vertical strip showing the binding of a book. The left side is a dark, textured cover, and the right side is a white page. The binding is visible in the center.

Has the world ever witnessed such a moral policy as is proposed by the Opposition, to array, in angry controversy and warfare, the Georgia Railroad against these two conventions, that have done so much for the interest of our people?

ORIGINAL LARGE STOCKHOLDER.

Pine stands are reported throughout Madison county.

routely protest—has been especially where that protest has been caused by the action and policy of the Government. Men should be taxed upon their means, and not upon their wants. All the factions in France—Legitimists, Orleansists, Ultra Montanists Old Republicans and Imperials—all pay homage to the principles of the Constitution of 1789, which declares that each Frenchman shall contribute to the public charge.

a certain proportion to be divided between the railroad performing the service. To illustrate the advantages which the Georgia Railroad derives on such freight via Port Royal over freights via Charleston (the only outlet she had prior to the building of this Road), we will assume that a certain lot of freight from New York, Philadelphia, Boston, Baltimore, Providence, or any other Eastern city to Atlanta, amounts to \$1,600; that the steamship proportion of this

said in the judgment, "not Barabans this man." He would proceed to give the missing links of the history, which body took out by Judge Reese. He knew that he had to suppose that they were prepared to offer up Judge King as a sacrifice. He should not be sacrificed because of the railroad. He had listened to Judge Reese's remarks as an attorney.

Judge Reese: Do you mean to say that you had no conversation with him?

Major Branch: I do not. But you said came here in the interests of your constituents, and I suppose they mean to pay for it some way.

He contended that he had dealt with whole question as an attorney, not as Wm. H. Branch.

[illegible][illegible]

White Railroad, he could have found plenty men who were willing to come forward and take the Fort Royal Railroad upon the same terms as those secured by the Georgia Railroad. And new with malice to men, not even that many who would name in his aid, he disturbed him, he bid them good night. [loud laughter.]

Mr. Motter, the Convention adjourned until we meet this morning.

The Opposition Told.

The following is the list of ticket supported by the opposition:

James H. Den, E. F. Alexander, Hiram Stevens Thomas, James W. Danley, John W. H. Smith, John W. H. Smith, John W. H. Smith, James M. Reese, C. H. Finley, John James, James S. Hamilton, N. L. Robinson, H. Hickman, David Dickson, Harmon Row, W. H. Hugh, H. D. McDaniel.

Consolidated March 18, 1877.

AUGUSTA

GEORGIA RAILROAD.

A NEW ADMINISTRATION ELECTED.

General R. P. Alexander Chosen President—Three New Directors—Bill Passed Upon the President's Motion—The Convention Adjourns This Day.

The Georgia Railroad Convention met yesterday morning, at 10 o'clock, pursuant to adjournment.

The Convention was called to order by the President, who called upon the Committee on Elections for their report.

Col. Butler, the Chairman, said the committee spent the entire night, until two hours ago, in counting the vote.

The Cashier had been kind enough to furnish them with another Secretary, Mr. H. Edmonston, an employee of the road, and the committee took this occasion to return their thanks to Mr. Edmonston for his faithful and efficient services. The committee reported as follows:

The tellers appointed to count the votes for President and Directors reported:

For President.

John P. King.....16,025

E. P. Alexander.....20,736

Alexander's majority.....4,081

For Directors.

Joshiah Billeby.....37,394

George Hillyer.....37,153

Stevens Thomas.....36,618

James W. Davies.....36,505

John Davison.....35,257

Chas. H. Phinney.....33,074

James S. Hamilton.....23,331

L. M. Hill.....22,384

Joe A. Billeby.....21,600

Wm. M. Reese.....21,264

George T. Jackson.....21,766

J. H. James.....21,027

Mr. P. Stovall.....20,479

H. H. Hickman.....21,088

H. D. McDaniel.....20,788

N. L. Hutchins.....19,424

David Dickson.....19,351

D. E. Butler.....18,883

W. W. Clark.....18,014

W. L. High.....17,880

E. W. Cole.....16,081

Harmon Rowley.....15,672

Sam Crane.....14,463

T. W. Coakley.....13,528

C. C. Yancy.....7,439

G. C. Jones, Jr.....6,163

Col. W. W. Clark moved that the report be received and adopted. Carried.

Judge King stated that by that report Gen. E. P. Alexander was elected their President and the first seven their Directors, viz: Messrs. Joshiah Billeby, George Hillyer, Stevens Thomas, James W. Davies, John Davison, Charles H. Phinney, James S. Hamilton, L. M. Hill, Joe A. Billeby, Wm. M. Reese, Geo. T. Jackson, John H. James, M. P. Stovall, H. H. Hickman, H. D. McDaniel and A. L. Hutchins.

Judge King speaks.

Judge King said he had been connected with this company about thirty-six years, and when he looked at the present Board of Directors and compared them with the first he was reminded of the perils of the sea.

Manly. But very few of the old Directors were left. During all that time he had had very little trouble with any one. The road had done more for its stockholders than any other, and it was now in a better condition than any other in the South. Talk about the trouble in our dividends; about the trouble in the stock. Look at the Central, which has been one of the strongest managed roads in the country. What a trouble there has been there. The stock fell from 120 to 40 and 45. Our stock has never tumbled like that. It is higher now than the stock of any other Southern road. All of our string-gives have been to maintain as much of the old property as possible. The great trouble with the bankrupt roads of the country has been that they divided out their surplus funds among their stockholders. He had had no majority against any one, but it seemed to him that there were some men who had little less than the form and features of men. In the name of God what had he done to the celebrated gentleman from Athens that he should persecute him now? The gentlemen in the Athens paper, said they had built the Northeastern Road out of their own money. Ah! that was where the shoe pinched. He was at one time in favor of that road, when he thought the extension would do good to the Georgia Railroad; but the people of Athens were then opposed to it. But where did the shoe pinch? It was that by hook and crook they could not saddle the expense upon the poor old Georgia Railroad. But when they could not do that they claimed the paper's privilege and took the money out of the State Treasury. So, when you are boasting of your own achievements, take your hands out of your pockets and those of the other tax payers of the State. As to the lease, it had done much good for the people of Georgia. He had never considered that extravagant value could be put upon the lease. They had already passed an dividend. It may continue to pay the interest on its bonds. But if badly managed it may prove to be a failure. If the looked into the Northeastern Railroad matter they would find that he had never been guilty of anything like deception or bad faith in connection with it. Whatever he had done he had never been guilty of selfishness. He had sacrificed \$80,000 which he might as well have put in his own pocket. He had twice, without bid, immured or solicited, reduced his own salary. For two years he had only taken \$2,000 a year, when the Directors had told him it was entirely too little. He had served as President of the West Point and Atlanta Railroad, and declined to take a dollar from its treasury. He had been solicited when the National Bank was organized to take the Presidency at a salary of \$5,000. He declined. He was again solicited at the end of the first year, and again declined. Did that look like selfishness? He doubted if there were many among them who would not have stung at such a sacrifice in these hard times. He had nothing to say as to the result of the election. He said yesterday that Gen. Alexander was a pure and capable gentleman. If a fair account was entered into at this moment and the Central Railroad made to give a strict account, the Western Railroad of Alabama would not only have to pay back dividends, but actually a surplus to reimburse in part the Georgia Railroad. But these things are all passed and we will have to make the best of it. It seems particularly hard that he should be in favor of the new system all the time and you should be accused of involving the company in all these disasters. The endorsed bonds of the Western Railroad of Alabama were not sold upon the responsibility of the Georgia Railroad, but upon collateral endorsement, Judge Reese and Gen. Towns were of the opinion that as the condition upon which the bonds had

been endorsed had been violated, the obligation was void. He did all he could to secure justice to the company, but had not been able, and neither had General Alexander. He knew the Western Railroad of Alabama were entitled to certain freight, but his remonstrances with the Central Railroad had no effect. He did all he could. It was the most unheard of robbery that was perpetrated upon the Western Railroad of Alabama by the Central Railroad. Unless the present state of affairs can be changed they had better make up compensation for it. Gen. Alexander had done well as he could, but it must be remembered that he had the Central and Georgia Railroads at his back. He had done as well as he could under the circumstances, but he had not been able to control the Central Railroad. They had always had their own way and always would have it. They had had it so long that they looked upon it as a divine right. If it had not been for their interference in bringing the Georgia Railroad into this obligation in regard to the Western Railroad of Alabama, he believed, before God, that they would have gone into bankruptcy. That was all that saved them. It would be very ungenerous in him if he did not feel a strong interest in the destinies of this road. Everybody who knew him knew that he had long wanted to resign. The most independent part of the town had been built up by reason of the Georgia Railroad. If he could get rid of all responsibility of going out, so far from doing him any injury they had done him a great service by putting him out. He had always been ready and willing to enter into any individual responsibility that would benefit them. But for assuming this individual responsibility, the company would several times have been unable to pay dividends.

As to the future, they had a great many difficulties before them. He would have said disaster if he had remained in. They had a great many law suits on hand. He hadn't the sagacity to see that all this was coming. They had been told by some that they could do it all. His blood was shed. They didn't do it, however. Of course, during the war, his sympathies were all for the Union, but his convictions were that it would terminate as it did.

West Point Railroad has nearly trebled the amount of subscription to the stock, notwithstanding the losses by the war. The Nashville and Chattanooga stock had more than paid back the original subscription. What there is remaining is worth more than the original subscription. They had actually made a profit on all the subscriptions by the sale of stock. With all the advantages and disadvantages before them with prudence and good management he thought they ought to be assured of good dividends. Dividends had always been high. He wanted it reduced to six per cent. years ago, and he would say for Mr. Phinney that he agreed with him. A five per cent. dividend, which was certainly better than a ten per cent. contingent dividend. He wished them all happiness and prosperity. (Applause.)

Mr. Stevens Thomas offered the following resolution:

Resolved, That the Convention hereby expresses its high appreciation of the past services of the Hon. John P. King, and in his retirement from the Presidency of the company, would reaffirm its unabated confidence in his official integrity, and with an earnest desire to secure for the future, as in the past, his mature counsel and ripe experience, hereby tenders him for life the honorary Presidency of the Georgia Railroad and Banking Company.

Col. Billeby said it was with sincere pleasure that he succeeded the resolution just offered, and trusted that it would result in the unanimous vote of the Convention. (Applause.) He had been pained to hear words of bitterness, amounting almost to sarcasm. He hoped now, that the Convention had spoken, all this would be buried in the past. While reserving for himself independence of individual action, he was prepared to give to General Alexander his cordial and hearty support. He knew him to be an upright and capable man. He could not be anything else. He hoped that when he retired he should retire with the same respect and esteem that was given to Judge King. While he greeted the retiring one with joy, he bowed in respect to the setting sun. (Applause.)

Col. Cole said after the eloquent speeches he had heard he felt that silence on his part might be eloquence, but he could not refrain from making a few remarks. If, in the heated hour of debate, any expressions fell from his lips that were either superfluous or impolite, he regretted them. If he had rubbed the feelings of any gentleman on the floor, he hoped he would excuse him. He had not read the reports of his speeches, but he had no doubt he was correctly reported. If so he would be made up and by that record he most cheerfully absolved. He wished he had the language to pay to the President the tribute he felt to be his due, but language failed him. Gen. Alexander was a gentleman he knew well. He was a gentleman whom he had had the pleasure of meeting in railroad councils. He had no words to say of him except in commendation and praise. High-toned, chivalric and just, he possessed all the qualities that make up a noble man. To the Directors of the Georgia Railroad he desired to say that if any time in the future they might deem that he might possibly be of any service to them they had only to command his services. To the stockholders of the company he desired to say that his relations with their road would be to him one of the green spots in memory. He had taken great pride at all times in serving their interests. How much less little he had accomplished in that direction he did not know. He had always used his best efforts to protect their interest. He knew and regretted particularly a road that might not have had an existence for many years but for the fact that road felt the influence of his counsel, and that road joined with all the others in begging that Judge King would continue in office at least there were more peaceful times in railroad affairs. With continued assurance of his efforts in their behalf in the future, and thanking them for the courtesy they had shown to him, he now took his seat.

Colored Billeby resolution was then put and adopted unanimously, and its adoption was followed by loud and continued applause, which was kept up until Judge King rose.

Judge King, in response to the very kind manifestation of the Convention, he would say that he was entirely innocent of the charge made by some that he was using his influence to ap-

point his successor. Years ago he spoke to Mr. Phinney and suggested to him that it would be well to elect Mr. Thomas, of Athens, to succeed him. He knew he was honest and capable. He was the only man, so help him God, that he had ever mentioned as his successor. He thanked them for their manifestation of confidence. He had done the best he could, and if he made any mistakes it was with good intention. But he didn't think he had made many mistakes. He couldn't anticipate the revolutionary spirit of a people who were prosperous and happy. He hoped that they would come out to a great, prosperous and happy people. But this he should never witness. He advised them to make the best of a bad case, and not the worst. We have a great country. It was a young giant, but unfortunately the plague spot was on the broad chest of the infant. The situation in Europe should remind every American of the Constitution of his country. In the time of the Romans there were four hundred cities in Asia Minor which constituted for the honor of a Caesar. Now, that whole country is desolate. When we look at the Roman Empire we see that the only thing which made it stand out from the rest of the world was its constitution. It was a constitution similar to our own. He wanted to say a word or two in relation to the Royal. As they were the best of it, it had occurred to him for some time past that they might make a lease of it. It might be made an enterprise of great benefit to the Georgia Railroad in connection with Western business. Port Royal was one of the best ports on the Atlantic coast. If the Port Royal Railroad had an outlet it would have just as much business as it could do. He was not in favor of issuing any bonds, but he believed they should have control of the Port Royal Railroad. There was no port on the South Atlantic coast that could begin to compare with Port Royal. He didn't favor the connection of the road with an enterprise which would not involve it in any liability as much as it would. He, with that view many of the Directors and himself believed that Col. Cole could be of great service to the company, and on that account he was elected a Director without dissent. His opinion on his part; in fact, he had on several occasions declined that or any other office connected with the Georgia Railroad.

Col. Clarke said he had a resolution which he desired to offer upon the very subject upon which Judge King had spoken. His connection with the Georgia Railroad was coeval with the Port Royal Railroad endorsement, and therefore in severing his connection with the road he desired to look after that interest, hence his resolution. He read the resolution, as follows:

Resolved, That the Georgia Railroad and Banking Company has invested more than half a million of dollars in the construction of the Port Royal Railroad, giving the Georgia Railroad, by its connection, the harbor facilities for the importation and exportation of grain, produce and merchandise, therefore,

Be it resolved by the Stockholders of the Georgia Railroad and Banking Company, That the President and Directors elected at this Convention be, and they are hereby instructed, to use their utmost endeavors, in connection with the other owners of the Port Royal Railroad, in establishing the importance of Port Royal harbor as a shipping point, and to do everything possible in that direction by negotiations, contracts for co-operative business, leases to other parties or otherwise, that will not involve any outlay of money or assumption of any moneyed responsibility by the Georgia Railroad and Banking Company.

Col. Billeby said that last evening Col. Thurmond introduced a resolution to instruct the Directors to investigate the conduct of employees in making purchases. An amendment was offered so as to refer it to a committee of five, and they are hereby instructed, to use their utmost endeavors, in connection with the other owners of the Port Royal Railroad, in establishing the importance of Port Royal harbor as a shipping point, and to do everything possible in that direction by negotiations, contracts for co-operative business, leases to other parties or otherwise, that will not involve any outlay of money or assumption of any moneyed responsibility by the Georgia Railroad and Banking Company.

Col. Thurmond said he had no idea that any employee or officer of the Georgia Railroad had been guilty of any such conduct as the resolution proposed to investigate. But if they chose, let the resolution stand for the future. Let himself be not consent, either for pay or otherwise, to go back into the past through all the books of the company.

Col. Thurmond said he had no reason why an investigation should not be had. He made no charges here, but it was the interest of the stockholders that everything should be investigated.

Mr. Davison said he would withdraw his amendment. He had no desire to cover up any fault. But the resolution would simply go upon the minutes as a closed letter. The Directors would not do it.

Mr. Thurmond said they would not perform their duty, then.

Mr. Davison said some of the stockholders of the Georgia Railroad.

Col. Branch said he wished to make a personal explanation in regard to something he had said in reference to Robinson & Appleton. In his own relations toward, honorable gentlemen. Personally and socially they were the peers of any gentleman on that floor.

On motion of Judge Hillyer, the Convention adjourned sine die.

Col. Johnson Re-elected.

At a meeting of the Directors, held immediately after the adjournment of the Convention, Col. S. K. Johnson was unanimously re-elected President of the Georgia Railroad and Banking Company.

Col. Johnson is a capable and efficient officer and a high toned gentleman.

Doulay's Xant Powder.

This truly unrivalled baking powder stands on its merits alone; and because of its perfect purity and excellence, and from the fact that even the most strictly fast weight, the people have adopted it in their households, and have the utmost confidence in it. It always does the work effectually, goes much further in its use than any other powder, more wholesome and nutritious than fine bread, rolls, muffins, cakes and pastry than any other powder in the country.

Fatal Explosion.

MOBILE, May 10.—An explosion on board the steamer Sardinian occurred at 3 o'clock this afternoon, in the fore-cabin. Forty persons were injured and three killed.

QUEST: "Why will men smoke cigars to-day when they can buy Marburg Bros. 'Star of North Carolina' at the same price?"

ANS: "Because they are used to it."

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BRUSHES,
SCREWS, &c.
GLASS, A SPECIALTY.
AUGUSTA, GA. WRITE FOR PRICES.

Chronicle and Sentinel

MARCUS,

SATURDAY MORNING, MAY 1, 1874.

AUGUSTA, GA.

INDEX TO NEW ADVERTISEMENTS.

Colton Warehouse in Atlanta to Rent.
Notice of Board of Education.
Legal Notice.
Assignee's Notice.
Augusta Bible Society.
Richmond Sheriff's Sale.

THE STRUGGLE OVER.

Closing Scenes of the Great Struggle in the Georgia Railroad Convention—Election of General Alexander—Judge King Chosen Honorary President For Life.

The closing of the polls Thursday evening wound up the work of the Georgia Railroad Convention. The session had been protracted and stormy. It had been culminated on the one side by the country stockholder waiting for his lost dividends, the representatives of other roads endeavoring to harmonize conflicting interests; and the administration, from its high pinnacle, struggling with the mighty currents of opposition. It had been marked by many words, eulogies, philippics, arraignments, defenses and invectives. It had been signalized by stormy eloquence, stinging personalities, keen innuendo, mighty arraignment, suggestive threats and pathetic appeal. "The place was well worthy" of the great scene. It was the hall where for scores of years past the moneyed classes had gathered to sit in council over the great corporation's work. It had witnessed many excited pictures, and the voice of more than one great statesman had thundered through the edifice and reverberated from cellar to dome. It had witnessed the mighty combat six years ago, between Toombs and Hill upon the Georgia Railroad with the State Road issue. It had heard this administration attacked again and again, but the harmless anathema had wrapped vainly around the Gothic columns of the hall or spent themselves among the winding corridors of the building. It had in every instance witnessed the triumph of the management of the road and the demolition of the aggressive opposition. But this time it was not to be. Upon Judge King's side were two appeals employed; the first glowingly referred to his distinguished ability and eminent services in the past; the second held up in devoted reverence his age and venerableness to the admiration of his friends and to the awe of his opponents; the one pointed with pride to his great record; the other watched with tenderness his declining days. None there were to dispute the former point; many to doubt his present efficiency and fewer still—yes, shameless few—to irreverently touch his garb. There were thousands who wished to retain Judge King until the conflicting railroad interests of the South and State could be planned away; but others doubted his energy and distrusted his failing strength. The votes were counted at five o'clock this morning, and it soon became known that the opposition ticket had been chosen. Much surprise was manifested on all sides; scarcely did General Alexander's friend themselves know their own full strength. The hall at ten o'clock was well filled with people, but the surging crowds of yesterday were not on hand. The assemblage had a wearied look. The Directors were sitting in front, reflecting upon the two days' work and thinking over the signal change of base. The impassioned orators were all hushed and everything was regular and subdued, just as the receding tide had left it. Presiding over the body, in perfect serenity and commanding dignity, sat Hon. John P. King, his face showing no trace of his feelings or fatigue, his words—for he twice addressed the Convention—were calm and distinct, and his manner undisturbed and natural. When Mr. D. Stevens Thomsen, rising in his place, moved that the retiring official be made Honorary President for life, he was greeted with a storm of applause. The unanimity with which it was carried and the cordiality attending its reception, showed that "Achilles in his tent" was loved and trusted still.

The New President.

Edward Porter Alexander was born in Washington, Wilkes county, Georgia, on 27th May, 1835, being now in his forty-third year. He was reared in Washington and when quite young was by Gen. Toombs appointed to a cadetship at West Point. Taking a very high stand in every department there, he graduated in the School of Engineering second in his class and was made Assistant Professor of Applied Mathematics. He was subsequently ordered out West under Gen. Albert Sidney Johnson in the Utah expedition during the Mormon troubles. At the opening of the civil war he was stationed on duty in the United States army in Puget Sound, in Washington Territory. Hearing that Georgia had succeeded, he carried his

corps of sappers and engineers to Sacramento, thence went to New York, where he resigned his command and entered the Confederate lines in Tennessee. He joined Gen. Beauregard's army in Virginia, ranking as Captain, and was prominently engaged in the battle of Manassas and all the principal fights of the Army of Northern Virginia. His gallantry and distinguished services soon gained for him promotion and in a short time he was made Brigadier-General. Afterward he became chief of artillery of Longstreet's Division, serving with him in the Tennessee campaign and when Gen. Longstreet's corps returned to Virginia, Gen. Alexander was made chief of artillery of Lee's army. Returning from the war, he was elected Professor of Mathematics and Engineering at the University of South Carolina, at Columbia. When Radical trustees were thrust upon the State, General Alexander resigned, and was afterward elected Superintendent of the Charlotte, Columbia and Augusta Road. From this he was called to Opelika, Alabama, to manage the Memphis and Savannah Road, and thence was elected manager of the Western Railroad of Alabama, which position he now holds. He will be officially informed of his election and notified of the time when he shall take charge of the Georgia Railroad.

Convention Notes.

The total number of votes polled was 37,391.
Mr. Josiah Sibley received the highest vote in the Convention.
Nearly all of the country stockholders returned home last evening.
The streets look very quiet since the stockholders have gone home.
The largest vote polled in any Convention of the road was cast Thursday.
Gen. E. P. Alexander, the new President, will probably reach the city to-day.
The stockholders will perhaps never again have so protracted and exciting a Convention.
Col. E. W. Cole, President of the Nashville, Chattanooga and St. Louis Railway, and one of the most prominent railway men in the United States, left for Nashville last evening.
The three new members of the Board of Directors are Messrs. H. H. Hickman, H. D. McDaniel and N. S. Hutchins. Mr. Hickman is a citizen of Summerville, in this county, and is President of the Graniteville Factory. Mr. McDaniel is from Monroe county and is a lawyer. Mr. Hutchins is from Gwinnett county and is also a member of the legal profession.

Personnel.

From D. C. Ga.
Co. Co.
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M.
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Geo.
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JANUARY 18, 1880.

SUNDAY MORNING,

COLE CORNERED.

The Railroad King of the South Cut Out by the Louisville and Nashville.

Purchase of the Nashville and Chattanooga Road by the L. and N. Company.

Which Will Probably Make the Cincinnati Southern the Northern and Western Outlet for the Cole System.

SPECIAL DISPATCH TO THE ENQUIRER.

NASHVILLE, January 17.—About ten o'clock to-day report was started that the Louisville and Nashville Railroad had gained controlling interest in the Nashville and Chattanooga Railroad, the stockholders of the latter in New York having sold out. This rumor spread rapidly, causing among business men unusual excitement. At first the report was believed to be merely sensational, but later came confirmatory news. The banks and brokers' offices were crowded by stock dealers and merchants, all eager to learn the particulars of one of the largest and most important railroad transactions ever made in this section, deriving additional interest from the recent war and the seeming checkmate of the former road by King Cole, of the Nashville and Chattanooga. Many telegrams were received by various individuals, leaving little doubt that the Louisville Road had secured a controlling interest in the Chattanooga Road. There came a general feeling of regret and almost indignation, and to-night the crowds at the hotels waiting for further news are very free in their expressions of condemnation and distrust of the effects of the change. Colonel Cole was very reticent about the matter and seemed downcast and disheartened. He received a great many private dispatches from New York, but none definite until ten o'clock, when a telegram arrived ending all doubt. It is understood that the first premonition of the impending change was the failure of the Directors from New York to arrive this evening, a meeting of the Directors having been called to ratify the lease of the Georgia Western and take other important action. A dispatch was sent to one of the Directors, asking the reason of their non-arrival, and in reply came the following:

"Certain changes have been made, by which you will consult other authorities hereafter." Later in the day followed dispatches to banking men, and soon the news was known all over the city. The change was a complete surprise to Colonel Cole, and V. K. Stevenson, the heaviest stockholder, were on terms of peculiar intimacy. Stevenson had earnestly backed him in all his movements, and it is thought nothing but the most pressing necessity to realize on his stock could have impelled Stevenson to desert his manager just at the triumph of the Cole system. The feeling here is especially bitter toward Stevenson, while to Colonel Cole the warmest sympathy is extended. Colonel Cole took charge of the Chattanooga Road fifteen years ago. Then its stock was \$2,000,000, worth nineteen cents on the dollar. It was afterward watered to \$6,000,000. Three months ago Colonel Cole began his active operations which resulted in the control of a through line from St. Louis to the seaboard, and which caused an agitation only equaled by to-day's excitement. The result was an advance in the price of his stock to ninety-three cents, five times its value when he first took charge, and with the stock watered. Under Colonel Cole's management the Chattanooga Road has been particularly friendly to Nashville, and to it the merchants give every preference, regarding the Louisville line with distrust. The fear that the change putting an end to competition and cutting Nashville out of all influence in its control will result in a policy unfavorable to the city makes it a vital question, and through Tennessee and Georgia the news will be received with no less apprehension. It is stated that Colonel Cole and Ex-Governor Joe Brown control the Western Atlantic, running from Chattanooga and Atlanta, and the new developments may force it from its present connection with the Nashville and Chattanooga Road, leaving it to combine with the Cincinnati Southern. Among the rumors to-night is one that Jay Gould has some connection with the sale; another that there will be an effort to retain Colonel Cole in the management. There are a great many small holders of Nashville and Chattanooga stock in this vicinity, it being the most popular local security, and they are clamorous for particulars.

Colonel Cole, as President of the road purchased, of course depended on this for his outlet west and northwest. He had secured the St. Louis and South-eastern Road from St. Louis to Evansville, and also the Evansville and Chicago Road, thus giving him the business of those two great cities and some twelve hundred miles of railroad, which he expected to transport over the Mobile and Chattanooga to his lines east of Chattanooga. This acquisition by the Louisville and Nashville Road is a very important one to them. It will give them a direct connection with Chattanooga and a through line of their own from Chicago direct to Chattanooga. At Chattanooga they will have the same facilities for reaching the seaboard if they wish as has the Cincinnati Southern, and with the advantage that they also have another line to the Gulf from Decatur on their own line over the South and North Alabama, to Montgomery, and the Montgomery and Mobile to Mobile, both of which they control. In regard to its effect upon the Cincinnati Southern year own conclusions can be drawn from the following facts: Chattanooga will be by this new line controlled by Louisville interests, 28 miles from Louisville, while it is 32 miles from Cincinnati, a difference of 2 miles in favor of Cincinnati.

natl. The Louisville and Nashville also controls the Louisville, New Albany and Chicago Road, giving this Company a direct line from Chattanooga to Chicago, all under their own control (except 57 miles on the Chicago and Michigan, over which they have running arrangements). The distance from Chicago to Chattanooga via the Louisville and Nashville through system will be 635 miles, while by way of the Cincinnati Southern and the Cincinnati, Indianapolis, Lafayette and Chicago, the distance from Chicago to Chattanooga will be 595 miles. Thus your city will be 2 miles nearer Chattanooga by the Southern Road than is Louisville by its system, and the route to Chicago over the Cincinnati Southern will be ninety-three miles shorter than by the Louisville and Nashville system which will, however, probably be offset by the one line in the case of the Louisville and Nashville, being controlled by a single management. The result is difficult to foretell, the situation becoming the more complicated by this movement. It is, however, among the possibilities that it may result very favorably for the Cincinnati Southern as this now that Colonel Cole's line west of Chattanooga is broken, may throw a very large proportion of his Northwestern and Northern business over the Southern Road as his only outlet.

The Seven-Day Go-As-You-Please.

Mr. Fred Engelhardt, the manager of the Seven-day Go-as-you-please Tournament, has issued a circular of invitation to the pedestrians of the country, from which we take the following excerpts:

Having every assurance that a handsome sum of money will be taken at the gate, we propose to offer as prize money 60 per cent. of the gross receipts realized from the sale of admission tickets, divided as follows:

Fifty per cent. to be paid to the first six, according to the following scale: 40 per cent. to first, 30 per cent. to second, 15 per cent. to third, 10 per cent. to fourth, 5 per cent. to fifth, 4 per cent. to sixth. Of the 10 per cent. remaining 25 per cent. will be given to the best performance during the last twelve hours only prize-winners eligible to compete, the remaining 75 per cent. to be divided among those who cover 80 miles or more, and who be made in the order of position in the race, on the same scale as the prize under which the main prize in addition to the prize enumerated, a massive and very beautiful gold medal will be presented to the winner.

City Personal.

HON. JOSEPH SEITER went on Mr. Snell-baker's bond.

JUDITH W. S. HOLMAN, of Indiana, was in the city yesterday.

THE Patriotic Sons of America have eight thousand votes in Hamilton County.

HON. FRED HASSAUBER left last night for Washington, D. C. John Sherman was dying to see him.

MR. J. H. GILBERT, well-known in hotel circles, is suffering a severe attack of rheumatism at his home.

HON. ALEXANDER LONG arrived home yesterday from his Eastern trip. He visited New York, and made all arrangements with Mr. S. Tilden to have the National Democratic Convention held in Cincinnati.

Oh, Shaw!

Ernest Shaw, a young colored waiter at Mrs. McKrell's boarding-house, 165 Broadway, pocketed all the silver forks and spoons Friday evening and skipped the gutter. Brazell and Knox got the lad yesterday and locked him

Telegraph & Messenger.

TUESDAY, JANUARY 20, 1880.

How Would the Failure of the Cole, Brown and Wadley Consolidation Affect the Lease of the Macon and Brunswick Railroad?

The above is a very pertinent question which was in everybody's mouth yesterday. We answer, it would stimulate the lessees of the M. & B. R. R. to renewed efforts, not only to make the extension to Atlanta, via Covington, but build on to Knoxville, and thence without delay, using all the lines already in operation, to Cincinnati.

The State Road would become more than ever the "neck of the bottle," as it is probable that a quietus would be given to the Western Road from Atlanta to Decatur, Alabama, as the Nashville and Louisville Railroad, we learn, have the way all clear to the Gulf, and will make their tide water connection either at Mobile or Pensacola, provided they do not assume and ratify the Cole-Brown amalgamation and go to Savannah. Failing to do the latter, then Mr. Wadley may be forced to build the Carrollton extension to Chattanooga and the Macon and Brunswick, if it aspires to be a trunk line and control through freights, will be compelled to go on to Knoxville and Cincinnati. This is the through

which above all others Macon is most interested, as it would open up a new and profitable route to the West, and afford thereby competition with other roads. But looking at the question in every possible light, we do not see how Macon can be injured by the failure or success of any of the railroad schemes which are on the tapis. Ours is a geographical position and railroad centre which cannot possibly be flanked. All that we ask is fair play and the removal of unjust freight discriminations. Nothing more.

Augusta Evening News

Has L. Gow, Jno. M. Weigle, W. H. Moore PROPRIETORS.

OFFICE AT GOW'S BOOK STORE

MONDAY.....JAN. 19, 1880.

THE SMOTHERING FIRE.

RAILROAD AND STOCK EXCITEMENT.

Big Drop in Central in Consequence of the Failure of Col. Cole's Plans—Corresponding Rise in Georgia Railroad Stock.

To-day has been even more exciting in financial circles than the day of the big advance in Central Railroad stock, when the Cole Wadley combination was formed.

Central Railroad stock has declined from 92 freely bid on Saturday afternoon to 84. This decline is explained by the news of the refusal of Col. Cole's party to ratify his recent action or his lease of the Georgia Central Road. His refusal and its results are the vital questions to-day, and immense excitement is felt everywhere. Cole, who recently looked along a continuous line to the sea, and called himself king, is to-day, if the news be true, a dead cock in the pit, and has been ousted by his own friends, his own stockholders refusing to ratify his lease, the agony was piled on by Stevenson's unloading at 95 an immense amount of the stock of Cole's own road (the Nashville, Chattanooga and St. Louis), which was bought up by a rival road, the Louisville and Nashville. This of course will change the whole of the recent arrangement at least so far as its management is concerned, and will probably do away with the contract by which the Central Road is a part of the route to the sea. This last, of course, remains with the Louisville and Nashville, as it can now ratify Cole's contract or not, as it sees proper.

Many parties believe that Central Stock will react, as they think Mr. Wadley indispensable in the great railroad programme, and besides they consider a five per cent. stock free of all taxes worth as much as Central has been bringing. With this excitement and decline in Central a corresponding but opposite feeling is noted in Ga. R. R. Stock. Sales of Georgia R. R. Stock were made at 89 Saturday and to-day, 95 is freely bid with very little offering.

Many think that the new managers of the great Western route to the sea will make arrangements with the Georgia Railroad, and that the Georgia and Port Royal will come in the line. This causes an upward tendency in the stock, but the business showing of the Georgia Railroad and its fine management by its present officials, President Alexander and Colonels Johnson and Dorsey, has had more to do with the rise in Georgia R. R. stock than any number of rumors or stock speculations.

A VAST RAILROAD SCHEME. THROUGH SOUTHERN TRAFFIC IN THE GRIP OF A MONOPOLY.

Details of the Acquisition of the Nashville and Chattanooga Railroad By the Louisville and Nashville Company. Tremendous Economic Consequences of the Purchase.

[New York Times.]

Beneath the five line dispatch published in yesterday morning's Times, announcing the purchase of the Nashville and Chattanooga Railroad and its dependencies by the Louisville and Nashville Railroad Company, lay hidden the story of one of the most gigantic railroad operations of the age. The two corporations mentioned have for years been the great rival trunk lines between the West and Southwest and far South. Through the dull times this rivalry has, of necessity, lain dormant, but a little over a year ago the beginning of the revival of business enabled the managers of the two routes to assume an aggressive policy. The first hostilities were taken by the Louisville and Nashville Company in the purchase of the Southern or Kentucky division of the St. Louis and Southwestern Railroad, running between Nashville, Tenn., and Evansville, Ind., which had previously been a competitor of the purchasing road for Kentucky business and a feeder of the Louisville and Chattanooga Road. The officers of the latter company at once took umbrage at this move, and, although the Louisville and Nashville people claimed that they had merely been actuated by a desire to protect their local rates, set secretly and vigorously to work to checkmate them. Through the influence of Southern friends they succeeded in obtaining control of the Western and Atlantic Railroad, running from Chattanooga to Atlanta. This is a State road, and by its charter could not be owned by a corporation outside the State of Georgia. To overcome the difficulty a majority of the shares were purchased in the name of friendly Georgians. The object of this move was to head off the effect of the purchase by the Louisville and Nashville Company of the South and North Alabama Railroad, running from Decatur to Montgomery, which had previously been accomplished. The Nashville and Chattanooga Company also got control of the Owensboro and Russellville Railroad, running from Owensboro on the Ohio river, with a projected line to Nashville, thus threatening their rivals with a parallel and competing line through Kentucky from Nashville to Evansville. This was followed up by the purchase of the Northern Division of the St. Louis and Southeastern Railroad, from St. Louis to Evansville, in connection with which a short connecting line was projected to Owensboro, thus completely cutting off the Louisville and Nashville Company, not only from whatever advantages it might have derived from its acquisition of the line between Evansville and Nashville, but also from all outlet in the direction of St. Louis.

This was the situation four months ago. The Louisville and Nashville people then changed their tactics in part, and began secretly buying up Nashville and Chattanooga stock, causing the rapid rise in the securities of both companies which has hitherto remained without satisfactory explanation. In the latter part of November last they succeeded in getting control of the franchise of the Georgia Western Railroad, which had been graded for thirty-seven miles, and announced their intention of building from Atlanta to Decatur or Birmingham on the South and North Alabama Railroad. This would have given them an outlet over the Mobile and Ohio Road and its connections to St. Louis by a shorter route than that of the Nashville and Chattanooga Company, but would have cost \$3,000,000. It was given out that the work was to be completed inside of ninety days. At this juncture the Nashville and Chattanooga Company began to make overtures looking to a truce. They approached Judge Baxter, attorney for the Louisville and Nashville Company, about the middle of December last, and authorized him to treat with the Executive Committee of the rival line for a consolidation. While the negotiations were pending they went into the stock market and pushed the securities of the road up to a level with those of the Louisville and Nashville Company, in order to give a stronger basis to their demands. This could very easily be done, as the bulk of the stock was held in the hands of a few men. In October the Louisville and Nashville stock was quoted at between 60 and 70 per cent., and that of the Nashville and Chattanooga Company at 40 to 50 per cent. As a result of the manipulations, the stocks were quoted "in the eighties" in December. The proposals of consolidation were rejected.

Meantime, the Louisville and Nashville Company had been at great disadvantages in regard to its through business to New Orleans. The Mobile and Montgomery Railroad Company, which joined its southern extremity at Mobile, had formed an alliance with the Atlantic and Richmond Air Line Company, and the Louisville and Nashville Company was compelled to ship through freight and passengers for New Orleans by way of its branch line from Memphis Junction to Milan, and thence over the old Jackson route, in order to avoid excessive charges, change of cars, and breakage of bulk at Montgomery, thus reducing the greater part of its line—from Memphis Junction to Montgomery—to the status of a mere local road. The plan of secretly purchasing the majority of the stock of the Mobile and Montgomery was resorted to with success, and a straight trunk route was established from Louisville to Mobile, whence there were no untimely obstacles in the way of reaching New Orleans. The details of this movement were published at the time in the Times, as were likewise those of the subsequent acquisition, by persons interested in the Louisville and Nashville Company, of the Louisville, New Albany and Chicago Railroad Company, running from New Albany across the Ohio river from Louisville, north to Michigan City, on Lake Michigan, 65 miles north of Chicago. These connections greatly strengthen the position of the Louisville and Nashville Railroad as against the Nashville and Chattanooga Road, and the latter company re-

opened negotiations at No. 52 Wall street, in this city, a fortnight ago. Mr. G. M. Fogg, attorney of the Nashville and Chattanooga Railroad, and its dependencies. It is understood that the price paid was in the neighborhood of 70. The capital stock of the purchased road is \$6,500,000, so that the purchasers must have acquired \$3,300,000. Some time ago Col. Cole, President of the Nashville and Chattanooga Company, learning of the existence of a secret contract between the Louisville and Nashville and Georgia Central Companies, whereby the business of the former road was to be transferred to the latter at Montgomery instead of going to his road as formerly, went to work and secured a lease of the Georgia Central Railroad. This lease has been ratified by the Directors and stockholders of the last named company, and was to have been ratified by the stockholders of the Nashville and Chattanooga Company, at Nashville, on Saturday, but a telegram stopped this. The Louisville and Nashville Company have, consequently, the option of retaining the lease or not, as they choose.

Within a few days the Louisville and Nashville Company will take final and official control of the Mobile and Montgomery Road, and it is believed that they are making a further move toward the acquisition of the New Orleans and Mobile Road. This is now in the hands of a receiver, and is being run in the interests of the bondholders. The plan is said to be to obtain an order of the Court to sell the road out under foreclosure, when the bondholders will buy it in, and it will be discovered that a majority of these are persons interested in the Louisville and Nashville Company. The latter will then have under their absolute control 3,500 miles of railroad—the largest aggregate under one management in the world. The combination will include what may be denominated the Louisville and Nashville main line, from Louisville, Ky., south to New Orleans, Montgomery, and Mobile, Ala., with a small branch line from Pollard, Ala., on the Mobile and Montgomery Road to Pensacola, Fla.; the Louisville, New Albany and Chicago Road from Louisville north via Indianapolis and Lafayette, Ind., to Michigan City, on Lake Michigan, whence connection can be made to Chicago by way of the Michigan Central, Pittsburgh and Fort Wayne and Grand Trunk routes, or by a new road 65 miles long; a branch of the Louisville and Nashville Road southwest only from Memphis Junction, Ky., to Memphis, Tenn.; the St. Louis and Southeastern Road southeasterly from St. Louis, Mo., to Nashville, Tenn., via Evansville, Ind.; the Nashville and Chattanooga Road, still southeasterly, from Nashville, Tenn., to Chattanooga, Tenn.; the Western and Atlantic Road from Chattanooga, Tenn., to Atlanta, Ga., and the Georgia Central Road from Atlanta to Savannah, via Macon, besides numerous minor branches. These will give an uninterrupted route from the fresh water lakes to the Gulf, on the one hand, and from St. Louis to Savannah on the other. A complete monopoly of through Southern traffic will be secured; every outlet from Kentucky, Tennessee, Alabama and Georgia below Cincinnati on the Ohio, and Memphis on the Mississippi, will be controlled, and all competing or other lines will be made purely local or contributory.

Vice-President Newcomb, of the Louisville and Nashville Company, confirmed all these details in his apartments in the Albemarle Hotel, yesterday afternoon, and asserted that everything had been accomplished out of the surplus earnings of the parent road and its connections, of whose condition he gave a glowing description. In regard to the future policy of the new combination, he said that it would be eminently conservative, and would be directed, through fair and liberal rates, toward building up the territory through which it passes by encouraging immigration and manufactures particularly of cotton and iron, which are the great staples. Such a policy, he thought, would secure the greatest amount of revenue. He considered any sort of discrimination suicidal in the end, and would avoid it. Connecting railroads would be given an equitable and just tariff, and every facility would be furnished to all sections of the country alike for the shipment of passengers and freight. Although Louisville would naturally derive enormous benefits from the combination, no attempt would be made to advance her interests at the expense of other cities, such as Chicago and Cincinnati. Concerning the Georgia and Western franchise, he said that it might be worth while to build the road as a local road at some future time, but it will depend altogether on the disposition shown toward the project by the people of Atlanta.

Treacherous Friends.

The following extract from a letter from Nashville is from undoubted authority and gives the feeling and opinion there:

"Baldwin, of New York; Thomas Evans, of Nashville, living in New York; V. K. Stevenson, of Nashville, living in New York, owned large amounts of stock in the Nashville, Chattanooga and St. Louis Railroad. They were also Directors. Last week, when Col. Cole went to Macon, they telegraphed him they would meet him in Atlanta. Instead of doing so, Mr. G. M. Fogg, the attorney for the Nashville, Chattanooga and St. Louis Road, who, by reason of his position, knew all the private and open negotiations of the road, a nephew of Mr. Stevenson, left Nashville suddenly, secretly saying he was going to see about a law case at Washington. These four men telegraphed Col. Cole several times from Monday until Friday last, appointing different days to come to a meeting of the Board of Directors of the Nashville, Chattanooga and St. Louis Railroad. They were to have been in Nashville to-day, to have confirmed Col. Cole's lease of the Georgia Central Railroad. As they were keeping Col. Cole in Nashville, they were negotiating with Sanitford and Newcomb, in New York, to sell their State, city and friend. They are men who love gold enough to barter their honor for it. They could have said to Col. Cole: 'We have been offered so much for our stock by the Louisville people. If you wish, take it at the same price.' They sold to the Louisville people without a word of warning. The excitement in Nashville was and is intense. Indignation meetings, effigy burnings, etc. are talked of. Col. Cole is very quiet, doing all in his power to calm the excitement the damnable treachery these scoundrels have raised."

President Cole.

[Telegraph to New York Herald.]

NASHVILLE, January 18.—The sympathy has increased in favor of President Cole, who has been set adrift by his principal stockholders to such an extent that his name has frequently been mentioned to-day in connection with the next Governorship. Cole has intimated to his friends that if he had had any warning that he was to have been sold out he would have prevented it. He also intimates that he has not yet been felled, and that there may be an early move, which will place him again in the ascendancy. As to what that movement will be it is not known. It is well understood, however, that the contract with the Georgia Central is still open, the directory of the Nashville, Chattanooga and St. Louis Railway not having accepted it. It is also well known that this contract was obtained through his influence, and that he has virtual control of it. Victor Newcomb, at present in New York, telegraphed to President Cole to-day, asking him to hold under consideration the Georgia Central lease until they could have a conference with the Western Atlantic, already under his control. Cole could give the key to the Cincinnati Southern to Savannah, and thus defeat the plans of the Louisville and Nashville management. The fact that President Cole left here to-night for Chattanooga gave rise to the supposition that his mission is one of unusual importance. It is thought he will go through to Atlanta, to have a consultation with Watley, President of the Georgia Central. Reports are rife here that the people of Chattanooga and Atlanta and all intervening points are greatly exercised over the sale of the Louisville and Nashville and Great Southern. The people of Nashville are strongly in favor of forming a connection with the Cincinnati Southern, even if the road has to be built a distance of 125 miles.

As has been already intimated, the great bulk of the Nashville and Chattanooga stock was held by five persons, all in this city. These were Mr. V. K. Stevenson, President of the Real Estate Trust Company, and his son; David L. Evans, the dry goods merchant, and his son, and C. C. Baldwin, another dry goods merchant. Unknown to their rivals, the Louisville and Nashville people had succeeded in getting enough of the stock to give them a majority of the outstanding shares, provided they could capture the holdings of one of these gentlemen. They laid their plans to do so, and succeeded in persuading him that the thing he could do would be to sell to them. This was on Thursday night. The owner of the stock asked for time to enable him to consult with his associates. He went to them and offered them his stock at the price which the Louisville and Nashville people had named. They refused to purchase, and on Saturday night, in the Fifth Avenue Hotel, a contract was signed, by which the

THE THUNDER-CLAP

THAT BROKE KING COLE'S CROWN.

The Latest Developments From the Wreck of Bonds and Rail—The Status of the Georgia Western Railroad—Conflicting Interests Seeking Their Level.

NO. III.

NASHVILLE, TENN., January 19.—A Colorado blizzard never brought swifter upsetting and chaos. The news that the Louisville and Nashville road had bought up a majority of the stock of the Nashville and Chattanooga reached this city about 1 o'clock. At first the people treated it as a joke, and it was actually traced back to two waggon gentlemen who were said to have started it. Dispatch after dispatch came in, however, and at length genuine alarm was felt. The truth was never established until about 8 o'clock at night.

Then there was some excitement as I never saw before among commercial people. Go where you would it was being discussed. Those who had been forced into believing, were trying to convince those who had still refused to believe. It seemed incredible that the vast corporation that had gobbled up so many roads, had been itself captured without a struggle. As for me, I could hardly credit even positive knowledge that the enormous, well-defended system that I had just written up had crumbled, before my letter had been put in type.

STRIKING AT THE HEART.

The trouble was that this great system had a heart over which there was no armor. It was a strong man with his coat of mail, and his battle-axe and his sword. His heart was uncovered, and the enemy knifed him there. You see the system represented over 2,000 miles of road, and nearly \$50,000,000 of capital. It seemed impossible to buy that up. But the weak point of all this was the short-line of the Nashville and Chattanooga road—the controlling power, the \$6,500,000 of Nashville and Chattanooga stock. Once buy \$3,500,000 of this stock, and control the short 151 miles of road, and the whole system could be paralyzed and its king dethroned.

The Louisville and Nashville people assembled in convention at New York saw this. They were debating on the necessity of escaping from the web Colonel Cole had with his innumerable sagacity wound about them, and the possibility of doing so. At once shut out and environed, they determined to strike home. The daring and yet brilliant suggestion of breaking the web by killing the spider was offered. In would actually cost less to capture the Nashville and Chattanooga road, to deprive Colonel Cole of his power and take his seat, than to build the Georgia Western road—only one of the many branches that would be necessary to flank him or compete with him.

The suggestion was a masterpiece. It was acted on silently, swiftly, shrewdly. There are good reasons for believing that the whole thing was done in two days and the outside. Colonel Cole never suspected it, until it had been accomplished. The first suspicion that he had of anything unusual was the failure of his New York directors to appear this morning at the meeting which had been called for the purpose of ratifying the lease of the Central road. Their absence without any explanation, mystified him and made him nervous. Never, until 7 o'clock at night did he know what had been done. No purpose or plan, after it had been accomplished, did he have a hint even of the secret assault that was being made upon his stronghold. There was not a friend that gave him one word of warning—not a stockholder that breathed a whisper. In his office, resting for a moment after a campaign in their behalf unparalleled in results—struck beyond danger against all outside foes, and confiding absolutely in their grateful friendship—he was slaughtered.

A KING INDEED—AND YET A KING.

Let me say right here—while the crown is passing from the dethroned king to the king to be—that the history of railroads does not furnish a parallel to the achievements of E. W. Cole, in behalf of the stockholders of the Nashville and Chattanooga road, of the very men who sold their stock to his rivals. There is no parallel! not one.

Look at the figures. He took the presidency of the road eleven years ago. The stock was then \$200,000, and was worth fifteen cents on the dollar. In eleven years, by tireless labor, unflinching sagacity, strict business methods, entire faithfulness, and what he has achieved. In the first place he increased the stock to \$6,500,000. That is, without asking for a single dollar, he so improved the property that he gave to each stockholder three times as much stock as he had originally owned. This stock, watered to three times its original bulk and worth in its original bulk only fifteen cents, he ran up in its watered state to 95 cents. There is no record like this anywhere in railroad history. Let us suppose that with \$150 a man bought \$1,000 worth of original stock eleven years ago—as many did so—and held it till now. His original investment of \$150 would have been worth yesterday (\$2,000 at 95%) \$2,925.90. Where is there a growth like this in railroad history? It must be remembered, too, that during the eleven years he was in charge, he frequently drew out his entire invested capital in the shape of dividends! With this record, how safe must Colonel Cole have felt in the heart of his stockholders. He might have been fearful. Had he run their stock down or depreciated their property he might have expected that they would have

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property has been increased 1,500 per cent. by his patient work—there was not one who would even notify him of the pending trouble, and give him time to rally and protect himself. He was struck down without warning or notification. He has \$100,000 worth of the stock. He says he does not think it will decline, but I fear that it will go gliding down to very low figures. If the Louisville and Nashville determines to "bull" it, its decline may be arrested.

A RUMOR THAT LACKS VERIFICATION.

There is a very general rumor in the city to the effect that Messrs. Jay Gould and Vanderbilt have secured a controlling interest in the Louisville and Nashville stock. While this is probably untrue there is little doubt that the great trunk lines in the north—or the New York directors of the southern roads who do not wish to see a trunk line through the south, that would divert trade to southern ports—have backed up the movers in this transaction, and will dictate a policy that will result in tearing apart the system that Colonel Cole has spent so many years in getting together. This brings me to a discussion of the effects of the late turn on the Georgia end of the line.

THE LEASE OF THE CENTRAL.

It seems to be generally understood, though there is no positive information on the subject, that the new powers in the Nashville and Chattanooga will not ratify the lease of the Central road of Georgia. I learn, reliably, that this is one of the points on which Col. Cole's directors were argued into closing out, and that one of the first steps will be to break off this alliance. That is certainly vast, and thought to be tantamount to a complete victory. At the time this letter is published, something reliable on this point. In the meantime I predict that the lease will be declared off.

THE GEORGIA WESTERN.

As to the Georgia Western I can see no hope for that, under the new state of things. By the purchase of the Nashville and Chattanooga line, the Louisville people get all the route to Atlanta they want. They can force terms with the State road at Chattanooga, and to build the Georgia Western now would be to simply to build a competing line to the main stem of the line they have just bought. Indeed they will be just as much interested now, in preventing the building of that road, as Colonel Cole was when he controlled the Nashville and Chattanooga.

In this connection it becomes interesting to know who will control the late purchase of the Georgia Western road. If the Louisville and Nashville people control it, as I learn they do, they will be very apt to try to hold it, and prevent its getting into the hands of any parties who would build it. As trustees of the Louisville and Nashville road, holding the deeds, Messrs. Maddox and Calhoun may be able to shift the ownership so that the road can be built. In the meantime I can only say that Atlanta has unwavering and active friends who understand the value of the tails of that purchase, and who will never consent that it shall be used to defeat the ambition and desire of the people. I shall go to Louisville to-night and see the folks at the headquarters, but it is idle to hope that they will build the road now.

THE KNOXVILLE EXTENSION.

It seems clear too that this trade breaks up the proposed extension of the Knoxville route by the Louisville and Nashville people. They could not afford now to take that extension as a gift, much less to spend any money for it, and all thoughts of roads in Georgia for a helping hand and an alliance in that direction may as well be abandoned.

Indeed it is hard to find a point at which any development may be looked for. The Louisville and Nashville road covers the south. By the Cole system if they keep it intact they have two lines from St. Louis to the ocean. Add the Henderson route and they have three. By their own lines they have an unbroken route from Chicago to New Orleans. Adding these lines to Cole's they have over 3,500 miles of roads penetrating every nook of the south, and representing \$80,000,000. A careful survey of the railroad map as it is now adjusted shows little ground to hope for the building of any roads in the near future. It is believed, to be sure, that the system will be recalled from the survey of the Georgia Western, and Capt. Charles Wallace ordered to suspend work on the Owensboro and Evansville extension. We may bid good-bye to development for awhile!

COLONEL COLE'S FUTURE.

As to the future movements or policy of Colonel Cole no prediction can be made. The people here are thoroughly devoted to him, and I heard a prominent gentleman predict last night that the people of Tennessee would call him to the governor's chair and put the tangled reins of state finance in his trusty and sagacious keeping. He gives no hint as to what he will do, but seems to have assumed the suddenness of the blow that has fallen upon his head. He is only fifty-two years of age, and is in perfect health, and there is a great future ahead of him.

In my next I will try and give you something about the new men who are to settle the fate of our people. H. W. G.

tanooga road. The capital stock of the latter is \$6,500,000; so that the Louisville and Nashville controls close upon \$2,500,000, the net value of about \$2,500,000. This control of the capital stock carries with it the control of the leased roads and branch roads of the Louisville and Chattanooga railroad, which will hereafter be operated under one comprehensive and cohesive system. The identity of the Nashville and Chattanooga as an independent line is ended. The great imaginary line to the sea of King Cole, stretching from St. Louis to Savannah, has disappeared in magnificent oblivion. The directors of the Louisville and Nashville to-day that the magnitude of the transaction is unprecedented. The Louisville and Nashville railroad obtains an uninterrupted line from St. Louis to Atlanta without a competitor, and controls every avenue and outlet into Kentucky, Tennessee, Alabama and Georgia from Cincinnati, on to the Ohio, to Memphis, on the Mississippi, with connections, and practically an unbroken line from the fresh water lakes at Chicago to the warm waters of the Gulf, running east and west from St. Louis to Savannah. Railroad men say that it is impossible to estimate the extent of territory dominated by this vast system. Great cities and towns which are now competitive points between the two companies, came under control of the Louisville and Nashville, and their trade will henceforth be dictated and controlled by that wealthy corporation. It is known that the Nashville and Chattanooga roads, at Louisville, and Colonel Wadley's road, the Georgia Central, and it is said that Colonel Cole was actuated in making this lease by his knowledge of a secret contract and alliance entered into by the Georgia Central and the Louisville and Nashville. This agreement involved the transfer of all business of the Louisville and Nashville at Memphis, and vice versa by the Georgia Central, the Nashville and Chattanooga vainly sought to break the alliance, and its only alternative was to allow the Georgia Central. This agreement was to have been ratified at Nashville on Saturday by the board of directors and stockholders of the Nashville and Chattanooga, but King Cole was notified by telegraph to hold off the ratification meeting as the Louisville and Nashville had stopped in and secured the majority of his stock. It will be optional with the Louisville and Nashville to carry out Mr. Cole's plans. The grand scheme of a north and south line across the continent seems to be completed.

One of the directors of the Louisville and Nashville intimated that within a few days the company will take final and official control of the Mobile and Montgomery railroad acquired about six weeks ago.

The Policy of the New Men.
The Courier-Journal has the following interview with Mr. Newcomb, the vice-president and financial agent of the Louisville and Nashville railroad. Mr. N. was in New York:

Your correspondent had a long interview this afternoon with the Union club with H. Newcomb, in which that gentleman expressed his views freely about the new acquisition and its important advantages to Louisville and Nashville. He said that the company was asked if there was any objection to the Louisville and Nashville having secured control of the Nashville and Chattanooga road by the purchase of its stock, and that he replied: "The agreement of purchase was signed Saturday night, and the trade may be considered as finally consummated. It is mutually understood, I believe, that the price should not transpire, and I must decline to state the figures."

Reporter—What will be the policy of the Louisville and Nashville with regard to its new acquisition?
Mr. N.—The policy of the Louisville and Nashville has always been a conservative one from its earliest history, and I should regret any departure from that now. On the contrary, increased responsibility naturally tends to increased conservatism. There will be no disposition upon the part of the management to pursue an arbitrary or discriminating policy. In the end it could only terminate disastrously. We shall seek to build up and develop all sections of the country traversed by or tributary to our system, to foster its interests to the greatest extent by fair and liberal rates; to encourage the agricultural, mining and commercial interests of Kentucky, Tennessee, Alabama and Georgia, which, though chiefly tributary to our system, are yet in the infancy of their development. There is no question that emigration has been largely deterred from seeking these sections. But for this fact this tier of states should to-day, by their superior climate, soil and resources, have a greater population than the adjacent states of Ohio, Indiana and Illinois, with their thickly settled districts. The south should become the center of the manufacturing industries of the country, especially in the way of cotton and iron manufacturing. The extent and magnitude of the natural resources of Kentucky, Tennessee and Alabama are as yet little comprehended. Georgia has made great progress in cotton manufacturing, and Alabama and Tennessee in the production of iron, but these two great industries are as yet in their infancy, and only a perfect railroad system can properly develop and sustain them.

great many New Yorkers have benefitted by the appreciation in price, and among them may be cited John J. Esco, John J. Astor, Robert Lemox Kennedy, Samuel Sloan, J. D. Prince, J. H. Morgan and H. S. Vail. A prominent stock operator, who is a constitutional "bear," is reported to have bought about 5,000 shares at much lower figures before the rapid advance of the last month took place. It was reported at the Windsor hotel to-night that he had sold out at Saturday's quotation, with \$200,000 profit.

The Georgia Western.

The Georgia Western is not dead yet. We could write a column or two to show it, but we are afraid to. Somebody else might gobble it up. We are willing to admit that it is the hardest road to build that was ever commenced. The Air-Line met with the same fate in its early start. When we compare the present status of the Georgia Western with the Air-Line, when Mr. Jonathan Norcross was its president, and his plan of building the road with a wooden track until he could make it earn enough to get it, we can all hope in the Georgia Western.

Considerable anxiety has been felt in our city since Sunday about the fate of the Georgia Western. Yesterday we went out to see if the Louisville and Nashville had removed the road-bed. We are pleased to relate that the thirty miles of the road-bed is still anchored safely in Fulton and Cobb, and we have information that the rock work at the Chattahoochee river is still in position.

The first evidence of any weakening on the part of the Louisville and Nashville about building this road came to us in the following dispatch Saturday:
BOYCE, TENN., January 17.—EDITORS CONSTRUCTION: Has Capitalist Glorster started out on the Georgia Western? Where will the telegram reach him? T. S. NEWCOMB.
We answered the dispatch, and presume that by this time Captain Glorster is on his way to Louisville.

THE PRESENT STATUS OF THE GEORGIA WESTERN.

We called on Colonel W. L. Calhoun (who it will be remembered, with Colonel R. F. Maddox, made the trade for the Louisville and Nashville railroad) to find out how the titles of this purchase are made. Colonel Calhoun holds the title to the road, franchises and all the property. The deed is made to him and Colonel Maddox, the Louisville and Nashville paying the money. They hold the deed as trustees of the Louisville and Nashville company.

We asked Colonel Calhoun if he would transfer the property to any parties the Louisville and Nashville might direct. He replied: "Not unless we have assurances that the road will be built. It was distinctly understood when we made the trade that the road was to be built. If they call on us for the deed, we shall tender them the money they paid and hold the deeds, unless they satisfy us that they will build the road at once."

Colonel Maddox went to Cedarhurst yesterday, but we have heard him express the same views as given above from Colonel Calhoun.

The people of Atlanta are in earnest about this road, and the \$20,000 can be raised to keep the road from passing into any hands that want to bottle it up, in two hours. This point will be faithfully guarded by Messrs. Calhoun and Maddox.

What the Papers Say.

Nashville Banner.
As Governor Chamberlain goes, so goes the state of Maine. As Fogg and Stevenson go, so goes Nashville.

Home Courier.

We congratulate Atlanta upon the failure of the Cole-Brown lease. At the same time we would like to know who "made" by the stock-jobbing trick.

Columbus Enquirer.

We are in power of one corporation, and while we have no direct interest our people intently watch results. Like Micawber, we are waiting for something to turn up. Let us trust it may be to our advantage, and while placidly watching outside let all devote attention to the internal improvements.

Newman Herald.

The extension of the road from Carrollton to Chattanooga is again in order, and we are in hopes it will not be in the power of Joe Brown again to defeat it by any maneuvering or bulldozing he may endeavor to bring to bear to influence or frighten Mr. Wadley from that line of duty which the best interests of the stockholders of the Central railroad demand of him.

Columbus Times.

Was it a deeply laid scheme on the part of holders of Central railroad stock in the north to unload, upon the sudden hope inspired by a conditional promise of a good and well assured dividend, such as manifested itself in Savannah and advanced that stock from 75 to 95 on the dollar, when the combination was announced. Or was it a trick gotten up to break down the proposed lease of the Brunswick road? We think the latter object the most probable, as the consummation of the consolidation was promulgated only a few days before the Macon and Brunswick lease was advertised to be sold and then with a flourish of trumpets and the throwing up of hats, that betokened a desire to stun all opposition and kill all competition.

given him over to his enemies. As it was, he trusted them thoroughly, completely, and arming himself cap-a-pie to fight their battles, left his heart in all trust and confidence open to them.

This achievement, though, does not compare with the monument that he built to his honor and that, we fear, will fall with him. He is the first man that ever gave to the south what it must have before it can win stature or independence—a grand through line from the west to the ocean—under one control—with one purpose—and one aim—the development of the country. For nine years he has had this project constantly in mind. It has been his ambition—his scheme—his passion. As president of the Georgia road, his reports were full of it, and night and day he has labored on it. Repulsed at one point, he has gone quietly to work at another—disappointed in one alliance, he has patiently looked for another—baffled here, he has gone there—until at length his dream was realized—his ambition filled. I rode to Nashville with him the other day, and he told me that at last he was satisfied—that his system was not only complete, but stronger and better than he had ever hoped to make. He was full of enthusiasm as to what he could do for the south—how he could put her on the highway of trade and travel, and fill her borders with immigrants. He said to me to-night:

"I would be perfectly satisfied with the change in affairs, if my successors would only go on and put into operation the system I had prepared. I am sure that my work had not been in vain, and that the south would reap the benefits of the grandest trunk line on the continent. Such it would have rapidly become, if I had been permitted to carry out my plans."

He was in my room to-night for an hour. He had just become convinced that the news was true. Not one word of complaint did he utter—not one word of anger. That it was the shattering of the grand ambition of a long and laborious life just as it had become a reality, was plain. But there was no querulous or passionate remonstrance. "I never cry out against the inevitable," he said. On yesterday he was the most powerful railroad man in the south, with few peers in America. To-night he holds the presidency of his own road at the will of alien stockholders. Still he is a king among men. His record is incomparable, and his work will win him lasting honor with his people.

THE RESULT AND ITS BRINGING ABOUT.

It is difficult even yet to discover how the result was brought about. It is believed that Mr. V. K. Stevenson, who held a large block of the stock, and who has backed Cole steadily for over thirty years, first sold out; and that Stevenson's abandonment of his former friend caused a panic that resulted in the Cole influence being cleaned out so quickly that there was no time to think about it. The comment on Dr. Stevenson is very severe. Colonel Cole has no word of complaint against even Dr. Stevenson. He says that he had a perfect right to sell, and he does not blame him.

The intensity of the feeling in Nashville may be understood when I say to you that every single railroad leading out of the city is now in the hands of a corporation located in another state and operated from a rival city. This situation is unique for a city of 60,000 people. There is not one foot of a single road that is not controlled by this outside railroad company. Nashville will therefore be pardoned for gnashing her teeth. It is said that Dr. Stevenson made \$300,000 by the trade, and that the other directors unloaded at profitable rates. The strange part of it is that there was not one of the men who have sat with Cole in council for years—whose fortunes have been made by his energy and sagacity—whose

How the Trade was Made.

A special to the Courier-Journal gives the following account of how the trade was made:

The Louisville and Nashville bought the Western road-bed and franchises of the Georgia Western, intending with the assistance of the people of Atlanta to complete the road in ninety days from Atlanta to Decatur or Birmingham, Ala. The strategic value of this acquisition can easily be measured by the extent of the railroad system south of the Ohio river. With this road the Louisville and Nashville would have been able to furnish a quicker transportation than its rival. Other contemplated combinations were in progress at the close of November, and at that time the Nashville and Chattanooga besought the aid of eastern capitalists, and secured especially, as has since transpired, the formidable assistance of Mr. Wm. H. Vanderbilt. In the early part of December a truce was called between the two lines, and negotiations were secretly set on foot by the Louisville and Nashville to purchase a majority of its rival stock. In the meantime the rival corporation proposed a consolidation through Judge Baxter, each company to receive share and share alike in the new enterprise. The proposition was rejected. The negotiations were prolonged at Louisville without success, and two weeks ago were transferred to New York. Conferences have been held daily ever since at the offices of the Louisville and Nashville railroad at 52 Wall street. Mr. G. M. Fogt, attorney and director of the Nashville and Chattanooga railroad, represented the interests of the road, and Mr. H. Victor Newcomb the other. Pending these conferences Nashville and Chattanooga was "bullied" by the directors who desired consolidation until the stock was quoted at 90. Mr. Fogt urged Mr. Newcomb to conclude a consolidation, quoting the price of the stock and a reason for it. The Louisville and Nashville stock was permitted to remain quiet under 90.

About the middle of last week negotiations were spoken of. In the meantime the Louisville and Nashville people had all along been buying Nashville and Chattanooga stock, and had secured sufficient to warrant them in believing that the control was in their hands if one of five large holders of the stock would sell out to them, and at a conference held Thursday night one of the stockholders of the Louisville and Nashville succeeded in convincing a large holder of Nashville and Chattanooga stock that the only possible buyer for his property was the Louisville and Nashville road. This gentleman spoke to his four associates on Friday and gave them the option of taking his stock. The offer was not sufficiently tempting, and the Louisville and Nashville bought conditionally that afternoon the stock owned by Mr. Vernon K. Stevenson, president of the Real Estate and Trust company, 115 Broadway, and his son, Vernon K. Stevenson, Jr., that of Thomas W. Evans and his son Donald L. Evans and C. Baldwin. These gentlemen owned the greater part of the Nashville and Chattanooga stock, and agreed to sell it to the Louisville and Nashville the next day, Saturday. The price is kept a secret, but it is rumored to have been 70. It is understood that the terms involve the payment of more than half in cash and the remainder in Louisville and Nashville stock. The Louisville and Nashville board had been holding continuous sessions Thursday, Friday and Saturday, and at 4 p.m. adjourned to the Fifth Avenue hotel, where late this afternoon the agreement was signed by the seller above named, and by E. D. Standiford and H. Victor Newcomb, parties of the second part. The contract puts the Louisville and Nashville railroad into absolute control of the Nashville and Chattanooga

Reporter—What special point will get the first benefits of this combination?

Mr. N.—Naturally Louisville as the origin and terminus of the Louisville and Nashville road, but it has not been and will not be the policy of the road to discriminate against any other city. Louisville will receive only the advantages that its geographical position justly entitles it to receive.

Reporter—This will be a severe blow to the Cincinnati Southern, will it not?

Mr. N.—No, not at all. Neither the Cincinnati Southern nor its people have anything to apprehend at the hands of the Louisville and Nashville railroad. There is plenty of business and more to spare for both roads. They traverse a different section, and their interests are not necessarily antagonistic.

Reporter—You will not then seek to shut out and discriminate against Chicago, Cincinnati and St. Louis?

Mr. N.—Most decidedly not.

Reporter—Will there be any revision and advance of rates?

Mr. N.—In this respect the policy will not be changed. The more liberal our terms, we believe, the greater our revenue will be. Our relations toward the Cincinnati Southern will not be changed, and the policy of the Common Carrier company, which operates the Cincinnati Southern, has been thus far wise and conservative.

Reporter—I suppose that there will be no necessity of your company building the Georgia Western?

Mr. N.—Possibly not in the immediate future as a through line, but that road traverses a fine country, and it will probably be to our interest and to that of the people of Atlanta to complete it as a local road.

Reporter—Is the business on your road large at present?

Mr. N.—It is unprecedented, and seems to gather volume from day to day. The competition between the two companies will close by the unification of hitherto conflicting interests; great advantages will naturally follow. The revenue of both companies, owing to the harmonizing of all antagonism, will be very greatly enhanced. Both roads have now more business than they have rolling stock to move, and the accumulation of local freight upon the Louisville and Nashville alone will take at least two months to distribute.

Reporter—To what do you attribute this great increase?

Mr. N.—Chiefly to the general revival of business throughout the country and the enormous impetus given to the iron industries, and the fine, unequalled crops throughout the country traversed by our system. The south, especially, never was in so good a condition as to-day. I think that section will develop more rapidly in the near future than at any period in its history.

Mr. Newcomb estimates that with the control of the passenger business the receipts ought to be tripled. The road is now earning at the rate of one per cent. a month on the stock. The value of property is estimated as having doubled, and the January earnings are said by the directors to indicate \$200,000 increase for the month over last year.

Under the new agreement it is understood that all the roads controlled will preserve their separate organizations. President Cole will probably be re-elected, but the majority of the board of the Nashville and Chattanooga railroad will retire. Some of them will be retained for their local influence. The rapid advance in Louisville and Nashville stock has been the subject of much gossip. It was quoted at 90 Friday morning, and 116 was bid after the close of business on Saturday. The stock is held by a few people, but a

Cincinnati Enquirer.

Colonel Cole still controls a line of railroad running from St. Louis to Evansville, and another from Chicago to that place. There is no section of the great state of Indiana so bare of railroads as the line between Evansville and Cincinnati. A line of this kind would not only retain the vitality of all his lines west and north of Evansville and the business of two large cities, but would also give him the entire business of an important section of Indiana and Kentucky, and the business of Evansville, Indianapolis and Cincinnati, and make him a strong competitor of the Louisville and Nashville at its own home, and with the Southern road, a direct through line to Savannah, with a better backing than that which he before controlled. At all events it seems more than probable that the Cincinnati Southern may look upon its condition and prospects as materially benefited by the events of Saturday, and upon Colonel Cole as an earnest ally in its work for the business of the south.

Louisville Courier-Journal.

The enterprise which led an inland city, like Nashville, to aspire to competition with the commercial metropolis of the south was well enough as an evidence of public spirit. Everybody in Louisville wishes Nashville all the prosperity which can happen to a community connected with us by so many ties. It has grieved us to be obliged, in self-defense, to disappoint an unreliable hope entertained by our neighbor. In the person of Colonel Cole, too, we beheld an antagonist whom we could respect, and for whom we have the liveliest regard. If Colonel Cole is embarrassed by the course of his associate, Stevenson, we are sorry, but we can only say that if he has been left in the lurch, it is not the first time Stevenson has gone back on a friend.

All that we have been after is the retention of our geographic position. Having here in Louisville a railway emperor and a railway Bismarck we could not allow ourselves to be hedged in by the mock divinity of a railway king, albeit King Cole; and, consequently, in making a "United Germany" of the southern railways which were lying about loose—because, instead of leading to Louisville, as they should, they led to nowhere—we consulted a gigantic sectional want, at the same time that we maintained the supremacy which belongs to us.

Was this not fair and right?

As far as Nashville is concerned, it shall never injure a single interest of the rock city. On the contrary, that and all other southern cities shall profit by the consolidation. Louisville is the metropolis of the south. It draws its sustenance from the south, and it is its duty to foster the business of the south.

A Retail Meeting.

PETERSBURG, VA., January 20.—A largely attended mass-meeting of citizens irrespective of creed and nationality for the benefit of Ireland sufferers was held at the academy of music to-night. Major Cameron presided. Addresses were made by the pastors of the several churches in the city and other prominent citizens. Resolutions expressive of sympathy for the sufferers were adopted, and the city was divided into four school districts and canvassers to solicit contributions appointed for each.

A Formal Proceeding.

NEW ORLEANS, January 20.—The legislature went through the formality of voting for a United States senator to-day, but there will be no election by the legislature until the democratic caucus nominates.

And Standford Placed Himself at the Helm—A Sharp Piece of Intriguing—The Express Companies in the Week—The Results Anticipated, Etc., Etc.

LOUISVILLE, Ky., January 19.—I have just received a CONSTITUTION in which it is announced that I am to write up, in succession, the various system of roads bending towards Atlanta. So I did intend, but where are those systems now? In the swift changes of the past few days, I cannot find a system that will stand still long enough to have its measure taken. One might as well try to write up the morning clouds of an April day, or to stand in the nerve-center of an earthquake and define the surroundings. I met Tom O'Connor and Hugh Carlisle this morning. They had both come to Nashville on business with Cole. They woke up on Sunday morning to find Cole dethroned—his crown in the air—and their business adrift. They had already been unsettled by the mutations in Georgia, and when this change struck them fairly, O'Connor said: "The truth is, the time has now come when no man can afford to go to bed at all. It takes the whole twenty-four hours to watch." He is about all right. Still, I shall pursue my way until I get something that is steadfast, and then I shall lay my hand on its shoulder and describe it instantly.

HOW THE NASHVILLE AND CHATTANOOGA WAS LASSER.

In the meantime there is plenty of speculation about the lease of the Nashville and Chattanooga. I learn the following from a reliable source: "The combinations made by Colonel Cole rendered it necessary for the Louisville and Nashville to take decisive action. He had them bound up. They were shut out absolutely from the Atlantic coast. If they had allowed Cole to go ahead their stock would have depreciated. They therefore went to New York where they could discuss the whole situation and decide upon what had best be done. They were in great doubt for a week, and hesitated between several plans. At length the alternatives were reduced to these:

1. To build the Georgia Western and thus connect their system with Atlanta and the sea, and build the Shawneetown extension (from Henderson to Du Quoin), and thus connect with St. Louis, and thus compete with Cole; or,

2. To gain and buy up a majority of Cole's stock, and put him out of power.

The first plan would have cost \$4,000,000 for the Georgia Western, and \$3,000,000 for the Shawneetown. It would have given them a shorter line to the sea than Colonel Cole's and quite as good a one. They could have entered into competition with him, and probably have done as much business as he did. The question was though could either system have done enough to support it. The second plan would cost only \$3,500,000, and would not only give them a competition with their rival, but would actually sweep him out of existence and leave them masters of the south. They therefore determined on Tuesday on the last plan. They telegraphed Cole's heaviest stockholders, and summoning those in New York, laid the case before them. They stated positively that they intended to build these competing lines, and go from St. Louis to Atlanta and the sea by a new route. They represented that it might result in a cut-throat competition that would bankrupt both roads and ruin the stockholders. On the other hand they offered to buy up all the Nashville and Chattanooga stock held by these parties at high figures and let them retire rich and comfortable. Cole's stockholders weakened at this tempting picture and gave up the fight. The negotiations were kept secret as death, and at 6 o'clock on Saturday the papers were signed, and the greatest scheme ever dreamed of in the south was shattered at the very moment of its completion.

IS JAY GOULD BACK OF IT?

It is important to the south to know whether or not Jay Gould and the trunk lines of the north are at the back of this trade. I do not think they are. I think they may have inspired it and encouraged it, but I do not credit for an instant the rumor that they have bought up the stock of the Louisville and Nashville company. I do not think it even supposable that they advanced the money with which to make the purchase of the Nashville and Chattanooga stock. The Louisville and Nashville company is an exceedingly rich corporation. There is one stockholder, Mr. Green, who is said to own with his wife, over \$3,000,000 of the stock of the road. The city of Louisville owns about \$1,000,000, and as the total stock is only \$9,500,000, these two owners hold nearly one-half of the entire stock. Mr. Green is worth at the least estimate from \$15,000,000 to \$20,000,000, and if he wished to do so, could have bought a controlling interest in both roads without seriously impairing his capital. He is an elderly man, has no children and is thoroughly devoted to the Louisville and Nashville road and endorses its policy. It is hardly credible that he would permit the road to make any entangling alliances, much less to pass out of the control of its owners. I think, therefore, without a doubt, that the movement was made by the Louisville and Nashville people, and carried

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We see therefore that the new line is only twelve miles longer than the present line. To complete the line there is only one link needed—the Georgia Western. Say that it took \$4,000,000 to build this.

Who would be interested in building it? Of course the three lines connecting Decatur with St. Louis. The St. Louis and Iron Mountain line is rich, ambitious, liberal; its president, Mr. Allen, being one of the first railroad men in the country. It is an enemy of the Louisville and Nashville, which has cut into its New Orleans business. The Mobile and Ohio is rich and strong. The Memphis and Charleston is controlled by Dick Wilson, and would be made by the Georgia Western one of the finest roads in the south, as it is now one of the most neglected. When Dick Wilson tried to buy the Georgia Western, just while the Louisville and Nashville people were negotiating he intended to build this link and establish his grand trunk line. These three roads could easily build the Georgia Western. But if they needed help there are two more lines that run out from St. Louis to Corinth that would help. The Illinois Central has a line running from St. Louis to Cairo, and one from Cairo to Jackson. From Jackson to Corinth it could use the Mobile and Ohio. At Corinth it would use the Memphis and Charleston to Decatur, and over the Georgia Western to Atlanta. Of course the Illinois Central would be interested in getting the Georgia Western, for it is its only possible outlet to the ocean.

Let us see the distance by this line.

From St. Louis to Cairo.....	150 miles
" Cairo to Jackson.....	108 "
" Jackson to Corinth.....	57 "
" Corinth to Decatur.....	95 "
" Decatur to Atlanta.....	185 "
Total.....	595

So here we have another line from St. Louis, only needing the Georgia Western to complete it, actually 12 miles shorter than the great route of the Louisville and Nashville road, which is made by the best combination of these systems with Cole's. So we have here four powerful roads between Decatur and St. Louis, each one essentially interested in the building of the Georgia Western, and each one in deadly opposition to the Louisville and Nashville road, which has cut into their Memphis, Mobile and New Orleans business. They can surely pool in, and build it?

But they could get help if they needed it from the Atlanta end. Suppose the new powers over Cole confirm the lease with the Central? Then the Georgia road and the Macon and Brunswick must have a western outlet. They can strike hands with the roads beyond Decatur and build the Georgia Western. Atlanta will help considerably, if necessary, and the people along the line can do something. A good man, who had the confidence of the public could organize this line and build the missing link, and why could not Col. Cole do it? It affords him quite as fine a field as the one he has just been driven out of.

WHAT OF THOSE DEEDS?

There is just one point of this speculation that is involved in doubt. What has become of the deed to the road-bed of the Georgia Western? Will the Louisville and Nashville people who bought it with the help of our people, under the express stipulation that they were getting it for the purpose of building the road, hold it now for the purpose of preventing the building of the road? This is the important question. They could never have gotten it except by the help of friends of Atlanta who begged the road-bed out of its former owners in order that the road might be built. Will it be right for the Louisville and Nashville road to hold the road-bed now to defeat the object of the Atlanta people? I shall now when Major DeFuniak returns from New York.

A STARTLING SUGGESTION.

Here is the second chance for the building of the Georgia Western road, and it contains a startling proposition:

Colonel Cole and his Georgia friends, as he told me himself, control the lease of the Western and Atlantic railroad. This control did not go with the purchase of the Nashville and Chattanooga stock. He still holds it. Now, the Cincinnati Southern has been uneasy about it being shut out at Chattanooga in the interest of the Nashville and Chattanooga. Suppose, now, the Cincinnati Southern strike hands with Cole and his friends who control the State road lease, and they make a through line and shut the Louisville people out at Chattanooga?

There is no denying that the Western and Atlantic road is still the key to the situation—Cole and his friends control that. Suppose the Cincinnati Southern offers him what he has lost at Nashville? The Cincinnati Southern has four lines to Chicago and the lake region. Why may not Colonel Cole get his alliance here, and in a month have a route from the northwest to the ocean, without building a foot of road, as

a stiffening effect on the market. Confidence was partially restored and prices began to advance. The excitement was mostly confined to brokers who were largely interested in carrying the stock, and had to jump around lively to make up the additional margin called for by the banks.

A report which does not receive general credence, is to the effect that the consolidation was entered into for the purpose of keeping the Central out of the Macon and Brunswick lease, and there was an understanding with the Louisville and Nashville road on the subject.

Colonel Cole's dispatch states that he knew nothing of the purchase of stock in his road by the Louisville and Nashville until late Saturday evening, and is not uneasy about the present combination and thinks Central stock good, having purchased one thousand shares, which he proposes to hold.

Colonel Wadley is of the opinion that it will be the policy of the L. & N. to carry out the arrangement entered into by the Central with Cole, and if this is done the benefit to Savannah will be greater. He, however, has no intimation as to their intentions. During the afternoon a better feeling prevailed, as stock closed firm at 87½ to 88, and all apprehension in regard to the failure of the Central is in a great measure allayed though the developments of to-morrow are anticipated with great interest. The excitement at one time was even greater than that which followed the first announcement of the consolidation.

The News in Macon.

DUPPLICITY AND STOCK-JOBBER CHARGED.

Special dispatch to The Constitution.

MACON, January 19.—There is but little known in this city of the failure of the contract between Cole and the Georgia railroad. The news was first received by a private dispatch to General W. S. Holt Saturday evening, confirmed by Sunday's Constitution. Nothing new has been developed. The central railroad officials know nothing of the situation and people are mystified. The wildest rumors are afloat. It is charged by some that the whole affair was planned from the beginning to advance the stocks of the Central and Nashville and Chattanooga railroads and to cheapen the lease of the Macon and Brunswick railroad. The general opinion is that Cole, Brown and the Central road were duped and it is feared that the new line will extend down the Georgia road with the terminus at Port Royal, cutting Macon off. Central railroad stocks were offered at eighty-five cents, with no takers.

Regarding the Macon and Brunswick railroad it is said that the track will never cross the Central, and that the true lessee has never been named.

Augusta's Ears.

LISTENING FOR FURTHER NEWS.

AUGUSTA, GA., January 19.—The failure of the Nashville and Chattanooga railroad and the breaking of the contract made with the Central railroad directors has caused a decline in the stock of the latter from 92 to 84. This is the news received here. It causes great excitement in railroad circles.

The Effect in New York.

GREAT EXCITEMENT IN THE STOCK EXCHANGE.

NEW YORK, January 19.—The stock exchange markets to-day were in a state of great excitement on account of the announcement respecting the Louisville and Nashville and Chattanooga and Chattanooga railroad companies. Unusually the whole market soon became feverish, experience teaching that a boom of the kind that has recently been seen in the stocks of these two companies unsettles the general list. It appears that on Saturday evening the Louisville and Nashville company, between which the Nashville and Chattanooga company there has been bitter rivalry privately bought from some of the large individual holders of the Nashville and Chattanooga stock, enough of it to give the Louisville and Nashville a majority of its present stock. Reports say that the price paid was seventy per cent., although there is no authorized statement of the price. On Saturday last Louisville and Nashville stock closed at 105½, after selling on that day at 98 and day before at 91. The opening price this morning was 118; there was then an advance to 121, which has since been followed with a change in prices, up and down by a decline to 112. The Nashville and Chattanooga stock closed Saturday at 93½, after selling on that day at 92½ to 93. The opening price this morning was 95. There was then a brief recovery to 98, recovering to 99, and later declined to 82.

The general stock market has been feverish, but with few exceptions fluctuations have been limited.

It cannot be ascertained definitely whether the Louisville and Nashville railroad company will ratify the lease of the Georgia Central railroad.

The stock market was irregular to-day, but the fluctuations, except in a few instances, were confined to comparatively narrow limits. Louisville and Nashville rose to 121 against 105½ at the close Saturday, and reacted to 111½. Nashville, Chattanooga and St. Louis declined from 95 to 80, and closed at 83½. Houston and Texas rose from 4 per cent. to 68, but reacted 2 per cent. at the close. In the remainder of the list there was a decline of ¼ to 1½ per cent. in early dealing. This was followed by an advance of ¼ to 2½ per cent. but no improvement was generally lost at the close.

through life to take things as philosophically as possible and to hope for the best.

The news when first received by the management was an electric shock. It was especially unexpected by President Cole who had not looked forward to such a result. Having accomplished all that was possible or desirable to do for his company in the organization of a magnificent system of southern railways, he had hoped to enjoy a season of rest. By some, however, it had been feared for several days past that the continued stay of Vice-President H. Victor Newcomb, the financial agent of the Louisville and Nashville and Great Southern, and other prominent officials in New York, meant mischief. President Cole, by his able management and strategy, had so completely cornered the Louisville and Nashville and Great Southern railroad that its managers found themselves either forced to build the Georgia Western at a cost of several millions, or cover in the Nashville, Chattanooga and St. Louis railway stock. As the amount of stock required to be purchased was about \$1,000,000, it was cheaper to purchase a controlling interest even at par than to build the Georgia Western.

The unkindest cut of all was the manner in which President Cole's leading directors treated him. They utterly ignored him in the transaction. V. K. Stevenson was criticized with especial severity. It is generally thought that he arranged the "sell out," and that the profit he has realized must be at least five hundred thousand dollars. G. M. Fogg, who is also a director and attorney for the Nashville, Chattanooga and St. Louis railway, left here very hurriedly a few days ago for New York, and is supposed to have gone over to the new combination either by sale of stock or the purchase of stock in the Louisville and Nashville and Great Southern. Some of the smaller stockholders fear that in the change the management of the Louisville and Nashville and Great Southern people may pamper their own stock, pay dividends upon it, and bear the Chattanooga stock until low enough for a few capitalists to scoop it in—in fact, that the whales will swallow up all the little Jonahs.

A very important feature enters into the new arrangement. Everybody wants to know what is to become of the Southern express company and whether the Union express company will take precedence. Thirty-five hundred miles is an immense territory to lose. It is reported that the Adams express company, which is largely interested in the Southern express company, has been buying Louisville and Nashville and Great Southern stock ever since the two concerns quarreled.

Before the Nashville, Chattanooga and St. Louis railway changed hands, President Cole had charge of \$15,000,000 of property, 3,500 miles of road and \$1,500,000 worth of steamships. Nothing definite could be ascertained as to whether the contract with the Georgia Central would likely pass under the control of the Louisville and Nashville management, under the change of stock in the Nashville, Chattanooga and St. Louis railway, the agreement having been made with the latter and not with the former. The contract was not approved by the directors of the Nashville, Chattanooga and St. Louis railway before it changed hands.

The capital stock of the Nashville, Chattanooga and St. Louis railway is \$15,000,000.

Total liabilities, \$15,063,632.90, fully covered by assets; number of miles of road, 498½.

Whether the new regime will extend the branches contemplated by President Cole, and build the Owensboro and Nashville road, is now a question for future development.

When President Cole took control of the Nashville, Chattanooga and St. Louis railway, eleven years ago, its stock was selling at 15 cents. He subsequently capitalized and gave the stockholders three shares for one. The stock was selling lately at 95 cents, which is a realization of nearly 2,000 per cent. within that period.

Among the rumors circulated last night was one that Jay Gould and Vanderbilt have purchased a majority of the stock in the Louisville and Nashville and Great Southern railroad.

Louisville and Nashville stock advanced in New York, yesterday, from 98 to 109, reacting at the close to 105½.

Other Railroad Points.

MR. STANTON'S PLANS.
Chattanooga Times, 18th.

A reporter of the Times meeting Colonel J. C. Stanton yesterday, had a little talk with him concerning railroad matters. In answer to our question, inquiring what his company, who bid off the Macon and Brunswick railroad at the sale November 6th last, intended to do, and if they were going to surrender to the late purchasers, Colonel Stanton replied: "No, sir; we intend to contend for our rights. We are the lawful owners of the road and will exhaust every legal remedy to maintain our rights, if necessary." He said that they will commence action in the United States courts for the same as soon as anyone undertakes to take possession or charge of the road in opposition to their rights. "And in fact," remarked Mr. Stanton, "we have already instructed our attorney to bring suit against anyone who undertakes to take possession of the same."

As regards the proposed building of a road from Chattanooga to Rome, Ga., Colonel Stanton said that he represented in this matter a company of eastern capitalists who will certainly build the road to Rome at once, if the charter, which has heretofore been granted to other parties, can be obtained, and the chances for obtaining the charter are good. Colonel Stanton thinks there will be little or no trouble in this regard, and as soon as he accomplishes this engineers will be put in the field, and dirt broken before the passing of six weeks. Colonel Stanton says the company is amply able to build the road, and when work is commenced it will be pushed through with all the speed possible.

benignly at work, carefully and searchingly examining the whole subject in all its bearing and mindful, as well of the interests of the railroad companies and their stockholders as of those of the general public. There is no reason to doubt that the able gentlemen composing the commission, with their large experience and varied attainments, will be able to perfect a system of railroad management that will prove acceptable and advantageous. The magnitude of the work which they have to do, may be inferred from the fact that a similar commission created by a law of the state of New York has just completed its work in the shape of a bill embracing ninety sections, which is intended as a codification or substitute for all the railroad legislation of the state. A copy of this kind of what is needed in Georgia, and appears to be contemplated by the legisla-tive act. The New York commission has been a whole year perfecting its bill, which has to go before the legislature for adoption. In this respect it differs from the Georgia commission, whose rules and regulations are to take effect as soon as the commissioners make and publish them. This constitutes another reason why the Georgia board should do its work carefully and deliberately, its responsibility being greater, and any mistakes being more difficult of correction. It may be reasonably supposed that the many and fast changing moves of the "railroad kings" now contending for control of the chief lines between the west and the south are also receiving the attention of the commissioners, who are aware of the great extent to which they will affect the general railroad situation, and of the expediency of their waiting to see what the situation is thus affected is to be before they perfect their system of management. There is no reason to doubt that all which the people demanded and the legislature intended to give them through the action of this commission will be secured by its labors and powers.

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through with their own money. Indeed capital is easy enough to get with these big schemes. Had Colonel Cole had one day's notice of the pending trade he would have raised the money to have bought up the stock in his own road and controlled it. In other words, if his directors had told him that they wished to unload their stock and given him the figures they were offered for it he would have been able to have taken it himself or had his friends to take it.

BACK TO THE GEORGIA WESTERN.
And now what of the Georgia Western? For that is the great question after all. Will it be built? Can it be? There are some contingencies in which it has a chance and I may as well enumerate them.

1. There may be organized a new line from St. Louis, to which the building of the Georgia Western will be a necessity. You should have a map to understand it. But I can give the figures anyhow. The line to St. Louis which will be worked by the Louisville company is the St. Louis and Southeastern, to Evansville—the Owensboro road, to Nashville—the Nashville and Chattanooga, to Chattanooga, and the State road, to Atlanta. This of course cuts out the other lines from St. Louis towards Atlanta, and leaves them high and dry without business. It will be necessary for these lines to combine and build the Georgia Western, so as to get through to Atlanta.

Let us look at the route the new line would run. It would come out of St. Louis by the St. Louis and Iron Mountain road down to Columbus. From Columbus it would take the Mobile and Ohio to Corinth. From Corinth it would take the Memphis and Charleston to Decatur, and from Decatur build the Georgia Western to Atlanta. This would give a new line to Atlanta from St. Louis to compete with the existing line from St. Louis. Let us compare distances:

THE PRESENT LINE.	
From St. Louis to Henderson.....	161
Henderson to Nashville.....	157
Nashville to Chattanooga.....	151
Chattanooga to Atlanta.....	138
Total.....	607
BY THE NEW ROUTE.	
St. Louis to Columbus.....	196
Columbus to Corinth.....	143
Corinth to Decatur.....	95
Decatur to Atlanta (estimated).....	188
Total.....	622

good as the one he has lost? But, it may be asked, "How would this build the Georgia Western?" Very surely. Once let the Louisville and Nashville know that its Nashville and Chattanooga line is shut out at Chattanooga and its bitterest rival taken in and it will have to build the Georgia Western itself, and cut out a new way to salt water. I think this is a likely thing to happen; I mean that Cole will find an alliance with the Cincinnati people. It will give them all they want, and come mighty near giving him all he ever wanted.

WHAT WILL COLONEL COLE DO?
Of course it will be impossible for Colonel Cole to decide hastily what he will do. He is too big a man to be left in quiet, and too honest and devoted a man to wish to remain in quiet. The Louisville and Nashville road will doubtless offer him all that he could want, and he may stay with them, especially if they carry out his plans. It is barely possible, also, that the Louisville and Nashville people will build the Georgia Western road of their own volition. This I consider a very remote possibility. In my next I hope to be able to give the views of the Louisville and Nashville people.

H. W. G.
Savannah Paralyzed.
A LIVELY BOUNCING OF STOCKS—COLLUSION CHARGED AGAINST THE WESTERN ROADS.
Special dispatch to The Constitution.

SAVANNAH, GA., January 19.—Intense excitement was created early in the morning by conflicting reports regarding the Brown-Cole combination. Consequent upon the telegraphic announcement that the directors of the Nashville and Chattanooga road had postponed their meeting, suspicion was at once aroused that all was not right, and a regular panic ensued. Central closed firm at 89½ Saturday night and opened today at 87, dropping rapidly two points at a time to 80, and banks early commenced to sell for increased margins. This compelled large offerings by parties unable to furnish additional margins, and this caused greater decline.

About 11 o'clock the Morning News received special dispatches from Cole and Wadley of a reassuring character, which were at once made public, and had

What Colonel Cole Has to Say of the Business.

Nashville American, 18th.
Had a thunderbolt dropped from a clear sky and shivered our unpaid-for capitol to atoms, it could not have created more astonishment and dismay than the reports which became generally circulated about noon yesterday to the effect that the management of the Louisville and Nashville and Great Southern people had purchased a sufficient amount of stock to obtain control of the Nashville, Chattanooga and St. Louis. The news spread with great rapidity, the excitement increasing in its wake until it became decidedly feverish.

At first the report was not very generally believed, but the facts soon began to leak out. Little by little through dispatches sent to bankers and brokers. What gave more credence to the rumors than most anything else was that some of the most prominent directors, one from Nashville and several in New York, had not come to attend a meeting of the board of directors which had been called for yesterday to approve the contract made with the Georgia Central and other contracts which had been entered into and which needed the approval of the board to make them complete.

In response to a business telegram sent by President Cole to a Nashville director now in New York, and who was in all probability interested in the change in stock which had already occurred, the following was received:

Certain changes have been made by which you will have to consult other parties hereafter.

This dispatch was not obtained from President Cole, but was a matter of general report about the Maxwell house and said to be authentic.
A reporter of the American called on President Cole at the Chattanooga depot at 6 p. m. and desired to know whether he had received any telegrams from New York giving a definite idea as to whether the stock had changed hands. He said that up to that time he had received no telegram concerning what had occurred. The reporter met him later at his residence, when he made in substance the following statement:

"I have received reliable information from New York that important changes have taken place in the stock of my company. What the changes are or the effect thereof I do not know. I knew nothing of it until late this evening, and was greatly surprised and am now without details of the transaction. I trust that no interest of Tennessee, my native state, nor of Nashville, nor any connection of our line, will suffer by any changes that have taken or may take place."

President Cole appeared to be very much depressed, but said that he had learned all

SOUTHERN RAILROADS, New York World.

The most prominent of the new features introduced into the stock market by the growing prosperity of the past year is the popularity acquired by southern railroad lines. The rapid advance which has so often occurred in the security of northern and western railroads surprises no one; those are the geographical points, it is assumed, where rapid progress is to be looked for. But a year of currency at par with gold has sent the impulse of northern and western prosperity into many portions of the vast and imperfectly developed south, and the lines of life may now be traced through every state from Virginia to Texas. It is needless to produce the comparative quotations, for every one who watches the stock market, or is locally familiar with the roads in question, can appreciate the immense improvement made in a year in the following organizations, which are named in the order of their importance or priority of recovery: Louisville and Nashville; Chesapeake and Ohio; Nashville, Chattanooga and St. Louis; St. Louis, Iron Mountain and Southern; Missouri, Kansas and Texas; St. Louis and San Francisco; Texas and Pacific; Houston and Texas Central; International and Great Northern; Chicago, St. Louis and New Orleans; Mobile and Ohio; Memphis and Charleston; Memphis and Little Rock; St. Louis and Eastern; Mobile and Montgomery; and Montgomery and Eufaula. Practical railroad men have given vitality to these roads, many of which are broken down, physically and financially, and speculation and investment have sought their securities with profit. The advance in their stocks and bonds has set speculators to searching for everything low priced that is connected with them, and hence there is a quiet investigation of the defaulted state bonds that are in any way connected with railroads, whether the connection is expressed in their title or not. If the speculation continues to thrive, we may even see the low-priced state bonds that are ignored by their states taken up once more, for the doctrine that no state bond is really repudiated until a state constitution has ordered that it shall not be provided for is remembered practically in wild times of speculation, and results in shifting the ownership of certain classes of bonds without improving their condition. But even if the speculation be pushed to an extreme, it is a national gain if the central market of the United States recognizes the south, no less than the west, as a region for abundant profits in legitimate enterprise.

THE RAILROAD COMMISSION.
Columbus Times, 18th.
But little mention has been made of the action of the railroad commission created by the last legislature. We learn from Atlanta, however, that the commission has

Courier-Journal.

THE BIG SCOOP.

King Cole Makes a Desperate Effort in Wall Street to Get Back His Iron Crown.

WHY L. AND N. STOCK DECLINED.

[Special to the Chicago Tribune.]
New York, Jan. 19.—The great Louisville and Nashville and Chattanooga Railway combination came near being upset by an unforeseen contingency, and disaster was only averted by the most prompt measures. It appears that under the charter authorizing a certain division of the Nashville and Chattanooga Railway, the consent of two-thirds of the stockholders is made necessary to ratify any measure. This special clause was unknown to the Louisville and Nashville people, who, having obtained possession of a majority of the stock of the rival road, thought themselves secure, and permitted the story of their purchase to be made public. When the news reached Col. Cole, the President of the Nashville and Chattanooga, who had not been consulted, and whom the new deal would deprive of office and authority, he at once saw his opportunity, and, hastening to Chattanooga, telegraphed to a pool of seven Wall Street brokers, which he knew had formed a few days ago, and purchased 60,000 shares of the company's stock, par value \$35, at ninety to ninety-two per cent., the supposition that the contemplated deal would advance the price still further. He briefly disclosed the situation, and asked them to hold on to the stock at all hazards, and everything would be well. Meantime, however, the stock began to decline rapidly, to the great dismay of the pool, on disclosure of what had been accomplished. Col. Cole's information was a godsend to them, for it showed them how they might extricate themselves, not only without loss but at a profit. They went at once to the Louisville and Nashville representatives, offering to sell the stock in their possession at 95. Telegrams were hastily dispatched South, and an answer received confirming Col. Cole's statements. The Louisville and Nashville people needed 40,000 shares to give them two-thirds of the capital outstanding, and there was none other for sale except that held in the hands of their enemies, the supporters of Col. Cole. They offered the pool their own terms for the requisite number of shares. The offer was refused; an answer was returned that it "was all or nothing." This the Louisville and Nashville people would not agree to, and made an attempt to frighten the pool by going into the market and vigorously hammering the stock down. They succeeded in forcing it to 80, and meantime succeeded to secure 5,000 shares at eighty-three, but 3 o'clock came, and they were fully 35,000 shares short. In this dilemma they were forced to reopen negotiations with the pool, and a meeting was arranged for 8 o'clock this evening, when the entire 60,000 shares were transferred to the Louisville and Nashville interest at ninety-five per cent., giving them 25,000 shares more than the requisite two-thirds and placing the success of the combination beyond peradventure. Col. Cole continued to pour telegrams into the offices of the pool-brokers all day, advising them to stand firm. His last dispatch, received after 3 p. m., read: "Hold on, my friends, I have the key to the situation." Louisville and Nashville stock, after opening at 118 yesterday, advanced to 121, and subsequently fell to 109 1/2.

Col. Cole's Movements.

EVANSVILLE, Jan. 20.—The special excitement in railroad circles to-day was an order from Col. E. W. Cole, President of the Nashville and Chattanooga road, to Superintendent Culbreth, of the Nashville, Chattanooga and St. Louis road, to continue work on the Evansville and Owensboro sections of that road, and to push the line through to completion as speedily as possible. It is claimed that Cole remains in control of the St. Louis and Southern road, crossing from St. Louis to this city, and thence to the road to Nashville is completed. He will have Southern connections which will give him as complete a line as before the Louisville and Nashville road's purchase of the majority of the Nashville and Chattanooga road's stock.

Nashville Railroad Talk.

[Nashville American.]
We do not know, as yet, what course the President and Directors of the Nashville, Chattanooga and St. Louis Railroad intend to pursue. We feel pretty sure, however, that the recent sale of public opinion would justify, on their part, all the resistance in their power to any interference with the plans originally proposed, and in the act of being carried out, for pushing the line through from Nashville to Owensboro and to the St. Louis and Southern connection. The President and the present Directors of the road need not surrender their control of it until removed by the election of their successors at the next September election. Within that time President Cole may complete the Owensboro connection, as he confidently predicted he would do in an interview published in the American of the 20th of November last. Twelve thousand tons of steel rails for the road were purchased last November, and the contract for the Cumberland-river bridge was given out last Saturday. The work should be prosecuted with vigor and without delay, and simultaneously should go forward the work of completing the Duck-river transportation from Paducah to Fayetteville, the extension of the Richmondville and Manchester, the road from Huntington to Trenton, and, if possible, the Lebanon extension to Chicago. Meantime our people will wait with intense anxiety the development of the policy to be adopted by the foreign capitalists—men not interested one dollar's worth in building up the property of Nashville or the State at large—who, with a few millions, have acquired the entire railroad system in Middle and have largely added to their possessions in West Tennessee. It is a hard belief that so vast a system will be operated in the sole interest of Louisville or any other rival of Nashville, but should such move to be the case, without the consideration of knowing that an appeal for protective legislation would not be made in vain. The time may soon be upon us when this issue will have to be met—whether the people or foreign railroad corporations shall rule in Tennessee.
There is an interest in the city of Nashville, from the humblest worker in iron and leather, in the shoe shops and blacksmith shops, up to the most prosperous dealer in silver and gold; from the pen and inkman, who would not give cheerfully of his store, to the extent of his means, for Nashville, Chattanooga and St. Louis stock at par, to have the road under the control of a local management and its projected extensions in progress, as they were, before the transfer of the controlling interest to any other combination of outsiders on the continent. Every dollar of property in Nashville might well have been mortgaged to retain it rather than relinquish its control, and we believe would have been had the alternative been submitted.

Selling the Cincinnati Southern.

[Cincinnati Gazette.]

An esteemed commentator has this to say as to selling the Southern railroad:
"Another thing ought to be understood, there can be no sale of the road. For the present the city has nothing to sell that anybody would buy. The road and its net income are pledged to the four million stockholders, and the road and all its franchises are held in trust for them. When the debt matures and is paid off, which will not be until 1922, it will be time enough to discuss what shall be done, other than that provided for in the original act. In the meantime until finished it must as at present be run by licensees, and when completed by its assets."
Such is our respect for the commentator's opinion on law questions, that if it had stopped short of the dictum that the city can not sell we should have accepted it as final; but it gives the why and wherefore, and this leads us to examine.

Frequently do we see notices of sale of railroads which are heavily mortgaged. Therefore have we the presumption to doubt that a mortgage fixes a railroad so that it can not be sold before the mortgage is paid off. So much for the law point. As a financial practicality, we are unwilling to think that a road which has cost \$30,000,000 can not be sold, subject to a mortgage for \$1,000,000. Therefore do we think that we are not deluded until 1922 from discussing what shall be done with the Southern railroad. Our estimable contemporary adds that—

"To perfect a sale even of the interest that the city has would require a system of concurrent legislation by all three of the States, and even then, without the consent of all the holders of the first \$10,000,000 bonds, nothing could be sold but the equity redemption, which the city has until they are paid, subject to the issue to be made by the Trustees."

We know not what a system of concurrent legislation is, but if the legislative authority of each State is required, we suppose it can be had. As to the statement that "even then, without the consent of all the holders of the ten million bonds, nothing could be sold but the equity redemption until the city has until they are paid," if we knew what it meant we could better judge whether it is an obstacle. Of course a sale would be subject to the laws, therefore it would be wise to make any lease subject to the sale. And we suppose that there will never be a better time than now to discuss what shall be done, nor one in which such discussion will be more important to the future of the road.

The Effect on St. Louis.

[Special to the Chicago Tribune.]

ST. LOUIS, Jan. 19.—St. Louis merchants and railway men have forced upon them the consideration of the grand coup d'état of Standard and the Louisville and Nashville Company, as well as other commercial and railway combinations. It has been the theme of conversation to-day—to use an old simile, it "came like a thunderbolt from out a clear sky" and, while striking it, at the same time somewhat enervating. It secures to St. Louis a personal toll to the city. The "Cincinnati Southern" of railroads is "used." The Cincinnati Southern, from which so much was expected, became dwarfed into a mere spur track. Nashville, Louisville, Evansville, and finally St. Louis, enter a pool against Cincinnati, and the latter's glory must fade. General Hammer, Chairman of the Board of the Louisville and Nashville, has been anxiously awaiting dispatches from Col. Cole since Saturday, but gets none. Cole knows very little of the inside workings of this great scheme, but what he does know satisfies him that there is nothing left of the Cole combination.

Cole a St. Louis Man.

[Nashville Banner.]

He saw the growing importance of St. Louis as a point of collection for all kinds of products. Cincinnati at one time was the greatest meat packing city in the Union. But since the settlement of the great Northwest, which has been so rapid it is like the work of magic, St. Louis has assumed the right to be called the Porkopolis, she exceeds any other city at this time, and with a constantly increasing trade. He would make St. Louis a great funnel where the productions of the West would be collected and poured through the tube on the seaboard of the Atlantic, to be taken thence by lines of Southern steamers to Europe.

The Third Largest.

[Philadelphia Press.]

The 2,500 miles of track which the Louisville, Nashville and Great Southern will now operate make it, in that respect, at least the third largest railroad combination in the country. The Gould-Yanvil and syndicate ranks first. The total length of the combined roads under this interest can not be less than 7,000 miles. The Pennsylvania system, which formerly exceeded in length all others, is now reduced to the second place. The total mileage of all the roads directly or indirectly controlled by the Pennsylvania Railroad Company is 5,400.

Evansville Cheerful.

[Evansville Courier.]

The Courier believes the splendid achievement of Dr. Standard will result in immense advantage to Evansville over any Southern connection we have yet enjoyed, or that it would be possible to have under any other than our own control.

THE LATEST PHASES

OF THE GREAT RAILROAD SCHEMES.

How the Great Sale was Accomplished and Cole Dethroned—The Rumors Rampant in Railroad Circles—How Georgian Interests are Affected.

Special dispatch to The Constitution.

LOUISVILLE, Ky., January 21.—10:20 p.m.—I have just had a long talk with Colonel DeFuniak, just from New York.

The following conclusions are authentic and positive:

First—The lease of the Central road will not be confirmed.

Second—The Louisville and Nashville road will not give up the deeds to the Georgia Western road-bed to any company for any consideration.

Third—They will probably build that line to Guntersville, and work it as a local line. The surveyor will go ahead, and DeFuniak will lay his estimates before the board with recommendations.

Fourth—The Owensboro and Evansville extension will be carried to Russellville and then stopped.

Fifth—A line of steamers will be put on from Pensacola or Mobile, for Havana on March first.

Sixth—The idea of a trunk line from St. Louis to the sea will be abandoned, and Atlanta made the southern distributing point.

Full details will be given by to-night's mail.

H. W. G.

Special dispatch to The Constitution.

LOUISVILLE, Ky., January 21.—Colonel Cole telegraphed to Victor Newcomb, first vice-president of the Louisville and Nashville road and cousin of Cole's, to know what course would be taken with the Central lease. Newcomb replied asking that the matter be kept open till he could see Cole and consult freely with the matter. Colonel Cole thinks it possible that the lease will be ratified. The Louisville and Nashville people will leave New York Monday, Tuesday and Wednesday and will be in Louisville on Friday, when a meeting will be held and doubtless many of the smaller questions disposed of. Information received here about the trade is that negotiations were made between Newcomb and Stevenson. The Louisville and Nashville had purchased over one million dollars worth of the stock of the Louisville and Chattanooga railroad. Stevenson and his friends controlled over two millions. Stevenson went to Newcomb and showed him that with his stock he would have full control of this road. Pending the negotiations, Colonel Cole was telegraphing Stevenson about his grand line to the sea—all of which Stevenson would show to Newcomb and the Louisville and Nashville men, and in this way doom them to give him one hundred and fifty for his stock. He made them pay well for selling out Cole. Colonel Cole's friends blame him for it. They admit he had the right to sell, but say he ought to have let Cole have the same chance he gave the Louisville and Nashville. Cole could have bought him at the figures paid by the Louisville and Nashville company, and would have done so had an opportunity been given.

Special correspondence of The Constitution.

LOUISVILLE, Ky., January 20.—One of the most remarkable things connected with the late victory of the Louisville and Nashville is the senseless and delirious attitude of the Courier-Journal. Not that it is remarkable for the Courier-Journal to display a lack of sense or a bit of delirium. On the contrary, for a year or two past that paper has failed to meet important occasions with dignity, or construe important events with reason. At its best it has been pet and when it aimed at show it has been jerky and ecstatic. When anything unusual happens, Mr. Watterson loses his bearings. No cogs, all slip, the wheels flutter and he pants, palpitates and dilates—operating much as a last year's jelly-fish, worked by a cheap electric battery. The fall of this paper from its steadfastness and strenuous purpose, into forced literary spasms, has been generally regretted.

But in the matter under immediate discussion the vague wildness of the Courier-Journal surpasses anything that it has done heretofore. While the Louisville and Nashville people, who really won the great victory, are issuing conciliatory dispatches and wisely attempting to allay the feverish excitement of the public, Mr. Watterson seizes his trusty Faber and wrapping his exaggerated "we" over the entire

company. Seeing the name of Green in the leasing company, the Courier-Journal assumed that it was the Louisville and Nashville Green, and so stated. It has never since corrected the error. The Macon and Brunswick road is no more under the control of the Louisville and Nashville than it is under the control of the Great Wabash. Mr. Watterson should overhaul his figures. If he cannot be dignified and strong, he should at least be correct and unwise.

THE LEASE OF THE STATE ROAD.

As to the lease of the State road I have some figures that were never before given to the public and that I cannot absolutely vouch as true, although I received them from authority that I deem reliable. My authority says: "There are nineteen shares in the lease of the State road. These shares are each valued at \$30,000 each—making the total value of the lease \$570,000. This value is reached by the price Cole paid for the shares he lately purchased. They cost him \$30,000 each. I have heard that he owns 8½ shares and Governor Brown owns 1½. This gives them 10 shares, which controls the 19 shares. It may be that Brown is interested with Cole in the 8½ shares—I think he is. But one thing is certain—they together own 10 shares which controls."

Governor Brown met Colonel Cole at Chattanooga, Sunday night, and they had a conference lasting nearly all night. A gentleman reported to me that he heard Young Joe Brown say that there were 16 shares, that could not be touched by any outsider. This gentleman who was in Chattanooga during the conference told me that the general impression was that the Cincinnati Southern and the State road would join hands. It may be argued that this would be false policy in Governor Brown as it would force the Louisville and Nashville people to build the Georgia Western. I reply that he would take no more risk in this than he took in making an alliance with the Nashville and Chattanooga, which might have forced the Cincinnati Southern to build a competing line. Besides I do not believe that Governor Brown cares much if the Georgia Western is built. If the St. Louis line had stuck, he would have fought it strongly. But with that broken up, his interest in Atlanta is more than his interest in the lease.

It is all over now, but as some reflections on what might have been, the following will be interesting. I had a long talk with Colonel Cole the other day on his transactions in Georgia. He said that he held his vice-presidency in the Georgia road principally in order to enable him to carry out his favorite scheme of a route to the sea. His preference was always for Port Royal, mainly because he desired to have the right to do anything with Mr. Wadley. He nutted the idea of through freights with great persistency and in the face of opposition from a large influence of Georgia railroad stockholders. Some years ago, in 1875, I think he said, he had all his arrangements for a through line completed. He had the refusal of the Port Royal road at figures that he was satisfied with, and his connections were all in shape except the Georgia road. He then went and laid his plans before the directors of that road. After a full conference they accepted his plans by a full vote, only four directors dissenting. He was not satisfied with this, but said that he must have the unanimous backing of the directors. One of the dissenting four came to him shortly afterwards and said he was not opposed to him, but had simply voted "no" in order to get time to look into the thing. Colonel Cole, however, had been deeply wounded at the continual charge that he was after gobbling up the Georgia road in order to tie it on to the Western and Atlantic railroad, in the lease of which he was interested, and he therefore withdrew. Had he met no opposition in Augusta the trunk-line from St. Louis to the sea would now be at work.

AFTER THE MACON AND BRUNSWICK RAILROAD. He then turned his eyes to another port. When the lease of the Macon and Brunswick railroad was proposed, he thought that was his opportunity, never considering the possibility of treating with the Central. He was in with the combination that Mr. Julius Brown represented at Macon. After the sale was postponed, he had an engagement to go with Governor Brown to Brunswick on the 9th of January (the sale coming on the 12th) and critically examine the harbor.

While waiting for this date, he was astonished at receiving an invitation from Mr. Wadley to come to Savannah for a conference. We have no idea when he accepted the invitation of leasing the Central and had never considered it a possibility. He went simply because he thought it was courteous to respond. When he reached Savannah, Mr. Wadley, without delay, stated that the object of his invitation was to look to an alliance between the two great systems of the Nashville and Chattanooga company, and the Central company, with the concurrence of Governor Brown and the Western and Atlantic railroad which owns really the key to each. Colonel Cole was astonished, but saw at once that there was nothing to be gained from the plan. He therefore went to work examining the harbor and soon became satisfied

roads. Nothing, however, would satisfy the Louisville and Nashville people except to swallow up their rival. The matter remained quiet until two weeks ago, when negotiations were transferred from Louisville to New York and were reopened at No. 52 Wall street, in this city. The interest of the Nashville and Chattanooga road was represented by Mr. G. M. Fogg, a director and the attorney of that company and H. Victor Newcomb, vice-president of the Louisville and Nashville road. Mr. Fogg still held out for the consolidation scheme, and about the middle of last week his overtures were rejected and the negotiations were considered as having fallen through. On Thursday night last the Louisville and Nashville people, through Mr. Newcomb, succeeded in inducing one of the largest holders of Nashville and Chattanooga stock to sell the same to them, and when he announced his intention to his fellow stockholders they gave up the ship, and the other four large stockholders agreed to sell all their stock to the Louisville and Nashville company at a price much below the present market value. The directors of the Louisville and Nashville road were in session all of Thursday, Friday and Saturday, but no definite information was given to them of the purchase until late on Saturday night, and the first basis of agreement was only reached by the contracting parties at the Fifth Avenue hotel at 5 p.m.

New York Star 19th.

The propositions for consolidation were begun in Louisville in December by Judge Baxter, attorney of the Louisville and Nashville, who was invested with powers of arbitration by both companies. The propositions were rejected, the Louisville and Nashville being resolved to swallow up their rival. Two weeks ago the negotiations were transferred to the business office at No. 52 Wall street, in this city, the representatives being H. Victor Newcomb of the Louisville and Nashville and G. M. Fogg, of the Nashville and Chattanooga. The same dilatory tactics ensued here, and the Nashville and Chattanooga, advised by the Louisville and Nashville on Thursday night, through Mr. Newcomb, succeeded in influencing the one man they desired to buy the stock of the Louisville and Nashville. His associates, V. K. Stevenson, president of No. 115 Broadway, and his son, Mr. Evans, of Evans, Peake & Co., dry goods trade, and his son, and Mr. C. C. Baldwin, a financier, also yielded, although it is said they were backed up by the Vanderbilt family in their many efforts for consolidation. An agreement was made to transfer all their stock at about 70, or about 25 below the manipulated price of the ruling in the market. Continuous sessions were held on Friday and Saturday; but no definite information was given to the directors until late Saturday afternoon, and the final basis of agreement was made and a contract was signed at the Fifth Avenue hotel at five o'clock. That evening the contract was signed by the names given above and countersigned by H. B. Standiford and H. Victor Newcomb. The net cost of the purchase is to be placed in the hands of the company—about \$5,500,000—at the rate of 70.

The Central Contract.

Nashville Special to Chicago Times, 18th. It is well understood that the contract with the Georgia Central is still open, the directors of the Nashville, Chattanooga and St. Louis railway not having accepted. It is also well-known that this contract was obtained through Cole's influence, and that he has virtual control of it. Victor Newcomb, at present in New York, telegraphed to President Cole to-day, asking him to hold under consideration the Georgia Central lease until they could have a conference with the Western and Atlantic, already under his control. Cole could give the key to the Cincinnati Southern to Savannah, and thus defeat the plan of the Louisville and Nashville. In fact, the climax by electing Cole president of that line. The people of the south have perfect confidence in Cole and his management, he having in eleven years advanced the stock of the Nashville, Chattanooga and St. Louis railway from fifteen to ninety-five cents. The fact that President Cole left here to-night for Chattanooga gives rise to the supposition that his mission is one of unusual importance. It is thought he will go through to Atlanta to have a consultation with Wadley, president of the Georgia Central. Reports are also that the people of Chattanooga, Atlanta, and all intervening points are greatly exercised over the sale to the Louisville and Nashville and the fact that the people of Nashville are strongly in favor of forming a connection with the Cincinnati Southern, even if the road has to be built a distance of one hundred and twenty-five miles.

Cole and Governor Brown met here and held a consultation to-day. An interview with either of these gentlemen was found to be impossible, but the common understanding here is that they have and will

quality to what has been reported of it, it will be sought after by the furnaces in the vicinity of Chattanooga and south Pittsburg, besides stimulating the erection of many others. Furnaces erected at Cowan on your Nashville and Chattanooga railroad and near Centerville on the Nashville and Tusculooa railroad, would do a paying business in the manufacture of pig iron, as the cars could be loaded with coke made so cheaply at Tracy City, near Cowan, for the furnaces near Centerville, and the same cars loaded back with iron ore for furnaces at Cowan, thereby insuring the very lowest rates for transportation.

The News at Other Points at Nashville.

Nashville special to Cincinnati Enquirer, 19th. The bitter feeling over the railroad purchase shows no abatement, but seems rather increased by the bountiful news from Louisville. It is the topic of conversation. The probable results are canvassed with an anxiety that have rarely exhibited. The fact that one management controls all the roads in middle and west Tennessee appals business men, and all the more so that management's past policy has been one of flagrant discrimination against Nashville. They have often found it to their advantage to ship goods to Louisville and then back through Nashville to their southern customers.

In the light of past events, President Standiford's proposition that the interests of Nashville and other points should be protected is received simply as a specious promise. Some merchants express indignation by both companies. The proposition is rejected, but it is always with the reservation that the present management of the Louisville and Nashville road is not run for Louisville, but for the entire line, and present Nashville as offering superior advantages to the headquarters.

G. M. Fogg, the Nashville director who sold out, and against whom a large part of the condemnation is directed, has sent a number of telegrams here asking a suspension of public opinion until he can vindicate himself.

Cole Should Go Ahead.

Nashville American, 21st.

We do not know as yet what course the president and directors of the Nashville, Chattanooga and St. Louis railroad intend to pursue. We feel pretty sure, however, that the present state of public opinion would justify, on their part, all the resistance in their power to any interference with the plans originally proposed, and in the act of being carried out, for pushing the line through from Nashville to Owensboro and to the St. Louis and Southeastern connection. The president and the present directors of the road need not surrender their control of it until removed by the election of their successors at the next September election. Within that time President Cole may complete the Owensboro connection, as he confidently predicted he would do in an interview published in the American of the 8th of November last. Twelve thousand tons of steel rails for the road were purchased last November, and the contract for the Cumberland river bridge was given out last Saturday. The work should be prosecuted with vigor and without delay, and simultaneously should go forward the work of completing the Duck River narrow-gauge from Petersburg to Fayetteville; the extension of the Nashville and Manchester, the road from Huntington to Trenton, and, if possible, the Lebanon extension to Carthage. Meantime, our people will await with intense anxiety the development of the policy to be adopted by the foreign capitalists—men not interested one dollar's worth in building up the prosperity of Nashville or the state at large—who, with a few millions, have captured the entire railroad system in middle and have largely added to their possessions in west Tennessee. We can hardly believe that so vast a system will be operated in the sole interest of Louisville or any other rival of Nashville, but should such prove to be the case, we have the consolation of knowing that an appeal for protective legislation would not be made in vain. The time may soon be upon us when this issue will have to be met—whether her people or foreign railroad corporations shall rule in Tennessee.

All the enterprises projected by the Nashville, Chattanooga and St. Louis management could yet be completed with prompt and vigorous action, by the present administration, before its term expires and its successor is elected. Under the stimulus of these enterprises the stock of the company rose from 20 cents to 95. If so great a gain is made by the original holders of the stock, it should be equally good for their successors. Colonel Cole should give these sagacious purchasers the full benefit of their investment by prosecuting the contemplated good work to early completion. They will be benefited thereby, and the state of Tennessee and the city of Nashville will be benefited. A Louisville administration will never consummate them. Indeed, they purchased over three million dollars of the stock of the company for the express purpose of preventing the building of the proposed extensions, and it is not likely to have the same interest in the building of the others that has been shown by the present administration.

loudly uttered in many places for congressional control of all railroads.

Nashville Banner. It is had enough to be sold out surely, but when the persons do so and then try to justify themselves by laying the same upon others, the injury is doubly great. These gentlemen say they offered Nashville capitalists an opportunity to buy this stock and it was refused. They take advantage of an ambiguous telegram sent to Colonel Cole to come to New York when he was telegraphing them to come here to close the lease of the Central road and say that gave him a chance. If they wanted Colonel Cole to enter the arena as a purchaser, why did they not say so in plain terms? But they told him to come in such a manner and in such a connection that he very naturally thought they wanted to see him in regard to the lease, and, in point of fact, that was the precise construction he put on the request. To strengthen the impression they requested him to bring two or three directors with him. He answered it would be useless to confirm it in New York, it must be done in Nashville. Why did they then not undeceive him? They saw the impression they had produced, and it would then have been their duty to tell him what they wanted. But they did not for the simplest reason in the world, they did not want him to know. They knew too well he could have frustrated their designs, even if he did not buy; and this is why they were so reticent about it. But now to say they offered it to him and he refused to buy is as ungenerous as it is untrue.

combination, issues a trade of gust and blast, that must excite the disgust of the good people of Louisville just as surely as it will arouse the indignation of the people of other cities. He says "it has grieved us to have had disappointed even in our reasonable hope of Nashville's." "It" indeed! Watterson and Standford, we suppose. Here is a sample of his irritating bosh: "They will give to Cincinnati and Nashville their due weight as tributaries to Louisville." And talking of the great railroads of the south, he says, "we picked up the various roads lying round loose," because "instead of leading to Louisville, as they should have done, they led to nowhere." Is St. Louis nowhere—and Nashville nowhere—and Atlanta nowhere—and Savannah nowhere—and Chattanooga nowhere?

What does the south want of Louisville? What does it buy there? Getting its manufactured goods from Cincinnati, and its wheat and hogs and corn from St. Louis, it has really very little business with Louisville, and if the Courier-Journal persists in its foolish course it will want to have less. Unless the Louisville and Nashville road destroys its St. Louis connections there is no power that can prevent the current of trade flowing from St. Louis through Nashville and Atlanta to the sea and leaving Louisville severely to the left.

But the Courier-Journal goes further. After easing an emotional nature too highly strung to retain its balance when anything happens, by spurts of dishwater and spittle, it goes on with this:

As to Cincinnati, which has had the folly to think that money cannot only corrupt men, but alter the intentions of Providence—which has literally dumped eighteen millions in the mud with the profane hope of circumventing the laws of nature and cutting Louisville out of advantage which a dozen quick geographers, made to order, have not been able to obscure, and still less to efface—see to Cincinnati, the case is different. The press of Cincinnati has pursued a most liberal course toward Louisville. The corporate body of Cincinnati has tried to ruin Louisville. Still, we wish Cincinnati no worse ill than her Chattanooga railway. It stands a costly monument of misguided greed and over-reaching malignity. Attempting to destroy us, she has stuck it into her own veins, and, though full of pork-packing establishments, "without the hog's lair." We are content, and, as an evidence of magnanimity we shall look to it that, as soon as our goods are dispersed southward from Chattanooga, Cincinnati's goods shall be taken care of.

Is Mr. Watterson insane? Is it possible that he does not know, as every reporter on his paper must know, that the Western and Atlantic railroad is not under the control of the Louisville and Nashville road, but remains in the hands of Cole, Brown and the Georgians? What does he mean by saying, "as an evidence of magnanimity we shall look to it that as soon as our goods are dispersed southward from Chattanooga, Cincinnati's goods shall be taken care of?" Does he not know that the most natural alliance of Cole and Brown now, is with the Cincinnati Southern, and that they would be justified in taking the policy he lays out for his own people, and seeing to it that Louisville's goods are taken care of, only "after" Cincinnati's goods are dispersed southward. By the policy which, under a blind and unparadise delusion or to the real status of things, Mr. Watterson prescribes for the Louisville and Nashville, Cole and Brown and the Cincinnati Southern can absolutely shut out Louisville from Chattanooga, and force her to build the Georgia Western as an outlet!

Equally absurd is Mr. Watterson in putting the Macon and Brunswick in the list of roads controlled by the Louisville and Nashville. A company leased that road the other day. In that company was a Mr. Nathaniel Greene, of London. There is a Mr. Green in the Louisville and Nashville

with it—indeed more than satisfied. He says in the whole discussion Mr. Wadley showed a forgetfulness of self, and a devotion to his stockholders that was noble and unusual. He had only one idea and that was to help his stockholders. To this end he sacrificed ambition, pride, position and everything. The trade was soon made, under these circumstances, and Colonel Cole overjoyed at his good fortune returned home. The wisdom of the combination was proved in the fact that the stock of both contracting parties went up at once, and continued to rise, until the Louisville and Nashville road was completed.

Another thing may be stated: Colonel Cole said that he examined the chart of the Brunswick harbor while at Savannah, and was satisfied that if the Central lease was not closed he had better go in with the Georgia road and select Port Royal. This he says he could have done and would have done. He would not have bid on the Macon and Brunswick railroad at all. I hope to be able to inform you by wire of the purpose of the Louisville and Nashville people, before this letter is printed.

H. W. G.

How the Coup Was Accomplished.

New York Times, 10th.

The great bulk of the Nashville and Chattanooga stock was held by five persons, all in this city. These were Mr. V. K. Stevenson, president of the Real Estate Trust company, and his son; David L. Evans, the dry goods merchant, and his son; and C. C. Baldwin, another dry goods merchant. Unknown to their rivals, the Louisville and Nashville people had succeeded in getting enough of the stock to give them a majority of the outstanding shares provided they could capture the holding of one of these gentlemen. They laid their plans to do so, and succeeded in persuading him that the best thing he could do would be to sell to them. This was on Thursday night. The owner of the stock asked for time to enable him to consult with his associates. He went to them and offered them his stock at the price which the Louisville and Nashville people had named. They refused to purchase, and on Saturday night, in the Fifth Avenue hotel, a contract was signed by which the Louisville and Nashville company became the virtual owners of the Nashville and Chattanooga railroad and all its dependencies.

It is understood that the price paid was in the neighborhood of 70. The capital stock of the purchased road is \$6,000,000, so that the purchasers must have acquired \$3,300,000.

New York Herald, 10th.

About four months ago there was a rapid advance in the stocks of both companies in the New York market, and the same never fell back. It was surmised in railroad circles that the friends of each company were buying the other's stock with the object of obtaining control of the opposing road, and this seems to have been the fact. At any rate the Louisville and Nashville people in the latter part of November purchased the franchises of the Georgia Western road, with the intention of building it within ninety days from Atlanta to Decatur and thence to St. Louis. If this had been completed it would require \$3,500,000 and would make a shorter route to St. Louis than that of its rival. At this juncture overtures were opened by the Nashville and Chattanooga people so as to end the competitive business between that company and the Louisville and Nashville. These overtures took the form of consolidation and were commenced at Louisville about the middle of last December, with Judge Baxter as arbitrator, who had authority from both

continue to hold a controlling interest in the Western and Atlantic lease. Colonel Wadley, of the Georgia Central, telegraphed here today that the Georgia Central will not pass under the control of the Louisville and Nashville combination.

The general opinion here among the best informed railroad men is that the Cincinnati Southern railroad will not be flanked by this movement, but that an outlet more favorable than ever to the company will be offered by the managers of the W. and A. railroad, and the Georgia Central and Georgia railroad and banking company, which latter controls a line from Atlanta to Augusta, from which latter there are two roads—one to Chattanooga and one to Port Royal; also, an outlet to Wilmington, and via Macon to Brunswick. It is not considered that the combination will damage Chattanooga.

Mrs. H. L. Whiteside, of this city, transferred \$300,000 of N. and O. stock to day to New York parties at 85 cents.

A Batch of Rumors.

Nashville special to Cincinnati Gazette, 10th.

It is believed that Cole will combine with the Cincinnati Southern railroad, as he, in connection with Governor Brown, of Georgia, recently secured a lease of the Western and Atlantic railroad, which, connected by the Cincinnati Southern, will give a through line from Cincinnati to Savannah. The Western and Atlantic road is under the control of Cole and Brown, thus enabling Cole to work independent of the Louisville and Nashville and Great Southern. Our people have the utmost confidence in his ability, and believe he will yet be triumphant.

Owing to certain arrangements the Louisville, Nashville and Great Southern may lose the Georgia Western railroad, which, it is reported, will be operated by Major Joseph D. Lockhart, the present general agent of the Louisville, Nashville and Great Southern road, provided the new management is not satisfactory to him. Major Lockhart leaves to-morrow for Louisville, to consult the officers of the road about the policy to be pursued.

The general impression here is that the Louisville road and its newly acquired connections will erelong pass into the possession of the Baltimore and Ohio, Jay Gould, or William H. Vanderbilt. Such a transfer would meet with hearty appreciation.

Colonel Cole's Future Movements.

Nashville Banner, 10th.

It is the intention of Colonel Cole to devote his attention to iron interests in Nashville as soon as he winds up the railroad business in which he is engaged. He has worked long and assiduously for the promotion of the prosperity of Nashville and her people, and in his new field of usefulness would be able to do more than he has ever done. That he believes in the development of the iron business is shown by the appended extract from his last annual report to the stockholders of the Nashville, Chattanooga and St. Louis railway:

"Already parties are prospecting for iron furnaces to be erected at Nashville with a view to the use of this ore and when the advantages of Nashville are considered as a railroad center, insuring the lowest rates of freight on products in all directions, and the low rates offered by the roads on coal, coke and ore, and the low price of these supplies at the neighboring mines, its mild and healthful climate, cheap labor and living it would seem that no better point could be selected for manufacturers and if this ore proves (I have no doubt of it myself) equal in quantity and

The Cincinnati Southern all Right.

Cincinnati Enquirer.

The officials of the Cincinnati Southern road seem serene and happy. President Standford, of the Louisville and Nashville road, says: "All sections may rely upon equal and exact justice in the matter of rates." Colonel Cole says he "will not discriminate," and in consequence Mr. Clement cannot see that his line has been injured by the last move on the chess-board.

Press Comments.

Milldegeville Union and Recorder.

It knocks the maps of our Savannah and Macon contemporaries into smithereens.

Augusta Evening News.

"Oh, that I had unloaded!" is the cry of the Central railroad investors.

New Orleans Times.

King Cole, the merry old railroad soul, is saddened. All his grand schemes have fallen flat, but he is still fat and frying.

Nashville Banner.

The idea of little Louisville comparing herself to Cincinnati, and talking of making Cincinnati tributary to her, reminds one of what the rooster said when in the stable with the horses: "Be careful, gentlemen; don't let us step on each other."

Nashville American.

Nashville is perfectly willing that her commercial lines should be owned by capital in pursuit of gain, but she objects to one ambitious way station putting on airs and trying to lord it over another. Nashville does not claim to be St. Louis or a Chicago, but she does not want to be crowded over by any other collection of houses, as if it were a metropolis.

Chattanooga Times.

The Louisville, Nashville and Great Southern railroad controls one line through us. The Cincinnati Southern controls one line to us. These two will not agree to run to deep water over one line. In the nature of things it cannot be. There is ample business to support two lines. If no new line is built, we have the advantage over Nashville and Atlanta of competition to and from us. But if our people only hold on to our charter to Rome, the rival lines will bid for the right to build it, and that very soon.

Knoxville Chronicle.

It is not yet a certainty that Dr. Standford has not thrown \$1,000,000 into a pit into which he may have to throw another to get that back. Why not have pursued the even tenor of his way in surveying and getting ready to connect with Knoxville, and laughed at King Cole's threat about the spades? The whole question simply rests on whether Dr. Standford controls the Western and Atlantic and Central roads, or only gets the Nashville, Chattanooga and St. Louis, with its immediate branches. If the latter, he has drawn a prize; if the latter, a blank.

New York Star.

The consolidation of southern railroads described in another column of this issue, is an event which concerns every section of the country, and which will doubtless create extensive perturbations in the stock market. If the directors of the combined lines will earnestly set themselves to fulfill their promise of developing the rich resources of the south, as they will have power to do, they can confer large benefits on the whole nation. If, on the other hand, they manipulate their great trust in the interest of stock-jobbing schemes or levy excessive rates for transportation, they will only hasten and intensify the demand already

THE SCOOP

Of the Nashville and Chattanooga

By the Grasping Louisville and Nashville Corporation.

The Desperate Game That is Being Played Against Cincinnati.

Another Case in Which Vaulting Ambition Will O'erleap Itself.

And What is Intended to Hurt Will Probably Really Help Us.

Intense Bitterness at Nashville Toward the Conspirators.

Threats to Burn Them in Effigy—Colonel Cole's Feelings, and Some Hints of His Purposes.

Gossip of a Southern Man in the East.

SPECIAL DISPATCH TO THE ENQUIRER.

New York, January 18.—The news is current here to-day that Baring Brothers, who are said to have been the agents of the Louisville and Nashville Railroad since the time of James Guthrie, have gone into the market within twenty-four hours and bought the stock of the Nashville and Chattanooga Railroad from under its President, Cole, so that when he and his party meet early in the week to confirm the lease of the Georgia Central Road, they will no longer be the regulators either of their own property or its leased lines, which will all pass into the hands of the Louisville interest, nominally Standford and Victor Newcomb.

My informant, who is a Southern railroad manager, Mr. A. Pope, said he could not positively assure me of this news as a fact, but it was probably true. The stock of the Nashville and Chattanooga Road, worth only 30 a year ago, had jumped up to 85, and it was believed the Barings were the purchasers at the latest high figure. He intimated that possibly Mr. Cole's friends had executed a turn upon him, first using him to complete the Georgia and St. Louis consolidations, and then consolidating him and all his leases. If the Nashville and Chattanooga Railroad is itself reorganized, its leases go as assets, and fall to the last proprietor. Mr. Cole is represented as a slow, cool man, who always gives his views last.

My informant said that if this news was true, it was testimony to the courage and public spirit of the merchants of Louisville, who, looking at the invasion of their tributary fields by Cincinnati, had practically leased the whole Southern transportation system east of the Illinois Central's Southern lines and west of South Carolina. Louisville has leased the Montgomery and Mobile Railroad, which involved Pensacola, and gave her two ports on the Gulf, and had also control of the railroad from New Albany, Indiana, to Michigan City, on Lake Michigan, from which latter point by a lighterage system she could do a full freight business with Chicago without incurring the great cost of entering that city by rail or over another railroad line. Louisville appreciated the fact that to retain her advantage she must have an unembarrassed system, connecting her both with the lakes and the Gulf and South Atlantic ports. Savannah, said my informant, had obtained the best harbor in the South by dredging, although the harbor naturally was inferior. The Georgia Central Railroad was virtually owned by Moses Taylor, of New York. The consolidation from St. Louis to Savannah, effected by Mr. Cole, with the steamships from Savannah to New York, was, in my informant's view, not a reasonable speculation; because the trunk lines, with their present large cars of thirty tons apiece, could easily checkmate such a roundabout way between St. Louis and New York.

My informant said that the Cincinnati Southern Railroad, now had probably no better hope than to connect via Knoxville with the Charleston, S. C., and Wilmington, N. C., railroad system, still disconnected from the West. They might also take the Alabama and Chattanooga Railroad, which, running through a narrow valley between mountains, had never been profitable, but was owned by its creditors in Amsterdam, Holland. It was true that for ten years to come the Cincinnati Southern Railroad could get to Atlanta without discrimination against it, or while the present lease of the Atlanta and Western Railroad lasted.

The Feeling at Nashville.

SPECIAL DISPATCH TO THE ENQUIRER.

NASHVILLE, TENN., January 18.—Nothing for years has created as much comment and talk as the purchase by the Louisville, Nashville and Great Southern Road of a controlling interest in the Nashville and Chattanooga Road. The publication this morning of confirmation of what was, to the public, little

give the Cincinnati Southern direct connection with the Atlanta and Southern Georgia.

Colonel Cole received telegrams to-day from Victor Newcomb, one of the Louisville and Nashville Directors, now in New York, telling him to hold the Georgia Central matter in abeyance and not let it slip. The Nashville and Chattanooga Directors were to ratify the Cole contract with that road yesterday, but failed to meet on account of the purchase. As the business now stands the Georgia Central may yet pass into other hands, and the great advance in the Southern Railroad system be lost.

All to-day the deepest feeling has prevailed, the general sentiment being that Cole has been betrayed. Toward V. K. Stevenson and one of the Nashville Directors the condemnation is especially directed, and a report has gained general currency that they will be burned in effigy on the Public Square to-morrow night. This shows how intense is the public feeling. Stevenson thirty or forty years ago was a rich dry-goods merchant of Nashville, and made much of his fortune here, moving later in life to New York, where he began his stock operations. He was one of the founders of the Chattanooga Road, buying stock at exceedingly small figures. His profits on the same must be enormous.

Colonel Cole is bearing his reversal very calmly, and intimates that he is not at all whipped. From his guarded conversation, and other sources, the understanding obtains that some important move is impending, of which Cole will be the principal figure. He is known as one of the shrewdest railroad men in the South, and now hardly any thing would cause surprise. His only complaint against the stockholders who sold him out is that they kept him in the dark as to what was going on. If he had had any idea of what was imminent, he could readily have raised the purchase money either in Tennessee or Georgia, or by a New York Syndicate.

Colonel Cole has as yet received no particulars of the sale. The purchase money was over \$3,000,000. Cole left to-night for Chattanooga, but would give no indication as to the object of his visit.

FROM ANOTHER CORRESPONDENT.

The History of the Transaction.

SPECIAL DISPATCH TO THE ENQUIRER.
New York, January 18.—The explanation of the rise in Wall street on Saturday of Nashville and Chattanooga and Louisville and Nashville stock was the knowledge that the Louisville and Nashville Company had virtually bought a majority of the capital stock of the Nashville and Chattanooga Company, and with it the control of all the lines owned or leased by that Company, and of all its contracts with other Companies. This was concluded in the Fifth Avenue Hotel late Saturday afternoon, and by it the Louisville and Nashville secures the control of a system of railroads through the South aggregating, it is said, nearly three thousand five hundred miles. The transaction does not equal in magnitude the Vanderbilt sale of New York Central Railroad stock or the consolidation of the Union Pacific and Kansas Pacific Railroads, but it has been much more nearly and suddenly accomplished, and displays far more strategic skill.

The history of the Louisville and Nashville and the Nashville and Chattanooga and St. Louis Companies is interestingly brief. The Louisville and Nashville interests have been managed by its President, E. D. Standford, Vice-President H. Victor Newcomb and Judge Baxter, of counsel to the Company. The Nashville and Chattanooga forces were led by Colonel Z. W. Cole, the President, and its Attorney and Director, G. M. Fogg. The first aggressive movement was made by the Louisville and Nashville obtaining possession of the Kentucky Division of the St. Louis and South-eastern Road. The Nashville and Chattanooga endeavored to outmaster its rival by getting control of the Northern Division of that road, running from East St. Louis to Evansville, Ind., and also obtained a small road in Kentucky running parallel to the division bought by its rival. It was proposed to extend this line to form a competing link against the Kentucky Division.

The Nashville and Chattanooga then gave unmistakable proof of its intention to secure a continuous line from St. Louis to Savannah, Georgia, by getting control of several railroads in Georgia. Its first acquisition was a line from Chattanooga to Atlanta. The next move was to secure the Central Railroad of Georgia, an extensive system of roads from Atlanta to Savannah, with several branches, aggregating over seven hundred miles. Colonel Cole was prompted to make this lease by the knowledge of a secret agreement between the Central, of Georgia, and the Louisville and Nashville, to the effect that the business of the two roads should be transferred at Montgomery instead of at Atlanta, via Nashville and Chattanooga. This base was ratified by the Georgia Central and was to have been acted upon by the Nashville and Chattanooga Company at a meeting in Nashville on Saturday night. So far as can be learned, action was not taken, and it is now optional with the recent purchasers of the Nashville and Chattanooga stock to ratify it as a counter move, the Louisville and Nashville purchased the franchise of the Georgia Western, a projected line between Decatur, on its own line to Atlanta, and only a small portion of which has been constructed. This line would give the Louisville and Nashville a much shorter route to Savannah than that of its competitors.

dition it will have a line of its own from Michigan City, fifty-six miles south of Chicago, on the Michigan Central Railroad to New Orleans, and to Pensacola, Fla. Aside from this line, which passes through such centers of trade as Lamartine, Nashville, Decatur, Montgomery and Mobile, the system can be generally described as a line from St. Louis through to Evansville, Nashville, Chattanooga, Atlanta and Macon to Savannah. Of its numerous branches and ramifications in Kentucky, Tennessee, Alabama and Georgia, the most important is one from Nashville to Memphis.

By this practical consolidation the Louisville and Nashville officers claim that they will effect a great economy, both in the management of the lines and to the public. They estimate that it will more than double the business of the Louisville and Nashville proper, especially upon its New Orleans business. Vice-President H. Victor Newcomb said yesterday that the policy of the management of this immense system would be conservative, and there would be none of the discrimination in traffic, which is usually identical with such a large and controlling line.

TO THE ASSOCIATED PRESS.
LOUISVILLE, January 18.—The capture of the Nashville and Chattanooga Road by the Louisville and Nashville management created considerable excitement in this city, and was the topic of general comment to-day. The purchase gives the Louisville and Nashville Company virtual control of all lines owned, operated and leased by the Nashville and Chattanooga Road, and will put an end to all contest of interest between the two Companies. The two systems from Louisville, Evansville and St. Louis will now be worked as one, and the advantages that will accrue to all therefrom can not fail to be apparent. President Standford says: "The conservative policy heretofore observed by our Company in connection with all other roads, and the maintenance of fair and equitable tariffs will be continued. All sections reached by our system have stood firm by the laws of trade, and the observance of the laws of trade, and the advantages which each and every locality is justly entitled to receive by right of its geographical location."

Jail Delivery.

more than rumor yesterday, has greatly increased the excitement, and every one is anxiously awaiting particulars of the sale and its effect on Louisville and Nashville interests. The feeling of regret, almost sorrow, is very deep. By many the change is looked upon as a calamity. It was the pioneer road of Nashville, built by her citizens, and all through the many years of its existence has stood firm by her business men. It has added immensely in building up the wealth of Tennessee, aiding liberally in every enterprise, and for these reasons had a strong hold on the people, especially the merchants. To see it pass into the hands of a competing line, and one regarded with little degree of favor, furnishes material for sober thought and causes apprehensions of the result.

Colonel Cole was thunderstruck at first. The non-arrival of the Directors on so important an occasion created forebodings, and then the answers came to his dispatch that he would have to hereafter look to others, almost crushed him. It looked like the results of moment. In conversation he says that he holds no bitter feeling against any one, and does not blame in the least the stockholders who sold out. With the Louisville and Nashville people, whom he fought so long and heavily, he is on a very friendly terms; but it pains him to see the object of his life dashed away. It has been his ambition to build a trunk line through the South, from St. Louis to the seaboard—a line which would work to build up the South. With his line from St. Louis to Savannah he had made a great step in this direction. This in active operation, he would next demand a prorate from the trunk lines going east from St. Louis, and in this advantage of the sea, would force them to fair terms. The fear that such an issue was not far distant may have been one of the incentives of the coup d'etat. He thinks the idea of direct connection with the Gulf is a mistake, preferring by far the Atlantic seaboard. With a through line to Savannah, he can prevent the introduction of supplies from Baltimore into the interior of Georgia. In this and other ways would the lines north of the Ohio be injured.

Colonel Cole has now come to look philosophically on his downfall. His only desire is that the new management will continue the scheme he has carried so far with success. The people of Tennessee heartily favored Colonel Cole in all his projects, and will now watch the new combination with eagle eye, eager to detect the least discrimination. By many the Louisville and Nashville have been regarded somewhat as a monopoly, and it would take little to arouse a feeling that would end in the most stringent and retaliatory legislation. Colonel Cole has lived all his life with the people of Nashville, raising himself from the bottom of the ladder to his present high rank as a financier and railroad manager. He is in his prime, only fifty-two years of age, of pleasing manners, and dignified and distinguished appearance. He treats all kindly, and is particularly well liked by newspaper men, to whom he has been most modest and cordial in his relations.

To-night various rumors are afloat as to the outcome of the railroad scoop. One is that Cole and Brown, controlling the Western Atlantic, will carry that road over to the Cincinnati Southern, and that Cole will be offered the Presidency of the latter Road. Such a move would make an almost irreparable break in the through line to Savannah, and

At this time, early in December, a truce was called, and a conference was held in Louisville. Judge Foster, of the Louisville and Nashville, was instrumental, at the request of those interested in the Nashville and Chattanooga, in bringing about the compromise. The negotiations took the direction of consolidations. The Louisville and Nashville stood out for a complete absorption of the Nashville and Chattanooga. Little progress was made, and about two weeks ago the negotiations were transferred to New York, G. M. Fogg, of the Nashville and Chattanooga, and H. Victor Newcomb, Vice-President of the Louisville and Nashville, were the principals in the matter.

It is learned from trustworthy sources that while these moves and counter-moves have been in progress in the South, and the negotiations pending, the large stockholders in each country have been buying the stock of the other in the New York Stock Market. The Louisville and Nashville people have been quiet. These purchases and the prospect of consolidation advanced the stock of the Nashville and Chattanooga to 95. Nearly all of last week the negotiations were pending at No. 52 Wall street, but on Thursday all the overtures were rejected, and its representatives assured that no conclusion would be reached upon the basis proposed. That same evening the Louisville and Nashville managers succeeded in convincing one of the five large holders of Nashville and Chattanooga stock that it was advisable for him to sell. Representations were made that the Louisville and Nashville Company was the only large purchaser in the open market, and that it had secured nearly a majority of the stock. The five stockholders were V. K. Stevenson, President of the Real Estate Trust Company, and his son, the senior partner of Evans, Pease & Co., and his son, and C. C. Baldwin. During Friday and Saturday these gentlemen and the officers of the Louisville and Nashville were in secret conference in Wall street, and at the close of business Saturday they adjourned to the Fifth Avenue Hotel, where a contract of sale was signed late in the day. The capital stock of the Nashville and Chattanooga is \$6,750,000. The amount purchased from the five capitalists mentioned is not known. It is understood that the price is much below the market. The only figure mentioned is 70. The bid at the close of the Board on Saturday was 95. The cost of the purchase will be entered upon the books of the Louisville and Nashville Company, and each holder credited with his pro rata share of the stock.

As soon as the details can be completed the Louisville and Nashville Railroad will assume the management of the Company that it has practically purchased, and hereafter the identity of the Nashville and Chattanooga will be merely nominal. The stock carries with it all purchases, leases and contracts of the Nashville and Chattanooga.

Within a few days the Louisville and Nashville will take formal possession of its recent acquisition, the Mobile and Montgomery. It is so understood that it will soon complete its line to New Orleans by the possession of the New Orleans and Mobile Railroad. The Louisville and Nashville is a large holder of the bonds of the road, and upon a pooling of them will make application for the sale of the road under foreclosure proceedings, and purchase the property for the purpose of reorganizing it under its own management. By this acqui-

Chronicle & Sentinel, Established 1785.
Constitutionalist " 1799.

THE BROKEN RAIL.

REVIEW OF THE WRECK OF COL. COLE'S COMBINATION.

Sharp Intriguing—Desperate Game of Louisville and Nashville Roads—Col. Cole and the Proposed Cincinnati Southern Combination—The State Road Holds the Key to the Situation.

[Correspondent Atlanta Constitution.]

LOUISVILLE, KY., January 19.—In the meantime there is plenty of speculation about the lease of the Nashville and Chattanooga. I learn the following from a reliable source: "The combination made by Colonel Cole rendered it necessary for the Louisville and Nashville to take decisive action. He had then bound up. They were shut out absolutely from the Atlantic coast. If they had allowed Cole to go ahead their stock would have depreciated. They therefore went to New York, where they could discuss the whole situation and decide upon what had best be done. They were in great doubt for a week, and hesitated between several plans. At length the alternatives were reduced to these:

1. To build the Georgia Western and thus connect their system with Atlanta and the sea, and build the Shawneetown extension (from Henderson to Du Quoin), and thus connect with St. Louis, and thus compete with Cole; or,

2. To quit and buy up a majority of Cole's stock, and put him out of power.

The first plan would have cost \$4,000,000 for the Georgia Western and \$3,000,000 for the Shawneetown. It would have given them a shorter line to the sea than Colonel Cole's and quite as good a one. They could have entered into competition with him, and probably have done as much business as he did. The question was, though, could either system have done enough to support it. The second plan would cost only \$3,300,000, and would not only give them a competition with their rival, but would actually sweep him out of existence and leave them masters of the South. They therefore, determined on Tuesday of the last plan. They telegraphed Cole's heaviest stockholders, and summoning those in New York, laid the case before them. They stated positively that they intended to build these competing lines, and go from St. Louis to Atlanta and the sea by a new route. They represented that it might result in a cut-throat competition that would bankrupt both roads and ruin the stockholders. On the other hand, they offered to buy up all the Nashville and Chattanooga stock held by these parties at high figures and let them retire rich and comfortable. Cole's stockholders weakened at this tempting picture and gave up the fight. The negotiations were kept secret as death, and at 6 o'clock on Saturday the papers were signed and the greatest scheme ever dreamed of in the South was shattered at the very moment of its completion.

Is Jay Gould Back of it?

It is important to the South to know whether or not Jay Gould and the trunk lines of the North are at the back of this trade. I do not think they are. I think they may have inspired it and encouraged it, but I do not credit for an instant the rumor that they have bought up the stock of the Louisville and Nashville Company. I do not think it even supposable that they advanced the money with which to make the purchase of the Nashville and Chattanooga stock. The Louisville and Nashville Company is an exceedingly rich corporation. There is one stockholder, Mr. Green, who is said to own with his wife, over \$3,000,000 of the stock of the road. The city of Louisville owns about \$1,000,000, and, as the total stock is only \$9,500,000, these two owners hold nearly one-half of the entire stock. Mr. Green is worth at the least estimate from \$15,000,000 to \$20,000,000, and if he wished to do so, could have bought a controlling interest in both roads without seriously impairing his capital. He is an elderly man, has no children and is thoroughly devoted to the Louisville and Nashville Road and endorses its policy. It is hardly credible that he would permit the road to make any entangling alliances, much less to pass out the control of its owners. I think, therefore, without a doubt, that the movement was made by the Louisville and Nashville people, and carried through with their own money.

Indeed, capital is easy enough to get with these big schemes. Had Colonel Cole had one day's notice of the pending trade he would have raised the money to have bought up the stock in his own road and controlled it. In other words, if his direct-ors had told him that they wished to unload their stock and given him the figures they were offered for it, he would have been able to have taken it himself or had his friends to take it.

A Startling Suggestion.

Colonel Cole and his Georgia friends, as he told me himself, control the lease of the Western and Atlantic Railroad. This control did not go with the purchase of the Nashville and Chattanooga stock. He still holds it. Now, the Cincinnati Southern has been uneasy about it being shut out at Chattanooga in the interest of the Nashville and Chattanooga. Suppose, now, the Cincinnati Southern strike hands with Cole and his friends, who control the State Road lease, and they make a through line and shut the Louisville people out at Chattanooga. There is no denying that the Western and Atlantic Road is still the key to the situation—Cole and his friends control that. Suppose the Cincinnati Southern offers him what he has lost at Nashville? The Cincinnati Southern has four lines to Chicago and the lake region. Why not Col. Cole get his alliance here, and in a month have a route from the Northwest to the ocean, without building a foot of road, as good as the one he has lost?

But, it may be asked, "How would this build the Georgia Western?" Very surely. Once let the Louisville and Nashville know that the Nashville and Chattanooga line is shut out at Chattanooga and its bitterest rival taken in, and it will have to build the Georgia Western itself, and cut out a new way to salt water. I think this is a likely thing to happen; I mean that Cole will find an alliance with the Cincinnati people. It will give them all they want, and come mighty near giving him all he ever wanted.

What Will Colonel Cole Do?

Of course it will be impossible for Col. Cole to decide hastily what he will do. He is too big a man to be left in quiet, and too honest and devoted a man to wish to remain in quiet. The Louisville and Nashville Road will doubtless offer him all that he could want, and he may stay with them, especially if they carry out his plans. It is barely possible, also, that the Louisville and Nashville people will build the Georgia Western Road of their own volition. This I consider a very remote possibility. In my next I hope to be able to give the views of the Louisville and Nashville people.

Savannah's Independence.

[Savannah Morning News.]

In order to ascertain the exact truth of the matter we telegraphed to Messrs. Cole and Watley, and in reply received the following from the first named gentleman:

"CHATTANOOGA, TENN., January 19.—*Editor Morning News:* In answer to your telegram I have information from New York that the Louisville and Nashville Railroad Company have bought in that city a majority of the stock in my company. I had no intimation of it until late yesterday evening. Answering your question, I will say that a representative of that company telegraphed asking me to hold the contract with the Central in abeyance until they could meet and have a full conference with me. I trust the plan for a great through line from the West to the sea may yet be carried through. The Central Railroad is an important interest, and even before thinking of the contract I purchased a thousand of its shares on account of their intrinsic value, and hold them yet. E. W. COLE, "President."

And the following from Mr. Watley:

"BOLINGBROKE, GA., January 19.—*Editor Morning News:* I have no intimation as to what will be the policy of the Louisville and Nashville Railroad Company, but, in my judgment, it is their interest to carry out the arrangement entered into by our company with Colonel Cole. If that is done, the benefit to Savannah will be greater than it would have been had the Nashville and Chattanooga Railroad alone been connected with us. WM. M. WADLEY, "President."

Editorial Comment.

If the Louisville and Nashville Railroad should finally refuse to ratify the contract previously entered into with Col. Cole, neither the future prospects of the Central nor of this city will be in the slightest degree injured. The abrogation of that contract would not of necessity change the relations existing between the Central and State Roads. Under any circumstances the Central is master of the situation. Under the wise management of Col. Watley this road has heretofore, despite a most tremendous and short-sighted opposition to it in the State and in the Legislature, been able not only to thoroughly maintain itself, improve its facilities and pay a 5 per cent. dividend, but to accumulate a handsome reserve fund besides. With this fund the Carrollton extension of the Central to Chattanooga—a distance of about 114 miles—can be constructed with very little, if any, greater delay, than can the Macon and Brunswick Road to Atlanta. This would give the Central an independent line from Chattanooga through the State to this city, and it would be able to make a Western alliance entirely to its satisfaction. The only point then to be decided by Western shippers will be whether to ship to a city already established and prosperous, or to a port at which a city may possibly hereafter be built.

RAILWAY INTELLIGENCE.

Louisville and Nashville, Great Southern and Nashville, Chattanooga and St. Louis Stocks Very Feverish To-Day.

Reported Conference Looking to a Lease of the Consolidated Lines by the Pennsylvania Railroad.

Comments of Various Prominent Newspapers upon the Recent Purchase.

Our noon telegraphic report states that in New York, to-day, Louisville & Nashville & Great Southern stock sold at 110, Nashville, Chattanooga & St. Louis stock opened at 80, declined to 76 1/2 and recovered to 77 1/2.

The local interest in the railroad movement has abated to a slight extent, and the number of rumors has greatly decreased.

The officers of the Louisville & Nashville & Great Southern Railroad are expected in Nashville on Saturday, at which time the public may be enlightened in regard to their plans.

The Railroad Age, a leading railroad journal, in an editorial of the 15th inst., makes the statement that it is understood in well-informed railroad circles, that the Louisville and Nashville is the ostensible purchaser of the Macon and Brunswick road. In that event the whole face of affairs will be changed. This question of the ratification of the Central contract will be uncertain, and a direct extension to Atlanta will be speedily effected. The correctness of this report is however doubted in well-informed circles.

Macon, Ga., Telegraph and Messenger.

The following appears in the Savannah Morning News of yesterday, which was received last night. It will be seen from the dispatch from Col. Cole that the fate of the consolidation has not yet been actually decided:

CHATTANOOGA, TENN., January 19.—Editor Morning News: In answer to your telegram I have information from New York that the Louisville & Nashville Railroad Company have bought in that city a majority of the stock in my company. I had no intimation of it until late yesterday evening. Answering your question, I will say that a representative of that company telegraphed asking me to hold the contract with the Central in abeyance until they can meet and have a full conference with me. I trust the plan for a great through line from the West to the sea may yet be carried through. The Central railroad is an important interest, and even before thinking of the contract I purchased a thousand of its shares on account of their intrinsic value, and hold them yet.

H. W. COLE, President.

The News prints the following telegram from Colonel Wadley, also, thought that gentlemen, at noon yesterday, had received no definite information on the subject:

BOLINGBROKE, GA., Jan. 19.—Editor Morning News: I have no intimation as to what will be the policy of the Louisville and Nashville Railroad Company, but, in my judgment, it is their interest to carry out the arrangement entered into by our company with Colonel Cole. If that is done, the benefit to Savannah will be greater than it would have been had the Nashville and Chattanooga Railroad alone been connected with us.

W. M. WADLEY, President.

COLE CRIPPLED—NOT CRUSHED.

Evansville Journal.

It is very evident that Col. Cole though crippled is not crushed, and that his influence will continue to be felt in the development of the Southern railway system. Not to multiply words, the welcome news comes to us that he has instructed Superintendent Culverhouse to continue work on the Evansville, Owensboro & Nashville road, and to put the line through to completion as rapidly as possible. It is claimed by persons in a position to know, that Col. Cole still controls the St. Louis & Southeastern road, as well as the most important of the Nashville & Chattanooga Southern leased lines, and that the completion of the road between this city and Nashville will give him as complete a command of the Nashville & Chattanooga road. This is, perhaps, overdrawn, but there is enough truth in it to prove that Col. Cole means to make himself felt yet in Southern railway combinations, and that Evansville still has a chance of securing a competing Southern line.

WHAT CONSISTED THE MAJORITY.

the stock does not furnish a good reason why the price of this stock at the St. Louis Exchange should suddenly decline from 86 1/2 to 80 1/2; nor does the fact that the Louisville & Nashville Company recently has been branching out and taking responsibilities in a number of places causes some of its old friends to take their heads ominously justifying an advance to 160 1/2 per cent. in the price of its stock between two business days.

WAGON USE OF ABSOLUTE POWER.

New York Times.

Col. Cole is not a name unfamiliar in Wall-street or widely known out of it, but the Georgia newspapers received during the last few days have been filled with narratives of speculation and adventure which dealt with him as the coming king of railroads in that region. Exultation seems to have been a little premature for while his friends were shouting and boasting, the officers of the Louisville and Nashville were cutting the ground from under his feet. It is not surprising that a man previously unknown to fame, who suddenly came so near to greatness, was "surprised and unmoved by the event" which extinguished all his hopes. As regards the business traffic of the Southwest, it was a choice between Ring Cole and the managers of the Louisville and Nashville. If it were certain that the latter would adhere faithfully to the "eminently conservative" utterances of Vice-President Newcomb, the public might regard its success with complacency. But the possession of a great monopoly gradually engenders contempt for all interests but its own; and with best possible intentions at the outset, the Louisville & Nashville management will be very likely to do as other monopolies have done when its prestige is in jeopardy. An aggregate of 3,500 miles is spoken of as the result of plans consummated or in progress, and still further to exemplify the ramifications of the system, it is said that every outlet from Kentucky, Tennessee, Alabama, and Georgia, below Cincinnati, on the Ohio, and Memphis, on the Mississippi, will be controlled, and all competing or other lines will be made purely local or contributory. Mr. Newcomb may be many degrees better than Col. Cole; but individual character soon ceases to be valuable as a guarantee against the wrong use of absolute power when profits are to be carved on a gigantic combination, of which, as in all similar cases, the really productive roads from the smaller apart.

Louisville Post and News.

There is much of course that our railroad managers have to learn. One thing which they seem slow to learn is the advisability of securing something like enthusiastic local support. This can be done by learning what are the demands of the merchants in various localities, especially as far as merely local business is concerned. In this Nashville & Chattanooga management studied and secured. Few roads have such local support as has the Nashville & Chattanooga road at Nashville, and it has deserved it. We believe that a policy of this character will now be adopted by the Great Southern Railroad, and that no city from Louisville to New Orleans, from St. Louis to Savannah, will long have any just cause for complaint.

Louisville Commercial.

The annexation of the Nashville & Chattanooga system to that of the Louisville & Nashville forms a combination not only far stronger than any other possible now, but one whose strength is likely always to be great enough to accomplish all of its legitimate ends. It unites the strength and facilities of the only two systems in what may be called the Middle South, which have demonstrated inherent strength and capacity. It secures or commands connections which reach into all the fields from which business may be drawn over its main lines, and it secures them beyond any risk of deprivation; and the whole of the Southeastern section of the Mississippi Valley are penetrated by its arms, and whatever other combinations may be made they cannot shake its firm hold or take away its full share of business from its wide-reaching grasp. We are not fully advised as to the permanency of the hold which the Nashville and Chattanooga, under Col. Cole's management, had secured upon the road from Decatur, or some point on the North and South line, can easily be built at any time, will in any event prevent that road from showing a preference for the Cincinnati Southern. Also as to what hold Col. Cole had secured on that part of the St. Louis and Southeastern which is north of the Ohio, we are not advised. But the Nashville & Chattanooga owned the Nashville and Northwestern, reaching to Hickman, Ky., and connecting there with the Iron Mountain line, and if the Iron Mountain management persists in an unwelcome course on the Little Rock and Texarkana route, so as to shut off

New York Star.

The consolidation of the Southern lines of railway under the immediate control of the Louisville and Nashville Company, full details of which appeared in the Star on Monday, was the absorbing topic of conversation on Wall street yesterday. It transpired that the proportions of Nashville, Chattanooga and St. Louis stock which gave a majority were: Stevenson, \$1,250,000; Evans & Son \$400,000; and Baldwin, \$350,000, a total of \$2,000,000—out of which large fortunes were made. "Advance" was made on the Louisville and Chattanooga stock, which pushed it down from 95 to 88, at which the consolidationists purchased 5,000 shares. A Wall street pool of seven brokers' firm held 60,000 shares of this stock, and as under a law on some of the divisions of road leased by President Cole it required a two-thirds vote to control, the new combination found themselves short 35,000 shares, while holding a clear majority for all other purposes. To overcome this obstacle an offer of 95 was made after the market closed for 40,000 shares, which the pool declined to accept, unless the entire stock of a long term of all its old and recently acquired dependencies. Both gentlemen are extremely reticent when questioned on the subject but it is understood the proposition is not unfavorably received, and that there will be a further conference to endeavor to arrange matters.

ANOTHER "BOOOY" PROBABLE.

Yesterday's Cincinnati Star.

It is reported that an important conference was held last night between First Vice President McCullough of the Pennsylvania Railroad and First Vice President Newcomb of the L. & N. Company, in which a proposition was made and discussed of leasing to the Pennsylvania Railroad Company for a long term of years the Louisville & Nashville Railroad and all its old and recently acquired dependencies. Both gentlemen are extremely reticent when questioned on the subject but it is understood the proposition is not unfavorably received, and that there will be a further conference to endeavor to arrange matters.

WALL STREET PUZZLED.

New York Tribune.

With the opening price for Louisville & Nashville some 16 1/2 per cent. higher than the closing figures of Saturday, and with Nashville, Chattanooga & St. Louis falling 2 and 3 per cent. between sales until its maximum decline amounted to 15 per cent., operators might well be, and they were puzzled to know what to do, or on which side of the market to cast their nets. The movements of the two stocks named, even at the end of the day seem to have been phenomenal. There is no doubt that the Louisville & Nashville Company has, by purchase of the Nashville, Chattanooga & St. Louis Railroad, acquired the control of it, although the Louisville & Nashville has not yet made all the acquisitions with which it is credited. But as it is probable that the Louisville & Nashville paid a price considerably above par for the Nashville, Chattanooga & St. Louis stock which it purchased, the fact that it has purchased

our system from a Texas connection on fair terms, why then St. Louis may be just to the same extent cut off from all railroad connection with the Mississippi valley south of the Ohio. North, South, Southeast and Southwest this last grand stroke makes our system secure, and our road may rightfully and with none to dispute wear its title of Great Southern. Because this acquisition of the Knoxville and Chattanooga was the first decisive application in the Southern railway field of the grand strategy that a few years ago consolidated the Northern railway system into trunk lines and feeders. President Standford and his coadjutor, Vice President Newcomb, have secured for themselves in the greatest field of modern commercial enterprise a lasting and unique fame. Those who will come after them in the same direction will copy them.

Louisville Post and News.

The opponents of the Louisville Railroad who hope it is owned altogether in New York are assured that Messrs. Standford and Newcomb have been heavy purchasers of real estate in this city during the past twelve months. Louisville feels very comfortable at present, but she is not greedy. The three great centralities of the future will be Louisville, St. Louis and Chicago. Louisville will not be the least of them.

New York Star.

The consolidation of Southern railroads described in another column of this issue, is an event which concerns every section of the country, and which will doubtless create extensive perturbations in the stock market. If the directors of the combined lines will earnestly set themselves to fulfill their promise of developing the rich resources of the South, as they will have power to do, they can confer large benefits on the whole nation. If, on the other hand, they manipulate their great trust in the interest of stock-jobbing schemes or levy excessive rates for transportation, they will only hasten and intensify the demand already loudly uttered in many places for Congressional control of all railroads.

Cincinnati Gazette.

The Louisville & Nashville Company having obtained control of the New Albany and Chicago road on the North, and several lines at the South, have now an unbroken connection between the lakes and the Southern seaboard. Col. Cole on the other hand, if he does not get tripped up in his hold upon the Atlanta and Western road and the lines beyond, will have a first-rate line to Chicago via Cincinnati Southern, ninety-three miles shorter than via Louisville. This is an advantage that could not easily be overcome. Besides, there is a toll bridge at Louisville, which in cost is counted equal to 100 miles of road, while here the bridge is part of the Southern road.

The Louisville people are making a desperate effort to counteract the Cincinnati Southern road, which is to be open

for traffic in a few weeks, but it is working at a disadvantage. The Cincinnati Southern road has the advantage in location, business and construction, and will make its way despite opposition. It will not kill or seriously hurt Louisville, but it will help Cincinnati largely. In addition to our city, it will connect here with the whole Northern systems of railroads.

Recent movements at the South seem to place a value upon our road. The market value of the Louisville & Nashville road, or the Nashville & Chattanooga is now greatly more than the cost of the Cincinnati Southern. It is thus seen that Cincinnati has a valuable property—a property, too, that has set all the railroad managers at the South to work; that is to contribute largely to the development of the Southern country, and create within a few years five dollars of trade where formerly there was but one. There will be no railroad combination that can fence in the Cincinnati Southern at Chattanooga. It would be as sensible to undertake to dam the Ohio river. On the other hand, if Cincinnati decides to sell the road, it will bring all it is worth, and that is more than it cost.

Rosebush Nannies to be Closed Out at

It strikes us, that the gentlemen who have bought the Nashville & Chattanooga Railroad have gone for the dollar in sight. Are they aware of the fact that the Legislatures of this State have only been deterred from legislating a good deal on the subject of railroads for some years past, and that it was only by the nicest management of the part of the directors and stockholders whose residence here gave them a local influence? We think it hardly possible to restrain them from legislating to the utmost extent permitted by law should the slightest suspicion of unfairness be aroused. We all know what trouble the railroads, in some of the Northern States, have met with by aggressive legislation, and we all know, none better than Col. Cole, the trouble they had to keep under the Grangers, who were anxious enough to put it out of the power of all the railroads running through the State to discriminate against the farmers. Should the threats of the Louisville Courier-Journal in regard to Nashville be attempted, or should the least effort be made to favor Louisville merchants to our prejudice, the railroads owned and run by men living out of the State would lose the influence of Nashville merchants, and it has been mainly through their efforts that obstructive laws have not already been passed. The people feel that they have been greatly wronged, and they will not bear any kind of foolishness now. The new management were met in a kindly spirit, and every one after the first burst of indignation was over, were disposed to throw the blame upon those who sold them out. But when their organs talk about Tennessee paying tribute to Louisville they begin to look around where they can help themselves. The means are close at hand. The people have been anxious to get hold of some of the railroads for some time, and now they are very willing to take care of themselves. The goose has been laying golden eggs for some time and will continue to do so if allowed, but the owner had better not kill her, for instead of golden eggs they would only find apples of the Dead Sea.

Nashville
Banner of
22nd January 1890

THE LEASE.

THE DETAILS OF THE TRANSACTION.

The Look Over the Field—Some Reflections—The Attitude of the Cole-Brown Combination—The Route of the New Road—The Feeling in the State.

Correspondence of The Constitution.

On the Cars, January 13.—In my hurried dispatch of to-day I did not have time to discuss in full the matter of the lease of the M. & B. R. R., nor to tell precisely what it meant. A resume may therefore not be out of place at present.

THE ATTITUDE OF COLE, BROWN & CO.
Of course Monday night represented the gathering of the combinationists in the effort to simplify the perplexity of the situation. It was thought that of the dozen possible bidders there would not be more than two or three companies. It was felt sure that the combination represented as the Cole-Brown would be busy in the effort to amalgamate the smaller combinations into a large one, and then capture it in the interest of the new alliance. It soon became evident, however, among those inside the circle that Messrs. Cole & Brown did not intend to bid themselves or through friends, and, furthermore, did not intend to interfere with the building of the road. That they would prefer to see the extension abandoned cannot be denied. But that they determined to put no embarrassment in the way of those who intended to make the extension is doubtless certain. Colonel Hazlehurst told me after the sale was over that when coming down with Colonel Cole to Macon, that gentleman told him that upon consultation they had determined that, having made a combination for the purpose of building up the state, they could not afford to begin their work by breaking down or trying to break down an enterprise in which so many of the people were interested, and that they would not be bidders under any circumstances.

A most unjust suspicion was engendered in the breasts of many people to the effect that

THE KIMBALL COMPANY

was really a sham and that the bids were intended for the Brown-Cole lease. The complete answer to this is offered in the caution that he displayed in his bidding. He had been put up by the Cole-Brown company he would have bought the road. He would have had no object but to hurry up the bidding to \$1,125,000, have taken the road at that figure, and held it for the Cole-Brown crowd. Instead of this he picked his way carefully and cautiously, bidding \$100 at a time, and hesitating until the ringing voice of Hoke Smith called him to time, and at length gave up the road after a stubborn struggle. The bitterest prejudice must have been convinced by this that Mr. Kimball was in earnest.

Indeed I know beyond peradventure that Mr. Kimball was

BACKED BY A POWERFUL COMPANY, and that the money was ready to pay every dollar of the purchase money. I am satisfied in my own mind that Mr. Kimball would have built the road quicker, more satisfactorily, and done more for Georgia and Brunswick than any company that could. His schemes were grand, and his backing was ample and earnest. His whole soul was in the enterprise and if he had only been enabled to get it through he would have done a good work for Georgia. He would have succeeded had it not been for the possible trouble growing out of the security mortgage bonds, which amount to \$600,000. The telegram that he received in reply to his telegram, announcing Colonel Hime's notice, stopped his bidding. Had he had time to have explained this matter to his associates, he might have succeeded.

Governor Colquitt, we understand, says that there can be no serious trouble on this score, and that the state could not consent to see its bidders sacrificed, even if it were possible to get a judgment on the bonds.

THE COMPANY REPRESENTED BY MR. COUPER will, it is said, put the road through at once. This Couper company is the one that had the suffrages of the people below Macon and even through Jasper and adjoining counties. It was endorsed by the advisory committee of sixteen counties that met in the morning. It was understood everywhere that it was the favorite company with the people along the line. This was mainly due to the fact that Mr. Couper, who did the bidding, was a Brunswick man, and of course in favor of building the road, and because Mr. Hazlehurst, who may be called the father of the Macon and Brunswick railroad, gave his influence in favor of Couper. There were many friends of the Kimball company, but the Couper was the popular one. During the evening and night some doubts were raised as to the company that leased going through with the extension in a prompt and satisfactory manner, but it is certain that they complied with the law as far as the payment of the \$100,000 was concerned. At about 5 o'clock in the afternoon the sale, Mr. Couper called at the governor's office and paid in \$100,000 as provided. They claim that they will go ahead and build the road as directed.

THE PROBABLE ROUTE TO BE SELECTED.
Of course the matter of the first importance is the route by which the new line will be run. There is no determination made as yet, but Colonel Hazlehurst says that he has surveyed both routes towards Atlanta and much prefers the ridge

ColEW Cole 2nd 980
Pres't N C & St L R R

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at Brunswick, and will start trans-Atlantic steamers. I saw a dispatch from W. G. Wheeler, in which he ordered his friends to bid to the full value of the road, and stated he had telegraphed \$500,000 credit to them at Morton, Bliss & Co's, New York. It is said, however, and I believe reliably, that the \$100,000 paid on the bid was not advanced by Mr. Vibbard, but another party. What this means I cannot tell. I am sure that the governor felt perfectly assured that either Kimball's company or Couper's could build the road satisfactorily if they got it, and his opinion was based on careful investigation.

THE SUIT AGAINST THE ROAD.
There is some doubt as to the importance of the two suits against the road. The one threatened by the bondholders means just this: The state endorsed \$600,000 of second mortgage bonds of this road, and afterwards repudiated them for reasons already known. The bondholders have been without remedy thus far, as they could not sue the state. Here, however, the state has taken the position that the property on which these bonds rest as mortgage passes into private hands they claim that they can then get into the courts. How far this is true and what it will amount to, must be decided by the future.

As to Mr. Payne's suit that has not created much talk and has no apparent effect on the bidding. Mr. Couper states that he does not consider it at all formidable. Mr. Payne, however, insists that he is in earnest and means to proceed as soon as the parties are put in possession. We present herewith the protest made by Mr. Payne just before the sale opened.

MACON, GA., 12th January, 1880.—Before this attempted effort to lease the Macon and Brunswick railroad is commenced by the auctioneer I will here, in the presence of all who propose to engage in the same, give notice that the company which I represented, and for which I bid for the lease of the said Macon and Brunswick railroad against any and all parties who may seek to control or interfere by lease or otherwise, with the sale of the said road, and who will not be bound to release it. I further state, that, to the present date, we have complied with the letter and spirit of the law. We have made all the tenders of money to pay for the same which the law requires, and propose to give all the securities required by the law for the lease of said railroad. We will earnestly insist upon our rights in this matter under the laws of the State.

Some final reflections.
Too much cannot be said of the timeliness and force of the interview of Governor Colquitt on the subject of the Macon and Brunswick railroad and its rights under the laws of the state. That utterance, in my opinion, made the lease of the road, and with it I do not think there would have been a bidder. I created enthusiasm among the friends of the road, and won the commendation of even its enemies. Not numerous and hearty was the endorsement of the able and successful man in which Mr. Hoke Smith conducted the selling of the road. In view of the immense interests involved, the conflicting interests, and the delicate nature of the case, it was necessary to have a person of ability, integrity and courage to sell the road. Everything depended on this. The governor's selection could not have been wiser than in taking Mr. Smith. He manifested an admirable tact and coolness, and met all questions so promptly and so cleverly that the governor was not called upon to say one word from beginning to end of the transaction. Mr. Smith made a character for himself and did good work for the state.

NASHVILLE AS A HUB.

Nashville, American.
Cincinnati is cut off by Chicago and St. Louis from being a center of distribution for transcontinental trade; it has expended all the money an individual public will contribute to build railroads, and it has a nearer route to the sea by way of Baltimore. Nor is Cincinnati seeking so much seaports as interior trade. She may reach this to find it a barren field for the sale of her manufactures when southern products are finding a shorter route to better markets. These are the only cities that now can need to reach southern ports—these and their dependent cities, and of these only St. Louis really needs to reach southern ports, or, if Chicago also does, to do so must both come through Nashville. If that fact should make the people of Nashville sit down and rest secure under the belief that the fate has decreed greatness it will be a misfortune that such is the case. There are opportunities here, but only to enterprise and earnest labor. With sagacity and a progressive spirit there is a great future before this city, and without great effort. There is no city in the United States which has, with a large number of progressive men, more of the good spirit, which holds back and hinders the way of progress, and no city which has a way for improvement. The car of progress is slowly rolling over these and the progressive are gradually assuming control. These great combinations are opening the eyes of the people of Nashville to their own advantages, and at last the time they are willing to learn that these are wholly worthless without judgment, energy and progress to take hold of them, the late rapid growth will be found a permanent progress.

THE LEASING OF THE CENTRAL.

The Railroad Gazette.
The Central of Georgia transfers 710 miles of road, which it works directly, with the control of some three hundred miles more to the Nashville, Chattanooga and St. Louis company under lease. The motive of the lease is the desire of the Chattanooga company to secure a line to the Atlantic; but it

recent alliances have certainly not been made with the special view of benefiting Cincinnati. St. Louis will soon have a through line to the seaboard, and so will Chicago. Mr. Cole is working for the former city, and the Louisville and Nashville road for the latter. Cincinnati has today its line to Chattanooga. It is essential to the interests of the road and the city that there it should have southern connections. These can be secured, but they must be secured by a company that is acting for itself and by itself. The great fact is that the city, the municipal corporation of Cincinnati, cannot run the road so as to best secure its interests. It cannot lease old roads, or build new ones. It may be necessary to do both.

THE GAME OF RALES.

Knoxville Chronicle.
The game of chess that is being played on the southern railroad board—we cannot say that it is yet finished—will rank in boldness of maneuver and rapidity of move and the grandest operations of Fisk, Gould and Vanderbilt, only a few months ago in the railroad situation of the south. In a state of stagnation, was barely roused by the purchase of the Evansville, Henderson and Southern railroad by the Louisville and Nashville combination, and a little later it was felt by many that President Standford, the apparent gain of a few thousand dollars, had allowed of himself to be enticed by the king of the Georgia Central. He told his stockholders that he had gained a victory, but all felt that it was a victory in which there were more of defeat than of triumph. Dr. Standford held the plunder of the camp, but his cool antagonist held the ground and the commanding heights.

But the battle had begun, and, coming down like the swoop of a flying battery Colonel Cole, captured the Owensboro road and immediately commenced to complete it into Nashville. Dr. Standford replied with the purchase of the Montgomery and Mobile, and almost immediately, as if to make the crowning checkmate, the game was announced that Mr. Cole had bought a controlling interest in the Western and Atlantic. Dr. Standford, with a quiet purchase of the Georgia Western, which though much is yet to be built, is likely yet to come to the front as a very important factor in the war of the southern railroad magnates. Then he wheeled to his northern extreme and obtained control of the New Albany, Indianapolis and Chicago railroad, thus making his line complete from the lakes to the gulf.

And now we have the announcement that Mr. Cole has leased the Georgia Central, its branches and its steamship line. What move is next in this game of the rails, none can tell. It is, at least, not apt to hurt the general public. The sum of it all is simply this: Mr. Cole has secured a through line under one control from St. Louis to Savannah, with a branch to the Ohio river at Owensboro. Dr. Standford has secured a line under one control from Chicago, via Nashville, Decatur and Montgomery, to the gulf at Mobile, and by a branch, which can be quickly built from Decatur, a short line connection to Atlanta, and via the yet untraveled Georgia road, to the sea at Port Royal and Charleston.

Why all this sudden activity? One only has to look a little east of the battlefield and find there, just approaching completion, the Cincinnati Southern railroad. In this road is the key to all this railroad buying and leasing. When a through road is built that will shorten freight distances 100 miles, and on account of the excellence of construction, traveling proportionately a great deal more, then lines with which it has to compete must obtain some set off to those advantages. Mr. Cole has a road from Chattanooga to St. Louis. He will soon have one from Chattanooga to Owensboro, where he can easily connect with the Ohio and Mississippi. He buys the Western and Atlantic that he may control his freights for his lines, and he gets a line to and from the sea. The southern trade which the coming Cincinnati Southern promises to catch must be held for Nashville, Louisville and St. Louis. It can only be held by controlling those roads over which it would reach the Southern road, and so managing them that it will be forced to the cities named rather than to Cincinnati. This is easily done by a system of rates based, on its face, shows no apparent injustice. For instance, suppose the Cincinnati road, for its 320 miles, makes a rate of \$2.52 per ton by the carload. It is evident that at the same rate it would have an advantage over roads having to run 110 or more miles further. Hence the Nashville and Chattanooga, deriving an equal profit on all alike, lowers its rate on its lines north and west of Chattanooga, and makes up the difference in higher charges on the W. & A. road. Mr. Cole very honestly states that all roads shall be treated alike on the W. & A. road. He can easily say so, for his charge on the W. & A. comes out of him apparently as much as out of other roads. The only true ally to which the Cincinnati Southern can turn when it reaches Chattanooga is the Alabama Great Southern (late Alabama and Chattanooga.) But by Mr. Cole's late lease of the Georgia Central and its branches, the southern terms of this road is at his mercy, as it runs for ten or more miles on the Selma and Meridian, which is owned by the Georgia Central. The English owners of this road must either continue the line, as originally projected, direct to New Orleans, or to

section. Knoxville, too, is as much interested as Atlanta, inasmuch as it would give her another route to Georgia by which she would not only reach Atlanta but also Macon and other commercial centers in Georgia.

KING COLE AND THE CINCINNATI SOUTHERN.

The following telegram was sent to the Cincinnati Enquirer yesterday by Colonel E. W. Cole: Atlanta, January 14.—Editor Cincinnati Enquirer, Cincinnati, Ohio: My attention has been called to an article in your paper in which you speak of "the Cincinnati Southern paying tribute to Colonel Cole on every passenger and every pound of freight going south of Chattanooga and for the seaboard." I am surprised at such editorials in Cincinnati papers, after the assurances that Governor Brown and myself have given the public and the president of the Cincinnati Southern railroad that that road should not be discriminated against in any particular, but should have equal advantages and facilities with any other road over the Louisville and Atlantic railroad from Chattanooga to Atlanta, and over the lines from Atlanta to Savannah. Pardon me for saying that giving circulation to such false rumors is not calculated to increase the commercial importance of Cincinnati. E. W. Cole, President.

RAILROAD NOTES.

—There is a big scalping business done in the railroad ticket business here.

—The through car line to Texas leaves Atlanta daily crowded with emigrants for Arkansas and Texas.

—The railroad commissioner is collecting a fine library of railroad literature which will be of great service in its labors.

—The people of Cedarhurst are determined to have the Georgia Western pass through their town. They show this to be the best route.

—A new line of Pullman sleeping-cars has been put on from Nashville to Jacksonville. The traveling public enjoys the change.

—Mr. Robert Emmett, eastern passenger agent of the Vandalia line, passed through our city to-day with an excursion party to Florida.

—Within the last five days two parties of colored folks from South Carolina passed through Atlanta bound for Kansas. They had plenty of money and bought first-class tickets.

—A race between a conductor on the Kennewas and one on the Air-Line is one of the features of the Library fair. Both routes are popular and the conductors on each are famously clever.

—Mr. R. A. Bacon, the secretary of the railroad commission, recently refused a position of importance in railroad circles, which would have paid him a much larger salary than his present position affords. Mr. Bacon declined because he does not want to leave Georgia, which has always been his home, though his business has made him at different times reside in other states.

—The railroad commission is admirably composed. Of the three members ex-Governor Smith is the legal mind and is now carefully studying the various acts touching the railroads in Georgia. He is examining all the claims of the roads in the state and trying to define their powers and the limits to their privileges. The railroad laws of other states have also been thoroughly studied. Governor Smith's ability as a lawyer and fine practical sense fit him for the duty admirably. Colonel Barnett is engaged in studying the railroad problems of the day and is looking deeply into the theory of railroads and their management. He is thoroughly posted on all the live issues, and will therefore be a very useful member of the board. Major Campbell Wallace is the practical railroad man of the commission. He has had great experience in managing railroads. He knows the science of railroads and his influence in railroad circles will give the commission facilities it might not otherwise enjoy. Mr. R. A. Bacon, the secretary of the commission, is a practical railroad manager. The board is thus admirably equipped.

—The following diagram represents the manner in which freights are analyzed by the railroad commission, in pursuance of its authority and the provisions of the act establishing it:



route to the valley route. This route will carry the road to Monticello, in Jasper county. From this point there are two routes to Atlanta—one by McDonough direct to Atlanta and the other to Covington via the Georgia railroad. By the McDonough route the distance to Atlanta will be about 20 miles less than by the M. & W. road (13 to be exact, I think), and by Covington the distance will be about six miles less than by the M. & W. road. My opinion is that the Covington route will be adopted. It will be much cheaper than any other route and will compete in every sense with the Macon and Western road and will have the advantage of running it some distance from the Macon and Western road so that it may have the benefit of an undivided local traffic. The average distance between the two routes will be about 12 miles. If the Georgia road does not make all the tariff necessary to the new road a new line can be built from Covington to Atlanta and about eight miles saved by avoiding the horse-shoe bend at Stone Mountain. This would give the road considerable advantage in distance over the old one.

The main reason though, in my opinion, for the Covington route is that the projectors of the new route hope to push their line through Rabun Gap in direction of the old Macon and Knoxville survey and get a through line that would be almost an air line from Macon to Knoxville where it would work its way to the Cincinnati Southern and the Louisville and Nashville systems. This route would cross the Air-Line at Flowery Branch and would slip through Rabun Gap. It is a darling project of the Macon and Brunswick people, and will be carried out if there is any possibility of doing it.

AN ESTIMATE OF THE M. AND B. ROAD.

Colonel Hazlehurst, who built the Macon and Brunswick road, says that it cost \$1,000,000, and could not be built for very much less at present. He thinks it will pay \$60,000 a year net profits, which would be about 6 percent on the price that must be paid for it, \$1,250,000. Dr. Fievelken, who knows more about it than almost any one else, says that with an outlay of \$200,000 it could be made to pay probably \$75,000 per annum. It paid \$52,000 net profit last year and did not have a fair chance, as it had to pay great sums for the rental of cars. I hear indirectly that General McKee says the business can be pushed up so as to pay \$100,000 a month profits, in which event it will be a small bonanza. Of course these estimates are based on the business of the road as it stands. What it would be when extended 100 miles further no one can surmise. It would be through business that it must then look to support its whole line. It will cost about \$1,000,000 to build the extension.

ABOUT THE SUPPOSED NEW COMPANY.

The new company is composed, according to rumor, of Mr. W. G. Wheeler, an old friend of Brunswick's, now in London, Mr. Chauncey Vibbard who, with Colonel Schlatter, was once engineer of the New York Central, and who was attracted to Brunswick many years ago, Mr. Charles Vibbard, and Mr. Nathaniel Greene. The two first named gentlemen have been interested in Brunswick affairs for a long time, and have the greatest confidence in the "come-out" of that city. It may be settled, therefore, that if they do compose the company Brunswick's interests are in good hands. Mr. Vibbard was here during the legislative session looking after the bill. It is said that they will at once proceed to make great improvements

carries with it the control of the business of pretty much all central and southwestern Georgia, and a strong hold upon that of eastern Alabama. The lease is somewhat unexpected, for the Central has occupied such a strong position, and has been so much of a dictator in its own field, that it did not seem likely to give up its independence; but the Chattanooga company offered the inducement of steady dividends, and, further, had a desire to hold over the Central in the possibility of its leasing the Macon and Brunswick road from the state of Georgia next week, with the right to extend that road from Macon to Atlanta. The great advantage to the lessee is the control of a traffic for which the Cincinnati Southern had just got ready to compete, and which it was sure to get a share of if the Georgia railroads remained independent, and for which heretofore the Louisville and Nashville has been a very effective competitor. The Nashville, Chattanooga and St. Louis now controls a line from St. Louis to Savannah, all complete except the gap from Nashville to Owensboro Junction, in Kentucky, which it will not take long to fill up. The lease may have an important effect on southern business, as the leading Green Line road now acquires one of the chief eastern railroad and steamer lines, and will thus as it were, have a voice and interest on both sides of the house, which may incline it to conservative action and a balance of interests.

THE CINCINNATI SOUTHERN RAILWAY.

Cincinnati Gazette.

In a brief interview with President Clement, of the Southern railroad, yesterday, our reporter obtained the following: The president had just returned (Sunday evening) from a second trip over the road within two weeks, and found the finishing work progressing slowly, on account of the wet weather and other drawbacks. It will require ten days or two weeks yet to complete it ready for regular trains, and when that is done, it must go through the formality of being accepted by the trustees, from the contractors. Even then it will not be exactly ready for the public, for the Carrier company must then have some days in which to organize their local agents, their telegraphs, etc., so that it will be the 1st of February at least before the road will be opened to the public.

Mr. Clement said that he made the trip through to Chattanooga very comfortably, finding very little damage to the roadway from the rains. There were a few slides and washes, such as are incident to all new roads, and which are soon removed.

In reference to the sensational reports about the grand combinations of the southern "railroad king," Colonel Cole, Mr. Clement said that he was satisfied there was nothing in them detrimental to Cincinnati's interests. He had a conference with Mr. Cole himself in regard to railroad matters, and he had the utmost confidence in his fairness and friendly disposition toward Cincinnati. He had, it is true, made certain purchases and combinations, including a steamship line from Savannah to New York, but his main object was to concentrate the export trade of the west and southwest upon the port of Savannah, and in this object he includes Cincinnati and the points along its Southern road.

A good many people are impressed that railroad arrangements have been made in the south to cut off the business of the Cincinnati Southern. Our impression is that our road will have the power to take good care of itself.

Cincinnati Times.

The situation is not as free from embarrassment as it was six months ago. The

another point on the Mobile and Ohio, or content themselves to be at Mr. Cole's dictation. Continued to New Orleans, it would become one of the great thoroughfares of the Cincinnati Southern was about to buy the Selma, Rome and Dalton. First, they have no use for it, as the Alabama road will be glad to get it. Second, the Georgia part they cannot buy, as it is owned by the East Tennessee, Virginia and Georgia railroad.

The lease of the Central and its branches prevents the completion of the Carrollton Branch to Rome and Chattanooga, as was once threatened, and the purchase of the Georgia Western prevents the use of that grade for a line from Chattanooga, and in case of a desire to build a competing line from that city to Atlanta, it is doubted whether with the combinations that have been made, a possible route can now be found.

Coming nearer home, we find that the Western North Carolina railroad is completed in six miles of Asheville, and the Spartanburg in less than twenty miles. A year will make another connection with the south by these lines. It is asserted that the Louisville and Nashville road will not be encouraged to build its Knoxville branch to connect with the Knoxville and Ohio, as there are owners in the latter road, who are heavily interested in the great move and trades, who would prefer that the L. & N. road should not have so convenient or so short a route to the sea. Whether or not the balance exists with the parties stated as such stockholders we do not know, but we do know that railroad men generally do what pays them best.

It is evident, however, that the Cincinnati Southern must have some other connection with the state of Georgia more reliable than the Western and Atlantic is likely to be, and the unfortunate position of that road, as respects its managers, gives neither power nor encouragement to enter upon schemes which, promptly taken hold of, would be of great value to their road and their city. Such is a direct connection from the Southern road to this place and thence to some point on the Charlotte and Atlanta Air-Line. By this means a connection would be had to Augusta and Port Royal, to Columbia and Charleston, as well as a line to Atlanta, almost as short as the present one via Dalton. Of this latter line we shall speak again, and shall show that, besides being a great through connecting line, it would also be the means of exit for immense quantities of magnetic and specular iron, for copper ore, and of the finest marble.

THE MARVILLE ROAD.

Knoxville Dispatch: We were recently informed that Mr. Hood, president of the Marville road, has gone to Atlanta for the purpose of conferring with the business men of that city with regard to the extension of his road through North Carolina to the Georgia line, where it would meet the Augusta and Knoxville road leading to Augusta. We understand that this gives the most emphatic assurances that his road shall be completed to the North Carolina line. We happen to know that Augusta is in earnest in so far as her part the road is concerned. She will carry it if it is to be a North Carolina line. Already she has graded fifty miles of it, while leaves only some thirty miles to complete. Atlanta is profoundly interested in it in connection. She proposes to tap the Augusta and Knoxville road not far from the Georgia line, which would give her a shorter route to Knoxville, and thus secure a trade of this

The lower line represents the number of miles, and the upper the number of cents, the diagonal line thus representing an advancing scale of increasing cents and increasing miles. In the full diagrams drawn by the secretary of the commission lower diagonal lines are drawn to represent lower classes of freight. Thus while for ten miles of first-class freight the line marked ten cents, the lower diagonal line, representing second class would reach only about the level of seven cents. The different roads are marked in different colors, so that the diagrams give at a glance the different tariffs of various roads. The plan of representing the tariffs by such a diagram is like that used by railroad men in preparing schedules. It is a great convenience.

THE GEORGIA WESTERN.

Captain A. W. Gloster, the engineer of the Louisville and Nashville railroad that came to our city a short time since to go over the proposed route of the Georgia Western, returned yesterday. He went as far as Cross Plains, on the Selma, Rome and Dalton road, and will to-day make his report to Colonel DeFuniak, general manager of the Louisville and Nashville railroad. He will then go to Gadsden, Ala., and go over the routes from there to Decatur, Ala. He stated to us yesterday that he did not desire to make a detailed statement for publication before he had submitted his report, but we gathered from him that the portion of the road that is graded to near Douglasville is in better condition than he expected to find. It will cost very little he says to put the road in condition to receive the cross-ties and iron. There is about eleven hundred feet of trestling to build at the Chattahoochee river, and about two hundred feet to build at Sweetwater creek. The grading and trestling from near Douglasville to Cross Plains, Ala., will cost, he thinks, about five thousand seven hundred dollars per mile. His report will be forwarded to Colonel DeFuniak to-day, and Colonel DeFuniak will be here about the 28th inst.

THE SNOW.

Heavy Fall at New York and Other Points—Travel Delayed.

New York, January 14.—The snow-fall which surprised the people this morning, began in this city soon after midnight and continued until nearly noon to-day. About eight inches of snow fell, but a brisk westerly wind drifted it about, and in many places in the streets it was fully a foot in depth. East of the Alleghenies the storm was not so severe as west, the heaviest snow fall being in Maine, where about a foot fell. At other points it was from 6 to 8 inches deep. At the south but little snow fell, but a heavy fall of rain and sleet is reported. The storm is now passing off the coast at Cape Hatteras, followed by rapidly clearing and colder weather. The snow has caused much inconvenience and delay to travel and business in the city. The teams on all street car lines were doubled soon after daylight, but frequent blockades occurred and the cars were often thrown off the track by drifted snow. The St. Louis express, on the Pennsylvania road, was two hours late. The storm was very severe along the line.

Richmond, Va., January 14.—Between sunset yesterday and sunrise to-day, the thermometer marked a fall of 30 degrees. Snow, the first of the winter, fell to a depth of three inches.

COL. COLE SOLD OUT.

HOW HIS RAILROAD DIRECTORS
GAVE HIM DEAD AWAY.

The Biggest Railroad Sensation of the Age—Capture of the Cole System By its Louisville Rival—In Operation in Which Millions of Stock Changed Hands—What Col. Cole Has to Say of the Business.

[Nashville American.]

Had a thunderbolt dropped from a clear sky and shivered our unpaid for Capitol to atoms, it could not have created more astonishment and dismay than the reports which became generally circulated about noon yesterday, to the effect that the management of the Louisville and Nashville and Great Southern people had purchased a sufficient amount of stock to obtain control of the Nashville, Chattanooga and St. Louis. The news spread with great rapidity, the excitement increasing in its wake until it became decidedly feverish.

At first the report was not very generally believed, but the facts soon began to leak out little by little through dispatches sent to bankers and brokers. What gave more credence to the rumors than most anything else was that none of the most prominent directors, one in Nashville and several in New York, had not come to attend a meeting of the Board of Directors which had been called for yesterday to approve the contract made with the Georgia Central and other contracts which had been entered into and which needed the approval of the Board to make them complete. In response to a business telegram sent by President Cole to a Nashville director now in New York, and who was in all probability interested in the change in the stock which had already occurred, the following was received:

"Certain changes have been made by which you will have to consult other parties hereafter."

This dispatch was not obtained from President Cole, but was a matter of general report about the Maxwell House and said to be authentic. A reporter of the *American* called on President Cole at the Chattanooga depot at 6, p. m., and desired to know whether he had received any telegram from New York giving a definite idea as to whether the stock had changed hands. He said that up to that time he had received no telegram concerning what had occurred. The reporter met him later at his residence, when he made in substance the following statement:

"I have received reliable information from New York that important changes have taken place in the stock of my company. What the changes are or the effect thereof I do not know. I knew nothing of it until late this evening, and was greatly surprised and am now without details of the transaction. I trust that no interest of Tennessee, my native State, nor of Nashville, nor any connection of our line, will suffer by any changes that have taken or may take place." President Cole appeared to be very much depressed, but said that he had learned all through life to take things as philosophically as possible and hope for the best. The news when first received by the management was

An Electric Shock.

It was especially unexpected by Col. Cole who had not looked forward to such a result. Having accomplished all that was possible or desirable to do for his company in the organization of a magnificent system of Southern railways, he had hoped to enjoy a season of rest. By some, however, it had been feared for several days past that the continued stay of Vice-President H. Victor Newcomb, the financial agent of the Louisville and Nashville and Great Southern, and other prominent officials in New York, meant mischief. President Cole by his able management and strategy had so completely cornered the Louisville and Nashville and Great Southern Railroad that its managers found themselves either forced to build the Georgia Western at a cost of several millions, or cover in the Nashville, Chattanooga and St. Louis Railway stock. As the amount of stock required to be purchased was about \$4,000,000, it was cheaper to purchase a controlling interest even at par than to build the Georgia Western.

The unkindest cut of all was the manner in which President Cole's leading directors treated him. They utterly ignored him in the transaction. Y. K. Stevenson was criticized with especial severity. It is generally thought that he arranged the "sell out," and that the profit he has realized must be at least five hundred thousand dollars. G. M. Fogg, who is also a director and attorney for the Nashville, Chattanooga and St. Louis Railway, left here very hurriedly a few days ago for New York, and is supposed to have gone over to the new combination either by sale of stock or the purchase of stock in the Louisville and Nashville and Great Southern. Some of the smaller stockholders fear that in the change of management of the Louisville and Nashville and Great Southern people may pamper their own stock, pay dividend upon it, and bear the Chattanooga stock until low enough for a few capitalists to scoop it in—in fact, that the whales will swallow up all the little Jonahs. A very important feature enters into the new arrangement. Everybody wants to know what is to become of the Southern Express Company and whether the Union Express Company will take precedence. Thirty-five hundred miles is an immense territory to lose. It is reported that the Adams Express Company, which is largely interested in the Southern Express Company, has been buying Louisville and Nashville and Great Southern stock ever since the two concerns quarreled.

Standford and Vice-President Newcomb telegraphed to the *Quarter-Journal* to-night: "The Louisville and Nashville has secured control of the Nashville and Chattanooga, and all lines owned, leased or operated by that company, by the purchase of a majority of the stock. The conservative policy heretofore observed in connection with all other roads, and the maintenance of fair and equitable tariffs, will be continued. All sections reached by our system may rely upon equal and exact justice and the observance of the laws of trade and advantage which every locality is justly entitled to receive by the rights of its geographical location."

How the New York Stock Market Gravitates With These Securities.

New York, January 19.—In the Stock Exchange the markets opened to-day with great excitement on account of the announcement respecting the Louisville and Nashville and Chattanooga and Chattanooga Railroad Companies. Naturally the whole market soon became feverish—experience teaching that a boom of the kind that has recently been seen in the stocks of these two companies unsettles the general list. It appears that on Saturday evening the Louisville and Nashville Company, between which and the Nashville and Chattanooga Company there has been bitter rivalry, privately bought from some of the large individual holders of the Nashville and Chattanooga stock enough of it to give the Louisville and Nashville a majority of its present stock. The report says the price paid was seventy per cent., although there is no authorized statement of the price. On Saturday last the Louisville and Nashville stock closed at 105½, after selling on that day at 98, and the day before at 91. The opening price this morning was 118. There was then an advance to 121, which has since been followed with a change in prices up and down by a decline to 113. Nashville and Chattanooga stock closed Saturday at 93½, after selling on that day at 92½ to 93½. The opening price this morning was 95; there was then a break to 83, recovery to 90 and decline to 82. The general stock market has been feverish, but with a few exceptions fluctuations have been limited.

Fluctuations in the Stock Market.

New York, January 19.—The stock market was irregular to-day, but the fluctuations except in a few instances, were confined within comparatively marked limits. Louisville and Nashville rose to 121 against 105½ at the close Saturday and reacted to 111½. Nashville and Chattanooga and St. Louis declined from 95 to 89, and closed at 83½. Houston and Texas rose four per cent. to 68, but reacted two per cent. at close. In the remainder of the list there was a decline of ¼ to ½ per cent. in early dealings. This was followed by an advance of ¼ to 2½ per cent., but the improvement was generally lost at the close.

The Georgia Central.

New York, January 19.—It cannot be ascertained definitely whether the Louisville and Nashville Railroad Company will ratify the lease of the Georgia Central Railroad.

Magnificent Enterprise.

Before the Nashville, Chattanooga and St. Louis Railway changed hands, President Cole had at his disposal \$45,000,000 of property, 3,500 miles of road, and \$1,500,000 worth of steamships. Nothing definite could be ascertained as to whether the contract with

The Georgia Central

Would likely pass under the control of the Louisville and Nashville management, under the change of stock in the Nashville, Chattanooga and St. Louis Railway, the agreement having been made with the latter, and not with the former. The contract was not approved by the Directors of the Nashville, Chattanooga and St. Louis Railway before it changed hands.

The capital stock of the Nashville, Chattanooga & St. Louis Railway, is . . . \$6,848,800 25
Less amount paid by the Company 273,604 32

Total liabilities, \$15,063,652 99, fully covered by assets; number of miles of road, 498½.

Whether the new regime will extend the branches contemplated by President Cole, and build the Owensboro and Nashville Road, is now a question for future development. When President Cole took control of the Nashville, Chattanooga and St. Louis Railway, eleven years ago, its stock was selling at 15 and 20 cents. He subsequently capitalized and gave the stockholders three shares for one. The stock has been selling lately at 95 cents, which is a realization of nearly 2,000 per cent. within that period. Among the rumors circulated last night was one that Jay Gould and Vanderbilt have purchased a majority of the stock in the Louisville and Nashville and Great Southern Railroad. Louisville and Nashville stock advanced in New York, yesterday, from 98 to 106, reacting at the close to 105½.

The New Management.

[Special to the American.]

LOUISVILLE, January 17.—President

THE CINCINNATI COMMERCIAL,

SATURDAY, JANUARY 17, 1880.

his subject]

THERE have been unnecessary talk and alarm about fencing out the Southern Railroad, and it may be well to state facts to allay apprehensions. The recent declarations of ex-Governor Brown, of Georgia, the President of the Western and Atlantic Railroad Company, the lessee of the Atlanta and Chattanooga road, and of Colonel E. W. COLE, President of the Nashville, St. Louis and Chattanooga road, ought to be satisfactory on the point of there being no intention on their part to discriminate against Cincinnati's road. Equally emphatic declarations, if it were necessary, could be had from the Louisville and Nashville line. None of these lines can afford to enter on a policy of war against the Cincinnati Southern, for when opened it will be the most powerful line connected with the Southern system, with its free bridges, low grades, air line and perfect equipment, and the fact that behind it stands the wealthy city of Cincinnati and its citizens, ready to secure the trade that naturally should come from its construction. The managers of the Southern roads are too sensible to inaugurate a war upon it. There is, however, to be no war policy, or undue cutting of rates, unless necessitated by the folly of others, of which there is no expectation. Another thing ought to be understood: There can be no sale of the road. For the present the city has nothing to sell that anybody would buy. The road and its net income are pledged to the ten-million bondholders, and they and all of the franchises are held in trust for them. When this debt matures and is paid off, which will not be until 1902, it will be time enough to discuss what shall be done, other than that provided for in the original act. In the meantime until finished it must as at present be run by licensees, and when completed by lessees. This was the plan devised in the beginning, and all the legislation in Ohio, Kentucky and Tennessee is based upon it. To perfect a sale even of the interest that the city has would require a system of concurrent legislation by all three of the States, and even then, without the consent of all the holders of the first ten million bonds, nothing could be sold but the equity redemption which the city has until they are paid, subject to the lease to be made by the Trustees.

WHAT CHATTANOOGA WANTS and The People Should Demand:

SOUND FINANCES!

Good Streets and Pavements!

Sewers (to Prevent Epidemics).

THE PRESS ON THE R. R. BOOM.

The Louisville press comments on the late so-called Standford-Newcomb scoop of the Southern railway system are colored by local consideration to a degree not surpassed by any like occasion.

The *Courier-Journal* is apparently drunk with joy. So drunk or naturally reckless has it become that it behaves like a lunatic, jumping, shouting, sneering at everything and every body whom it seems to think has been circumvented (?) by what will be at last shown was a stock speculation, wherein Louisville and her jumping-jacks have been shorn as never lambs were shorn before. Louisville's big newspaper seems to think that small city has re-inrenched her old monopoly and her old opportunity to rob the South by driving it to buy in her one-horse market. A grosser mistake is not conceivable. Cincinnati now has the best of Louisville at all points south of Nashville. The W. & A. road has not been nor can it be gobbled in the interest of the dog-in-the-manger merchants of the retail order at the head of the Ohio falls. As for the *Courier-Journal* getting itself South any earlier than it does now, that is not only absurd but silly. The railroad pool will not enable it to be printed any sooner nor move the cars any faster than they move now. The Louisville gushers should retain their harness, they look better clothed than in their present state.

The *Atlanta Constitution* says Cole and Brown retain the W. & A.; that they will continue to retain it, and form a close alliance with Cincinnati. Henry Grady dispatches the *Constitution* from Louisville under date of the 19th:

"Colonel Cole and his Georgia friends, as he told me himself, control the lease of the Western and Atlantic railroad. This control did not go with the purchase of the Nashville and Chattanooga stock. He still holds it. Now, the Cincinnati Southern has been uneasy about it being shut out at Chattanooga in the interest of the Nashville and Chattanooga. Suppose, now, the Cincinnati Southern strike hands with Cole and his friends who control the State road lease, and they make a through line and shut the Louisville people out at Chattanooga?"

"There is no denying that the Western and Atlantic road is still the key to the situation—Cole and his friends control that. Suppose the Cincinnati Southern offers him what he has lost at Nashville? The Cincinnati Southern has four lines to Chicago and the lake region. Why may not Col. Cole get his alliance here, and in a month have a route from the Northwest to the ocean, without building a foot of road, as good as the one he has lost?"

This is in line with the understanding in New York. George Alfred Townsend telegraphed the Cincinnati *Enquirer* from New York Sunday, after full survey among the speculators and managers, and he says that Cincinnati has full swing to Atlanta, that line not being in the calculations of the so-called Louisville combination.

The *Enquirer* says editorially, after suggesting that Col. Cole may join the Cincinnati Southern interest:

"From Chicago to Savannah, by way of Cincinnati and the Southern Road, is a round hundred miles less distance than by way of the Louisville and Nashville system. From St. Louis, by way of the Cincinnati Southern Road, the distance will be about the same as by the Louisville and Nashville system, and the road a better one. From Cincinnati and the great district which pours its wealth of products into this center to Savannah by way of

the Southern Railroad will be nearer than by any other possible course, nearer than any other Western city.

"At all events, it seems more than probable that the Cincinnati Southern may look upon its condition and prospects as materially benefitted by the events of Saturday, and upon Colonel Cole as an earnest ally in its work for the business of the South."

The tone of the Cincinnati press is in marked contrast to that of the hystericky yelping of the newspapers of her snail but pretentious rival. There is no double-leaded blather, nor the slightest appearance of excitement about the affairs of Saturday in the press or among the people of the Queen City. They are conscious in a quiet way of their strength, and have too much common sense and composure to be upset by a threatened monopoly of the railroad universe by a combination constructed by an over-grown village, with a line which cannot even pay its employees, for a partner and backer.

Those who do not believe that the whole transaction of Saturday consisted of the maneuvers of sharp stock gamblers will believe it when they see the "fancies" of that day go down like lead. There is nothing in the business of the L. & N. to make her paper appreciate. And why should the loading upon it of other lines to the manifest damage of their business, create a boom? The whole thing is only less artificial than the *Courier-Journal's* sheet-iron thunder over the event. We say again, wait and see!

Those Maine men who call

THE DAILY TIMES:

JANUARY 21, 1880.

SALE OF THE NASHVILLE AND CHATTANOOGA RAILROAD.

The sale of the Nashville, Chattanooga and St. Louis railroad to the Louisville and Nashville Railroad company proves a very unpleasant revelation to St. Louis. The city will lose the advantages it possessed to control the bulk of a large trade which was being diverted in this direction by the management of President Cole. He was working in the interest of St. Louis; the people of Louisville felt this, and hence the desperate effort by which they succeeded in wresting from him his power. Certainly it must be plain to any one familiar with the railroad system from Nashville to Louisville and to St. Louis, that the new management under which the Nashville, Chattanooga and St. Louis road passes will not operate the consolidated lines in the interest of St. Louis. Never. Louisville is the point that is to be benefited by the change. St. Louis will remain an important station on the road, nothing more. It is quite likely that work on the Evansville and Owensboro road, which was to be the connecting link between St. Louis and Nashville, will be at once stopped, and the old route over the Louisville and Nashville road will continue to be used. It would be an unnecessary expense for the new management to complete a road which was projected as a rival line, and from

which no revenue could be derived sufficient to pay operating expenses.

An effort is being made to convince St. Louis that she will suffer no loss by the recent transfer, but men who understand the situation are not to be deceived. St. Louis has made a big mistake in not securing control of the Nashville, Chattanooga and St. Louis road, and if this fact is not already fully recognized it will be in the near future. President Cole has not yet given up the fight, and it may be that he will be able yet to seriously interfere with the financial arrangements contemplated at the time the grand coup d'état was made by the Louisville and Nashville company.

THE WAR ON MISSOURI.

As long as they relieve the hot feelings

SUNDAY, JANUARY 18, 1880.

SCOOPED!

The Biggest Railroad Sensation of the Age.

CAPTURE OF THE COLE SYSTEM BY ITS LOUISVILLE RIVALS.

An Operation in which Millions of Stock Changed Hands.

WHAT COL. COLE HAS TO SAY OF THE BUSINESS.

Had a thunderbolt dropped from a clear sky and shivered our unpaid-for Capitol to atoms, it could not have created more astonishment and dismay than the reports which became generally circulated about noon, yesterday, to the effect that the management of the Louisville & Nashville & Great Southern people had purchased a sufficient amount of stock to obtain control of the Nashville, Chattanooga & St. Louis. The news spread with great rapidity, the excitement increasing in its wake until it became decidedly feverish.

At first the report was not very generally believed, but the facts soon began to leak out little by little through dispatches sent to bankers and brokers. What gave more credence to the rumors than most anything else was that some of the most prominent directors, one from Nashville and several in New York, had not come to attend a meeting of the Board of Directors which had been called for yesterday to approve the contract made with the Georgia Central and other contracts which had been entered into and which needed the approval of the Board to make them complete.

In response to a business telegram sent by President Cole to a Nashville director now in New York, and who was in all probability interested in the change in the stock which had already occurred, the following was received:

"Certain changes have been made by which you will have to consult other parties hereafter."

This dispatch was not obtained from President Cole, but was a matter of general report about the Maxwell House and said to be authentic.

A reporter of the American called on President Cole at the Chattanooga depot at 6 p. m. and desired to know whether he had received any telegram from New York giving a definite idea as to whether the stock had changed hands. He said that up to that time he had received no telegram concerning what had occurred. The reporter met him later at his residence, when he made in substance the following statement:

"I have received reliable information from New York that important changes have taken place in the stock of my company. What the changes are or the effect thereof I do not know. I knew nothing of it until late this evening, and was greatly surprised and am now without details of the transaction. I trust that no interest of Tennessee, my native State, nor of Nashville, nor any connection of our line, will suffer by any changes that have taken or may take place."

President Cole appeared to be very much depressed, but said that he had learned all through life to take things as philosophically as possible and to hope for the best.

The news when first received by the management was an electric shock. It was especially unexpected by President Cole who had not looked forward to such a result. Having accomplished all that was possible or desirable to do for his company in the organization of a magnificent system of Southern railways, he had hoped to enjoy a season of rest. By some, however, it had been feared for several days past that the continued stay of Vice President H. Victor Newcomb, the financial agent of the Louisville & Nashville & Great Southern, and other prominent officials in New York, meant mischief. President Cole by his able management and strategy had to completely cornered the Louisville & Nashville & Great Southern railroad that its managers found themselves either forced to build the Georgia Western at a cost of several millions, or cover in the Nashville, Chattanooga & St. Louis railway stock. As the amount of stock required to be purchased was about \$4,000,000, it was cheaper to purchase a controlling interest even at par than to build the Georgia Western.

The unkindest cut of all was the manner in which President Cole's leading directors treated him. They utterly ignored him in the transaction. V. K. Stevenson was criticised with especial severity. It is generally thought that he arranged the "sell out," and that the profit he has realized must be at least five hundred thousand dollars. G. M. Fogg, who is also a director and attorney for the Nashville, Chattanooga & St. Louis railway, left here very hurriedly a few days ago for New York, and is supposed to have gone over to the new combination either by sale of stock or the purchase of stock in the Louisville & Nashville & Great Southern. Some of the smaller stockholders fear that in the change the management of the Louisville & Nashville & Great Southern people may pamper their own stock, pay dividends upon it, and bear the Chattanooga stock until low enough for a few capitalists to scoop it in—in fact, that the whales will swallow up all the little Jonahs.

A very important feature enters into the new arrangement. Everybody wants to know what is to become of the Southern Express Company and whether the Union Express Company will take precedence. Thirty-five hundred miles is an immense territory to lose. It is reported that the Adams Express Company, which is largely interested in the Southern Express Company, has been buying Louisville & Nashville & Great Southern stock ever since the two concerns quarreled.

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Nothing definite could be ascertained as to whether the contract with the Georgia Central would likely pass under the control of the Louisville & Nashville management, under the change of stock in the Nashville, Chattanooga & St. Louis Railway, the agreement having been made with the latter, and not with the former. The contract was not approved by the Directory of the Nashville, Chattanooga & St. Louis railway before it changed hands.

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When President Cole took control of the Nashville, Chattanooga & St. Louis railway, eleven years ago, its stock was selling at 15 and 20 cents. He subsequently capitalized and gave the stockholders three shares for one. The stock has been selling lately at 95 cents, which is a realization of nearly 2,000 per cent. within that period.

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Louisville & Nashville stock advanced in New York, yesterday, from 98 to 106, reacting at the close to 105 1/2.

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To the Associated Press.

LOUISVILLE, Jan. 17.—The Louisville & Nashville road has secured control of the Nashville & Chattanooga road, and all lines owned, leased or operated by that company by a purchase of the majority of its capital stock.

The Centennial Procession Committee.

TUESDAY, JANUARY 20, 1880.

It is the Louisville & Nashville & Great Southern now.

It was a great and hinged himself.—Matthew 23:15. If Judas had lived in Nashville, her people would have saved him the trouble.

There is not an interest in the city of Nashville, from the humblest worker in iron and leather, in the shoe shops and blacksmith shops up to the most prosperous dealer in silver and gold; from the banks and broker's offices, who would not give cheerfully of his store, to the extent of his means, for Nashville, Chattanooga & St. Louis stock at par, to have the road under the control of a local management and its projected extensions in progress, as they were, before the transfer of the controlling interest to any other combination of outsiders on the continent. Every dollar of property in Nashville might well have been mortgaged to retain it rather than relinquish its control, and we believe would have been, had the alternative been submitted.

It has been said that Nashville cannot, with good grace, complain that a controlling majority of the stock of her only railroad enterprise should be purchased by outsiders, when it was on the market and commanding a price fifty per cent. above original cost to the holders. That is very true. It is equally true that the Louisville corporation, in the act of absolute self preservation, should prefer, as she had the undoubted right to do, to spend three million and odd dollars for the purchase of it, rather than expend four million for a cross-connection to Atlanta. It is true, again, that owners of stock in the Nashville, Chattanooga & St. Louis road had as perfect and undoubted a right to sell their property for 50 per cent. above cost, or 25 per cent. below, if they saw proper. Nevertheless, the people of Nashville and of Tennessee think that they had a right to expect that they should have had the refusal of the stock at the price received, especially if sold by officers of the road. The owners of the two or three millions of stock, not sold to the Louisville & Nashville corporation, have the right to expect that the present directory of the road, elected partly by their votes, shall not surrender the control of the management, or abandon the projected enterprises, in connection with the road, until their successors are elected in due course of time, and in the regular way.

THE RAILROAD SITUATION.

No event that has occurred since the memorable fall of Fort Donelson has more profoundly agitated this community than the announcement, for the first time, in the American of Sunday morning, of the transfer of the shares of stock in the Nashville, Chattanooga & St. Louis railroad to the management of the Louisville & Nashville & Great Southern railroad. It was the more painfully felt because the more unexpected, and because coming with unelcome swift-ness upon the heels of bright prospects to dash the high hopes and encouraging anticipations of a railroad supremacy in the Southern system for Nashville in which the whole State shared, growing out of the successful enterprise and glowing possibilities of its main commercial artery. It would have been less sensibly felt, perhaps, if the Nashville, Chattanooga & St. Louis road had not already achieved, through the sagacity and enterprise of its management, a mastery of the railway situation of this section, and at a point where this control should justly be—between the antagonistic interests of Cincinnati on the one side and of Louisville on the other, without necessary detriment to either, yet absolutely essential to the protection of the commercial interests of Nashville.

Philosophic as we may be about it, it cannot be questioned that, in the present aspect of the situation, the interests of Nashville are greatly threatened, and her progress, to a certain degree, undoubtedly retarded. Last week, we were reasonably sure of an important acquisition to our railroad system in the addition of another railroad to the Ohio river, already in process of construction. It was to constitute the seventh spoke in a railroad wheel of which Nashville was the hub, and to open up a new and rich agricultural area to this market. The completion of this road would have rendered imperative the construction by the Louisville & Nashville & Great Southern of the Georgia Western from Decatur to Atlanta, giving us another line to the latter city and its important connections. This much, then, may be set down as a positive loss, for which even the best intentions and smoothest professions of the Louisville management towards Nashville and Tennessee cannot afford adequate compensation.

Whatever power the Nashville & Chattanooga & St. Louis railroad had within the past few months acquired to serve the mutual interests of Nashville and of Tennessee—and it had been undoubtedly strengthened to enable it to vastly enlarge its tributary connections within and beyond the borders of the State—is now departed. The benefit which Nashville and Tennessee were to have derived from the rival enterprise of competing railroad lines traversing her territory is not possible, unless the control of their own railroad is secured and retained, and this, it must be confessed, does not now appear very promising. But that Nashville has sustained a check to her progress, if not more serious injury, and realizes it, is manifest.

As to the responsibility for a mismanagement of the affairs of a railroad enterprise, upon the success of which Nashville's commercial future so much depended—as to charges and countercharges of bad faith towards each other, by those controlling and directing the destinies of this important line—it would be premature to speak, without a clearer knowledge of the facts of the transfer than can now be commanded. One fact alone is plain and patent—that the prospects of Nashville are by no means so hopeful as they seemed two days ago.

We do not know, as yet, what course the President and Directors of the Nashville, Chattanooga & St. Louis railroad intend to pursue. We feel pretty sure, however, that the present state of public opinion would justify, on their part, all the resistance in their power to any interference with the plans originally proposed, and in the act of being carried out, for pushing the line through from Nashville to Owensboro and to the St. Louis & Southeastern connection. The President and the present Directors of the road need not surrender their control of

it until removed by the election of their successors at the next September election. Within that time President Cole may complete the Owensboro connection, as he confidently predicted he would do in an interview published in the American of the 8th of November last. Twelve thousand tons of steel rails for the road were purchased last November, and the contract for the Cumberland river bridge was given out last Saturday. The work should be prosecuted with vigor and without delay, and simultaneously should go forward the work of completing the Duck River narrow-gauge from Petersburg to Fayetteville; the extension of the McMinnville & Manchester; the road from Huntington to Trenton, and, if possible, the Lebanon extension to Carthage. Meantime, our people will await with intense anxiety the development of the policy to be adopted by the foreign capitalists—men not interested one dollar's worth in building up the prosperity of Nashville or the State at large—who, with a few millions, have captured the entire railroad system in Middle and have largely added to their possessions in West Tennessee. We can hardly believe that so vast a system will be operated in the sole interest of Louisville or any other rival of Nashville, but should such prove to be the case, we have the consolation of knowing that an appeal for protective legislation would not be made in vain. The time may soon be upon us when this issue will have to be met—whether her people or foreign railroad corporations shall rule in Tennessee.

WASHINGTON

ALL the enterprises projected by the Nashville, Chattanooga & St. Louis management could yet be completed with prompt and vigorous action, by the present administration, before its term expires and its successor is elected. Under the stimulus of these enterprises the stock of the company rose from 20 cents to 95. If so good a thing for the original holders of the stock, it should be equally good for their successors. Col. Cole should give these sagacious purchasers the full benefit of their investment by prosecuting the contemplated good work to early completion. They will be benefited thereby, and the State of Tennessee and the city of Nashville will be benefited. A Louisville administration will never consummate them. Indeed, they purchased over three million dollars of the stock of the company for the express purpose of preventing the building of the proposed extensions, and it is not likely to have the same interest in the building of the others that has been shown by the present administration.

A MAGNIFICENT RAILWAY SYSTEM RUINED.

Let the reader take a railroad map of the United States, and observe the territory north of the Ohio river, crossed and recrossed with railway lines, until the map seems literally black with competitive arteries of commerce. Then let him contrast it with the territory south of the Ohio river, almost white with the absence of lines marking the commercial intercommunication of the States producing the great staples which have enriched America. The railway map of the South is yet to be constructed. The city of Cincinnati had just inaugurated the movement in that direction when it started a road towards the South Atlantic seaboard, threatening to flank Louisville, St. Louis and Nashville away off to the west. Louisville and Nashville thereupon soon began the race for the same destination, and Nashville, through its great and only railway, succeeded in reaching the goal first. The result was a line, already in course of construction, from Nashville to Owensboro, and thence by almost an air-line to St. Louis, there tapping the magnificent railway system west of the Mississippi, organized by Mr. Jay Gould. This rendered imperative on the part of Louisville a shorter cut across from Decatur or Birmingham to Atlanta, and thence to Brunswick or Port Royal. Atlantic harbors were about to be vitalized and direct European lines of steamships and coast lines established. Other great commercial centers would soon be reaching out for similar commercial advantages. Sharp competition would have furnished the South's railway map in a very few years. Nashville, the State of Tennessee, and every Southern State and every Southern city, had a direct interest in the keeping up of that sort of competition. The Nashville & Chattanooga road alone seemed to be in position to keep the competition sharp and continuous. Its absorption by a single management at Louisville and the consolidation of several lines into one, with the prospective and certain abandonment of several of the captured lines to be permitted to rust and grow over with weeds, at once checks this competition—this speedy construction of new lines—this rapid railway mapping of the long neglected and hitherto despised South. The abrupt stop to competitive railway activity—the cessation of track-laying—cuts off from the recently revived and reviving iron industries of the South what promised an early home market for the products of its mines, furnaces and manufactories.

WHEN we get on the rampage over a railroad scoop we show our teeth, but the paragraphic fiend who calls us Greshamite should order his casket before a further advance in the price of iron.

LOUISVILLE VS. NASHVILLE.

As was to be expected, and as a matter of course, there is a disposition on the part of the Louisville railroad, or rather of those interested in it, to calm the excitement and to mitigate the disappointment of the Southern people, whose hopes have been dashed by its adroit capture of what was known as the Cole system, by picturing the rose-colored future in store for us by the transfer of the whole management of the entire Southeastern system to Louisville. We have extracts from Louisville newspapers and some correspondence to enlighten us as to the blessed benefits to inure to Nashville by having Louisville undertake for her the management of her own railroads. It would be idle now to enter into argument with these specious reasoners upon so dead an issue. Let them assume that the Cole system had swallowed the Louisville system, and answer their own reasoning from that standpoint, in their own conscience, and see how the boot feels on the other leg.

Our argument should be action instead of words. We should recommend to Col. Cole to push on the completion of the Owensboro connection and all the other authorized extensions of the Cole system, and either hold the Western & Atlantic and the Georgia Central leases—or make common cause with Cincinnati.

The suggestion of the correspondent, whose communication we publish this morning, that equitable rates may be better maintained by a monopoly than by competitive lines and rival managements, does not strike us with much force. With less force does the suggestion strike us that the purchase of a controlling interest in the Nashville, Chattanooga & St. Louis road was for the money that was in the investment. If this was so, the sagacious Louisville capitalists should have purchased the stock in the summer, when it was offered at 20 and 30 cents, instead of waiting to buy it at par. It was not bought for investment. It was bought to secure for Louisville advantages which she was too slow and unenterprising to win for herself. The suggestion from Louisville that residence of the management is of no significance, would certainly not be offered if the management of the Louisville road was lodged in this city.

It is not merely the maintenance of equitable tariffs that is of moment to the business people of a country who have their railroad system taken out of their own control. The station agents of a railway system constitute the most extensive and complete drumming agency for trade in existence. That trade can be, and is, influenced and directed through these agencies is well known to all business men. Louisville, to-day, if this consolidation should be finally consummated, possesses the most gigantic railway monopoly, as to miles traversed, in the world. The station agents of that monopoly will direct and influence, as far as they are able, all merchandise over the longest haul, which is to the head and source of the system and rates will be directly shaped to meet the necessities of the occasion—until the enactment of an iron-clad railroad law makes such discrimination impossible.

THE METHODIST ECUMENICAL COUNCIL.

BOARD OF COMMON COUNCIL.

Resolution Concerning the Capture of the N. C. & St. L. Railroad—Action Deferred—Other Notes of Last Night's Session.

The Board of Common Council met in regular session at 7 o'clock last night, President Tucker in the chair. The following members were present: Hies, R. H. Page, Glenn, Gresham, Napier, Thompson, Smith, Parker, Hood, Hite, McCarthy, Haslam, Chamberlain, Kagan, Moore, R. E. Page and Stowey.

THE RAILROAD SELL-OUT.

On motion of Mr. McCarthy, the rules were suspended and he introduced the following preamble and resolutions:

Whereas, It has been officially announced that a majority of the stock of the Nashville & Chattanooga railroad has passed into the hands of certain parties, whereby the control and management of said Nashville & Chattanooga railroad will be placed under the control and management of the Louisville, Nashville & Great Southern railroad; and

Whereas, this change will, as is believed, work great injury to the commercial interests of our city; and

Whereas, in view of the fact that our recent efforts in enlarging and extending our business interests commercially, and in the organizing of manufacturing interests in our midst, and a renewal and increased manifestation of energy as displayed by all of our manufacturers and merchants has almost turned hope into a reality that our city is and will be one of the manufacturing centers, if not the manufacturing center of the South; and

Whereas, we, with a feeling of shame, and with great regret learn that some of our own citizens and such citizens as we had a right to expect would be guardians of our interests, citizens that this community have patronized, sustained and trusted, have secretly betrayed us in our hour of prosperity; therefore, be it

Resolved, that we, the representatives of the citizens of Nashville, in Council assembled, while recognizing the right of every one to do with and dispose of any and all property may belong to them, in any manner they may see fit, nevertheless feel called upon to express our strong condemnation of any act in doing so, that betrays the confidential relations that exists between the employer and their employees, whether it be in the capacity of an artisan or that of a legal adviser at law, and that in our opinion the recent action of some of our own citizens, as referred to in the fourth preamble preceding this resolution should be considered by all honest and upright citizens as an act not to be emulated in any degree.

Be it further resolved, that our sympathy is hereby extended to the present officers of our Nashville & Chattanooga railroad, and while we hope the day is not far distant when all things may again be right and working harmoniously as before for the interest of our city, we also earnestly hope that no one may again enter their camp that cannot be trusted.

Mr. McCarthy thought that it was unnecessary to say anything regarding the resolutions, but their adoption he considered a duty which the City Council owed to its constituents.

Mr. Thompson thought that Nashville was certainly on the shady side of the question; but, in the absence of any official notification, he desired moderation. He was uncertain whether this purchase had been really made by the Louisville & Nashville & Great Southern railroad or by Northern capitalists who were able to own and run all the railroads in the South. He was in full sympathy with the resolutions, but he did not desire to vote for them until the information of the sale was officially received and all the facts were obtained. He asked Mr. McCarthy to withdraw the resolutions. Col. Cole, he said, was expected to come out in a few days and tell the whole affair, and, until this information is given, he did not wish to vote upon such resolutions.

Mr. McCarthy said that he expressed the feelings of the entire community, and the only way in which our people could express themselves was through the Council. He wished the President of the body having charge of our educational interests, and those connected with him, to know that the people of Nashville officially take cognizance of the fact. He could not withdraw the resolutions.

Mr. Thompson did not want to commit himself to say that a gentleman of Nashville was a traitor, and asked that action on the resolutions be postponed until the next regular meeting, which was agreed to.

MONDAY, JANUARY 26, 1880.

It is not to be expected that the gentlemen selling out Nashville would charge the effects of their own acts upon some one else. But why they should select Col. Cole and seek to besmirch him we can not understand upon any other principle than that a man always hates the man he seeks to injure. The assertion of Col. Stevenson, that he did this thing as a matter of self-defense, does not hold out, according to the facts. If that was his reason why did he not expostulate with Col. Cole on his course, and why did he influence others, including his nephew, to sell? No, it was not that reason. These gentlemen had among themselves an amount sufficient to carry the control of the road, and it was a part of their scheme to get that amount so as to get beyond the market price. They knew well enough if they could buy up enough of the stock to give the control of the road to a purchaser they could sell out at a large advance, inasmuch as a road worth certainly over seven millions could be bought for three and a half. And it proved to be so. They could and did get nearly a half million more than the stock was worth on the market for the possession it gave of the road. And, as an evidence of the benefit it was to the purchaser, and how well they could afford to give this price for what they got, it ran up the Louisville and Nashville stock

from a dull 52 to 127, at which rate it now stands with no sellers. To sell out his road and his friends was bad enough, but he should not now attempt to cast the blame on Col. Cole, who was injured enough by the transaction otherwise.

It appears, from an interview held by one of the Bohemian peasants in the employ of the Louisville Courier-Journal, with King, alias Vice-President Newcomb, that G. M. Fogg, Jr., confidential attorney of the Nashville, Chattanooga & St. Louis Railway, visited New York by request, succeeded in convincing President Standiford of the value and benefits which would accrue to his company by the purchase of a controlling interest in the Chattanooga road; conducted most of the negotiations that led to the betrayal of one who regarded him as a friend, and, in the language of Mr. Newcomb, "to his perseverance, persistence and indomitable will is largely due the final success." Out of the mouth of Mr. Newcomb Mr. Fogg stands condemned, and his plaintive plea of "not guilty" will not be accepted by the public.

Col. Cole and Mr. Stevenson.

A BANNER reporter visited Col. Cole, and asked him some questions in regard to the publication of Col. Stevenson in the Herald.

"What about your offer to sell out to the Louisville people, Col. Cole, as stated in the Herald of the 24th?"

"Have you seen Mr. Newcomb's interview in the Courier-Journal?"

"Yes."

"Well, that is my answer. I did not know of the sale until advised by Mr. Newcomb."

"The idea of my selling a controlling interest to the Louisville people when, according to Col. Stevenson's own statement, I had only \$90,000 of stock was too absurd to deny, though nothing of the sort, as Mr. Newcomb explains, did occur."

Col. Cole further says he is entirely occupied at present with his duties as President of the Nashville, Chattanooga and St. Louis Railway. The first hour he is free from his public duties he will answer any statement any gentleman has made, or may make. In the meantime he says that any intimation, insinuation, or innuendo charging, or intending to charge that he ever offered one dollar of his own stock, or the stock of any other person to the L. & N. R. Co., or any officers thereof, is basely false.

STEVENSON'S STORY.

One of Col. Cole's Friends Endeavors to Explain His Highly Reprehensible Action.

Saturday's New York Herald.

Dispatches received from Nashville, Tenn., a few days ago represented that the greatest excitement prevailed over all classes there over the purchase of the majority of the stock in the Nashville, Chattanooga and St. Louis Railway by the management of the Louisville and Nashville Company. It was stated that the greatest indignation was expressed by the people against Colonel V. K. Stevenson and Mr. G. M. Fogg for having sold a majority of the stock without ever having given the Nashville, Chattanooga and Atlanta the slightest opportunity to bid against the Louisville and Nashville people, and it was intimated that these gentlemen would be burned in effigy for their act. Great sympathy was expressed, according to the dispatches for President Cole, of the Nashville & Chattanooga road, who, it was claimed, had been set adrift by his principal stockholders. Col. Stevenson and Mr. Fogg claim that these statements do them great injustice, and in an interview with a Herald reporter yesterday the former gave the following history of the Nashville & Chattanooga road down to its purchase by the Louisville & Nashville people. He commenced by skimming the news of the transfer of a majority of the Nashville & Chattanooga stock to the Louisville road, as published in the Herald of Monday, and then stated that the transaction was completed at the Continental National Bank in this city on Thursday afternoon by Messrs. C. C. Baldwin, T. W. Evans, D. L. Evans, G. M. Fogg and himself passing over 134,000 shares of Chattanooga stock to Messrs. Standiford and Newcomb, and receiving therefor about \$4,000,000.

Going back to the early history of the Nashville and Chattanooga road, Colonel Stevenson said that he built it, was its first President, and has continued for upward of thirty years the largest stockholder in that corporation. His further statement was as follows: "After the road had been chartered, in 1845, I undertook the task of getting stock subscriptions, but found it a very difficult matter. Armed with letters from John C. Calhoun, I visited the leading men of Charleston, who told me that it was impossible to get the \$500,000 subscription which I asked. By visiting the merchants and the treasury of that city, and talking to them about the advantages to be derived from such a road I induced them to take an interest in the matter, and before two weeks the required subscription was granted. The city of Nashville subscribed \$500,000 with reluctance, and after the subscription had been voted the Aldermen refused to issue the necessary bonds and only yielded after a very bitter contest. Other subscriptions amounted to \$1,250,000. After the road had been completed land slides occurred in the deep cuttings in the mountains calling for an additional expenditure of \$650,000, and this sum I had to borrow from personal friends at the South and in New York. The road now began to prosper, paid dividends while meeting its sinking fund, and bought in with the surplus its stock and bonds before they fell due. At this period the Superintendent of the road was pronounced incompetent, and I succeeded, although opposed by twelve out of the fifteen directors, in having E. W. Cole, now President, elected to that position. Mr. Cole at the time was a clerk in the employ of the company, with very few friends, and consequently could render no assistance in the contest, and I risked my own re-election on the issue. During the war the road came under the control of the United States Government, and directly after its close I came to New York and co-operated with Mr. Cole, who remained in Georgia, in obtaining the return of the road to the stockholders. This having been accomplished, I took up my residence in this city (where I have resided ever since), and placed Mr. Cole in the position of President of the road, which he still holds.

"Subsequently I became a director in the company, and it was through my advice that the Nashville and Chattanooga people purchased the Northwestern, the Owensboro and the St. Louis and South-eastern roads, all of which greatly benefit the main stem. The Louisville and Nashville Company, being cut off from St. Louis, made arrangements in Georgia opposed to the interests of the Chattanooga road. I then advised President Cole to visit the managers of the Central Railroad of Georgia and to make a running arrangement with them, even at a sacrifice. I returned to this city with the express understanding that Mr. Cole would keep the New York directors fully informed as to the results of his understanding, and although it is generally understood that Mr. Cole has completed a lease of the Georgia Central road however, informed the New York directors of the full details, and the news first reached me through the newspapers.

"Within the past year I became convinced that the people of Tennessee were selling their stock in large blocks in this city, thus throwing away the control of the railroad and placing the stock in the hands of strangers. I did all in my power to prevent this, even went so far as visit Tennessee three times in 1879 and personally urge the stockholders to hold their stock, insisting at the same

time that if they pass into the hands of strangers. My efforts were of no avail, and, finding that I could not persuade the Tennessee stockholders to my views, I, in conjunction with some friends, began purchasing the stock, so as to retain the control of the Nashville & Chattanooga road in the interests of Tennessee. Finding that certain of the largest stockholders in New York, some of them friends of President Cole, were determined to sell their stock, I insisted that Mr. Cole should arrange with his Tennessee friends to purchase a large part of it, but he reported that he had made the effort and had wholly failed in accomplishing anything, and that it was necessary to purchase the stock myself. I would have to do it. I agreed to this proposition, and with two friends purchased the block so offered to Col. Cole. This large purchase sent the price of the stock up, and according as it advanced the Tennessee stockholders continued to pour their holdings on the New York market. The officers of the Nashville & Chattanooga road resident in Nashville nearly to a man joined with the other stockholders and deserted the company and their home interests by selling out. Even Col. Cole's stock was reduced by sales from the value

of \$500,000 to \$90,000. Thus sales went on until the amount of stock held in Tennessee was far below \$1,000,000 and the amount in New York was increased to nearly \$6,000,000. In the meantime Col. Cole expressed the belief that the stock was ruling at too high a figure (although it had not yet reached eighty cents on the dollar), and urged me to sell my stock. Finding that I could get no support from the officers of stockholders of the road in Tennessee I felt that I could only rely upon my New York friends. At this juncture I learned that the Louisville and Nashville people were endeavoring to purchase a majority of the stock of the Chattanooga road, and I was informed that one of the largest holders of stock in this city had been in communication with these parties for the sale of his interest, so I became convinced that I could no longer single handed maintain the fight for the control of the road. In addition to this, I was informed by a friend before I was approached by Mr. H. Victor Newcomb, Vice-President of the Louisville and Nashville, that Col. Cole's agent had applied to him (Newcomb) with a view of selling a controlling interest in the road or effecting a consolidation of the two companies. This was subsequently confirmed by Mr. Newcomb who said that Col. Cole would be satisfied with consolidation provided the present management of the Nashville and Chattanooga was not disturbed. This, together with the fact that I could no longer control the combination I had effected in New York, obliged me either to sell my stock or to have others take the control of the Nashville and Chattanooga road from me. I thereupon telegraphed to Colonel Cole to come at once to this city, but he failed to do so. Nevertheless, in closing the sale with the Louisville and Nashville people, my friends insisted that Colonel Cole and his administration should be retained in control of the Chattanooga road, and this was agreed to.

"It thus appears that within the past year the people of Nashville refused to purchase a block of stock at the rate of thirty cents on the dollar to protect their own interests; that as the stock rose in value they sold out regardless of the interest of Tennessee, although strongly urged to the contrary, and that I sold out after I had lost all hope that my friends would retain their stock and thus hold the control of the road."

THE PIECE OF PEACE.

Standford and Newcomb Express a Desire to Smoke at With the People of the South.

A Louisville Version of the Coup d'état, and its "Brilliant" Results.

Col. Cole to Retain the Presidency of the Nashville, Chattanooga and St. Louis Railway, if He Wishes To.

The Negotiations Were Conducted Chiefly by Mr. Fogg, and to His Perseverance, Persistence and Indomitable Will is Largely due the Final Success.

Yesterday's Louisville Courier-Journal.

Last night, a scribble, intended upon learning what the President of the greatest railroad system in this country had to say with regard to the lines under his control, called at the residence of Dr. Standford on Fourth avenue. That gentleman kindly submitted to the questioning of the scribble, and told him all that he could about the perfecting of the great system.

Reporter—Is there any truth about the Gould clique having a controlling interest in the Louisville and Nashville Railroad?

Dr. Standford—There is no truth whatever in the rumor that Gould has a controlling interest in the road.

Reporter—Can you tell me how the negotiations were brought about by which you secured a controlling interest in the Nashville and Chattanooga?

Dr. Standford—I can and will do so with pleasure. I went to New York on railroad business, and a day or two after my arrival in the city, I was standing in the portico in front of the Fifth Avenue Hotel, about 3 o'clock in the evening, when a gentleman came up and spoke to me, and after talking over various matters he said: "I have called to see you on behalf of certain parties who desire to sell you a controlling interest in the Nashville, Chattanooga and St. Louis Railroad." Of course, I felt a deep interest in this subject, but at the same time I did not express my feelings, believing that a grand system of railroads in the South, under one management, could and would accomplish more good for the cities, and all other interests, than when operated under the control of independent corporations.

Reporter—Why, under one management, do you think that it will be of mutual benefit to all classes of citizens?

Dr. Standford—In the first place it treats the merchant with the same means as it does the poor as well as the rich. It has no favorites. It meets out exact justice to all. Extends to each city and town what she is entitled to from her geographical or natural advantages. As an illustration of this fact, the man who would assert that the Baltimore and Ohio Railroad was not the means of building up the city of Baltimore would be looked upon as a lunatic, and the party who would say that the Pennsylvania Railroad, with her system of roads, had not been the means of building up the city of Philadelphia would be recognized as a madman. All will recognize that the New York Central, notwithstanding the natural advantages, water transportation, etc., has been the ablest protector of New York City.

Reporter—What constitute the natural and geographical advantages of a city?

Dr. Standford—What is very simple. For instance, Nashville has the advantage over the city of Louisville in the manufacture of cotton goods, also in lumber, and timber for various purposes. Louisville, from her geographical position, naturally has the advantage in the manufacture of iron products, such as bridge building material, gas and water pipes; for the manufacture of leather, foundry purposes, etc. This is because she can get cheaper raw material, coal, iron, etc. Considering all of these varied questions, and considering the welfare of the people of Kentucky and Tennessee and the South, I deemed it a wise policy to get control of the Nashville and Chattanooga. When this question was thus brought to my mind in a practical form, I was prepared to meet in the same spirit.

After a long interview, lasting many hours, I asked the gentleman before mentioned to meet me at my office the next day at 12 o'clock, and I said I would have Vice-Presidents Newcomb and Green, Caldwell, Clarke and Foster to meet and talk this matter over with him. This he agreed to do, and was promptly on hand. We had a long interview, but no final understand-

and we have no desire to control all the railroads in the country.

Reporter—What about the line of steamers?

Dr. Standford—We have made a contract with a party who will put on a line of steamers from either Mobile or Pensacola to Key West and Havana, and probably Vera Cruz in Mexico. This must and will bring us a large volume of business, as it is the shortest and best route to New York and Europe.

Reporter—What will be your policy toward Col. Cole, individually?

Dr. Standford—I want to retain Col. Cole in the Presidency of the Nashville & Chattanooga Railroad. I respect him as a gentleman and admire his ability, and know he would be of great value to us in managing a large corporation like we now have.

Interview With Vice President Newcomb.

Last night, a Courier-Journal reporter called upon Mr. H. Victor Newcomb, Vice President of the Louisville, Nashville and Great Southern, at his residence, for the purpose of getting from him the full particulars of the New York transaction. He found that gentleman ready to answer any proper question put to him.

Reporter—I suppose, Mr. Newcomb, that you have many particulars of the railroad coup d'état which have never been published. I would like to have such as you feel at liberty to reveal.

Mr. Newcomb—Now that the matter is closed, I have no objection to giving such particulars as I can with propriety state.

It is difficult to say accurately and with precision how long it has been mooted as an important question, the control of the Nashville and Chattanooga road. I might say it has always been deemed a desirable thing to do, but insuperable obstacles appeared to intervene. I think it would have been a wiser policy for the two roads to have been operated under a friendly alliance, but the ownership of the Northwestern road to Hickman probably made it natural for Col. Cole to look more to St. Louis than Louisville for his business, and this attitude was naturally antagonistic to the interests of Louisville, and the Louisville and Nashville road. All we ever claimed was that Louisville should receive the advantages which her geographical position entitled her to, but it was impossible to enforce this, or even maintain anything like equitable difference between the two cities in rates. The interests of the two roads seem to clash, and were irreconcilable. The acquisition by our company of the St. Louis and Southeastern was unjustly construed as a movement that was hostile against Cole. This arose from a slight circumstance and a total misapprehension with both parties. Our object was not intended as a hostile demonstration against Cole, but, on the contrary, our purchase of the Kentucky and Tennessee division of the St. Louis and Southeastern was solely to prevent the cutting of rates. Had we desired to make any hostile demonstration against the Chattanooga road, we had other weapons at our command, but our policy never has been an aggressive one. The recent competition between the two companies, which has continued finally in the Louisville and Nashville obtaining control of the Chattanooga system, can not but inure to the benefit of the stockholders of each company and the sections traversed by each system. Time, which is a great healer, will demonstrate this.

HOW THE SCHEME ORIGINATED.

Reporter—How recently was it that active negotiations, looking to the control by the Louisville and Nashville of the Nashville and Chattanooga were inaugurated?

Mr. Newcomb—Shortly after Christmas a gentleman connected with the legal department of our company approached me on the subject, and pointed out how, in his opinion, the result might be reached. The difficulty that troubled me was purely financial. At first it seemed a large undertaking, and I did not see our way clear.

Dr. Standford was strongly opposed to the scheme at first. About the first of January, one of our Tennessee directors, Col. George Washington, was in this city, and I conferred with him fully and confidentially upon the subject. He became at once a warm and zealous advocate of the movement; and I believe it was on New Year's day he had an interview with President Standford on the subject. But it did not meet with his approval, and Mr. Washington abandoned it in despair. Meanwhile I was corresponding with certain parties at Nashville, and certain obstacles and difficulties were removed. A few days before my recent departure for New York, the negotiation reached the point when I was satisfied it could

seem to have aroused, but which time will ally and justify, I have no doubt.

COL. COLE'S STOCK.

Reporter—Is it true that Col. Cole's stock was included in the sale?

Mr. Newcomb—No, there is not one word of truth in it. I regret that Col. Cole did not avail himself of the opportunity. In fact, I believe the first information that he had of the sale was a telegram from me.

Reporter—What occasion was there for you sending any telegram to Mr. Cole?

Mr. Newcomb—It was done entirely upon my own responsibility. I knew that Col. Cole's heart and soul were wrapped up in the Nashville & Chattanooga road. Personally, I entertain for him the highest regard. I esteem him as one of the ablest railroad men of the age. I knew it would be a severe blow to him. It was merely my desire to soften and ameliorate the changed condition of affairs by assuring him of my sympathy and friendship.

Reporter—Then Col. Cole was in entire ignorance of what was transpiring in New York?

Mr. Newcomb—Yes, I am positive now of that. It came upon him like a thunderbolt, and I would gladly have spared him the feeling of disappointment and wounded pride (which he must have experienced) if it had been in my power to do so.

Reporter—The impression still prevails apparently in some quarters, Mr. Newcomb, that Col. Cole was not altogether in ignorance of the negotiations in New York.

Mr. Newcomb—Yes; I am aware of that fact, and probably am responsible for it myself. It grew out of a total misapprehension on my part. I supposed from the intimacy which had existed between Messrs. Stevenson, Fogg and Cole, also between Messrs. Baldwin and Evans, that Col. Cole was fully apprised of the movement. There were also some other circumstances which appeared to give color to it at the time. But after the sale was consummated at New York, I was assured by all of those gentlemen that Col. Cole was in total ignorance of the entire transaction until my telegram acquainted him with the fact, and I have no reason to doubt the word of these gentlemen.

Reporter—Have you any objection to stating what other reasons you had for presuming that Col. Cole was acting in conjunction with these gentlemen?

Mr. Newcomb—One of the parties at New York, Mr. Columbus Baldwin, a friend of mine, had on several occasions, as late as last August, urged upon me the importance of securing the control of his road; as he was on terms of intimacy with Col. Cole, I naturally inferred it might with Col. Cole's approval, but Mr. Baldwin has since informed me that he never had any communication with Col. Cole upon the subject, and he merely was looking out for a good purchaser for the large amount of Nashville and Chattanooga stock which he held. There is no gentleman of my acquaintance whose word would have more weight with me than that of my friend Mr. Baldwin.

Reporter—What will be the future policy of your company in relation to Col. Cole?

Mr. Newcomb—I may say, frankly, that it has been the desire of President Standford, myself and our Directors that Col. Cole should remain at the head of the road which he has so ably and brilliantly managed. The opinion rests with him. We should certainly be glad to have his co-operation and aid, and the benefit of his wise counsels and long experience.

Reporter—How long will a conference probably be had with Col. Cole?

Mr. Newcomb—At a very early day, President Standford and I are both anxious to go to Nashville and meet Col. Cole there. In fact, we should have gone right through to Nashville to-day, only we both had important matters here that could not be delayed.

ing was arrived at, but it was left open for further negotiation, and Vice President Newcomb and myself had frequent interviews with the party mentioned, which resulted in bringing all the parties together, and a week or two ago, after some concessions on both sides, I said to the parties, "We accept your proposition," and we adjourned to the Fifth Avenue Hotel, where, in my private room, the contract was drafted by Hon. Isaac Caldwell and signed by all parties. As had been agreed upon, the cash payment was made to the Continental National Bank on Tuesday, which payment was considerably over a million of dollars cash. In this whole transaction Second Vice President Green, while he was deeply interested in stocks and bonds, was our strong financial friend, also Dr. Morgan & Co., Hon. J. J. Cisco and the National Bank of Commerce.

Reporter—Were the parties who sold you this stock the friends or the enemies of Col. Cole?

Dr. Standford—I unhesitatingly say that, in my opinion, they were his true and warm friends—Mr. Fogg, Mr. Stevenson, Mr. Baldwin, Mr. Evans and others. They requested and urged that Col. Cole should be retained as President of the Nashville & Chattanooga Railroad under our system.

THE REASONS FOR SELLING OUT.

Reporter—What, in your opinion, were the reasons that these parties sold out?

Dr. Standford—That is very clear to my mind; every broker in Nashville that could buy a share of stock, and every one owning any stock, was sending it on to New York for sale, compelling the parties who had made large investments heretofore to purchase in order to protect their interests. No blame, in my judgment, can be attached to any one of those gentlemen.

Reporter—I understand, Dr. Standford, that you went to Nashville on purpose to advise the merchants and bankers of that city not to sell their Louisville and Nashville stock?

Dr. Standford—That is true. I telegraphed Mr. Washington, one of our directors in Tennessee, to have as many of the prominent men as possible to meet at the Maxwell House (which he did), as I desired to have a talk with them about a matter of grave importance to the city of Nashville. I urged them with all my power not to sell their stock, and it seemed to be the universal opinion that it would be unwise to do so. It was asserted, however, that the county needed thirty or forty thousand dollars; and they would be compelled in some way to raise the money. I offered to furnish the money at six per cent. Notwithstanding this, the city and county officials determined to do and did sell their stock at sixty and sixty one—making a loss to the city of over \$175,000 from present prices.

Reporter—What is in this rumor of the Nashville railroad purchasing the Shortline?

Dr. Standford—Nothing at all. Our present relations work in perfect harmony

be consummated, and that it was desirable for our company to act promptly and without delay. It was then that I requested that Messrs. Fogg and Stevenson should go to New York, where I would follow. Mr. Stevenson immediately left for New York on Saturday night. On Tuesday I followed, and next morning Mr. Fogg, upon my request, reached New York, where we had an interview, where himself, Mr. Green and myself had a long and interesting interview at the office of our company. Mr. Green and I both deemed it important that the scheme should receive the sanction of President Standford, and we accordingly requested Mr. Fogg to call upon him at his hotel and present the matter to him. Mr. Fogg succeeded in convincing President Standford of the value and benefits which would accrue to our company by the purchasing of controlling shares in the Nashville and Chattanooga. It was a simple business transaction all the way through.

The negotiations were conducted chiefly by Mr. Fogg and myself, and to his perseverance, persistence and indomitable will is largely due the final success. More than once negotiations were broken between us. On one occasion he left my room, announcing that my terms would not be accepted, and under no circumstances would the opportunity be offered us again. In a day or two, however, calmer counsels prevailed, and negotiations were resumed, and then for the first time we came in contact with Mr. Stevenson.

Reporter—Is it not true, then, as has been stated, that the negotiations were due largely to the acquaintance and intimacy between yourself and V. K. Stevenson?

Mr. Newcomb—It is not true. On the contrary, I had never even known or met Col. Stevenson before, and I am frank to confess that the acquaintance has proven, on my part, most pleasant. Great interest has been done this gentleman and his nephew, Mr. Fogg. The stockholders of the Nashville and Chattanooga road had been freely selling their stocks for months and months, and Messrs. Stevenson, Fogg and my friend Mr. Baldwin had been compelled to buy, on a continued basis, in order to sustain the price and protect their own interests. The burden became at least too heavy for these gentlemen to carry. The other stockholders had loaded upon them. They merely sought a purchaser for their stock, and we became the purchasers. It was their property and they had a perfect right to sell. Throughout the entire transaction and since its close the syndicate of gentlemen comprised chiefly of Messrs. Stevenson, Baldwin, Evans and Fogg, have acted in the most upright and honorable manner. I had entire confidence in their good faith from the first, and they showed a willingness and disposition to execute and carry out, in letter and spirit, every verbal agreement that had been made, and I ever said that, in no transaction that I ever had, did I meet more honorable and straight-forward gentlemen than these, and I regret and deplore the evolution of feeling which their ad-

road to Nashville.

What Mr. Newcomb Says.

Last night a Cincinnati reporter called upon Mr. H. Victor Newcomb, who has just returned from Nashville, where he has been consulting with the other railroad kings. The reporter asked Mr. Newcomb if he could say anything in regard to the conference.

Mr. Newcomb—The interview between President Cole, Dr. Standford and myself at Nashville was friendly and of a pleasant character. We discussed the interests and the relative bearing of the two corporations. Col. Cole manifested

A KINDLY AND FRIENDLY DISPOSITION. He was not prepared to announce what his conclusion would be, desiring to take time for further reflection and consultation with his friends.

Reporter—Can you speak of the part played by Col. Wadley in the conference?

Mr. Newcomb—The interview with Col. Wadley at Atlanta was mutually satisfactory, and we arrived at a perfect and thorough understanding of the general situation. Further than that I am not prepared to say—in fact, it was mutually agreed between Col. Wadley and myself that the interview should remain private, at least for the present.

Reporter—Can you speak of President Clements?

Mr. Newcomb—I would say, in reference to the conference between President Clements, of the Cincinnati Southern, and myself, that he expressed a cordial desire that our two roads should work in perfect harmony, and that all antagonistic elements between the two companies should, if possible, be reconciled and harmonized. In so short an interview it was impossible to arrive at definite conclusions or go into details; therefore it was mutually agreed that

A FURTHER CONFERENCE OF WIDER SCOPE, and embracing our relations in all their ramifications, should be held at Cincinnati on Monday next, where President Clements promised to meet myself and other officers of our company and the trustees of his company. It is my hope that all differences between the two companies can be reconciled and adjusted to the mutual advantage and benefit of both roads.

THE CINCINNATI IMAGINATION.

At this juncture the reporter handed Mr. Newcomb a Cincinnati paper containing the following dispatch:

NASHVILLE, Jan. 28.—The feeling among business men against the Louisville railroad managers has been greatly increased by the course of the latter yesterday. In speaking to several persons they expressed indignation at the cool reception Standford met at the hands of the merchants, saying it was "less than an insult." The business men indorsed all Col. Colyar said on the occasion, and thought, if anything, he was too considerate. These ill-timed remarks from the Louisville men have further widened the breach.

It is stated that Newcomb and Standford were at dinner at a restaurant yesterday. While sitting at the counter, Standford remarked, in a tone plainly audible all through the crowded hall: "We are the fellows who have been buying up the railroads down here, and expect to patronize you hereafter." Newcomb, much embarrassed, walked out of the door, leaving Standford to reply in answer to aunt rogatory of the proprietor, that Cole was a very good sort of fellow, and "we would like very much to have him remain, if possible." This story was told over the city, and caused amusement, showing the lordly airs the scoopers put on.

The sentiment here is strongly in favor of building a branch road to the Cincinnati Southern in case the Louisville men refuse to ratify the Georgia Central lease, and no doubt the sum necessary will be readily subscribed. In case Cole accepts the Presidency of the Cincinnati Southern, it is understood work will be immediately commenced on the connecting line.

The reporter asked Mr. Newcomb what he thought of it. He replied there was not an atom of truth in the whole thing, nor was there any foundation for it. He further said: "President Standford and myself never entered a restaurant while we were at Nashville together. No such occurrence as related occurred. I dined at the hotel after Dr. Standford had left the hotel to take the train for Louisville. The whole story, so far as I know, is a baseless fabrication, and does great injustice to Dr. Standford."

Reporter—How were you received at Nashville?

Mr. Newcomb—I never was received anywhere in my life.

MORE KINDLY AND HOSPITABLY than by the people of Nashville, who were incapable, in my opinion, of treating with rudeness any guests or strangers whose business called them to their city. I met a large number of prominent and influential business men of the city, and received from no one anything but expressions of kindness and hospitality.

Reporter—The rumor has reached here that Col. Cole has incited and has been instrumental in rousing much of the feeling that is said to exist at Nashville in consequence of the scoop.

Mr. Newcomb—This does Col. Cole the grossest injustice. He is not capable of such action. On this rumor reaching his ears, I heard of his publicly denouncing it at the Maxwell House. He told me he had done so and was very justly indignant at such an insinuation.

THE RUMOR ABOUT MR. FINK.

Reporter—How was the rumor originated about Mr. Fink succeeding Dr. Standford as President of the Louisville and Nashville?

Mr. Newcomb—I have no idea where it originated. The first I heard of it was in the newspapers. The rumor is entirely baseless, without any foundation to rest upon.

Reporter—Will Col. Cole continue the Presidency of the Nashville and Chattanooga, and work in harmony with the Louisville and Nashville?

Mr. Newcomb—As I have already intimated, Col. Cole has not announced his definite conclusion. There are many circumstances that tend to embarrass him, and induce him to deliberate upon his final line of action.

COL. COLE'S POLICY.

Reporter—Should he concede not to work in harmony with the Louisville and Nashville, would he endeavor to obstruct and embarrass your company by his action?

Mr. Newcomb—No; I am positive that such a thought never has occurred to Col. Cole, who is a gentleman of too high and fine a status to place himself in such an attitude. He has too much self-respect to retain a position in defiance of the wishes or desire of a majority of the stockholders. He will either work with us sincerely and in perfect good faith or resign.

EVERYTHING SEEMINGLY SERENE.

Reporter—How soon do you expect to be informed by Col. Cole of his final conclusion?

Mr. Newcomb—Upon this point I do not care to be specific further than to say that the assurances given me by Col. Cole himself were entirely acceptable and satisfactory.

Reporter—Will you state what those assurances were?

Mr. Newcomb—No; I must decline to answer that further than that they were the assurances of an honorable gentleman, and I am entirely satisfied with the understanding reached between us.

THE TRUTH ABOUT THE SCOOP.

Col. Cole Tells It in an Interesting Story.

Full Details of How He Was Betrayed and Sold Out—Stevenson's Statements Denied and Disproved.

Editor American:

All know what demands have been made upon my time since Saturday evening, Jan. 17, the date on which I first knew of the negotiations which took from my control the management of the company over which I have the honor to preside. I have had no time to answer any statements which have been made until now. In truth, I have not been taught in the school of words, but have served a long apprenticeship in that of action. I think every citizen of Nashville, and Tennessee who has met me since Jan. 17 will bear me out in the assertion that, notwithstanding the anarchy of the destruction of my plans, and my faith in the friendship of the gentleman who sold the majority of the stock, no harsh expression has fallen from my lips to words either the purchasers or sellers of the stock. On the contrary, I have on all occasions, advised calmness and patience, but now the time has come to make public a statement of facts.

It is to be regretted that any personal relations have to be discussed in a transaction affecting so largely public interests; but the public will see, by referring to the interview between Col. V. K. Stevenson and a reporter of the New York Herald, and the card published by G. M. Fogg, Esq., in the American of Sunday, Feb. 1, why I cannot avoid referring to some personal history. It is quite true, as stated by Col. Stevenson, that he was my friend in early manhood, and I have never allowed myself to doubt the faithfulness of his friendship until recently; and, although in the years that are behind us I have been earnestly and successfully endeavored to fully return any kindnesses I may have received from his hands at a time when my friends were fewer than they now are, and I never failed to respond to any intimation on his part that I could serve him, even after I was in a position when it could not be said that gratitude on my part was a lively expectation of benefits to come. This I have always done, except in the discharge of my official duty in removing the deposits of my company and the payment of coupons from his office to the Metropolitan National Bank of New York. It was a painful duty, but one I believed the interests of my company required to discharge. If it had been an individual matter I would not have done so.

With regard to what Col. Stevenson said about co-operating with me in obtaining the return of the road to the stockholders, I must say that this return of the road by the Government to the stockholders was secured by M. Evans, Esq., before I was elected President of the company.

Further on he says:

"This having been accomplished, I took up my residence in a city (New York), where I have resided ever since, and placed Mr. Cole in the position of President of the road, which he still holds."

With reference to this matter I have this to say: In 1868 I was pleasantly situated, both socially and officially, in Augusta, Ga. Col. Stevenson, living in New York, was at that time the largest individual stockholder in the Nashville & Chattanooga railroad, and was exceedingly anxious for me to take the Presidency of the company, to which I consented, but only after a long and arduous struggle. How much influence he had in placing me in that position at first, I will leave to the stockholders to say. In this position I have most successfully served his interest and that of the other stockholders, which is proved by a comparison of the condition of the property at the time I took charge of it and at the present time. The original stock was at that time sold for twenty cents; by capitalizing they received three shares for one and the new stock reached 95 cents on the Stock Exchange. I do not, of course, know what was received for the stock by the gentleman who sold to the Louisville & Nashville Railroad Company.

It is also true that Col. Stevenson was one of the advocates of the purchase of the North-western railroad, and also advised the purchase of the Owensboro, St. Louis & Southeastern railroads.

Col. Stevenson, in his interview, makes the following statement:

"The Louisville & Nashville Company, being cut off from St. Louis, made arrangements in Georgia opposed to the interests of the Chattanooga road. I then advised President Cole to visit the managers of the Central Railroad of Georgia and to make a running arrangement with them even at a sacrifice. I returned to this city with the express understanding that Mr. Cole would keep the New York directors fully informed as to the result of his understanding, and although it is generally understood that Mr. Cole has completed a lease of the Georgia Central road, he never informed the New York directors of the full details, and the news first reached me through the newspapers."

Col. Stevenson was at Nashville the day I left for Savannah, Georgia, to visit Col. Wadley, President of the Georgia Central railroad, upon matters connected with the contract about ended, and I did promise to advise Col. Stevenson of any definite action reached. This statement compels me to enter into rather lengthy details.

Taking with me Hon. Joseph E. Brown, President Western & Atlantic Railroad Company, of Georgia, our connecting line at Chattanooga, we reached Savannah at half-past 7 o'clock Friday evening, Jan. 2. Col. Wadley, Gov. Brown and myself were stopping at the same hotel. Mr. Wadley was suffering from a broken leg. We called on him that evening, when he told us he wanted to show us the property of his company in that city the next day. Next morning Gov. Brown, Col. Wadley and myself, Col. Wadley on crutches, took a carriage and examined the property. A few moments after leaving the hotel Col. Wadley in his usual frank and sincere manner said to us: "I want to lease you the property of the Central Railroad Company." Gov. Brown and myself were surprised at this proposition. Gov. Brown responded first by saying: "He could not think of it, or words to that effect. I remarked to Col.

Broadway, New York: Received your telegram here. Impossible for me to come to New York. What is the important business? I agreed to give six per cent. for the first seven years, and seven per cent. thereafter on seven and one-half million dollars. They own about one thousand miles of road with fine line of steamships. They made last year fully seven per cent. net. Combination ought to make our stock worth more than par. The directors must meet tomorrow. I could adjourn it until Monday provided you can reach Nashville Sunday morning, when I could explain and leave for Macon, Ga., at which point I have to be Tuesday morning, or the matter might fall. If the scheme is not desirable, I ought to telegraph to Savannah withdrawing from the agreement. Answer here.

E. W. COLE, President.

CHATTANOOGA, Jan. 9, 1880.—V. K. Stevenson, 115 Broadway, New York: Gov. Brown thinks that with our present combination our stock in less than ten years will be worth two for one.

E. W. COLE, President.

Being anxious to have the immediate action taken, as there were rumors in Savannah which I left of injunction against the lease being consummated, and believing it to be the interest of my stockholders to have it decided at once, I called a meeting of the board of directors on Saturday, Jan. 10. On their assembling at the office I found there were but eight members present, and although the stock owner was a legal quorum for the transaction of business, I did not even read the long document of the proposed lease to the directors present, but explained the main points. They all seemed to be in favor of it, but I said to them: This is an important matter to our stockholders, involving large interests, and I am not willing to have it acted upon in the absence of our New York directors, who own so much more stock than we do, and the board adjourned.

I sent Friday evening to Col. Stevenson's house a telegram reading:

"I have several times telegraphed you that I had to be in Macon on Tuesday morning. Besides I am overpowered with business here and worked entirely down. Meeting and business of Evansville, Owensboro & Nashville railway (consolidated) to attend to here to-morrow. Letting of contracts between here and Atlanta, and it is utterly impossible for me to go to New York. Can you, gentlemen, meet me in Atlanta Monday morning? Without your co-operation and approval, and that at once, I would rather not go any further in the matter. There are several contingencies."

E. W. COLE, President.

Receiving no answer by noon next day, and feeling that they were treating me with lack of courtesy, I sent the following dispatch:

NASHVILLE, Jan. 10, 1880.—V. K. Stevenson, T. W. Evans, C. C. Baldwin, Directors, 115 Broadway, New York: Referring to the various telegrams that have passed between us, I will say that I felt it was important to confer with my directors before I went to Georgia again; but as it seems to be in no way inconvenient for you gentlemen to accommodate me, I will not insist upon your going to Atlanta, as suggested in telegram last night.

E. W. COLE, President.

After this telegram was sent, the following was received:

New York, 10.—E. W. Cole, President: We will leave to-night and be due in Atlanta Monday morning.

Y. K. STEVENSON, T. W. EVANS, C. C. BALDWIN.

The same date I sent the following:

NASHVILLE, Tenn., Jan. 10, 1880.—Col. V. K. Stevenson, corner of Fifty-ninth street and Tenth avenue, New York: Can there be any mistake about the telegram that you and Evans will meet me in Atlanta Monday? You time it is absolutely necessary for you to do so. There are contingencies about which I will not take individual responsibility. As a last resort, you might leave to-morrow evening and we would still have a few hours before I leave Atlanta for Macon. Answer.

E. W. COLE, President.

Col. Stevenson's reply indicated (have not telegram before me) a misunderstanding as to whether or not I wished him in Atlanta.

In answer to which telegram I wrote the following letter on the 10th, six days before the sale took place:

NASHVILLE, Jan. 11, 1880.—Messrs. V. K. Stevenson, Thomas W. Evans, C. C. Baldwin, Directors, New York City: My Dear Sirs: I really feel that I am not being sustained by the New York Directors, for I think telegrams from Millen, Atlanta, Chattanooga & Nashville ought to have been concluding to your case. I men that I wanted your counsel before returning to Georgia, and your persistence in declining to come and insisting upon my going to New York, when I was compelled to return to Georgia, so discouraged me that I sent the telegram that I would not insist longer upon your meeting me in Atlanta, and this telegram was sent before receiving your telegram agreeing to come. How you should expect me to attend to all the combinations that I have in hand and all the details and yet go at it myself to New York, rather than for you to come and counsel with me here, I am at a loss to see. I shall return to Georgia this morning anyway, because I owe it to others who have aided me in carrying through what everybody concedes to be a great combination for the interest of our stockholders. How it may result I cannot, of course, tell now. There are responsibilities to be assumed in the future, and now which no one would hardly expect one director himself to assume. I telegraphed yesterday to Col. Stevenson to know if anything had occurred, or was likely to occur, that prevented our letting out contracts and pressing the work on the Owensboro road. I sent the telegram for the reason that on my return, Friday night, from Georgia, Judge East sent me the following dispatch from the President of the Central Trust Company:

"Syndicate which bought bonds Evansville, Owensboro & Nashville road dissatisfied with trust deed. Will not accept bonds under it. Necessary for you to come here to alter deed and to meet their objections."

"H. F. SPATLING, President."

Judge East told me that Mr. Fogg had left Nashville for Washington to attend to a case in the Supreme Court, and that he had forwarded Spaulding's telegram to him. I telegraphed to Mr. Fogg to know about the matter, at the time of telegraphing Col. Stevenson had received no answer. I must own to gentlemen that no meeting of our Directors held in New York though I should go there with enough directors to make a quorum would

many were buying a majority of the stock of our company.

I replied that I did not believe it, and, hurrying on to my office, sent the following telegram: NASHVILLE, Tenn., Jan. 11, 1880.—Messrs. Stevenson, Evans, Baldwin and Fogg, Directors, care Real Estate Trust Company, 115 Broadway, New York: It is currently reported and believed here, that negotiations are pending giving the control of our property to the Louisville & Nashville Railroad Company. I cannot believe this, and trust it is not true. Is it so? Please answer immediately.

E. W. COLE, President.

To which I received no reply.

About 6 o'clock in the evening the following astounding communication was received by telegram:

New York, Jan. 17.—E. W. Cole, President: Important changes have taken place in the selling of the stock. Other parties must now be consulted, who have or will communicate with you.

V. K. STEVENSON, C. C. BALDWIN, T. W. EVANS, G. M. FOGG.

I answered:

NASHVILLE, Tenn., 18th January, 1880.—V. K. Stevenson, C. C. Baldwin, Thomas W. Evans, G. M. Fogg, 115 Broadway, New York City: I received your telegram late last evening. I have no language in which to express my surprise at its contents.

E. W. COLE, President.

Col. Stevenson refers to Tennessee stockholders having sold their stock in New York to strangers, but he may know who was the first to suggest the placing of stock on the New York Exchange, thereby creating a market for it in that city. He must remember that I delayed carrying out the order of the Board to do so for several years, and at length yielded reluctantly to that order. If my judgment and wishes had prevailed, it would not have been placed on the Exchange, and in my opinion a large majority of the stock would to-day be in the hands of the friends of Tennessee.

Referring to stock being offered by parties in New York, Col. Stevenson says:

"Finding that certain of the largest stockholders in New York, some of them friends of President Cole, were determined to sell their stock, I insisted that Mr. Cole should arrange with his Tennessee friends to purchase a large part of it, but he reported that he had made the effort, and had wholly failed in accomplishing anything, and that if it was necessary to purchase the stock I myself would have to do it. I agreed to this proposition, and with two friends, purchased the block offered to Col. Cole."

This refers to a block of \$300,000 offered to me, not Col. Stevenson, by A. Iselin, Jr., of New York, during the absence of A. Iselin, Sr., in Europe in May last. I communicated this fact to Col. Stevenson and said I would take \$50,000 of it. He said to me: "Evans, Baldwin and myself (two being Tennesseans) will take \$150,000, if necessary," and it was understood that I was to place, if possible, the remaining \$100,000 in Nashville on my return. I did my utmost to do so, but was told by parties who usually dealt in the stock that it could not be taken here on account of the scarcity of money and the large amount of the stock held by the banks as collateral, but in my anxiety to have it taken by Nashville parties, I offered if they would take it, I would myself individually carry the stock for them with New York banks for four months at six per cent. interest. Failing in this, I telegraphed the fact to Col. Stevenson, and which I received a telegram from him that he, Evans and Baldwin had bought the stock. Immediately upon receiving this notice, I telegraphed him that I wanted the \$50,000 of which I contracted to take for myself, which was refused, and they claiming a misunderstanding. No other block of stock was ever offered to me or my company, and the Georgia railroad stock, amounting to \$450,000, all of which I placed here but thirty thousand dollars.

Col. Stevenson refers to my having reduced my holding by sales made, which I have before stated was true and the purpose for which I sold, to wit: to improve vacant lots in Nashville on which I was paying heavy taxes. These sales were made from time to time during the past two years, every dollar of which I sold on the exchange or in Nashville. I also sold some of the fall on the exchange to pay notes for which my stock was hypothecated, and to provide additional means to invest in the iron business at Nashville. After relieving myself of these embarrassments and being out of debt, I held, as Col. Stevenson says, about \$90,000 of stock, together with \$25,000 of the company's bonds, which I had intended to hold as a permanent investment.

Col. Stevenson also says: "In the meantime Col. Cole expressed the belief that the stock was ruling at too high a figure, although it had not yet reached eighty cents on the dollar, and urged me to sell my stock."

Doubtless when seeing the frenzy of speculation in New York I may have said that our stock as well as others was ruling high, as I never had any disposition to deceive anyone in regard to the intrinsic value of our stock, and was cautious in everything I said in that direction. Knowing the many contingencies affecting railroad management and the earnings of roads I never thought it right to influence persons to buy by personal persuasion. It is true that on one occasion I advised Col. Stevenson to do as I have done, and to sell my stock and pay his debts and keep the balance, which would be a large amount, as an investment.

I do not know who was the friend of Col. Stevenson that informed him before he was approached by Mr. H. Victor Newcomb that: "Col. Cole's agent had applied to him (Mr. Newcomb) with a view of selling a controlling interest in the road or effecting a consolidation of the two companies." No friend of Col. Stevenson or agent of mine was ever authorized to make such statement, and Mr. Newcomb's public statement does not sustain the assertion. I might have been willing at some time to have the ruinous contest threatened between the two companies, to agree to a consolidation of the two companies, but it has been brought about in a proper way by action of the two boards of directors and the stockholders of both companies, by which the interests of Louisville and Kentucky would be equally protected with the interests of Nashville and Tennessee, but under no circumstances would I ever have consented to a sale, by a few shareholders blocking their company together, thereby injuring the minority stockholders, and I fear the material interests and prosperity, not only of Nashville but the entire South. The assertion has been twice

Wadley: "My company has about 840 miles west of Chattanooga. You had better leave ours." He responded: "No, I do not understand your Western connections." Col. Wadley said in substance: "There must be a great through line from the West to the sea under one head, and he wished its terminus to be Savannah, and that if he were a younger man, nothing would interest him more than establishing such a line."

Having passed over his main line and examined his property in Savannah, which for facilities and condition far surpassed any idea we had of it, and having been furnished by the cashier of his bank with every possible detail of the financial condition of his company, and by others with the structural condition of his roads and with his last annual report before us, Gov. Brown and myself for the first time entertained the thought of such a lease, and on Monday morning I asked Col. Wadley what his terms for a perpetual lease would be. He gave them to me, replied by asking for a modification of his terms for the first seven years, which would have been a saving to my company of \$525,000. Col. Wadley said he would submit it to his board without promising to advocate it, which he did. But being a verbal modification of his verbal proposition, his board held but a short session, and asked us to submit a written one, which I prepared, with the able assistance of Gov. Brown, that night, with great care, detail and deliberation, covering twenty-five pages of legal-cap paper, insisted upon my modification, and this proposition I made subject to the approval of my company. This was submitted to the directors of the Central road. Tuesday morning, Jan. 6, they deliberated over it until nearly sun down, when Gov. Brown and myself were sent for to go to the Central railroad bank, where the directors were in session. At that time the main point of objection to the lease by the Central directors was the modification referred to above. Gov. Brown and myself insisted upon the modification, and retired from the room. After further deliberation the directors assented to it. It was then about 8 o'clock at night. At 8 the next morning, Wednesday, I took the train for Nashville, passing through Augusta on my way. At the first reliable telegraph station, Milken, — miles from Savannah, I sent the following telegram:

MILKEN, GA., Jan. 7, 1880.—V. K. Stevenson, 115 Broadway, New York City: I have contracted for the perpetual control of the Central railroad of Georgia and all of its lines, subject to approval of my Board of Directors, agreeing to pay certain dividends to the stockholders of the Central. The contract has to be acted on by our Directors next Saturday. You, Evans and Baldwin must meet me at Nashville Saturday morning. In this, fail not. Answer me to Augusta, Ga., to-day. E. W. Cole, President.

To this telegram I received no answer at Augusta. I left there Thursday morning, and, by special train from Atlanta, went to Chattanooga to meet, by appointment, Mr. Clements, President Cincinnati Southern, reaching there at ten o'clock that night. I received the following telegrams on the way and at Chattanooga:

New York, Jan. 8.—E. W. Cole, President: Can't meeting be postponed till Monday next? What dividends are we to pay each road?

V. K. Stevenson.
New York, Jan. 8.—Col. E. W. Cole, President: Cannot leave here before Tuesday night next. Come here. Matters of great importance require it, and we will return with you.

C. C. Baldwin,
V. K. Stevenson,
T. W. Evans,
G. M. Fogg.

New York, Jan. 8.—E. W. Cole, President: Put off meeting until Saturday, 17th.

THOMAS W. EVANS,
V. K. STEVENSON,
C. C. BALDWIN.

I transmitted early next morning the following:

CHATTANOOGA, Jan. 9.—V. K. Stevenson, 115

be legal. Yours truly,

P. S.—I did not say in my telegram you refer to that it was not necessary, but that as it was not convenient for you gentlemen to accommodate me I would not insist.

The meeting of the directors in New York alluded to in the last paragraph of the foregoing letter was suggested by the New York gentlemen in the following telegram:

NEW YORK, Jan. 9.—Col. E. W. Cole, President: As contract cannot be closed till fourteen, when stockholders meet, best for you to come here at once. Bring two directors with you—five here. Can have meeting if you wish. We must have a little time to consider so grave and important a matter.

V. K. STEVENSON,
G. M. FOGG,
C. C. BALDWIN,
T. W. EVANS.

On Sunday morning January 11, I left Nashville for Macon, Ga. At Atlanta on Monday, 12th, I received a telegram from the gentlemen wishing further information in regard to the Central lease. I replied at great length giving a detailed statement. Having asked Col. Stevenson to buy stock for me in the Nashville, Chattanooga & St. Louis railway at a limit of sixty-three, believing the lease of the Central railroad that I had negotiated for our company would advance its value. Between Macon and Nashville I received the following telegram:

New York, Jan. 14, 1880.—E. W. Cole, President: No stock bought, always above your limit, selling now ninety-four and a quarter, will be at meeting of directors Saturday morning. Sale of one hundred bonds failed.

V. K. STEVENSON.

To which I answered:
ATLANTA, GA., Jan. 14.—V. K. Stevenson, C. C. Baldwin and Thomas W. Evans, 115 Broadway, New York: Hope you will leave this evening for Nashville, as you say, so as to be in time.

E. W. Cole, President.

I was back in Nashville from Macon, 15th, and received this telegram:

New York, Jan. 15, 1880.—E. W. Cole, President: Cannot reach Nashville before Monday morning. Adjourn meeting until Tuesday morning.

V. K. STEVENSON,
T. W. EVANS,
C. C. BALDWIN.

I answered:
NASHVILLE, Jan. 15, 1880.—V. K. Stevenson, T. W. Evans, C. C. Baldwin, corner Fifty-ninth street and Tenth avenue, New York City: Will you please explain the cause of your requiring me for the second time to change the meeting in so important a matter. Answer.

E. W. Cole, President.

I received no reply.

On the 16th I sent the following telegram:

NASHVILLE, Jan. 16, 1880.—V. K. Stevenson, C. C. Baldwin, T. W. Evans, 115 Broadway, New York: We have postponed meeting once. Gov. Brown and myself promised Central people at Macon to notify them to-morrow one way or the other, as an injunction was talked of by some of the Central stockholders.

E. W. Cole, Pres.

They replied:

New York, Jan. 16.—Col. E. W. Cole, President: We are sorry to inconvenience you, but it was impossible for us to leave in time to get to Nashville Saturday.

V. K. STEVENSON,
C. C. BALDWIN,
T. W. EVANS.

I answered as follows:
NASHVILLE, TENN., Jan. 16, 1880.—V. K. Stevenson, T. W. Evans, C. C. Baldwin, 115 Broadway, New York City: I will postpone the meeting until Monday morning, with the distinct understanding that you will be here at that time. It is not a matter of convenience or inconvenience to myself, but having to make so many explanations to the other side, who have reasons for wanting to know of our action.

Answer.

To this I received no reply.

On Saturday morning, Jan. 17, in passing the Banner office, I was informed by Mr. Purvis that a rumor had reached the city to the effect that the Louisville & Nashville railroad com-

made that the citizens of Nashville and Tennessee were indifferent as to the control of the roads. If this be true, the seeming indifference was caused by their feeling that enough of the stock was held by Tennesseans in New York and in Tennessee to prevent the result which has taken place. Had they anticipated that such an event was likely to have been raised in Nashville and New York to prevent the consummation of the scheme. This is evidenced by the following telegram:

CHATTANOOGA, Jan. 18, 1880.—V. K. Stevenson, 115 Broadway, New York: Is it possible to change the result? If so, how much money is required for a given amount of stock?

E. W. Cole, President.

To which I received no reply.

On the 21st of January I received the following telegram:

New York Jan. 21.—E. W. Cole, President: Vice President Newcomb asks me to say that he will leave for Louisville to-morrow evening, where he hopes to meet you. Your interests as President have been taken care of by us here.

V. K. STEVENSON.

I answered as follows:
NASHVILLE, TENN., Jan. 22, 1880.—Col. V. K. Stevenson, 115 Broadway, New York city: My personal interests are of no concern to me.

President has been taken care of, to say the welfare of the company has been cared for, as may be inferred from your telegram. I am glad.

With regard to Mr. G. M. Fogg's defense of his uncle, Col. Stevenson, I have nothing to say, except as to his reference to Col. Stevenson's distress at the inevitable—allowing the roads to pass into the hands of others. In this connection I would say that it has been publicly stated and never denied that the four gentlemen engaged in the sale, said short to a large amount I was myself so informed by a telegram from New York. When he refers to the chance the public might be curious to know who was in position and controlling stock enough to sell him out.

For further reply to Mr. Fogg's card I beg to call attention to the following extracts from the interview of a *Courier-Journal* reporter with Mr. H. Victor Newcomb, published on Sunday, Jan. 25:

Reporter—Is it true that Col. Cole's stock was included in the sale?

Mr. Newcomb—No; there is not one word of truth in it. I regret that Col. Cole did not avail himself of the opportunity. In fact, I believe the first information he had of the sale was a telegram from me.

Reporter—What occasion was there for you sending any telegram to Mr. Cole?

Mr. Newcomb—It was done entirely upon my own responsibility. I knew that Col. Cole's heart and soul were wrapped up in the Nashville & Chattanooga road. Personally, I entertain for him the highest regard. I esteem him as one of the ablest railroad men of the age. I knew it would be a severe blow to him. It was merely my desire to soften and ameliorate the changed condition of affairs by assuring him of my sympathy and friendship.

Reporter—Then Col. Cole was in entire ignorance of what was transpiring in New York?

Mr. Newcomb—Yes I am positive now of that. It came upon him like a thunderbolt, and I would gladly have spared him the feeling of disappointment and wounded pride (which he must have experienced) if it had been in my power to do so.

Reporter—The impression still prevails apparently in some quarters, Mr. Newcomb, that Col. Cole was not altogether in ignorance of the negotiations in New York.

Mr. Newcomb—Yes; I am aware of that fact, and probably am responsible for it myself. It grew out of a total misapprehension on my part. I supposed from the intimacy which had existed between Messrs. Baldwin and Evans, and Col. Cole was fully apprised of the movement. There were also some other circum-

stances which appeared to give color to it at one time. But after the sale was consummated at New York, I was assured by all of those gentlemen that Col. Cole was in total ignorance of the entire transaction until my telegram acquainted him with the fact, and I have no reason to doubt the word of these gentlemen.

Reporter—Have you any objection to stating what other reason you had for presuming that Col. Cole was acting in conjunction with these gentlemen?

Mr. Newcomb—One of the parties at New York, Mr. Columbus Baldwin, a friend of mine, had on several occasions, as late as last August, urged upon me the importance of securing the control of his road; as he was on terms of intimacy with Col. Cole, I naturally inferred it met with Col. Cole's approval, but Mr. Baldwin has since informed me that he never had any communication with Col. Cole upon the subject, and he merely was looking out for a good purchaser for the large amount of Nashville & Chattanooga stock which he held. There is no gentleman of my acquaintance whose word would have more weight with me than that of my friend, Mr. Baldwin.

Mr. Fogg speaks of the telegram sent to me to come to New York on the 8th, to which I have already referred and given my answers to the same. Why refer to this telegram sent seven days before the sale, when, as late as Friday, Jan. 16, the day preceding the sale, they telegraphed me they would be here on the Monday following? He admits that he was the attorney of the company while these matters were in negotiation, and in his card says:

"Why Col. Cole did not go to New York, of course I cannot explain. I was told that he knew of the presence of Dr. Stanford, Mr. Newcomb and others of the Louisville road management, in New York, and resting under the belief that Col. Cole was in harmony with what was being done, from the information given me by Mr. Newcomb, I was at the time satisfied that he knew the meaning of our first telegram."

Why should he go to Mr. Newcomb, or any one else, to learn what my feelings and wishes were in regard to what was then being transacted, as he was in constant communication with me? As to my hearing of Dr. Stanford and Mr. Newcomb being in New York, that was no unusual news to me, for they were there so often.

In conclusion, I wish to assure the public and the four gentlemen most concerned in this transaction that no personal feeling of any nature whatever has influenced me in making the above statement. It is simply a brief sketch, due to the public and myself. E. W. Cole.

Col E. W. Cole
Pres't N C & S

HE REGRETS IT.

STILL THE CONSTITUTION HAD IT.

Colonel Newcomb Speaks On the Briarion Combination—The Question Brought to the Attention of Others High in Place—The Cincinnati Southern.

OLD NEWS BY TELEGRAPH.

NEW YORK, February 16.—A special from Louisville says that a combination has been formed between the Louisville and Nashville and Georgia Central railroad to last for five years. This will give the Louisville and Nashville control of every port on the south Atlantic coast except Brunswick, Ga. At Savannah the railroad will connect with lines of steamers to New York and Liverpool, and it is intended to compete with northern trunk lines in carrying freights from western cities to New York. Through bills of lading will be issued to all points. Several thousand men are working in the Louisville and Nashville company's shops on rolling stock, and Mr. Wadley, of the Georgia Central, is now in New York purchasing steamships for his line.

WHAT VICE-PRESIDENT NEWCOMB SAYS.
Louisville Commercial.

A Commercial representative called at the residence of Vice-President Newcomb last night, and finding him at home, the following conversation ensued:

"Mr. Newcomb, can you give me any additional facts which are not conveyed in the article published in THE ATLANTA CONSTITUTION?" asked the Commercial man.

"The article is substantially correct," replied Mr. Newcomb, "but I regret its announcement at this juncture."

"Will this combination involve any change in the relation between the Georgia Central and Louisville and Nashville roads?"

"Nothing further than that which would result from a closer or more intimate alliance and entire harmony of interests between the roads. Each road will preserve its integrity unimpaired in regard to its local business. All through traffic originating from this section and carried over the Georgia Central lines will be operated as one system."

"What about the revolution in freight business, and the proposed new route?"

"Traffic will be revolutionized, and as regards the freight line, it is a shorter and more direct route from Chicago, St. Louis and Louisville to New York and Liverpool, and a route which can be operated more cheaply, than is the route by rail to Savannah, and thence to New York and Liverpool by steamer. The whole south will not only be benefited, but it must at once recognize the fact that such a consolidation will be to its interest. The south wants cheap food, which must come from the west, and will come by this road. Then a great railroad system such as this will draw business from other channels, and will build up business in every section of the south. The true course for a railroad to pursue is to haul more cars and fuller ones. Long trains carried full in one direction, must be carried full in the opposite direction. Local interests will also, and should be, carefully looked after and not be sacrificed to through business. We look for and we intend to have such an increase that our traffic will bear some proportion to that carried by northern roads."

"What effect, if any, will this alliance have in regard to the rumor that Colonel E. W. Cole is to be made president of the Nashville and Chattanooga road?" asked the reporter.

"This alliance," replied Mr. Newcomb, "will have no significance whatever in regard to that matter."

Mr. Newcomb then said that he had nothing more to say; that his statement explained everything in brief, and that he was sorry he had no further intelligence to communicate at present in regard to the matter.

DR. STANDFORD.

A reporter went in search of Dr. Standford yesterday, but that gentleman was nowhere to be found.

THE NEWS IN CINCINNATI.
Cincinnati Enquirer.

The dispatch from Atlanta published in yesterday's Enquirer, giving an account of "the last grand scoop" by the Louisville and Nashville company, has excited much comment among railroad men in Cincinnati, and it is the opinion of those who are familiar with the matter that, if the combination, as stated in the telegram, exists, it would be based upon a full recognition of the rights and interests of the Georgia railroad, which, in proportion to the amount of the property they may put into the pool, will exercise a voice in its management. This is regarded as a good omen for Cincinnati and the settlement of her difficulties with the Louisville and Nashville railroad, as it is not supposed that the Louisville and Nashville road and the city of Louisville will be allowed to dictate terms to the entire state of Georgia and the Carolinas, and the immense railroad interests represented by the two Georgia railroads that are said to be scooped. These new elements introduced into the Louisville and Nashville combination are powerful and conservative, and will rather give tone to the counsels of the new organization than accept dictation in the interest of any particular locality. The interests of Cincinnati and her Southern railroad are not considered as being placed in jeopardy by this combination.

WHAT COLONEL COLE DID NOT SAY.

Nashville American.

An American reporter called upon Colonel Cole last evening and asked him whether himself and Messrs. Brown and Wadley had entered into any combination with the management of the Louisville and Nashville and Great Southern railroad with reference to a through line from Louisville to Savannah. Colonel Cole said, warily, that he could only state that no papers had been presented or sent to him for his signature. And this was all the interviewer could pump out of him. In fact, the colonel was as dry as an old well in midsummer, as far as news was concerned.

GENERAL ALEXANDER INTERVIEWED.

The Augusta Evening News of the 12th states that a representative of that paper visited General E. P. Alexander, president of the Georgia railroad, in reference to the arrangement entered into by the Louisville and Nashville railroad, the Georgia railroad and the Central road, and gives the following as the result of the interview:

"General Alexander considers this arrangement the best result possible, although he has never had any fears for the Georgia railroad during the whole trouble, even when it was so generally thought that the Central would monopolize in through freights by means of the Cole lease. By means of the present tripartite contract business will be free for all the roads—each working for its own interests, and of course lending aid to the others."

"The Louisville and Nashville will bring its immense and increasing western business into our home channels to the seaboard, and the Georgia and Central railroads uniting in their efforts to bring New York and eastern freights round by means of the western connections. This of course strengthens the Green Line policy of the Georgia road and has the same effect with the Central, giving to this road a Green Line tendency."

"The State road as a part of the western line, agrees to this arrangement, as it gets plenty of business and promise of not building the Georgia Western. The Nashville and Chattanooga of course is a part of the line, under the direction of the Louisville and Nashville, and it is thought that Colonel Cole will even be agreeable."

"General Alexander stated that this arrangement would go into immediate effect, and that the plan, when proposed to his board of directors last Tuesday, met their full approval, and resulted in the agreement that he should sign the contract for the Georgia road."

"As to exports General Alexander could not say much as yet. Each port would work for itself, and while Savannah would do all it could, the experiments at Port Royal would be continued with energy and perseverance that promised abundant and ultimate success some time in the future, but until the ship rates, which are now cheaper than ever at New York, can be reduced at southern ports, neither Port Royal, Charleston or Savannah can hope to do much export business."

The Cincinnati Southern.

Cincinnati Gazette, 14th.

The long pending negotiations between H. G. Huston & Co., the contractors, and the trustees of the Cincinnati Southern railway have at last been concluded, and work looking to the speedy opening of the road for through business has been vigorously begun. The trustees have accepted the completed portion of the road, and Messrs. Huston & Co. have agreed to finish the work of construction under the direction

*Steuenson said
See what Cole says
about purchase of stock*

What Mr. Newcomb Says.
To the Banner.
NASHVILLE, January 11, 1881.—Below is the statement of Mr. H. V. Newcomb, as published in the New York Tribune of last Saturday, in reference to the law-suit now pending in the U. S. Circuit Court here. Mr. Newcomb made this statement on dispatches which he received from here.
A. S. COLLIER.
"Ex President Newcomb, of the Louisville & Nashville Company, referring to the suit, said yesterday:
"It has been a mere masquerade from the beginning. The chief promoters of the suit lost faith in it long ago, and got rid of their Chattanooga stock. It was an attempt to annoy us into buying the stock. We were forced into securing the control of the property by similar tactics, and we finally concluded that it was cheaper to pay a round price for the control of the road than to continue longer to suffer a mischievous competition. The actual value of the stock was much less than we paid. In fact the road had been skinned for years in order to pay fictitious dividends, and it had a large floating debt, when we took the management of it. These are not mere opinions, but statements of facts which were clearly proved to the court by the books of the company. As to this suit, it has ended, of course, as all such suits must end before an honest court. There was never any good reason why it should have been begun. The statement that this is not the final hearing is absurdly false; the suit has not been dismissed."

The Low-Tax Wing.

APRIL 5, 1881.

ANSWER OF THE L. & N. TO THE MINORITY STOCKHOLDERS.
The answer of the Louisville & Nashville Railroad Company to the original and amended and supplemental bills filed by John Thompson and others, in the suit of the minority stockholders of the N. C. & St. L. R. R., now pending in the United States Circuit Court, contains some statements of interest to shippers and merchants in Nashville and elsewhere along the lines of said road. The first named company, through its solicitors, claim that it did not purchase the stock to control the N. C. & St. Louis railroad, nor to stifle any legitimate competition, and since the purchase have studiously avoided interference with the President, directors or other officers or agents of the N. C. & St. L. R. R. in the management of its affairs; that its principal object in the purchase was to prevent the construction of new and useless roads not demanded by the commerce of the country, and which would have been disastrous to both companies; that so far from diverting business from that road, it has in many instances given to it business which it otherwise could not have secured; that the fact that it owns one-half of the stock of that company makes it to the interest of respondent to send freight over that line rather than over its own line, at greater expense of carriage; that it has allowed large quantities of freight to be carried between Nashville and Chattanooga, which before the purchase were carried between Montgomery and Nashville, and that it has given to that line 50 per cent. of the freights heretofore transported by way of Montgomery and Nashville. For like reason it has given all possible business to the Northwestern branch of the N. C. & St. L. R. R., that it has declined favorable pro-rating terms from the Cincinnati Southern because its greater interest demanded shipment over the Chattanooga line; and that it has never diverted a single passenger or a pound of freight that legitimately belonged to the Nashville & Chattanooga road, since they acquired a half interest therein; but on the contrary has on all occasions acted and protected that road in the matter of freight and passenger business.
In reply to the complaint that no dividends have been paid on the Chattanooga road since its purchase by the Louisville & Nashville, although the business has been larger, the respondent maintains that the dividends heretofore were paid greatly at the expense of the physical condition of the property. It is claimed as a notorious fact that the Northwestern division of said road is not in as good condition as it was in 1873, and that with the payment of said dividends its condition had regularly deteriorated until in April last it had nearly approached an unsafe condition for the passage of trains, and its condition had either to be improved or its use abandoned. Since respondent's purchase of the stock more money has been spent for the renewal of iron rails on that division than has been expended for new rails in the previous eight years, and it is not now in the condition respondent would like to see it. Respondent, having the safety of the traveling public in mind, would censure the application of the money of the company to the improvement of that division rather than distribute it among the stockholders.
Respondent further claims that it has never proposed to lease, run or operate the N. C. & St. L. R. R., but that it has the right under the charter of said road to own and hold stock therein. It admits that the Nashville, Chattanooga & St. Louis railway is solvent and if its physical condition is improved it ought to pay fair dividends. It passes through the coal and iron fields of Tennessee; it is the oldest railroad in the State, and the Chattanooga division is well built and fairly equipped, and that it is probable its stock would remain at par if the road was clear of the present litigation and its physical condition was improved, and that it would have been a much more valuable piece of property if some of its recent acquisitions had not been made. They maintain that the present management of the road is entirely independent and is conducted for the best interests of all the stockholders. There is much of other matter contained in the brief covering some 45 pages of closely printed matter, but it refers mainly to points at issue between the parties litigant touching the transfer of stock, in which the business public is not materially interested.

MISCELLANEOUS NOTES.
The latest and

THE MINORITY ROUTED.

An Injunction Against the L. & N. R. Co. refused by the U. S. Circuit Court.

What Judge Baxter Said in Bringing the L. & N. Railroad Fight to a Close.

On the meeting of the United States Circuit Court—Judges Baxter and Key on the bench—yesterday morning, Ed. Baxter, Esq., was about to open his argument for the L. & N. Railroad Company, when the Court announced that further argument in that case was unnecessary. The Court said substantially, that many questions had been argued, which the Court did not think it necessary to pass upon in this application for a receiver and injunction; that the Court would not express any opinion as to the right of the L. & N. to purchase stock in the N. C. & St. L., as this question was one referable to the charters of the two companies and the laws of the States of Kentucky and Tennessee, the Court do not think it necessary at present to examine. For the present it was sufficient to say that the allegation of the bill to the effect that the L. & N. was dominating and controlling the road in its own interest and to the injury of minority stockholders had not been sustained; that, on the contrary, the affidavits filed satisfied the Court that the road was being run and managed by the President and directors in a safe, prudent, economical, and independent manner, and for the best interest of all the stockholders; that it was not unlawful for a person or corporation to purchase and hold the majority of the stock in a corporation with a view to controlling it, provided it was controlled and managed in the interest of the stockholders and according to law; that to warrant the Court in the appointment of a receiver, and taking this valuable property from the hands of its officers and directors, the Court must be satisfied that it was being managed in such way as to injure one part of the stockholders for the benefit of the others; that in this respect the record left the Court in no doubt that the property was being managed for the best interest of all the stockholders, and with fairness and good faith.

In reference to an injunction against leasing the road to the L. & N. the Court said that the officers of the road disclaimed any knowledge of any such proposition, or of having heard of it until the bill was filed, and that no such thing had ever been contemplated, and, therefore, the injunction would be denied; but, if it should be proposed hereafter to lease it, the Court would hear this branch of the case at any time upon the application of either party. Every allegation of the bill of the complainants had been specifically denied and overthrown.

Judge Key concurred in the opinion of Judge Baxter.

The following decree was entered in the case:

John Thompson, Putnam & Earl and Thomas J. Brady vs. the Louisville & Nashville Railroad Company, the Nashville, Chattanooga & St. Louis Railway Company, G. M. Fogg and H. Newcomb.

In this case the motion for an injunction and receiver is disallowed and overruled, the defendants, by their solicitors, stating in open Court that it has never been the intention of either of the defendants to lease the Nashville, Chattanooga & St. Louis railway to the Louisville & Nashville railroad, and that no attempt to effect such a lease will be made without the permission of this Court.

MR. FOGG'S HISTORY OF THE SCOP.

In connection with the wind-up yesterday of the fight made by the minority stockholders, the following affidavit of Mr. G. M. Fogg, submitted to the Court Wednesday, will be found to be interesting reading—the more so because, although Mr. Fogg was very severely criticised, and even denounced, at the time of the scoop, he has not thought proper, until the present time, to make any public statement in regard to his connection with the affair.

John Thompson et al. vs. the L. & N. Railroad Company et al.

In the Circuit Court of the United States for the Middle District of Tennessee, sitting at Nashville—Affiant, G. M. Fogg, states that he is now and was on the 17th day of January, 1880, a director of the Nashville, Chattanooga & St. Louis Railway Company; that for several years the firm of East & Fogg, of which affiant is a member, have had a contract with said company to render certain specified legal services for a compensation to the firm of \$5,000 per annum, and that of course he was consulted as to the legal aspects of all questions arising and coming within the purview of his contract. He states that as director he was familiar with and interested in the general policy of the company, but so far as he knows the private views of the President of the company were not made known to him to any greater extent than to all other directors of the company. Certain it is that he was never in any sense the confidential adviser of Col. E. W. Cole.

Affiant states that for many years the Louisville & Nashville Railroad Company and the N. C. & St. L. Railway Company worked together with the greatest harmony and to the advantage of both companies, as was believed, not only by affiant but by all of the directors and officers of the N. C. & St. L. Railway Company, so far as could be gathered from their words and acts. He says that some time previously to the sale of stock mentioned in complainants' bill, this good understanding between the two companies was unfortunately disturbed, and as is usual in such cases, explanations and recriminations followed each other in quick succession until a little war ensued. Affiant believes that many things were done by each party not so much with a view to acquire advantages for itself as to injure

ately examined the standard railroad authority, Poor's Manual, and discovered that if the lease should be ratified the N. C. & St. L. Railway Company would burden itself with an annual fixed charge, in addition to those it was then laboring under, of about \$1,500,000, more by nearly \$200,000 than the road and its dependencies had ever earned. Affiant says that so far from thinking this lease a good and glorious achievement, he at once announced that as for himself he should sell his stock immediately. He was then satisfied, and is satisfied now, that if that lease had been ratified by the N. C. & St. L. Railway Company it would have led to ultimate bankruptcy. And this belief was shared by the other directors then in New York. The plans of the President in regard to this lease were never entrusted to affiant, and were never approved by him.

Affiant, as aforesaid, arrived in New York on the 8th of January, 1880, and certain of the stockholders of the N. C. & St. L. Railway Company being then in treaty with President and Vice President Newcomb, of the L. & N. Railroad Company, for the sale of their stock, affiant, within a three hours after his arrival, telegraphed President Cole, urging him to come immediately to New York on a matter of the greatest importance, and this request was urgently repeated the next day. Affiant believed then, and believes now, that President Cole certainly understood why he was needed in New York. But he refused to come. It was not, however, then suspected that President Cole had changed his views with regard to the sale of his stock to the Louisville & Nashville Railroad Company, and in all of the negotiations which took place with Messrs. Standford and Newcomb, the stock which President Cole was supposed to own was included. Shortly before affiant left for New York, President Cole had informed him, as affiant understood him, that he held \$225,000 of the capital stock of the Nashville & Chattanooga & St. Louis Railway Company, and this amount Mr. Stevenson supposed he was authorized by the letter of President Cole of Nov. 21, 1879, above mentioned, to offer with his own stock to Messrs. Standford and Newcomb.

As aforesaid affiant reached New York, on the 8th of January, the negotiations for the sale of the stock was completed and the contract closed on the 12th of January, and on the same day President Cole was notified by telegraph. It is not true, as alleged, that several weeks were spent in New York in these negotiations, while the President, in ignorance of them, was left to prosecute his Georgia plans.

The parties selling the stock to the L. & N. road were V. K. Stevenson, Thomas W. Evans, David L. Evans, C. C. Baldwin and affiant. They agreed to deliver 134,000 shares of stock of the par value of \$5,350,000. All of the above named contractors except David L. Evans were directors in the N. C. & St. L. Railway Company. The said David L. Evans owned nearly \$500,000 of the stock sold. Besides much of the stock controlled by Mr. Baldwin, and the same is perhaps true of others, did not actually belong to him, but had been placed in his hands for sale by friends, in the same way that Mr. Stevenson supposed that the stock of President Cole had been placed in his hands. But it was afterwards discovered that President Cole had to his credit upon the stock books only about \$200,000, and still later it was understood that about \$70,000 of this had already been sold, but not transferred. Affiant says that the fact that President Cole was selling his stock in his own company and investing so largely in the Georgia Central, guaranteed by the lease to pay a dividend of 7 per cent. per annum demonstrates that, in his opinion, the outlook for his own stockholders was far from being so bright as complainants state. And if anything further were needed to show his opinion, just as he was leaving Nashville for Georgia, he strongly urged Mr. Stevenson not to hold his stock longer.

When it was discovered that President Cole did not have the \$225,000, as had been supposed, and besides that after his contract with the Georgia Central road his views as to selling to the L. & N. had undergone a change, the contracting parties were forced to go upon the market to make good the deficit. And they did buy in open market to the amount of \$213,000 each of the directors retained some of his stock. Mr. Stevenson as much as about \$30,000, some of which, however, as affiant is informed, he has since sold. But affiant states that at the time the sale was made it was believed by all of the sellers that they actually controlled the amount of stock agreed to be sold. No purchases by them were contemplated. And when they did purchase the market was in no way manipulated by them, nor was anything done by them to break it. On the contrary, their purchases tended to steady the market and prevent a fall, and, in fact, for some of the stock they paid the highest price ever paid by anyone up to that time. Affiant says that he believed then and believes now that the purchase of a majority of the stock by the L. & N. Railroad Company was not only compatible with the best interests of the other stockholders of the N. C. & St. Louis Railway Company, but, moreover, that this, or some equivalent step was absolutely essential to its continued prosperity. He avers that it never occurred to him that by the sale of his stock bought with own money and encumbered with no trust, he was injuring any one whomsoever. He did not believe then, and he does not believe now, that it was either the interest or the purpose of the L. & N. Railroad Company to inaugurate a policy injurious to the other stockholders. He supposed then, and had the right to suppose from all that took place, that the purchase of this stock was the first step looking to the ultimate entire consolidation of the two companies into one and an issue of stock upon an equitable basis to the stockholders of each of the old companies—and of course he knew that this would require the consent of all of the stockholders in each.

Affiant states that no stipulation whatever was made as to the turning over the management to the L. & N. Company, nor was any allusion whatever

had been made to the directors by the President that it had been expected.

It is false that the directors of the Nashville, Chattanooga & St. Louis Railway Company have ever contemplated a failure to pay the January interest upon their bonds. Affiant does not know what may have been said in New York by brokers, bankers and speculators, but affiant does know that as early as November last, the financial agent in New York received instructions to raise the necessary funds, and he does know that the Louisville & Nashville Railroad Company was not expected to do so.

He says moreover that he proffered to President Porter his assistance to raise the money to pay the interest here in Nashville, by a pledge of his personal credit, in the event complainants should have brought about such distrust in New York as to render it difficult to raise the money there, and he says it was the fixed purpose of President Porter so to raise the money if necessary.

Affiant says that in the sale of his stock he got the best price he could, as he supposed he had the right to do, and he is unable to see how any other stockholder is thereby injured, but that both before and since the sale in every step taken by him as a director of the company he has been actuated solely and exclusively by what he deemed to be its best interests. He says that it is now managed by its own directors according to its charter and the laws of the State of Tennessee. He believes that no single member of the board would even permit a suggestion to be made to him looking to action for the benefit of any stockholder not ensuring to the equal benefit of all. He knows that President Porter, in view of the various rumors current at the time, announced in emphatic terms when the Presidency was first suggested to him, that if he should be chosen he would be "no man's man," but would exercise the functions of his office independently and in such manner as should seem to him best, not for any single stockholder, but for the company, and affiant knows that the Board of Directors so far from disapproving of such sentiments regarded them as the highest evidence of qualification for the office. G. M. Fogg, Subscribed and sworn to before me Jan. 5, 1881. LEWIS T. BAXTER, Clerk.

injury on its enemy. Many months before said sale was made, the ruinous effect of the policy pursued had become obvious to the more reflecting officers of each company, and a consolidation of the two was frequently and favorably discussed. Affiant says that he was informed by parties altogether worthy of entire credit, that about Christmas of 1879, Mr. E. W. Cole, then President of the N. C. & St. L. Railway Company, evidently intended negotiations with Mr. H. Victor Newcomb, then Vice President of the L. & N. Railroad Company, looking to a consolidation of the two companies. Affiant believed then, and believes now that this information was correct, and that President Cole shared the belief of most of his directors, that such a consolidation was desirable.

Affiant says that long before the sale of any stock, it was well understood that the Louisville & Nashville Railroad Company was contemplating the purchase of a majority of the capital stock of the Nashville, Chattanooga & St. Louis Railway Company, and, indeed, that one of its officers had approached Mr. V. K. Stevenson with that view. Nor was there any question made as to the right, in law and morals, of any stockholder, whether director or not, to sell his stock to said company. Indeed, affiant says that, on the 21st day of November, 1879, in a letter to Mr. V. K. Stevenson, the original of which is now before affiant, President Cole wrote: "There is a rumor here that the L. & N. will attempt to buy a controlling interest in our stock. I know they cannot do this without your finding it out, and of course if you discover there is any foundation for the report, you will please telegraph me. In fact, they could not get a controlling interest without buying your stock, in which case I trust you would sell out the stock of your friends, as I would want no stock in the road myself if they had control of it, and I know Judge King would not. Relying upon your keeping me advised about any such movement, if it should take place, I am, as ever, your friend truly, (Signed) E. W. Cole."

It will be observed that, so far from thinking this a transaction which a director could not make without a breach of trust and legal injury to the other stockholders, the President himself desired to take part in it and share the profits, if any.

Affiant states that on the 4th day of January, 1880, he left Nashville for New York, where he arrived on the 8th day of January. He says, when he left Nashville, it was not suspected by him, nor, so far as he knows, by any other Director, that a purchase or lease of the road of the Georgia Central Railroad Company and its lines was contemplated by the President of the Nashville & Chattanooga & St. Louis Railway Company. Certain it is, that he had no authority from the Board of Directors to make any such lease or purchase. He had been authorized by the committee, to which the matter had been entrusted by the Board, to effect a running arrangement with the Georgia Central Railroad Company, not to purchase or lease. But he was authorized to buy for the N. C. & St. L. Railway Company shares of the capital stock of the Georgia Central Railroad Company for the purpose of gaining such influence with the latter company as would enable him to negotiate advantageously. Affiant is informed and believes that before the negotiations for the lease were made by the President, he did buy at least \$100,000 of the stock, but for himself and not for his company. At all events, no purchase for the company has been reported.

Affiant says that, so far from anticipating a lease or purchase of said Georgia Central railroad and its dependencies, neither he nor, so far as he knows, any other Director had even the faintest idea of the extent of these roads, of the amount of capital stock, of their earnings or of the fixed charges upon them. He said that his first intimation that such a move was contemplated was received from the New York papers. He says that urgent appeals for special information were at once made by telegraph to the President, but that the replies to these appeals were neither full nor specific. Enough was learned, however, to alarm and even astound him and the other Directors then in New York. They immedi-

made to the resignation of any of the directors.

On the contrary, when, after the sale was concluded, and the position taken by President Cole was understood, Stevenson, Evans, Baldwin, and Affiant tendered their resignations, or intimated a desire to do so, with the purpose of removing obstacles to a complete understanding between President Cole and Vice-President Newcomb, they were urged not to resign. Later, however, it was intimated that, perhaps, their first thought was best, and they did tender their resignations; but in the meantime, negotiations between President Cole and Vice-President Newcomb having been broken off, their resignations were not accepted.

It is utterly false that their resignation was bargained for or contemplated, or that they bargained for or contemplated the conveyance to the L. & N. Co. of anything whatever, except such rights as the ownership of the stock would by law convey.

Affiant believes it to be utterly false that President Cole resigned because he felt that he could not do justice to the minority stockholders. It was currently reported and published in the newspapers, and never denied, so far as affiant knows, that President Cole was ready to retain his position if the lease of the Georgia Central should be confirmed, and affiant was reliably informed that at last negotiations between President Cole and Mr. Newcomb were broken off in consequence of the action of the former with regard to the interest of the N. C. & St. L. Co. in the lease of the Western & Atlantic.

Affiant says that since the sale of the stock as aforesaid, the N. C. & St. L. Railway Co.'s affairs have been managed by its own Board of Directors without interference of the L. & N. railroad company, and solely for the best interests of their own company. And the statements made by the officials of the company show that a larger and more profitable business has been done since the sale than ever before.

Affiant says that he resides in Nashville, and does not "stay" in New York, as alleged by complainants; that his visits to New York are not frequent, and that he rarely remains there over a few days—indeed, his duties as one of the attorneys for the N. C. & St. L. railway company do not admit of prolonged absence from Nashville. He says it is utterly false that while in New York or at any other time or place he has said or done anything with a view of depreciating the stock of the N. C. & St. L. railway company. On the contrary, he has always believed and does now believe, and he has always said that in his opinion the stock is worth more since the sale than before. It is utterly false that he ever said or intimated to anyone that he believed the road would be so managed as to cause a depreciation of the stock or to produce returns in dividends incommensurate with the intrinsic value of the stock. It is true that once or twice he has thought that certain movements in the stock were due to the manipulations of Wall-street brokers, perhaps some of the complainants, and he may have said to a friend that such movements were not safe guides—but his opinion has always been, and he has freely expressed it, that the affairs of the company are in a prosperous and improving condition and that in the end, better dividends would be paid.

Affiant says it is false that the last dividend was passed to effect the value of the stock. It was passed because, as was represented to the directors, the earnings were needed to put the road in better repair and to reduce the large floating debt. He believed then, and believes now, that this action was wise. He has always said that this suspension was temporary, that in his opinion it would result in the extinguishment of the floating debt, and the thorough repair of the road, and that when dividends were resumed, as they shortly would be, thereafter they would be regularly paid.

It is false that affiant stated that the dividends heretofore paid had not been earned. On the contrary, he always believed, until within the last few days, that no dividend had ever been declared until it had been earned. Certainly none has been declared since he has been a director, until a statement

The Chron

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Loose Item(s)

had the right
and integrity of the govern-
he referred. It was simply a
of right and wrong, which must
terminated by truth alone. It was
tion as to whether the admini-
was right or not. If the op-
failed to controvert the fa-
should state, it was for the stock-
to decide where their interests
had no feeling in the matter
than as a stockholder of the
Railroad. He was no orator.
been a working man all
and not a speaker. What
accomplished in life he
done by actions and not by
He believed the destiny of the
upon what the stockholders
to-day and to-morrow. The
had said many unkind things
in the State of Georgia, but he
given them, because

They Knew Not What They

If the stockholders believed
administration best calculated to sub-
interests, let them vote to

Loose Item(s)

RESIDENCE IN SUMMERVILLE.

y house is in perfect order, with every mod-
 convenience. T. P. BRANCH.
 mh3-

5,000 POUNDS Wool, all grades.
5,000 Pounds Bees Wax, for which the
best prices will be paid in cash. Also,
Rags, Iron, Metals and Paper Stock of
all kinds, at JULIUS H. OPPENHEIM'S,
141 Reynold street

SABEL, 45 JACKSON STREET, has
for sale Leather and Findings at the

Best Cash Prices paid for Wool, Hide &c. my7-4m

Loose Item(s)

&c., you want for Summer wear, at
A. W. BLANCHARD,
For J. C. LUDLOW & CO.

Counters !

urg Store,

a Full Blast !

THE BASEMENT TO THE THIRD
IS NEVER READ OF IN A NEWS-
customers. We have Dress Goods
port time ago sold for four times the
5 cents, prices that are perfectly as-
urers make bread, let alone something
at, at 1 cent per paper, or five papers,
at 1 cent each. We have Handker-
We have large size Linen Handker-
and 25c. We have large cakes Toilet
d Riques at 44c. per yard, recently
5c.; a year ago they were 10 and 12 1/2c.
and 85c., ever seen for anything like
colors picked up at auction, but every
style. Calicoes are now so cheap
our customers, and any person call-
more, and so deserving it, we will
our house, and give them a spool of
n Shirtings at 4c., and 4-4 Semperidem
bargains, but suffice it to say we
west price to the finest. Such as
burning Goods, Fine Parasols, Fine
wear, Housekeeping Goods, etc.,
ening to hear them. But all are
itors who have but a short while to
ght to our establishment and making
ne nearer finding all they want in it
ne city. Our prices are the same to
us as safely as the most experienced.
o do, look out for them ! as they will
e emphatically been the Pioneers of
ousands are willing and ready to tes-
SBURG STORE is the place—COR-

SS & BRO.,
PROPRIETORS.

ARCUS.

Loose Item(s)

GEORGIA RAILROAD

ANNUAL MEETING OF THE STOCKHOLDERS.

**Large Representation—Nearly
Thousand Shares Represented
and by Proxy—The Proceedings
The Affairs of the Company.**

The stockholders of the Georgia Railroad and Banking Company assembled in annual Convention at the Chamber of Commerce Hall, this morning, at 10 o'clock. The President, Hon. Jno. P. Clark, presided, and Messrs. Geo. W. Butler, Cashier, and Carlton Hillyer, acting as Secretaries. The Convention was very large, from the fact of the position to the present administration. The President called the Convention to order. He announced that the list of stockholders would be called in alphabetically, when each would state how many shares he represented in person and by proxy. Mr. Butler requested each stockholder commencing with those whose names began with A, to come forward and state how many shares he represented. That way the necessity of appointing a Committee on Proxies would be saved away with and much time saved. The list was then called in in alphabetical order, each stockholder responding by announcing the number of shares represented by him in person and by proxy. After all had responded, the President announced that 23,927 shares were represented, 11,000 in person and 23,927 by proxy. The President then announced that a quorum being present, the Convention was

Open for Business.

The minutes of the preceding Convention were read and confirmed.

Col. Clark, of Oconee County, moved that the committees appointed at the last Convention be continued, and that the Committee on Proxies should be continued.

Judge Reese moved as an amendment that a committee of five be appointed by the President, to report on persons not to be Directors. The motion was carried, and why

Loose Item(s)

Store

er note, Foolscap and
Pens, Penholders,
of the following kinds:
Prices, wholesale and retail,
Prayer and Hymn Books, Re-
nt of Large Family Bibles.

US & SON
268 BROAD STREET.

H!

in modern advertising, now hear some

R GRAY & CO.

Fashionable Spring Goods. We mention a
guarantee them the

THE MARKET!

ssimeres of English and French
re,

ress Goods, Black Camel's Hair

ld line of fine Black Silks, New
things.

New Ties, Gloves and Hosiery,
es more of Cheap Linen.

C GRAY & CO.

Thomas' Hair Soap!

HAIR (TRADE MARK) HAIR



CANDID FACTS:

*This Medicated Toilet Article Stops
ling of the Hair, improves its growth;
moves Dandruff, Allays Itching Sen-
tion, and cures all Scaly, Crusty,
taneous Eruptions of Scalp and
ice. For sale by*

W. H. TUTT & REMSEN,
Sole Agents, for Augusta, Ga.

MINERAL WATERS.

IMPORTED—

AppoNinaris Water.
Hunyadi Janos Water.
Freidrichshall Bitter Water.
Hungarian Bitter Water.
Vichy Water.

DOMESTIC—

Congress "C" Water.
Hathorn Water.
Geyser Water.

N DRAUGHT—

Saratoga Water, direct from
the Springs.
W. H. TUTT & REMSEN,
Wholesale and Retail Druggists.

Loose Item(s)

...substitute the
of the old committee
meant the Chairman of
Col. D. E. Butler,
would accept Judge
Judge Reese said h
to that.

Col. Butler hoped the President
excuse him.

The President said in order
telligently he would like
stated

Who Are Candidates

Mr. Mullarky said he
could be ascertain
didates. It was possib
were candidates and who
didates. He moved as a
all the motions that the P
point a new committee of five
and Election.

Judge King said it was ve
ant to have on a committee of
some gentlemen of experience.

Judge Reese said, after cons
with others, he offered the f
proposition, viz.: That the f
Committee on Proxies and Elect
appointed, to-wit: D. E. Br
Morgan county, Chairman; W. C
son, of Oglethorpe; R. L. M
Clarke; Austin Mullarky, of Ric
and D. H. Walker, of Walton co

Col. Butler hoped he would b
ed, as the same reason mentio
Judge Reese applied to him.

Judge Reese's motion was
and the committee named was
ed.

The Secretary requested stock
to come forward and hand in the
ies.

Colonel Clarke moved that th
mittee receive the proxies and th
vention adjourn to 3 o'clock.

Hon. John H. James said h
think the Convention should
now. The dinner hour here v
and it was now only twelve.
were any speeches to be made
could be delivered while the con
was passing upon the proxies.

Colonel Clarke withdrew his
to adjourn.

Colonel Clarke moved the adop
the report of the President and
tors, now in the hands of the sto
ers.

Col. Cole seconded the moti
said he would like

To Make a Few Remarks

Upon it. In the language of one
he thought himself happy beca
should answer for himself before
touching all the things whereof
accused by the opposition. He
ered this occasion the most im
one that had ever occurred
History of the Georgia Railroa
profered to deal with facts, witho
ing or prejudice and challeng
gentleman of the opposition to co
any material fact he should sta
wanted the reporters to em
this. He said he had called
a prominent gentleman and tol
that he understood he wa
of the leading members of t
position, and informed him he
speak here this morning, an
him he would arrange for a divis
time. The gentleman said he v
speaker. He (Col. Cole) replied
was not either, but stated
could designate any Direc

Loose Item(s)

Knoxville Daily Tribune

KNOXVILLE, TENN., NOV. 11, 1888.

SEVENTH EDITION.

E. T. V. & G. R. R.

ANNUAL MEETING OF THE STOCKHOLDERS.

Report of the President and Directors.

---Purchase of the Selma, Rome and Dalton---A Bonded Debt of Ten Millions---New Roads.

The stockholders of the East Tennessee, Virginia and Georgia Railroad met in annual session yesterday at 12 o'clock at the company's office. The meeting was called to order by the President, E. W. Cole, Joseph R. Anderson, of Bristol, was elected Chairman of the meeting and Frank A. Moore, of Knoxville, Secretary. Judge and clerk of election were appointed to superintend the election of Directors. President Cole presented the following report for himself and Directors:

OFFICE E. T. V. & G. R. R. Co., Knoxville, Tenn., Nov. 10, 1888.

To the Stockholders: In conformity to the Charter the President and Board of Directors take pleasure in submitting the following report of the operations of the road for the fiscal year ending June 30, 1889 and the financial condition of the company.

The earnings and expenses for the fiscal year ending June 30, 1889, have been compared with the previous year, to-wit:

From freight	\$835,115.25	650,677.58
" passengers	304,282.10	270,438.26
" express	25,234.09	20,117.26
" mail	45,680.99	40,139.70
" miscellaneous sources	6,973.29	6,710.22
Total	\$1,212,887.32	988,293.02

Operating expenses ordinary	724,300.00
Operating expenses extraordinary	176,941.17
Total	\$901,241.17

Interest on Western North Carolina Bonds	13,522.03	17,038.43
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Total net earnings	\$445,116.18	\$355,227.65
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Dividend of 3 per cent on capital stock May 1st 1889	262,770.81
Balance carried to profit and loss account	107,755.87
Total	\$445,116.18

The profit and loss account has been credited with profit on sale of steel rails, 16,220.17.

Profit on old iron rails remaining over from last fiscal year being difference between estimated value and amount realized	3,567.76
By old balance collected from stockholders	110.55
By balance net earnings of road	166,633.37
Total	\$188,311.68

And that account has been charged with various items amounting to	5,121.65
Dividend to stockholders May 1st 1889	65,870.50
Total	62,001.12

Balance to credit of profit and loss account for years operations	126,330.73
Increase in gross earnings	221,077.80
Increase in expenses ordinary and extraordinary	156,890.30
Increase in net earnings	64,187.50

The increase in expenses was mainly due to the increased outlay for materials and betterments, laying steel rails, ballasting track, and increase of car equipment, as per following statement, which shows expenditures made for same, and which expenses were charged to operating expenses:

Cost of laying 45 miles, 4251 feet steel rails, less value old rails re-leased	\$154,183.72
Cost of 112,228 cross ties	31,859.30
Cost of 24 miles, 1,023 yards of crushed stone ballast, and cost of rocks distributed ready to be crushed	28,617.31
Cost of new Mopel engine No. 3, built in our shop	\$ 7,720.13
Cost of new boilers, tanks and cylinders, etc., for engine	11,284.87
Cost of 16 sets of automatic brake fixtures applied	785.00
Making a total for betterments in motive power	19,896.00
Cost of building two freight cabooses	700.00
Cost of building 21 new box cars, \$172.40 each	10,760.40
Cost of building 25 new coal cars, \$293 each	9,825.00
Cost of two railway velocipedes	80.00
Making total for betterments in new cars	21,365.30
Cost of rebuilding cars	11,661.50
Total	\$267,912.28

The attention of the stockholders is called to the report of Major J. P. O'Brien, Superintendent and Chief Engineer, and James R. Ogden, General Freight and Ticket Agent, and to the balance sheet of James G. Mitchell, Treasurer, and O. H. P. Rogers, Auditor.

The reports, statements, and tables made

by these officers to the Board, and published herewith, are so elaborate, and give the operations of the road for the last fiscal year, and the financial condition of the company, and the physical condition of the road in such great detail, that but little is left for the Directors to say.

The expenditures during the past year for renewals and betterments have greatly improved the condition of the road, and these improvements should be continued, we think, until all the iron rails in the track are replaced with steel, which will probably take about four years to do.

The revenue and profits received during the year were sufficient to pay the operating expenses, renewals and betterments of property as before shown, and on bonds and floating debt of the company, and a 3 per cent dividend to the stockholders, leaving a surplus of \$126,330.73, which amount has been carried to credit of profit and loss account, out of which another dividend of 3 per cent was subsequently paid on the 1st of October to the stockholders, amounting to \$58,870.50, leaving to the credit of profit and loss account \$67,460.23.

It is believed that there will be a considerable increase in gross revenue for the coming fiscal year, but the expenses of improvement in track, by replacing iron with steel rails, ballasting track, and additions to rolling stock, will be considerably more than last year, a portion however of the expenditures to be paid for in the current fiscal year, for improvement and betterments will be provided for outside of the earnings of the road by the sale of stocks ordered by the stockholders at their called meeting held on the 7th of October.

Feeling that the capital stock did not properly represent the cost of your road, much of the net earnings heretofore having gone into the improvement of the property, the stockholders at the called meeting on the 6th of October resolved to increase the capital stock to \$5,000,000.00, assigning to each holder of stock 150 per cent of the increased stock, upon the payment to the company by the stockholders of 30 per cent of the par value of said stock. This assessment was made necessary to meet bonds and other liabilities of the company, which matured during the last fiscal year, and provide means for increased outlay for steel rails, and a large increase of rolling stock, which is badly needed by the company. This action on the part of the stockholders has met with general approval, far as your Directors have been informed.

At the same meeting the Board of Directors was instructed to buy the Selma, Rome and Dalton Railroad from the Syndicate, which purchased it in June last at Selma, Ala., if it could be done for \$2,250,000.00, payable in 6 per cent fifty year registered coupon bonds of this company, and also to buy the balance of the stock in the Georgia Southern Railroad. The Board of Directors referred both these questions to the committee advisory to the President, with power to act, and have received his report, and have also received proposals from the owners of the above roads for their sale, which are submitted to the stockholders herewith for their action at this meeting.

Of the \$2,250,000.00 of the Company's bonds maturing the 1st of July, about \$207,000.00 have been redeemed, leaving \$2,043,000.00, which have not been presented, but will be redeemed on the presentation.

It is gratifying to be able to report that after a most elaborate and able argument before his honor, Judge Willey, holding the United States Circuit Court, the case of the Tennessee internal improvement bondholders against your company and others similarly situated, has been decided in favor of the railroad. Judge Willey, of Nashville, was selected by both sides on account of his eminent legal attainments, to hear the case, and as we have stated, the case was argued in May last, at great length, and with consummate ability on both sides. He held the case under consideration until October, and then gave his opinion, in which he decided that, according to the original act of 1851 and 1852, the Tennessee bondholders never had any claim upon the railroads. His decision is clear and decisive of the question. The expenses of this prolonged and heavy litigation have been considerable, and will enter into the account of the company during the current fiscal year.

Notwithstanding the yellow fever epidemic which prevailed in Memphis from early in July to November, 1879, the gross earnings of the Memphis and Charleston railroad, which is leased by your company, amounted to \$1,903,270.71.

Operating expenses, betterments and improvements of property	784,974.46
Leaving net profits	218,296.25

To which amount should be added old rails released during the fiscal year and on hand on 30th of June, but since sold, amounting to \$4,632.00. Increasing the net earnings to \$222,928.25. Which shows a deficiency of about \$45,000 in the year's operation after paying operating expenses, betterments and improvements of property and interest on bonded and floating debt and exchange.

There was, however, an unusual amount of steel rail laid on the road during the fiscal year and charged to expenses, and it is estimated that the extraordinary expenditure for steel rails during the fiscal year have given an increased value to the property of about one hundred thousand dollars, while the expenditure have about sufficed to maintain the property. If this be correct, the operations for the year would show the following result, to-wit:

Amount of net proceeds as stated above	\$212,928.25
Add increased value of property	100,000.00
Total	\$312,928.25
Less accruing interest on bonded and floating indebtedness of the company during the year	\$307,767.56
Leaving as net gain on year's operation	\$5,160.69

The general improvement in business will insure a large increase in revenue from this road, and it is believed the amount will be sufficient to carry on the present improvement of that property, in laying steel rails and adding to its rolling stock, and to meet its entire interest liability for the current year. It is contemplated to lay down on that road, during the current fiscal year, 5,000 tons steel rail, and add 100 freight cars and several locomotives to its rolling stock, after which a less annual outlay will be required to finish laying its track in steel rails and add a sufficient amount of rolling stock to accommodate the increasing business of that road.

Since the close of the fiscal year a new contract has been made between the Memphis and Charleston railroad company, with the consent of this company as lessee, and the Nashville, Chattanooga and St. Louis Railway for the unexpired time of the contract existing between the Memphis and Charleston Railroad Company, which would have terminated in June 1889. The new contract provides for a royalty of \$5,000 per month, to be paid by the Memphis and Charleston Railroad Company for the first and second

stricted use by the Memphis and Charleston Railroad Company of the track between Stevenson, Ala., and Chattanooga, Tenn., and the Nashville, Chattanooga and St. Louis Railway binds itself to keep said track in first-class order, the Memphis and Charleston Railroad Company having the right to run upon its own schedules between Stevenson, Ala., and Chattanooga, Tenn., and by which contract the Memphis and Charleston Railroad practically terminates at Chattanooga, instead of Stevenson, as heretofore.

It is believed that this new contract will be of great benefit to the Memphis and Charleston Railroad, as it has heretofore labored under many disabilities on account of the old contract, which cramped its operations in the movement of trains between Stevenson and Chattanooga, besides the tolls exacted were high, being based upon rates in effect in 1858.

Under the present contract the Memphis and Charleston Railroad is in a condition to operate on all business, with all connections, instead of asking them to operate with it, the arbitrary between Stevenson, Ala., and Chattanooga, Tennessee, exacted under the old contract.

In conclusion, we take great pleasure in acknowledging the invaluable services to the Company of Major R. T. Wilson, its General Manager, and at present its efficient Financial Agent in New York, and our thanks are also due to Hon. C. M. McElhee, Vice President, to whose ability and devotion to the interest of the Company, it is greatly indebted, and to your kind consideration, we commend the heads of departments for their faithful and efficient management, as well as all the employees, for a prompt and satisfactory discharge of their duty.

Respectfully submitted for the Board of Directors by

E. W. Cole, President.

The report was received and adopted, and the usual number of copies ordered printed.

An additional report of the Directors was presented and adopted. It was in reference to the purchase of all the bonds of the Knoxville and Ohio road on the market at ten cents on the dollar, and looked to the completion of the road to the Kentucky State line as soon as the Louisville and Nashville road gives assurance that the other end of the road will meet it at that point.

The Report of the Advisory Committee in reference to the purchase of the Selma, Rome and Dalton road and the Georgia Southern was presented. A former meeting of the stockholders had authorized the purchase of the above roads if they could be bought for two and a quarter millions to be paid in 6 per cent bonds. This purchase could not be made and the directors accepted a proposition made by R. T. Wilson for himself and associates owners of said roads. This resulted in the purchase of the road for \$2,250,000 in five per cent bonds maturing in fifty years.

This action of the advisory committee and directors was ratified and confirmed by the stockholders.

The stockholders in annual meeting assembled authorized the creation of a bonded debt of ten millions of dollars, the bonds to bear interest at five per cent and maturing in fifty years, the entire E. T. V. & G. R. R. road with all its recent purchases and branches, together with all the property, equipments and appurtenances to be pledged for the redemption of these bonds.

These bonds are to be used to pay for the roads recently purchased, the funding of the present indebtedness of the company and for other purposes.

A resolution was adopted which anticipated the raising of a sufficient amount of bonds by the E. T. V. & G. R. R. Company to insure the completion of that road to the State line. It provided for the purchase of these bonds by the E. T. V. & G. R. R. Company at such a price as might hereafter be agreed upon.

At 1:30 p. m. the meeting adjourned for a recess of an hour and a half, to allow the stockholders to vote for Directors. Sixteen thousand, seven hundred and one-fourth shares of the 15,000 and more were represented in the meeting.

At 3 o'clock the meeting was again called to order, when the result of the election of Directors was announced as follows: Joseph R. Anderson, T. G. Barrett, E. W. Cole, Henry B. Davis, R. C. Jackson, Joseph Jaques, W. C. Kyle, C. M. McElhee, B. F. Newcomer, James R. Ogden, R. H. Richards, O. H. P. Rogers, James A. Roosevelt, E. J. Sanford, H. Walters.

The following resolution, offered by Gen. Austell, of Atlanta, Ga., was unanimously adopted:

Resolved, That the thanks of the stockholders of the East Tennessee, Virginia and Georgia Railroad are eminently due and are hereby tendered to R. T. Wilson and C. M. McElhee for their able management of the property and interests of the company confided to their charge. Taking it as a time of great embarrassment they have by their energy and ability brought it up to be one of the most important railroads in the South, and a dividend paying road, and now by a master stroke have secured to it in the future by the purchase of the Selma, Rome and Dalton Railroad a position that will make it almost impregnable whatever alliances may be made by its rivals for the business of the country.

The meeting then adjourned.

Immediately after the adjournment of the stockholders' meeting the Directors met and elected officers for the ensuing year. Col. E. W. Cole was re-elected President; Col. C. M. McElhee, re-elected Vice President; and J. G. Mitchell, re-elected Treasurer.

Wanted. Best Tennessee, Virginia, and Georgia Railroad stock at Peoples Bank.

Fresh Oysters at Schubert's.

Sick or bilious headache has been relieved by Tate Spring Water. Try it. Sold by Lyons & McCampbell.

The East Tennessee Coal Company with the best Coal Creek coal, delivered at the down town office with John M. Brooks, Agent.

Ask your doctor if Tate Spring Water isn't good for you. Sold by Lyons & McCampbell.

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CURE YOUR BACK ACHE

And all diseases of the Kidneys, Bladder and Urinary Organs by wearing the Improved Excelsior Kidney Pad.

It is a MARVEL OF HEALING and RELIEF. Simple, Sensible, Direct, Painless, Powerful.

It CURES where all else fails. A RHEUMATISM and NEURALGIA in the back, or direct application, as opposed to the ordinary method of treatment. Send for our treatise on Kidney troubles, sent free, 25¢ by drugstore, or send by mail, on receipt of price, 25¢.

Address: **BATES & HANLEY,** Original and General Distributors of the Improved Excelsior Kidney Pad. Ask for it and take no other. CHICAGO, ILL. Managers for the Northwest.

Lamar House.

LARGEST HOTEL IN KNOXVILLE

Convenient to the Business Portion of the City.

Tables Not Surpassed by any Hotel in the South.

Attentive, polite and efficient officers and servants have been employed. The House has the largest and best ventilated rooms, water halls and verandas than any hotel in Knoxville. Free Omnibus running to and from the trains.

Sample Rooms for Commercial Travellers. Rates as low as any hotel in Knoxville. The owners of this popular house have at great expense elegantly refitted and refurnished this hotel. The furniture is new and costly, oil finished with veneering, the rooms newly carpeted and furnished new with linen and the tables with fine China and plate.

HATTIE HOUSE.

Knoxville, Tenn.

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THE HOUSE, giving recipes for practical dishes, hints for making clothing and for keeping up with the latest fashions at the lowest price. Every item of cooking or economy suggested in this department is practically tested by experts before publication. Letters from our Paris and London correspondents on the very latest fashions. The Home Department of the Weekly Herald will save the housewife more than one hundred times the price of the paper. The interests of

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Address: **NEW YORK HERALD,** New York.

THE WORLD FOR 1880.

Democrat everywhere should inform themselves carefully of the action of their party throughout the country and of the movement of their Republican opponents. A failure to do this in 1876, contributed greatly to the loss by the Democracy of the fruits of the victory fairly won at the polls.

The year 1880 promises to be one of the most interesting and important years of this crowded and eventful century. It will witness a Presidential election which may result in the overthrow of the Government of this country on the principles of its constitutional foundation, or on permanently changing the relations of the States to the Federal power. No intelligent man can regard such an election with indifference.

The World, as the only daily English newspaper published in the city of New York, which explains the intricacies of constitutional Democracy, will readily represent the Democratic party in this great canvass. It will do this in no spirit of servile partisanship, but temperately and fairly. As a newspaper The World, being the organ of no man, no clique and no faction, will present the fairest and the most accurate picture it can make of each day's passing history in the city, the State, the country and the world. It will also be a leader, an interpreter, at accuracy of all things in all that it publishes. No man, however humble, shall ever be permitted truly to complain that he has been unjustly dealt with in the columns of The World. No interest, however powerful will ever be permitted truly to boast that it is shown the fair criticism of The World.

During the past year The World has seen daily circumstances troubled and its weekly circulation pushed far beyond that of any other weekly newspaper in the country. This great increase has been won, as The World believes by truthfulness, enterprise, ceaseless activity in collecting news and unflinching loyalty to itself and to its readers in dealing with the questions of the day. It is our hope and it will be our endeavor that The World's record for 1880 may be written in the appreciation and the support of many thousands more of new readers in all parts of this indissoluble Union of Inalienable States.

RATES. Our rates of subscription remain unchanged and are as follows:

Daily and Sunday, one year, \$16. six months, \$8.50; three months, \$5.75.

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Specimen numbers sent free on application. Terms—Cash, invariably in advance. Send postage money order, bank draft or registered letter. Bills at the sender.

Address: **THE WORLD,** 35 Park Row, New York.

Non-Resident Notice.

Chancery Court at Knoxville, Tenn.

J. J. Hinton and wife, Isabella J. Hinton and R. H. Gullaher and wife, Roxie Gullaher vs. Carrie M. Cook, Charles and Thos. R. Cook, Executors.

It appearing from the return of the Sheriff of this county, that the defendant Thos. R. Cook, is not to be found, but a non-resident of the County of Tennessee, it is ordered that the defendant above named appear before the Chancery Court at Knoxville, Tenn., on the 1st day of December next, 1880, and make defense to the bill filed in this case, or the same will be taken for confessed. This notice will be published in the Knoxville Weekly Tribune for four consecutive weeks.

A true copy. Attest, J. L. PATTERSON, C. & M.

Oct. 11, 1880.

KNOXVILLE TRIBUNE

FOURTY YEARS BEFORE THE PUBLIC.
DR. C. C. McLANE'S
Celebrated American

THE LEADING ORGAN OF THE DEMOCRACY IN EAST TENNESSEE.

The Oldest and Best Daily in the End of the State.

The Largest, Best and Cheapest Democratic Weekly in East Tennessee.

At the beginning of the great political canvass on which the American people have entered, the TRIBUNE offers itself to the people of Knoxville and East Tennessee as a prompt and reliable medium of information and as an unswerving advocate of those sound principles of Conservative and Democratic faith which are the hope of the country. The Presidential campaign of 1880 will be one of the hardest fought political struggles that has ever taken place in the United States. In the National campaign of the past have been such important issues involved, appealing to the intelligent and dispassionate judgment of the people and reliable political journals will be more in demand than ever before. The TRIBUNE will try to measure up to the demands of the time.

It will ever be faithful to the truth in the hottest of the battle; it will oppose sectional strife and all who seek to inflame it; it will condemn fraud and all who invent, advise or perpetrate it; had it will earnestly sustain every man and measure in every effort to elevate our statesmanship, regenerate our civil service, and dignify the government of the Republic.

The encroachments of Federal power on the State rights is the great danger of the hour—the great strain to which our form of government will be subjected. The infringements, whether from Executive, Judicial or Military power, are equally to be deplored and contended against until an enlightened and patriotic public opinion is made to force them down. The TRIBUNE will try to do its duty in this particular.

In the matter of material development, which has been so happily begun, and in bringing into active energy the dormant wealth of East Tennessee, we shall at all times employ our best exertions, convinced that no organ of Tennessee interests can serve the State to better advantage than by striking with might for the development of the great resources with which nature has enriched her. To that end we shall strive to make them known to the world and to encourage the incoming of capital and labor for their development.

TO PRESERVE THE STATES HONOR, UNTARNISHED AND TO KEEP HER DIGNIFIED FAITH, WE SHALL CONTINUE TO INSIST THAT HER FINANCIAL OBLIGATIONS BE MET TO THE FULLEST EXTENT OF HER CAPACITY.

Commercial affairs will receive the careful attention of the TRIBUNE, and we shall endeavor at all times to keep our readers posted as to the state of the markets and the course of events in commercial and financial matters.

The farmers shall find the TRIBUNE a steadfast friend. They have been its liberal supporters, and gratitude alone would prompt us to pay them back by a watchful care of their interests. But it is on the welfare of agriculture that nearly all other interests are based, and therefore all classes should desire and seek to see it prosper.

The news of the day, at home and abroad, will find a faithful chronicler in this journal; and the proprietors cordially appeal to the public for a continuance, and even an increase, of the patronage which it has enjoyed since its foundation.

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