

INVESTIGATING THE 99-YEAR LEASE

The Senate committee appointed to investigate the making of the lease of the North Carolina railway to the Southern in accordance with a memorial by the Directors asking the same, came together at 4:10 yesterday afternoon in the State Library. There were present: Senators Grant (chairman), Alexander, Butler, Wheeler, Abell, McCarthy.

There were quite a number of gentlemen present including Vice-President Andrews and the directors, Judge Avery, Capt. W. H. Day, Col. Henderson, Mr. Fab. H. Busbee.

Senator Grant announced the object of the meeting, saying that parties had been summoned, including Mr. Hoffman, who replied that he could not be present Monday, and had summoned also Editor Josephus Daniels (it was here made known to Senator Grant that Mr. Daniels would be back this morning, having been Sunday night called away on urgent business by telegram).

Judge Avery asked what was the object of the meeting. Senator Grant said it was in obedience to the memorial of the Directors asking for investigation of charges of fraud. Judge Avery asked who was the other side. Mr. Fab Busbee came to the rescue saying that it was the party who made the charge. Senator Grant thought the particulars of the memorial were well known, but he read same in full including Hoffman's offer, the Governor's message and the memorial of the directors.

Senator Grant was willing for each side to be represented. Capt. Day wanted to know who were the two sides. Senator Grant said the Seaboard Air-Line and the Southern Railway. Capt. Day proceeded to cross-examine Senator Grant seemingly to his discomfort, and Senator Grant said that the non-action on this investigation before Friday would preclude any action on the bill that day. Capt. Day insisted that the bill and this investigation were two distinct propositions; but Senator Grant said the committee intended to report on this matter before the bill was taken up. Capt. Day still failed to see the interdependence of the two propositions, and said if the committee elected to make Mr. Hoffman a party to this, he suggested that the committee would wait until Mr. Hoffman arrived. Capt. Day could not conduct the cross-examination until he had seen Mr. Hoffman, and Mr. Hoffman had said he could not be here until after Wednesday.

Mr. Manning said that Mr. Hoffman having made a charge should be here to meet it. Capt. Day wanted to know what the charge was. Mr. Manning said it was the charge that he had not been able to bid. "On equal terms," said Capt. Day.

The Hoffman telegram was gone over, when Senator Grant tapping the desk replied rather testily that this committee had determined to finish this matter Friday. "If the committee can stand it," answered Capt. Day. "The committee can stand it," answered Grant. "Whether you can get the merits of this question or not you are determined to finish it before Friday." "Yes," replied Grant.

Judge Avery did not think this was the place for investigation; he thought the courts the place, and if this investigation was to have a hearing upon the merits of the bill, it should be conducted according to the rules of court-investigation.

Capt. Day wanted to know if it was Hoffman or the Governor whose communication was offensive, and if it was the Governor, why was he not represented. If we had to have it investigated fully, then don't say you will close it by Friday, let it be investigated in the broad light of heaven, wait for Mr. Hoffman who can hear the other side. The interchange continued spirited between Day and Grant, Grant insisting that the investigation should be finished before Friday. "Whether you get through with it or not," added Day. "Yes we will close it up before Friday," said Grant.

A short lull when Capt. Day said that of all the men who would not wait waste in this matter were the directors—and he would get Mr. Hoffman here as soon as possible. Capt. Day said that it was the lease bill that was ordered to be reported Friday and not the investigation. Mr. Butler said he introduced the memorial, and it was fully explained—as an investigation of the charges made in the memorial. He asked if this investigation had anything to do with the bill and he was answered in the Senate that it did not. He failed to see any connection between this investigation and the bill. The directors were high-toned honorable gentlemen, and he would like to know if they wanted to hear one side, without hearing the other.

Senator Grant said that this meeting was pursuant to a previous one.

Mr. Manning said one of the Directors had come from Bridgeport and the other had had court adjourned in order that he (Col. Overman) could be here.

Capt. Day said he asked until to-day, and he would then go on whether Mr. Hoffman was here or not. Col. Overman said he was here only until Friday by leave of the Judge who adjourned court. Capt. Day said, "Col. Overman could be examined and let off."

At any rate, Col. Overman was called and sworn.

Col. Overman said: "In June, 1895, he was president of the North Carolina railroad company and had received a letter from Col. Andrews, enclosing another from President Spencer containing a proposition, saying that the lease of the North Carolina Railroad expired in 1901, and they wanted to get this matter on a

permanent basis, and if there was any danger of renewing the lease on favorable terms, he would like to know."

Col. Overman (letter read) replied that if desired, he would call a meeting of the directors. Accordingly Col. Overman called a meeting for the 11th of July. Col. Andrews was there with a proposition to lease—that he had an option on the Atlantic and Danville from Danville to Norfolk, also a road called the North Carolina Midland with only a 30 mile gap to get a line through to Charlotte. If they could not get the North Carolina Railroad they would consolidate these other roads, but preferred the North Carolina Railroad for the purposes of a great East and West line as well as a great North and South line, but if they could not get the lease renewed—they wanted to take up the betterments, but they were willing to pay 6 per cent and taxes. Col. Overman proceeded on immaterial points, saying finally that he was afraid they would take up the betterments.

Q.—Capt. Day: "What did you think they could take up, Captain?"

A.—Col. Overman: "I thought they would take up the heavy iron, engine and cars and leave us some old cars and engines."

Col. Overman thought the Mocksville and Mooresville gap could be built for \$3,000,000. (He meant \$300,000.) Then the Raleigh meeting was gone into. The directors first agreed to demand taxes (the meeting was 23rd July) and the other terms were agreed upon except as to time.

After this, a meeting was called for Burlington. Mr. Spencer, their attorney, Mr. Ryan and Col. Andrews were there. The board at first refused to lease the road for 99 years, but agreed for 50 years. Then a committee composed of Mr. Maxwell, Capt. Alexander and Mr. Spruill reported the 50 year agreement. The resolution was carried to Mr. Spencer, who returned answer that they could not take it for less than 99 years, and then this concession was made—two (for 50 years) voting against—of whom Col. Overman was one. He had it from consultation with friends then that the lease was a good business transaction. The meeting to ratify later was at Greensboro—he was not there. There was no secrecy. Mr. Maxwell had seen Mr. Hoffman, Mr. Hoffman declined to bid. One thing considered was the ability of the lessee to carry out the terms of the lease, and that leasing it to the Southern Railway Company, they would have better security, as the road was necessary to the Southern for its life.

In 1885, he was sent for by Governor Scales, who told him he thought he would have an offer of an extension of the lease of the North Carolina Railway at 8 per cent, and he was inclined to favor it, and had asked him (Col. Overman) to look into the matter. Since then he had been giving attention to the North Carolina Railway. His father had helped to build the road, and had sold his stock at a low figure, whereas he (the witness) had seen his stock go up from 90 cents to \$1.35. The rental of the North Carolina Railroad had never been defaulted on because the link was necessary. Mr. Manning drew out by questions facts favorable to his side, but not material to the main outlines.

Cross-examined—Day: "Do you know what they pay for the Atlanta and Charlotte?"

Overman: "I don't know—never been over it in my life."

Day: "Did you know they were paying \$1,750 a mile?"

Overman: "No."

Day: "Was not the best way to ascertain the value, to enquire into the price paid for that road?"

Col. Overman went into a history of the lease in 1872 at 6 per cent and no effort was made to annul that lease, and I thought that 7 per cent now was a good price.

Day: "Don't you think that it was your duty to compare the price paid for that road with the price paid for other roads?"

Overman: "We knew the value of our property. I do not think any property in the country had such a condition to return the property in its original condition."

Day: "Did you confirm your opinion of the value by comparison with other roads?"

Overman: "I knew the value of the road, and that they could return it stripped naked and bare; I thought it was a good trade and that was the consensus of public opinion."

Day: "Don't you think it was your duty to ascertain the value of other similar railroad property?"

Overman: "I was so well satisfied it would be a good trade, as to rate, taxes, organization expenses, with betterments to go to the lessor that I was willing to make it for the short term and not for the long term."

Day referred to Judge Burwell's remark that this was the best railroad property in the South and if that were so, was it not worth more than \$1,750 per mile, the amount paid for the Atlanta and Charlotte Railroad and do you call that a good trade this road leasing for \$1,150?"

Overman: "I wouldn't say it was a good trade if the Atlanta and Charlotte Air-Line were surrounded with the same conditions as the North Carolina Railroad."

Day: "Did you look into the gross and net earnings of the road?"

Overman: "Yes, but I am not able to remember them now."

Day: "Didn't you know that one report of the Railroad Commission showed that

this road was earning \$6,400 a mile and another report said that it was earning over \$10,000, and that its expenses were not over 58 per cent?"

He did not remember.

Day: "Did not Governor Scales's scheme include the Atlantic and North Carolina Railroad at the same price?"

Overman: "I knew it was mentioned, but do not remember" that it was included.

Day: "Did you not know that in 1885 the Atlantic and North Carolina Railroad was not earning any dividend?"

Overman: "Yes, sir."

Day: "Under the terms of lease, was not \$130,000 worth of property to be returned?"

Overman: "They have given bond."

Day: "Were not these terms of the Southern lease to return the property or pay for it?"

Overman: "Yes."

Mr. Overman said \$175,000 was up in the Charlotte Bank for the \$130,000, but Capt. Day insisted, suppose the Southern did not give up the lease for 99 years would you make them a present of the \$130,000? After a fluter, Grant exclaimed: "If you get through with only one witness the committee is going to report."

Capt. Day now went into the matter of Overman and Spruill not agreeing to the 99 year lease, which brought out the statement from Overman that he had heard that Andrews would have yielded had it not been for Spencer.

The question of \$130,000 inventory was then gone into, which Col. Overman said was secured by \$175,000 clause in the lease. Capt. Day asked to have the clause read. Col. Overman's conference with the Governor was discussed, Capt. Day asking if he told the Governor of the threat to parallel, which he said he didn't remember. Didn't Col. Overman know the Legislature could repeal the charter?

Capt. Day skipped to the Atlanta and Charlotte, discussing the readiness of the Charlotte, discussing the readiness of the paring the value of the two roads.

"Well, that'll do!" exclaimed Grant and the witness was dismissed.

Mr. Manning asked if any compensation was paid him for making this lease.

"No, sir," said Col. Overman, "and the people of North Carolina know I have been fighting railroads all my life."

Capt. Day expressed surprise that such a question should be asked of Col. Overman.

At 6:30 the committee adjourned until 8 o'clock.

NIGHT SESSION.

The committee reconvened at 8:15 and Judge Avery stated, at the outset, that the Governor had requested him to say in the memorial he wanted to be represented, and, if necessary, to bring a suit to impeach this transaction either on the basis of fraud or otherwise, and to that end he wished to recall Col. Overman for three questions.

Col. Overman took the stand, and Judge Avery elicited the reply that he had understood Mr. Ryan accompanying Mr. Spencer to Burlington was counsel for the company.

Second, that the threat was made by Col. Andrews (not by President Spencer) that a parallel road would be built. Col. Overman did not hear anything from Mr. Spencer.

Third, as to the gross-earnings of \$6,400 a mile his attention was not called to it, nor did he look at the reports of the Railroad Commission. Judge Avery asked if there were not only \$2,000 more net earnings under the Southern than under Joe Turner—or \$367,000 against \$340,000 under Joe Turner. Col. Overman said his attention was not called to this. Col. Overman stepped aside.

Gen. Hoke was sworn and took the chair.

Gen. Hoke had been a director nearly 20 years of the North Carolina Railroad in answer to Mr. Manning. He had constructed the Georgia Carolina and Northern railroad. He now was one of four directors representing the private stock, and was at Burlington, where quite a large block of stock was represented. Gen. Hoke voted for 99 years, and stood by it and all the private stockholders were in favor of the action taken. Gen. Hoke told of his 20 years connection. Then the stock was selling at \$35 a share; now what has produced that, not the road bed and stock which could be acquired for less than those. What caused this was the certainty of the rental. Then about the construction bonds when they were due Gov. Jarvis was very much disturbed as to the matter of foreclosure on the basis of stock at \$35 a share. In the refunding scheme, the bondholders agreed to give up \$240 in value and the new bonds were issued for 40 years, following which came, as a consequence, an easier adjustment of the State debt, as the 6 per cent bonds would rise and the 4 per cent would rise, and the people would come in under the impetus and give impulse to the bonds which quickly went from 60 to 90. Gen. Hoke spoke of the distinguished personnel of the Board during the last 20 years, the growth of the road and its present fine status. As to comparison, there had been comparison with the Western and Atlantic from Chattanooga to Atlanta in which case the terminals were the main elements of value. The Atlanta and Charlotte went at a rental of \$468,000, but it cost 4 times as much as the North Carolina Railroad and the Southern, moreover, controlled every road that tapped the Atlanta and Charlotte which was not the case with the North Carolina Railroad. As to the development expected in the next 99 years, it may be well known that competition keeps up with development. As to the restriction upon parallel roads, it is well known that the history of North Carolina is that any man who has the money to build a road can get a charter. He mentioned the charter from Monroe to Winston granted by this legislature, which gave a parallel to the North Carolina Railroad, in the Norfolk and Western. Then the Mocks-

ville and Mooresville possibility was traversed again.

They couldn't get the road to put up lease money for ten years; they would build the road for themselves; lease money for one year was all that could be expected, but the certainty of rent was the prevailing cause with us; the old Richmond and Danville had paid us in its direct times, but beyond that was the railroad situation which was controlled from Atlanta to Norfolk by the Southern. The road, the General thought, had expected to get the road for less, but with a long lease they could give more because they could afford thus to put more improvements upon the road; they had spent already \$100,000. Capital could be driven so far and no farther; the man who has the money is always too smart for him who hasn't.

As to the inventory, a complete one had been taken, which was in the capitalization of \$4,000,000. He told how the inventory was taken, and about the bond of \$130,000 which had been given to secure the restoration of the property.

They could have declined to put any improvements on the road until 1901, for even then it would have been in as good a condition as when they received it which was according to the terms of the old lease.

As to the receipts, he said the gross receipts were \$1,429,804, the local gross receipts being \$615,000, the through receipts being \$814,804. But these local receipts are increased by the connection of the North Carolina Railroad with the Southern, and call it that if you will but business is business, and everybody takes care of himself; if the Southern were taken away from the North Carolina Railroad, the local receipts would be reduced to probably \$500,000, which allowing 60 per cent for operating would leave \$200,000 surplus.

As to per cent, the Delaware and Lackawanna sells for \$175 a share paying only 5 per cent. The North Carolina Railroad practically owes nothing. In answer to questions from Mr. Manning, Gen. Hoke said the Southern would not pay the present rental long for the Atlanta and Charlotte; they would build first; as to the Western and Atlantic, it was the tunnel into Atlanta of the whole Louisville and Nashville system. From the competition now to tidewater at Norfolk, he thought the State had secured a perpetual rental.

Cross-examination by Judge Avery, as to the local gross receipts, why should the Wilmington and Weldon road cost only 58 per cent, when the North Carolina cost more? The General said he knew nothing about these things; he attending to his own duties. The Judge referred to the reports and asked why salary of the President should have been returned last year at \$25,000 and this year at \$5,000. The General didn't know. Nor did he believe that the road locally would make as much now under present competition as it did in Joe Turner's time.

The next point brought out was that the Wilmington and Weldon was in the same condition now as was the North Carolina railroad before the lease and was yet making 42 per cent net.

"Was there not machinery in Burlington in 1871?" "Yes, and it would be put back if demanded. Did he think that they could put the same old iron rails there. The iron, said the General, would cost more than the steel. The General's understanding was that they rails as those that were originally there. There was some delay at first about putting up securities called for by the lease.

By Day: "What was the character of \$130,000 securities. The \$130,000 had nothing to do with the \$175,000 securities put up for the lease money, the market value of which was \$198,000."

It was reported 58 per cent to operate the Western North Carolina Railroad and 72 per cent to operate the North Carolina Railroad. The General thought the difference was on account of rolling-stock charged up to the North Carolina Railroad. The fact was brought out that in the General's opinion it cost more to run a railroad through a mountainous region than through a level region. The General said the private stockholders endorsed their action to this day. The points tapped by the Atlanta and Charlotte (about 7) were given, all operated by the Southern.

Capt. Alexander: Told about the Hoffman bid. Hoffman, St. John Mr. Maxwell and Col. Morehead present. He received a note from Mr. Tompkins to meet these gentlemen, when Mr. Hoffman began arguing the making of the lease, after which Capt. Alexander had remarked that the present tenant had made an application and if terms were satisfactory he was willing to let them have it. He asked him would he make a bid: Hoffman said, "not now, they will run the road down on me." It was within three days after the interview with Col. Andrews (sometime in July suggested Mr. Manning.) The story of the lease, Capt. Alexander thought sufficiently covered by Gen. Hoke.

Cross-examined by Judge Avery, Capt. Alexander was made president at the instance of Gov. Carr. Did not see Gov. Carr until after the interview with Col. Andrews, when Gov. Carr said it ought not to be leased at less than 7 per cent. About two weeks between the Raleigh meeting and the Burlington meeting. Gov. Carr gave him no advice about the lease until the interview with the Captain mentioned it when the Governor suggested the seven per cent lease. Didn't get his opinion either directly or indirectly, but acted on his own judgment. At Burlington, there was opposition to the 99 year lease, and here he told of the 50 year resolution told by Col. Overman. The Captain favored 99 years and did not want to go to see Mr. Spencer. Mr. Spruill did not go to see Mr. Spencer on a 30 year basis, but was with the Captain and not in advance of him, as suggested by Judge Avery, offering 50

years together. The Judge suggested that Mr. Spruill was talking 30 or 50 years with Spencer when Capt. Alexander came up and proposed 99 years, but Capt. Alexander said the Directors had passed 50 years proposition and that he had told them that he would not go to Spencer if they would back down. The Captain had stated to Col. Andrews and then to Spencer that he was in favor of 99 years, but had said at the same time that the Directors would stand to the 50 year proposition. The Judge said that his information was that Mr. Spencer was debating the 30 years or the 50 years lease. When Alexander broke in with the 99 year opinion, Captain Alexander said that Spencer was not against a 50 years lease, but not with improvements. There was old ground covered about the \$130,000 improvements.

Did a majority of the directors prefer a 99 year lease? Capt. Alexander didn't know. Some of the directors thought it was better politics to make a 50 year proposition. If he had been going on politics he wouldn't make any lease at all. He thought the people might be thrown into a political furor—as they would not know the conditions—he took it as merely a business transaction. Didn't you represent the Governor? Yes, I was suggested by the Governor. I considered that I was as much bound to the humblest stockholder as I was to the directors on the part of the State (all these answers suggested by Judge Avery's rapid questions.) The four directors represented \$1,000,000. Weren't you a trustee for the \$3,000,000 stock held by the people? I was the president of the North Carolina Railroad, and was responsible to the humblest stockholder as well as to the State. The Judge insisted that he represented the people, but the president only modified this by saying he was president, also, of the North Carolina Railroad.

Grant: "We've gone along far enough on that line!"

Avery: "I am only trying to develop the subject."

Did you buy or sell any stock in the road between April and August?"

"Yes, sir; I bought ten shares which I own to-day."

Capt. Day reviewed the Hoffman meeting with the Captain refreshing his memory with the result that Hoffman asked him to put off the lease until 1901, but not, Capt. Alexander, thought, with reference to bidding, but Mr. Hoffman, he said, was describing how the country would grow in that time.

Then the East and West and North and South and permanent arrangements story was reviewed over the old ground, noting that it was nearer to Norfolk by Danville than through Raleigh. Col. Andrews didn't take the shorter route nor did he didn't want to leave Raleigh. (Laughter.)

Mr. Maxwell: "It was at the Hoffman interview; told what led up to it—the interview with Col. Andrews, etc., and insisted on Col. Andrews paying 8 per cent, which he said he would not recommend to the company. We reported to the Governor, who left it to our judgment, but insisted on at least 7 per cent. He told Editor Caldwell in Charlotte that he thought the lease would be for 99 years. He received a letter from Mr. Tompkins (a director of the Seaboard Air Line), asking the Hoffman conference, and Mr. Tompkins urged them not to make the lease. Hoffman was asked by Alexander to be made public. He said he couldn't. The Southern would run the road down on him—and then the Mocksville-Mooresville incident—all the while the lease was being made. He wanted to wait, and he thought if they waited for any possible bid from Hoffman, the road would be run down on them.

He advised some children not to sell, who were his clients (this after the lease was made), and they insisted on selling; he offered it to Mr. Pogram at 115, who would not give that, then he took it at 115 and sold it two days afterwards at the same figure.

In answer to Judge Avery: He didn't think the people were well informed about the lease, but that the press created a public sentiment against the lease. He did not consider himself bound to do anything else than what he thought to be best for their interests. He felt that the press were not representing the people. The arguments advanced by the press were answerable, and many of them were false. Judge Avery suggested that the people had a right to keep them from building a little \$300,000. Mr. Maxwell building a little \$900,000 connection. Mr. Maxwell thought some might want to exercise such a right and some might not; anyway he was afraid it might be built. As to counsel, there was present Mr. Leslie Ryan, assistant general counsel of the Southern Railway, headquarters in Washington.

He went into net and gross receipts, estimating 60 per cent for expenses; he didn't know that the gross receipts were \$6,400 per mile; didn't they report the North Carolina as the least profitable? Mr. Maxwell thought not. The Judge said they made that report in 1896. Did he not know that \$367,000 net was all the profit reported in 1896, and Mr. Turner reported in 1871, \$240,000 net. He did not. He had always heard that the Smith lease was a magnificent trade. Ought you not to have inquired what was their net profit? He had heard they paid an 8 per cent mortgage with a 6 per cent dividend, but of this, in answer, he said he knew nothing. The chairman got restless again, and said they were threshing old straw. Judge Avery was sorry he was the only unfortunate, and asked not to be interrupted.

Captain Day asked could Mr. Hoffman have bid under the circumstances. Mr. Maxwell did not think Mr. Hoffman was in a position to bid intelligently.

Here Grant announced that the committee would meet to-day at noon, be in session two hours, at which time the investigation would be at an end. This was received with exclamations of astonishment by those representing the anti-lease people. And so the "investigation" was stopped short, never to go again until two hours to-morrow.

WEEK MORE HOPEFUL

Dissolution of Steel-Rail Pool Helped Things Along.

OTHER THINGS GAINING

BUT LITTLE INCREASE IN DEMAND FOR COTTON GOODS.

INCREASE OF FAILURES 24

Prices Have Decreased in Wheat, Flour, Oats, Coffee, Cotton, Rosin and Turpentine—Bank Failures More Serious.

New York, Feb. 19.—R. G. Dun & Co's weekly review of trade to-morrow will say:

A large increase in the iron and steel business on account of covering eight to twelve months production of the largest works, a better demand for woolen goods and slightly better for cottons, a gain which may prove lasting in boots and shoes, slightly better prices for wheat, cotton, wool, iron, and money market well adapted to encourage liberal purchases against future improvement in business, have rendered the last week more hopeful than any other since early in November. The heavy excess of merchandise exports over imports in January, the continuance of exchange rates showing that Europe is still largely indebted to this country on current account and the prospect that Congress will adjourn without any distributing action, all have their favorable influence upon the money market and upon future undertakings.

In nearly every branch, the great iron and steel industry feels the upward impulse supplied by purchases of steel rails. Nearly all the great railroads of the country have seized the opportunity to supply themselves with rails for one or two years requirements.

Other industries are gaining also, though less conspicuously. The recent decline and subsequent rise in raw cotton have not materially affected the manufacture, which is gradually getting rid of its accumulated surplus, though there seems to be but little increase as yet in the demand for goods.

The heavy exports in January, following the unprecedented excess of exports over imports of merchandise in the four previous months, are largely due to the fact that neither the wheat nor the cotton markets have been materially controlled by speculation. Wheat dropped to 80.75 cents, but rose to 82.25 cents, with no important impulse except the conviction that recent prices have been low enough. The Atlantic exports, flour included, were only 1,235,375 bushels for the week, against 1,510,304 last year, but for three weeks have been 5,000,471 bushels, against 5,448,429 last year. The Western receipts are still small for the week, only 1,507,845 bushels against 2,415,568 last year, and for the past three weeks only 4,099,240 bushels, against 8,228,771 last year. Meanwhile the Western receipts of corn have been well high double last year's, and for three weeks the Atlantic exports have been 6,317,214 bushels, against 3,274,809 last year. Evidently this movement is displacing many million bushels of wheat in foreign consumption.

Failures for the past week have been 306 in the United States, against 289 last year, and 58 in Canada, against 66 last year.

BRADSTREETS REVIEW.

New York, Feb. 19.—Bradstreets to-morrow will say:

General trade shows more improvement, features of which are the advances for Bessemer pig iron, steel billets, steel rails, some grades of wool, raw sugar, Indian corn, pork and lard, and for print cloths, with an upward tendency for leather, together with a number of metal and textile industrial establishments which have re-opened within the week and an improvement in recent railway earnings.

Among more important staples for which prices have decreased are wheat, flour, oats, coffee, cotton, rosin and turpentine. The unexpected weakness in wheat and wheat flour prices forms the best evidence of the lack of confidence by the trade and general public in official reports of the size of the domestic wheat crop last year.

Total business failures throughout the country have increased, numbering 325 this week, compared with 301 last week, 276 in the third week of February, 1896, 327 in the like week of 1895, 235 in the corresponding period in 1894 and 202 in the like week of 1893. There were 197 suspensions and failures of banks, bankers and loan and trust companies in the United States, as reported to Bradstreets last year, compared with 135 in 1895, only 89 in 1894 and contrasted with 698 in the panic year 1893, when the total of estimated liabilities amounting to more than \$170,000,000 than total indicated assets.

Only one third the number of banks (National, State, Savings, Private and Trust Companies) failed or suspended last year that were reported embarrassed in 1893, and the reduction in total estimated liabilities was in the same proportion. But that such embarrassments were in one sense more serious in 1896 than in 1893 is plain, as total indicated assets of embarrassed banks in 1896 were \$9,000,000 smaller than the total estimated liabilities.

We understand that the directors of the Atlantic and North Carolina Railroad, at their recent meeting in Goldsboro, declared a dividend of 1 per cent, which makes 5 per cent this year. The treasury of Lenoir county will be helped out \$500 by this dividend.—Kinston Free Press.