

LOCAL MISCELLANY.

RAILWAY AFFAIRS.

DECLARATION OF A DIVIDEND BY THE CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY—RUMORS REGARDING THE COMPANY.

A meeting of the Board of Directors of the Chicago, Milwaukee and St. Paul Railway Company was held yesterday afternoon at the offices of the company, No. 68 William street, Mr. Alexander Mitchell, the President, in the chair. The meeting lasted for over an hour, and at its conclusion it was learned that the board had declared a dividend of fourteen per cent. on the preferred stock of the company, seven per cent. on the net earnings of 1874, and seven per cent. on the net earnings of the road in 1875. This dividend is payable on April 10 in the consolidated sinking fund bonds of the company. It was rumored on the "street" that proceedings had been commenced in the courts by David M. Hughes, the Trustee, to enjoin the company from paying the dividend. The ground for this action was stated to be that the company was indebted to the sinking fund for nearly \$1,000,000, and that its purpose was, as above stated, to prevent the payment of any dividend until that claim was satisfied.

Mr. Hughes is at present in Europe, and for the purpose of learning whether or not there was any foundation for the rumor, a TIMES reporter last evening visited Mr. N. A. Cowdrey, one of Mr. Hughes' counsel. He stated that the Milwaukee and St. Paul Railway Company in 1864 borrowed \$1,500,000 from various parties, which loan they secured by a mortgage to David M. Hughes, Trustee. In and by this mortgage they established a sinking fund for the payment of the debt, pledging as security the earnings of the elevators. These earnings have been about one million five hundred thousand dollars since 1864, but the company has only paid about four hundred thousand dollars toward the liquidation of the debt, leaving a deficit of about nine hundred thousand dollars, for the collection of which a suit is now pending in the Circuit Court of the United States. The owners of this \$900,000 debt could by proper proceedings in this suit prevent the payment of any dividend until the debt is liquidated, but it is not at present known whether or not they will take any such action. It was rumored that this company was about to make some lease or occupation arrangement with the Milwaukee Northern Railroad, a bankrupt concern in which some of the Directors of the Milwaukee and St. Paul are largely interested.

The name of Russel Sage having been connected with the rumor, he was also visited, and he said that the fact, as stated, that he was the complainant, was utterly false. Regarding the rumored arrangements with the Milwaukee Northern road, he said he should be very sorry to hear of any such action being taken by the Milwaukee and St. Paul road.

Mr. Alexander Mitchell, the President of the road, said that he had grave doubts of any such proceedings being taken. He considered the matter a stock-jobbing operation throughout, and if an injunction was obtained it would be at once removed. The company intend to pay every dollar of the mortgage and had nothing to fear. There was not a shadow of foundation for the rumor that the leasing or purchasing of the Milwaukee Northern Railroad was being talked of, and it was equally untrue that any of the Directors were largely interested in that road.