saries arising during the voyage after the vessel left Brazil, as well as the port expenses here and the charges attending delivery of cargo and collecting the freights; the seamen's wages, as I understand, having already been paid.

Should there be any residue remaining after the above claims are paid, the general liens in favor of Brown Bros. & Co. and of Huntington and Pratt & Co., under the express contract and the understanding of the parties, take precedence of the claims of the mortgagee and receiver, according to the decision in the cases against the freights of the Kate, etc. These liens will be more than sufficient to exhaust the residue of the fund; and they will divide the residue pro rata, according to the whole amounts remaining unpaid upon each.

An order of reference may be taken to adjust the amounts, if not agreed on.

THE SAMUEL MORRIS.

PELLY et al. v. THE SAMUEL MORRIS.

THREE OTHER CASES v. SAME.

(District Court, E. D. New York. September 11, 1894.)

MARITIME LIENS—PRIORITY.

Claims having accrued within 40 days *held* to take priority in payment over older claims, in the apportionment of the proceeds of a vessel. The Proceeds of the Gratitude, 42 Fed. 299, followed.

Apportionment of the Proceeds of the Sale of the Vessel.

Peter S. Carter, for Pelly and Stanwood.
Alexander & Ash, for Greason and others.
Benedict & Benedict, for Palmer.

BENEDICT, District Judge. These cases come before the court on the question of apportionment of the proceeds of the sale of the vessel. The amount in court is $848.26. The claims amount to $1,848. The first libel was filed on July 2, 1894. Of the claims, the claim of Greason, for $125.80, and that of Palmer, $54.40, accrued within 40 days from the time of the filing of the libel. All the other claims arose between July, 1893, and May 1, 1894. The question is whether the rule applied by Judge Brown in the case of The Proceeds of The Gratitude, 42 Fed. 299, shall be applied in a case like this, according to which rule claims having accrued within 40 days take priority in payment over older claims. The rule laid down in the case of the Gratitude seems to be a very proper rule, and I see no reason why it should not be applied in a case like this. Accordingly the order will be that Greason and Palmer be paid first in the distribution of the proceeds.

UNITED STATES TRUST CO. OF NEW YORK v. OMAHA & ST. L. RY. CO.

(Circuit Court, S. D. Iowa, W. D. October 11, 1894.)

1. RAILROAD IN RECEIVER'S HANDS—REDUCTION OF WAGES.
Where a receiver petitions for a reduction of employés' wages, the employés concerned should be notified, and accorded a hearing.

2. SAME.
Where the wages paid to faithful and competent employés of a railroad in the hands of a receiver are not shown to be excessive for the labor performed, and are not higher than the wages paid to like employés on other lines of similar character, operated under like conditions through the same country, the court will not, against the protest of its said employés, reduce their wages because of inability of the railroad to pay dividends or interest, even though present opportunity exists for securing other employés for less wages.

3. MASTER'S REPORT—HOW FAR CONCLUSIVE.
The master's conclusions on such petition are of fact, and are not necessarily to be accepted by the court.

This was a suit by the United States Trust Company of New York against the Omaha & St. Louis Railway Company, in which J. F. Barnard was appointed receiver. He thereafter petitioned for the reduction of wages of employés, and the matter was referred to a master in chancery, who recommended such reduction. The matter now comes before the court on exceptions to the master's report.

Theodore Sheldon, for the receiver.
J. J. Halligan, for employés excepting.

WOOLSON, District Judge. The Omaha & St. Louis Railway Company is the owner of a line of railway extending from Council Bluffs, in the state of Iowa, to Pattonsburg, in the state of Missouri, —a distance of 136 miles. This line of road was in former years leased by, and operated as a part of, the Wabash system, but since the year 1887 has been operated by its owners. It is unnecessary, for the purposes of this hearing, to state the changes heretofore had in the ownership of this line. Since the line was taken out of the Wabash system, it has been operated in close connection with that system, under traffic arrangements, and serves as the Council Bluffs extension of that system. On petition duly presented to this court, J. F. Barnard was on June 22, 1893, appointed receiver of this line of road, and yet continues in that capacity. In May, 1894, a petition was presented to this court by the receiver, recommending certain reductions in rates of pay of different classes of employés, and requesting the court to take action thereon. The receiver has also reported to this court his inability, after full attempt had, to agree with said employés on a reduced schedule of wages. The court, accordingly, by its order of July 16, 1894, referred the hearing of the matter to Hon. L. W. Ross, one of the standing masters in chancery of this court, and directed him to take proofs upon said petition of said receiver, and also as to what wages are now being paid on other lines of similar character, operated under like conditions