

CURRENT TOPICS

A NEWSPAPER dispatch from St. Paul, Minn., says: "Attorney General Edward T. Young of Minnesota was adjudged in contempt of court by Judge Lochren in the United States district court today and fined \$100, which he refused to pay. An appeal to the United States supreme court will be taken in the form of an application for a writ of habeas corpus, as Mr. Young has been remanded to the custody of the United States marshal, and the question of whether the United States court has the right to enjoin a state from enforcing its own laws will thus be finally disposed of. The question involved is whether an officer of a sovereign state can be sued. It came up in the attempt to enforce the commodity freight rate law enacted by the last legislature. Judge Lochren enjoined Attorney General Young from enforcing the law and included the state railroad and warehouse commission and many shippers. Thereupon Attorney General Young brought mandamus proceedings in the county court to compel the railroads to revise their rates, according to the state law."

AN INTERESTING dispatch under date of Lincoln, Neb., is printed in the Omaha World-Herald: "A number of republican governors who accompanied President Roosevelt on the trip down the Ohio recently came in for a severe curtain lecture en route. The lecture was administered by the president himself and was the plain, blunt expression of a plain, blunt man. Among the governors who were called in by the president and made to face the music was George L. Sheldon of Nebraska. In consequence, Sheldon's fighting blood is up and it is even rumored that he may call a special session of the legislature to make suitable and forcible response to the presidential rebuke. For the point on which the president lectured the governors was the question of state's rights and centralization. The president told the state executives that they were 'way off' on 'this state's rights business.' He told them the time is at hand when the federal government must take over the exclusive control of railroads and all other big corporations. He told them the republican party must declare for this policy. He told them when they opposed it and permitted their republican followers in their respective states to oppose it they were merely contributing aid and comfort to the democratic enemy. The president was especially severe with Sheldon, it is learned. Sheldon, according to report, frankly admitted that he himself was responsible for the 'state's rights' plank of the Nebraska republican platform. Roosevelt was first astonished, then angry. He spoke with unusual vehemence, even for him, and Sheldon was at first overwhelmed by the torrent of executive wrath. Finally, however, Sheldon got his courage back and spoke plainly to the president. He told him that ninety-nine Nebraska republicans out of every one hundred stand squarely for the rights of the state to administer its own affairs without federal interference. He asserted that should the Nebraska republicans declare in favor of federal regulation at the expense of the states it would not only put Nebraska surely in the democratic column, but would make every state between the Rockies and the Alleghanies either doubtful or surely democratic. There was something of a strained feeling when the conference broke up. Other governors had a similar experience. It is asserted, in short, that every republican governor was summoned into private conference by the president and had to face the demand that he support the Roosevelt centralization doctrine."

THE KNICKERBOCKER Trust company of New York City stopped paying money to depositors at 12:30 October 22. There had been a run on the bank. The Trust company held deposits of \$60,000,000. An Associated Press dispatch says: "Excitement amounting almost to alarm marked the opening of the business today in Wall Street. The stock market opened demoralized under heavy selling by brokers in all departments of the exchange, and at the same moment a run of considerable proportions

was being made on the various offices of the Knickerbocker Trust company. At the main office, Fifth avenue and Thirty-fourth street, more than 150 persons were in line at 10:30, and there was a line of carriages in waiting extending for more than a block. Many depositors came in carriages and the carriage line extended for over a block from the bank. There was a short run on the Bronx branch of the Knickerbocker Trust company, when it opened for business. It was promptly stopped by the arrival of two wagons from which were unloaded, in view of the waiting depositors, big bundles of specie and currency. There was a steady flow of depositors to withdraw deposits from the down town office of the Knickerbocker Trust company, and despite the rapidity with which claims were paid, there were more than 175 persons standing in line at 10:30 o'clock."

FOR SEVERAL days nervousness has marked the actions of Wall Street. The embarrassments that came to the Heinze family, the drop in copper, the failure of the big bank at Hamburg, Germany, and the forced retirement of one of the Heinzes from a New York national bank, all contributed to the disturbance. An Associated Press dispatch of the day says: "The news printed today that the National Bank of Commerce yesterday gave notice that it would decline any longer to act as clearing house agent for the Knickerbocker Trust company and the resignation of Charles T. Barney of the presidency of the institution, served to unsettle sentiment more than the Morse-Heinze developments of last week. The magnitude of business transacted by the Knickerbocker Trust company, with its deposits amounting to more than \$60,000,000, gave a much more serious aspect to the changes made in its management than did the changes in the relatively smaller Morse-Heinze concern. The announcement of Mr. Barney's resignation was followed by a series of conferences of financial men at Sherry's, which lasted until nearly 2 o'clock this morning. Among those present were J. Pierpont Morgan and his partners, George W. Perkins and Charles Steele, Mr. Morgan taking a leading part in the discussion."

THIS STATEMENT was given out by a committee of the directors of the Knickerbocker Trust company: "In view of the fact that Mr. Barney's financial interests had become greatly extended, and in view of his personal position in the directorate of certain institutions recently under criticism, in particular because of his position with Mr. Morse and some of Mr. Morse's companies, he has decided that the best interests of the company would be served by his resignation, although he had no loans with the Knickerbocker trust company. He has resigned as president of the trust company, and will resign as a director. He will also resign as a director of the National Bank of Commerce, which was the clearing house agent of the Knickerbocker Trust company. In view of the fact that the Knickerbocker company will hereafter clear by itself it was deemed advisable to obtain guarantees of additional cash should it be needed. These guarantees have been used and the Knickerbocker will be amply ready to meet any requirements that may grow out of the changes of methods of the clearing house. The Knickerbocker has \$8,000,000 cash in its own vaults. If more cash is needed it will be immediately available under the guarantees. The meeting of the trust company presidents was largely for the purpose of outlining a plan for a clearing house of trust companies similar to the clearing house of banks. This will enable all trust companies to stand together."

THE EVENTS of the day were briefly presented by the Associated Press in this way: "Knickerbocker Trust company of New York closed its doors under a run at 12:30 today. It has deposits of \$60,000,000. The New York clearing house committee announced the following debit balance of banks today: Mercantile National bank \$454,000; National Bank of

North American, \$543,000; National Bank of New Amsterdam, \$340,000; the Mechanics' and Traders' National bank, \$335,000; National Bank of Commerce, \$7,000,000. It was announced that the clearing house committee had rendered assistance today to the Mercantile National bank. It was stated that the large debit balance of the National Bank of Commerce represented the clearances of the Knickerbocker Trust company. It is understood at Washington that Secretary of the Treasury Cortelyou has ordered the distribution of \$6,000,000 among the banks of New York. The stock market slumped violently. At 12:35 Union Pacific was 110, a loss of 7%. Call money at 12:35 was fifty per cent. American securities were weak at London. Grain markets weak on the New York situation. Comptroller of the Currency Ridgeley says condition of the banks generally in the country is sound and no cause for alarm. Bankers in Omaha, Chicago, Denver, Kansas City and other places say they will not be affected by conditions in New York."

SPEAKING AT Nashville, Tenn., on the day of the panic President Roosevelt said: "There has been trouble in the stock market, in the high financial world, during the past few months. The statement has frequently been made that the policies for which I stand are responsible for that trouble. Now, gentlemen, these policies of mine can be summed up in one sentence. They represent the effort to punish successful dishonesty. I doubt if these policies have had any material effect in bringing about the present trouble, but if they have, it will not alter my determination that for the remaining sixteen months of my term these policies shall be persevered in. If to arouse that type of civic manhood in our nation it were necessary to suffer any temporary commercial depression, I should consider the cost but small. All we have done has been to unearth the wrongdoing. It was not the fact that it was unearthed that did the damage. All I did was to turn on the light. I am responsible for turning on the light, but I am not responsible for what the light showed. It is impossible to cut out a cancer without making the patient feel for a few days rather sicker than he felt before. No material well-being will save this nation if it loses the lift toward higher things. I will permit neither the demagogue upon one side nor the reactionary on the other to drive me away from the course of policy which I regard most vital for the well being of this nation. And the thing most important to remember is that that policy has two sides. It would indeed be an evil day for this nation if it were ever permitted to grow up a spirit which would discriminate against the honest man who achieved business success. There is nothing meaner than the hatred of the man who prospers honestly, simply because he has prospered, and I challenge the spirit of every good American when I say that the honest railroad, the honest banker, and the honest business man is the man who makes a fortune because his exceptional business ability enables him to render exceptional service to the community. If ever there should be any temporary gusts of popular feeling that demand what is wrong, what is unrighteous, then the true servant of the people is the man who disregards that temporary wish of the people to do evil. No man will stand more strongly than I will in the defense of property, so long as it is honestly acquired, and honestly used."

WEDNESDAY, October 23, was another desperate day in Wall Street. New York superintendent of banks took control of the Knickerbocker Trust company. A big run was made on the Trust Company of America in New York City, but that company met all demands. J. Pierpont Morgan and James Stillman took personal charge of the financial situation and Secretary of the Treasury Cortelyou made \$10,000,000 deposits in local banks, government money. The Pittsburg stock exchange closed for the day, the president thereof issuing this statement: "The Security Investment company finds itself involved. This will necessitate a tem-