

CURRENT TOPICS

BY WHAT the Associated Press calls "an overwhelming vote and without party distinction" the house of representatives on February 5 sustained the committee on appropriations in again reporting a provision in the sundry civil appropriation bill, restricting the operations of the secret service detectives of the treasury department. The president was scathingly denounced by Mr. Cook, republican (Colo.), while Mr. Smith, republican (Ia.), a member of the appropriation committee and one of those named by the president in his message of January 4 last, as being responsible for the secret service limitation, seemingly employed all the invective at his command in an attack on that service. He compared the secret service detectives with "common liars," declared them to be worthless and pointed to the assassination of President McKinley as a sample of the watchfulness and capacity of those men, one of whom, he said, stood at the president's side when he was shot down and failed to observe the approach of the assassin with his supposedly bandaged hand in full view.

REPRESENTATIVE Cook, republican, of Colorado, said: "President Roosevelt seems to think that he alone is the government, and that his ipse dixit must rule everybody, including the poor and friendless black soldiers of Brownsville, who were insulted, dismissed and degraded without proof or trial, by executive order and without any warrant of reason or law. President Roosevelt runs the government on the same principle that the beef trust runs its sausage factory, from a personal standpoint, using executive and judicial pork as the crude material in his fantastical administration. While imitating Rienzi and Cromwell in fooling the people, he is practicing the hypocrisy and dictatorship of Cleon and Dionysius, and has built up a Roosevelt ring in the army, navy and civil service, all for his personal and political glory, supreme in his impudence, vanity, arrogance and imperial egotism. His veto messages are made from the impulse and ignorant information of his cabinet clerks, and the vacillating attorney general is a weak legal reed of the rough riders' dependence, who even recently gave a false statement to the president upon the joint resolution passed by congress, determining the question of the boundary line between Colorado and Oklahoma and the territory of New Mexico."

WRITING TO the Chicago Banker, issue of February 13, John Schuette, president of the Manitowoc Savings Bank, Manitowoc, Wis., says: "The Aldrich-Vreeland bill will disclose to any one looking sharp that it has 'a nigger in the wood pile.' When this bill was under consideration, and even after it was passed, nearly all believed that only the emergency currency which might be issued under it could be secured by United States bonds or other securities, and that the security against the old national bank notes would remain unchanged, so that we would have two kinds of bank notes, the old, secured by United States bonds exclusively, and the new emergency notes, secured by United States bonds or other securities. 'Other securities,' as defined in the act, may consist of state, municipal, railroad bonds, or commercial notes. This, then, is the general acceptance of the provisions of the Aldrich-Vreeland act; but now let me explain how it is entirely different. The leading spirits in securing this legislation realized that the emergency currency, the security of which might be questioned, as it might consist mainly of commercial notes, would not be accepted by the public as quite as safe as the United States bond secured notes, and to make all alike in the eyes of the people, they lowered the security of the old national bank note to the lower level of emergency bank note, and this was accomplished by an amendment to the national bank act, which only required the adding of three words, 'or other security,' after the words 'United States bonds.' Since the passage of the Aldrich-Vreeland act, all national bank notes printed by the government state

upon their face, 'secured by United States bonds or other securities.' Since then, not a dollar of emergency currency has been issued, while many of the new notes have been issued to banks in exchange for mutilated bills; and such bills, although secured by no other security than United States bonds, state on their face, 'secured by United States bonds or other securities;' this really is a deception. I can not see any reason for this but a bad one, and that is to prepare the way for asset currency. While an emergency currency act might have been drawn to give some relief in a money stringency, the Aldrich-Vreeland act has actually done harm in that it depreciates all our national currency. Before this act was passed, all knew that the national bank note was secured by United States bonds, exclusively, deposited with the United States treasurer, as this was plainly printed on their face. But when they now find that this has been changed to read, 'secured by United States bonds or other securities' and the line 'deposited with the United States treasurer' left out, it is a serious question whether the people will not lose their unbounded confidence in our currency, as soon as they will get acquainted with the real meaning of the act. Although some may not be greatly alarmed by this, yet you can not convince the people that railroad bonds or commercial notes are as safe as United States bonds, especially in a panic. I fear that as soon as the real character of the fact is generally known, and we have a financial crisis, the Gresham law will begin to operate, which means that the depositors will draw gold and hoard it, instead of national bank notes, which would be far more serious. As this act is deceptive, misleading, and may undermine the confidence in our whole currency, therefore it ought to be repealed at the earliest moment."

SOME IDEA of steel rail consumption is given by the Wall Street Journal in this way: "It is estimated that the rail mills of the United States now have a capacity of 4,500,000 tons a year, including the Gary plant, which is now in course of construction. Manufacturers began adding to their capacity two years ago, as they believed the railroad construction under way would require a larger tonnage than the country could produce. Then the panic came and half the rail mills of the country have been idle for over a year. Many rail manufacturers figure that the average life of the steel rail is ten years, and in consequence the rail mills of the country today do not represent overproduction. It is remarkable, however, what a small tonnage of rails the railroads can get along with in periods of depression. As an illustration, the production of rails this year will not be greatly in excess of 1,800,000 tons, against a capacity of at least 4,500,000 tons. The falling off in consumption this year would seem to indicate that many railroads were badly in need of steel rails, but there has been no evidence that a great buying movement is under way. The Pennsylvania railroad ordered 135,000 tons of rails, for delivery next year, which is between 50,000 and 75,000 tons below the average annual consumption of this road. The recent Pennsylvania order would keep the rail mills of the country in operation for fourteen days, which is a striking illustration of the great tonnage of rails this country can produce. The cost of producing steel rails has been going upward for the last ten years. The new specifications of the railroads have added at least a dollar a ton to the cost. Should this increase in operating costs continue, an increase rather than a decrease in price of rails can be looked for, providing it costs \$21.50 a ton to produce steel rails, as testified before the ways and means committee."

STOCKS ON Wall Street suffered severely February 23. The New York World says: "Five hours on the New York stock exchange blotted out millions, tens of millions, even hundreds of millions, yesterday. It was Wall Street's way of showing its respect for the cut-price war now going on in the steel trade and officially declared on Friday last by Elbert H.

Gary, chairman of the board of the United States Steel corporation. Not since the panic days of October, 1907, did prices melt away as they did yesterday. At times, particularly in the closing half hour, there was demoralization complete and effective. Speculators who could not replenish exhausted margins instantly saw their stocks dumped overboard and slaughtered at panic prices. It was one of those days in Wall Street when nothing but money counted—friendships between broker and customer were cast to the winds. The customer had to produce more margins or he was sold out. Brokers simply put out orders in advance to sell at certain prices, and the specialists in whose hands the orders were placed, took no chances and threw out the stocks. There were 1,586,800 shares sold, or property approximately worth the stupendous sum of \$158,680,000."

SOME IDEA of how stocks crumpled in the Wall Street slump may be obtained from the following statement showing the conspicuous losses suffered by the owners of certain stocks:

	Amount	Net Loss	Loss to
		in Day.	Stockh'rs.
Steel Common...	\$508,302,500	4%	\$24,144,368
Read. Com....	70,000,000	10%	7,150,000
N. Y. Cent....	178,632,000	4%	8,708,310
Mo. Pacific....	67,817,875	3%	2,529,076
Union Pacific..	195,489,900	3%	7,575,233
Amal. Copper..	153,887,900	4%	6,924,735
Am. Smelter...	50,000,000	4	2,000,000
Am. Sugar....	45,000,000	3%	1,631,250
Penn. R. R....	314,549,650	2%	7,470,553

A NEW YORK special to the Denver News says: "The stage is set for a battle of the giants in the steel trade. The Morgan interests are determined to prevent reduction of the tariff on steel and incidentally to crush out the foreign business in this country. In order to accomplish his purpose it is believed in Wall Street that Morgan will, if necessary, precipitate a financial stringency more severe than that of the fall of 1907. That flurry enabled him to gather in, with the permission of President Roosevelt, Tennessee Coal and Iron. The facts concerning that transaction were laid before the country today through the report of the sub-committee of the senate committee named to investigate the setting aside of the laws and constitution by the president of the United States. Of course, the independents will fight Morgan, but how long they can hold out is problematical. The one fact accepted by all is that the business world will be severely shaken while the king of Wall Street is laboring to gratify his selfish ambition."

THE LONDON Daily Mail prints this bit of news via Pittsburg, U. S. A.: "A general overhauling of the picture galleries of wealthy collectors in Pittsburg is now proceeding, and connoisseurs from both east and west are inspecting the paintings to see how many of them are 'fakes.' The fact that Mr. James B. Laughlin was recently found to have paid \$9,500 for a \$30 painting has caused great excitement among the iron and steel kings interested in art. The Laughlin case, in which the dealer was forced to refund the money on exposure, is not the first case of this kind. There has been started among the rich people of Pittsburg, who claim they are imposed upon, a sort of black-list of dealers who have charged exorbitant prices or sold 'fake' goods at first-class rates. This list is said to contain the names of more than a score of New York dealers and fully as many in London and Paris. Within the past year a prominent Pittsburg man arranged to buy a picture abroad for \$25,000, but found before delivery that the 'work of an old master' had been made in New York and shipped abroad for his benefit. Some Pittsburg men declare there is collusion between certain art dealers in New York and London and Paris dealers, their one object being apparently to fleece Pittsburgers."