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## THREE CHICAGO BANKS FORCED TO WIND UP

Other Banks Come to Rescue and Depositors Lose Nothing

JOHN R. WALSH WAS  
HEAD OF ALL THREE

Difficulties Attributed to Large Loans to Railroad, Coal Mining and Other Private Enterprises Controlled by Mr. Walsh—Conference of Officials in Session from 8 o'clock Saturday Morning Till Five This Morning.

(By the Associated Press.)  
Chicago, Dec. 18.—Action has been taken by the controller of the currency, William B. Riggely, that will compel the three large financial institutions, the Chicago National Bank, the Home Savings Bank and the Equitable Trust Company, dominated by John R. Walsh, of this city, to wind up their affairs.

The other national banks of the city have come to the rescue and it is declared on the authority of the clearing house association, the controller and also officers of the Chicago National Bank that not a single depositor will lose a cent.

The difficulties of the three banks, which are practically branches of the same institution, are attributed by the controller of the currency to the large loans made by the Chicago National Bank to the railroad, coal mining and other private enterprises controlled by Mr. Walsh.

Some time ago the controller called the attention of the officers of the bank to the fact that they were making loans to the enterprises of Mr. Walsh which in his opinion were too large for the safety of the institution.

Repeated promises were made that the situation should be relieved, but no action satisfactory to the controller was taken. Three days ago he came to Chicago for the purpose of making an investigation into the affairs of the three banks, and found them in such a condition that he judged immediate action to be necessary. Some trifling delay had ensued because of the inability of Mr. Riggely to meet the officers of the bank and officials of the state auditor's office. The fact that the Home Savings Bank and Equitable Trust Company are under state supervision made the presence of the latter official necessary.

**The Meeting.**  
Officials of the different Chicago banks were sent for, and a meeting was called to order in the office of President Morgan of the First National Bank at 8 o'clock yesterday and was in session until 5 o'clock this morning.

A careful canvass of the situation revealed that the Chicago National Bank has deposits to the extent of \$4,000,000 divided among 8,000 depositors. The liabilities of the two banks and the Equitable Trust Company were roughly estimated at \$36,000,000. The assets of the three institutions made up about \$20,000,000 of this amount and the directors and officials of the Chicago National Bank came to the front with securities amounting to about \$30,000,000 more. This left a deficit of about \$3,000,000 to be faced and Chicago banks represented at the meeting declared at once that they would meet the situation and care for the deficit. If it proved necessary to advance any more than \$3,000,000 to meet all demands the banks pledged themselves to make up the amount whatever it might be.

The great difficulty confronting the bankers in the meeting was to arrange a legal settlement of the case in the pitifully short time at their disposal before the hour of commencing business this morning. It was finally arranged that in addition to winding up the affairs of the three financial institutions the allied bankers should take all of Mr. Walsh's private enterprises including his coal mines and railroads and stone quarries.

**The Statement.**  
At the close of the meeting this morning the following statement was issued by the Chicago clearing house association:

"The Chicago National Bank, the Home Savings Bank and the Equitable Trust Company, which have been controlled, officered and managed by John R. Walsh and his associates, have concluded to wind up their affairs and quit business in the city of Chicago. After a thorough examination of their affairs by the Chicago clearing house banks, it is stated that all of the depositors of these institutions will be paid in full upon demand, the Chicago clearing banks having pledged themselves to this result."

The difficulty with the institutions has been that these investments have been made in assets connected with

the railway and coal enterprises of John R. Walsh. These assets were not immediately available to meet deposits and have been taken over on terms which will enable the three institutions to pay their depositors in full.

Mr. Riggely, controller of the currency, and Captain Hubank, of the officers department at Springfield, were seen and expressed themselves as greatly pleased at the action of the Chicago banks, and stated that it reflected great credit upon the associated banks of Chicago, as it indicated their ability to meet any emergency in a manner entirely satisfactory to the public.

The meeting at the Chicago Clearing House Association was begun Saturday at noon. Clerks were notified and fifty or more with the stenographers hurried to the First National Bank. Behind closed doors the clearing house association began its work of finding a way that might enable them to ride the financial sea in safety. That a panic would be likely to follow was the first thought of the committee. The resolutions were adopted and heads of other banks pledged themselves to give assistance. The amount involved in the failure would not be stated by the committee members. All information concerning the meeting of the committee was kept secret until 3 o'clock this morning, and a half hour later the association gave out the statement to the press.

Directors of different banks were in attendance, as were other bank officials from nearby cities. The names of the committee are: James B. Morgan, of the First National Bank, chairman; John J. Mitchell, president of the Illinois Trust and Savings Bank; Orson B. Smith, president of the Merchants Loan and Trust Company; James B. Eckels, president of the Commercial Bank; Ernest Hamill, president of the Corn Exchange National Bank.

In addition to the formal statement of the failure and announcement that the banks involved would not open their doors this morning the following announcement was made signed by the Clearing House Association.

**To the public:**  
"The depositors of the Chicago National Bank, Home Savings Bank, and the Equitable Trust Company are respectfully advised that their deposits will be fully paid on demand."

John R. Walsh, president of the failed institutions, was very busy at his residence this morning and declined to be disturbed when called upon over the telephone. His daughter, however, quoted Mr. Walsh as stating that all information concerning the failures, for the present at least, will be given out by the Clearing House Association.

**The Banks Condition.**  
The Chicago National Bank was organized in 1881, with an authorized capital of \$300,000 which was increased to \$500,000 in 1887 and \$1,000,000 in 1901. Its resources, according to the last statement filed with the controller of the currency were \$21,000,000 of which nearly \$11,000,000 was in loans and discounts, with \$4,000,000 of cash on hand. The individual deposits are about \$14,000,000 in individual accounts and \$2,000,000 due to other banks.

The Home Savings Bank was organized in 1897 with capitalization of \$100,000. It existed for many years as an independent institution and about twelve years ago became a part of the Chicago National Bank. It was primarily a savings institution. Its last report showed resources of \$4,230,000 for the most part in railroad and municipal bonds. The savings deposits aggregated \$3,963,000.

The Equitable Trust Company was started in 1887 to act as administrator, executor trustee and to receive and invest funds of every character. The capital stock is \$500,000 and the resources are \$4,612,000. The liabilities include \$2,707,583 of which amount \$454,300 are deposits in trust and \$200,000 in certificates of deposit.

The Chicago National Bank has been an active factor in local politics for several years and the enormous funds received from the taxation for the building and maintenance of the drainage canal have been a part of its deposits and have been available for investment by the bank. The change was recently made in the political complexion of the board and it was understood that these funds would not remain for long length of time as deposits on the Chicago National Bank. The impending withdrawal had much to do with the fear of other banks of a far-reaching collapse if they did not come to the aid of the weakened institutions.

The enterprises which are generally credited with being the indirect cause of the financial troubles of Mr. Walsh (Continued on Page Seven.)

## DOODGE GOT \$5,500 FROM HUMMEL

Changed Testimony When More Money Came

GOOD RAISE BROUGHT IT  
Money Was Sprinkled Over Three Months—At First He Said Summons Was Served, Finally He Changed Yes to No, When He Got a Final \$500.

(By the Associated Press.)  
New York, Dec. 18.—Charles F. Dodge, the former husband of Mrs. Charles W. Morse, was the first witness in the prosecution of Abraham A. Hummel, the lawyer who is charged with conspiracy to swindle Mrs. Morse's marriage in Mr. Morse. After Dodge had declared that his divorce from his former wife was illegal and the courts had set it aside, it was charged that he was kept in Texas by almost princely entertainment by persons interested in having his divorce declared void.

Dodge told of receiving \$5,500 in a period of three months from Hummel and men whom Hummel sent to him, and of changing his testimony after receiving this money about the facts in his original divorce case from Mrs. Morse. He testified that in New York City in 1893 he was served with a summons by a lawyer named Sweetser in Mr. Morse's original suit. He testified also that he retained Mortimer Ruger as his counsel in this case. Later when the validity of the divorce was questioned Edward M. Bracken met him in Georgia, telling Dodge that Hummel had sent him to say that he wanted Dodge in New York. Bracken handed me \$500 said Dodge.

On going to Hummel's office Dodge said, Hummel asked him whether he was served with the summons by Sweetser. Dodge said he answered yes. Later he said Mr. Hummel dictated an affidavit which the witness signed. He then went to Atlanta, Ga. In the following month he said he again returned to New York where he talked with Hummel about the divorce. Dodge testified that he signed another affidavit.

"Hummel then gave me five \$1,000 bills," he added. Once more in the next month Dodge said he was asked to come from Atlanta to New York, and this time at the office of the referee in the proceedings concerning his divorce from Mrs. Morse that he swore he had not been served with the summons by Sweetser and that Ruger was not his counsel.

"And after you had testified what happened?" Dodge was asked. "I went back to Hummel's office and was there given \$500. After getting the money I returned to the south." In addition to the \$500 Dodge said he was getting \$50 a day expenses. Later Dodge testified that the first affidavit made by Hummel and signed by him was to the effect that he had never retained Ruger nor been served with the summons.

"You swore to other things that were false at the reference proceedings," he was asked by Delancy Nicoll, Mr. Hummel's attorney. "I did."

Dodge testified that after signing the second affidavit he made the following remark: "Before leaving Atlanta I told Bracken I wanted \$5,000 as a compensation. I thought there was something doing, so I might as well be in it."

Asked whether the money was given as expenses or to influence him to swear falsely, Dodge replied: "Well, I had got the money and I thought I was forced to swear falsely."

Dodge was then excused and Captain James T. Morse, the New England ship owner, took the witness stand. He is an uncle of Charles W. Morse, the husband of Mrs. Clemence Dodge Morse. Captain Morse said that in 1898 he came to New York to see Hummel.

"I made known my business to him," said Mr. Morse. "My nephew was married to Clemence Dodge. I told him that the family was very much distressed with him and I would like the matter of her divorce from Dodge looked into and see whether it was quite in order."

Afterward he said Hummel telephoned to him in Boston that the marriage was irregular and that he wanted \$15,000 retaining fee. Morse sent the money the next day.

## ESTATE LEFT TO CHARITIES

Conditional Gifts in Overby's Will

OWNED REAL ESTATE  
Property of W. H. Overby Left to Widow and Adopted Son, Who Dying Without Issue, All Goes to Orphanages, St. Luke's Home and R. W. U.

The will of the late W. Henry Overby, who died at his home near the State Hospital here last week, has been probated in the clerk of the court's office, and may mean a gift to every charity here.

Under this instrument if the widow survives she receives only the life time interest of the estate allowed by law, otherwise she and the adopted son get all the property during their lives, and if the son dies without issue then all the property, amounting, it is roughly guessed, to about \$100,000 or more, is to be divided among the orphanages and other charitable organizations.

Mr. Overby was a hard working, industrious man who by studious business methods and economy amassed a considerable property, mostly real estate. He had frequently told some of his friends during the past year that he wanted to do something for Raleigh charities when he died.

The will makes the widow executrix of the estate and leaves all the property to her and his adopted son, Charles Eugene, during their lives, conditioned as before stated. After the death of his wife and the death of his adopted son, without issue, the division is to be as follows: The personal property to the Catholic orphanage. Several houses and lots in Raleigh to St. Luke's Home. A farm in Swift Creek township to the Baptist University for Women. Two houses on South Hargett street to the Baptist orphanage at Thomasville. A store house on the corner of Hargett and Smithfield streets to the Methodist orphanage here. Any other property to the St. Luke's Home at Raleigh.

## TO STRIKE WEDNESDAY Tentative Decision of the Workmen's Council

Government's Note to Railroad Men Regarded as a Grim Warning—Revolutionary Editorial Declares Withe a Worthy Successor of Von Plehve.

(By the Associated Press.)  
St. Petersburg, Dec. 18.—2:30 p. m.—The revolutionary organizations are making feverish preparations to fight the government policy of repression. The new workmen's council representatives of other proletarian organizations and the league of leagues met secretly in the outskirts of St. Petersburg to-day and discussed ways and means until almost morning.

The great majority of the members favored immediate proclamation of the general strike which had been planned for January, but it was agreed that success depended on whether the railroad men would participate. It is understood that a tentative decision was arrived at to strike on Wednesday, provided the central committee at Moscow consents.

There is a division of sentiment in the ranks of railroad men, and the government has made a special effort to address the grievances, dredging above all things a suspension of traffic on the railroads which would make it impossible to transport troops. A railroad man said to the Associated Press to-day:

"We have had a majority of our demands granted, besides the people in the small towns along the railroad were so enraged at the last strike that they are likely to kill any railroad man they can catch in the event of another strike."

However, the government's note practically notifying the railroad men that if they strike the authorities will be unable to afford them protection is regarded as a grim warning that they will be abandoned to the mercies of the "black hand," and another note has been issued threatening them with "exceptional measures if the legal means do not suffice."

The revolutionary agitation is adding to the flames. The Russian, which appears under the name of Motreau (fame) to-day in a striking editorial (Concluded on page two.)

## FAILURES MADE WILD WORK

Wall Street Shocked by the News

CAME AT A BAD TIME  
The Acuteness of the Effect Produced Was Due to the Large Extension of Credits Known to Exist and the Comparatively Low State of Bank Reserves.

(By the Associated Press.)  
New York, Dec. 18.—The news of the insolvencies of the important Chicago trading institutions came with a great shock to Wall Street this morning, and convulsive liquidation of stocks made wild work with early quotations.

Opinion before the opening indulged a hope that the effects would be modified by the knowledge of steps taken by the clearing house banks to stand together and insure depositors against loss. But the opening of the market quickly disclosed a panicky condition, due to the throwing over of holdings of certain stocks for any price they would bring.

The acuteness of the effect produced was due to the very large extension of credits known to exist in every direction, and the comparatively low state of bank reserves, a condition which had been looked on with serenity so long as the soundness of the credits had no shadow on them.

The position being a delicate one, the shock to the stock market was severe. The persistent speculation which had been conducted there had ignored all the admonitions of high money rates and all conservative warnings to caution in operating. The speculative position as a consequence was found somewhat over extended.

The news had not reached London in time to affect prices of American greatly there, although prices were lower there in common with other securities before this market opened. The first sales of Amalgamated Copper reported on the tape were of 11,000 shares at prices all the way from 100 down to 93½, compared with 101 of the final price on Saturday. Of Union Pacific there was 18,000 shares sold at the opening at 142½ to 141½, compared with 144½ on Saturday. In Brooklyn Transit the range on 4,000 shares was from 88½ to 85½, compared with 90½ on Saturday. Besides these extreme cases there were losses all through the list ranging from 1 to 3 points. St. Paul, Reading, New York Central, Lead, and others of the recent speculative favorites being amongst the severe losers.

There was several plunges during the first few minutes and then determined supporting orders began to make themselves felt.

The market was enormously active during the greater part of the first hour, but by that time the liquidation had spent its fury and there were some wide recoveries. Amalgamated Copper rallied to 99½ and Improvements of 1 to 2 points were quite numerous.

The correspondents of the Chicago National Bank in this city include the First National Bank and the Phoenix National Bank. At the First National Bank it was said that the Chicago National Bank has a very large balance to its credit, and that the account was regarded as among the very best held by the local institution.

An official of the Phoenix National Bank said that the Chicago National Bank has a credit balance with it of more than \$250,000. Because of the similarity in names, representatives of the Equitable Trust Company here were somewhat embarrassed at the failure of the Chicago institutions, and issued a statement to the effect that the Equitable Trust Company of New York, has no connection with the Equitable Trust Company of Chicago.

The Walsh institutions were regarded here as political banks. Mr. Walsh was a familiar figure in this city, and it was known that he had been pressed for money during the year. The Chicago National Bank gave special attention to collections from out of town, while the Equitable Trust Company of Chicago was widely advertised as the only exclusively trust company in Chicago.

The direct cause of the failure of the Walsh institutions is attributed here to Walsh's activity in the affairs of the Southern Indiana Railway Company, which he controlled. This railroad traverses a district which is said to be rich in coal, marble and granite.

Not long ago, bankers report that Walsh tried to sell some \$50,000,000 or \$60,000,000 of bonds of this company for the purpose of extending the Southern Indiana Railroad into Illinois. His failure to sell these bonds was the cause of much comment here and at Chicago at the time.

## MEMBERS FLEE FROM SPEECHES

Canal Appropriation Bill to Conference

THE INSURANCE DEBATE  
Mr. Landis Speaks on His Bill Subjecting to Federal Control Insurance Companies Doing Business in District of Columbia, Territories and Possessions.

(By the Associated Press.)  
Washington, Dec. 18.—With a program of speech-making until Thursday many members of the House left for their homes Saturday and the attendance to-day on convening was small. The canal emergency appropriation bill was received from the Senate and read.

Mr. Hepburn explained at the request of Mr. Williams that the bonding provision in the bill was omitted, and that the other amendments were minor. He moved to send the bill to conference.

Mr. Williams pointed out that the bill still contained the provision to reimburse the treasury the amount appropriated from the sale of the bonds. If that had been omitted he should have moved to concur in the Senate amendments.

Mr. Bartlett, Georgia, said the testimony before the Senate committee had developed that Mr. Bishop was employed as a press agent at \$10,000 a year. He wished to know if this bill contained an amendment cutting down this salary. The reply was that the bill contained no such amendments. An attempt to make the Senate committee hearing a part of the record was blocked and the bill sent to conference with Mr. Hepburn (Iowa), Payne (New York), and Livingston (Georgia), as conferees.

The insurance debate was then begun. Mr. Frederick Landis, Indiana, being the first speaker. Mr. Landis said there were in this country ten million policy holders, twenty million policies and at least forty million people interested in insurance. The amount of insurance now in force, he said, was twelve billions of dollars.

There will be opposition to Federal control of more than one-fourth of the States. The benefits of Federal control, Mr. Landis believed, will be accomplished by the bill he has introduced. It subjects to Federal control all insurance companies doing business in the District of Columbia, the territories and insular possessions. Subject these corporations to national supervision, he said, and the eagle will keep the vulture from plucking the bodies of the dead.

## ARGUMENT IN POWERS CASE.

(By the Associated Press.)  
Washington, Dec. 18.—The Supreme Court of the United States granted leave to the State of Kentucky to file a petition for a writ of mandamus in the case of Caleb Powers, and made the rule returnable on January 15. The announcement was made at the same time that the motion to dismiss the case or affirm the decision of the Kentucky court of appeals would be considered after the hearing on the mandamus proceedings.

The order of the court will permit an argument in the case, and the understanding is that counsel on both sides will be heard. The State asks the court to direct the returning of decline. December, 1146; January, the question of jurisdiction then will be the only point for consideration.

## Companies Incorporated.

Two companies were incorporated to-day in the Secretary of State's office. They were Paoclet Hills Farm Company, of Lynn, Polk county, with \$5,000, subscribed by Henry Hedman and others, and the North Carolina Oil Company, of High Point, to deal in crude petroleum and its products, capital \$50,000, with W. N. Eggleston, of Baltimore; M. J. Whenn, of High Point, and other stockholders.

## Wells-Whitehead Loses.

(Special to The Evening Times.)  
Winston-Salem, N. C., Dec. 18.—The \$15,000 suit of the Winston Cigarette Machine Company vs. the Wells-Whitehead Cigarette Manufacturing Company, of Wilson, has been concluded. The jury allowed the plaintiffs \$211 for the building of a cigarette machine for exhibition and operation by defendants at the St. Louis Exposition, and \$7,093 for failure of defendants to make the exhibit according to contract. A motion for new trial was overruled and counsel for the Wells-Whitehead Company gave notice of appeal to the Supreme Court.

## MERCY SHOWN TO MRS. CLARK

Admitted Fraud to Get a U. S. Pension

ALTER MARRIAGE DATE  
Woman from Hertford County Court's Sympathy—Willie Dorthe Released. Wake Forest Negro Goes Free—Second Week of Federal Court Begun This Morning.

This morning in the Federal court Mrs. Laura J. Clark, a white woman of Hertford county, plead guilty of falsifying a certificate in order to secure a United States pension but the facts were such that Judge Purnell exercised mercy and permitted her to go free.

Mrs. Clark is apparently 35 or 40 years old, wears a simple brown gown and gave unmistakable evidence of having possessed some beauty in her youth. The government witnesses against her were Special Examiner Goethe, of the pension bureau, Pension Attorney Wells, of Washington, D. C., Register of Deeds Freeman and Clark of the Court House, of Hertford. Captain Boone has been clerk of that court for nearly twenty years.

The facts brought out were that Mrs. Clark, having applied for a pension, found that it was necessary for her to send a certificate of the date of her marriage. This she secured at the court house in Hertford and changed the date from 1862 to 1859, since pensions are not paid to widows who are married after 1860. Special Examiner Goethe was very lenient in his testimony though he said that when he confronted Mrs. Clark with the papers she confessed making the alteration and said that she knew she could not get a pension if she was married after 1860 but she did not remember the date of her wedding. It was also shown that Mrs. Clark was in destitute circumstances and her health was very poor. She was arrested in Norfolk on this charge and kept in the prison hospital two months before she was sent to Raleigh.

Mrs. Clark made the statement to the court that she did not know she had done wrong, she thought she was married in 1859 and the register of deeds had made a mistake. She changed the date.

Attorney Bridges, representing the woman, left her case entirely on the mercy of the court. Special Examiner Goethe was asked if he had recommendation to make. He replied that such a request had never been made to him before, but he would say that she seemed no fraud, the government was put to no expense in the matter, and the woman's condition moved his sympathies when he first called on her about this matter.

"It's a hard case to deal with; I leave it to your Honor," remarked District Attorney Skinner.

"I cannot see where any good to the public will be accomplished by punishing this woman," said Judge Purnell. "Let judgment be suspended."

## Wake Forest Negro Acquitted.

John Tucker, a Wake Forest negro, was accused of retailing since he bought some liquor for a party of negroes there. John said he made the purchase from the drug store on a prescription. In his argument of the case Col. J. C. L. Harris asserted that the government records showed that a few years ago a drug store at Wake Forest sold more liquor than any place in the county, the second largest seller being E. V. Denton, of Raleigh. Judge Purnell charged the jury that the Wake Forest drug store had a government license and it was necessary for the government to prove that Tucker derived some profit from the transaction or aided in an illicit sale. A verdict of not guilty was found by the jury.

## Willie Dorthe Released.

Willie Dorthe, a white boy of good appearance, was charged with breaking rural free delivery mail boxes. The case had twice been continued for the prosecution on account of the absence of two negro witnesses. Attorney V. H. Boyden said his client ought to be discharged and not held longer. Judge Purnell took this view, and entered a nol proi, discharging the prisoner.

Among other cases disposed of were S. Lanier, working at a mill, judgment suspended; Maude Adams and Bertha Brown, judgment suspended; Charles Harris, retailing, taxed with costs.

Lucy Jones, a negro woman of Raleigh, charged with retailing liquor, was acquitted by the jury. Tom Littlejohn was convicted of retailing.

The discovery was made to-day that a man, sentenced to 30 days in jail for retailing, had smuggled in some whiskey and was selling it, or offering it for sale to other prisoners, at 10 cents for two tablespoons full.