BANKS GO UNDER

Two Baltimore Institutions in Trouble.

BOTH BACKING RAILWAYS

Maryland Trust Unable to Sell Mexican Bonds.

UNION HAS A HEAVY RUN

Financial Leaders Are a Unit in Saying There Is No Danger of a Panic, if the People Do Not Lose Their Heads.

BALTIMORE, Oct. 19.—This has been a day of marked excitement and subdued anxiety in the financial and business circles of Baltimore. Luckily, a dozen reports well calculated to provoke a wholesale run on banks did not reach the great army of depositors through the city, thus giving ample time for conservative leaders of business to allay popular apprehension before it reached dangerous proportions.

The day began with the announcement of the failure of the Maryland Trust Company, and except to a few the news came as a bolt out of a clear sky, spreading consternation in all directions. To these few it was known that the trust company had long been struggling with "undigested securities;" that it had sustained heavy withdrawals of deposits, and that finally, on Saturday last, it had failed in its efforts to negotiate a $2,000,000 loan in London.

The suspension of the Union Trust Company, which happened at a late hour in the day, gave impetus to many baseless rumors as to other financial institutions, which might well have created a panic, had they been given currency early in the day. It was agreed among the leaders, and so given out, that there is nothing alarming in the general financial situation in this city, and the mere fact that temporary difficulties overtook one or two concerns is no reason why other perfectly solvent institutions should be regarded with suspicion. One of the most prominent bankers in Baltimore said:

All Depends Upon the People.

"It all depends upon how the people of Baltimore act. If they do not lose their heads the trouble will blow over in time and nobody will be hurt; but if they become panic-stricken, the consequence will be serious. This is a time to use calm judgment."

Allan McLane, third vice-president of the Maryland Trust Company, was appointed to take charge of the affairs of that company. Miles White, Jr., first vice-president of the Union Trust Company, was appointed receiver of that institution. Mr. McLane gave bond in the sum of $2,000,000, and Mr. White gave bond in the sum of $1,000,000.

The last statement of the Maryland Trust Company, issued on June 30, 1903, showed capital stock of $2,125,000, surplus of $2,437,500 and undivided profits of $677,-998. The company has demand and time deposits amounting to $5,773,817.

The Union Trust Company, at the close of business on March 31, 1903, had capital stock of $1,000,000, surplus of $250,000 and undivided profits of $159,687. It had deposits amounting to nearly $2,000,000.

The filing of the first applications for receivers for the embarrassed companies was followed by petitions for co-receivers for both companies. The total liabilities of the two companies exceed $10,000,000.

Cause of the Failures.

The cause of the Maryland Trust Company's failure was due, as set forth in the statement of Receiver McLane, to the investment of the assets of the company in Mexican Railway securities, which could not be marketed. The Union Trust Company failed because of a run on its banking department, about $150,000 having been withdrawn by depositors today, but the real troubles of the company had their origin in the organization of the South and Western Railway of Virginia, with a capitalization of about $11,000,000, was contemplated. The Union Company was the fiscal agent for the Virginia enterprise, just as the Maryland Company was the fiscal agent for the Mexican Railway.

Though these two failures followed each other closely, it can be stated on unquestioned authority that there was no connection whatever between the two. The Maryland Trust Company and the Union Trust Company were not jointly interested in any enterprise. Neither company managed trust estates. There have been other financial troubles in Baltimore recently involving first the City Trust & Banking Company and the Hammond Ice Company and William J. Middendorf & Co., but it is believed they were not in any manner forerunners of today's suspensions. J. A. Middendorf, speaking for his firm and J. L. Williams & Sons, of Richmond, said today:

"The difficulties of the Maryland Trust Company have no relationship to ours. Neither our firm nor Mr. Williams owes a dollar to the Maryland Trust Company, nor does that company owe us anything."

Among the alarming rumors afloat was one to the effect that the municipality of Baltimore had millions of its treasure realized from the Western Maryland Railroad involved in today's failures. Investigation proved, however, and the finance commissioners have so announced, that the city has only $300,000 invested with the Maryland Trust Company, and this is secured by three bonding companies of this city.

RAILROAD THAT CAUSED CRASH.

Extent of Vera Cruz Line Backed the Maryland Trust Company.

BALTIMORE, Oct. 19.—The Vera Cruz & Pacific Railroad runs across the Isthmus of Tehauntepec, and establishes a new trascontinental route, connecting one side with the Atlantic Ocean and reaching the Pacific on the other side. On the Atlantic side the terminals are at Vera Cruz, and on the Pacific side at Salina Cruz. A Bishop Mason, of New York, as president of the company, directed its construction and made several visits to Baltimore to confer with the officials of the Trust Company. The building of the road was slow work on account of difficulties found in the construction of railroads through a tropical country. One year was consumed in surveying and about three years in the work of construction, which was completed early this year.

The plans of the railroad company contemplate the employment of its line as a part of a transcontinental route from North Atlantic seaboard ports, including New York, Philadelphia and Baltimore to San Francisco. It also proposed to carry shipments through from these ports to Japan and other Eastern countries. The railroad being about 200 miles long, it was figured that shipments by this route could be carried to San Francisco in about 12 days. President Mason stated on one occasion that arrangements had been made with steamship companies for the necessary water connections. He also announced that the Japanese government had guaranteed to establish a subsidized line of steamers from Salina Cruz to Japan.

Steel bridges and the steel rails for the construction of the railroad were shipped from Baltimore.

John B. Alexander, of Philadelphia, was associated with Mr. Mason as a promoter of this railroad.

DELAWARE BEGINS INQUIRY.

Concern Charged With Doing Business Without Taking Legal Action.

NEW YORK, Oct. 19.—Assistant District Attorney Miner today began an investigation into the affairs of the International Bank & Trust Company, a concern incorporated under the laws of the State of Delaware, with a capitalization of $12,-000,000. Thus far $1,800,000 of stock has been issued. The company did business principally in Mexico, where it has seven branches. Its office in this city was in Wall street. The officers are: William H. Hunt, president; Charles F. Phillips, first vice-president, and John H. Maugham, second vice-president. On Saturday last, the concern failed. It was then learned that $56,000 of the firm's notes were protested here, and it was then charged that the company had been doing a banking business in this state without having filed a certificate with the State Banking Department.

Mr. Miner announced that he would examine the officials of the company.

Assistant District Attorney Miner announced tonight that he had received a letter from the referee, James J. Warren, of Albany, who reported that he had found the reports of the company to the banking department not fully true.

WALL STREET FEELS FAILURE.

Uneasiness Is Acute, and the Whole Market Falls Violently.

NEW YORK, Oct. 19.—The failure of the Maryland Trust Company and Union Trust Company, of Baltimore, caused a weak stock market today. Liquidation was general, but the decline in Baltimore & Southern Railway preferred was attributed directly to selling induced by the failure. These stocks, United States Steel preferred and Amalgamated Copper were notably weak, but losses of 1½ to over 2 points were quite general during the first hour. The industrials were conspicuous in the decline also. Selling of foreign houses, owing to the renewed uneasiness over the Far Eastern situation and the financial conditions in London, aggravated the weakness.

The publication of reassuring statements regarding the extent of the Baltimore financial troubles helped to hold the market. But the announcement of a second Baltimore failure reawakened acute uneasiness, and the whole market fell violently again. Losses reached three points in Southern Railway preferred, Southern Pacific, Amalgamated Copper and American Car 3⅛ and 3¼ in Illinois Central, 3⅝ in Union Pacific and United States Steel preferred, and 3¾ in General Electric, and 8 in Westinghouse Electric.

FLURRY IN BANK STOCK.

Pittsburg Institution Reported to Have Suffered Heavy Losses.

PITTSBURG, Oct. 19.—Excitement was caused on the Stock Exchange today by Crucible Steel preferred breaking to 31, which was four points below its previous low mark, and Federal National Bank declining to 99, after opening at 115. The explanation given on the floor for the fall of Crucible was that sellers disposed of their holdings because of their belief that the next dividend would be passed. Later Crucible advanced to 34.

The decline in the Federal National Bank stock was accompanied by rumors that the institution had incurred some heavy losses. On this point President Langfitts said:

"There is no truth whatever in these reports, as the bank is in excellent condition. We have suffered no material losses, and will continue to do business despite the Stock Exchange. I understand it is reported that we lost heavily through the failure of the Bolivar Bank and the Hammond Fire Brick Company, but we are not affected in the least." The Bolivar National Bank closed its doors October 15.

BANK MEETING IS STAMPEDED.

Stockholders Refuse to Stand for an Assessment Urged by Receiver.

NEW YORK, Oct. 19.—Stockholders of the New York Building, Loan & Banking Company, for which Charles M. Preston is temporary receiver, stampeded the meeting called at the offices of the company to vote a stock assessment of 20 per cent. Only 200 of the 400 or 500 present could get into the room where the meeting was held. Those who got in made such an uproar that one of the stockholders, a policeman, telephoned the Thirtieth-street station for reserves.

When the receiver, James P. Eustis, tried to explain the purpose of the call, the Protective League of Brooklyn, representing 3000 stockholders, took charge of the meeting and passed resolutions declaring the call in contempt of court, a violation of the injunction of September 12, charging gross mismanagement by the officers and directors, demanding their resignation, and denouncing the state banking authorities for "allowing an insolvent banking concern to do business for years."

Outside the building, the street was almost blocked with the overflow, the fact that some 4000 of the shareholders are Italians, being responsible for the presence of hundreds of Italian women, many with bankbooks in one hand and babies on the other arm. The large crowd, mostly poor people, clamored for admission to the building, packed the stairways leading to the third floor, and condemned the conduct of the officers and directors.

When as many as possible had entered the room, J. P. Eustace, brother of Mark Eustace, vice-president of the company, declared the character of the insolvency made against the company was false.

The remark was followed by threats and accusations against the officials, shouted from all parts of the room. The ensuing disorder resulted in the call for the police. Counsel for the Stockholders' Protective League said the company was in the hands of a receiver, and the officers had no legal right to call the meeting. The announcement was greeted with cries of "Turn the robbers out," "Make the officers pay the deficit," "Send them to Sing Sing."

"Talk about Miller's syndicate," shouted one man, "why, it was a 1-2-6 proposition compared to this."

HOT CHASE TO GET RECEIVER.

Men Opposed to Official in Mexico Seek Court by Tug.

DOVER, Del., Oct. 19.—The insolvency of the International Bank & Trust Company of America, at the City of Mexico, which is a corporation of the State of Delaware, and which was recently given authority to increase its capital stock to $5,000,000, caused tonight one of the most remarkable dashes for a receivership ever known here. A number of those interested in the big company who are opposed to the receivership obtained in Mexico, which closed all the company's Mexican banks, and also opposed the selection of Don Jacinto Patteres, a lawyer, as receiver, gathered here tonight with the object of obtaining the judgment of the highest court in the state which created the company. Those present were: Charles L. Phillips, vice-president of the company; Joseph G. Dean, of New York, a director; James L. Wolcott, a lawyer of Dover, another director; ex-Governor William T. Watson, also a diretcor; Henry Ridgeley, counsel for Herbert Crompton, a stockholder, and William L. Gooding, special counsel for the company.

An application to Chancellor Nicholson was hurriedly drawn up praying him to appoint a receiver who would go into Mexico and elsewhere and take charge of the company's assets. Later the party hurried aboard a Delaware Railroad train for Lewes, and there continued their search for Chancellor Nicholson by boat, the chancellor having gone out on a trip from the Delaware Breakwater on the pilot boat Philadelphia. The members of the party expect to overtake the chancellor and express the belief that they will get a receivership tonight. They allege that because this is a corporation of the state of Delaware, the action of the chancellor will take precedence. Herbert Crompton, a stockholder, directly makes the application to Chancellor Nicholson on the ground of insolvency.

Unable to Reach Chancellor.

PHILADELPHIA, Oct. 20.—Inquiry by wire to Delaware breakwater at 1 A. M. brought the response that the pilot boat Philadelphia is at sea and that the vessel is not expected back before daylight.

William Astor Chanler Out of It.

NEW YORK, Oct. 19.—Speaking of the announcement of his name as one of the directors of the insolvent International Bank & Trust Company, William Astor Chanler said today that in March last he withdrew from the company, and public announcement was made that he had ceased to be either a director or a stockholder.

SEATTLE BANK FORCED TO CLOSE.

Branch of International Trust Company in Hands of Receiver.

SEATTLE, Oct. 19.—The International Bank & Trust Company of America has gone into the hands of a receiver and the Seattle branch has closed its doors and is in charge of a receiver. The assets of the local bank are given at $87,000, and the liabilities at $95,000. Seattle customers will receive over 90 per cent of their deposits.

Cashier M. D. Barnes as late as Saturday refused to honr a draft from the Mexican branch for between $25,000 and $30,000, although peremptorily ordered to do so. Mr. Barnes was ordered by wire yesterday to close up the business here. The manager of the bank, Otto Otterson, left for New York last Wednesday.

San Francisco Branch Also Closes.

SAN FRANCISCO, Oct. 19.—As a result of the failure in Mexico City of the International Bank & Trust Company of America, the branch of that bank in this city did not open for business today. The following notice was posted on the doors:

"Notice—Owing to the suspension of our Mexico City branch, this bank is closed pending investigation by the Bank Commissioners."

The local branch was opened in August last, and only a limited amount of business has been transacted, the deposits amounting, it is understood, to about $40,-000. On September 8 the bank reported to the Bank Commissioners that its liabilities amounted to $33,844.55, and it is not believed its liabilities at this time are very much in excess of the figure named.

BANK CASHIER AN EMBEZZLER.

Tells His Wife All, Then Flees—Institution Temporarily Closed.

ST. PAUL, Oct. 19.—A special from Mankato, Minn., says:

The Mapleton State Bank was closed today, pending an investigation of the books of the assistant cashier, Alfred A. Buck, who has disappeared. He is the only son of Judge Daniel Buck, of this city, an ex-Justice of the Supreme Court, who is president and owner of half the stock of the bank. To his wife, Buck confided the statement that he was short in his accounts and that he was about to leave for parts unknown.

A letter from the missing official said the shortage of the writer was $18,700 with the bank, and between $7000 and $8000 with his father, who had placed personal funds in his possession to lend. The capital stock of the bank is but $10,700, and the deposits $52,000. The bank directors took steps at once to protect the interests of the depositors.

Reports from Mapleton today are to the effect that the shortage has been found to $20,000, but the bank will reopen in two or three days. Judge Buck places his loss at $21,500.

Buck, who is 31 years old, informed his wife that 12 years ago he was made the victim of blackmail by a Chicago family, foolishly paid the money demanded and that this family has ever since from time to time held him up. He has paid every demand, fearing the result of exposure on the health of his parents if he refused, and the total amount paid over is $30,000.

Mr. Buck was Mayor of Mapleton until two weeks ago, when he resigned because of a public criticism of lack of restraint over a street carnival.

CASHIER WRECKS BANK.

Resorted to Forgery to Secure $70,-000 to Speculate in Wheat.

PRINCETON, Wis., Oct. 19.—J. E. Liemer, cashier of the Princeton State Bank, was arrested today and taken to Dartford by Sheriff Ogilvie, where he is now in jail. State Bank Examiner Marcus G. Bergh last night stated that Liemer had confessed that forgeries amounting to $69,000 existed.

The Princeton State Bank is closed, and the Montello State Bank, of which Liemer is vice-president, was ordered by the state officials not to open its doors for business today. Speculation in grain, Liemer says, was the cause. J. E. Liemer came here as cashier of the Princeton Bank eight years ago, and the examiners believe the forgeries have covered a period of six years.

It is said by persons who are familiar with the affairs of the Princeton banks that the depositors will be practically paid off in full with money now on hand. State Senator E. D. Morse is president of the Princeton Bank.

Cashier Bound Over in $10,000 Bail.

PRINCETON, Wis., Oct. 19.—J. E. Leimer, cashier of the Princeton State Bank, was arraigned in court today on a charge of forgery preferred by State Bank Examiner Bergh, and was bound over in $10,-000 bail.

ACCEPTS ONUS OF CRIME

Young Chinamen Persuade a Decrepit Countryman to Take Blame.

VANCOUVER, B. C., Oct. 20.—Three Chinese are charged with the murder of another Chinese at French Bar last Summer. The trial will begin at Clinton, B. C., tomorrow. It is said that the two younger of the prisoners have induced the third and oldest to accept the onus of the crime. The Provincial police say that, following a Chinese custom, the two young prisoners have paid the old man for his life.

One morning two Chinese, who lived and worked at French Bar, appeared at the nearest neighbor's with a story that their partner had been murdered and his body thrown into the river by a Chinese who lived six miles below French Bar. The accused was arrested. He turned out to be a weak-minded, decrepit old man, who had scarcely vigor enough to walk. He denied knowledge of the crime. As it did not appear possible from a physical point of view that the old man could have committed the murder, much less drag the body to the river, the two informing Chinese, lusty young men, were arrested and also charged with the murder.

Although denying absolutely any knowledge of the crime when arrested, the old Chinese now stoutly proclaims that he alone did the killing.

Leaves to Attend Funeral of Kain.

BALTIMORE, Oct. 19.—Cardinal Gibbons, accompanied by Revs. William A. Fletcher, James F. Donahue and his secretary, Rev. P. C. Gaven, left Baltimore this afternoon for St. Louis to attend the funeral of Archbishop Kain. While in St. Louis he will be the guest of Archbishop Glennon.