STOCK MARKET ON VERGE OF PANIC

Wild Selling on Wall Street Caused by Crop of Rumors.

NOT A FAILURE RESULTS

High Money Rates and Rumored Troubles of Harriman Start Stampede-Denials Have Little Effeet-Saved by Foresight.

NEW YORK, March 14.-Under the effect of 25-per-cent money and the general pessimistic sentiment developed as a resuit of the recent heavy decline, trading on the Stock Exchange today reached a stage of demoralization bordering on actual panic. The worst period of the day was shortly before the close, although there was an extremely violent falling off in prices between 12 and 1 o'clock. New low records for the year and in some in-stances for several years, were estab-lished in the active speculative issues under precipitate selling, with the market apparently without buying orders other than those of the bears to cover their short contracts and realise their profits. The closing quotations showed the following declines for the day in leading

Extent of the Declines.

Amaigamated Copper 17%, American Smelting 16%, St. Paul 13%, Consolidated Gas 7, Delaware & Hudson 18%, General, Electric 2%, Great Northern 3%, Minneapolis, St. Paul & Sault Ste Marie 6%, Missouri Pacific 74, National Lead 5%, New York Central & Nortolk & Western 7%, Northern Pacific 8, Pennsylvania 6%, Reading 20%, Southern Pacific 3%, Twin City Rapid Transit 5, Union Pacific 20%, United States Steel 3% and United States Steel 3% and United States Steel 24%

and United States Steel preferred 4. In most instances even these figures de not represent the extreme declines, as Reading closed 2 points above the lowest and Union Pacific 4½ above the lowest of the day. The total sales were 2,718,996, the largest total on any day of the recent trading. The announcement of Govern-ment relief for the money situation was not received until after the close of the

Afraid of Roosevelt.

Other than higher money and the general bearish feeling, there was nothing to account for the market's weakness unless it was the nervousness of the stock market traders as to the attitude of the National administration toward the rali-road corporations. Just before the midday break a rumor was circulated and given credence to the effect that a banker who had just returned from Washington had reported to his friends that the President had declared that his views as to the railroads had not changed and that he saw no reason to change them at this time. For several days Wall street had taken the view that the heavy decline taken the view that the heavy decline had not been without effect in Washington and that a modification of the attitude of the President and the Interstate Commerce Commission toward the great trunk lines might be looked for. Great disappointment was expressed at the news credited to the banker quoted as author-ity for the statement that there will be

he did not care to be quoted further than to say that he believed the administration thoroughly understood the financial situation and the conditions as they applied to railroads and industrial corporations.

Relief Comes After Close.

Rumors in circulation during the after-moon that Government relief might be looked for, official confirmation of which was received after the close, were with-out effect on the stock market trading. None of the reports in circulation yester-day as to foreign financial difficulties re-ceived confirmation today, and in fact the Labdon market showed advances for American securities. This fact, however, was without effect on the New York Ex-change except for a short time after the opening of trading.

Business on the New York Exchange staying rather quiette approximately.

started rather quietly, apparently influ-enced by the better prices in London, but before II o'clock a heavy selling move-ment was in progress and prices lost from 1 to 4 points. Union Pacific led the early decline with a break of 35 points to 142 and Amalgamated Copper followed with a decline of 314 to 55. United States Steel offered more resistance than most of the list and after selling at 35, it railled to above 37, helping to steady the remainder of the list. As prices steadled, there was a falling off in business and the market remained

relatively quiet until between 12 and 1 o'clock, when the bears centered their efforts on Union Pacific. Reading and Anadgamated Copper. The whole list was affected by the rapid falling off in these shares and the scene on the Stock Exchange became one of wild confusion. There seemed to be absolutely no sup-port to the market, the trading becoming

Stocks Recklessly Sacrificed.

This downward mevement seemed to spend its force in a short time, however, only to be succeeded toward 1:30 o'clock by the wildest trading that has been known on the Exchange since the Northern Pacific panic of 1961. Reading fell rapidly to below par, getting down as low as 1815, while Union Pacific went to how as 1815, while Union Pacific went to how as 1815, while Union Pacific went to how as 1815, while Union Pacific went to have a 1815 but by noon consols had remark of 1886, but by noon consols had reby the wildest trading that has been known on the Exchange since the Northern Pacific panic of 1961. Reading fell rapidly to below par, getting down as low as 25%, while Union Pacific went to 131. St. Paul to 130 and Amalgamated Copper to 57.

At this time traders thought they had

At this time traders thought they had seen the worst of the day, but still more sonsational declines, with the most ex-cited trading scenes came just befor-the close of the market. Brokers who had called on their customers and who had not received satisfactory responses three over their stocks almost without regard for the prices they would bring and it was in this slump that the extreme low prices were reached. Amalgamated Copper selling at 89. Atchison at 82 5-8. Copper selling at 89. Atchison at 82 5-8, B. & O. 4 at 85. Canadian Pacific at 187. St. Paul at 125. Pennsylvania at 114, Reading at 31, Southern Pacific at 85% and Union Pacific at 129%. After the most urgent selling had been accomplished, there were sharp railles in a number of the shares, most of the leaders closing from 1 to 2 points above the lowest.

Rumors Aggravate Scare.

Wall street was so excited during the worst period of the afternoon that almost any rumor received some belief. One report that had considerable effect on the market, and on Union Pacific particularly, was that a serious break had occurred in the friendly relations between E. H. Harriman and the banking firm of Kuhn, Loeb & Co. According to this report, Mr. Harriman had been rethis report, Mr. Harriman had been rethis report, Mr. Harriman had been rethis report.

Another reason put forth for the heavy lar business.

break in Union Pacific and Reading, accompanied by the sharp falling off in Baltimore & Ohio, was that the Union Pacific was having difficulties in financ-ing its purchases of Baltimore & Ohio. ing its purchases of Baltimore & Ohio, Atchison and other stocks. In order to finance these operations, it was asserted, the road would be obliged to issue short-time notes and the issuing of those notes would be affected by the fact that the recent declines in Baltimore & Ohio and Atchison show losses of many millions of dollars from the prices at which they were purchased by the Harriman interests. It was pointed out also that the decline in Reading shows a heavy loss to Baltimore & Ohio, which holds about \$30,000,000 of Reading stock. \$30,000,000 of Reading stock.

Caution Prevents Failures.

After the close of the market much rewas expressed that there had been no ure during the day and that of all the rumors in the street there seemed to be none affecting the solvency of any bank-ing or brokerage house of any importance. The banks reported that their demands for further collateral from brokers had met with prompt response and that, so far as they were concerned, their posi-tion as to the stock market was satis-

A remarkable feature of the decline in

Wall street values is that it was fore-seen several months ago and that warning was given, so that brokers generally had otected themselves by requiring their stomers to deposit and maintain ample margins on their trades. In this respect the present situation differs widely from that of 1995, when the contest over the Northern Pacific brought about panic at a time when the bull speculation was rampant and when the public was car-rying heavy lines of stock on compara-tively slender margins. At that time brokers suffered heavy losses through failure of their customers to respond to calls for funds. So far as known, no such state of affairs exists today. Some of the larger commission houses have re-ported for the last several weeks that their customers were out of the market

Secretary Cortelyou's announcement of Government relief was received with much satisfaction in financial circles, it being pointed out that it would aid the banks greatly in making payments due on the Pennsylvania railroad note issue and the Standard Oil dividend.

SEES ENCOURAGING FEATURES

Vanderlip Says Demoralization Is Confined to Stock Market.

NEW YORK, March 14.- "The note worthy feature of the situation next to the extent of the decline itself," said F. A. Vanderlip, head of the National city bank today, "has been the resources shown by the holders of stock in promptly providing margins. The banking position tonight is remarkable in the fact that the call for margins has been met with promptness by practically every borrower. The decline, therefore, would not seem to be the result either of a stringency in money or an impossibility to obtain credit, because in spite of the great depreciation in prices, borrowers are able to keep margins good. Demoralization has been confined to the stock market. We see no signs of its

extending eisewhere.

The action of the Secretary of the Treasury is admirable and conservative. Certainly no one can criticise it, and the measure of relief which it offers will considerable, both in a sentimental and actual way."

SENTIMENT AND VAGUE FEAR

Morawetz Says Speculators Take Advantage of Them.

NEW YORK, March 14.—Victor Mora-wetz, chairman of the A. T. & S. F. company's board, had the following to say as to the causes of the present de-pression in financial circles:

say as to the causes of the present depression in financial circles:

I am satisfied that the depression is caused aimost entirely by sentiment and vague fears, most of which are unfounded. Speculators for a decline have taken advantage of this condition and have used every trick in order to depress values, with the result that many weaker, timid holders have been led to sell at a sacrifice.

Fears are entertained by many that railway stocks and bonds have ceased to be safe investments because of the hostile attitude of the public to the railroad companies and the danger that Legislatures and Railroad Commissions throughout the country will reduce railway rates and diminish the net earning of the railway companies. There is also a fear that a severe stringency in the money market may be impending. I think these fears are greatly exaggerated. these fears are greatly exaggerated.

BAD BREAK IN COPPER STOCKS

Panicky Conditions in Boston Close at Lowest Prices.

BOSTON, March 11.-Panicky conditions revalled in the local market for copper ocks today. Brokers were flooded with orders to sell. Prices broke sharply, closing at the lowest. Rates on money rose generally to 16 per cent. Declines of from 5 to 20 points were made in the

eading coppers.
Trinity was one of the features of the local market. It withstood the storm until about noon and then declined to 191-4, a loss of marrly 7 points, recovering frac-tionally at the close. In many cases the selling was in default of a response to remargin calls sent out last night

The issues suffering most severely were becola, off 20 to 130; North Butte, off 15% to 78; Copper Range, off 5% to 79%; Utah, off 12 to 51; Quincy, off 4% to 116; Tamarack, off 11 to 112; Butte Coalition, off 7% to 23.

LONDON, March 14 -In the absence any extensive American demand for gold, the directors of the Bank of England at their meeting this morning decided that

mark of 1886, but by noon consols had re-covered to 85 for account.

By noon Americans had recovered to a point above parity. The bankers here say they know of no serious trouble impend-ing. American bankers here attribute the present situation almost entirely to the fact that the demand for gold to meet the booming trade interests every-where exceeds the available supply of the metal.

caused another setback in Americans Union Pacific fell 4, and a few others a point. The general settlement was con-cisded without disclosing any difficul-ties beyond two minor failures.

Berlin Also Feels Effect.

BERLIN, March 14.—Prices in all de-partments of the Bourse here were de-pressed today upon New York advices. Various mining stocks declined from 3 to

Ed Feldman Dead.

quested by the banking firm to take up a large amount of securities which the bank was carrying for him. The story was almost instantly dealed, but notwithstanding the dealed continued to several years ago and went to San Francisco, where his firm conducted a similar banks reason and forth for the bears.

ALLOW RAILBOADS

Harriman Wants Them Made Exception Under Anti-Trust Law.

NOT INTENDED TO APPLY

Ruler of Pacifics Proposes Railroad Combinations Subject to Government Control to Prevent Hostile Legislation by States.

CHICAGO, March 14 .- "We want the CHICAGO, March 14.—"We want the Sherman anti-trust law repealed so far as it relates to the railroads," said E. H. Harriman in an interview with the New York correspondent of the Chicago Tribune yesterday. "I believe it was not intended that its provisions should embrace the railroads. It was so asserted at the time the measure, was under discussion or for to its enectment. In the ssion prior to its enactment. trans-Missouri case tried under the Sherman anti-trust law it was finally held that all agreements between railroads were in restraint of trade. What the railroads desire is that they be allowed to make agreements under the regulation and supervision of the Government. This

and supervision of the Government. This would allow the railroads to do an interstate commerce business.

"If reasonable rates and agreements, approved under the proper authorities of the National Government, could be inaugurated, then legislation by states so far as it related to interstate traffic might become null and void. We believe that if the National Government should approve our rates as being reasonable, the action would be reflected in the state Legislatures."

Save Money by Stopping Work.

Referring to certain features of the railroad situation, Mr. Harriman said that two kinds of courage are needed in de-veloping and directing the affairs of a great railroad system. One is to make large expenditures when times are dull and the business outlook poor, and thus ecure labor, money and materials at low

to be able to discontinue the expenditure of funds and the making of improvements when business is good, money dear and labor high. This kind of courage, he said, would enable the railroad, by waiting two or three years, to make improvements at a reduction of 20 per cent in ments at a reduction of 20 per cent in the cost of labor, money and materials. He considered such a saving a good profit for shareholders. When Mr. Harriman was subsequently

asked what would be the effect on gen-eral business of the withdrawal of the radironds from the iron and steel markets,

"I do not wish to answer that question have been asked it before." Slowing Up Not Unmixed Evil.

"Would a check to business be the worst thing that could happen?"

"It ought not to be an unmixed evil,"
Mr. Harriman said, "The railroads now have more business than they can handle. A slowing up would mean the curtailment of expenditures, an increase in the surplus of the road. It would mean also a lessened demand for labor and a reduced demand for money. These in consequence would become cheaper.

"There are three things entering into

allroad expenditures-the hire of money the cost of material, which is largely the hire of labor, for it is labor that pro-duces the materials and the hire of labor. If more must be paid for the hire of money, then there must be a reduction in the amount paid for the cost of the material or the hire of labor. There is so much money to be spent and the in-creased cost of one item means a decrease in the other two. The railroads ried to make plain, the total costs are eound to be distributed. "A check to business is, of course, bet-

'ter than a full stop," Mr. Harriman said, "but what would be applicable to a full stop would be measurably true of a slowup."

TENDS TO STRICT CONTROL

Bryan Says That Means No Evil for Investor.

BOSTON, March 14.-William J. Bryan arrived in Boston this afternoon for a visit which will include many receptions and speeches. The chief object of his visit was the delivery of an address tonight at Tremont Temple. Mr. Bryan later spoke to Harvard students at the Harvard Union.

After paying his respects to Governor Guild today Mr. Bryan visited the Legislature, addressing both branches. He spoke at some length of rate legislation and declared the tardiness in producing the final rate bill with its amendments was a good indication of the influence corporate wealth exerts over legislation. He believed that the tendency today is toward a more strict control of corpora-tions, but he did not think that this meant evil for the investors. "It means," declared Mr. Bryan, "that

the natural man whom God made shall not always be trampled upon by the man-made giant that legislation has "It is no wonder," said he, "that President Roosevelt has cried out against the swollen fortunes and against the idea of their descending from generation to generation. Those against whom the

President inveighed are those who are not giving a service that is at all meas-cred by the money they receive." PREFER TO DEAL WITH NATION

Bryan Explains Appeal to President. Still Favors Ownership.

NEW YORK, March 14.-W. J. Bryan who was in town for a short time today on his way to Boston, said that the rali-roads prefer Federal to state legislation. roads prefer Federal to state legislation, and that is why the presidents of the trunk lines are appealing to the President. He attributed the fimidity of investors to what he called the attempts of the railway people to terrorize the state Legislatures. The tremendous shrinkage in the market value of stocks he attributed to the squeezing out of the water.

water.

"It has been the policy of railroad officials to avoid state legislation and seek
their relief from the Federal Government," said Mr. Bryan. "These big corporations prefer to deal with Congress for
the reason that state Legislatures are too near the people. I have said that the sooner the railroads are put on an honest basis the sconer the investing public will feel more secure in doing business with

"Do you still adhere to the position you took with reference to Government ownership of railroads?"
"I do, most emphatically, but I said at Madison-Square Garden that ultimate | lence.

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ownership might prove to be the remedy. I did not say immediate ownership."

TRAINMEN VOTE ON STRIKE

Railway Brotherhood West of Denver Casting Their Ballots.

OAKLAND, Cal., March 14. - Fortyeven thousand men, the membership of the Brotherhood of Railway Trainmen west of Denver, are voting whether to increased scale of wages. The poll, the most extensive movement toward a gen-eral strike since the American Railway Union tie-up of 1894, has not been fin-ished. Indications are that the last bal-lots will reach the National headquarters at Cleveland, O., about March 25. The issue seems to depend mainly on the position taken by the Switchmen's Union, which as an organization is not recognized, it is said, by either the rail-

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