



FOREIGN MONEY TO BRING RELIEF

Must Pay for Vast Volume of Exports.

LARGE SALES OF STAPLES

Shipments of Tobacco Will Break Records.

MONEY TO MOVE CROPS

New York Banks Will Meet Reasonable Demands, but Pay Out Nothing for Hoarding—Runs on the Banks Cease.

THE FINANCIAL SITUATION.

NEW YORK.—Large sales of copper, tobacco and other staples cause flow of foreign money to United States. Gold engagements increase to \$20,000,000. Banks pay money to move crops in West and South, but not for hoarding. Runs on banks cease.

KANSAS CITY.—Wynandotte State Bank, Kansas City, Kan., absorbed by Commercial National Bank of Kansas City, Mo.

NEW ORLEANS.—Stock exchanges suspended business Monday by request of clearing houses.

CHICAGO.—Situation throughout the West improving. Few savings depositors give notice of withdrawal.

GERMANY.—German Imperial Bank raises discount rate 1 per cent to check exports of gold.

FRANCE.—Bank of France will resist gold exports, but will assist New York indirectly.

ENGLAND.—Advance in German discount rate depresses stocks, and Bank of England expected to increase discount rate.

CLEARING HOUSES.—Certificates adopted by banks: San Francisco, Los Angeles, Salt Lake, Spokane, Portland, Kansas City, St. Louis, St. Paul, Milwaukee and many other cities.

NEW YORK, Oct. 29.—The enormous influence which American products are exerting in building up a credit balance abroad has been the most signal development of the financial situation today. Reports from all quarters show that the great American staples—wheat, cotton, copper, tobacco, oil, masts—are on their way to Europe, this being the season of the year when American products are marketed abroad. The immediate effect of these shipments is to give the United States credit abroad which can be speedily converted into cash. These natural resources of the country promise to exert even greater influence than the sale of American securities abroad.

The foreign sales of millions of pounds of American copper yesterday were supplemented today by reports of similar heavy exports, today's shipments alone giving a foreign credit of \$14,000,000. The shipments of tobacco to Europe this year promise to break all records. Europe will pay over \$100,000,000 for this tobacco.

Gold Engagements of \$20,000,000.

Several favorable events marked the close of the financial day in New York. The engagement of \$2,000,000 in gold by the First National Bank of Chicago and of \$500,000 by a Boston bank brought the total gold engagements up close to \$20,000,000. The raising of German bank rates in order to prevent America from drawing German gold produces little effect on the situation here.

While money at the Stock Exchange was loaned during most of the day at high rates, it fell near the close to 6 per cent, offers of several million dollars at that rate being made by a number of the leading banks.

Use Money to Move Crops.

Comparative calm reigned among New York bankers. They all realized that the pressure for money was not over, but they felt generally that unreasonable panic was at an end and they would be able to meet all reasonable demands for currency. These demands are coming in considerable amounts from the West and South in order to obtain money to move crops, and it is feared that the sections where the movement is largest may be more or less hampered in their efforts to obtain funds. The general refusal to pay cash for hoarding, in the West and South as well as in New York, it is believed, will prevent the undue absorption of currency and permit the employment of what is available in the most effective manner. The large banks of this city are gaining deposits from the banks which have been under suspicion, and this tends in a measure to concentrate money where it can be used most effectively; but on the other hand, it creates debit balances at the Clearing-House against the banks which are losing deposits, which are not always easy for them to meet without sharply curtailing their loans, even with the assistance of Clearing-House certificates.

No More Runs on Banks.

Runs upon banks are practically over. Persons who present large checks and ask for their payment in currency are invited to consult the bank officials. In cases where their need for currency is evidently legitimate, they usually receive it; in cases where it is sought for hoard-

ing, they are usually convinced that money is better off in the bank or that they should accept certified checks for deposits elsewhere.

The arrival of nearly \$20,000,000 in gold, it is believed, will considerably relieve the situation and perhaps make call money a little lower on the Stock Exchange.

Failures Few and Insignificant.

Aside from New York conditions, all points showed a favorable tendency. In New England there was no sign of serious unrest, and the recent disturbance in Rhode Island is practically over. No failure was reported at any point throughout the country. It should be borne in mind in this connection that there are over 12,500 banks in the United States and that the number of institutions which have recently failed is of insignificant proportions as compared with this total. It was pointed out today that the failure of a minor bank is immediately known from end to end of the country, whereas the public overlooks the fact that some 12,500 banks are open for business as usual and that not one of the really important banking institutions anywhere has shown the slightest sign of unsoundness.

On the whole, the banking community takes the favorable view of the outlook and is particularly encouraged because of the large foreign credit secured through enormous shipments of American products.

GOLD WILL FLOW WESTWARD

Despite Precautions Europe Must Pay for Our Crops.

NEW YORK, Oct. 29.—The announcement that the Imperial Bank of Germany had raised its discount rate from 5 1/2 to 6 1/2 per cent in order to save its gold holdings was not unexpected by bankers here. It is thought quite likely that the Bank of England will follow suit by raising its rate at the regular meeting on Thursday. Last year, when the failed States was absorbing English gold, the rate was raised by the Bank of England at a special meeting and it will be a favorable sign if the matter is not taken up until the regular weekly meeting of the directors.

Will Scramble for Gold.

The scramble for gold is such as all financial centers—London, Paris, Berlin and New York—that the metal will go to the highest bidder and under present conditions New York is likely to appear for a time in this role. Her ability to get gold is due not only to the need for it, but to the large credits which are being secured by the movement of the crops and other staples and by the sale of American securities. It is believed this will be effective to place sufficient gold at the command of the New York market and to maintain credit and cause the resumption of banking operations in the usual manner within a few days.

The price of wheat advanced 1/2 cent, copper advanced from 1/4 to 1 cent per pound on the Metal Exchange today. Lard sold at 15 1/4@14 1/2, electrolytic 15 1/2@14 and casting at 15 1/4@13 1/2.

The forcing of stocks on the market continued and successively lower price levels were established. Some of the high grade stocks were under the severest pressure, notably the two great trunk line stocks, the New York Central and Pennsylvania. The former had fallen 4 1/2 by the afternoon and Pennsylvania was down an extreme 5 1/2. There were general declines ranging up to five points and over.

Call Money Rates Fall.

For the first time in more than a week out-of-town banks made loans on the Stock Exchange today. Several of the local trust companies also made loans, nearly all at 7 1/2 per cent. Shortly after 2 o'clock the rate fell back to 50 per cent and a few minutes later it was offered at 40 per cent. At 2:30 o'clock call money was being loaned at 30 per cent. Small lots loaned shortly before the close at 6 per cent.

The pressure of the liquidation relaxed late in the day and when some additional sums were loaned at the Stock Exchange by the banks, considerable rallies followed. The demand did not persist at any extensive recoveries. The late recoveries in prices of stocks were well maintained up to the closing.

Owing to the shortage of currency here, the banks today began to charge 1/2 for New York exchange. Bankers continue optimistic.

It was announced today that several of the banks which were compelled to suspend last week have about perfected their plans to reopen for business. Present Montagu, of the Hamilton Bank, a Harlem institution which closed last week, said today:

"This bank will resume business in a few days, not later than Monday next, in any event. I understand also that the Twelfth Ward Bank will resume in a few days."

SAN FRANCISCO GUARDS CASH

Savings Banks Require Notice, While Others Issue Certificates.

SAN FRANCISCO, Oct. 29.—Acting on the advice of the Clearing-House Association, the savings banks of San Francisco today decided to place their depositors on a "notice basis." They will not pay out funds unless a notice has been given ranging from 10 to 30 days, according to the sum to be withdrawn. Notice of 10 days will be required on sums from \$100 to \$1000 and more time if the amount be greater. It was stated that this step was taken, not because of immediate necessity, but to provide a precautionary measure and to act in accordance with the Clearing-House representatives.

The savings banks are not members of the Clearing-House Association.

Every savings bank of this city was represented to be in excellent condition. For months preparations have been going on to meet any eventuality, yet it has been impossible to withdraw every dollar deposited from investment. R. M. Tobin, secretary of the Iberian Bank, said after the meeting:

"It is believed by the savings banks that the reasons which made this step necessary will soon disappear and that an abundance of the circulating medium will soon render it possible to resume the regular course of their business."

The mercantile community today accepted with complacency the adoption of Clearing-House certificates by the commercial banks, and no serious disturbance is expected.

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GOOD NEWS FOR POOR CONSUMER

Prices of Foodstuffs Will Soon Fall.

CUDAHY MAKES PREDICTION

Big Packer Says Meat Will Soon Be Cheaper.

BUTTER AND EGGS ALSO

Merchants Forecast Close of Era of High Prices—Meat Will Fall 10 Per Cent and May Go Lower.

CHICAGO, Oct. 29.—(Special.)—Relaxation from the strain of high prices in foodstuffs, which will soon undergo a reduction of approximately 10 per cent, was the forecast made by local jobbers and merchants today. Predictions credited to Edward A. Cudahy, of Omaha, who said his company had reduced its prices 10 per cent, inspired Chicago dealers to voice expressions calculated to cheer the average consumer. In some instances reductions are looked for within a few days, but there is no general move just now to put lower prices into effect.

With the proposed cut in meat comes the announcement that the price of butter soon will reach a point which will take that commodity out of the luxury class, where it long has been placed.

According to Daniel Coyne, of the commission firm of Coyne Brothers, butter now selling at 35 1/2 cents wholesale will reach 25 cents before the end of the week. Eggs according to Mr. Coyne, soon will recede from their present wholesale price of 25 cents per dozen.

Local packers express no surprise at the prediction made by Mr. Cudahy, some declaring that the general decrease in the price of meat may exceed 10 per cent. Louis F. Swift, president of Swift & Co., points to a drop of 25 cents in cattle this week, an indication that retailers should sell cheaper.

EUROPE BUYS MUCH WHEAT

Break in Price Brings Large Orders. West Aids the Situation.

CHICAGO, Oct. 29.—The break in the price of wheat today brought large European orders for immediate shipment. Six hundred thousand bushels of red winter wheat was sold here today for shipment East.

Chicago bankers regard this movement as significant of the powerful

aid which the West is bringing to the financial situation. They say that if the movement of the great staple continues to grow, the obligations to this country created abroad will be so large that it will be impossible for European



The Late Charles H. Deere, Millionaire Plow Manufacturer and Illinois Republican Leader.

banks to retain their gold even by fixing discount rates at the maximum.

READS BOURNE RIOT ACT

PRESIDENT WILL NOT CHANGE HIS MIND.

Bourne, However, Denies That Roosevelt Intimates Displeasure. Says Politics Not Mentioned.

OREGONIAN NEWS BUREAU, Washington, Oct. 29.—The New York Herald this morning prints the following dispatch from its Washington correspondent:

Senator Jonathan Bourne, of Oregon, who is the most active third term proponent, having offered \$1000 for the best essay on why Mr. Roosevelt should serve a "second elective term," whether he wants it or not, heard the riot act from the lips of the President today.

Senator Bourne declares that the President did not tell him "to let up" and even if so requested, he would not relent. But it is understood that the President informed Mr. Bourne in no uncertain terms that he meant what he said in denying the possible honor of another nomination and did not propose to be dragged into changing his mind. There was no breach, but there is no denying that Senator Bourne's propaganda does not meet with the President's approval.

"President Roosevelt has no intention of making any additional statement regarding a third term until Secretary Taft returns to America."

Senator Bourne, when shown the foregoing dispatch, declared it was untrue and without the slightest foundation. When he called at the White House yesterday to present to the President Dr. Johnson and his wife of Portland he says that during their talk with the President politics was not mentioned, and absolutely nothing was said that could form the basis for the above dispatch.

PORTLAND BANKS TO OPEN TODAY

Clearing House System Is Adopted.

CASH IS READY FOR PAYROLLS

No Coin or Currency to Be Shipped Out of Town.

DRAIN OF MONEY CHECKED

Business Will Be Done by Checks Payable Through the Clearing-House—Savings Banks Will Require Withdrawal Notice.

WHAT THE NEW BANKING SYSTEM MEANS.

The Portland banks will open today under the Clearing House system.

No coin or currency will be paid out except for payrolls or emergency purposes.

Checks of depositors will be honored through the Clearing House, but will not be paid in cash over the counters of the bank.

If you are a depositor in a Portland bank and wish to pay a bill or a debt, draw a check on your bank. Mark it "Payable only through Portland Clearing House" and give the check to your baker, grocer or merchant, just as you have always done if accustomed to pay your bills by check.

If you receive checks on Portland or out-of-town banks, deposit them as usual. You may then draw checks against your account against the amount deposited.

In other words, business will be transacted among bank depositors on a clearing basis.

Depositors in savings banks will not be allowed to withdraw money without giving notice.

The Clearing-House Certificates will be used only in settling balances due from banks in the Clearing House.

Portland banks will open this morning for business, but transactions will be effected through the Clearing-House, on the same basis as has been adopted by other cities of the United States. Only in case of taking care of payrolls or where money is urgently needed will the banks pay out coin or currency. Business will be done in checks and clearing-house certificates will be the medium between banks.

The Clearing-House Association held

two meetings yesterday, and discussed this plan of resuming business. The bankers met early in the forenoon, and again at 4 P. M. At the latter meeting the plan was definitely adopted, it being set forth in detail in a resolution unanimously adopted by the members.

In adopting this course, Portland is following the precedent established by other cities of the country in the present times of stress. No currency need be shipped to out-of-town correspondents by Portland banks as long as the present conditions continue, and savings banks of the city will enforce the requirement that depositors give notice of their intention to withdraw their deposits.

The clearing-house plan of carrying on business works well in other cities of the country during the present scarcity of currency, and local bankers believe it will be of great value here in supplying legal tender until normal conditions are restored. That this substitute for money need not be in effect very long is also believed. Bankers predict better conditions within a short time, and the resumption of usual banking methods.

Resolutions of Clearing-House.

The first resolutions adopted at yesterday's meeting were as follows:

"PORTLAND, Or., Oct. 28, 1907.

"Whereas, The banks of Portland have received telegraphic advice that all the principal clearing-house associations in the United States have decided to refuse to ship coin or currency against the deposit balances of their correspondents; therefore, be it resolved:

"That the banks of the Clearing-House Association of Portland decline to ship coin or currency to their out-of-town correspondents.

"Second—That all checks, certificates of deposit or drafts of customers and of out-of-town correspondents be paid only through the Clearing-House and in clearing-house funds.

"Third—That all items on out-of-town banks be taken only for collection, subject to payment, in legal tender.

"Fourth—That the savings banks of the City of Portland be instructed to demand notice of withdrawal of funds.

"Fifth—That this action be and remain in force so long as the leading cities of the United States maintain a similar policy."

The Clearing-House System.

The new system of banking on a clearing-house basis was outlined in the following resolution, which was adopted unanimously:

"For the purpose of enabling the banks, members of the Portland Clearing-House, to afford proper assistance to the mercantile community, and also to facilitate the inter-bank settlements resulting from their daily exchanges, be it

Resolved, That any bank in the Clearing-House may at its option deposit with the loan committee of the Clearing-House, an amount of bills receivable, bonds, or other securities, to be approved by said committee, who shall be authorized to issue thereon to said depositing bank certificates of deposit, bearing interest at 7 per cent per annum, in denominations of \$5000 to an amount equal to 75 per cent of such deposits.

These certificates may be used in the settlement of balances at the Clearing-House, for a period of 30 days from the date thereof, and they shall be received by creditor banks during that period, daily, in the same proportion as they bear to the aggregate amount of the debtor balances paid at the Clearing-House. The interest which may accrue upon these certificates shall at the expiration of 30 days, be apportioned among the banks which shall have held them during the time.

"The securities deposited with said committee as above named, shall be held by them in trust as a special deposit, pledged for the redemption of the certificates issued thereupon.

"The committee shall be authorized to exchange any portion of said securities for an equal amount of others, to be approved by them at the request of the depositing bank, and shall have power to demand additional security, either by an exchange or an increased amount, at their discretion.

"The amount of certificates which the committee may issue, as above stated, shall not exceed \$1,000,000."

Checks Not Paid in Cash.

The Clearing-House through a committee issued the following statement explaining the workings of the proposed system as follows:

"Under this arrangement depositors in our city banks will receive payment through the Clearing-House, and their checks on the banks, must be stamped 'Payable only through the Clearing-House.' This means that checks on our local banks will not be paid in cash at the bank counters, but through the Clearing-House.

"The banks, however, in order to protect the laboring people of the community from any suffering on account of the stringency in the coin situation, will settle payrolls in cash and make other small cash payments where absolute necessity occurs."

"The Portland banks have taken advantage of the first of the holidays that were asked for by the unanimous vote of all the members of the Clearing-House to prepare themselves for the issuance of Clearing-House certificates in the settlement of their balances between one another, and the people of Portland are to be congratulated that our banks are thus handling the situation. When our wage-earners and laborers know that they will receive their weekly, or monthly stipend, in cash, we feel sure that there will be no injury wrought upon this community by the banks of Portland following in the footsteps of the banks of all the leading cities of the United States.

"There should be no serious inconvenience in the ordinary transaction of business to our merchants by requiring them to make their checks payable only through the Clearing-House, as in this manner payments of obligations and contracts can be legally consummated, since every bank in the Clearing-House will

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SMALL DECLARES STRIKE IS ENDED

Says He Is Still President of Union

THOUGH DRIVEN FROM MEETING

States Terms on Which Operators Shall Return.

ALL TO BE REINSTATED

Ignoring His Deposition, Small Calls Off Strike on Account of Chaotic Condition—Seeks Vindication at the Convention.

NEW YORK, Oct. 29.—S. J. Small, recently deposed as president of the Commercial Telegraphers' Union, arrived in New York from the West today and was refused permission to address the local branch of the union at a meeting in the afternoon, and tonight sent out a statement to the public, "calling off" the telegraphers' strike. After reviewing his efforts to bring about a settlement of the trouble advantageous to the strikers, and the action of the union in declaring his office vacant and electing a successor, Mr. Small said:

"I feel it my duty as the legally elected president of the aforesaid organization to issue this statement, declaring a chaotic condition to exist within our official ranks, and further declaring the telegraphers' strike, unquestionably the greatest and cleanest fought battle of recent years, at an end dating from Wednesday, October 30, 1907, and on the following terms to wit:

"All strikers will be reinstated without discrimination, except those against whom serious charges can be substantiated, the accused to have the privilege of making defense in writing through me, when their cases will receive prompt and careful consideration.

"The 10 per cent increase granted March 1, 1907, will be strictly adhered to.

"Other matters mentioned in the bill of grievances to be taken up and considered upon my return to New York within ten days, provided the strikers accept and act upon these instructions."

Mr. Small declares he is willing to "await vindication at the next regular convention, to be held in Milwaukee next June."

Late tonight Daniel L. Russell, chairman of the State committee, issued a statement to the effect that if the telegraph companies were prepared to agree to reinstate all strikers except those against whom serious charges could be proved; guarantee that the increase of last March would be given without discrimination, and promise to arbitrate all other matters contained in the bill of grievances, the signers of the statement, were satisfied that they could pledge the committee to call off the strike within 48 hours. The statement was signed by Russell, Harry Thomas, Joseph F. Ahearn and R. M. McLenon.

Surrender at Springfield, Ill.

SPRINGFIELD, Ill., Oct. 29.—All the Western Union operators here who went on strike last August returned to work tonight. All the Postal operators also decided to return to work and made application for their former positions.

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