

PERKINS' VERSION OF CRISIS DENIED

Oakleigh Thorne Says Trust Company Was Not Center of Money Panic.

RUN ON BANK DESCRIBED

With Seven Windows Open, Tellers Pay Out \$15,500,000 in Single Day — Millions Borrowed to Save Situation.

WASHINGTON, Aug. 11.—Oakleigh Thorne, president of the Trust Company of America, which became involved in the financial panic of 1907, the affairs of which have been linked with the taking over of the Tennessee Coal & Iron Company by the United States Steel Corporation at that crisis, followed George W. Perkins today as a witness before the House committee of inquiry into the affairs of the Steel Corporation.

Mr. Thorne declared, contrary to testimony given by Mr. Perkins and other witnesses, that the Trust Company of America was not a "chief sore point" of trouble at the time it was necessary to save the brokerage firm of Moore & Schley. He surprised the committee with declarations that undue attention had been directed toward his company in that crisis and he denied any knowledge of the agreement testified to by Mr. Perkins, and the taking over of the Tennessee Coal & Iron Company by the Steel Corporation to save Moore & Schley from ruin.

He declared that immediately following this a run on the bank in one day took out \$15,500,000.

For this, he admitted, he had consulted counsel as to the possibility of selling for a number of persons he felt were responsible, but that he was deterred by the necessity of seeking more money from the bankers of New York in order to prevent collapse of the institution.

That his financial troubles were in any way involved in the difficulty of Moore & Schley at that time he denied.

Mr. Thorne said that before the panic of 1907 his company had assets of \$14,000,000. So far as Tennessee Coal & Iron stock was involved in collateral on loans of his bank, it was nominal, amounting to something more than \$400,000.

Mr. Thorne said that prior to the panic, he had heard no criticisms of the kind of business the Trust Company of America was doing.

Heavy Borrowing Necessary. Mr. Thorne told of the run on the bank on October 23, 1907.

"By 10 o'clock," he said, "we had seven windows open, and we were doing our best to get rid of the line. That day we paid out \$15,500,000."

"Did you call for help?" "Yes, we had to get cash to save the situation that day," Mr. Thorne answered. "I went to Mr. Morgan's office and saw Mr. Morgan, Mr. Perkins, Mr. Stillman and Mr. Davidson. I told them I had to have money. So far as I know the examining committee had not made any report to Mr. Morgan."

One million dollars, Mr. Thorne said, was lent him by J. P. Morgan & Co., the First National Bank and the National City Bank. Mr. Thorne said that he had obtained \$11,000,000 that afternoon from the Hanover National Bank, which tied the situation over until closing hours.

He explained how that afternoon Mr. Morgan had called the trust company presidents of New York to meet at the Union Trust Company, and he was called in. He met Messrs. Morgan, Stillman, Woodward, King and other bankers.

The situation was discussed at length and an arrangement was made to advance him \$10,000,000 on \$10,000,000 of securities which a committee of bankers was to select. The following morning he received \$6,000,000 of this loan and the remainder in various sums up to October 21.

He received another loan of \$15,000,000 for \$10,000,000 of securities advanced by the bankers November 4. He paid to him in various amounts from time to time. He explained he never knew where the money actually came from, but that Mr. Morgan, Mr. Perkins and the others who were raising it had great difficulty in getting it.

Mr. Thorne also told how he began paying back the loans as rapidly as the trust company securities could be realized on.

At the present time, he said, the Trust Company had assets of \$13,000,000.

Mr. Littleton had put in the record a statement given to the press by Mr. Thorne on November 9 in which he alluded to his "rather amusing" that the chief force of the panic had been directed against the Trust Company of America, a run unprecedented in the history of American banking.

Mr. Littleton asked the witness if he had conferred during that time with Melville E. Stone, general manager of the Associated Press. He said he had. "My idea in talking to Mr. Stone was to urge the necessity of the examining committee making a report to Mr. Morgan," he said. "I know if the truth of the situation got to Mr. Morgan, we would get help. When later he got the truth, we got the \$15,500,000."

Injudicious Statement Withheld. Asked if he had received the communication from Mr. Stone regarding the matter, Mr. Thorne said he had and produced it. It was read into the record written under date of November 18, 1907. In the letter Mr. Stone said:

"I have no doubt Mr. Perkins' statement on the night of the 22d distinctly emphasized the run on the Trust Company of America. If, indeed, it did not precipitate it, it at least made it clear that I think there was the slightest purpose on the part of Mr. Perkins to injure you or the Trust Company of America. But we felt that the statement was so injudicious that we did not send it out."

"Later, when I said to Mr. Perkins that I thought it was very harmful, he was so strained that if public attention had not been centered upon the Knickerbocker Trust and the Trust Company of America, every bank in New York probably would have been involved."

PLACE WHERE PRESIDENT WILL SEEK RECU PERATION FROM ARDUOUS DUTIES DEVOLVING UPON HIM AT WASHINGTON.



PARAMATTA, SUMMER HOME OF TAFTS AT BEVERLY, MASS.

TAFT NEEDS REST

Western Trip Hinges on Opportunity to Recuperate.

INVITATIONS POURING IN

President Wants Month to Restore Energies Before Undertaking to Journey Clear Through to the Pacific Coast.

PRESIDENT REACHES SUMMER HOME FOR WEEK-END REST.

BEVERLY, Mass., Aug. 11.—President Taft arrived at Beverly this morning for his third week-end stay at Paramatta. The President came from Washington on the Federal Express. He was accompanied as far as Boston by a delegation from Congress, the funeral of the late Senator Frye at Lewiston, Me., leaving Boston, the President and Major Bull, his military aide, motored to Paramatta.

WASHINGTON, Aug. 11.—Numerous invitations continued today to reach the White House for President Taft to visit cities throughout the South and West during his coming trip, but owing to the uncertainty of the date of the adjournment of Congress, the President has not definitely decided upon the itinerary.

The President is constantly receiving appeals to include the Pacific Coast in his program. He has said that if he could get a month of good rest at Beverly, he would not object to including the Far West in his journey, but that he must have some time for recuperation. He is to start on his Southern and Western trip September 16. Should he decide to make the trip to the Pacific, the President probably would attend the ground-breaking of the Panama Canal Pacific Expedition at San Francisco October 15.

CASH IS PAID FOR TIMBER

Wendling-Johnson Company Prepare for Bond Issue. ROSEBURG, Or., Aug. 11.—(Special.)—Evidence tending to indicate early construction by the Southern Pacific of the proposed railroad from Eugene to Marshfield materialized here late today, when the Wendling-Johnson Lumber Company, of San Francisco, filed a trust deed and mortgage with the County Clerk securing a bond issue of \$1,500,000.

The deed is executed in favor of the Michigan Trust Company, of Grand Rapids, and involves several thousand acres of timber lands in Douglas and Lane counties. Most of the land is said to be along the line of the proposed extension, and with the road completed

and in operation will be subject to easy transportation.

Local capitalists declare that Mr. Wendling is closely identified with the Southern Pacific Company and has knowledge of the plans of the company for the past few months and secured most of the valuable timber along the route prior to the announcement, and consequently at a low figure.

FRANCHISE BOND ASKED

Vancouver Council Timid in Letting Privilege to Stranger.

VANCOUVER, Wash., Aug. 11.—(Special.)—That Lawrence Harmon, a Chicago lawyer, who at the last meeting of the Common Council asked for a streetcar franchise that proposes an electric system through the principal streets of Vancouver to connect all the small towns in Clark County with Vancouver, will have to put up a heavy bond to show the good faith before a franchise is granted him is certain.

WASHINGTON, Aug. 11.—A story of "inquisitorial" methods in the Department of Agriculture and of "humiliating experiences" to which officials in the Bureau of Chemistry were subjected by Solicitor McCabe of that department was recited today to the Mess committee of the House of Representatives.

Dr. L. F. Kehler, chief of the drug division of the Bureau of Chemistry, who was recommended for reduction in office for his part in hiring Dr. Rusby, the drug expert, testified that he had been held before Solicitor McCabe in McCabe's private office in the presence of a special government agent named Walsh and a stenographer and had been put through a humiliating questioning as to what stock he owned in drug manufacturing companies.

WOLFE IS CENSOR

Bureau Officials Humiliated, Drug Chief Testifies.

WILEY'S ORDERS IGNORED

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LINE WORK BEGINS MONDAY

Road From Eugene to Monroe Will Be Rushed to Completion.

EUGENE, Or., Aug. 11.—(Special.)—Announcement was made tonight by Manager George D. O'Connor, of the Portland, Eugene & Eastern Railway, that construction work will start Monday on the electric line from Eugene to Monroe to connect with the Corvallis & Astoria. Work will be begun at Monroe, where the company has a considerable force of men and teams assembled.

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The All-Havana cigar is intended for your after-dinner hours. For your business hours, the only safe smoke is a mild, delightful blend of Havana and domestic leaf.

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REPUBLICANS CANCEL FAIRS

Preparations Made to Support President in Veto. WASHINGTON, Aug. 11.—Republican Leader Mann gave formal notice in the House today that Republican members would ask for cancellation of all pairs so far as votes on vetoed measures were concerned. Mr. Mann explained that he expected the President to veto whatever tariff bills are sent to him and that every Republican vote in the House would be needed.

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GERMANY SUFFERS AS HEAT CONTINUES

Rhine Is at Low Ebb, Brooks Dry Up and Water Famine Threatens.

BERLIN IS 99 IN SHADE

Three Weeks' Hot Spell Has Broken All Records—Many Cases of Sunstroke and Insanity Are Reported.

BERLIN, Aug. 11.—The heated term, which has continued for 21 days, breaking the German records, is unabated throughout Germany, and during the past few days the temperature has been higher than before. Deaths from sunstroke are reported from all sections.

A water famine threatens some districts, where the brooks are drying up. Fish are dying on the river beds in the Eiffel region and in Westphalia. Navigation on the chief streams has been almost suspended, owing to low water. The Rhine at Rudesheim is lower than it has been since 1871. Passenger steamers on the Elbe have suspended service through the region above Dresden.

Cases of persons becoming insane because of the heat are reported. The picture galleries in the Germanic Museum at Nuremberg have been temporarily closed and the costly pictures stored in cooler rooms because cracking paint and warping panels threatened their ruin. The thermometer on side streets of Berlin registered 99 in the shade today.

\$100 JOY RIDE IS FREE

Worthless Check Given Chauffeur Considered No Crime.

TACOMA, Wash., Aug. 11.—(Special.)—A person who goes for a joyride in a rented automobile and at the end of the trip tenders the chauffeur a check for the cost does not commit a crime if he has no money in the bank and knows he has not, according to the construction placed on the new criminal code by Deputy Prosecutor Nolte and Burnester today.

The case brought to their notice was one in which Joseph Christian took \$100 worth of automobile riding. He handed Frank Pratt, an automobile driver, a check for the amount. The driver found that Christian had no money in the bank. He was informed that under the new criminal code he could not proceed against Christian.

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