

MAY BE END OF HARRIMAN'S RULE

Prestige Hangs on Illinois Central.

LOSING THAT, HE WILL LOSE ALL

Once Started Down Toboggan, Many Will Kick Him.

FISH HAS SWEET REVENGE

Forces Enemy to Sacrifice Millions and Spend Week of Agony—Court Decision May Sound the Knell of Centralization.

NEW YORK, Oct. 26.—(Special.)—Is Edward H. Harriman to lose control of the Illinois Central, and, if so, is his loss to be the beginning of the end of his dictatorship in the railway world?

Wall street has been asking itself this question for some months, and it is undoubtedly finding a constant echo in the brain of Mr. Harriman. The mere fact that the question can arise at all is said by many to indicate that Mr. Harriman is no longer invulnerable. It is no secret that Wall street, although fearing Mr. Harriman, does not love him. Mr. Harriman has never reckoned whether Wall street would or would not carry him, he determined to accomplish a certain thing. Neither does Wall street waste any love on Stuyvesant Fish, the man who has made Mr. Harriman pass many sleepless nights of late, for Mr. Fish would never do the bidding of Wall street. In fact, he has even asserted at its expense upon railway development and has stated again and again: "I never ran the Illinois Central from Wall street."

Swift Slide Down Toboggan.

Nevertheless, if Stuyvesant Fish, with or without the silent backing of President Roosevelt, succeeds in starting Edward Harriman down the toboggan he will find a thousand feet waiting to accelerate his descent. Certain it is that Mr. Harriman cannot afford to lose his battle for the Illinois Central, if only for the prestige which he determined to accomplish. He has been beaten out of the Alton, despite the fact that his interests still own a large share of stock in that company. This defeat did not add any to Mr. Harriman's prestige, for it showed that public sentiment had reached a point in connection with him where a certain kind of dictatorship had grown intolerable. Wall street is quick to realize when the backbone of a man's career is bent or strained.

Harriman's Week of Agony.

So it is that Mr. Harriman realizes fully what the present Illinois Central fight means to him and to his future. Likewise Stuyvesant Fish realizes where as five years ago he would have had no chance in the world to wrest the Illinois Central from Harriman's grasp, now he has a chance and a good one. The importance of the battle to Mr. Harriman was publicly admitted by him when he came to Chicago and remained for almost a week, at a time when paper values were tumbling in Wall street at a fearsome rate.

It is understood that before he left New York Mr. Harriman was compelled to "clean his house" of everything which he was not prepared to stand back of, to defend with millions. This cleaning process must have been expensive, for the financial dust is flying, is a very expensive operation. With this forced cleaning in mind, it is easily conceived that Mr. Fish had his fill of revenge, if revenge he was looking for. During the week of agony that Mr. Harriman spent in Chicago, as the paper values fell and fell each day in Wall street, it must have been like pulling the heart out of Mr. Harriman to be compelled to remain in

Idleness in Chicago, nearly 3000 miles away from the scene of action. Despite the fact that the Harriman people scout the idea that the injunction issued by the Chicago court restraining the voting of 388,721 shares of Illinois Central stock will stand, there are attorneys in the East who view it with alarm. In some quarters it is felt that the issues raised in the Fish suit may have a widespread and important effect upon the centralization of American railroads.

FAULT OF RAILROAD KINGS

Traffic Blockade Attributed by Clark to Speculative Finance.

CHICAGO, Oct. 26.—In his speech before the Traffic Club last night Interstate Commerce Commissioner E. E. Clark attributed the difficulties of the railroads in handling traffic mainly to speculative finance. He said:

"The railroads have signally failed to keep up facilities for moving freight which the increasing business of the country demands. This is partly due to the unprecedented increase in the volume of business to be handled. The most important reason, however, is the speculative financing which almost without exception controls the country's railroads. Many persons hold the President responsible for the shrinkage in values, saying his policy has frightened investors. I do not subscribe to this belief. If it were true, however, it should not move the President one iota from his purpose of prosecuting violators of the law."

Railroad regulation by state and National Government, each in proper sphere, is essential. Such regulation must be firm, sane and reasonable and just. The railroads must make uniform rates, not necessarily the same at all seasons of the year, as business changes with the months, but uniform in each season. If the rates are not strong enough to make and enforce such rules, the Federal Government must step in and assume a measure of control in their affairs.

WILL FINISH BY NEW YEAR

NORTH BANK ROAD WILL HAVE ALL TRACK LAID.

Northern Pacific Announces Progress and Says Bridges Will Be Finished Next June.

ST. PAUL, Minn., Oct. 26.—(Special.)—Announcement is made in the annual report of the Northern Pacific, which was issued today, that the road being built by the Portland & Seattle Company from Kennewick to Vancouver is rapidly approaching completion and track should be laid the entire distance, 230 miles, by January 1 next.

The large bridges over the Columbia and Willamette rivers are well under way and should be completed by June, 1908. The road between Pasco and Spokane, 145 miles, and the branch to Texas Ferry, 40 miles, should be completed in the summer of 1908.

There was moved on the Portland & Seattle for the fiscal year ending June 30, 1907, the following material: 3,175,498 cubic yards of earth, 4,631,720 cubic yards of hardpan, etc., and 5,311,619 cubic yards of solid rock.

The report shows that the double-track work under way for a couple of years in the neck of the system in the east end is making satisfactory progress. It stretches from Wadena Junction to Valley City, and when completed will be a big factor in the handling of transcontinental traffic and will relieve such congestion as has marked traffic for a couple of years.

BATTLE NEAR IN MOROCCO

Mulai Hafig to Attack the Imperial Troops Near Mogador.

PARIS, Oct. 25.—The Government has received advices from Morocco to the effect that a battle between the army of Mulai Hafig, which has reached a point 18 miles from Mogador, and the Anflous tribesmen, supported by the imperial garrison, numbering about 1200 men, may be anticipated shortly.

Another Dreyfus in France.

PARIS, Oct. 25.—The arrest of Emign Charles, Ulmo, of the French navy, at Toulon yesterday, on a charge of being a spy, and his confession of having abstracted a secret naval signal book and the naval cipher code, was followed today by the arrest at Vendome of an officer named Burton, who is charged with negotiations with an agent of a foreign power for the sale of military secrets. The arrests are creating a great stir, and, as Ulmo is a Hebrew, the papers term this case a second Dreyfus affair.

CANNOT EXTERMINATE TRUSTS

Grosscup Says Sherman Law Will Fail to Prevent Combination.

INDIANAPOLIS, Ind., Oct. 26.—Judge Peter S. Grosscup of the United States Circuit Court, Chicago, addressed the members of the Columbia Club, a local Republican organization, tonight. He

WARDAMAN TAKES ROLE OF PROPHET

Predicts Bryan Will Be Next President.

ROOSEVELT WILL RUN AND FAIL

Fire-Eating Governor Pours Forth Hot Words.

RAPS THE POOR NEGRO

Says Roosevelt Will Be Renominated, but Beaten on Third-Term Issue—The Country Better for the Panic in Wall Street.

CHICAGO, Oct. 26.—(Special.)—Governor James K. Wardaman, Mississippi's picturesque chief executive, took the role of a prophet in Chicago today, declaring with the positiveness that characterizes him that Mr. Bryan would be the next President of the United States. He predicted further the speedy ending of the Wall-street panic and recognition of the negro question as a problem for the solution of the North as well as the South.

"President Roosevelt will be renominated," he said, "and he will be beaten. Bryan will be nominated by the Democrats and he will be elected. All that now makes Roosevelt popular he has stolen from Bryan, and if he runs on a platform of his policies he will be running on Bryan's platform."

"The putting forth of Taft as the administration candidate is only a political play. Roosevelt is not sincerely behind him. Roosevelt's real intention is so to frame things that he will himself be the nominee."

Old Story of Stolen Clothes.

"All this talk about Roosevelt's popularity in the South as shown by the enthusiasm on the recent visit is nonsense. Those outbursts were only the expression of the hospitality of the South and of the genuine American feeling that animates the Southerners. Despite all this, however, when the election is held, Roosevelt will not carry a precinct in Mississippi."

I agree with the President's campaign against dishonest corporations, but it is because his policies are the policies of the Democrats. When he comes to running for a third term, however, he will find that the American people will not stand for any overturning of the unwritten law made by Washington and the great Presidents who immediately followed him."

The Governor declared that in his opinion the Wall Street crisis would end the financial panic and that the failures there would not affect the prosperity of the country.

Again the Poor Negro.

"The failures there," he said, "are the failures of gamblers and the country will be better off as a consequence." It was the negro question that really brought out the fire of the Governor.

"You will have your problem here," he said. "It is not a question of emotions with me, but of facts, and the history of the negro since Pharaoh is the foundation of those facts."

"It is impossible to treat these venereal savages as white men are treated. The Constitution of the United States should be so amended that the various states can legislate regarding the negro question as we legislate for the Indians."

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PARKER'S SATIRE ON BRYAN

Ridicules Statement About Bill to Protect Depositors.

NEW YORK, Oct. 26.—Alton B. Parker said yesterday that he had seen W. J. Bryan's statement in Schenectady that while in Congress Mr. Bryan advocated a law to protect depositors from exactly such conditions as occurred in New York during the past few days. Commenting thereon, he said:

"How glorious to be a heaven-born financial genius. What a pity Congress could not have appreciated the wonderful advantages of such a law. Had they appreciated it, we would not have needed yesterday the patriotism of Mr. Pierpont Morgan that prompted him to throw \$7,000,000 of his money, the \$10,000,000 of Rockefeller and the money and strenuous labor of public-spirited and honest bankers and business men who strove mightily to save business generally, and therefore every citizen from ultimate injury, I wish I were sorry that he did not mention the title of the bill. In the absence of specification, there will be those who will think that its title may have been 'To

protect the poor.

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The Weather. YESTERDAY'S—Maximum temperature, 54 degrees; minimum, 32 degrees. TODAY'S—Fair; northeast winds. Financial Situation. Run on New York banks dying out under influence of remedial measures. Section 1, page 1. Chicago and Pittsburg imitate New York in issuing clearing-house certificates. Section 1, page 1. Run on Providence banks abates. Section 1, page 1. Foreign. Letters of Queen Victoria of England. Section 1, page 1. Thrilling rescue of crew of wrecked steamer Leon. Section 4, page 12. Earl of Kingsland murdered in Serbian prison. Section 2, page 8. Strange lawsuit about relics of the Holy Cross. Section 2, page 8. Turbine steamer faster than Lantana to be built. Section 2, page 8. Man arrested in England who threatens to kill King Edward. Section 1, page 1. Berlin mob beats Von Moltke at Harden trial. Section 1, page 1. National. Data filed for sailing of battleships for Pacific. Section 1, page 1. Bishop Scadding does good work to bring battleships to Portland. Section 1, page 1. Land thieves to be prosecuted with renewed vigor. Section 1, page 2. Governor Wardaman predicts Bryan's election. Section 1, page 1. Chancellor Day publishes book vilifying Roosevelt. Section 1, page 2. Riots grow out of Donkeys car strike. Section 2, page 1. Real cause of Wall-street panic. Section 2, page 1. Great increase of liquor sellers in Kansas. Section 1, page 2. Harriman's downfall would follow loss of control of King Peter's estate. Section 1, page 1. Marion Grey, affinity finder, pleads guilty to fraud in order to nurse sick friend. Section 2, page 1. North Bank road to be finished by January 1. Section 1, page 1. Sports. Cornell wins close game with Princeton. Section 2, page 4. Changes to be made in managers major league teams. Section 4, page 9. Coast League magnates leave for New York meeting. Section 4, page 9. "Referee" discusses relative merits football teams. Section 4, page 9. Horse show entries insure pronounced success. Section 4, page 9. University of Oregon defeats University of Idaho football team 21 to 5. Section 4, page 8. Commercial and Marine. Oregon onion growers turn speculators. Section 4, page 11. Wheat advances a cent at Chicago. Section 4, page 11. Improved feeling in Wall street. Section 4, page 11. Holes in the wrecked steamer Corona have been effectually stopped and the vessel will be saved. Section 4, page 10. Portland and Vicinity. Out-of-town investors coming into Portland real estate market. Section 2, page 10. British warships may attend Rose Festival. Section 1, page 12. Officers capture Frohman robbers and recover part of plunder. Section 1, page 8. Charges against Detectives Kay and Kienlen dropped. Section 1, page 12. Railroads vigorously protest against assessment. Section 1, page 10. Automobile caught between streachers going in opposite directions. Section 2, page 12. Roosevelt will be forced to accept, says H. H. Gilroy. Section 1, page 8. Oregon Republican Civic League would improve old garbage crematory. Section 1, page 10.

FIRMLY GRAPPLE WITH TROUBLES

New York Bankers Adopt Remedies.

CALMNESS AND COURAGE GROW

Great Banks Stand After a Whole Week's Assault.

MORGAN ISSUES WARNING

Depositors Aggravate Scarcity by Withdrawing and Hoarding the Money—Clearing-House Orders Certificates—Gold Imports.

NEW YORK, Oct. 26.—In response to a request of the Associated Press for his view of the present situation, J. P. Morgan said today:

"As I have already said, I cannot too strongly emphasize the importance of people's realizing that the greatest injury that can be done in the present situation is the thoughtless withdrawal of funds from banks and trust companies and then hoarding the cash in safe deposit vaults or elsewhere, thus withdrawing the supply of capital always needed in such emergencies as that which has been confronted during the past week."

Calmness and growing encouragement were the dominant features of the financial situation, when the great banking institutions closed their week today with all the great financial institutions of the city intact after having met the unprecedented demands of the past week. With this signal demonstration of the resisting power of the banks came the addition of new and important measures to prevent a recurrence of acute strain. Although the Stock Exchange and other sensitive points were free from extreme agitation, there were heavy withdrawals of cash from several banks and trust companies, these withdrawals being for the most part by the smaller depositors. All the institutions affected continued to pay out on demand up to noon, the usual closing hour on Saturday.

Strong Remedial Measures.

First in importance of the remedial measures was that of the Clearing-House Association in issuing clearing-house certificates for the use of the banks themselves in settling their daily balances at the clearing-house. These certificates will not get into general circulation, but their use will enable the banks to keep in circulation for the needs of general business large amounts of currency which otherwise would be required for the settlement of the daily clearing-house balances. Plans were formulated to extend the benefit of clearing-house certificates to the trust companies as well as to the banks, which are at present members of the Clearing-House Association.

Another extremely important feature of today's news was the announcement by the National City Bank that it had engaged \$5,000,000 in gold for import. It is believed by bankers and exchange brokers that this engagement is the beginning of what will probably be a continuous movement of gold to New York from abroad.

Handling of Certificates.

The clearing-house certificates will be issued to those banks making application and proving to the satisfaction of the committee appointed for the purpose of the need for the certificates and their ability to deposit the proper collateral. No limit was fixed to the amount to be issued, but it is hoped that the amount asked for will be small. Banks desiring to obtain the certificates will be required to present their applications to a loan committee, which will consist of the regular clearing-house committee with the addition of five other bank officials who are experts in the judgment of credits and in dealing with banking matters. When a bank satisfies this committee

that clearing-house certificates are needed and the request is granted, the bank will be required to deposit first-class bills receivable or other good collateral, and will receive 75 per cent of the ascertained market value of such collateral in clearing-house certificates. These certificates will be accepted in all settlements of debit balances against the bank at the clearing-house. The effect of the issue of the certificates will be to leave the cash reserves of the banks unimpaired, so far as the demands through the clearing-house are concerned.

Of this decision to issue clearing-house certificates has usually been to restore confidence to a large degree, and thereby to diminish the pressure which might logically be anticipated in view of the previous demand for currency.

Large Imports of Gold.

The indications are that the cash reserve of the associated banks will be kept substantially intact hereafter by the importation of gold. The sharp fall in exchange yesterday, which made importation of gold possible at a profit, was not until today. It resulted in the announcement by the National City Bank of the engagement of \$5,000,000 of European Continent and South American gold and rumors of other engagements of the yellow metal. The large credits created in favor of the United States by the movement of crops and to some extent of securities, which have been taken over at the present bargain prices, will enable this country to import gold in considerable amounts without resorting to the sale of finance bills.

Cortelyou Praises Bankers.

Secretary of the Treasury Cortelyou caused the following statement to be given out tonight:

"On the occasion of a call on him this morning by representatives of the New York Clearing-House, Secretary Cortelyou asked that they convey to the Clearing-House his deep appreciation on behalf of the Government of the courageous and high-minded manner in which they had upheld the interests, not only of the city, but in a sense of the people of the whole country. Later Secretary Cortelyou called on J. P. Morgan and expressed in similar terms his appreciation of the services rendered by Mr. Morgan and all who had co-operated with him in meeting the emergency."

The sub-committee of the directors of the Knickerbocker Trust Company, who are hoping to bring about a resumption of business of the company, met in executive session today.

Improvement Still Continues.

Clark Williams, State Superintendent of Banks, in speaking about the bank situation today, said:

"Information received at the banking department today shows that there is improvement in the financial condition is continuing. The general appreciation of this is well illustrated by the fact that the directors of various banking corporations who during the past few days announced their suspension have reported today to the banking department that they desire, if they lawfully may, to undertake the rehabilitation of their respective institutions."

CHICAGO BANKS FOLLOW SUIT

Issue Clearing-House Certificates. Require Notice of Withdrawal.

CHICAGO, Oct. 26.—The Chicago Clearing-House Association today announced through a committee that it has decided to issue clearing-house certificates. It was also resolved that savings banks should require from their depositors the notices provided for in connection with such accounts. It was stated that the action was taken to prevent an undue drain upon the cash balances of the Chicago banks from outside institutions. No question of the solvency of the local houses is involved, members of the committee stating that none of the Chicago banks has asked for or is in need of assistance. The meeting was attended by a committee from the Milwaukee Clearing-House Association, which informed the Chicago bankers that similar action is to be taken in the Wisconsin city tomorrow.

The decision in regard to the local situation was taken after an eight-hour session of the association. The financial stringency in New York was the primary cause of the meeting and the situation was thoroughly discussed before a committee consisting of J. B. Forgan, president of the First National Bank; J. J. Mitchell, president of the Illinois Trust & Savings Bank, and E. A. Pettor, president of the American Trust & Savings Bank, was appointed to draw up the new rule of the association and make public an official statement of the action. The statement follows:

Following the action of the New York Clearing-House Association, the members of the Chicago Clearing-House Association met today to discuss the situation in the interest of depositors and the public as a whole.

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CROWD HISSES AND JEERS VON MOLTKE

Leaves the Court With Police Protection.

FINDINGS GIVEN TUESDAY

Trial Closes Amid Intense Excitement of All Classes.

APPLAUSE GREETS HARDEN

Makes Eloquent Speech in Defense and Is Tended an Ovation as He Leaves Courthouse—Von Moltke Asserts Innocence.

BERLIN, Oct. 26.—The trial before General Count Kuno von Moltke brought Maximilian Harden, editor of Die Zukunft, was closed today on the judge's announcing that the findings of the court would not be made until Tuesday morning.

The day was devoted to the pleas of the counsel and Herr Harden himself made a speech in his own defense, which was greeted with much enthusiasm, although there were some hisses. Herr Harden received a great ovation from the huge crowd in the streets as he emerged from the courthouse.

Public opinion seems to be running strongly against General von Moltke and as he left the courthouse through the side door under police protection, he was greeted with groans and cat-calls. Von Moltke also made a speech before the ending of the case, in his own behalf. He asserted his complete innocence of the charges hinted at in Harden's articles. His speech made a strong impression on his auditors, some of whom cheered.

Herr Harden's speech was a masterpiece of eloquence. He spoke with dramatic vigor, his face livid with excitement. Amid the applause which greeted Herr Harden as he entered the courthouse could be heard cheers for the Crown Prince.

The trial created a tremendous sensation in Berlin society. It has been the topic of conversation for weeks, especially among the military and government officials.

CONFESSES BIG FORGERIES

C. R. HOWE UNDER ARREST IN LOS ANGELES.

Says He Belongs in Portland and Signed Name of S. S. Silverfield to Many Checks.

LOS ANGELES, Cal., Oct. 26.—C. R. Howe, a young man who claims Portland, Or., as his place of residence, was arrested tonight, charged with passing \$500,000 worth of forged papers, bearing the signature of S. S. Silverfield, a prominent business man of Portland. Howe confessed to an elaborate series of forgeries extending over the Pacific Coast.

The above dispatch was read over the telephone early this morning to Mr. Silverfield at his residence at 589 Flanders street, but he could throw no light on the story.

"I know nothing of the matter," said Mr. Silverfield. "I never had a man by the name of C. R. Howe in my employ, and have not been notified by the banks that any forged checks have been passed on my accounts. The story is all new to me."

No other Silverfield is in business in Portland. The name of C. R. Howe does not appear in the Portland directory.

HARRY MURPHY WIELDS HIS MAGIC PEN ON WHAT HE CONSIDERS THE LEADING EVENTS OF THE WEEK



Capture of a New Pleistocene Marvel, a Harriman. Undoubtedly a Prize-Winner. Necessary Precaution Before Roosevelt Takes Fish's Seat. He Would Monkey With the Buzz-Saw. Best's Benevolent Purpose Toward Frisco. Fairbanks Says He Is Still in the Race—Very Still. In the Midst of Life, We've Got to Hustle.