borrowing directors and 2,279 officers and employes who were not directors was $392,287,441. As the capital stock of the national banks of the country on June 29 was $631,556,461, it follows that the direct and indirect liability of directors and officers amounted to 32.55 per cent., or about one-third the capital. These direct and indirect liabilities of directors and officers to banks under their management amounted to 7.75 per cent. of the total loans and discounts of the national system.

RESTRICTIONS NECESSARY.

The controller then says: "While these tables do not necessarily indicate that national banking officers and directors as a whole abuse their privileges, and many of these directors' loans are among the safest owned by the creditor banks, the controller believes the tables show clearly the great importance of a properly framed law placing additional restrictions and safeguards around these loans in which, the experience of the banking system teaches, is involved the greatest danger of the improper and lax use of banking funds. In formulating provisions of law restricting loans to executive officers and directors, it is important not to make them so unreasonable as to drive from such service the active, responsible and honest business men of the country. The problem is to devise such restrictions for the safety of the depositors as will discourage improper loaning to directors while not injuring the depositors by discouraging to too great an extent the assumption of the duties of bank directorship by the active and responsibe members of the business community. Primarily, the law should have in view the safety of the depositors, and it should be recognized that their safety is as much endangered by the passage of a law which would drive good directors from the service as by the existence of a law which does not sufficiently restrict the opportunity of dishonest directors to abuse the powers of their position. It seems plain to the controller that any law upon this subject should make a distinction in the nature of the restrictions upon directors who are not officers which will not involve as much of a delay in the making of loans to them as in the making of loans to the executive officers of a bank, since the latter have the greater opportunity and latitude for improper methods in the use of trust funds."

The controller gives herewith a copy of the bill introduced at the last session of Congress by Marriott Brosius, chairman of the committee on banking and currency (H. R. 12043, Fifty-sixth Congress, first session), which has had his careful consideration, and the passage of which with some additions he earnestly recommends. This bill has been drawn so as to insure a greater degree of safety in loans to directors and officers with what is believed to be a minimum of inconvenience to such officers consistent with the safety of such transactions. It properly recognizes the distinction in the relations of directors to a bank and those sustained by executive officers.

It will be noted that the provision made by this bill for the fixing of a line of credit for each director in advance reduces to a minimum the inconvenience of the greater supervision proposed. After such a line of credit has been fixed by the board of directors for an individual director he will be no more hampered within that limit under the proposed law than he is at present.

The text of this bill is printed in the report. In substance it provides that no national bank shall loan to its officers or employes until the proposition for the loan shall have been submitted in writing to the directors or executive committee of the bank and approved by the majority of them. A fine is fixed for infractions of this section. It provides that at any regular meeting the directors of a national bank may fix by resolution the limit of credit which shall be extended to any director. Within the limit of credit thus fixed the executive officers in their discretion may loan to directors without other action by the board. Unless the limit of credit has been thus fixed an application for a loan by a director must be in writing, approved by two other directors. Such a loan may be made by an executive officer, but must be brought to the attention of the board of directors at its next meeting for purposes of record. A penalty is provided for violation of this section.

TO AMEND SECTION 5200.

The bill also contains the amendment to Section 5200, which in his two former reports the controller recommended, relative to restrictions upon the general loans of banks. Section 5200 at present reads as follows:

"The total liabilities to any association of any person, or of any company, corporation, or firm, for money borrowed, including in the liabilities of a company or firm the liabilities of the several members thereof, shall at no time exceed one-tenth part of the amount of the capital stock of such association actually paid in. But the discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial or business paper actually owned by the person negotiating the same, shall not be considered as money borrowed."

The failure of the present law to provide power to apply a penalty for the making of excessive loans sometimes embarrasses the controller in endeavoring to check tendencies toward recklessness in loaning, which point to the ultimate ruin of a banking institution.

The present need is for an amendment to this provision which, while compelling, under penalty, the safe and proper distribution of loans of larger banks, will enable them to loan more nearly the same per cent. of their total assets, which the present provision allows to small banks. In this way the officers of larger banks can supply the proper needs of the larger communities without disregarding the law, and the controller can hold them under personal penalty to strict observance of the amended law, which, when disregarded, would indicate improper distribution of loans, something which infractions of the present provisions in the case of many banks do not necessarily indicate.

The greater ratio borne by banking resources to banking capital in the larger communities, as compared with a like ratio in smaller communities, is responsible for the defective and unequal working of the present provision.

The average ratio of resources to the average capital of the fory-four national banks in the city of New York is as 17.5 is to 1; of the sixteen national banks in Chicago as 14.2 is to 1; of the six national banks in St. Louis as 8.2 is to 1; of the 266 national banks in other reserve cities as 9 is to 1; while in the 3,400 country banks the ratio is but as 6.1 is to 1.

The law limiting loans to 10 per cent. of the capital, when applied to the 3,400 banks of the smaller communities of the country, as a whole, would allow the loaning of 1.56 per cent. of their total assets to one individual. As compared with this, the banks of the city of New York, on the average, could not loan over fifty-seven one-hundredths of 1 per cent. of their total assets to any one individual; the banks of Chicago not over seventy one-hundredths per cent. of their total assets; the banks of St. Louis not over 1.21 per cent. of their total asets; the banks of other reserve cities not over 1.10 per cent. of their total assets.

In other words, the proportion of their assets which the country banks of the United States can loan, in strict compliance with Section 5200, to one individual, is forty-six one-hundredths of 1 per cent. greater than in 266 reserve cities, thirty-five one-hundredths of 1 per cent. greater than in St. Louis, over twice as great as in Chicago, and nearly three times as great as in the city of New York.

This provision, as it stands at present, constitutes an incentive to the making of loans the larger in proportion to the total assets of banks in smaller communities, where, as a rule, large loans which are safe are the most difficult to secure, while in the larger business centers of the country, where commercial conditions create a certain demand both from banks and borrowers for large and safe loans, its effect is the reverse to such an extent as to be injurious.

ALL ON THE SAME FOOTING.

The controller states that in his judgment the present provision, when properly altered, should allow the banks of larger communities to have more nearly the privilege of loaning a given per cent. of their total assets to one individual, which now belongs, under a strict compliance with the present provision, to the banks of the smaller communities. From this privilege they are now debarred by law. He suggests that after the words, in Section 5200, "shall at no time exceed one-tenth part of the amount of capital stock of such association actually paid in," the following words:

"Provided, That the restriction of this section as to the amount of total liabilities to any association of any person, or of any company, or firm, for money borrowed shall not apply where a loan in excess of one-tenth part of the capital stock shall be less than 2 per cent. of the total assets of said bank at the time of making said loan. Said loan shall be at all times protected by collateral security equal to or greater in value than the excess in the amount of said loan over one-tenth of the capital stock."

A strict penalty enforceable by the controller should then be provided for infractions of the amended section by the officers of banks to enable the controller to successfully enforce general and strict compliance with its terms.

The suggested amendment will make Section 5200 just and equitable in its relation to all national banks and to all communities of our country, large and small, which it is not at present. It would not lessen the amount which the smaller banks can now loan in compliance with the section as it stands at present. At the same time it would not allow the larger banks to loan any one individual or corporation more than 10 per cent. of the capital, unless such loan, in addition to being secured for the excess, would not amount to a greater per cent. of the total assets than is consistent with the safe distribution of loans and the resultant protection to depositors.

Section 5200, thus amended, will not interfere, as at present, with the right of the banks in the larger communities to meet the legitimate requirements of business in these commercial centers. It will enable the controller, by its enforcement, to prevent any undue concentration of loans and conserve their general distribution. Under the section thus amended the capital of a bank will be protected, inasmuch as no loan in excess of the 10 per cent. limit can then be made, except upon proper collateral security. The penalty clause will enable the controller not only to limit the size, but to enforce the securing of excessive loans.

GENERAL CASH RESERVE.

The question of those laws which affect the right of one national bank to consider as a cash resource a deposit in another national bank, called its reserve agent, is one of great importance and involves the most fundamental principles of safe banking. The extent to which the reserve of one bank can safely be represented by what is practically a loan to another bank instead of by cash in its vaults is a proper subject for consideration at this time in view of the financial experiences through which this country has passed during the past few years.

In times of financial crisis, such as 1893, when there are widespread withdrawals in currency not only in reserve cities but throughout the country, the reserve cities are subjected to a strain which endangers the stability of the entire banking system.

The reserve banks, as a rule recognizing the instability of bank balances, must loan a large proportion of their money on call. To secure sufficient call loans they must go to the speculative exchanges, and the injurious results of that practice are easily understood.

It is only by loaning money on speculative securities that the banks are enabled to pay the high rates of interest on bank deposit balances which form the attraction to the country banks for the deposit of so much larger a portion of their funds in New York than is needed for the clearance of exchange. During the summer of 1899 there occurred a marked demonstration of the evil effects of this practice upon the legitimate business of the country. At that time there was a marked slackening in the demand for money in the interior of the country, and the banks of that section found it difficult to safely loan their funds. As a result the interest paid by Eastern reserve agents upon deposit balances attracted an immense surplus to New York and other Eastern cities.

This redundancy of money in New York and the East and the ease with which loans upon speculative collaterals were there obtained immediately created a speculative movement in stocks, which was carried on with a constantly rising range of prices until the fall of last year. At that time the crop movement in the West and the rising rate of interest there led the banks of the interior to draw upon their balances in New York and to order the shipment of large amounts of currency as against these balances. It is to be noted that at the time these demands took place the business of the country was in a prosperous condition, with a tendency toward an increase in general prices and in the wages of labor. There was no lack of confidence in the country and nothing which indicated panic conditions, and yet this demand by the banks of the West for the shipment of currency on deposit with reserve agents resulted in a panic upon the Stock Exchange of New York, which instantly became a grave menace to the entire business of the country.

In the abnormal demand for money created by this panic on the Stock Exchange the ordinary credits of the legitimate business and commercial enterprises of the country were necessarily curtailed by the banks, and unquestionably great damage would have been done to such interests had not the secretary of the treasury, seeing the possibility of evil to the country at large, interfered to prevent a rapidly increasing stringency in the money market.

It is to be remembered, of course, that the exchange business of the interior banks will always necessitate large deposit balances in New York and other reserve cities, and that at certain seasons of the year abnormally large balances of idle funds may be attracted to different parts of the country, following higher interest rates. But it is suggested that public policy demands that banks of the country should not be allowed to deposit with other banks so large a portion of that fund which in theory is regarded as sacredly devoted to the protection of the interests of the depositors. They should be compelled to hold a larger portion of this fund in cash in their vaults, so that it can always be devoted to its proper use beyond peradventure.

IN TIMES OF PANIC.

In the panic of 1893 the New York banks refused to ship currency in response to demand from banks in the interior for a considerable time, showing in the extreme test of panic that the reserve which had been counted as cash by the banks of the country was not, in fact, at all times avilable to enable them to meet the demands of their depositors. While restrictions placed upon the power of banks to count as banking reserve so large a portion of money on deposit in reserve cities will not have the effect of preventing speculative transactions in money centers, it will not have a tendency to encourage them to so great an extent as does the present law, at a risk at times to the best interests of legitimate business and at the cost of weakening the banking system as a whole by creating too great a disproportion between the aggregate cash resources and aggregate deposit liabilities.

It is to be remembered that so far as the ability of the banks to serve the public is concerned it will not be materially impaired by smaller balances in reserve cities. The banks, of necessity, must furnish exchange, and will accordingly keep the balance with correspondents necessary for such purpose. The permission given by the law to the bank to count as a part of their cash reserve a balance with their reserve agent is primarily for the purpose of convenience and profit for the banks, and not for the convenience of the public in any of its relations to the bank.

The controller believes that under the present law regarding reserve cities too great latitude is now given the banks in connection with the use of the reserve, the primary object of which is the protection of the depositors of the banks, and he recommends that amendments to the laws be passed requiring that a larger proportion of the reserve should be kept in cash in the vaults of the bank. Considering the banking system as a whole the present ability of banks to use credits with reserve banks as a basis of loans creates too great an extension of aggregate deposit credits as compared with aggregate cash resources, which, in times of liquidation and financial panic, increases the necessity upon the banks of demanding payment of loans from the community and adds to the demoralization of business incident to such period. By increasing the restrictions upon the right of banks to count deposits with reserve agents as cash, a firmer and safer foundation will be built under the deposit credits of the country, and it is the belief of the controller that in times of liquidation the greater strength of the banks will more than compensate them for the loss of the small amount of interest on a portion of their balances which may be due to a change in the present law.

It is therefore recommended that Section 5192 of the Revised Statutes of the United States be amended so that under its provisions but one-fifth, instead of three-fifths, of the reserve of 15 per cent. required by law to be kept by banks not reserve agents may consist of balances due to reserve banks, and that Section 5195 of the Revised Statutes of the United States, which authorizes banks in smaller reserve cities to keep one-half of their lawful money reserve in balances in central reserve cities, be repealed.

The controller repeats the recommendation made by his predecessors that the present law should be so amended as to provide fixed salaries for bank examiners, to be paid from a fund collected from the banks, to take the place of the fee system now in force. The amount allowed an examiner for the examination of smaller banks is not sufficient to compensate him for the time necessary in many cases for an extended examination. The present system encourages to too great an extent superficiality in examinations, and interferes greatly with the proper and wise apportionment of time of examiners among the different banks.

Among other recommendations the controller strongly urges laws regulating international and intercolonial banking as distinguished from domestic banking, and prints in an appendix the result of investigations into banking conditions in Porto Rico, Hawaii and the Philippines.

WEATHER FORECAST.

Fair To-Day and Probably Higher Temperature To-Morrow.

WASHINGTON, Nov. 25.—Weather forecast for Monday and Tuesday:

For Kentucky—Fair on Monday and Tuesday, preceded by rain or snow in extreme eastern portion on Monday; high northerly winds.

For Ohio—Snow on Monday, except in southwest portion; colder in southeast portion. Tuesday, fair; high northerly winds on Monday.

For Indiana—Fair on Monday and Tuesday, probably warmer on Tuesday; diminishing northerly winds.

For Illinois—Fair on Monday; Tuesday, fair, warmer; fresh northerly winds.

For Lower Michigan—Fair on Monday, except probably snow in southeast portion. Tuesday, fair; northerly winds; high over Lake Huron.

Local Observations on Sunday.

	Bar.	Ther.	R.H.	Wind.	Weather.	Pre.
7 a. m.	29.97	35	95	North.	Lt. rain.	0.41
7 p. m.	29.98	35	82	North.	Cloudy.	0.01

Maximum temperature, 40; minimum temperature, 34.

Following is a comparative statement of the temperature and precipitation Nov. 25:

	Temp.	Pre.
Normal	36	0.13
Mean	37	0.42
Departure from normal	*1	*0.29
Departure since Nov. 1	*28	*0.87
Departure since Jan. 1	*466	—2.17

*Plus.

C. F. R. WAPPENHANS,
Local Forecast Official.

Yesterday's Temperatures.

Stations.	Min.	Max.	7 p. m.
Atlanta, Ga.	..	64	38
Bismarck, N. D.	..	30	18
Buffalo, N. Y.	..	34	32
Calgary, N. W. T.	..	42	38
Chicago, Ill.	32	40	38
Cairo, Ill.	36	42	38
Cheyenne, Wyo.	20	46	38
Cincinnati, O.	36	40	36
Davenport, Ia.	24	38	32
Des Moines, Ia.	22	30	26
Galveston, Tex.	..	58	54
Helena, Mont.	..	40	38
Jacksonville, Fla.	..	80	64
Kansas City, Mo.	30	38	30
Little Rock, Ark.	40	44	42
Marquette, Mich.	..	34	30
Memphis, Tenn.	40	..	42
Nashville, Tenn.	34	44	34
New Orleans, La.	..	52	46
New York, N. Y.	..	48	44
North Platte, Neb.	..	48	34
Oklahoma, O. T.	28	46	40
Omaha, Neb.	24	36	30
Pittsburg, Pa.	46	48	48
Qu' Appelle, N. W. T.	..	32	22
Rapid City, S. D.	16	50	34
Salt Lake City, Utah	34	46	42
St. Louis, Mo.	36	42	36
St. Paul, Minn.	..	24	22
Springfield, Ill.	32	40	34
Springfield, Mo.	30	40	36
Vicksburg, Miss.	42	44	42
Washington, D. C.	..	56	54

MR. BRISTOW'S REPORT

RECOMMENDATIONS OF FOURTH ASSISTANT POSTMASTER GENERAL.

He Thinks Congress Should Prohibit Common Carriers from Abetting Lottery Companies.

WASHINGTON, Nov. 25.—Fourth Assistant Postmaster General John L. Bristow, in his annual report, recommends an amendment to the interstate-commerce law prohibiting telegraph and express companies or their employes from aiding or abetting in the green-goods or lottery swindles or any other scheme carried on partly by mail and partly by common carrier and in violation of the postal laws. Other legislation urged is as follows:

Authorizing postoffice inspectors to take out search warrants whenever necessary.

Payment of incidental expenses incurred by local officers or others in the arrest, detention and keeping of prisoners violating postal laws until transferred to the United States marshal's custody.

Construction of inspectors' lookout towers in postoffices, whenever deemed necessary by the postmaster general, and prohibition of loose pouching of circulars, calendars, etc., owing to small pieces of mail matter frequently slipping into large unsealed envelopes in transit.

There were 15,142 appointments of postmasters made during the past fiscal year, 14,435 being of the fourth class and 707 being presidential, an increase of 538 in all over last year. There also has been an increase in the number of resignations, especially of the fourth-class postmasters. Fewer removals for irregularities were made than last year. There were 3,600 postoffices established during the year, an increase of 665 over last year, and 1,912 were discontinued, an increase of 407 discontinuances over last year, mostly due to rural free delivery extension and public highway improvements.

A vigorous effort has been made to suppress postoffices conducted throughout the country for the sole benefit of some corporation, nursery company, patent medicine firm or other private institutions whose operations deprive the government of its legitimate revenues. The company or corporation usually has some one connected with it appointed postmaster and thus gets the advantage of the cancellations or the salary and allowances of the postmaster. These institutions sometimes have derived thousands of dollars of revenue from the government which virtually amounted to a commission or discount on their postal business.

There were forty-seven resignations and forty-five deaths of presidential postmasters and 919 deaths and 8,013 resignations of fourth class postmasters.

On June 30 last the number of postoffices was 76,688, as follows: first class, 194; second class, 852; third, 3,187; fourth, 72,455.

The total number of arrests during the fiscal year for offenses against the postal laws was 1,526, including nineteen postmasters, twenty-nine assistants and 144 postoffice clerks, carriers and other postal employes. Of the total number arrested 526 were convicted.

MANY STARTING ANEW.

(CONCLUDED FROM FIRST PAGE.)

incurred while employed in one of the excepted pursuits or otherwise.

During the past year there has been no material change in the business transacted from that in the year previous. The magnitude of business under the voluntary feature of the law, the report says, seems large, yet Mr. Brandeburg is constrained to believe that a good percentage is made up of old insolvents and unless business conditions materially change a considerable decrease of suits of this character should follow shortly.

There has been an increase of a little more than 300 petitions under the involuntary feature of the law, which, says the report, is quite significant in connection with the impression heretofore current that the law has favored the debtor rather than the creditor.

The necessity of perfection of the law by mandatory legislation is declared to be a matter of common knowledge. The report says that while it doubtless would not be well to urge any sweeping amendment Congress should give its attention to the provision covered by Section "57 G" of the law, which has been variously interpreted by the courts, the weight of the authority—included within which are two Circuit Courts of Appeals—sustaining the position that payment on account made within four months must be first surrendered before the balance of the claim of the creditor to whom such payment has been made can be proved and allowed, which interpretation the report declares is meeting with almost universal disapproval on the part of the commercial community.

MR. DALZELL'S VIEWS

MEASURES CONGRESS WILL BE URGED TO PASS THIS WINTER.

Bills for the Reduction of War Taxes and for Reapportionment Regarded as Important.

ARMY TO BE REORGANIZED

MUST BE PUT ON A NEW FOOTING BEFORE NEXT JULY.

Republican Party Pledged to the Passage of a Bill for the Encouragement of Shipping.

Special to the Indianapolis Journal.

WASHINGTON, Nov. 25.—Representative Dalzell, of Pennsylvania, a member of the ways and means committee, now considering the subject of a reduction of the revenues from the war tax law, and a Republican leader of the House, gave his views to the Journal correspondent to-day on prospective tax reduction and other legislation during the coming session of Congress.

"The matter of a reduction of the war taxes," said Mr. Dalzell, "involves many matters, and at present I am not prepared to make any definite statements as to the precise direction this action will take beyond saying that the first efforts of Congress will undoubtedly be towards removing those taxes which are most burdensome and most readily felt by the people. In dealing with this matter there must first be taken into consideration what amount of taxation can safely be removed and in the second place what items can be dealt with so as to arrive at the proper amount of deduction and at the same time operate most readily for the relief of the taxpayers. We will be assailed, of course, by every interest which is taxed. Our experience during the hearings of the last tariff session disclosed the fact that each particular industry believed that its tax was most unreasonable and the one that should be first removed. In all probability the stamp tax on telegrams and express packages will be removed during this session. This will afford some relief to people doing business in this direction. Exactly how much this will reduce the amount of revenue accruing has not been figured out, but it is comparatively a small sum.

"Congress will pass a reapportionment bill. It seems to me desirable that in the passage of such a bill an increase of the membership of the House should be avoided if possible. Of course, there are difficulties in the way of the passage of a bill that might deprive some States of a part of the representation to which they are now entitled, and which might seem unduly to increase the representation of others, but I have no doubt that a fair compromise will be reached on a measure not materially increasing the membership of the House. The question as to whether or not any attempt should be made to reduce the representation of certain Southern States is one surrounded with so much difficulty that without full consideration I should not care to express an opinion upon it.

"I do not see any way of escaping the passage of a bill reorganizing the army. Unless some legislation be had during this session the existing army will disintegrate on July 1, 1901, and it seems to be absolutely necessary, therefore, that some bill should be passed to put the army upon a new footing. What that footing shall be is a matter for grave consideration. I do not believe there is any disposition in any quarter to increase the army permanently beyond what may be absolutely necessary and I cannot believe, in view of the results of the recent election, that there will be any opposition on the part of any one to a proper army measure. I do not think either that there is a disposition on the part of any one to establish a large standing army beyond reasonable national needs. The purpose of the bill to be enacted will be to provide a permanent establishment that shall be elastic so as to readily adapt the size of the army to conditions as they may arise.

"The Republican party is pledged to the passage of a bill for the encouragement of the merchant marine. That action would be strictly in line with the Republican policy. We have demonstrated that our protection system, as applied to all our manufacturing interests, to whose benefit it is in part directed, has in its enforcement resulted in the welfare of American enterprise. There is every reason, therefore, why it should be extended to the building up of our merchant marine, and it seems to me that this is an opportune time for the redemption of the pledge in the Republican platform on the subject of a ship subsidy measure.

"If Congress can so arrange matters as to pass a Nicaraguan canal bill without serious interference with our international relations I think such a bill should be enacted, and I am in hopes that any obstacles that exist in that direction may be removed.

"There are important measures enough in prospect to make the coming session an exceedingly busy one, especially when we consider the fact that in addition to the matters I have mentioned there will be the usual number of appropriation bills to dispose of."

ARMY ENLISTMENTS.

Many Men Offering Their Services—Fully 33,000 to Be Enlisted.

WASHINGTON, Nov. 25.—In view of the probable call upon the War Department to make a sudden increase in the enlisted strength of the army, after the present regular force has been discharged, it is a matter of considerable interest to see what may be done by the various recruiting offices toward building up the new regiments, when the number and strength of these is determined by the passage of the army reorganization bill. It is said at the War Department that for several months past the chief trouble has been to keep from over-recruiting the regular regiments now in service. In spite of the fact that active war hardly can be said to exist even in the Philippines, there has been strong pressure for enlistment and the recruiting officers, it is said, have been able to pick and choose men of a very high standard of excellence, owing to the large number of applicants. The department counts with considerable confidence on the re-enlistment of a large number of men whose term of service will expire on June 30, 1901. At the same time if the army reorganization bill provides for a permanent force of 60,000 men or more, and it is not thought likely that it will fall below this figure, there will be 33,000 men to enlist between the date of the passage of the bill and the discharge of the present regulars on the 30th of June. The chief recruiting officer of the department, Major Johnson, says that it is impossible to make any predictions as to the speed with which the recruiting can be carried on, but that it will depend largely on the number of officers that the department can detail for recruiting duty. When the Spanish-American war was officially declared to be ended, and the discharge of the volunteers rendered the recruiting of fresh regiments imperative, there were 25,000 new men added to the regular establishment in the space of about six weeks, in spite of the fact that volunteer officers at that time were recruiting all over the country to fill up the volunteer regiments. The first regiments enlisted for the regular service were recruited, equipped and drilled and ready for transportation on an average of forty-four days each, more than ten days quicker than the average for the regiments enlisted at the beginning of the Spanish war.

President Returns to Washington.

WASHINGTON, Nov. 25.—President McKinley, the members of the Cabinet and Secretary Cortelyou, who attended the Union League banquet in Philadelphia last night, returned to Washington this morning.

NEW FOOTBALL CAPTAIN.

David C. Campbell Elected to Lead the Harvard Team Next Year.

BOSTON, Nov. 25.—After the Harvard football team returned to the Yale gymnasium at the close of the game yesterday they elected Captain Daly's successor, who will lead the crimson team next year. The choice fell on David C. Campbell, 1902, who played left end in the game yesterday. Captain Campbell prepared for the Lawrence Scientific School at Worcester Academy, where he played tackle and was captain of his team. In his freshman year at Harvard he played right end and captained his team. Last year he played left end on the 'varsity and was especially noted for the gift that he showed in diving into an interference and upsetting it. He is six feet one inch tall, weighs 170 pounds and is twenty-seven years old. Harvard men feel that he will make a good leader for the crimson eleven, since he has already captained two teams and has had a great deal of 'varsity experience.

OHIO RIVER IS RISING

ITS TRIBUTARIES POURING A FLOOD INTO THE BIG STREAM.

Coal Shippers Rejoicing and Hurrying Fleets of Barges Away on the Swollen Water.

PITTSBURG, Nov. 25.—The Ohio river at the dam to-night is 8.4 feet and rising rapidly. By to-morrow fourteen feet or more is expected, and 5,000,000 bushels of coal will be shipped to Southern points. The Consolidated Coal Company has arranged for every boat in the port, twenty-five in number, to go out on this rise, and the boats coming up with the empties will be returned as rapidly as possible until the 30,000,000 bushels now loaded are on their way South.

The engineers' strike, so far as the Consolidated Coal Company is concerned, is settled. A number of the strikers conferred with the company officials to-day, and after much talk the men were granted the scale, but recognition of the union was refused. The officials say enough men have agreed to equip all the boats with full crews. The scale agreed upon calls for $100 between Pittsburg and Louisville and $125 if the trip extends beyond that point.

Rising Rapidly at Cincinnati.

CINCINNATI, Nov. 25.—Floods are reported all along the Ohio valley to-night. In almost the entire valley it has been raining since last Tuesday and almost continuously since Friday. While no lives are reported lost, the damage to property is considerable. The Licking river, in Kentucky, is very high and caused some damage on the Ohio river by its waters rushing across the Ohio channel and sweeping the Cincinnati landing. One of the bridges over the Licking connecting Covington and Newport was swept away. The lumber yards, mills and shipping generally suffered great loss, while on the Ohio side the Great and Little Miami rivers are both high. Floods along the tributaries of the Ohio river are reported everywhere. The Ohio rose eight feet here during the last twenty-four hours, and it is rising more rapidly to-night.

WANT TO AVOID WARS

COMPULSORY ARBITRATION FAVORED BY LATIN-AMERICANS.

Bellicose Chile the Only Republic Opposed to Settling Disputes Without Recourse to Arms.

WASHINGTON, Nov. 25.—Dispatches from Madrid received in official diplomatic quarters here, make the first announcement that in the debates before the Latin American congress, whose sessions have just been concluded, the principle of compulsory arbitration urged by the Peruvian delegate has been approved by almost unanimous vote, Chile alone holding out and protesting against the action taken. The decision not only favors compulsory arbitration in disputes between the American republics, but also provides that guarantees shall be given for the faithful performance of the conclusions reached by the arbitration tribunal.

Aside from the immediate question involved, the decision of the congress is regarded in South American quarters as significant of the aligment of the southern republics on the increasing differences which have arisen of late and which are threatening to bring about general crises involving most if not all of the South American republics. Several events have occurred recently indicating a widespread movement. Peru has been making desperate efforts to regain her provinces of Tacna and Arica, which are a sort of border hostage held for the last ten years by Chile. Bolivia is involved in the same controversy, as she has lost her seacoast to Chile and is now seeking to save part of it. The latter question was recently brought to a direct issue by the presentation of a demand from Chile; generally construed as an ultimatum, requiring Bolivia publicly to acknowledge by treaty the sovereignty of Chile over the seacoast in question.

About a month ago Chile adopted the compulsory military system under which every male citizen, on reaching the age of nineteen years, must serve as a soldier. This has caused widespread concern in South America and has led other countries to take steps toward similar military equipment. Ecuador has declared its purpose of adopting a system like that of Chile and Peru, which now has only 2,000 soldiers, has taken steps to have a general enlistment in its national guard. But the chief concern has been expressed in Argentina and Brazil, as it is the feeling in those countries that the powerful armaments of Chile are not required against such enfeebled states as ePru, Bolivia, Ecuador and the othern northern republics but will be used against Chile's more powerful neighbors in the south. Argentine and Chile are separated by a long boundary line which is now in dispute. The boundary has frequently threatened an armed conflict and each country has been steadily increasing its armament, land and naval.

It is estimated by one of the most prominent observers in Washington that each country has spent about fifty million dollars on armaments in the last ten years. Brazil recently has been brought into alignment by a cordial restoration of good feeling with Argentina. For a time they were at loggerheads over a boundary contest, but by arbitration of the United States the award was made in favor of Brazil, and Argentina has heartily accepted this result. The Presidents of Brazil and Argentina have exchanged visits and during the stay of President Campos-Salle at Buenos Ayres recently, consideration was given to united action on some of these pending South American controversies.

The several movements have had the general effect of establishing a common basis between Bolivia, Peru, Argentina and Brazil. While there is no suggestion thus far that these united republics would use force against Chile, yet it is appreciated that the present situation may lead to serious results. The Chilean army is directed by able German officers, the commander being General Kooner, a German officer who was placed at the head of the army about ten years ago. Some forty other foreign officers, chiefly German, also occupy leading places on the staff and line.

Mausers and Cartridges.

CARACAS, Venezuela, Nov. 25.—The Venezuelan government has received from Germany ten thousand Mauser rifles and three million cartridges.

TWO "DROMIOS" DEAD

DECOMPOSED BODIES OF BROTHERS FOUND IN THEIR HOME.

Mysterious Affair at Peru That May Develop Into a Poisoning Case When Investigated.

OLD BLUE LAWS ENFORCED

ATTEMPT AT KOKOMO TO MAKE SUNDAY CLOSING OBNOXIOUS.

The Town "Dry" and "Tight" Yesterday to Everybody, Except in Cases of "Mercy and Necessity."

PERU, Ind., Nov. 25. — The decomposed bodies of Jerry and Patrick Holland, brothers, aged sixty-two and fifty-six years, respectively, were found in their house to-day. No marks of violence were evident, and as the men, when last seen, eight or ten days ago, were drinking, it is believed they were drugged, the poison taking effect soon after they reached their home. The brothers were noted for their affection for each other, and their appearance and actions were so nearly alike that they were generally known as "The two Dromios." They were light-hearted and cheerful in disposition, and the theory of suicide is not entertained. Jerry possessed considerable property, while Patrick was comparatively poor. An investigation will be made by the coroner to-morrow, and is expected to shed some light upon the mystery.

A PURITANICAL SUNDAY.

Kokomo Getting a Taste of Blue Laws —No Meat or Drink.

Special to the Indianapolis Journal.

KOKOMO, Ind., Nov. 25.—Kokomo was a closed town to-day, every business house in the city except three drug stores and the hotels and boarding houses, being tight, "Mercy" and "necessity" were the only available passwords to prospective purchasers. The tobacco shops, news stands "shine" stores were closed. The saloons and gambling houses were likewise barricaded and untenanted. At the bakeries bread was for sale, but no cake or pie went, and at the drug stores placards, "Not for Sale" lay in the cigar cases with other forbidden articles. The Sunday papers for most part lay in the offices undelivered. The livery stables were forbidden to let vehicles except on errands of mercy. The street cars were also included in the order, but disregarded it and operated all day. The puritanical Sunday is the result of an order of the City Council that all laws "as written" be enforced. Hotels served cigars to their guests.

INDIANA OBITUARY.

Dr. W. F. Carson, a Prominent Sound Money Democrat.

Special to the Indianapolis Journal.

HUNTINGTON, Ind., Nov. 25.—Dr. W. F. Carson, a prominent physician and leader of the sound money Democracy of Huntington county, died in bed this morning of heart failure. He was fifty years of age and leaves a widow and two daughters. He was a man of fine attainments and great force of character. In 1898 he was a candidate for mayor, supported by Republicans and Gold Standard Democrats, but was defeated by a few votes.

Two Sudden Deaths.

Special to the Indianapolis Journal.

MUNCIE, Ind., Nov. 25. — Mrs. Anna Hockett assisted in the housework this morning, seemingly in good spirits. After partaking of a hearty breakfast she died very suddenly. She was seventy-four years old, the wife of Tobias Hockett. The coroner is investigating.

Martin Glenn, aged forty-four, a saloon keeper, died suddenly of hemorrhage today.

Seymour Water Works Fight.

Special to the Indianapolis Journal.

SEYMOUR, Ind., Nov. 25.—There is promise of a long siege of litigation through the courts if the City Council abide by the results of the special election held here yesterday, which demanded that the city continue its suit to have the present contract with the Seymour Water Company annulled and the franchise revoked. Of the 838 men who participated in the election 807 were for continuing the fight, while only thirty-one were favorable to the city making a new contract with the company.

Anti-Saloon Leaguers Preach.

Special to the Indianapolis Journal.

LEBANON, Ind., Nov. 25.—Representatives of the Anti-saloon League of Indiana spoke at the various churches here to-day. This morning Rev. W. C. Helt, of Indianapolis, president of the league of Indiana, spoke at the Methodist Church, and Prof. C. B. Coleman, of the Butler Bible College, Irvington, spoke at the Christian Church. In the afternoon at 3 o'clock Dr. Helt addressed a mass meeting at the Baptist Church. In the evening Dr. Helt spoke at the Presbyterian Church and Prof. Coleman spoke at the Baptist Church.

"Fremonters" Thanked by McKinley.

Special to the Indianapolis Journal.

TERRE HAUTE, Ind., Nov. 25.—At a meeting of the Fremont-Lincoln Club, composed of 387 voters who cast their first vote for Fremont and who took part in the recent campaign, resolutions were adopted congratulating President McKinley on the vindication of his policy and administration, and pledging support to him during his second term. A copy of the resolutions was sent to the President and he has replied, saying he was "much gratified by the cordial words of congratulation embodied in the resolutions recently passed by your club."

Saving Money for a Trip.

Special to the Indianapolis Journal.

TERRE HAUTE, Ind., Nov. 25.—The Uniform Rank, No. 3, of Knights of Pythias, which won the first prize in the drill at the biennial conclave at Detroit, wants to go to San Francisco two years from now, and to raise the $2,500 expense money has started a mutual savings association by which each member will pay 50 cents a week. Company No. 83, which also won a prize at Detroit, will begin saving money for the same trip.

Cement Trust Proposed.

LOUISVILLE, Ky., Nov. 25.—The Courier-Journal will say to-morrow that the fourteen cement mills located in the vicinity of this city and Jeffersonville, Ind., which supply the greater part of the United States, have in contemplation the formation of a combine.

Accidentally Shot His Brother.

Special to the Indianapolis Journal.

MUNCIE, Ind., Nov. 25.—Robert Claney, aged fifteen, shot his brother John in the neck to-day while the two were scuffing for possession of a revolver. The latter came near bleeding to death.

Richmond Loses Chauncey Fisher.

RICHMOND, Ind., Nov. 26.—Chauncey Fisher, pitcher for the Chicago White Stockings, has decided not to return to Richmond and join the Henley-Roller polo team this season. Instead he will play with the Muncie, Ind., team.

To Cure a Cold in One Day

Take Laxative Bromo Quinine Tablets. All druggists refund the money if it fails to cure. E. W. Grove's signature is on each box. 25c.

NATIONAL Tube Works

Wrought-Iron Pipe for Gas, Steam and Water.

Boiler Tubes, Cast and Malleable Iron Fittings (black and galvanized), Valves, Stop Cocks, Engine Trimming, Steam Gauges, Pipe Tongs, Pipe Cutters, Vises, Screw Plates and Dies, Wrenches, Steam Traps, Pumps, Kitchen Sinks, Hose, Belting, Babbit Metal, Solder, White and Colored Wiping Waste, and all other Supplies used in connection with Gas, Steam and Water. Natural Gas Supplies a specialty. Steam-heating Apparatus for Public Buildings, Store-rooms, Mills, Shops, Factories, Laundries, Lumber Dry-Houses, etc. Cut and Thread to order any size Wrought-iron Pipe, from ⅛ inch to 12 inches diameter.

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QUEER SORT OF SCHOOL.

Story Told by Boys Who Were Rescued by Dr. Balch.

NEW YORK, Nov. 25.—Four boys, whom Magistrate Blann directed the Gerry Society to deliver to their parents, were brought before him in the Jefferson Market Police Court to-day and they told a remarkable story of a boarding school for boys at Tuckahoe. The boys were Albert Mousert, six years old; Edward Quay, twelve years old; Harold Norman, eleven years old, all of New York, and George Calloway, nine years old, of Ridgefield Park, N. J. The boys looked unkempt and as if they had been touring the country on freight trains. Agent Moore told the court that they had been at Beacon Heights Boarding School, at Tuckahoe, which was broken up on Saturday by Dr. Balch, of the Yonkers Children's Society, by the arrest of the principal, William E. Duffy, on a charge of neglecting the eight boys in his care. Dr. Balch's descent on the place was brought about by a concerted complaint on the part of the people living in the neighborhood of the school.

One rainy day during the week Duffy went to New York and locked the eight boys out. They had no place to go to, and those in the vicinity of the school saw them wandering aimlessly around, shivering from the cold. The noon hour came and Duffy did not return, and the boys had no dinner. It was after nightfall when Duffy did return. The neighbors thought it was a queer sort of a boarding school and many of them investigated it. Those of them who had talks with the boys concluded that something must be done, and the latter was brought to the attention of Dr. Balch. On Saturday Dr. Balch went to the school and arrested Duffy, and took charge of the boys. Duffy was arraigned immediately before a local magistrate and discharged on the condition that he surrender the boys to the care of the Children's Society. Eddie Quay, who had been in the school longer than any of the others, says there was no appearance of a school about the place and that Duffy cooked the meals. He said he thought his people paid $15 a week to Duffy for his board and "schooling." Quay said: "Duffy whipped us often and would never let a boy go home, except on a holiday. He went to New York very often. At least two days a week he would go, and one week, not long ago, he went every day. He would leave a slice of bread and some meat for us in a bag."

DAMAGED BY THE SEA.

Steamship Lorraine Had a Stormy Passage to New York.

NEW YORK, Nov. 25.—The French line steamship La Lorraine, which arrived today, experienced a hard time crossing the Atlantic. In addition to the weather, which was exceedingly rough, several accidents occurred to the machinery, which caused the vessel to slow down while repairs were being made. Her bridge rail was smashed and there was a dent in the smoking-room roof, caused by the giant waves which broke over her, forward. Two of the seamen are in the ship's hospital. One man was struck on the head by the nozzle of a hose. The other was swept across the deck by a wave and landed against the rail with his knee badly hurt.

The Campania Buffeted at Sea.

NEW YORK, Nov. 25.—The Cunarder Campania, which arrived in quarantine Saturday evening, came to her dock early this morning. She had a rough passage, experiencing gales and squalls almost all the way across. Among those who arrived on the steamer were Peter Curran, chairman of the General Federation of Unions of Great Britain, and John Weir. They came here as delgates to a labor convention at Louisville.

Movements of Steamers.

NEW YORK, Nov. 25.—Arrived: La Lorraine, from Havre; Minneapolis, from London. Sailed: Amsterdam, for Boulogne and Rotterdam.

PORTLAND, Me., Nov. 25.—Arrived: Hibernian, from Glasgow. Sailed: Vancouver, for Glasgow.

QUEENSTOWN, Nov. 25.—Sailed: Etruria, from Liverpool, for New York.

LIVERPOOL, Nov. 25.—Arrived: Ivernia, from Boston.

Losses by Fire.

BEATRICE, Neb., Nov. 25.—Fire which broke out in the general merchandise store of Begole & Van Ardsdale shortly before noon to-day, destroyed the brick block in which it was located, together with stocks involving a total loss of $85,000. Of this loss $68,000 falls on Begole & Van Arsdale, who carried insurance of but $29,000. Their store was the largest in the city. The origin of the fire is unknown.

TIFFIN, O., Nov. 25.—The Tiffin woolen mills, the largest manufacturing institution in the city, was gutted by fire tonight. The building is located in the center of the business portion of the town, and for a time other buildings were threatened. The plant and machinery are practically destroyed. Loss $75,000, covered by insurance. One hundred and fifty people will be thrown out of employment.

ROCHESTER, N. Y., Nov. 25.—Fire this afternoon wrecked the plant of the Citizens Light and Power Company and destroyed the Washington flour mills, both situated at the corner of Factory and Mill streets, causing a loss estimated at $175,000; partly covered by insurance.

Official Vote of Wisconsin.

MADISON, Wis., Nov. 25.—The official canvass of the vote of the State of Wisconsin in the late election shows the count to be as follows: For President—Bryan, 159,291; McKinley, 265,233; Woolley, 10,080; Debs, 7,084. For Governor—Bohmrich, Dem., 160,674; La Follette, Rep., 264,420; Smith, Prohl., 9,712; Tuttle, Social Dem., 6,527; Wilke, Social Labor, 504.

Grievances Adjusted.

WILKESBARRE, Pa., Nov. 25.—The grievances of the brotherhood men employed by the Lehigh Valley Railway have at last, it is believed, been settled. The brakemen employed on freight and coal trains on branches of the road will receive an increase of from 10 to 25 per cent. in wages. Engineers will also be allowed extra time for housing their engines.

Another Rioter Convicted.

AKRON, O., Nov. 25.—Edward Eppley was to-day found guilty of the unlawful possession of dynamite. It is one of the cases growing out of the riots here in August last, when the City Hall was blown up and burned. It is the fifth conviction that has been secured, but the jury only returned a verdict after the judge had sent them back with a sharp reprimand.