

RECEIVERS APPOINTED.

ATTORNEY GENERAL ACTS

Three for Knickerbocker Trust Designated by Richmond Court.

Following the appointment of three receivers for the Knickerbocker Trust Company by Justice Clark, in the Supreme Court, Richmond County, yesterday, came the startling announcement from Attorney General Jackson, on whose application the receivers were named, that he sought the Staten Island court to avoid the appointment of improper persons.

Mr. Jackson said that he had become assured that the interests which were planning to reorganize the company were not considering the depositors. Then he asserted that a man whose name had been suggested to him as a receiver by Julien T. Davies, of Davies, Stone & Auerbach, counsel for the Knickerbocker Trust Company, was the same person who tried to get from the bank examiner in charge of the company's offices an illegal check for \$1,000,000.

This man, according to the Attorney General, went to the examiner after the company had suspended business and the Acting State Superintendent of Banks had taken charge, and asked for the check. He was referred to the Acting Superintendent of Banks, who in turn consulted Mr. Jackson.

The receivers appointed are Otto T. Bannard, president of the New York Trust Company; Ernst Thalmann, senior member of the banking firm of Ladenburg, Thalmann & Co., and General Henry C. Ide, the first Governor of the Philippine Islands under the American regime. In appointing the receivers Justice Clark granted an order to show cause why the receivers should not be made permanent, this order being returnable in the Richmond County Court on November 2.

The bond of the receivers was fixed at \$500,000 each, and the Union Trust Company of New York and the United States Trust Company of New York were named as depositors.

There was much indignation expressed by the directors of the Knickerbocker Trust Company, who were in conference at the downtown branch of the company, No. 61 Broadway, when the news of Attorney General Jackson's action reached them. It was plain that Mr. Jackson's move in applying for receivers came as a real surprise to them, and criticisms of him were uttered in unmitigated terms.

"We are simply amazed at the news from Staten Island," said one of the directors yesterday morning, "and you may depend upon it that those in charge of this company will be on hand on November 2 to show cause why the receivership should not be made permanent. Attorney General Jackson's action is a complete surprise to us. We were not even so much as consulted as to the desirability of such action."

This official statement that the legality of the Attorney General's action in applying for the receivers would be looked into and contested, if good grounds for doing so were discovered, was confirmed by several of his colleagues. One of them said: "We are at a loss to understand why the Attorney General did not bring his action in this county. We do not know why the application was presented to Justice Clark, in Richmond County. Perhaps Mr. Jackson will be able to explain that."

President Higgins, of the trust company, asked if any immediate action would be taken, replied: "I do not know. It is a possibility that we may apply for an injunction, but just what course will be decided upon will not be known until to-morrow morning."

But as if the idea of an injunction had been abandoned, one of the directors said last night: "The directors had decided to recommend the appointment of Herbert Satterlee, John Quinn, Valentine P. Snyder, G. Louis Bolsesevain and Morgan J. O'Brien. This ticket speaks for itself, and when we learned that receivers had already been chosen by the Attorney General we were indignant. There was some talk of legal action, but I believe that the appointees are good men and will be entirely conscientious in their management of the affairs of the company. Under the circumstances we could not gain anything by obtaining a change of receivers."

The directors were particularly resentful in regard to the receivership because of the action of the Acting State Superintendent of Banks last Tuesday morning in placing a notice at the entrance of each of the various branches of the institution, stating that in his belief the trust company was in a solvent condition.

Mr. Skinner, in his affidavit, which is incorporated into the petition for the receivers, says that in his belief the Knickerbocker Trust Company was in an unsound condition last Tuesday, October 22, when he was called in after the announcement of the resignation of President Charles T. Barney. Mr. Skinner said that when the expected assistance failed to come on the next day, Wednesday, and the directors, finding that there were not sufficient funds on hand, decided to suspend payments, he came to the conclusion that the institution was unable to continue business. Mr. Skinner says he notified the Attorney General of the condition of the trust company, and ends his affidavit with this statement:

I believe from my own examination that the company is unsafe and unable to pay depositors and that it is necessary that its affairs should be administered at the discretion of the court.

Acting on the report of Mr. Skinner, Attorney General Jackson says in his application he

RECEIVERS FOR THE KNICKERBOCKER TRUST COMPANY.



OTTO T. BANNARD. HENRY C. IDE. ERNST THALMANN.

decided to ask for receivers. In his affidavit he says it is his belief that the Knickerbocker Trust Company has upwards of \$600,000,000 deposits belonging to many thousands of depositors, and adds:

Unless the court grants an injunction restraining the company and its officers from doing business and restraining the depositors and creditors from instituting any action for the enforcement of claims, a multiplicity of actions will be brought, the assets will be misappropriated and wasted and inequality and injustice will result to creditors and depositors.

The Attorney General goes on to say that the bank examiner's report has satisfied him that it is "unsafe and inexpedient for this company to continue doing business, as it has not sufficient funds to make payment promptly and in full." For these reasons he asked for the annulment of the charter of the company and the distribution of its property according to the judgment of the court.

When Attorney General Jackson was seen at his office yesterday afternoon and informed of the criticisms of his action, he said:

"It was only after a careful consideration and consultation with prominent bankers that I selected Messrs. Bannard, Ide and Thalmann as receivers. If anybody can put the Knickerbocker Trust Company back on a safe footing, they can. There is, I insist, no question of politics either in my application for receivers or my selection of men, which has been approved by the courts.

"If anybody is looking for motives in my action," continued the Attorney General, "it may be well for him to consider the motive of the man who made repeated endeavors to get a questionable paper from the Knickerbocker Trust Company after Mr. Skinner (the Acting Superintendent of Banks) had taken charge of its affairs.

"This man," said Mr. Jackson, "went to the examiner of banks who had been placed in charge and asked for a certain paper. The examiner, however, was taking no chances, and consulted the Acting Superintendent of Banks before taking action. He, in turn, consulted me, and I advised him not to grant the request.

"That paper was an illegal check for \$1,000,000. The man who made that request is the man whose name was suggested to me as the third receiver of the Knickerbocker Trust Company, by interests identified with its past management."

The Attorney General steadfastly declined to make public the name of the individual who had tried to get possession of the illegal \$1,000,000 check, but said he would do so if the directors of the institution gave him any trouble.

When asked about the criticisms of the directors as to the alleged illegality of his action in applying to the court for receivers without giving notice of his intention, Mr. Jackson said: "There is nothing in the law that compels me to consult the directors of an institution before I apply for a receivership or that says I must notify them of such intention.

"As to my reasons in going to Richmond County to apply for the receivers, I have the right to make application in any county in the state where a Justice of the Supreme Court is sitting. I had a special reason, however, in avoiding the courts of New York County in this instance, and when it appeared plain to me that the persons who were planning to reorganize the company were not consulting the interests of all the depositors I determined to make my application to a court where I was reasonably assured beforehand that a proper suggestion as to receivers would be entertained."

The directors of the company were just finishing their deliberations, which had lasted all the afternoon, when they were told of the Attorney General's reply to the criticism on himself. There was another hurried consultation, after which several of the more prominent officials expressed their feelings on the subject of the illegal \$1,000,000 check.

"This is outrageous," said A. Foster Higgins, who succeeded Mr. Barney as president of the Knickerbocker Trust Company. "It is nothing more nor less than a downright lie. No one, so far as we know, has tried to extract any paper from the custody of the company." This was assented to by I. Townsend Burden, one of the directors, who had been present at the conference.

When informed that Julien T. Davies, of the law firm of Davies, Stone & Auerbach, counsel for the Knickerbocker Trust Company, was the one who, Attorney General Jackson said, had suggested the appointment as the third receiver of the man who had tried to get the check, Mr. Higgins said that, so far as he knew, Mr. Auerbach had had no consultation with Mr. Jackson in regard to a possible receivership. He did not say that Mr. Davies had had no such consultation, Mr. Auerbach is a member of the board of directors of the Knickerbocker Trust Company.

Julien T. Davies, when informed of Mr. Jackson's statement, made a call upon the Attorney General. After the consultation he said that Mr. Jackson had denied making the statement in the afternoon. The Attorney General himself refused to discuss the subject when seen at the Hotel Manhattan last night.

Mr. Davies said, after talking with Mr. Jackson: "This is the first I have known of any questionable paper or of any man having made application for such to the bank examiner or the Acting Superintendent of Banks. If I did suggest the name of a man who had done such a thing, I did so not knowing anything about the real situation."

The directors of the Knickerbocker Trust Company, though they did not pretend to conceal their disgust at Attorney General Jackson's action in applying for receivers, had no criticism to make of the personal fitness of the three appointees of the court. No better selections could have been made, it was asserted, but the directors were of the opinion that the action of Mr. Jackson would be contested in court on November 2.

At the meeting a committee of seven members of the board was appointed to take immediate measures looking to a resumption of business by the company. The committee is composed of Frederick G. Bourne, chairman; A. Foster Higgins, G. Louis Bolsesevain, Moses Taylor, William A. Tucker, Charles P. Perin and Leopold Wallach. The committee met yesterday afternoon and instructed counsel for the company to prepare a draft of a deposit agreement for depositors and stockholders. This agreement will be presented at a meeting of the committee this morning. It was also decided to announce this decision in the newspapers this morning, but the details of the plan, it was said, were not yet in a condition to be made public.

All of the tellers and other clerical employees of the Knickerbocker Trust Company were dismissed last evening. Their places will be filled to-day by men employed by the receivers or by the banking superintendent of the state, who will designate a number of the men who have been employed in the bank to work as examiners in other institutions under his direction.

An ex-parte injunction was granted to Cullen Van Rensselaer Coghwell yesterday by Justice McCall, in the Supreme Court, restraining the Knickerbocker Trust Company from in any way disposing of a certain promissory note made and executed by him to the company. The note, which is dated August 26, 1907, and was due yesterday, is for \$2,150 and interest. The company is also enjoined from disposing of 1,500 shares of the stock of the Guanajuato Consolidated Mining and Milling Company and \$2,000 par value of the Republic Mines Company, Limited, 7 per cent gold debenture bonds, given as collateral for the note.

THE THREE RECEIVERS.

Henry C. Ide was born in Barnet, Vt., in 1844. He was graduated from Dartmouth College in his twenty-second year, and after serving for some time as principal of the High School of St. Johnsbury, Vt., where he still has a home, he was admitted to the bar. A member of the Vermont State Senate from 1882 to 1885 and president of the Republican State Convention in 1884, he was a delegate to the National Republican Convention in 1888.

Three years later Mr. Ide was appointed United States Commissioner to Samoa, and in 1892 was made chief justice of the islands under the joint appointment of England, Germany and the United States, serving in that capacity until 1897. In 1899 he went to the Philippines as a member of the Taft Commission, and was assigned to the Department of Justice and Finance, supervising the Philippine Treasury and planning the money system. From a silver to a gold basis without injury to business, he also organized the entire judicial system, and is the author of the Philippine Civil Code.

Mr. Ide tendered his resignation as a commissioner early in 1900, to take effect on June 1, 1900. He was succeeded by Mr. Wright, who was made the first Ambassador to Japan the latter part of January of that year. Mr. Ide was appointed to take his place, President Roosevelt and Secretary Taft feeling that his services merited the honor of having for a time at least held the actual rank of Governor General of the Philippines.

Mr. Ide's daughter, Miss Annie Ide, was married to W. Bourke Cockran in November of last year, that having been the third wedding to result from the famous Taft party to the Philippines in 1898.

Ernst Thalmann was born in Mannheim, Germany, fifty-six years ago. He came to the United States in 1888 and worked with Greenbaum & Co. for six years. After spending a year in Germany he returned to New York and formed the banking house of Limburger & Thalmann. In 1880 the firm's name was changed to Ladenburg, Thalmann & Co., under which name it has done business ever since. Since 1881 it has been the agent in the United States for S. Bleichroder & Co., Berlin.

In addition to the senior member of this firm, Mr. Thalmann is president and director of the United Railways Investment Company and vice-president and director of the Birmingham & Atlantic Railroad and the United States and Haytl Telegraph and Cable Company. He is a trustee of the Aachen and Munich Fire Insurance Company, the Bavarian Mortgage and Exchange Bank of Munich, the Eastern Trust, Trust Co. of the German Empire, the Commercial Union and Accident Insurance Company, the Munich Reinsurance Company and the New York Trust Company. He is also a director of the Alliance Realty Company, the America Bank, Berlin; the Century Realty Company, the De La Vergne Machine Company, the Lawyers' Mortgage Company, the Mortgage Bond Company of New York, the Germania Water Company, the Seaboard Air Line Railway and the Van Norden Trust Company.

Otto T. Bannard was born in Brooklyn in 1854. He was graduated from Yale in 1876 and from the Columbia University Law School two years later. After practicing law for several years he became president of the Dolphin Trust Co., of Paterson, N. J., in this city. In 1884 he was made president of the Continental Trust Company. At present he is president of the New York Trust Company.

Mr. Bannard, in addition to being secretary and a trustee of the American Passimetre Company, is a director of the following corporations: The Business Address Company, the Herring-Hall-Martin Safe Company, the Mahoning & Shenango Railway and Light Company, the Metropolitan Water Company of Kansas City, the New Hampshire Electric Railway, the Niagara Fire Insurance Company, the Securities Company and the Yale Building Company.

About eighteen months ago Mr. Bannard was appointed receiver for the Knickerbocker Trust Company. It is said that it was his skill in handling this particular piece of work which commended him to the attention of Attorney General Jackson. During Mayor Strong's administration Mr. Bannard was a member of the Board of Education of the City. He is the treasurer and a trustee of the Provident Loan Society of New York, and a member of the University, Union, Century, Yale, Republican and Midway clubs.

KNICKERBOCKER DEPOSITORS MEET.

The Knickerbocker Trust Company Depositors' Association was organized at a meeting of Harlem property owners in the 12th Ward Bank Building, at Lexington avenue and 125th street, last night. The association immediately elected officers, and announced that it would hold a mass meeting in the Harlem Casino on November 2, when all those interested in the trust company's affairs will be asked to urge the investigation of the state banking officials and the demand of a permanent receiver for the Knickerbocker Trust Company. Dr. Abraham Korn was elected president and Dr. John P. Nagle treasurer. Resolutions were also adopted to appoint a committee to wait on Supreme Court Justice Clark on November 2 and ask for the receiver for the trust company.

NEW ORLEANS LABORERS AGAIN QUIET.

New Orleans, Oct. 25.—Because the Illinois Central Railroad freight handlers could not come to an agreement as to the time period in their contract the ten thousand or more freight handlers, cotton screwmen, longshoremen and other laborers employed on the riverfront here went on strike again to-day.

All the men who walked out to-day had been on a strike for several weeks, but last night agreed to go back to work to-day, pending an adjustment of the differences between them and their employers. To-day the Illinois Central freight handlers refused to sign a three-year contract.

THAW DEFAULT TO BE OPENED.

Chief Justice O'Dwyer of the City Court has granted the application of Hartridge & Peabody, counsel for Harry K. Thaw and his mother, Mrs. Mary Thaw, to open the default in the action brought by Dr. Charles L. Dana to recover \$150 for professional services to young Thaw in the Tombs.

SAYS COURT CLERK TRIED EXTORTION.

In the West Side police court yesterday Sergeant Casey, head of the motorcycle squad, charged one of the court clerks, Thomas L. Church, with trying to "shake down" one of his prisoners, James M. Gray, of No. 77 West 1st street. Magistrate Herrmann dismissed the charge, but Casey declared he would take the case to the Police Commissioner.

LONG RUN IS CHECKED.

Trust Company of America and Lincoln Trust Pay All Day.

The run of the offices of the Trust Company of America, at No. 36 Broadway, and on the Colonial branch, at Broadway and Ann street, was checked yesterday, and when the doors were closed at 3 o'clock there were only a few persons left of the long waiting line which had besieged the company's offices for three days.

The run on the main office of the Lincoln Trust Company, at No. 208 Fifth avenue, which began on Thursday, continued yesterday, however, the company paying as rapidly as possible all who presented claims. Oscar Hammerstein, who carries a large balance at the institution, sent word early in the day that he had \$20,000 in cash which he was willing to deposit if the company wished it to aid in breaking the run. The offer was accepted, and the money was sent to the bank by automobile. The officers announced after the close of business at 3 o'clock that the company was perfectly solvent, that its affairs were in excellent condition and that the doors would be open for business as usual at 10 o'clock this morning.

At a late hour last night only about twenty-five depositors or agents of depositors had formed a line in front of the main office of the Trust Company of America. They were numbers in their hats, a plan adopted after the two disputes as to precedence. At the Colonial branch one young clerk formed a line by himself at 9 o'clock, but he was allowed a little while later and the line dissolved. There were no depositors waiting at the downtown branch of the Lincoln Trust Company, at Lispenard street and Broadway.

There was a decided decrease in the number of depositors in line yesterday at both offices of the Trust Company of America, and the number standing in the lines was passed. Many of the large business houses, who always visit the bank on Friday to draw funds for the weekly payroll. Many of the depositors were paid in gold coin owing to the scarcity of small bills. One of the early features of the day was an individual deposit of \$100,000 in currency made by some one whose name was refused. The run on the first two days were not so numerous yesterday, and Wall street between Broad and William presented its usual appearance.

Oakleigh Thorne, president of the Trust Company of America, said that more than half of the money withdrawn yesterday would be in the ordinary course of business have been taken out for payroll purposes. Somewhat less than \$2,000,000 was paid out, against over \$100,000,000 on each of the first two days of the run, while the deposits yesterday amounted to more than \$1,500,000.

At the Colonial branch the line was much smaller than on the first two days of the run, and by 3 o'clock it had been reduced to a mere handful. The depositors were paid rapidly, and no one seemed to be worried about getting his or her money.

James W. Tappin, vice-president of the Trust Company of America, said after the close of business that, although he would not recommend such heroic treatment as a rule, he thought the ordeal would prove to have been a blessing in disguise, as it would surely tend to increase the confidence of the public in the bank. He added:

"The fact that we have weathered such a storm is sufficient to show the enormous strength and solidity of this institution in a way that nothing else could have done. Of course, we all had our fears that the run would be especially our larger depositors, the result will be an increase in confidence. Already some of the firms that we had secured with us have assured us that their money will remain in our keeping. One firm, which sent in a check against us to-day for \$300,000, retained the check before it was paid and sent us word that they would not draw on us. This was one of the biggest concerns in New York. We have pulled through without a scratch, for had we gone under it would have been the signal for a general stampede that would have ended in disaster to a great number of concerns that will now escape. Public confidence is now swinging back to the normal, and his terrible ordeal for all of us, but our confidence has never been shaken. I do not anticipate much of a future."

At a meeting of the board of directors of the Lincoln Trust Company yesterday afternoon Louis Stern was authorized to make the following statement:

"The directors of the Lincoln Trust Company are justified in stating that the company is in a position to meet every demand that may be made upon it to-night and any day this week. Furthermore, the withdrawal of funds has been less day by day.

B. Aymar Sands, a director, said the bank was in excellent condition and had plenty of cash on hand to meet every one. Arthur Iselin, another director, made the same statement. Bradish Johnson, who is also a director, said that the directors had been working like Trojans, and that there was not the slightest doubt that every depositor who wanted his money would get it.

G. S. Leonard, a state bank examiner, who visited the office of the Lincoln Trust Company yesterday morning, but did not remain long, said that the company was certainly solvent. The runs at the branches at Broadway and Lispenard street and at Broadway and 72d street were not serious. At the main office a crowd of depositors gathered last night, with the evident intention of waiting in line all night. Some brought campstools to make the long vigil less arduous, while others prepared boxes of food to use as stools.

Louis Martin, the proprietor of the Cafe Martin, which adjoins the main office of the Lincoln Trust Company, at No. 208 Fifth avenue, announced last night that he had deposited \$5,000 yesterday in the bank and would deposit \$25,000 to-day. He laughed at the idea of a run on the company.

ROBBERS HOLD UP CHICAGO SALOON.

Chicago, Oct. 25.—Two young men, armed and masked, robbed County Commissioner Max Blumenfeld and fourteen other patrons of William Seifried's saloon, in Blue Island avenue, last night of money and valuables to the amount of \$1,000, and beat Seifried into insensibility by their revolvers when he tried to stop them. They took from Mr. Blumenfeld a diamond studded gold star and a large diamond suit, both prepared from political admirers. Most of the men were at the bar, and the few seated at tables were ordered to stand up with the others and place their backs to the wall to be searched. The robbers escaped.

SEES GREAT CANADIAN FUTURE.

Kansas City, Mo., Oct. 25.—Robert F. Sutherland, Speaker of the Canadian House of Commons, in an address to-night before the Knife and Fork Club predicted that Canada would some day have a 21-foot channel from the upper lakes to the tide-water and that then her ports would be the busiest of any in North America.

"People now alive may live to see the minimum depth made 21 feet," said Mr. Sutherland. "New York State is about to spend \$100,000,000 in deepening the Erie canal to 12 feet. Even then it will be two feet shallower than the waterway it is intended to rival; and while in the one a vessel will be almost in straitened waters, in the other, with the exception of a few places, a ship will have ample room for full steam ahead. And, as I have said, Canadians are looking forward to the 21-foot channel of the future."

BURNETT JURY UNABLE TO AGREE.

The jury in the Burnett divorce case, after listening to the evidence for nine days, told Justice Giegerich, in the Supreme Court, yesterday afternoon, that it could not agree on a verdict. The jury retired at 4:15 o'clock, and at 5:45 o'clock a jury of 12 men and 12 women was called before Justice Giegerich to give an explanation of the conduct. It was learned that the juror had been excused for trying to talk to Arthur K. Wing, the defendant's attorney, when he was in the Hotel Bartholdi on Monday night. Justice Giegerich lectured the juror and allowed him to go.

SCHOOL AFIRE; DRILL SAVES PANIC.

Forty seconds were required to empty the Glen Cove (Long Island) school yesterday morning after a fire had been discovered in the cellar. The seven hundred pupils, responding to the fire drill, did not even know there was a fire until they were safely in the street. Mothers ran to the schoolhouse upon hearing the clang of fire engine bells, and they were found in their praise of the teachers and the fire drill.

HARRIS, WINTHROP & CO.

Members New York and Chicago Stock Exchanges. We recommend at this time the cash purchase of many railroad and industrial stocks for investment. A list of these will be furnished upon application. 25 PINE ST., New York

"Come if you can Telephone if you can't" says a sale advertisement of a department store. Have you tried telephone shopping? It is very convenient. NEW YORK TELEPHONE CO. 15 Day Street

CABINET TALKS OF NAVY.

Either Two or Three New Battleships Probably To Be Asked.

Washington, Oct. 25.—The first formal meeting of President Roosevelt's Cabinet since the early part of June took place to-day. Those present were Secretary Root, Postmaster General Meyer, Secretary Garfield, Attorney General Bonaparte, Secretary Metcalf and Secretary Wilson. Discussion of naval matters took up a considerable part of the meeting.

Secretary Metcalf has just completed the compilation of estimates for the maintenance of the naval establishment. As these show a great increase as compared with the current fiscal year, thereby promising to cause much debate in Congress at the approaching session, the President and the Secretary of the Navy are giving their most earnest attention to this.

The Secretary advanced a proposition to increase by \$5,000,000 the standing appropriation for the payment of enlisted men in the navy. According to his estimate, this increase would admit of the recruiting of about three thousand bluejackets in addition to the present force. The proposition was received with favor, and will be included in the estimates to be submitted to Congress.

Another matter not entirely naval in character, but deemed worthy of support by Secretary Metcalf because of its influence upon the character of naval vessels to be constructed in the future, was the recommendation of the Isthmian Canal Commission, brought to Washington a few days ago by Civil Engineer Rouseau, looking to the widening of the locks of the Panama Canal. Some naval officers, whose views were reflected by Secretary Metcalf, held that a width of one hundred feet in the locks would be quite sufficient to meet all naval needs within the next half century, but it appeared that another element believes the locks would prove too narrow in the course of ten years. The President decided to await a detailed report from the Canal Commission upon this important subject.

Secretary Metcalf also has before him the report of the Naval General Board, headed by Admiral Dewey, upon the new construction required to meet the plans of the board, and this was touched upon incident to the construction of the width of the canal locks. Not only the Naval General Board, but the Naval Board on Construction, headed by Admiral Converse, the chief naval constructor, and the Secretary of the Navy himself, must express their views in formal reports upon this matter of new construction before the President will have in hand all of the material upon which to base his own recommendations to Congress.

It is pointed out that by reason of the fact that he last year expressed the opinion that one new ship would be all that should necessarily be authorized by the Congress, the President has somewhat embarrassed himself, but as several of the battleships which were last year supposed to be perfectly serviceable have since rather unexpectedly been shown to be of obsolete type, it is not apprehended that the President will have any difficulty in explaining to Congress the necessity for amending the original estimate, for it is now quite certain that no less than two, and possibly three, battleships of the first order will be recommended in the estimates.

CENTRAL ADMITS DISCRIMINATION.

Update Public Service Commission Hears Spencer Kellogg's Charge.

Buffalo, Oct. 25.—The charge brought by Spencer Kellogg against the New York Central as to discrimination in freight rates was heard by the Update Public Service Commission yesterday. The New York Central, through its attorney, William B. Hoyt, admitted discrimination against the Kellogg elevators.

"This case is now of national importance," said Chairman Stevens. "The question is whether under certain conditions a railroad is justified in discriminating against any shipper."

The status of the case at present is this: Four years ago Spencer Kellogg's Company employed as agents Knight & McDougall, grain brokers, of Chicago. The Kellogg company agreed to pay the Chicago brokers one-quarter of a cent a bushel for all grain they procured for the Kellogg elevators. Knight & McDougall in turn gave rebates to shippers to induce them to ship through the Kellogg elevators. The Chicago brokers were brought before a hearing at Washington in 1905 for this method of business, but have been continuing on the same basis since that time. The Kellogg elevators, which have 5 per cent of the storage room of all city elevators, are doing about 25 per cent of the elevator business of the port.

The New York Central asserts that this rebate system, as they term the transactions of the Spencer Kellogg Company, is illegal and criminal, and that they have the right to discriminate against a firm that is doing this sort of business.

The Spencer Kellogg Company puts in a counter assertion that, since the firm is a common carrier, it has the right to get business in this way. "We admit the present discrimination," said Mr. Hoyt, "but if Mr. Kellogg will give up his practice in getting business we will immediately file a tariff of freight rates so that the Kellogg elevators will get the same rates as the other elevators."

METZ GETS ETRICK MILLS

Contest for Control Which Promised Suit Settled Out of Court.

[By Telegraph to The Tribune.] Worcester, Mass., Oct. 25.—A serious breach between Herman A. Metz, Controller of New York City, and Henry P. Granger, owners of the Etrick Mills, in Auburn, near here, which threatened a lively lawsuit, was settled here to-day by Mr. Metz taking over all of Mr. Granger's interests and full control of the business, which is the manufacture of Wilton and Brussels carpets.

Mr. Granger had legal papers prepared in the shape of bills in equity against Metz, charging him with attempting to freeze him out of the corporation. Proceedings had gone so far that an attachment of personal property had been made in Granger's interests. The attachments prepared aggregated \$100,000. All proceedings will be dropped.

SCHOOL AFIRE; DRILL SAVES PANIC.

Forty seconds were required to empty the Glen Cove (Long Island) school yesterday morning after a fire had been discovered in the cellar. The seven hundred pupils, responding to the fire drill, did not even know there was a fire until they were safely in the street. Mothers ran to the schoolhouse upon hearing the clang of fire engine bells, and they were found in their praise of the teachers and the fire drill.

Collars—our method of make makes it Lock Front; unless so stamped it is not Lock Front. EARL & WILSON. Totoket is one.

ATTEMPT BOLD ROBBERY.

Thieves Try to Steal \$5,000 in Philadelphia Sub-Treasury.

Philadelphia, Oct. 25.—One of the boldest attempts at robbery in this city in a long time took place to-day, when two men tried to get away with \$5,000 they had seized from a bank runner in the United States Sub-Treasury. Both were arrested and all the money was recovered. The two men had been hanging around the Sub-Treasury for several days and were being watched by private bank detectives and Sub-Treasury watchmen. About 11 o'clock this morning P. J. Cronin, a runner for the Franklin National Bank, received several large bundles of money from a receiving teller in the Sub-Treasury. He placed \$4,000 in a satchel and walked to a bench near by with the remainder, amounting to \$5,000, in \$100 bills. He laid the money on the bench, intending to open the satchel and place it with the other money. At the same moment one of the men being watched and who was standing in front of one of the Sub-Treasury watchmen raised a newspaper as if he were looking for something and obstructed the view of the watchmen. Then the other grabbed the \$5,000 lying on the bench and started out of the front door. The bank runner instantly gave chase, raising an alarm. The runner was close to the thief when the man who held the newspaper tripped him and tried to escape. He had gone only a few feet, however, when the watchman captured him. Others in the Sub-Treasury started after the man with the money. Getting safely out of the building, the robber started west on Chestnut street, wrapping the \$5,000 in a newspaper as he ran. His pursuers gained on him, and, seeing that he could not get away, he threw the money into a hole in the sidewalk in front of a building under construction. He was captured half a block from the Sub-Treasury. Both men were taken to the Central police station, at City Hall. They gave their names as C. D. Bates and Charles Watkins, and said they lived in New York. Bates, who seized the money, carried a loaded revolver.

MORE BRIDGE ORDERS.

Companies Get Instructions to Better Conditions.

The Public Service Commission adopted yesterday several orders to compel better railroad service in Brooklyn, The Bronx and Staten Island, and dispose of the surplus of a smaller station. One order directed to the Brooklyn Union Elevated and the Brooklyn Heights Railroad companies, was to show cause why they should not employ a superintendent of terminals to take charge of trains on the Brooklyn Bridge. No such official now is employed, and the commission's experts believe much of the bridge congestion is due to a lack of efficient supervision.

Another order required the Brooklyn Union to explain why its trains should not be kept at the Brooklyn end of the bridge on Saturday afternoons until the Manhattan terminal was ready for them, instead of being shunted into an already crowded terminal. A ten-day order was passed directing the Brooklyn company to show why it should not stop its cars in Flatbush avenue between Coney Island Road and Dorchester and Clarendon roads. That track is a long one, and residents want cars to stop in the middle of the block.

An order to the Richmond Light and Power Company compels it to stop all its cars northbound before this morning. The Bronx and Staten Island, and dispose of the surplus of a smaller station. One order directed to the Brooklyn Union Elevated and the Brooklyn Heights Railroad companies, was to show cause why they should not employ a superintendent of terminals to take charge of trains on the Brooklyn Bridge. No such official now is employed, and the commission's experts believe much of the bridge congestion is due to a lack of efficient supervision.

Preliminary plans for the new West Farms station of the Interborough were approved, and the chief engineer was ordered to prepare permanent plans. Property owners along Canal street wrote that they desired the demolition of their property postponed until May 1. This would delay greatly the completion of the Brooklyn subway loop, and the commission directed that the Controller be informed that this work was imperative and the property needed at once.

BEGIN TEARING DOWN TRAIN SHED.