

JUDGE STOPS THE PAUC

How the Situation Was Rendered Less Insufferable.

GILDERSLEEVE DID IT

Issued an Order Restraining Both Factions in Northern Pacific.

THE ORDER WAS NOT SERVED

But It Had the Effect of Suddenly Bringing the Belligereents to Terms.

New York Sun Special Service. New York, May 10.—Court proceedings smashed the Northern Pacific corner, and a desire on the part of the financial giants fighting for the property to avert a general panic. The speculative interests which had become involved by a battle of the Morgan-Hill and Harriman-Kuhn, Loeb & Co., syndicates and who had willingly participated in bringing about a condition of affairs which they least of all desired, were amazed at the efforts of their own handwork as evidenced in the market. One of the parties to the suit, whose name was kept secret, told how the crisis was reached. He explained it as follows: Early yesterday these gentlemen applied to both Messrs. Kuhn, Loeb & Co. and J. P. Morgan & Co. to relax the tension in Northern Pacific so as to stop the panic in the general market. For an hour the representatives of both firms, but in vain, neither would yield an inch. Then the gentlemen who had done the pleading went in haste to consult their counsel, Messrs. Henry L. Scheurman and Herbert R. Limburger of the firm of Hooley, Lauterbach & Johnson. The lawyers did not hesitate long in expressing an opinion, and wasted a still shorter space of time in acting in behalf of their clients.

PHONE CO. HIS VICTOR

Supreme Court Again Reverses Judge McGee.

THE POLES MAY GO UP

City Ordinance of '89 Is Held Not Valid.

LOVELY WRITES THE DECISION

Chief Justice Start Dissents—On Important Qualification Is Specified.

The supreme court has again reversed Judge McGee in the Northwestern Telephone company case. The opinion on rehearing was filed this morning, and bears the signature of Judge Lovely. The case involves the right of the city to order telephone wires placed underground. The city council in 1899 passed an ordinance extending the underground limits to about ten times their former size. The telephone company, ignoring the ordinance, proceeded to string wires within the proscribed limit. It was stopped by the police, and the company's attorneys applied for an injunction to restrain the city from interfering with the work. The injunction was demurred to by the city, and Judge McGee sustained the demurrer. The company appealed to the supreme court. The company's attorneys maintained that, under the charter, the company had been given the right to string its wires, and that the grant constituted a contract. It also urged that the state law gave the company a right to the use of city streets as well as of rural highways.



WHERE IS THE N. P. (ea)? The Man From the West Seems to Have Known Where It Was All the Time.

Attorney Healy had not been officially apprised of the court's decision. But if it followed the conclusions in the former decision it was plain to him that the city would be in a state of now proceeding to try the case on its merits, as the city could hope for no other result.

WAINMAN ELATED

Supreme Court's Decision Pleases Him Immensely.

General Manager C. P. Wainman of the Northwestern Telephone company was naturally elated when informed of the decision of the supreme court, but was not unduly jubilant as he had felt confident of victory from the first. It is likely that the company will begin active work soon with a large force of men. There has been some talk that the company would take advantage of the city and fill all streets with pole lines and overhead wires of about two hundred men. The report that it was preparing to put 1,500 men at work as soon as the decision was handed down is denied. The biggest bit of work the company has in contemplation is the construction of a subway on Third Avenue S from Seventh street to Twenty-sixth street, where the "South" station is located. This will need the services of about two hundred men. Nothing will be done until the decision has been fully digested and the company has come to some understanding with the council.

DECLINED BY GOODNOW

Tender of the Post Minister to China.

A FINANCIAL SACRIFICE

This Is What Such a Change for the Minnesota Would Be.

EVANS THE PROBABLE APPOINTEE

The Present Pension Commissioner Has Become Weary of His Job.

Washington, May 10.—On unquestionable authority the statement is made that Secretary Hay, with the knowledge and consent of the president, made an indirect offer to John Goodnow, while he was in the United States recently, of the position of minister to China to succeed Conger, and that Goodnow declined. The matter was then dropped. The minister to China receives \$7,500 salary and is required to maintain a good deal of state. Little if anything can be saved out of his salary. The consul general at Shanghai, on the other hand, receives in salary and fees, between \$30,000 and \$25,000 per year. As Goodnow is said to have stated the case: "While the position of minister would be a decided promotion so far as the dignity of the office is concerned, it would be anything but promotion from the financial point of view. I am not yet so fixed as to make the step advisable."

Washington Small Talk.

Rural free delivery service has been ordered established at Fruitland, Muscatine county, Iowa, June 1, by H. DeCamp, as carrier. The controller of the currency has approved the application of M. J. Evans, E. N. Bally, L. W. Felter, Lottie Felter and M. H. Evans for authority to organize the First National Bank of Ruthton, Minn., with a capital of \$25,000. A statement given out at the postoffice department shows that the postal receipts at Minneapolis aggregated \$65,146 in April, as against \$53,625 for the corresponding period of last year—an increase of \$11,521, or 21.5 per cent. The St. Paul receipts for the two months, respectively, were \$46,525 and \$39,091, an increase of \$7,434, or 16 per cent. Director of the Census Merriam has written a 3,500-word article for the Saturday Evening Post entitled "An Experiment in Government Patronage." In it Governor Merriam tells how he secured a force of three thousand men outside the civil service list, the major part of which proved to be as good, if not better, as clerks and operators, than those secured through the civil service commission. The article will appear in the issue of next week or the week after.

FARM MACHINE DEAL

Further Light Thrown Upon the Pending Consolidation.

CAPITAL, SEVENTY-FIVE MILLIONS

Ninety Per Cent of the Leading Manufacturers to Go Into the Enterprise.

Special to The Journal. New York, May 10.—Officials connected with the formation of the big farm implement and machinery consolidation state that negotiations are now approaching a stage at which the financial syndicate in charge feels assured the deal will be carried through. Options have been secured on a large number of plants both east and west, and arrangements are being made with a New York syndicate to finance the deal. Several meetings have been recently held in which George W. Young, of the U. S. Mortgage and Trust company, has taken a prominent part. Associated with him were Charles B. Flint and Archibald S. White, the president and organizer of the National Salt company. Various estimates have been made as to the amount of the capital stock. When the deal was first spoken of it was believed that a capitalization not exceeding \$50,000,000 would be decided upon. Since then, however, important representatives of the farm implement trade have consented to join and the capitalization will be at least \$60,000,000 or \$75,000,000. Fully 90 per cent of the prominent manufacturers have decided to enter. For the last few weeks, future contracts have been made with the consolidation in view and not a few of the large concerns have recalled their salesmen, who were about to start for foreign markets.

HIS LIFE FOR ANOTHER

Ben Wood Drowned While Trying to Save a Boy.

Special to The Journal. Marshfield, Wis., May 10.—Ben Wood, a young farmer of the town of Bakerville, was drowned in Yellow river to-day while trying to rescue a boy from the water. His body has not been found.

KITCHENER NEVER SAID IT

London, May 10.—The war office denies the statement published in New York, that Lord Kitchener has telegraphed advising yielding to all the demands of the Boers with the exception of independence, owing to his conviction that they cannot be forced to lay down their arms without a long continuation of the war.

STOCK TRADING PEACEFUL

But the Public Refuses to Buy, and Securities Actually Go Begging.

Morgan and Hill Control Northern Pacific, but Pierpont's Eye Is Blackened.

Speculation Killed for Months to Come—Today's Prices Are Steady.

Special to The Journal. New York, May 10.—Professional Wall street is picking its way through the ruins of yesterday's cyclone. While confidence has been restored to a great extent, and while brokers believe the situation has become reasonably clear, the public has not come to the front as many believed would be the case to buy low-priced stocks. Securities to-day are going begging. Not that prices have declined, but there is nobody in the street to take the stocks that are offered at prevailing figures. There is no doubt that yesterday's break will pretty effectually kill speculation in stocks for months to come. Now that the smoke of battle has to some extent lifted, it leaves the position of the contending forces practically as it was yesterday.

Morgan and Hill Control.

Morgan and Hill undoubtedly control the Northern Pacific, though Kuhn, Loeb & Co. assert in most positive terms that they own a majority of the stock. Apparently, Kuhn, Loeb & Co. are counting on the delivery of short stocks to give them a majority, for Morgan & Co. say positively that the control rests in the hands of themselves, Mr. Hill and their associates, who can absolutely be depended upon to act with them. Last night, when the announcement was made that the shorts would be permitted to settle at 150 was looked upon as an admission by Kuhn, Loeb & Co. that they had been whipped; but this morning they came up smiling and say that control is in their hands, although they are very careful to supplement this with the statement that they will make no fight to prevent the Burlington deal being carried through.

Help from the Bankers.

The prompt action of bankers in extending aid to some of their crippled customers has so far prevented any failures of consequence. The bankers who formed a pool for the lending of money in the street have given notice that any one in legitimate need of money will be supplied, and it is probable that as a result of this the several big firms which were on the verge of bankruptcy yesterday will be able to pull through. While Morgan and Hill are to retain control of the Northern Pacific, there is no question that Mr. Morgan's position in financial New York has received a setback. His overhanded method of dealing with those people with whom he came in contact in his recent combinations in railroads and in the steel business has gained for him a good deal of criticism, and it was this which brought on the fight between him and the Rockefeller-Stillman crowd. Mr. Stillman has come out of it with his plumes somewhat dragged, and the National City bank is being openly criticized for its action in calling loans and in refusing to extend credit to stay the panic of yesterday.

The Worst Over.

The presidents of the largest banks in the city to-day declared that the worst is over, and that there need be no fear of a repetition of yesterday's stock market revolution. The consensus of opinion is that the depression in security values will not affect general conditions of business in the least. They are convinced that the calling in of loans on the part of out-of-town banks yesterday was partially responsible for the demoralization of the market. Interior banks have more money loaned in this city on call than ever before in the history of Wall street, and the avalanche of telegrams demanding that loans be called created endless confusion. Boston, Philadelphia and Chicago banks called in loans by the wholesale. A Nassau street bank reports that a western bank had \$1,500,000 out on call. "It was ordered to call in every cent of this amount," said the banker. "Had I done so another failure would have been added to the list. As it was, I took \$750,000 of the loan myself."

HOW THE TRADING WENT

Decidedly Tame Compared With Thursday's Bedlam. New York, May 10.—The first quotation on the ticker tape recorded a sale of Amalgamated Copper at 108, a rise of 3 points, and this was followed by a sale of Reading, first preferred, at 71 1/2, as against 70 at yesterday's close, and as sale after sale of various stocks showed higher prices, the traders felt that the worst was over.

Morgan's Blue Pencil.

The Harriman-Kuhn-Loeb purchase of Northern Pacific stock was made on the belief that the terms of reorganization of the Northern Pacific provided that the asset of two-thirds of the stock was necessary in order to execute any additional mortgage guaranteeing a bond issue. Morgan & Co. say this is not true. When the reorganization plan was prepared it contained such provision, but Pierpont Morgan personally revised the plan and out of this provision, all statements of the

railroads give this as a part of the plan, and the Harriman buying was started on the theory that it was effective. Morgan now says absolutely that the provision was cut out and that a majority only is necessary to vote approval of the Burlington deal and authorize a bond issue. Kuhn, Loeb & Co. say they are familiar with this provision and they were buying to obtain a majority of stock. Wall street believes the first purchases were on the theory that one-third only was required to block the deal and that the buying which followed the discovery that the majority rules was responsible for the corner. In the terms of settlement agreed upon between Morgan, Hill and Harriman, the Union Pacific is to be taken care of. No obstacles are to be thrown in the way of the completion of the Burlington lease to the Great Northern and Northern Pacific.

"Keep Cool," Says Sage.

Russell Sage said to-day: I repeat to you the advice which I gave to the public once before in a period of excitement; that is, keep cool. Don't lose your head. Keep cool. The end of the world isn't coming yet.

Still in the Dark.

The Commercial-Advertiser says: Kuhn, Loeb & Co. were settling with the Northern Pacific shorts to-day. J. P. Morgan & Co. were not. There seemed to be some hitch, so far as the Morgans were concerned, about the agreement made yesterday to settle at 150. The Morgans said: "We aren't worrying about short contracts; we are interested in Northern Pacific stock, Kuhn, Loeb & Co. have the shorts; we have the Northern Pacific stocks."

That was the point, but no one can tell who has the control till the shorts have been settled with and the contract parties find out how much of their holdings are stock and how much are short contracts. Some people here think only the show-down at the meeting of Northern Pacific stockholders can answer that question. The injunction granted yesterday by Justice Gildersleeve of the supreme court in behalf of a person who has remained unnamed, retaining Harriman and his brokers, J. P. Morgan & Co., Hill and his representatives, Kuhn, Loeb & Co., and the New York Stock Exchange, from making any transaction whatever in Northern Pacific, does not appear to have been the direct cause of adjustment by which the shorts were to be allowed to settle at 150 a share. Kuhn, Loeb & Co. were settling on that basis with the shorts to-day, but they denied that they were brought to it by the threat to serve the order. No statement could be obtained from J. P. Morgan & Co. as to what they were doing or whether they would settle in the same way as Kuhn, Loeb & Co. A representative of the house said that the granting of the order was news to him.

Herbert D. Limburger, of counsel for the mysterious plaintiff, said this forenoon that he had the order of Justice Gildersleeve in his desk but that he had been instructed by the order, inasmuch as a settlement had been arranged, not to say anything about the proceedings. Ed Lauterbach, also of counsel for the plaintiff, said when asked if he would state the legal grounds on which the order was sustained: "Any contract that is impossible of fulfillment at the time it is made or becomes so after it is made through actions of the promisee is null and void."

"Who is the plaintiff?" "That you will never know." Northern Pacific shares sold 150, then 160, then 200 each. The stock has unlimited value still, though the short contracts are only 150. Stock prices recovered. Union Pacific, which was down yesterday from 114 to 76, rose to 112 by 2 o'clock to-day.

Effect of Justice Gildersleeve's Order.

There was a further clearing of the financial atmosphere when it was announced that an order to show cause obtained in the supreme court directing certain persons to show cause why they should not be restrained from trading in Northern Pacific would not be served, the agreement to settle at 150 having been accepted as satisfactory. Arthur R. Limburger, who obtained the order, said that in the light of the settlement made with the shorts the order would not be served and that the matter would be allowed to drop.

Most of the buying this morning was believed to be for investment account as commission houses deprecated trading on margins for the present. Elbert Thomas Jackson and Samuel C. Jackson, doing business as stock brokers, to-day assigned for the benefit of their creditors.

Order From Judge Gildersleeve.

In an hour the pleaders again appeared at the offices of Morgan & Co. and Kuhn, Loeb & Co. They produced an order which had just been obtained by Messrs. Scheurman and Limburger from Justice Gildersleeve, sitting in the supreme court. The names of the plaintiff and the broker cannot be disclosed. The defendants in this suit, in addition to the broker in question, were Messrs. Harriman, Hill, Kuhn, Loeb & Co., J. P. Morgan & Co., Rudolph Keppeler as president of the New York Stock Exchange, and the New York Stock Exchange.

The order provides as follows: It is ordered that the defendant brokers be restrained from purchasing stocks of the Northern Pacific Railroad company in order to close the account of the plaintiff or for any other purpose on behalf of the plaintiff or on account of the plaintiff, and all the defendants other than Rudolph Keppeler and the New York Stock Exchange are restrained and enjoined from making any transaction whatsoever with respect to the stock of the Northern Pacific Railroad company on behalf of the plaintiff, and Rudolph Keppeler and the New York Stock Exchange are restrained from ordering, directing or requiring the purchase of any stock of the Northern Pacific Railroad company on behalf of or on account of the plaintiff.

Swung a Club.

The gentlemen at whose instance this order was procured stated to Mr. Schiff and Mr. Bacon, representing the respective contending interests, that unless immediately relief was granted, the order would be served, and similar order would follow on behalf of all other houses short of the stock before 2:15 P. M.

Confronted with this situation, the contending forces were not long in reaching a decision. At 12:30 notices were, by request of the parties in interest, sent to the stock exchange officials over the ticker to the effect that delivery of Northern Pacific stock would not be required. The promise was also exacted by the parties who controlled the injunction proceedings that formal announcement should be made upon the opening of the New York Stock Exchange that all houses short of Northern Pacific could cover their stock at a uniform price of \$150 a share. A further promise was exacted that the money rate, which was then ruling at 70 per cent, should be reduced to 60 per cent by the advancing of any amounts necessary for that purpose.

All the conditions of the agreement price of \$150 a share have been complied with, and that stipulation is to be performed on or before 10 o'clock this morning, and the injunction paper remains unserved in the possession of counsel. The injunction was obtained at the instance of David Lamar, but it is stated that the order was obtained to save the market and the corner and raise the rate of interest to the legal rate, thus to some extent at least restoring confidence, were really

Inspired by James R. Keene.

On Monday last J. P. Morgan & Co. applied to certain speculative interests to purchase secretly on their behalf 300,000 shares of Northern Pacific stock, which this firm desired to purchase for the purpose of insuring their absolute control and ownership of the majority of the capital stock of the Northern Pacific Railway company, which control this firm and its principal associates, J. J. Hill, believed to be in peril. The speculative interests referred to upon the understanding that the transaction was an entirely legitimate one and intended only for the purpose of said purpose, consented to perform the services, and the amount of stock desired by Messrs. Morgan & Co. was quickly purchased at an advance of only eight points.

Up to a late hour this afternoon, City

The Opinion.

Judge Lovely in his opinion, says: We are led to the conclusion that the plaintiff has a right to use the streets of the city under proper regulations and restrictions by the municipality. What such power of regulation in the city imposed in its relation to the plaintiff and the defendant belongs to the first argument in the case section 264 of the general statutes of 1894 has been judicially construed by the United States circuit court to give the city the power to regulate the streets and authority therein as to such matters as the city has the power to regulate and order a different arrangement. The solution of the question involved in this case is not difficult, and is consistent with the public interest and good government of the city of Minneapolis. The plaintiff has the right to use its streets in the way prescribed, but such right is subject to regulation, and if the use of any street for overhead wires or any other placement of its lines is injurious to public safety, convenience, comfort or utility in the arrangement of city affairs or inconsistent with reasonable comfort, order and good government, the city has the power under the law and its charter provisions to compel a removal of such poles and wires from the streets and compel them to be placed in subterranean conduits, and the city has the power to regulate the use of the streets so that the use of its streets shall not interfere with the rights of its citizens, but preserve their welfare in the institution of service which the telephone renders to commerce, civilization and the happiness of its people. We have determined no facts, but have only assumed that to be true which defendant has admitted.

Start Dissents.

Chief Justice Start says: I cannot assent to the conclusion reached by the court upon several vital questions in this case. He does not concur in the view that the state law overrides local ordinances, and gives the companies right to use of the streets as well as other highways. Their rights depend on charter provisions and ordinances of the city. The city council in the exercise of the necessity of regulation in any particular case. He holds that the ordinance is valid unless the plaintiff can establish that the city council did not enact the ordinance in the exercise of fair discretion.

Hoplessly Bent.

In short the chief justice disagrees with the course of reasoning, but he concurs with the conclusion of the court, that the complaint states a cause of action.

LA FOLLETTE'S 'NO'

Hagemeister Primary Bill Rejected by the Executive.

HE SCORES THE OFFICEHOLDERS

Senate's Stalwarts Stand Pat and Nearly Pass the Bill the Veto Notwithstanding.

Special to The Journal. Madison, Wis., May 10.—The Hagemeister substitute primary election bill passed by the legislature, was sent back to the senate to-day by Governor La Follette with a veto. In his message, the governor reviewed at some length the primary election agitation, coming down to its course through the legislature. He took occasion to score the opposition for some of the methods employed to defeat the original bill and referred to the federal office holders and their work against it. The governor said he could not approve it under his oath of office.

One of the governor's objections brought out a point that has not been generally realized, that the law, if enacted, would not take effect until after the next general election.

On motion of Senator "Long" Jones immediate action was taken on the veto. The stalwarts held their forces together and came within two votes of passing the bill over the governor's veto, the vote being 17 to 11.

Another veto was sent in by the governor of the bill repealing a law authorizing a dam on Lost river.

The Lenroot anti-trust bill was killed in the senate without the formality of a discussion or roll call. The Hill three-cornered poison bottle bill was also refused concurrence by the senate. The senate reconsidered its vote killing the bill taxing ice shipped out of the state, and advanced it a third reading.

There was a lively discussion in the assembly over the bill passed by the senate in the exercise of fair discretion.

The senate finally passed the anti-pass resolution from his hiding place, and last evening it was passed under suspension of the rules, with eight votes against, Senators Burns, Eaton, Green, Knudsen, McDonough, Morse, Reynolds, Stebbins. This ends the anti-pass question, so far as the legislature is concerned. At the next state election it will be voted upon, and if adopted become a part of the state constitution.

The lower house advanced the bill regulating state accounting, with the amendment increasing the office force, which had been lost the day before by one vote.

Buffalo, N. Y., May 10.—Eighty men employed in and about the Rousesville of the Lackawanna Railroad company struck to-day out of sympathy for the Scranton strikers.