

# COLLAPSE OF THE HOUSE OF CARDS

## Decision of United States Supreme Court That Made Millions Melt.

### FALL OF THE CHICAGO TRACTION SECURITIES

#### Financial End of Construction of the Street Car System by That Master Financier, Charles T. Yerkes—Settling of Franchise Question Causes Crash.

BY CLYDE ALISON MANN.

Flotation values Union Traction deal, values now and net shrinkage:			
	Flotation Value	Present Value	Shrinkage
West Chicago Street Ry.	\$16,750,300	\$3,956,700	\$12,793,600
North Chicago Street Ry.	20,037,600	2,534,400	17,503,200
Union Traction, Pfd.	12,000,000	2,040,000	9,960,000
Union Traction, Common.	10,000,000	1,000,000	9,000,000
Chicago Consol. Traction bonds.	\$58,787,630	\$9,531,100	\$49,256,530
Chicago City Ry.	6,750,000	4,050,000	2,700,000
	51,300,000	27,900,000	23,400,000
Total shrinkage.	\$116,837,630	\$41,481,100	\$75,356,530

Chicago.—Like a house of cards flaming with fictitious money values, the towering structure of Chicago traction securities came tumbling about the ears of the financial generals of Chicago, Philadelphia and New York at the word of the United States supreme court.

It has cost Morgan, Armour, the Marshall Field estate, and the Elkins-Widener street car syndicate and others over \$75,000,000 to realize what Charles T. Yerkes probably knew years before he sold his Chicago street car securities, that a certain legislative act of the state of Illinois way back in 1865, did not, as supposed, extend the franchises for use of Chicago streets for a period of 99 years.

At the supreme court's decision values of Union Traction stocks fell in a heap, and Chicago City railway stocks dropped 25 per cent. The accompanying table shows the losses.

The holders of Union Traction company stocks looked, after it was all over, like boys holding the sticks of balloons with only a shriveled bit of rubber at the end of each stick as reminders of the buoyant beauty they had bought from the circus day balloon man.

In this case, the shriveled bit of rubber had cost millions, and the "boys" were multi-millionaires. Those who

for the equities in the North and West side companies from which he already had made \$10,000,000.

This worked so well he could quickly carry out his further plan. By paying a dividend on the first dividend day, he so encouraged the new stockholders that when he got together his miscellaneous electric companies he sold the lot, under the name of the Consolidated Traction company, to the same Union Traction company, and took bonds in payment. Bonds looked good to the public and to Blair & Co., of New York, and Yerkes put away for a cold day \$5,000,000 more in cash and securities.

He also sold his interests in the Lake Street elevated railway and the Northwestern elevated and the elevated downtown loop for another \$5,000,000.

It had taken Yerkes 13 years to work out his well-defined plan, all based on the problematical value of an act of the Illinois legislature which was construed publicly by Yerkes to be a 99-year franchise, but which he probably knew—for he sold all his holdings!—to be the mere extension of the charter of the company to which was granted the franchise.

Carefully he had inflated the balloon marked "North Chicago Street Railway" until he sold his stock at

public accepted it as the dawning of a day when they would be released from a hated bondage of Charles T. Yerkes. The uniting of the North and West traction interests promised to be for the betterment of the street car service, and the advent of the Elkins-Widener syndicate into the street car operation in Chicago was welcomed from every hand. Even the newspapers, who had been fighting Yerkes, served to aid him by their publicity in the flotation of the traction stocks. No conditions could be more auspicious.

Early in the day it was learned that the entire issue of preferred and common stock had been underwritten; that Chicago and New York had been allotted \$7,000,000 of the preferred and Philadelphia \$3,000,000. On the stock exchange North Chicago and West Chicago both moved up on the strength of the general enthusiasm over the Union Traction deal. No one seemed disposed to delve very far into the interworkings and inner secrets of the traction situation. For several days this continued, and Yerkes' brokers had little difficulty in supporting the market for the short period necessary to get Yerkes well out of cover.

It was but a month or two after the flotation that prices of the traction stocks on the stock exchange began to sag. To the public this was unaccountable; the insiders evidently had begun to realize the untenable foundation for the big issue of securities.

A mayor pledged to "immediate municipal ownership."

This was in the face of the certainty that corrupt politics and the spoils system would be made worse by putting into politics the hundred thousand street car employes, a certain means for machine control.

The street car service never was good during Yerkes' reign, but has constantly grown worse in most sections of the city by the deterioration of cars while litigation on every hand absorbed the big companies. The hopes of the public were raised by the purchase last year of two-thirds control of the \$18,000,000 of the Chicago City railway stock at \$200 a share by the Morgan-Field-Armour syndicate. But the decision of the supreme court has depressed City railway securities nearly \$10,000,000 and thrown the Morgan-Field syndicate into a panic of consternation for the City Railway company's franchisees are about to expire and the 99-year hope has been blighted.



The 99-year statute was already in litigation, and had been for 35 years, and the possibility that the courts might rule adversely to the contention of Yerkes and his attorneys served to drive the stocks downward day after day. Six months after the flotation, the prices were not much more than 50 per cent. of those at which Yerkes had sold his North Chicago and West Chicago street railways.

Everyone who crosses Chicago from one depot to another in a Frank Parmelee bus, or who sends his baggage across in a Parmelee transfer wagon, would be interested to know that Parmelee was the man who secured enactment of the 99-year statute which has been so important. He was the original street car man in Chicago back in the days when Lincoln and Douglas were debating slavery questions and mutterings of war were heard. The guns of the civil war were not yet silent when the measure was framed which served Yerkes so well and other multi-millionaires so ill. "Uncle Dick" Oglesby was governor of Illinois, and he evidently saw the evils in it, for he vetoed the bill, but it was passed over his veto.

Yerkes loved to fight, but things were getting too hot for him in Chicago in 1898, when he began the final balloon blowing process. There was open talk of lynching the aldermen if they made concessions to Yerkes, and more than once Yerkes himself was threatened. He blacked the eye of one prominent business man and called the newspapers blackmail sheets. When the banks called a loan to him of \$3,000,000, he told them to loan him as much more. When the banks scornfully demanded security for the extra \$3,000,000, he produced \$8,000,000 of registered government bonds, and got the money.

He then called a loan he had made to Moore Brothers, the promoters of Diamond Match and Rock Island consolidation fame, and their suspension caused a panic which closed the Chicago stock exchange.

Necessarily, the story of the smash of the values of Chicago Traction securities is the story of Charles T. Yerkes, who died December 29, last, in New York, deserted by his second wife, as he had been many years before in Philadelphia, by his first wife when he was sent to the penitentiary on a charge of which he later was acquitted. He was a broker at 21 and a banker, as his father before him, before he was 30. He spent a few years in Fargo, N. D., and St. Paul, Minn., before going to Chicago as a broker in 1883.

But when Yerkes has sold his "balloons," the interest shifts to "the boys" who bought and held them and who played with them contentedly at first. Soon troubles began, and troubles thickened with each month. The North Chicago and West Chicago companies were not paid the respective 12 and six per cent. rental monies required by the leases, the \$10,000,000 guaranty fund proved almost a joke, and Union Traction stockholders were paid only one dividend. Finally receivers were appointed. The Union Traction and West Chicago companies are in receivership now. This was by no means all. Stockholders of the West Chicago company sued the North Chicago company. The city of Chicago sued the Union Traction company for \$2,000,000 and finally poor car service drove the people to elect

the idea is too new and original for the courts to have many precedents providing for aerial navigation as a method of transit, says a Paris report.

However, the subject of ancient rights and ancient rights of air, etc., promises to some before the courts of France in hundreds of different ways in the not far distant future. The first balloon case of the kind has just been before the court for judgment.

The suit grows out of a balloon accident of last year. An aeronaut named Bacon was passing in his balloon over Paris when he unexpectedly came to within a few yards of the roof. Finally he knocked down a chimney pot. Thinking him in danger some people promptly seized the dragging guide rope and in spite of the aeronaut's protest hauled him down into the street. He therefore had no choice except to order them to shut their windows while he deflated his gas bag. The gas entered a house through a window curiously left open and caused an explosion in which a man named Gouzeau was killed. The question at issue was as to whether the aeronaut having been an unwilling sufferer himself was responsible for the situation created. The courts finally decided against the aeronaut and sentenced him to pay damages to the amount of \$1,000 to the widow of Gouzeau, the man who was killed.

#### HIGH FINANCE IN OLD ROME

Modern Spendthrifts Not to Be Compared with Antony and Calpurnia.

That the accumulation of vast fortunes was as possible in ancient Rome as it is in the United States to-day is shown by the Scrap Book in the following table compiled from authoritative records.

While it may be true that the wealth of the ear of Russia and John D. Rockefeller may exceed nearly all of these old time hoards, there can be no question of the fact that as spenders of enormous fortunes Antony and Calpurnia have never been surpassed:

Cicero's landed estate was valued at.....	\$,333,330
His house was valued at.....	400,000
Caecilius Iudorus, after having lost much, left.....	5,235,800
Demetrius, a freedman of Pompey, was worth.....	3,375,000
Lentulus, the senator, not less than.....	18,965,965
Cloelius, who was slain by Milo paid for his house.....	700,000
Apicius was worth more than.....	30,000,000
He poisoned himself after he had spent in his kitchen and other-wise squandered immense sums to the amount of.....	4,150,000
The establishment belonging to M. Scaurus, and burned at Tusculum, was valued at.....	4,150,000
Gifts and bribes may be considered signs of great riches: Caesar presented Servilla, the mother of Brutus, with a pearl worth.....	200,000
Paulus, the consul, was bribed by Caesar with the sum of.....	232,000
Cicero contracted debts to the amount of.....	2,500,000
Milo contracted one debt of.....	2,915,000
Secundus had a fortune of.....	1,666,666
Tiberius left at his death and Calpurnia spent in less than 12 months.....	118,120,000

Japanese Studying English.

Baron Takaki says four-fifths of the Japanese boys are now studying English, and that it will soon become the language of Japan and later of the world. The language seems to be following the drum-beat in its circuit of the globe, and it represents a conquest of a far higher order.

#### GRACE AND DANCING.

Women Should Employ Means That Make for Suppleness and Ease of Movement.

Fancy dancing, under the direction of a master of the art, is sure and unmistakable means of gaining repose, dignity, ease and grace of manner, says Mme. Qui Vive, in the Chicago Record-Herald. It makes the muscles flexible, and in consequence the movements of the limbs are natural and spontaneous. It brings the body to the normal condition, so reducing flesh when there is too much and increasing tissue when there is not enough.

Dancing is as old as the human race. The little child dances by instinct, as a kitten rolls and jumps about in play. The Spartans had a law obliging parents to exercise their children in dancing from the age of five. The Greeks made the art of dancing into a system



expressive of sentiments, and the most eminent Greek sculptures studied the attitudes of the public dances as aids to their work. Aristotelian dancers dancing on the same plane as poetry, and says in his Poetics that there are dancers who, by rhythm applied to gesture, express thought, manners, action and life.

To return to more modern matters. Awkwardness is an unnatural physical condition, the same as crossed eyes or any other disfiguring defect, and the individual who is afflicted should give this matter the same attention that she would give to an illness. Grace is not only beautiful but it is health-giving. That woman who holds her head and back properly is seldom a victim of spinal trouble, while the erect chest is an absolute safeguard against diseases of the lungs.

An easy, natural carriage gives strength and endurance. The woman who is bent and stooped tires easily, for her bones and muscles are not working at best advantage.

#### SEAGULLS THAT CAPER.

Shore-Feeding Birds Dance to Frighten Worms from the Earth.

"It is no uncommon sight to see gulls, or other birds, dancing or paddling upon the sand," says a writer. "Curlews and most other shore-feeding birds do the same thing, the object being to frighten the worms from their retreat below, when they appear to be instantly swallowed up. But the really interesting part of the performance is—why should the worms be so frightened by the shaking produced in the sand as to come to the surface? The inference, of course, is that they have a greater dread of some enemy beneath, whose approach they believe to be heralded by the vibration which his movements through it impart to the sand."

"I confess to being a little puzzled as to what the enemy can be. When the angler wants to collect earth worms, in a place where it is not convenient to dig, he is accustomed to push a stick into the ground and by moving that about impart a vibration to the soil around, which has the effect of forcing those worms within its influence to crawl to the surface. This is precisely the practice followed by the dancing gull and with the same result."

"But on land we are led to suppose that it may be an attack from a mole which the worms fear; while on the wet sands there are, of course, no moles to be dreaded. Are the worms hinking back, through a remote ancestry, to a time when they were dwellers upon dry land and were acquainted with the mole, or his forbears, or what is the true solution of the matter?"

#### RULES FOR THE EYES.

Do Not Get the Attention They Should, Although Contribute So Largely to Beauty.

Although the eyes contribute more than almost any other feature to personal beauty, they get surprisingly little attention from the majority of persons. Here are a few simple rules for preserving their strength and brightness:

Do not read by firelight. When possible protect the eyes from the direct glare of lamp, gas and candlelight. Do not read or work in such a dim light that an effort is necessary to see clearly. If the eyes are tender, wear smoked or tinted glasses. Never apply soap near the eyes. Bathe them once daily, the lids being open, in tepid water. It is best to use an eye bath or egg cup, and to open and close the lids in the water. Do not apply any face cream near the eyes. Put nothing on the lashes but the best of unperfumed oil. Never cut the lashes in the belief that they will be improved. Keep in mind that white, cliffs, stretches of sand and of snow are injurious, and must be guarded against with glasses.

At the Hotel.

Guest.—Why do you call your bridal apartments confections?

Proprietor.—Because they are love's nites.—Baltimore American.

#### THE DAILY COURTESIES.

Laws of Etiquette Apt to Be Broken Quickly by One That Lacks Good Home-Breeding.

Like the attention a child is trained to give to its person should be called to certain rules of good breeding at home. There are many who adopt an extremely polite air to strangers that fall in the first application of courtesy to the family, says Hortense Prevost.

The man that is not polite to his wife should not be surprised if his sons show the same lack of deference to their mother, nor should he feel hurt if that same lack is shown to him personally, as children are great mimics.

The girl who is not reared to be polite to her father, mother, sisters and brothers will just as surely be guilty of breaking the laws of etiquette in her treatment of other people as opportunity affords. A thin veneer of good manners breaks very soon when worn by a person who has not been used to its polish, and the poor shows plainly.

Just why relations should think it not worth while to be polite to one another is not quite clear; but it is the rule, apparently, and many seem to think it is not necessary to be courteous to one's own family. By courtesy is meant more the observance of small things, like holding open a door, or placing a chair, or lifting the hat, from the men, and boys to their feminine kin the regard for an expressed opinion, the pleasant recognition and the smile from the women and girls to their "men folks," to use a homely, but proper appellation.

If a man is visiting, say at a house party, what would be thought of him if he failed to give a morning salutation to other guests? Yet some men do not hesitate to bring only sour looks and fault-finders to the matrimonial greetings in their own homes. A woman who snaps and is caustic to those she meets away from home so soon finds her mistake that she is forced, by the very exigencies of the case, to change her methods; yet she may keep up those disagreeable ways in the bosom of her family, and never think that she is to be blamed.

Those in charge of young people should insist upon the observance of the spirit of politeness as well as the letter.

Only by instilling deeply into the youthful mind the fact that politeness be more than an occasional practice, that it must be an immutable law, just as is personal cleanliness, can true courtesy become established and an ever-present fact and habit.

#### SICK HEADACHE

Positively cured by these Little Pills. They also relieve Distress from Dyspepsia, Indigestion and Too Hearty Eating. A perfect Remedy for Biliousness, Nervousness, Headache, Dizziness, Bad Taste in the Mouth, Coated Tongue, Pain in the Side, TORPID LIVER, They regulate the Bowels. Purely Vegetable.

SMALL PILL, SMALL DOSE, SMALL PRICE.

Genuine Must Bear Fac-Simile Signature

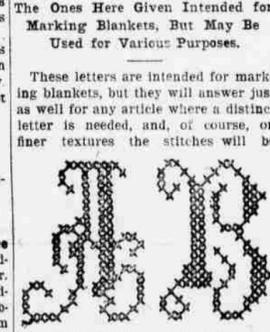
Small Pills. Small Price.

REFUSE SUBSTITUTES.

#### LETTERS: CROSS STITCH.

The Ones Here Given Intended for Marking Blankets, But May Be Used for Various Purposes.

These letters are intended for marking blankets, but they will answer just as well for any article where a distinct letter is needed, and, of course, on finer textures the stitches will be



#### OLD FASHIONS REVIVED NOW.

smaller and the letters themselves proportionately decreased in size. Ingrain cotton, flax thread, or washing silk are the best materials for use for marking with. The colors chosen should correspond with the stripe at end of blanket, or with the ribbon that is used to bind the edge.

UNIQUE ENTERTAINMENT.

How the Missionary Society Obtained a Goody Sum for the Treasury.—The Clever Invitations.

A missionary society sent out these unique invitations with a tiny silken bag, the result being a goody sum for the treasury:

"Hail to thee, lady! and the grace of heaven, Before, behind thee, and on every hand Enwheel thee round."

"This gracious greeting Shakespeare wrote so long ago, And we repeat it to thee, bidding thee to our feast."

A silken bag we send, and ask of thee To place within thy lustrous folds A coin for every rich crowned year That o'er thy head has passed, and, Lady, straightway reach the century, mark, That every silken fold be rounded out to fullness."

On the date mentioned each lady on arriving deposited her bag in a receptacle provided and in charge of an attendant.

After the serving of a cup of tea or chocolate the bags were emptied and the contents counted. A short musical programme followed.—Madame Merril.

#### FOOD HELPS

In Management of a R. R.

Speaking of food a railroad man says:

"My work puts me out in all kinds of weather, subject to irregular hours for meals and compelled to eat all kinds of food."

"For 7 years I was constantly troubled with indigestion, caused by eating heavy, fatty, starchy, greasy, poorly cooked food, such as are most accessible to men in my business. Generally each meal in my lunch was followed by distressing pains and burning sensations in my stomach, which destroyed my sleep and almost unfitted me for work. My brain was so muddled and foggy that it was hard for me to discharge my duties properly."

"This lasted till about a year ago, when my attention was called to Grape-Nuts food by a newspaper ad, and I concluded to try it. Since then I have used Grape-Nuts at nearly every meal and sometimes between meals. We railroad men have little chance to prepare our food in our cabooses and I find Grape-Nuts mighty handy, for it is ready cooked."

"To make a long story short, Grape-Nuts has made a new man of me. I have no more burning distress in my stomach, nor any other symptom of indigestion. I can digest anything so long as I eat Grape-Nuts, and my brain works as clearly and accurately as an engineer's watch, and my old nervous troubles have disappeared entirely." Name given by Postum Co., Battle Creek, Mich.

"There's a reason. Read the little book, 'The Road to Wellville' in vogue.



are known to the public best, and their estimated losses are:

J. P. Morgan & Co.	\$17,000,000
Marshall Field Estate	17,000,000
J. Ogden Armour	17,000,000
J. Mitchell Syndicate	12,700,000
Elkins-Widener Syndicate	12,700,000

The pyramid of fictitious values in detail is a confusing tangle of bond and stock issues of many companies, but its general structure is simply this:

With \$1,500,000 Yerkes in 1886 bought the North and the West side street car lines, then horse car lines, and made a contract with himself to reconstruct them, with great profit in the reconstruction. Many new lines were built by Yerkes through many new companies. Each company was stocked and bonded for double or more its value.

Finally Yerkes had the North Chicago and the West Chicago companies, the North Chicago was stocked heavily and bonded liberally. During the growth of each company Yerkes had sold part of his stock for many times the amount of his first investment.

Then the Union Traction company was organized with \$20,000,000 of common stock and \$12,000,000 of preferred stock, and it leased the North Chicago and West Chicago companies. Its stock was offered to the public and sold to the Elkins-Widener syndicate, of Philadelphia, now called the "street car trust." Charles Tyson Yerkes pocketed \$10,000,000 of nice hard cash

\$256 per share. It was quoted on the stock exchange the other day at \$32 a share.

He filled the balloon labeled "West Chicago Street Railway Co." until he was paid on a basis of \$127 per share. The stock is now selling at about \$30 a share.

Then came the miscellaneous collection marked "Consolidated Traction" and the sale of the well-watered stocks of a score of underlying companies, payment in bonds which he sold at 80 cents on the dollar. In each case he sold no real value, and took in payment something substantial.

When the balloons all were sold, Yerkes cared not at all how soon the public discovered that the talk about the 99-year franchise was but a four-flush bluff which he had expected would be "called" some day.

The bluff got past Judge Grasscup on the federal court circuit bench, but the United States supreme court called it, and did it in plain terms. The 99-year franchise was the wind which had filled all the balloons; the sand on which had been built the house of cards marked with Yerkes' fanciful millions.

The day when Union Traction was floated was a great day in Chicago. The event was much heralded from La Salle street and from the financial institutions of the city, who had various interests in the success of Yerkes' great scheme and combination. The

Nothing knocks out and disables like

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Nothing reaches the trouble as quickly as

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### St. Jacobs Oil

The Master Cure for Pains and Aches

Price, 25c. and 50c.

### SICK HEADACHE

Positively cured by these Little Pills. They also relieve Distress from Dyspepsia, Indigestion and Too Hearty Eating. A perfect Remedy for Biliousness, Nervousness, Headache, Dizziness, Bad Taste in the Mouth, Coated Tongue, Pain in the Side, TORPID LIVER, They regulate the Bowels. Purely Vegetable.

SMALL PILL, SMALL DOSE, SMALL PRICE.

Genuine Must Bear Fac-Simile Signature

Small Pills. Small Price.

REFUSE SUBSTITUTES.

### CURES CONSTIPATION

Relief that comes from the use of pills or other cathartics is better than suffering from the results of constipation, but relief and cure combined may be had at the same price and more promptly, for

### Lane's Family Medicine

is a cure for constipation, and the headache, backache, sideache and general debility that come from constipation, stop when the bowels do their proper work.

Sold by all dealers at 25c. and 50c.

### OLD-WORLD ODDITIES.

Mathew Faulds, a weaver of Kilmarnock, Scotland, has been at his loom 80 years, and he is more than 90 years of age.

At the recent funeral of King Norodom of Cambodia the official mourners at the funeral gave voice to their grief through megaphones, with much effect.

William Reitz, of Duesseldorf, Germany, has lost the sight of his eye from injuries caused by a grain of rice which was thrown into it on the day he was married.

An Edgbaston (England) woman who was summoned for annoying neighbors by blowing a whistle, said she had been hypnotized, and blew it to call attention to the fact.

Says a Tokio newspaper: "On account of advanced age, Count Takayuki Sasaki (79) and Viscount Tomoyuki Hayashi (84) have obtained the privilege of carrying sticks in the imperial palace."

A Bristol (England) police sergeant the other day proved the serving of a summons on himself for allowing a chimney at Stoke Bishop to be on fire. He was witness and defendant, and was fined 2s 6d.

A London druggist had to pay \$18, including cost of litigation, for selling water that was dirty and full of moldy growths to a man who had asked for distilled water. The druggist's defense was that he thought the man wanted the water for the purposes of photography.

### A Remedy.

Customer—What? You sell cigars, and yet won't permit smoking in your store?

Druggist—It annoys some of my customers.

Customer—Then why in thunder don't you sell better cigars?—Cleveland Leader.

### QUOTATIONS FOR DINNER CARD

Quotations for Dinner Cards.—There is always a demand for dinner card sentiments and these from Shakespeare are very appropriate:

"May good digestion wait on appetite and health on both."

"Sit down and feed, and welcome to our table."

"Let them be welcome then, for we are prepared."

"A good digestion to you all, and once more I shower a welcome on ye, welcome all."

"I am glad to see you; much good it do your heart."

"Better cheer may you have, but not with better heart."

"Good sister, let us dine and never fret."—Madame Merril.

Mutton Tallow the Best.

"Mutton tallow is after all the most powerful and medicinal face cream that exists. If you cannot endure it straight, melt a piece of it in a kettle with a little almond oil and rose water. When thoroughly melted beat it until cold. Nothing better has ever been manufactured."