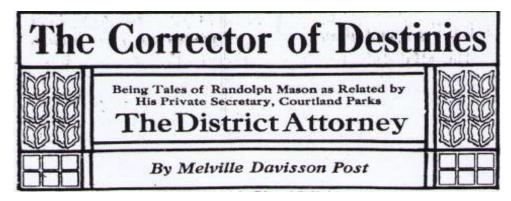
## THE VIRGINIA ENTERPRISE

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One of the most disastrous bank failures in the history of the middle west was that of the Patton National Bank of St. Louis. It took down with it almost every one of its correspondents—the Exeter Trust company especially, and Blackwell's bank, one of the oldest in the Mississippi valley. Its New York correspondent, the Amsterhof National, sent west a half-million dollars in gold that never returned to its money vaults. The bank was closed by the national bank examiner on a Saturday afternoon, a few minutes before three o'clock.

I was in the Stock Exchange on Wall street the next Monday, following the fluctuations of some St. Louis securities which the Patton National had been instrumental in placing in New York. It was an ugly morning for anything west of the Ohio. I came out of the Stock Exchange at two o'clock disgusted with securities. The Astors were the longest-headed financiers after all. The earth alone was secure.

As I went down the steps into the street, an old man came out from one of the exits of the gallery to the exchange and spoke to me. "Is this Mr. Courtlandt Parks?" he said. I replied that it was, and hurried on up the crowded street. I was not in a very pleasant mood, and he was evidently a provincial out to see the horned and hoofed beasts of which he had read in his weekly newspapers.

He followed me, however, and when I reached the crossing on Broadway he was at my elbow.

I spoke to him then, a bit impatiently. "May I inquire," I said, "who it is that honors me with so close attendance?"

The old man hesitated a little. "I am Jeremiah Patton," he replied, "the president of the Patton National Bank of St. Louis. I want to see Randolph Mason."

I turned squarely upon him, with no effort to conceal my amazement. He was a tall old man with close-cropped gray hair, mild brown eyes and a kindly mouth. His face was wan and colorless, and one of his legs dragged a little when he walked. I could not stop there on that crowded corner to converse, even with a Magus, although I should not have been more disturbed had I met one of these fabled wise men.

I took him with me to Randolph Mason's house. I wished to hear his story, to learn the details of the failure. The newspapers were not a little puzzled over it; the bank had seemed prosperous, without a shadow upon it, up to the day it was closed by order of the comptroller of the currency. Banks do not commonly drop, some fine morning, suddenly into ruin; whisperings go, usually, before destruction.

I was a bit doubtful of the identity of the tall old man until I saw him bare-headed, without his great coat, in a chair by the fire. Then I instantly recognized him from the newspaper cuts, which represented him seated by a table; but he was more impressive, stronger in this pose. His forehead was broad, his head big and well covered with thick gray hair; but the face, as I have said, was gaunt, the eyepits and cheek-bones showing the first ravages of disaster.

His story, told to, Randolph Mason in a voice that broke now and then and was pieced out with desolate gestures, presented, a situation, in my opinion, beyond human agencies to correct. The matter had proceeded too far. Events, arising in orderly, in infernal sequence, had entirely overwhelmed him. It was a case of a patient brought, as a last resort, to the specialist after the death rattle had started in his throat.

Jeremiah Patton was seventy-five years old. He had made a fortune as a wholesale merchant, and had retired from active business late in life, with a reputation established throughout the west for fair dealing and highest integrity. He had no family, his wife having been dead for twenty years. It had appeared to him that by establishing a bank, he could usefully employ his wealth, so he had erected a modern office building on a good corner, and founded the Patton Savings bank, of which he was president and almost the exclusive owner. His object was to encourage a spirit of thrift among the middle class of the city, and his method was to allow his depositors every cent that their deposits earned, less the fixed charges of the bank. His own capital yielded a sufficient income for his needs.

The bank quickly sprang into prominence. Its deposits were enormous. Its president found himself under a heavy burden of care and responsibility in the investment of these large sums so they would yield a substantial profit.

About this time, Belmont Lane, the American president of the Russian Oil company, came to St. Louis to acquire, if possible, the producing territory of Missouri, and to establish banking relations. Lane was a man of courtly address, imposing presence, and charming personality. He very soon was on intimate terms with Jeremiah Patton, and he suggested a consolidation of several smaller banks with that of Patton, and the founding of a national bank. This plan was carried out, and the Patton National Bank of St Louis was the result, Patton advancing sufficient money to acquire the major portion of the stock, while Lane carried, through various employes of his company, a nominal interest. He, therefore, did not appear on the books as an owner of any stock, and his name was in no way connected with the institution. He explained that because of the wide financial relations of the oil company it would be unwise to connect his

name with any one bank since, should the company want to borrow money, he would be asked why he did not get it at his own bank.

Jeremiah Patton remained as the president of this new institution and its nominal head, although its active affairs and virtual control passed into the hands of a board of directors selected from the associates of Belmont Lane.

The old man halted a little in the march of his narrative, searching if he could bring into more vivid outline the figure of Belmont Lane. This man's real character was still a mystery to him. The clue to his charming, persuasive, dominant personality eluded him when he tried to embody it in words. It always so eluded him, he said, when Lane was not before him. In the man's absence, his influence was naught before one's face, it was irresistible. When Belmont Lane urged a plan, it seemed at once practicable, alluring, filled with promise. He made men gaze with him from his own window, and out of it all things looked good. So, when Belmont Lane suggested a sub-company with an enormous paper capital to acquire leases in Missouri for the Russian company, he readily induced Jeremiah Patton to assume its presidency and to hold in his name almost the entire stock. Again, Lane was not of this company; a few of his employes stood in the charter with Patton, and made a board of directors which revolved around Belmont Lane's finger, as the bank did.

One fine morning, while Mr. Patton was in Chicago, the sub-company borrowed two millions of dollars from the Patton National bank on its note, with its stock as collateral. Ten days later, the National Bank Examiner condemned this loan and declared the collateral worthless. A further examination of the bank's accounts showed extensive overdrafts of the sub-company hidden under dummy notes. The bank was insolvent, and the examiner closed it at the direction of the Federal authorities at Washington.

The assets of this sub-company proved utterly worthless. Belmont Lane could not be found. He was thought to have returned to Russia. Jeremiah Patton was utterly ruined. But this was not the worst feature of the situation; the incensed public demanded that some one be punished for so great swindle. They instantly erected a guillotine, and found no head to place under it but that of Jeremiah Patton.

At this point in his story the old man arose, took several financial sheets from his pocket and spread them out on the table. Their headlines clamored for Jeremiah Patton's arrest.

"You see," he continued, "I was president of the company which wrecked the bank, and its greatest stockholder. My coming to New York will be considered as

a flight from justice. I can hardly hope to reach St. Louis unaccompanied by a United States marshal. I am certain to be indicted by the next Federal grand jury, and certain to be convicted."

Randolph Mason was standing by the fire, his shoulder leaning against the mantel, his arm extended along it. He began to examine the old man with sharp, searching queries—not as to the details of the story he had just related, but with respect to the personnel of the Federal court in this city.

The old man replied that both the judge and the district attorney were products of a recent political upheaval in his state. The former United States Judge, a man in but middle life, had died suddenly the previous September. The present judge, more a politician than lawyer, had yielded an election to the senate in order to obtain this life appointment to the bench. He was generally regarded as an honorable man, but one not greatly learned in the law.

The district attorney was a man named Stetheimer, elevated to his position as a reward for conspicuous party service in the last national election. He had organized a certain large element of the city, and held it until a bargain was struck for this position. The man was ambitious and hungry to be rich. The position of United States district attorney carried with it a general practice of the best value in the Federal courts. This practice Stetheimer was anxious to secure. Jeremiah Patton had heard this criticism of him. Some editors of opposite politics had even accused him of seeking the civil business of large interests under a veiled suggestion of protection against the rigor of certain acts of congress. Mr. Patton thought these corporations were principally those that were said to be constant violators of the interstate commerce laws. Still, the district attorney was reputed to have great influence with the new judge. His advice was usually followed with respect to the conduct of trials. The common impression was that the judge, not yet familiar with the Federal procedure, assumed the advice of the district attorney to be correct. The district attorney was successfully posing as an able lawyer, while, in fact, he was an obscure practitioner of indifferent learning. This was the gist of all that Jeremiah Patton had heard about this court.

Randolph Mason took his arm from the mantelshelf and turned to the banker. "You will at once return to St Louis," he said. "Employ the best counsel you are able to obtain. When you are indicted, insist upon an immediate trial, oppose every delay, no matter how favorable it may seem to you. Object to it, and put your objection on the record. When you are acquitted —."

The old man interrupted Mason with an appealing protest. "But I won't be acquitted, Mr. Mason," he said. "Stetheimer will arrange his jury for that, if it is necessary. But he won't have to arrange it. The people are mad for a sacrifice. A jury could not be got that would acquit a bank president under such circum-

stances. Belmont Lane has brought me up to the door of the penitentiary. The United States court will put me inside and turn the key in the lock."

Randolph Mason paid not the slightest attention to the man's words. He merely repeated the last sentence of his statement.

"When you are acquitted," he said, "you will come at once to me, and I will adjust the remaining features of this problem."

Jeremiah Patton returned to St. Louis on that very evening, and I followed the order of subsequent events in the newspapers of that city. The Federal court was at that time opening its session. An indictment was found. Patton's attorneys demurred to this indictment. This demurrer was overruled. They then demanded an immediate trial, and the court ordered the case to a jury. Two weeks were consumed in the examination of talesmen; new panels were obtained and almost wholly rejected. It seemed that every man in the city had conceived an opinion against the prisoner. Finally a curious medley of jurors was secured, and the government began the introduction of its testimony.

Up to this time, Mason had done nothing. Now he sent for Jacob Solmeyer, a lawyer of considerable prominence, and explained to him what he was to do. I know in detail how Solmeyer carried out his instructions: He went at once to St. Louis and called on the district attorney. He explained that certain large operators of Chicago and Kansas City were laboring to effect a consolidation of all the big firms in a certain line in the west into one gigantic company with a hundred million dollar capitalization, under the laws of New Jersey; that the matter was still in an early, formative state. The bankers who were to furnish the large sums necessary to purchase such plants as would not voluntarily come into the trust, feared that some unfriendly district attorney was might attempt to bring the matter into court, and thereby affect the bonds of this syndicate, which they would hold as their security. If, however, the principal office of this great projected company could be placed in some large city of the west, where the district attorney of the United States was a person of conservative ideas, they would furnish the money otherwise they would not. Solmeyer represented these bankers, and this was the problem they had presented to him for solution. He had gone carefully over the entire field, and finally settled upon the district attorney of St Louis as filling every requirement of his clients. If he could act, Solmeyer would pay him five thousand dollars as a retainer then, when the bankers held their meeting in New York, he could come before them and arrange about his annual retainer. The size of this annual retainer Solmeyer hesitated to suggest, but intimated something in the neighborhood of twenty thousand dollars.

The district attorney glowed with joy and increased importance, put the five thousand dollars in his pocket, and Jacob Solmeyer returned to his office in New York.

The trial of Jeremiah Patton continued. All the affairs of the bank were gone into. Masses of documentary evidence were introduced. The district attorney was determined to make his reputation on this case. He burned with dramatic pose every piece of red fire that he could lay his hands on. The courtroom swarmed with reporters. The evidence was printed in detail in all the great dailies. Patton was looked upon as an intolerable scoundrel who had wrecked the bank of which he was president, and looted his depositors by borrowing on worthless securities great sums for a company which he owned.

On a Saturday afternoon, the district attorney closed for the government and rested his case. On the following Sunday Jacob Solmeyer telegraphed the district attorney that there would be a meeting of the bankers on Tuesday evening, and to come at once to New York. Stetheimer called Solmeyer by long-distance telephone, explained his situation in regard to the Patton trial, and asked if the meeting could not be postponed. Solmeyer answered that a postponement was impossible, that some members of the syndicate were the heads of great banking houses in Europe and could not await any man's convenience that the district attorney must attend the meeting, or return the retainer paid to him and abandon the scheme.

Uncertain what course to follow, the district attorney took counsel with his wife. She advised him to get rich while he could, while the winged hand of opportunity was reached out to him. Money was the only actual power that could be stored away against the time of need. Everything else was like fairy gold—yellow oak leaves on the morning after. Still, Stetheimer feared to abandon the case to subordinates and go out of St. Louis. He would be open to the charge of having been purchased by the defendant; besides that, the assistant district attorney would step up into his place before the public eye. He must find some other way.

In his extremity, he determined to apply to the judge for a postponement of the trial until the next term of court. This would give him an opportunity to meet the bankers in New York, and still conduct the case. He went at once to the judge and explained that he had just discovered a possible connection of several other prominent persons with the wrecking of the Patton National bank, and that before he cross-examined Jeremiah Patton, he wished thoroughly to investigate this evidence and fortify himself with all the details. This would take considerable time. Stetheimer strengthened his suggestion with excellent arguments—it was a matter of the greatest public importance; thousands of helpless depositors relied wholly on the courts to insure the fidelity of their bankers; swift, complete, ruthless punishment of every person involved, high or low, was their only safeguard.

He wished to ferret out every one of the criminals concerned, to run them down, brand them as thieves, and hand them over to the warden of the penitentiary, and the judge must give him ample time in which to do this. In fact, it was a duty owed to the whole people of Missouri. The judge decided finally that, if these were the facts, he would direct a continuance upon the motion of the district attorney.

Stetheimer went then to the attorneys for Jeremiah Patton. He said to them that his wife was ill, threatened with appendicitis, it was thought: that he wished to take her at once to Philadelphia; that he would probably be required to remain there during the operation and the convalescence of the patient, and requested them to consent to a postponement of the case until the following term. The attorneys courteously expressed their regret, but replied that this was a criminal trial, and that they could not consent to any order, no matter what. Still, they could not see how their client would be prejudiced by such a continuance, and if the judge wished to enter such an order, they would make no vigorous oral argument against it.

When the court convened on Monday morning, the judge made the continuance upon the motion of the district attorney. This motion was not strenuously resisted by the counsel for Jeremiah Patton. They offered a formal objection for the prisoner, which was overruled, and the exception was entered on the record. The judge discharged the jury, ordered a new panel and took up the trial of some petty revenue cases, the assistant district attorney appearing for the government.

Stetheimer explained the meaning of this continuance to the public by covertly suggesting the story told to the judge. The public was appeased with the promise of more and prominent victims, and the district attorney stood justified in the conduct of his case. Moreover, his reputation for shrewdness was established, and his figure as a far-sighted, incorruptible public servant on the trail of higher thieves lengthened, widened, loomed larger. He left immediately for New York accompanied by his wife, who was taken to the station in an ambulance.

Jacob Solmeyer arranged a meeting of some of the more prosperous looking of his clients and took the district attorney before them. They discussed the problems of the great combine, questioned the lawyer at length upon the status of their rights under the Interstate Commerce Act, the possibility of a Federal investigation, the effect of such a move on the bonds of the trust as a security, and the scope of the act in its criminal features.

The district attorney slurred over the difficulties in the Federal statue, pointing out that the section providing individual punishment for violation of

the act was already a dead letter, that the act itself was largely a bugaboo to appease the farmer. He urged the combine and promised immunity in Missouri. Solmeyer's "bankers" adjourned without finally determining upon the loan to the contemplated combine. However, they agreed to employ the district attorney, in case the loan was made, and to pay him twenty-five thousand dollars a year. Solmeyer gave the man an additional one thousand dollars, and he returned to St. Louis.

On Thursday morning Jacob Solmeyer reported to Randolph Mason, and told of the transaction in detail. He was puzzled to the finger tips and curious to know Mason's object. But he was a man of discretion, aware of the value of silence and the folly of any query put to Randolph Mason. His theory was that Mason wished to make a case against the district attorney looking to his removal, and in test of this theory he ventured to present his report carefully in writing, attaching to it a sworn stenographic report of the district attorney's speech to the "bankers," including his offer of protection against the Interstate Commerce Act.

Randolph Mason tossed the papers into the grate when Solmeyer had finished, concluded the conference, and dismissed him.

In the hall the old German blinked behind his thick glasses. "Mein Gott! Mr. Parks," he said, "vat does Randolph Mason mean? He pay six thousand dollars to get der district attorney on record, den he burns der record."

"Solmeyer," I replied, "I do not know who was the man in the iron mask. I do not know what melody it was the sirens sang, neither do I know what Randolph Mason means."

The old man shrugged his shoulders, spread out his hands as though before an impenetrable enigma and went down the steps to his hansom.

And yet I was not in the least puzzled. I thought I saw clearly into the solution of it all. Mason's ruse had failed—that was the reading of the riddle. He had planned to lure the district attorney out of St Louis and thereby cripple the prosecution but the shrewdness of the man had forestalled him. Mason had warned Patton to oppose a continuance; he evidently counted upon his counsel to resist with such vigor that the court would go on with the trial he had not dreamed of a mere objection on the record. The plan had gone to pieces. At the next term, Patton would be tried and convicted. A weakling out of Israel had overthrown Goliath of Gath in his brazen helmet.

I had just pieced out and rounded up my theory as the correct solution of this otherwise inexplicable side play, when Randolph Mason came out of his

room, walked past me in the hall and started up the stairway. He stopped on the third step and looked down at me.

"Parks," he said, "go out to St. Louis at the next term of the court, and move it to discharge Jeremiah Patton. On your table is a citation to the only case you will require." Then he went on up the stairway, his hand sliding along the mahogany rail.

Thus my theory, like that of Jacob Solmeyer, was snuffed out.

My train to St. Louis was eight hours late because of floods in the Ohio valley. The case of Jeremiah Patton had been called for retrial when I finally reached the United States courtroom. The building was packed with spectators. The district attorney was inside the rail with a bright new rosebud pinned to the lapel of his coat. The prisoner looked tired out and very old, a wretched, pitiable figure, seated by the table with his attorneys; the clerk was calling a jury. I spoke to the elder of the defendant's counsel, giving him Randolph Mason's directions and the reference. He immediately sent a page into the library for a volume, ran his eyes over the syllabus of the case, and at once arose.

"If it please your honor," he said, "I move the court to dismiss the prisoner."

The judge looked up from his calendar. "Is this a dilatory motion, Mr. Scott?" he said. "If so, it may be overruled."

"This is a motion in the nature of a plea in bar," replied the lawyer.

The judge was not interested. He was becoming familiar with the ceaseless clutching of criminal lawyers at very straw. He turned to the representative of the government. "Mr. District Attorney," he said, "do you wish to argue this motion.?"

"No," said Stetheimer, "let us get on with the trial."

"Then," said the judge, "I presume that it may be overruled."

The counsel for Jeremiah Patton was posing a little for dramatic effect. He held up his hand. "Just a moment, your honor," he said, "this question has already been decided in Missouri." He walked over and laid the open volume on the bench.

The judge glanced at the statement of the case, then he turned to the opinion. Apathy faded from his face; the muscles of his jaw grew compact he settled

down in his chair to read the case carefully to the end. Finally he rose and looked a moment over the courtroom then he said,

"I sustain your motion, Mr. Scott."

The great audience stirred with profound, universal surprise. The district attorney was on his feet. "Your honor," he cried, "this prisoner cannot be discharged. He is under indictment. He has not been tried. The case has been merely continued. There must be an acquittal by a jury. A judge cannot turn a criminal loose on society by a royal edict."

The lines along the judge's mouth curled. "Have you read this decision?" he said.

"No!" shouted the district attorney, now angry and alarmed, "but it cannot annul trial by jury; it cannot unhinge the gates of our penal institutions; it cannot transform a presiding judge into Caesar, holding the issues of life and death in the turn of his thumb. What court would pronounce a decision holding that a continuance of the cause should have the effect of a trial by jury, a verdict of not guilty and a discharge of the prisoner!"

"Sir," replied the judge, "you inquire, "what court would pronounce such a decree, and I reply the United States District Court for the Western District of Missouri. It holds in the case before me precisely what you say it could not hold, namely that a postponement of a case and the discharge of a jury, after the introduction of the government's evidence and over the objection of the prisoner, without proper reasons therefor, is, in effect an acquittal, precluding a retrial and working the discharge of the prisoner. Jeremiah Patton has been put to trial, the evidence against him was introduced then, upon the motion of the district attorney, without any reason given on the record, and over the prisoner's protest, the case was continued and the jury discharged. These facts here are in accordance with those in the case cited. The decision of the associate court is not to be disregarded, and the prisoner must be set at liberty."

The judge paused a moment, took up the volume of reports in his hand and looked down at the packed sea of faces. "It would be folly," he said, "for me to do other than sustain this motion. The United States Circuit Court of Appeals would immediately reverse me. The government would be put to the expense of a useless appeal, and I would be subject to censure as an arbitrary public servant disregarding the doctrine of law established by an associate court. By curious accident, this prisoner steps outside the power of the law through one of the numerous safeguards which our judicial system throws around a citizen charged with a crime. We do not know whether or not Jeremiah Patton is guilty as charged in this indictment, no jury has decided that; we know only that the law directs that he be discharged from custody, and I so order it."

On Monday morning after the acquittal of Jeremiah Patton, Pietro handed me a cablegram for Randolph Mason. I tore it open and went into Mason's office with it. He looked up from the table as I entered. "Parks," he said, "I am ready to adjust the remaining feature of this bank problem."

"Mr. Mason," I answered, "do you know where Jeremiah Patton and Belmont Lane are today?"

"Yes," he said, "Patton arrived in New York last Friday night and Belmont Lane is now in the custody of the United States counsul at Berlin."

"Mr. Mason," I replied, "for once in your life you are mistaken."

"Mistaken!" he said, "I mistaken?"

"Yes," I said "you are mistaken. Jeremiah Patton is dead at the Dresden of pneumonia; I came this moment from his bedside. Belmont Lane shot himself in the entresol of the hotel Gross Herzog von Wildenheim in Berlin at seven o'clock Sunday morning, when confronted with your writ of extradition," and I handed him the cablegram.

For the legal principle involved in this story see Ex parte Ulrich, 42 Fed., 587. This case was afterward reversed by the United States Circuit Court of Appeals, but not upon the proposition of law here dealt with.

The law as laid down in the case of Ex parte Ulrich, supra, follows the best courts in this country. See Highlands v. Commonwealth, 111 Penn. St., 1; 56 Amer. Rep., 236; State v. Calendine, 8 Iowa; Wight v. State, 5 Ind., 292; Mitchell v. State, 42 Ohio St., 383.

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## **Afterword**

In this story, Randolph Mason prevents an injustice by entrapping a corrupt district attorney. Aware of a recent decision of a federal court and knowing the avarice of his prey, Mason enlists others to bait the trap, and then watches from

afar as events unfold, just as he planned. Although fiction, this short story, published during the Progressive Era, is a form of the muckraking journalism that was a powerful force for reform at the time. Professor Steven L. Piott writes:

As the nineteenth century drew to a close, many Americans had become convinced that the rapid growth of modem industrialization and the accompanying surge of urbanization and immigration had created a society burdened with social problems and plaqued with social injustice. Among the first to call for reform of the current state of affairs were a group of journalists that President Theodore Roosevelt would label "muckrakers." These investigative reporters, writing for a new generation of popular, mass-circulated magazines and using the literature of exposure, began to direct public attention to a series of scandals and corrupt actions. Their descriptions of bribery, tax dodging, franchise grabs, and monopoly control of the marketplace seemed to confirm a growing suspicion that hallowed democratic ideals had become divorced from reality. In turning the spotlight on the corporate malefactor, the licentious politician, and the franchise boodler, they gave focus to progressivism and provided a great deal of impetus for the election of reform-minded politicians and the passage of reform-oriented legislation. Perhaps the most influential of these new journalists was Lincoln Steffens. His series on "machine" politics and "boss rule" for McClure's magazine helped start a crusade for political reform of local and state government. Steffens, however, became the most famous of the muckrakers for more than his sensational revelations. He offered readers a sociological explanation for corruption as he challenged them to do something about it.\*

One of Lincoln Steffens' most famous articles was "The Shame of Minneapolis: The Ruin and Redemption of a City that was Sold Out," published in *McClure's Magazine* in January 1903. It is posted on the MLHP with an Introduction by Professor Mark Neuzil of the University of St. Thomas, St. Paul.

"The District Attorney" appeared in *The Virginia Enterprise*, Virginia, Minnesota, on September 20, 1912. The box with the case citations is in the original.

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Steven L. Piott, *American Reformers, 1870-1920* 147 (Rowman & Littlefield Pub., 2006).