

ALTGELD DENIES IT.

HE GIVES HIS SIDE OF THE LOAN STORY OF JUDGE FOLEY.

He Says No Treasurers Have Been Removed from the State Asylums and Explains About That Money Received from the Lincoln National Bank—His Messenger to the Bank Says the Financial Transaction Was Friendly and Not Responsible for Removals of Cash.

SPRINGFIELD, Ill., Feb. 3.—[Special.]—Regarding the statement by Judge Foley as to a loan to Gov. Altgeld, the Governor tonight gave out the following interview:

"No Treasurers have been removed from the Lincoln and Anna Asylums. Nor is there a word of truth in this talk; if you will think a moment you will see the absurdity of it. If I wanted to use public funds I would not have ordered all of the surplus in the possession of the various institutions turned into the State Treasury. These funds were in the hands of men whose appointment I could control and all of whom were friendly. But I refused to use a cent of the State's money and ordered every dollar turned back into the Treasury, amounting to several hundred thousand dollars. I did borrow \$5,000, not of Foley, but of the Lincoln National Bank, in which Foley has only \$10,000 of stock, the bank being practically owned and controlled by a man who is a strong Republican. The loan drew 6 per cent interest, was for only forty days, and was on first-class security, upon which I had borrowed from Chicago banks before. It was purely a business transaction, such as any man might have with a bank. No man was asked or authorized to indorse for me, in fact no man has indorsed my paper for twenty years. I do not indorse for others nor do I permit any one to indorse for me."

Bank Would Not Renew.

"Some days before the note matured my man asked the bank whether it would be convenient to extend half of the note a short time, but stated that if not convenient he would pay it all. The bank replied that it would not be convenient, so he paid the note and interest. This was all and I thought no more about it. The bank was under no obligations to me and I expected no favors of it. Two years ago we were annoyed with a fight to get control of the asylum funds. Finally Foley was appointed Treasurer. Afterward we got the law passed requiring all custodians of public funds to pay interest. Foley having been appointed before the law was passed, claimed to be exempt, and although he had large sums on hand which he kept in bank he did not pay a cent of interest. Most of the other Treasurers paid interest. I felt it was time he did so, as I wished to avoid another fight among the banks. I told the trustees to notify all the banks, Foley's included, to submit offers of interest they were willing to pay, and then to allow the bank which offered the highest rate to name the Treasurer, who must give bonds. This was done. The funds now draw over 3½ per cent interest, Foley's bank had a fair chance and was beaten, and he now shows his gratitude for past favors by making a personal attack on me. At Anna we had a Treasurer who had an actual surplus of over \$80,000. Much of the time he had nearly \$100,000 in his hands. He did not pay a cent of interest. When I ordered the surplus turned into the bank, the Treasurer got mad and told the trustees that he would not serve without a salary. The trustees let him go and have appointed a man who not only serves without salary, but who pays interest. Now the former Treasurer is abusing the Governor."

Like an Ancient Fable.

"The ancients had a fable about a man who threw meat to some dogs and the dogs were pleased. They looked into his face and smiled. They wagged their tails and they licked his hands, but when he ceased throwing meat to them they became fierce, and turned on him and devoured him. Now these excellent gentlemen may do the same, but while I am Governor the public funds of the State will draw interest."

Attorney James W. Patton of this city was asked this evening what he knows about the loan secured by Gov. Altgeld from the bank of which Judge Foley is President. He said:

"I suppose the inquiry arises from a communication today from Lincoln. I went at the request of the Governor to Lincoln Dec. 1 to see Judge Foley, who is President of the Lincoln National Bank. The Governor desired to obtain a loan from that bank for thirty or ninety days and I took with me stock in the Unity Building, Chicago, to the amount of \$30,000 or more. I had an interview with Mr. Foley and Dr. Miller. As a result of that interview Judge Foley went to see the cashier of the Lincoln National Bank. He came back and stated that the bank would loan Gov. Altgeld \$5,000 on Unity Building stock as collateral. The Governor wanted \$10,000, and I did not feel authorized to accept the proposition of Judge Foley to loan \$5,000. I came without having accomplished the object of my visit."

"The Governor wanted the loan for a short time to meet demands upon him. There was nothing whatever in what he said to indicate that he expected Judge Foley to advance the loan on account of his connection with the Institute for the Feeble Minded. The Governor was acquainted with Judge Foley and knew he was President of that bank, and he thought there would be no difficulty in obtaining the loan because the security was ample and no objection was made by Foley to the collateral. He stated that the bank could not let the Governor have \$10,000 because of the urgent demand for money by the grain shippers of Lincoln, but that they could let him have \$5,000."

"In regard to the statement that the Governor desired the trustees to secure bids from the Lincoln banks on interest which they were willing to pay for the use of the daily balance on the treasury of the institution, that was simply an effort of the Governor in pursuance of his policy on all State institutions to obtain interest on all public funds for the benefit of the State. It seems that another Lincoln bank offered a higher rate of interest than that offered by the bank of which Judge Foley is President and they got the use of the money. From what I know of Gov. Altgeld's connection with this matter I am satisfied the change in the office of Treasurer of the Institute for the Feeble Minded had nothing to do with the business transaction referred to."