



The course of Nebraska politics has been watched with much greater interest than usual by eastern people. The New England capitalists, the managers of the great trust companies and saving banks, have a very justifiable fear of populist legislation, and there is no doubt, had the independents carried the legislature in the

late election, that most of the large loan companies and banks would have ceased loaning in the state entirely. Some of them even refused to renew commercial paper maturing the first of November until after the result of the election was learned, stating that in event of fusion success they would want their loans paid and would place their money elsewhere. This was no mere bluff for campaign purposes, but was simply a matter of business with them. It seems to be the opinion of most loan agents here that the election of Judge Holcomb will do no particular harm in the east. With the legislature so largely republican the governor can do very little to injure the credit of the state even were he so inclined.

Now that elections are over the business world is anxiously looking for the promised revival of business. It has come in some lines, but in others it seems very slow in materializing. The stock market has shown a great deal of activity and considerable advance in prices; retail trade all over the country shows improvement also and there seems to be no doubt that in the eastern states and in those sections blessed with good crops the improvement will continue and be permanent. But while there may be some improvement in retail business in Nebraska occasioned by the approach of cold weather, and the fact that people who were too "hard up" last year to buy anything but what they actually needed, must now buy the necessities of life or go cold and hungry, we can hardly expect a large trade until we get another crop.

Think of it a moment—the business interests of Nebraska are dependent directly or indirectly almost entirely upon the farmer. This year he has nothing to sell except such stock as he has not sufficient feed to winter over. Most of the hay has been sold already. There will be very little grain or hogs sold until the crop of wheat and oats is harvested next summer. There is nothing to bring money into the state. Up to last year an immense amount of money came into Nebraska annually for loans on farm and city property. This has ceased to a great extent and especially western farm loans are almost impossible to place.

On the other hand, think for a moment of the vast sums of interest money that must be sent from this state to eastern mortgage and bond-holders, of the thousands of dollars which will be sent east to pay life insurance premiums alone, and which is not now coming back in the form of real estate loans. One can readily see why money will not be "easy" in Nebraska the coming year. The people of this state, farmers and business men alike will need to practice the strictest economy in order to tide over this period of depression without serious failures or losses. That the business men of Lincoln appreciate this fact is shown by the general cutting down of running expenses, the gradual contraction of business toward the center of the city, the dividing up of stores so that where a merchant formerly occupied a whole room he now gets along with half of it and rents the other to some other business, etc. We shall get along in this way until another crop is harvested and money begins to come in instead of out—then Nebraska will be "in it" with any state in the union.

The average American citizen likes to bet on election, and he generally uses less judgment and more prejudice than in any other

transaction he goes into. For instance, he is a republican, and if clothed in his right mind and using his usual good business sense, and determined to risk some money he might argue that as the sugar trust, like the republican party, is interested in a protective tariff, the success of the G. O. P. would in all probability "boom" sugar stock. If then, instead of betting \$500 on Majors, he had quietly bought that amount of sugar trust stock on the stock exchange on a margin, he would to-day have nearly twenty times that amount of money to his credit as the result of republican success, instead of seeing some demo-pop enjoying his hard earned dollars. In the one instance he stood to lose \$500 with a slight chance of winning it. In the other he could only lose \$500 and might win many times that amount. It was the largest odds ever offered. The same would have been true of almost any stock he might have bought. But our hind sight is always better than our foresight. The moral is—don't bet.

The most important transfer of real estate the past week is the sale of the Exposition building by Mr. J. J. Imhoff to Herpolsheimer & Co. for \$85,000 cash. This fine property undoubtedly cost Mr. Imhoff much more than he received for it. It was built in boom times when everything was high, and the inside furnishings are as expensive and elegant as anything of the kind in the west. The total cost of the property must have been at least \$130,000. It is one of the institutions which Lincoln people can show visitors, even from New York city, without being ashamed, and Mr. Imhoff may well have been proud of it. Although it did not bring what it cost, still in these times \$85,000 in cash is equal to more than \$130,000 in the boom days of four and five years ago, and it is generally considered a very good sale. It emphasizes more than ever the staple solid value of inside business property. Now, when property of all kinds all over the country has depreciated in value from twenty-five to fifty per cent and suburban property and even what used to be considered inside residence property will hardly sell at all, the fortunate possessor of well located business property in Lincoln can turn it into about as many gold dollars as he ever could. Herpolsheimer & Co. are to be congratulated upon owning one of the finest department stores in the west.

The only recent failure of consequence in Lincoln was that of the Van Dusen-Brydon Millinery Co., the details of which have been pretty thoroughly aired in the daily papers. The question has been asked in connection with this and other recent failures, how can a firm, with almost no capital of its own to start with, obtain so large an amount of credit in the east, for goods. A firm, for example, which failed not long ago, owed relatives, according to the chattel mortgage records, about \$2000. This amount was apparently about all they put into the business and the relatives held first mortgages to secure it. Then they bought goods, running up to four or five thousand dollars from a dozen different firms in amounts ranging from \$200 to \$1200. If the usual course in such cases is followed, and the stock sold at sheriff's sale, the fortunate holders of the first two or three mortgages will get their money; the rest of the creditors will have nothing but a little more experience. There is something radically wrong with our credit system to admit of such abuses. It is not only one loss of this kind, but they are occurring all the time, all over the country and every wholesale house has to take into consideration, in making prices, the chances for such losses. Of course the firms that are good have to make up in increased prices for losses sustained by these failures. This firm, with the lowest rating given, in the mercantile agencies, obtained credit for goods from eastern houses for nearly ten thousand dollars, and this is happening every day. It would seem that closer and more confidential relations between the credit men of the different wholesale houses throughout the country would lessen the liability of loss somewhat. Certainly some method should be found to prevent the extension of almost unlimited credit to parties not worthy of it. It is mere speculation for a man to go into mercantile business almost without capital, buying his goods on time. If he makes it go he is all right; if he don't somebody else loses the money.

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