

is the best

Advertising medium in the west. It is especially valuable as a means of reaching the farmers. Its circulation is as large in Nebraska as the circulation of all the "farm journals" combined.

Give THE ALLIANCE-INDEPENDENT a trial if you want good results.



Advocates: The government of Nebraska, the telegraph, That free Nebraska, a level with force in the The bill national go a great train North D-t Gulf of Mex

WRECKED AND RUINED.

Another Chapter Added to the Exposure of Republican Corruption.

CAPITAL NATIONAL BANK FAILS.

Hundreds of People Mourn the Loss of Their Earnings. Over \$230,000 of the State's Money Goes with The Rest.

IT NOW LOOKS LIKE A GIGANTIC CONSPIRACY.

Evidences of Crooked Dealing on the Part of State Officers. Work for Another Grand Jury. How Hill and Bartley Have Tried to Unload their Responsibility.

"There's something rotten in the state of Denmark."—Shakespeare.

The public was startled on Monday morning by the announcement that the Capital National bank had failed. A national bank examiner dropped in on Sunday and went through the books. As a result on Monday morning a notice was posted on the door announcing the failure of the bank.

The news spread and soon a crowd of hundreds had collected in front of the bank at the corner of 11th and O Sts. Although strenuous efforts were made by the newspapers and men of financial standing to make depositors believe they would not suffer loss, deep anxiety was depicted in many faces. Among the depositors are hundreds of people in moderate circumstances, to whom the loss of even a hundred dollars means months of hard labor to regain. There are dozens of others engaged in business whose deposits represent all their ready cash for the conduct of their business. There are others, who are well-to-do whose deposits run away up into the thousands.

Chief among the depositors is the state of Nebraska. The amount of the state's money held by this bank was about \$230,000 according to the most reliable reports. Lancaster Co. is also a depositor to the extent of \$30,000, and the city of Lincoln to the tune of \$60,000.

THE CAPITAL NATIONAL BANK organized about eight years ago upon the ruins of what was known as the Arsh Harvester bank. It has been doing a very large business. The capital stock was \$300,000 fully paid up. The principal stockholders are C. W. Mosher, \$65,000; R. C. Outcalt, \$35,000; W. H. Walsh, \$15,000; E. P. Hamer, \$9,000; C. E. Yates, \$11,500; D. E. Thompson, \$5,000; B. Lombard Jr., \$10,000; A. P. S. Stuart, \$15,000; The Holmes estate, \$15,000; R. O. Phillips, \$10,000. It is rumored that some of the stockholders got rid of their stock in order to save themselves, but the truth of this has not yet been verified.

The directors of the bank are C. W. Mosher, C. E. Yates, H. J. Walsh, R. O. Phillips and Henry Guerner. The officers are: President, C. W. Mosher; Vice-president, H. J. Walsh; Cashier, R. C. Outcalt.

EXTENT AND CAUSES OF THE FAILURE.

The reports published in the dailies are somewhat conflicting. The Bee of Tuesday morning says: "The paper of the Capital National went to protest on Wall street Saturday and this fact coming to the attention of the assistant treasurer of the United States in that city, he wired the comptroller of currency at Washington, who immediately telegraphed Bank Examiner Griffith to take possession at once. On arriving here the examiner called the directors of the bank together, and on looking over the books, found that it would require \$257,000 more cash than there was at hand to bring the assets up to the official requirements, in order that the bank might be opened Monday morning.

Inasmuch as the stockholders are liable, for double the amount of their stock, they will be held for this amount the capital stock being \$300,000. Neither Mosher nor Outcalt will be able to meet this demand, and some of the other stockholders will be ruined by the demands thus made upon them." One report very generally circulated is that the penitentiary contract formerly held by C. W. Mosher was the chief cause of this disaster. It

is pointed out that Boss Stout, who held this contract for several years, was financially ruined by it. And that Mosher his successor, was forced to assign the contract to W. H. Dorgan to save himself from the same fate. This report makes a good many people smile. Why men with means should spend thousands of dollars corrupting legislatures to secure a contract, and thousands of dollars more to prevent other legislatures from annulling a contract which drags everybody who touches it down to financial ruin, is more than the average man can understand. It seems evident that this report is set afloat by parties connected with Mosher as a "stock explanation," but it is one which utterly fails to explain.

DARK SUSPICIONS.

During the past three days dark suspicions have been awakened in the minds of many, and these suspicions have grown deeper as fact after fact has come to light. On Monday January 23, there were filed in the county clerk's office a number of mortgages on the property of Mosher and Outcalt, the principal stockholders. These mortgages bear dates several weeks old, most of them having been made out in December. Among them is a chattel mortgage on Mosher's household goods for \$2,500 dated Dec. 27; a bill of sale on some fine horses given by Outcalt for \$12,500 dated Dec. 24; deeds by Mosher conveying three lots to Henry Mansfield for \$20,000 dated December 9; deeds by Mosher conveying certain other lots to W. H. Dorgan for \$7,500 dated Dec. 19; a deed by Outcalt conveying a quarter section of land to D. E. Thompson for \$10,000 dated December 27.

Thus it appears that these men had foreseen what was coming, and had arranged before hand to put all their property out of their hands. The fact that several of these transfers were made to D. E. Thompson and W. H. Dorgan deepens the suspicion of crooked dealing for these men are largely connected with Mosher and Outcalt in various financial enterprises.

THE STATE'S MONEY.

But the facts which cause the darkest suspicions are those connected with the deposit of the state funds in the bankrupt institution.

When Treasurer Hill was examined by the house committee two years ago, and refused to tell where he kept the state funds, the rumor was started, and believed by many, that Hill had deposited this money in various banks over the state, and that he could not call it in without ruining some of the banks. It was then believed that the Capital National was one of these banks. When the law was passed by the legislature of 1891, requiring public funds to be deposited in banks, the friends of the bill had to concede, in order to get it through, that the law should not go into effect until the terms of all the treasurers then elected should expire. This concession was demanded particularly by the friends of treasurer Hill. Since then Hill has had two years in which to straighten up his affairs.

At the close of his term a few days ago he turned over the office to his successor, Mr. Bartley. At the same time the new law went into effect. Mr. Hill is supposed to have turned over the

funds in cash to his successor, but as a matter of fact most of the funds were turned over in the form of certificates of deposit in various banks among which was the Capital National. The impossibility of his turning over the funds in cash in the case of this bank is evident: For every cent of cash in the bank would not have been sufficient to pay half the state's deposit. According to the last published statement the Capital National had then less than \$60,000 cash on hand.

What then was the situation facing both Hill and Bartley? It was this: About \$230,000 of the state's money was deposited in a bank that was on the verge of failure. If Hill made a demand for this money, the bank must fail, and he would be responsible under his official bond for the money. If Bartley accepted the certificate of deposit, and relieved Hill, he would have to shoulder the burden, and be responsible under his bond. Here was \$230,000 either absolutely lost to the state, or in great danger of being lost. Was there any way by which both the outgoing and incoming treasurer could escape the responsibility for this loss? There was a way, and they were not slow in seeing it and taking advantage of it.

The law of 1891 provides that when deposits have been made in banks which give approved bond THE STATE TREASURER SHALL NOT BE RESPONSIBLE FOR SUCH DEPOSITS. How easy it could be arranged to go through the form of depositing this money in the Capital National, accepting bond, and relieving the state treasurer from all responsibility. Then if a loss should follow, it would fall upon the state, and the blame could be heaped on the law passed by the "fool farmers." It looks as though

A CONSPIRACY

had been deliberately entered into to rob the state of \$230,000, and at the same time shield the guilty parties from criminal responsibility. In support of this theory the following facts are submitted:

Immediately upon his installment into the office, Treasurer Bartley made haste to arrange for the Capital National to take a deposit of state funds not to exceed \$350,000 under the law of 1891. This law requires banks receiving such deposits to give bond to the state for twice the sum deposited therein. Such bond must be approved by the governor, secretary of state and the attorney-general. In this case the Capital National put up a bond for the sum of \$700,000, and here are the names of the bondsmen:

C. W. MOSHER, president of the Capital National bank.

R. C. OUTCALT, cashier of the Capital National bank.

Not another name! The president and cashier of the bank were accepted as bondsmen for the bank itself!

This bond was taken to Secretary Allen and Attorney-General Hastings. Each approved of it.

Then it was taken to Gov. Crouse and here it the story he tells in an interview published in the World-Herald on Tuesday:

"The bond was brought to me by Secretary of State Allen for my approval. It bore at the time the approval of Secretary of State Allen and Attorney-General Hastings. Believing that they as old officers, were acquainted with the standing of the bank, I asked Allen respecting it, and he expressed his belief in the sufficiency of the bond. I noticed that the makers had not qualified or added an oath as to their financial standing, or that they were worth the sums specified in it. I spoke to Allen respecting it. He said the law did not require it, but I said it should be returned for the required oath. In this General Hastings and Secretary Allen agreed, and the oaths were supplied before signing by me. I have been advised and I understand both the attorney general and secretary of state were informed that the banks of Lincoln generally regarded this bank as solvent and perfectly responsible for any deposit that might be lodged with it. Upon the information I had and after exacting the oath I did as to the sufficiency of the bondsmen, I concluded under the circumstances I was justified in adding my approval to that of the other officers."

In what kind of light does this place Allen and Hastings? It should be remembered that THEY ARE BOTH PROMINENT OFFICERS IN LINCOLN BANKS. Is it possible that Allen and Hast-

(Continued on last page.)

SENATORIAL CONTEST.

The Independents Rally in Solid Phalanx To the Support of J. H. Powers

STILL THE END IS NOT IN SIGHT.

Republicans and Democrats Scatter their Votes. The U. P. Withdraws John M. Thurston

PROGRESS OF THE CONTEST.

Last Thursday a good natured spectator at the capitol remarked that the senatorial contest reminded him of the practice game indulged in by ball players before the umpire takes his place and yells "play ball." It did indeed look during the first three days of the contest as though the members of all parties were simply playing. Complimentary votes were cast for a large number of candidates whom nobody ever thought of electing and there appeared to be no effort among the members of any party to get together.

But on Friday came a decided change. The game began in earnest, and the independents set the example of getting together and proceeding to business in a business like way.

On Thursday night most of the independents had got together in caucus. They decided to nominate a candidate by the two-thirds rule. After several ballots John H. Powers secured the necessary two-thirds and was declared the nominee. Although nearly a dozen independents were absent from the caucus, they fell in line on Friday, and gave John H. Powers 53 votes. Dobson of Fillmore alone voting for McKeighan. Kyner of Douglas, a republican, also voted for Powers making 54 votes in all, or 13 less than the number necessary to elect. The republicans voted about the same as before, Paddock getting 33, Majors 10, Thurston 5, and the rest scattering. The democrats cast 5 votes for Boyd, 5 for Kelper and the rest scattering.

On Saturday the situation was unchanged. Powers received the solid vote of his party, and the republicans and democrats scattering as before.

On Monday when the joint convention met there was a good deal of anxiety felt by the independents lest the republicans might succeed in electing a man. Quite a number of members had gone home to spend Sunday. On Saturday a number of "pairs" had been announced. A rumor was afloat to the effect that the republicans had telegraphed all their members to be present on Monday. Inasmuch as the independents who had gone home were not expected back till Monday afternoon, it appeared possible that the republicans might carry a numerical majority of the convention. When the convention met on Monday, a question arose whether a major known members present, or a majority of the whole number was required to elect. The United States statute was read and re-read half a dozen times, discussed, translated, construed and explained in as many ways as there were speakers on the subject. Several motions and points of order were made, but no vote taken. The Lieutenant Governor finally settled the whole matter by declaring that a majority of a quorum was sufficient to elect. Finally after an hour had been consumed in this way, a ballot was taken. The fears of the independents were entirely groundless, for the republicans were as badly divided as ever, and could not have united on any candidate even if they had had votes enough to elect, which was not the case. The vote stood as follows:

Powers 43, Paddock 27, Majors 10, Boyd 4, Bryan 4, and the rest scattered among sixteen candidates. Twenty-seven were either absent or paired.

THURSTON WITHDRAWS.

Quite a flutter was created in political circles on Sunday evening by the report that John M. Thurston had withdrawn from the senatorial race. Although Thurston had at no time polled over five votes, he was looked upon as a positive and influential candidate who might at any time develop great strength. Monday morning's papers contained the following letter from the Union Pacific's silver tongued orator:

OMAHA, Neb., Jan. 25, 1893.—To My Republican Friends: When I consented to become a candidate for senator, I did so upon my personal responsibility, knowing of no reason why I might not aspire to represent the people of the state of Nebraska. I am advised, however, that the affairs of my client may suffer if I persist in my candidacy. I owe to those great interests which I represent professionally, an absolute loyalty with which my personal ambitions have no right to interfere. Moved therefore, by the highest considerations of duty, I withdraw from the senatorial contest. My chief regret is that I disappoint and perhaps embarrass my friends, whose good opinion I value more than political preferment.

JNO. M. THURSTON.

The client referred to is the Union Pacific railroad company which pays Mr. Thurston about twice what Uncle Sam pays senators for their distinguished services. There is a good deal of speculation regarding the reasons that

have prompted Mr Thurston to write this letter. But those who understand the "inside" workings of the "machine" see in it the hand of the great corporation that has owned and controlled nearly all of Nebraska's senatorial state was organized. Paddock was the Union Pacific's favorite candidate twelve years ago when Thomas L. Kimball paid Holden \$1642 for his services as a newspaper editor and other work at the election of a United States senator. At that time he was defeated by Van Wyck through divisions in the ranks of the railroad tools elected to the legislature. From that "the Union Pacific's political managers" learned a lesson. Now they don't want to be held responsible for another defeat. Hence they cannot afford to have two candidates in the field. As they think there is a greater possibility of electing Paddock they have withdrawn Thurston.

TUESDAY'S BALLOT.

On Tuesday every member of both houses was in his place except Farrell (dem) of Dodge who is suffering from a severe attack of inflammatory rheumatism and has not been present for several days. There was very little change in the situation. The vote stood: Powers 54 Paddock 29, Majors 13, Boyd 5, C. J. Greene of Omaha 5 and the rest scattered among seventeen candidates. Paddock seems to be losing instead of gaining, and Majors is making slow but steady gains.

WEDNESDAY'S VOTE.

was almost identical with that of Tuesday. The independents have held no caucus this week.

MISSOURI LAWMAKERS.

A Bill Introduced for Holding a Constitutional Convention.

JEFFERSON CITY, Mo., Jan. 25.—In the senate, Rouner of Knox, introduced, by request of the state geologist, a resolution authorizing the printing of 3,000 additional copies of the geologist's biennial report of the minerals, etc., and mineral waters of the state. The resolution was laid over. A bill of rather wide scope was introduced by Senator Burks. It creates the office of circuit prosecuting attorney, in all circuit judicial districts in the state aside from those counties which alone constitute one or more judicial districts, and provides for such attorney, who shall be elected for official terms of six years, a salary of \$1,500 per year besides giving him the usual fees upon conviction of criminals. It reduces the salary of county attorney in each county one-third, and withdraws all fees in certain classes of cases. Yeater of Pettis, introduced a bill providing for an election to be held on the 5th day of next September, submitting to the people the question: "Shall a constitutional convention be called in this state for the purpose of revising and amending the constitution?" The bill fixes the manner of holding such convention and the election of delegates thereto. By a vote of 10 to 13 the Hatch anti-option bill was endorsed by the house.

Among the new bills introduced the following are of interest:

Mr. Miller, for the taxation of deeds of trust held by foreign corporations; Mr. Kobyn, requiring all trains to stop at county seats; Mr. Tatum, for holding a state constitutional convention; Mr. Smart, changing the primary election law as applicable to Kansas City by requiring all political nominations to be made on the same day and at the same place; Mr. Drobelle, requiring legal advertisements in St. Louis and Kansas City to be inserted in daily papers that have a circulation therein of at least five per cent of the total population; Mr. Snider, reducing maximum freight rates twenty-five per cent on all classifications of freight; Mr. Bond, providing that weekly advertisements of divorce publications for four weeks shall be deemed sufficient notice.

Three More Alton Victims.

ST. LOUIS, Mo., Jan. 25.—Three more deaths yesterday at St. Joseph's hospital, Alton, Ill., increased the death roll of Saturday's horror to twenty. The additional dead are: James N. Murray of Upper Alton, Ill., county assessor, aged 40. He leaves a family. Charles Halier, a farmer, aged 21; Joseph Hermann, whose sufferings have been heretofore detailed. Of the injured it is asserted by physicians that fully twelve more are expected to die in a few hours.

Stamboul's Record Rejected.

CHICAGO, Jan. 25.—Stamboul's performance of 2:07 1/2, made on the Stockton, Cal., track, November 23 last, a mile that crowned him king of trotting stallions, has been rejected by the American trotting register association. Kremlin, who covered a mile at Nashville, Tenn., in 2:07 1/2, on November 12, according to the register, is the acknowledged trotting king.

Colonel William A. Rucker Gone.

CHICAGO, Jan. 24.—Colonel William A. Rucker, pay department of the United States army, died yesterday of pneumonia. He was 62 years of age and the uncle of Mrs. Philip Sheridan.

BALLOTING IS BEGUN

THE THREE HOUSES OF KANSAS VOTE FOR A SENATOR.

BUT ACCOMPLISH NOTHING BY IT.

The Republicans Give Aid Almost Their Full Strength—Populists Scatter Their Votes Among Several Candidates—Coburn as a Dark Horse—Provisions of the New Senate Loan Bill

TOPEKA, Kan., Jan. 25.—At 12 o'clock Lieutenant G. Daniels announced to the senate that the time for the first vote for United States senator had come. The reading clerk then read the law on the subject and the voting began. There seemed to be but little outside interest as galleries were almost empty.

The Republican senators cast their fifteen votes for J. W. A. C. the caucus nominee. Judge Frank Foster received ten Populist votes as follows: Senators Baldwin, Cook, Forney, Juniper, King, Leeds, Leedy, Rodgers,



Shearer and Smith. John Martin received votes from Senators Armstrong, Dumbauld, Helm, Helm, Landis and True. State Chairman John W. Breidenthal also received six votes as follows: Senators Bowling, Demmon, Householder, Reed, Reilly and S. M. There were three scattering votes, Senator Taylor voting for S. S. King, Mr. Dillard, the Fort Scott Democrat, for J. D. McClevery and Ed O'Bryan of Wichita for Bailey P. Waggener.

After the vote was taken, Senator Lucien Baker moved to adjourn until the Populists knew "where they were at." This was done. The Republican house called the roll for a ballot on United States senator as the clock was striking 12. Sixty-six responded. Aid receiving 62. Ed O'Bryan 2, Ed Carroll 1, Perkins 1, Wilson, Republican, was not in the hall. Chambers and Rosenthal voted for O'Bryan, McGehee for Carroll and Sherman, Republican, for Perkins. Rosenthal wanted to vote for John Martin but was subjected to considerable embarrassment by prominent Democratic politicians who pulled and hauled at him. Finally the counsel of his friend Chambers prevailed and he voted for O'Bryan.

The Republican house having balloted for senator, the Populists took a vote resulting as follows: J. W. Breidenthal 19, M. W. Coburn 11, Frank Doster 14, W. C. Jones 1, Dr. Godfrey Borer 1, Dr. H. R. Walling 1, Charles Robinson 1, J. M. Senter 1, John Martin 9, S. S. King 3, Harrison Kelley 1, John G. Otis 1, W. A. Harris 1, J. D. McClevery 1—Total 65.

Thurston Out of the Contest.

OMAHA, Neb., Jan. 24.—In an open letter made public to-day, John M. Thurston formally withdraws from the senatorial contest. He declares that the interests of his client, the Union Pacific railway company, demand his entire attention. Governor Crouse is coming forward as a dark horse for the Republicans.

Largest Fire Works on Earth Burned.

ELWOOD, Ind., Jan. 21.—The McBeth lamp fire works, the largest of the kind in the world, were burned last night. The warehouse was saved. The fire originated from too high natural gas pressure. Over 600 men are thrown out of employment. The loss is estimated at \$100,000; fully insured.

Teamsters Indulge in a Fatal Quarrel.

KANSAS CITY, Mo., Jan. 24.—Winchester Rees of the Market Square grocery company, shot and mortally wounded J. O. Wade, a wagon driver for the Midland Dairy company. The two men were driving wagons and met in a narrow alley, and there was a row because Wade wouldn't move to let Rees pass.