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MOSHER A CANDIDATE

For the Penitentiary. He is Arrested And Makes a Confession

HE GOT AWAY WITH \$300,000.00.

A Clear Case of Conspiracy on the Part of State Officers They Give Themselves Away by Attempting to Explain.

ROSEWATER AND CROUNSE HAVE A SEANCE.

Crouse Issues a Message and Hastings an Opinion. Amusing Haste of State Officers. The Capital National was a "Hospital Bank" Others are Guilty. United States Grand Jury Still at Work.

How Republicans Stand Up for Nebraska.

"There's something rotten in the State of Denmark."—Shakespeare. For the past ten days the failure of the Capital National has been the chief theme of conversation everywhere, and the leading piece of news in the daily press. Scarcely a day has passed that has not brought startling developments that have added to the blackness of the picture. And the end is not yet. That it will end in sending one man to the penitentiary no one doubts. That it ought to end in sending a good many others with him, many believe.

MOSHER ARRESTED. It was fortunate indeed that a United States grand jury happened to be in session when the Capital National bank failed. This jury seems to have turned its attention at once to the bank affair and particularly to C. W. Mosher. As a result Mr. Mosher was arrested on Thursday. Brad Slaughter made the arrest and Mosher was confined in room 519 in the upper story of the Lincoln Hotel.

As to the exact nature of the indictments against him there are a great many rumors, but no absolutely reliable information.

On Thursday Mosher went before the grand jury and made what purported to be

A FULL CONFESSION of his wrong doings.

The Omaha Bee's report of his confession is as follows:

It is stated that Mosher has pursued a course of systematic forgery, removing original papers and replacing them with forged ones, without the knowledge of Outcalt, who supposed that the papers were what they purported to be, and represented a value to the bank amounting to hundreds of thousands of dollars, when in reality they were absolutely valueless. Mosher stated to the grand jury that he had sunk the money in the Western Manufacturing company; that he had found it necessary to put in new departments of manufacture at the penitentiary, had replaced some of the old plants with new ones, and had enlarged all along the line. He said that it had taken a vast sum of money and that he was unable to swing it, and had taken the risky alternative of going ahead at a breakneck speed. He was asked that the investment would have proven a good one, had he been able to keep his head above water for a while longer, but he was compelled to steal by the wholesale and got to the end of the rope before he was out of the breakers. He rattled along incoherently with his story, sobbing and crying, and before he was through the eyes of half the jurors were wet with sympathetic tears.

As an example of Mosher's methods, it may be stated that of the \$235,000 which Treasurer Bartley's books show that he deposited in the Capital National only \$135,000 appears on the bank's books. Mosher issued a certificate of deposit for the other hundred thousand and never had any record of it placed on the books. Those who have examined into the condition of the bank now say that Mosher's defalcations will amount to not less than \$300,000.

WILL PLEAD GUILTY. According to all reports Mosher pro-

poses to plead guilty to whatever charges the grand jury may bring against him. He wants to have all the blame laid on him. He seems anxious to shield Outcalt, the cashier. His course in this matter is generally regarded with suspicion. He seems entirely too anxious to shoulder the blame. It is evident that he wants if possible to avoid a public trial. The reason is plain: In the trial all the evidence would be made public. A great many facts would be brought to light that would show the guilt of other parties, and the general corruption of the republican machine. The whole "inside history" of the penitentiary ring would doubtless be brought to light. Mr. Mosher wants if possible to avoid all this. Of course he expects to serve a term in the penitentiary, but he no doubt hopes by pleading guilty to secure a short sentence, and easy treatment.

OTHERS ARE GUILTY. The claim made by Mosher and others that he alone is guilty is simply absurd. He is doubtless the chief sinner, but it is impossible that he could have committed all the offenses with which he is charged without the knowledge and assistance of others, particularly Cashier Outcalt. As the principal stockholders and officers in the bank, these two men have been working together for years. Each must have been familiar with the plans and doings of the other. They must have been in collusion in the commission of crimes. This is shown by the following facts:

1. Both Mosher and Outcalt the day after the failure had filed with the Clerk of Lancaster county deeds of transfer and mortgages on their property which bore December dates.

2. Both of them went on the bond given the state treasurer and swore falsely to their financial standing.

3. Both of them had borrowed from the bank of which they were officers, without security, large sums of money in violation of the National banking law. Under the law the Capital National could not loan over \$30,000 to any one person, but Mosher had borrowed \$75,000, and Outcalt \$47,000. It is reported that Mr. Outcalt's friends have come to his rescue and put up security for this sum, but this does not relieve him of guilt.

Among the many rumors afloat is one to the effect that it was arranged long ago that if a crash came and exposure followed, Mosher was to assume all responsibility, plead guilty and thus shield all others from exposure. Circumstances give a strong coloring of truth to this rumor. It is certainly to be hoped that the plan will not succeed.

THE CONDITION OF THE BANK. It is impossible to secure a reliable statement concerning the affairs of the bank. The bank examiner reports to the authorities at Washington and refuses to give any facts or figures for publication. Just after the failure it was positively

claimed by Cashier Outcalt and others that depositors would lose nothing. The notes, securities and other assets of the institution were said to aggregate over \$800,000, while the liabilities were less than \$700,000. But these claims have been abandoned. It is still claimed that the bank will pay anywhere from fifty to eighty cents on the dollar.

A large number of suits have been begun against the bank, and against Mosher and Outcalt individually. A receiver will be appointed. **HAS LONG BEEN LOST.**

The claim made by THE ALLIANCE-INDEPENDENT last week that the state treasurer has not been able to get the state funds out of the Capital National for a long time, is now fully verified. There can be no reasonable doubt that this money has been lost for two years and probably longer. Mill has simply carried the certificates of deposit and counted it as cash. On this point the Bee correspondent says in the issue of January 27:

It is asserted that there has not been a time in the past six months when the state could have secured the money on deposit in the Capital National bank, and that, further than this, the bank has not been able to meet more than 30 percent of its obligation to the state for many a month. It is stated by attorneys and financiers alike, and apparently on the very best of grounds that had the governor refused to sign the bond of the bank and had the new treasurer insisted on a showing of cash the bank would have been compelled to close its doors on the 14th of the month, the day that the change in the officers went into effect.

The various state officers involved in the bank scandal have **GIVEN THEMSELVES AWAY** at every turn when they have been interviewed for publication. Every one that has opened his mouth has put his foot in it. Perhaps the most conspicuous example of this is Treasurer Bartley's statement published in the State Journal of January 24. He said:

When I was installed in the state treasurer's office my predecessor turned over to me a certificate of deposit showing that there were \$288,000 of state funds on deposit in the Capital National bank. Before receiving the certificate, the board, comprising Governor Crouse, the secretary of state and attorney general, acting under the new law, accepted and approved a bond given by the bank in the sum of \$700,000. The bank was made a state depository and the certificate of my predecessor was turned over to the bank.

Now that is a very interesting statement, isn't it? And very instructive too. He didn't take any risks on the Capital National. In another interview Mr. Bartley says that there are large sums deposited in various other banks which have not yet given bond. If he believed the Capital National to be sound financially, why did he require this bond to be made out and approved before he would take the certificate of deposit off Hill's hands?

The Journal reporter adds the following significant remark. During the interview State Treasurer Bartley stated that the new law compelling the treasurer to deposit funds in banks and turn the interest into the treasury also required such banks to give a special bond, which bond he seemed pleased to announce relieved the treasurer from any liability whatever.

Evidently Mr. Bartley understood the game he was helping to play perfectly well.

BOYD WOULDN'T APPROVE IT. The republican state officers have tried hard to show that there was nothing extraordinary about the selection of the Capital National bank as a state depository, and the approval of its bond. But all the facts are against Every circumstance proves that it was extraordinary. It now appears that fully ten days before Crouse was inaugurated, the republican state officers tried to induce Governor Boyd to approve the bond offered by Mosher and Outcalt. To use the expressive slang of the day they tried to "play him for a sucker." But they failed.

There is an amusing side to this affair. Think of these men rushing around to put this law into effect ten days before the time required by law! A law too which required all interest on treasury funds to be turned into the treasury instead of into the private coffers of the treasurer. At the same time the law requiring the permanent school funds to be invested in state warrants had been in force for nearly two years, yet

(Continued on Fourth page.)

A POPULIST SENATOR.

Judge Martin of Kansas Elected to the United States Senate. The Republicans Give it Up.

KANSAS POPULISTS ALL RIGHT

Republicans Tried to Elect a Gold-Bug Democrat but Failed. The Truth About the Situation.

In Bleeding Kansas. On January 25th the two (or rather three) houses of the Kansas legislature met in joint session and elected Judge John Martin United States senator on the first ballot.

The lieutenant governor called the meeting to order. The republican members declined to answer roll call. The democratic and populist members answered to their names, and the clerk announced that 91 had answered to their names. Then a ballot was taken for the election of senator.

When the senate roll was called the entire populist strength went to John Martin and O'Brien, democrat, also voted for him. The result of the joint ballot as finally announced was: Martin, 88; Coburn, 4; Hanna, 1; Snyder, 1 Case, 1. The president announced that Martin was elected United States senator. Before he had done this, however, Senator Baker, republican, demanded that the republicans be given a right to vote. The president ruled that the vote having been announced no further vote could be received.

The populist joint session then dissolved. Senator Baker, republican, mounting a chair in the midst of the cheering for Martin, offered a resolution declaring that ten men who voted in joint session had no legal right to seats, and calling on the members to meet and elect a senator.

Speaker Douglas was elected chairman of the republican joint session, and after resolutions were adopted, an ineffectual ballot was taken, seventy-seven votes being cast for Ady. There being no quorum adjournment was then taken until Thursday.

In the evening the republicans held a caucus and decided to vote for a **GOLD-BUG DEMOCRAT.**

They hoped that the democratic members might assist them and thus elect a democrat who would go to Washington and contest Martin's election. The following is the press dispatch which appeared in all the republican dailies:

TOPEKA, Kan., Jan. 26.—The republicans have given up hope of electing a United States senator. They made a last effort today to devise means of checkmating the populists and of sending to the United States senator a claimant for the seat to which Judge John Martin was elected. They met in caucus and decided to support a stalwart democrat for the position with the hope that the five democrats would go over to them and give them a quorum on a joint ballot. Three of the five democrats had cast their ballots for Martin in the populist joint convention yesterday, and of course, could not participate in another senatorial election, so when the republicans met in joint session they found themselves without a quorum and with no means of securing one. They then gave up hope of electing a senator and after appointing a committee to prepare a statement of facts concerning the election of Judge Martin and a protest against his admission to the senate, they adjourned their joint convention sine die.

In spite of all this, the republican press is already howling that the populists elected a democrat. It is true that Judge Martin had always been a democrat, but during the last campaign he came out squarely for the principles of the people's party as declared in the Omaha platform and made a grand fight for the election of the entire people's ticket. He is a man of great ability, and unquestioned integrity, and will doubtless be a credit to the party that elected him.

THE REAL SITUATION. The situation in Kansas has been grossly misrepresented by the republican press of the country. The populists have been represented as anarchists who were determined to overthrow law and precedent. As it passes, however, the people are learning the real facts in the case. The republicans had control of the state canvassing board and were determined at all hazards to send enough members to organize the

house. To do this they counted in Stubbs a republican in place of Rosenthal a democrat who was elected from Haskell county. The county clerk either purposely or by mistake transposed the footings on the tally sheet and gave Rosenthal's majority to Stubbs. The returning board refused to correct the error on the ground that it had not the authority. In the Coffey county case, there was a tie reported between Rice, populist, and Ballinger, republican. Without any notice to Rice or his friends the canvassing board in secret session decided this case in favor of Ballinger. If these two cases had been decided the other way the republicans would have been in a minority in the house.

There were a number of contests against republicans who received certificates. In some cases fraud and misconduct were charged. In other cases postmasters had been elected who were ineligible under the Kansas law. In one case it was charged that a resident of Oklahoma had been elected.

The populists were willing to accept any course that would be fair to both sides. They wanted to have all these cases fairly heard and decided. But the republicans would hear to nothing. They were determined to organize the house at all hazards. The populist would not submit to this. Hence two houses were organized. The republicans of course had a majority on the face of the returns. But the populists proceeded to try the contest cases and unseat the republicans who were not entitled to seats. Inasmuch as both houses were in session in the same hall, the populist speaker had no trouble in counting a quorum present at any time after the manner of "Char Reed", and the republicans had to take a dose of their own medicine.

There seems to be no reason to doubt that the action of the populists is fully sustained by both reason and law, and that they will come out fully victorious in the end.

Boy Hunters Kill a Child. **FOOT SCOTT, Kan., Feb. 2.**—A little 4-year-old girl named Essie Kearnal was shot and killed near this city yesterday in the presence of her parents. The family was from Logan county, Illinois, and was on its way to the Cherokee strip. While passing along a country highway two boys, who were hunting in a field close by began shooting at the stove pipe which protruded from the canvas cover on the wagon. The child was sitting in the rear of the wagon alone and the parents knew nothing of her being shot until attracted by her screams. She was taken into a neighboring house and soon died. The grief stricken father caught the boys himself.

Mrs. Sommers Seeks a Divorce. **EMPORIA, Kan., Feb. 2.**—Papers were filed yesterday in the district court in which Mrs. Julia Sommers seeks a divorce from Captain A. M. Sommers. Both parties are well known throughout the state. Captain Sommers being a former officer in the United States regular army and Mrs. Sommers being a daughter of Judge Sebastian and a sister of John Sebastian, of the Rock Island railroad. Mr. and Mrs. Sommers have lately been residing in Topeka, but the former is now in Washington on business.

An Erratic Governor. **SALEM, Ore., Feb. 2.**—Governor Penoyer received a letter yesterday from his adjutant general, asking permission to use two brass cannons belonging to the state for the purpose of firing a salute on inauguration day. The governor sent the following reply: "No permission will be given to use the state cannon for firing a salute over the inauguration of a Wall street plutocrat as president of the United States."

Siddons and Skelly Will Fight. **NEW YORK, Feb. 2.**—George Siddons, the featherweight, signed articles of agreement yesterday to fight Jack Skelly of Brooklyn, for a purse of \$2,000, before the Coney Island Athletic club on March 13. The battle will be a four-round bout, and if the battle lasts the full limit the referee must give a decision. This will do away with the general belief that Siddons only fights to make a draw.

Receiver Murrel in Charge. **MARSHALL, Mo., Feb. 2.**—W. B. Murrel, the assignee of the defunct bank of Arrow Rock, who a week ago was kept out of the bank by the depositors of the bank, met them yesterday and is now taking an inventory of the bank. He has concluded to resign, however, at the next term of court, provided the creditors of the bank will give him an indemnifying bond for \$40,000.

More Mad Dog Victims. **ELDORADO, Kan., Feb. 2.**—Two more were added to the list of those bitten by mad dogs yesterday. A dog belonging to A. Blair went mad and bit two of his children. Farmers report having killed several dogs suffering with hydrophobia.

Subscribe for THE ALLIANCE-INDEPENDENT.

A NEW CANDIDATE.

The Independents Put Up W. L. Greene for United States Senator.

THURSTON THE G. O. P. FAVORITE

The Contest May End Soon. Green will Be Elected if the Independents Stand Together.

The Senatorial Situation.

The contest proceeded without serious variation in the vote till on Wednesday, Feb. 1st Tuesday night the independents caucused, and nominated W. L. Greene by the two thirds rule. Several withdrew and decided to vote for Allen Root. The republicans caucused and Thurston was the favorite, but they could not all agree.

On Wednesday Greene got 53 votes, 5 of them cast by democrats. Seven independents voted for Root as follows: Dale, Dymart, Stewart, Harris, Stevens, Krass and Soderman. Farnsworth voted for Powers, Mullen for Judge Allen. Faddok got 25, Majors 10 and Thurston 12. The rest of the republicans and democrats scattered.

Strong efforts are being made to get the independents together for Thurston's vote, for it is believed that Greene can be elected if he gets the full vote of his party.

Washington News.

WASHINGTON, Feb. 2.—"We cannot allow any other country to take possession of Hawaii, and so long as I am president the United States will shall not..."

President Harrison thus replied to a press dispatch who called on him to discontinue the absorbing topic of the day. The president had not fully made up his mind on the question of annexation. He has an opinion, based on the telegraphic reports, but nations do not act on reports except they be official, and while the president does not doubt the accuracy of the Hawaii revolution he will await the arrival of the commissioners of the Hawaiian provisional government before determining what course to recommend to congress. His present opinion may be learned from the following, which is a verbatim account of the president's remarks, as repeated by the person to whom the president made them. The president said:

"In settling this Hawaiian question, this government has certain duties to discharge. I should discharge those duties without regard to the wishes of Great Britain or of any other power. In short, this government should act as if there were no other powers in existence. My opinion is that we should go to the provisional government, and negotiate until we can make a careful examination into the whole affair. If we should find that the nation are qualified they should be allowed to vote on the question of annexation. I hear, however, that they are not qualified. If that be so then we should, I think, endeavor to revive the old relations which ended with the death of the queen, but upon a permanent basis. If that be impracticable or unsafe we should favor a permanent protectorate with the queen nominally reinstated, and if that, too, be deemed unsafe we should without hesitation annex the islands. At all events we can not allow any other country to take possession of them, and so long as I am president of the United States we shall not do so."

President Harrison seems to hold the key to the solution of the Hawaiian difficulty. From a high authority it is learned that the president is strongly inclined to send to congress a treaty which, when ratified, will amount to a positive protectorate over the islands. He favors annexation only as a last resort, but is strongly disposed from the information at hand to give ample protection to American interests on the island, if need be, by annexing them. His action will be determined only after consultation with the commissioners from the provisional government, who will arrive this week. In any event the bluster against the plan will not win.

Epidemic of Suicide. **LOUISVILLE, Ky., Feb. 2.**—A suicide mania was yesterday rampant. Since Monday evening four men have died from self-inflicted wounds and a fifth unhappy mortal made an attempt to take his life. In none of the cases does there appear to have been sufficient cause to warrant the acts of the suicides.

The Black Pearl Knocked Out. **SAN FRANCISCO, Feb. 2.**—The Black Pearl of Minneapolis was knocked out by Robert Dobbs, colored, of Denver in eighteen rounds here last night.