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KANSAS BOODLERS.

Kansas is again enjoying a season of of political excitement, and startling revelations are promised in the near future. They have a railroad commission down there. It consists at present of one democrat and two republicans.

The democrat, whose name is Mitchell, is an anti-fusionist, one of the sort that hates a populist above all things. He is one of the men who went to Washington to protest against the seating of Senator Martin.

One day last week the new populist secretary of the state, Osborne, gave the newspapers the startling announcement that Commissioner Mitchell had accepted a bribe of $15,000 from a railroad corporation. He says he has the affidavit of the man who acted as go-between in the deal. It seems that Mitchell went back on said go-between and failed to give him a proper share of the boodle. He says Mitchell excused himself by saying that he had to give the two republican commissioners $12,000 to get them to concede what the corporation wanted. This only left him $3,000 and he couldn't afford to be very liberal with Mr. Go-between whoever he may be.

And as soon as these charges became public property, Mr. Mitchell forthwith got very angry and highly indignant. He said that the story was entirely untrue, slanderous and malicious. And straightway he took counsel with his attorney and had the vile populist slanderer arrested for libel!

What a pointer is here for Nebraska's impeached state officers! They should reflect with shame that they have allowed themselves to be outdone by a mere railroad commissioner in a sister state, and a measly democrat at that. Plodding numb-skulls! If they had only thought of it. What a magnificent game of bluff they could have played by having the whole legislature arrested for libel.

But they missed their opportunity. The best they can do now is to console themselves by charging that the legislature was "moved by passion" to commit the cruel acts of persecution under which they now suffer.

Still it may not be too late. After they get through "vindicating" themselves, they may turn their attention to the cruel, tyrannical, persecuting legislators and teach them a lesson. They may yet emulate the example of Kansas' boodle railroad commissioner.

THE Dodge County Leader says:

"The high-handed rulings of Tom Majors for corporations have been desgusting to the rank and file of the republican party, and the democrats despise North for the part he played with him."

True enough, Brother Kelly, but the rank and file of neither old party can control conventions, or influence the distribution of spoils. North will be collector of internal revenue at Omaha; Mattes will represent the agricultural department in foreign nations; Babcock will very likely get some good place. Tom Majors is the biggest man in the republican party of Nebraska today, and the coming candidate for governor. The rank and file may despise North, and be disgusted with Majors, but what does that signify? These men owe their official positions to the power of the corporations, and to the corporations, they confidently look for political preferment in the future.

THE democratic party should quit celebrating "St. Jackson's day" or quit supporting national banks. Here is "Old Hickory's" opinion:

"If congress has the right under the constitution to issue paper money, it was given them to be used by themselves, not to be delegated to individuals or corporations."

THE FINANCIAL SITUATION.

In an editorial in Sunday's Bee on "Wall Street" appears the following remarkable admission:

"For thirty years or longer the financial policy of the government has been practically dictated from that source. Every secretary of the treasury during that period has gone there for counsel and has followed more or less closely the advice given him. The popular demand for a divorce of the national treasury from Wall Street has steadily grown in volume, but it has not been needed."

This admission, coming from the editor of the leading republican daily of the west, and an influential member of the republican national committee, will be read with much satisfaction by the populists who have repeated the same assertion thousands of times only to be ridiculed as cranks and fiat money lunatics by this same editor and others of his class.

We may look for a great many more admissions of this kind in the near future. The collapse of the republican party will loosen the tongues of a great many men who are well qualified to speak with authority in such matters.

The power of Wall Street over our financial policy is just now being strikingly illustrated. The heavy shipments of gold out of this country, and the steady decrease of the "free gold" in the United States treasury have been leading topics of discussion in financial and political circles for several months past.

OUR STOCK OF GOLD.

A glance at our financial system as it is today will give a clearer understanding of the present situation.

In his statement given below Secretary Carlisle says:

"The total stock of gold coin and gold bullion now in this country, including what is held by the Treasury, as well as what is held by the banks and individuals, amounts to about $740,000,000."

The accuracy of this statement may very properly be questioned since neither the secretary of the treasury nor any other man knows or can know how much gold coin is in the hands of individuals. Treasury statements are based on the theory that all money which has been put out into circulation and has never been returned to the government is still in circulation. Some very eminent statesmen, including the late Senator Plumb, have claimed that the treasury estimates are from one to two hundred millions of dollars too high on account of the continual drain of gold to foreign countries of which no record can be kept. This claim is doubtless true.

There is in the United States treasury today something over $250,000,000 in gold. Of this something over $150,000,000 is covered by gold certificates which are in circulation or held in banks as reserves. These gold certificates are redeemable in gold dollar for dollar, and the government considers it a sacred duty to keep in the treasury every dollar of gold represented by a gold certificate

THE RESERVE FUND.

After the resumption of specie payments which occurred some fourteen years ago, the great financiers conceived the idea that the $346,000,000 of greenbacks which escaped destruction and remained in circulation must be supplied with redeemers. Of course nobody wanted them redeemed, but then it would never do to have that great quantity of fiat money floating about based on nothing better than the credit of the country. So they concluded to lay away in the treasury a hundred millions of gold. How to get it was the next question. But that was easily solved by the great financiers. They issued interest bearing bonds, and sold them for gold. Ever since then the people of the United States have been paying the interest on these bonds and all they have got in return is the satisfaction of knowing that every greenback dollar has nearly thirty cents of yellow redeemer stored away in the "United States treasury."

Since then every administration has considered it a sacred duty to keep that $100,000,000 untouched. It was bought and put away to be used in redeeming the greenbacks, but then it must not be used for that purpose, for if it were, it wouldn't be in the treasury you see. Then the government would be under the necessity of selling some more bonds to get some more gold to redeem some more greenbacks, or perhaps to redeem the same greenbacks over again, for the law requires them to be re-issued after they are redeemed.

So the hundred million reserve fund has been kept sacred. And whenever anybody happened to want a greenback redeemed (which has been very seldom indeed) it was redeemed with the "free gold" in the treasury.

But what is "free gold"?

It is simply the gold in the treasury over and above the amounts held to redeem gold certificates and greenbacks. The free gold comes into the treasury as duties on imports, internal revenue etc., and goes out in payment of interest on the public debt and current expenses. The free gold is simply a part of the current funds of the treasury.

In addition to the two hundred and fifty odd millions of gold locked up in the treasury there is known to be about one hundred millions held as reserves in the national banks of the country at present. There is of course a large additional sum held in the state and private banks. The balance of Secretary Carlisle's $740,000,000 is supposed to be in circulation.

SILVER DEGRADED.

Leaving gold for the present, let us glance at the position occupied by silver in our currency. By the "credit strengthening act of 1869 the obligations of the United States (bonds) were declared payable in coin.

But the bond-holders were afraid to trust congress. The bonds still read "payable in lawful money." Congress might repeal the law. So in 1870 they secured the passage of a "refunding act" by which the old bonds were called in and new ones issued in their stead which read "payable in coin."

Then followed the conspiracy of the money power to demonetize silver and thereby to make the bonds payable in gold only. In 1873 this was accomplished by a trick. The law "regulating the mints" were revised and the standard silver dollar was stealthily dropped from the list of coins, and the legal tender quality of silver coins was limited to sums of five dollars.

The crime of 1873 was followed by a great popular reaction which in 1878 culminated in the passage of the Bland-Allison bill over the veto of the president. This bill restored the silver dollar to a limited coinage, and made it a full legal tender for all debts, "except where otherwise stipulated in the contract."

Though defeated in the halls of legislation, the bond-holders were not driven from the field. They knew it was one thing to enact a law and another to carry it into effect. Under the law of 1878 the government had the right to pay all its bonds in gold or silver coins at its option; also to redeem greenbacks in the same way. The bankers and bond-holders resolved to control the executive department of the government, so that the government would never exercise its right to pay bonds and redeem greenbacks in silver.

Although for over fourteen years the government has had the right to pay all its obligations in silver equally with gold, *the executive department has uniformly refused to exercise that right: has discredited and degraded silver in every possible way; and has recognized gold as the only rightful money in which government obligations might be paid.*

In other words, every administration has ignored the intent and meaning of the law, has served Wall Street and betrayed the people.

The first act of discrimination against silver has already been described: The issuance of bonds, and the purchase of $100,000,000 in gold with which redeem greenbacks.

Silver certificates issued on deposits of silver dollars have alone been recognized as rightfully redeemable in silver.

THE SHERMAN LAW.

This brings us down to the year 1890. In that year the renewed agitation for currency reform grew to such proportions as to give the money power a genuine fright. A bill for the free and unlimited coinage of silver passed the senate, and there was imminent danger of its passing the house. In that crisis John Sherman, the prime minister of the money power, came to the rescue with a compromise measure which he now admits was offered only to prevent the passage of the free coinage bill. The Sherman law provides for the purchase of four and one-half million ounces of silver per month. Under the old law the government had been required to purchase only two million dollars worth of silver per month. Under the old law the silver had been purchased with current funds of the treasuay. But the Sherman law provided for the issue of a new species of paper money with which to purchase silver. This paper is usually referred to as "silver treasury notes", or "treasury notes of 1890." It differs from all other paper issues. These "treasury notes of 1890" are in no sense silver certificates. They are like the old greenbacks save in the exception clause which makes them legal tender for all debts "except where otherwise expressly stipulated in the contract." *Like the old greenbacks they are redeemable in either gold or silver coin at the option of the government.*

Here again the plain meaning and intent of the law was that silver should be used, at least equally with gold, in the redemption of these notes. The law required the government to coin two million dollars per month up to July 1st, 1891, and thereafter so much as might be needed for the purpose of redeeming these notes.

Under the Sherman law the government is required to purchase 54,000,000 ounces of silver per annum at a cost of about $50,000,000. Up to the present time $137,000,000 of these treasury notes have been issued.

At the dictation of Wall Street Harrison's administration again betrayed the people by *redeeming these treasury notes in gold only.*

As Sherman says his compromise measure of 1890 was offered solely "to prevent worse legislation" in the shape of a free coinage law.

The open opposition of the money power to the Sherman law began to show itself nearly a year ago. Last July John Sherman introduced a bill for the repeal of his own law. The republican national convention last June refused to endorse the law. The democratic convention denounced it and promised its repeal.

The money power opposes this law for several reasons:

1. Under its operation the currency is increased about $50,000,000 annually. This is quite a material increase sufficient at least to prevent any decrease of the circulation per capita.

2. This increase is in that most hated form—legal tender treasury notes.

3. These issues are rapidly swelling the amount of redeemable paper money while there is no proportional increase in the gold which they recognize as the only money of redemption. If this increase goes on for several years, they see great danger that the narrow gold basis may not be able to sustain the super structure. In that event the government would be compelled to recognize and use silver as a money of redemption. And this is certainly what will happen, and for this very reason the friends of silver are opposed to the repeal of the law.

4. Under this law a vast amount of silver bullion is being piled up in the treasury vaults. This silver is government property. The government will be under the necessity of doing something with it in time. The most natural thing for the government to do with it is to coin it into money. This would cause another large increase in the currency. The money power wants to depreciate the price of silver. But it is contrary to nature for the government to assist in depreciating its own property, and the government is every month becoming a heavier owner of silver bullion.

Take it all in all the operation of the Sherman law is full of danger to the plans of the money power, and may well create anxiety and strenuous opposition. If the law is not repealed, a financial revolution is only a question of time, perhaps a very short time. The result of the revolution will be the elevation of silver and paper money at the expense of gold.

Cleveland's desire for the repeal of the Sherman law is profound and undisguised. His public expressions indicate that he puts the importance of its repeal far above the importance of tariff reform. He is reported to have said not long ago:

"Unless free coinage is beaten down and the Shrman law repealed the country will, within a year, experience the greatest financial panic we have ever known."

He would undoubtedly call an extra session of congress at once if he thought there was hope of its repeal

DECREASE OF FREE GOLD.

Ever since the passage of the Sherman law the amount of free gold in the treasury has steadily decreased. When the law was passed in 1890 there was $77,000,000 of free gold. January 31, 1891, there was only $41,000,000. January 31, 1892, the amount had fallen to $19,000,000. January 31, 1893, there was but $8,000,000. Last week the free gold had entirely disappeared and with it nearly $4,000,000 of the sacred reserve fund.

THE CAUSE.

Of course one cause of this has been that the country has enjoyed the luxury of two "Billion Dollar Congresses" which have reduced the current funds of all kinds to a very low ebb. But this is not the only cause. For several months past large quantities of the treasury notes of 1890 have been presented for redemption, gold has been paid out for them, and this gold has been exported.

This drain of gold from the treasury has probably resulted in some degree from each of the following causes:

1. A real demand for gold in foreign countries.

2. A genuine fear that there will be a financial revolution in this country in the near future.

3. A desire to make the Sherman law odious and secure its repeal.

4. A conspiracy to force the government to issue bonds to purchase gold.

Political movements at Washington indicate that the two latter causes have not been the least in bringing about the present condition. During the last three months of Harrison's administration, it was freely given out that both the President and Secretary Foster believed there was a conspiracy among New York bankers to force the issue of bonds. It is now reported that Secretary Carlisle entertains the same opinion. A strenuous effort was made to have the late congress authorize an issue of bonds.

THE BANKERS' OBJECT.

The bankers want an issue of bonds not only because they love a public debt with a great and abiding love, but because they need the bonds in their business as national bankers. The pretext for the issuance of bonds is the same as it was twelve years ago: to buy gold to store away in the treasury for the redemption of treasury notes, and thereby to "keep the credit of the government unimpaired." This brings us to

THE PRESENT SITUATION.

Early last week the report became current in New York City that Secretary Carilsle had decided to pay out silver in redemption of treasury notes. It created a genuine scare in Wall Street. The New York Times financial statement for last week says:

"It took about twenty-four hours for the conviction to become established that the information was correct. Then came the rush of those who had foreign debts to pay to buy exchange before there should be a premium on gold. At the same time the Canadian banks called for their gold balances here. Even from Boston a direct shipment of gold was made to London, a thing before almost unheard of."

How quickly this "honest money" seeks a hiding place or flees to foreign lands in the face of danger!

There was great excitement on Wall Street. Interest on call loans jumped to 15 per cent. It took several days for the bankers to get over their scare. Commenting further on the matter The Times says:

"The fact of overwhelming importance is the blow to the national credit which would have been given by *the government's deliberately discrediting one of its own currency issues.* This was the thing which alarmed the financial community. It did not need that the treasury should issue such an order. The mere fact that its issue had been seriously contemplated was enough."

A strange statement that is to come from such a source. Why, the whole difficulty comes from the fact that the government has been for years "discrediting one of its own currency issues"—silver. The mere report that the government contemplated ceasing to so discredit silver was the cause of all the excitement.

Whether or not Secretary Carlisle ever contemplated such a move can not be known. Certain it is that on Friday he came to the rescue of Wall Street with the following very instructive statement:

SECRETARY CARLISLE'S STATEMENT.

"In the exercise of the discretionary power conferred upon the Secretary of the Treasury by the act of July 14, 1890, *he has been paying gold for the coin treasury notes issued for the purchase of silver bullion, and he will continue to do so as long as he has gold lawfully available for that purpose.* Under this process the government has been, and is now, paying gold for silver bullion and storing the silver in its vaults, where it is as useless for any purpose of circulation or redemption as iron, lead, or any other commodity.

"The Government, in the first place, issues a coin Treasury note in payment for silver bullion, and then the coin Treasury note is presented at a Sub-Treasury and the gold is paid out for it; so that the effect is precisely the same as if the gold were paid directly for the silver in the first instance. About $800,000 of the gold which was withdrawn from the Sub-treasury on last Tuesday for shipment abroad was paid out on these coin Treasury notes. No order has been made to stop the payment of gold upon these notes, nor has any one been authorized to say that such an order would be issued. The purpose of the government to preserve its own credit unimpaired and maintain the parity of the two metals by all lawful means will not be abandoned under any circumstances. In view of the existing legislation, the only question for consideration is as to the measures that ought to be adopted to insure the accomplishment of these purposes, and upon this question there is, of course, room for wide differences of opinion.

The total stock of gold coin and gold bullion now in this country, including what is held by the Treasury, as well as what is held by the banks and individuals, amounts to about $740,000,000. When I came into the Treasury Department on the 7th day of March the amount of free gold on hand had been reduced to $987,000, but by arrangements with Western banks it was increased, until on the 1st of April it amounted to nearly $8,000,000. Then heavy shipments began to be made and two days ago we had only about $40,000 but now it amounts to $885,000, after deducting what has been withdrawn from the Sub Treasury today for shipment. Arrangements are now in progress by which more gold is to be procured from the west, and I hope that a sufficient quantity will be secured to keep the gold reserve intact.

There is gold enough in the country to meet all the requirements of the situation, and if all who are really interested in maintaining a sound and stable currency assist the Secretary of the Treasury to the extent of their abilities the existing difficulties will soon be removed."

Even this declaration of loyal subserviency to Wall Street was not sufficient. The bankers said it was "ambiguous." Reports were current that radical differences of opinion existed between the president and Mr. Carlisle.

THE RESERVE INVADED.

The day following Secretary Carlisle's statement large amounts of gold were demanded in redemption of treasury notes. The free gold was entirely exhausted. Worse than that, the sacred $100,000,000 was actually reduced to a little over $96,000,000. The earth didn't quake. The stars twinkled at night, and the sun rose in the morning. Railroad trains continued to run, and so did factories and all the machinery of production and exchange. More astonishing than all, the banks actually opened their doors the next morning, and money circulated just as freely as it did the day before!

After twelve years a small part of that sacred fund was actually used for the purpose for which it was put away and nothing startling happened. Wonderful, isn't it?

To further relieve the minds of the great patriotic financiers of Wall Street Mr Cleveland on Saturday evening made a statement which is even more instructive than that of his secretary:

CLEVELAND SPEAKS.

"The inclination on the part of the public to accept newspaper reports concerning the intentions of those charged with the management of our national finances seems to justify my emphatic contradiction of the statement that the redemption of any kind of treasury notes except in gold, has at any time been determined upon or contemplated by the secretary of the treasury or any other member of the present administration. The president and his cabinet are absolutely harmonious in the determination to exercise every power conferred upon them to maintain the public credit, to keep the public faith and to preserve the party between gold and silver and between all financial obligations of the government.

While the law of 1890, forcing the purchase of a fixed amount of silver every month, provides that the secretary in his discretion may redeem in either gold or silver the treasury notes given in payment of silver purchases, yet the declaration of the government to maintain the parity between the two metals seems so clearly to regulate this discretion as to dictate their redemption in gold.

The strong credit of the country still remains unimpaired and the good sense of our people, which has never failed in time of need, is at hand to save us from disaster."

No ambiguity there. Wall Street can rest absolutely sure that Mr. Cleveland will never recognize silver as a money of redemption! And furthermore "the good sense of the people, which has never failed in time of need, is at hand to save us from disaster!"

Yes, dear lords and plutocrats of Wall Street, the people have got some "good sense" yet. True they haven't used it in politics much for twenty-five years. They didn't use it last November or your "stuffed prophet" wouldn't be where he is today. But they've still got some "good sense" and they are getting ready to use it. They are getting some of the cobwebs out of their craniums. They may not prevent the "disaster" which you fear and which will be the natural inevitable results of your hellish conspiracies. But the people will turn that disaster into a blessing. They will build on the ruins of the present false financial system a truer and better system. They will save the republic which you are seeking to convert into a plutocracy.

WHAT NEXT?

Nobody knows. Nobody knows how big a hole may be made in the reserve in another week or another month. Nobody knows how soon the conspirators may draw out the entire hundred million. And then Cleveland may be compelled, in that spirit of "lofty patriotism" for which he has become so noted, to issue fifty or a hundred million dollars, worth of bonds to buy more gold to redeem the treasury notes that nobody but a traitor to our institutions wants redeemed. And all this time there lies untouched in the treasury vaults enough silver bullion to make $160,000,000 standard dollars, not covered by silver certificates, the absolute property of the government. There is nowhere a shadow of law or reason why it shouldn't be coined and used on an equality with gold.

A financial crash may come. Its immediate effect would be to cause universal loss and suffering except to plutocratic pirates who would seize upon their opportunity to further rob the people. But if the people have to choose between the permanent establishment of the gold standard, and a financial crash that will wreck the present financial system, there can be no question as to which they should prefer. The former means universal and perpetual bondage for the toiling millions. The latter means temporary suffering followed by a universal awakening and that in turn will result in the overthrow of plutocracy, and the establishment of a sound and just financial system.

THE economy practiced by the legislature in making appropriations will do very little good if the same extravagant and wasteful methods of using these appropriations continue. In that case the deficiencies will have to be made up two years from now. If Governor Crounse values his reputation he will see that his appointees live strictly within their income.

THE State Journal, as the old lady said about the devil, has some good points. It is showing a great deal of spirit and vigor in showing up the Powell murder at the penitentiary. There is however a strong suspicion that the Journal is actuated solely by partison motives. If Powell was murdered the guilty parties are democrats. She can't find time to make any exposures that will fix guilt on republicans.

MOSHER has been arrested again, and again he is begging to be allowed to go to the penitentiary without trial. A good many people are beginning to suspect that he is afraid a trial will bring out facts that might implicate some of his accomplices.

THAT $140.00 wind mill and feed grinder will go to somebody June 1st. Let no one hesitate to work for it. If you don't need it, we will advertise it for you and you'll have no trouble in selling it.

DON'T fail to read the article on "cost of electric lighting" on the 3rd page of this issue. It is unanswerable argument in favor of municipal ownership. Preserve it for future reference.

WE are gratified to know that so many of our readers have mentioned THE ALLIANCE-INDEPENDENT in writing to our advertisers.

THIS week we publish another of Mr. Gibson's very instructive letters from Chicago. Don't fail to read it.

OUR column of brief news notes is getting to be a very interesting feature.