

# BANKS ARE SQUEEZED.

## THEY SUFFER FROM THE LOWERING OF VALUES.

**Banks Must Share the Losses Which the Currency Policy They Supported Has Brought to the Business of the Country—Only the Usurer Profits.**

### Effect of the Gold Standard.

The recent scaling of the capital stock of the Preston National Bank of this city, \$275,000, the Detroit Evening News, from \$1,000,000 down to \$750,000, furnishes a valuable object lesson in the effect of the gold standard upon property values. A few years ago, when the bank was organized and capitalized at \$1,000,000, that figure honestly represented its value. Its shares sold at par, or very nearly par, and that was the best evidence of its value. It did a large business and its affairs were managed with as much discretion and ability as other banks. Its losses were no greater than inevitably fall to the lot of ordinarily well-managed banks. There is a widespread impression among a certain class of people that banking is the one class of enterprise which enjoys immunity from the ordinary uncertainties of business, and that, given fair management and honesty on the part of the directors, there must be a continuous profit in its conduct, whether times are good or bad.

The truth, however, is that the banks are as sensitive, if not more so, to the depressing influences of hard times as any commercial or industrial enterprises whatsoever. They are the largest holders of property of all kinds in the country, although they are nominally not its owners. Their own capital is but a small percentage of the money which they loan. The great bulk of their loans is the money of their depositors. As security for this they receive bonds, stocks and mortgages, covering industrial plants and lands, and in this way more actual property lies in their hands than can be found at times unencumbered in the hands of its nominal owners.

When from any cause these properties depreciate in value, the banker's first duty to his depositors, which is his first duty in law and morals, is to see that the depreciation does not endanger the safety of the funds of which he is the trustee. But depreciation during the last few years, due to the rapid appreciation of the medium in which values are measured, was too enormous and too quick for the most prudent of bankers. It swept along the whole line, and securities that were supposed to cover twice and three times the money loaned upon them were found to be unsalable at the face of the money advanced. Few have any adequate conception of the embarrassment which this enormous scaling down of the value of their securities has brought to the managers of the banks. In many cases the depreciation has been so great that securities for the legitimate purposes of banking have become actually worthless—that is to say, they were not salable at all.

The numerous bank failures which followed the election of Mr. McKinley throughout the West were merely symptoms of a general condition which may not yet have reached its worst stages. We have not waited until this late day to warn the bankers of this country that they must ultimately share the losses which the currency policy they supported had brought to the industry and commerce of the country. Again and again throughout the late campaign the Evening News predicted that the gold standard would ultimately reach the banks in its ruinous influence. Their interests, properly understood, are precisely the same as those of the farmer, the mechanic, the manufacturer and the merchant. All have suffered alike, or will yet suffer, if they have been so fortunate as to escape thus far.

How different would it have been had the country never left the double standard, or, having left it, had returned to it years ago. The greatly increased production of the precious metals with which the world had been blessed would have kept the supply of basic money approximately up to the demands of the increasing necessities of mankind, and the prices of property and products thus sustained would have furnished a continuous incentive in profit to the exertion of human industry. Values would have been kept up, the debtor would have found a market for his holdings and have been able to pay his debts, and the banks to-day would have had a solid foundation in their securities for both their depositors and their capital.

It is true, the purchasing power of money would not have been so great as it is, and the absolutely secured creditor would not get so much property for his claim as he now can, but is not this just what all the banks as well as everybody else—namely, that the claim of the creditor eats up too much of the property of the debtor and while ruining the latter nets a loss also to the former? The private usurious lender of money, who actually contemplates at the time of making the loan the desirable possibility of seizing the collateral at a reduced price and makes all his arrangements to render the transaction profitable, may find interest in this process, but the average bank cannot do so. It is not organized to hold properties of all sorts or to manage them when seized.

Its highest interest, therefore, lies, as do the interests of its depositors and its debtors, in the integrity of the currency and the enhancement of the properties it takes as collateral. In a word, the banker is a debtor even more than he is a creditor. If the bankers of this country were only intelligent and far-sighted enough to understand this simple fact, they would not have been almost man-

imously shrieking for the gold standard last fall, but would have been in the forefront of the line in the battle for the double standard.

**A Silver Problem.**  
It appears that when Congress demonetized silver there was nobody on hand to remind it that the United States owed a certain indebtedness, payable expressly in silver coin, and that fact only came out incidentally in the Senate in a recent debate. The government bought land of the Potawatomi Indians and has been paying them for 100 years past an annuity which, it is stipulated, should be handed over to them in American silver dollars. The Indian appropriation bill provides for this payment for the coming fiscal year and was questioned upon that ground.

On the one hand, it was asked whether it was proper for our great and powerful government to impose upon "Le, the poor Indian" dollars which, according to some Senators, are not worth 50 cents apiece—whether it was not an advantage taken of their weakness and a fraud perpetrated upon their ignorance. On the other side, it was said, by Hon. Mr. Platt, Republican Senator from the Nutmeg State, that "the silver dollars of this country" are just as good as gold, an important admission, which, if made before the first Tuesday of last November, would have probably cost Senator Platt his Senatorial position and branded him forever as an anarchist.

And then another Senator inquired of Mr. Platt why other public creditors than Indians—for instance, the national banks holding Government securities—were not also paid in silver instead of gold. To which Mr. Platt, having made one damaging admission, declined to make further reply, and the incident closed.

Silver may be good enough for Indians, but national bankers want gold.

### A Bad Showing.

The tables presented by the director of the mint show that the per capita circulation in the United States has increased in twenty-four years from \$21.36 to \$24.03; the circulation of the United Kingdom from \$9.90 to \$20.89; the circulation of Germany from \$13.59 to \$19.28; the circulation of Belgium from \$14.44 to \$28.49; the circulation of the Netherlands from \$16.56 to \$24.06, and the circulation of Italy from \$4.88 to \$9.96.

It would be an easy matter to show that the per capita circulation in the United States prior to the collapse of 1873 was more than twice the amount given by the director of the mint for 1873. But we take the figures as they stand. We take the figures representing a year in which the hoarding of money and the destruction of values was almost as ruinous as these elements have been during the past four years. It will be seen that the gain in the per capita circulation of the United States as compared with the year in which business was at its lowest ebb has been only \$2.67—a gain of only \$2.67 in a country where the possibilities of enterprise and industry have but begun to present themselves!

It is a curious and significant fact that, so far as the increase in circulation is concerned—that most potent factor in business and enterprise—the United States has lagged behind all the European countries. Even in the Netherlands the gain has been three times as much as in the United States. In Belgium the increase has been nearly seven times greater than in the United States; in the United Kingdom it has been five times as much.

**Trusts Real Easy.**  
The French have a saying that if you scratch a Russian you uncover a Tartar. It is a singular fact that you cannot scratch a goldbug or a money-wump but you find underneath the skin a monopolist, an upholder of trusts or a participator in stolen franchises. The members of a sound money convention such as sat in this city the other day always have the two objects in view—to profit by legislation and by official favor and to defeat the Democratic party.

The money contributors to the Republican organization, of whose liberality old Thurlow Weed used to boast and the Hannas-of-to-day have had practical proof, are to be found connected and identified with sugar trusts, coffee trusts, rubber trusts, coal trusts and all the long array of trusts which overshadow this community. It is folly to think the Republican party directors will allow them to be damned in their money-making.—New York News.

**Unjust Taxation.**  
No person has a natural right to injure any other person, and no just government ought to enable or permit any person to injure another. All should stand equal before the law. That is the great principle that underlies government.

Yet it is not rare to find that a man who pays \$5 in taxes ought to pay \$10, while the man who pays \$10 in taxes very often should pay only \$5. Unjust taxation means robbery by law—means more dangerous than any highwayman would use—and the man who aids in passing a law making such an unfair condition of things possible lacks the courage of the highwayman.

You take from those who are assessed too much and give to those who are assessed too little.—William J. Bryan.

**The Silver Republicans.**  
The Silver Republicans antagonize no other body of bimetalists. They simply form themselves into a column which is to co-operate with the other great political forces bent upon the same object—namely, the Democratic party and the People's party.—Cincinnati Enquirer.

**For the People on Coinage.**  
The people of these United States may well ask themselves what they have gained by electing a Republican. They find it announced that a cabinet

has been formed in which every interest that fattens on the Government is represented and that scarcely a single member of it is not indebted to Republican party legislation for a very large part or the whole of a great private fortune.

**Situation Is Grave.**  
It is a singular fact that the election of Mr. McKinley has not even restored confidence among the multimillionaires and money owners of New York City. We say the fact is singular because this class placed all their influence at the disposal of the Republicans and did everything in their power to promote Mr. McKinley's election. They succeeded in their efforts. They have had the fulfillment of what seemed their heart's desire, and still they view the situation with the gravest doubt and suspicion.

**Paternalist Pointers.**  
Every trust is a menace to good government.

Public opinion is the greatest foe to progress.

Paternalism is a thousand times better than favoritism.

Government banks will regulate the volume and give us a stable currency.

It is not over-production, but a false system of distribution that causes poverty.

Keep it before the people that the Republicans promised to deliver prosperity.

The government part of our Government is socialism—when it is not favoritism.

The mission of the People's party is hardly begun. The work of education must go on.

No amount of wealth can ever stand before a revolution. It is weakness instead of strength.

Resolutions of sympathy for the poor is worse than soap, and soap is a mighty light diet.

The spirit of liberty and independence can be crushed and smothered, but it cannot be killed.

If fusion can't had any respectability some of the place hunters have snatched it with disgrace.

The real question is whether the Government or the banks shall issue the paper money of the country.

The "cross of gold" is yet standing, while the "crown of thorns" is being pressed down on labor's brow.

The Republicans are kept busy explaining why prosperity doesn't come, and when it may be looked for.

Changing men will do no good unless we also change the system. The Republican party will bring no better times.

The first half of the nineteenth century will mark the demonetization of all metallic currency except for subsidiary coins.

When one trust begins to compete with another it gets out an injunction and puts a stop to it. Isn't this a dandy Government?

All the gold produced in the world in one year would not pay the interest on the world's debts three months. Then, how are we expected to pay the principal?

We can't get fair railroad rates until the water is squeezed out of the stock. The best way to do this is for the Government to acquire ownership and operate them.

The gold reserve seems to be reserving all right, but it doesn't bring prosperity, and now the question occurs, What connection has the gold reserve with prosperity?

If the Government can't keep gold to redeem its paper, how do the banks expect to do so? The Government is much stronger than the banks and its credit better than that of all the banks combined.

After all, the problem in the last stages of its analysis is, whether manhood or money shall rule in this country. All other issues center around this one. It is the same old question of human rights.

**His Grip Labels.**  
The coming man, of course, cuts no ice with the new woman; but then he is up to all sorts of devices to be strictly "in it." A ruddy complexioned, self-conscious young man lugged a leather bag into a down-town 6th avenue elevated train to-day, and, placing it in front of him, where it might be easily seen by other passengers in the car, he settled down behind his paper to await the effect. The bag was completely covered with foreign labels of hotels and express companies, and if the young man had accompanied it to every place indicated by the label he must have been a globe trotter of no ordinary experience. London, Paris, Cairo, and even Japanese cities were represented by label. The other passengers turned their attention to this leather bag at once. Two elderly women across the aisle from the young man deciphered the labels one by one, and then nudged each other, after each effort and repeated the name of the place indicated. The ruddy young man glanced out from behind his newspaper frequently to notice what impression he was creating. His self-satisfied look lasted until a young woman in one of the cross seats said to her companion, in a high, pitched voice:

"Yes, I had my trunk done over with foreign labels before going to the country, by Jones, down on 6th avenue. He put on some lovely labels—Paris and London and all. He charged 25 cents a label. They got me into a mess of trouble, though. I tried to talk about these places and I didn't know anything about them. I scraped them all off before I had been there a week."

The passengers began to smile, and at the next station the ruddy man and his bag left the train.—New York correspondence Pittsburgh Dispatch.

## FIFTY YEARS OF AGE.

### What Iowa Has Achieved in the Way of Agriculture.

Iowa came into the Union as the twenty-ninth State on Dec. 28, 1846, with a population of 102,388. Eight years before this event the first steamer had crossed the ocean; one year before the electric telegraph had borne its first message between Baltimore and Washington; railroads had been in operation in America but eighteen years; gold had not been discovered in California; the inventor of the steam railway died ten years after Iowa had joined the sisterhood of States; postage on a letter between New York and Boston was 18 1/2 cents; envelopes had not been invented; postage stamps had been in use one year; there were no omnibuses nor street railways; Abraham Lincoln had just been elected to Congress; the Mexican war was in progress; there were less than 50,000 white men between the western border of Iowa and the Pacific Ocean; there were yet living thousands of brave men who fought under Washington for American independence; Webster had not made his 7th of March speech and was yet a leader in American politics; the great anti-slavery paper which published "Uncle Tom's Cabin" had just been established in Washington; in all America there were but 2,800 newspapers, being only three times as many as we have in Iowa at the present time; the fastest book printing press would turn out 1,000 copies of an eight-page form per hour; Lady Suffolk, time 2:30, was the fastest trotter in the world; the great republic of twenty-eight States was in transition between experiment and hope.

While Iowa is a great State in territory, there are larger ones. We are not proud of our size, but our quality. Our area is 56,000 square miles, or 35,228,800 acres.

In 1845 we planted 8,500,000 acres of corn. The Iowa plow boy goes forth in the morning to work in a corn field larger than the States of Maryland and Delaware; the annual money value of his labors is \$90,000,000, or much more than the product of the silver mines of America. We planted in a recent year nearly 4,000,000 acres of oats, yielding in money value \$25,000,000.

In corn and oats Iowa is the first State. In the same year we produced hay to the value of \$2,000,000, being the second State in the Union as to hay. Our rank as to potatoes is fifth. In wheat we are fourteenth. In hogs, of course, for years we have been first. In cattle second.

Our grain products for 1895 yielded in cash \$168,235,420, a sum large enough to pay every mortgage on every Iowa farm, with \$30,000,000 to spare. Our cattle in 1895 were worth \$53,820,197; our hogs, \$23,596,992; sheep, \$1,160,535; chickens, \$1,123,094; turkeys, \$713,728; horses, \$41,564,516. Add to these the miscellaneous products, such as honey, sorghum, flax, buckwheat, etc., and we have the total value of Iowa agricultural products for one year reaching the enormous amount of \$400,000,000. The gross products of Iowa agriculture in less than seven years would pay the United States debt as it was at the close of the civil war.

Our people produced butter to the value of \$15,727,296 in 1894 and cheese to the value of \$468,199. There were produced in Iowa in 1894 over 62,000,000 of dozen of eggs and dozens were marketed over 39,000,000 in cash.—Des Moines Capital.

### His Best Advice.

It is told of an Indiana judge that shortly after his admission to the bar many years ago he was loitering about a county court house when a presiding judge suddenly summoned him to appear in court, and appointed him counsel for a prisoner about to be tried for stealing a horse.

"But, your honor," he demurred, "this is a charge which may result in sending the prisoner to the penitentiary if the case goes against him, and I do not like to undertake the responsibility of his defense."

"Nonsense," exclaimed the court, "the case is not at all complicated, and I am sure you will handle it in a manner which will conserve all your client's interests."

"I have had no chance, your honor, to acquaint myself with the facts in this case, and if the trial must proceed at once I must beg to decline to represent the defendant," insisted the young attorney.

"Your duty in the premises is clear," continued the court. "I will allow you sufficient time to consult with your client and map out your line of defense. You may retire with the prisoner into my private room for consultation. Thirty minutes will give you ample time. Go into that room; have the prisoner state his case fully to you; imagine yourself in his place, and advise him to do just what you yourself would do under such circumstances."

"And if I do this will the court hold me blameless for whatever may result?" asked the attorney.

"Certainly, sir," replied the judge.

The lawyer and his client retired for consultation. At the end of thirty minutes the former came out of the private room and said: "Your honor, we are now ready to proceed."

"Where is your client?" inquired the court.

"I do not know, may the court please," replied the counsel.

A bailiff ran into the consultation-room. A window twelve feet from the ground was open, and there were two heelsmarks in the soft earth outside.

**Blown Away in a Box Car.**  
"Awful experience? Yes," said the tramp as he sat at a Holland street kitchen table on Thursday morning and cut into the second piece of custard pie. "I was sleeping soundly in a box car out in Iowa one night last summer, and

the wind was blowing like thunder across the plains. Suddenly that car got loose—the brakes broke or something—and it began to crawl along out of the siding and onto the main track. It was nuts for me. I thought the wind wouldn't blow me far and so I kept on. I stood in the door and saw the houses and fences go by faster and faster, till all of a sudden I realized that I was going too fast to get off, and no way of stopping it. Half an hour after we—the car and I—dashed through a little station and I had just time to see the telegraph operator run out and look after us and then run back to telegraph down the line to clear the track. We were going more than a mile a minute and my hair was standing on end. Forty miles down the line we went through another station, and on a siding I caught sight of a man with a rope on the cowcatcher. That engine chased us twenty miles down the track. The man with the rope threw it around the brake wheel on top of our car and gradually stopped it, while all the time the wind was blowing a gale. We had just got headed back toward the depot when an express train showed up where we should have met it ketchunk—that's good pie," and he took another piece.—Lewiston Journal.

## The Library Corner

The Von Bulow letters will shortly be published in London.

The title of the new novel written by Conan Doyle for serial publication in the London Queen is "Uncle Bernie: A Memory of the Empire."

The Bodley Head issues "In the Dorian Mood," by Victor Plarr, a book of verse which does not justify its title and hardly its publication. It amuses little and instructs not at all.

Louise Inouen Guiney has in press a volume of short essays of a whimsical and desultory character to which she gives the gypsy name, "Patrim's." A patrin, Miss Guiney says, is a gypsy trail made by casting handfuls of leaves on the road to show which way they have taken.

The Bookman expresses a desire to have Henry T. Finck write a paper on "The Probable Knowledge of Quaternions Among the Pre-Confucian Chinese," the motive being to see "whether he would be able to get beyond the first page without bringing in the beloved name of Herr Anton Seidl."

In "Echoes from the Mountain," C. E. D. Phelps touches now the lyric chord of Greece, now the modern lyric of society verse. Both are wholesome and the latter especially welcome. Mr. Phelps is not of the number of those versifiers who have apparently been trying to convince the public that the sense of fun is dead in the world.

Prof. William M. Sloane is now in Europe arranging for the simultaneous publication in French and German of his "Life of Napoleon Bonaparte." The Bookman, commenting on his change from Princeton to Columbia, says: "It is no secret that on the death of Dr. McCosh Prof. Sloane would have succeeded him in the presidency of Princeton had not the traditions of that institution required the incumbent of the office to be a clergyman of the Presbyterian faith."

### A Very Remarkable Idea.

She was angry, not to say disgusted. "That's the third time this month," she said, "that I have read a story about a woman going through her husband's pockets for change."

"Well, my dear," he returned, apologetically, "you mustn't blame me. I didn't write them."

"Of course you didn't," she exclaimed. "You know better. It's preposterous, outrageous, that such libels should be allowed to circulate in the guise of humor. It would be just as truthful to talk about a man going through his wife's pockets."

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## QUESTION IN MATHEMATICS.

### How One Young Man Puzzled a Lot of His Companions.

Six of them, three young ladies and three young men, were sitting in a semi-circle before the fireplace trying to keep warm and trying to find something interesting to talk about. They had discussed the last dance and the next one till there was nothing left in those subjects to talk about. They had even discussed the weather, and the conversation had begun to lag a trifle when one of the young men came forward with this suggestion:

"Let's see how good some of us are at mathematics."

"Oh, we're all good," shouted the others in chorus. "Just try us and see if we aren't."

"All right," said the first young man. "Let's see how many of you can answer this proposition: Suppose a railroad train left New York every day at noon for San Francisco and another train left San Francisco every day for New York, the trains traveling over the same road, of course, and the trip each way taking seven days; how many trains would the train from New York meet on the way?"

"Oh, there's some catch about it," said one of the young ladies. "I'm not going to bite at anything like that."

"No, there's no catch about it at all," replied the young man. "It's a straight mathematical problem. All you have to do is to think it over."

"Why, of course there's no catch about it," spoke up another of the young men. "The train from New York would meet seven east-bound trains on the way."

"No, that isn't right," said the young man who had furnished the problem. "It is, too," declared the other. "Of course it's right. If the train that leaves New York takes seven days to make the journey, and a train leaves San Francisco every day at the same hour, of course the New York train will meet seven east-bound trains."

"No, old man, I tell you your answer is not right," declared the propounder of the proposition.

"Oh, I've got it," said one of the young ladies. "As the trains are coming toward one another all the while, the New York train would meet only half as many as it would if the other trains stood still. Therefore, don't you see, the New York train would meet just three and a half trains from San Francisco."

All the others wanted to laugh at this answer, but they did not dare because none of them was ready with a better.

"That isn't it, either," said the propounder of the question, biting his lips to keep from laughing. "You haven't figured it out yet."

"I've guessed, I guess," suddenly declared one of the young ladies who had not spoken before. "There is a train that gets into the New York depot just as the one leaves there, and you don't count that, of course. So there are six trains. Isn't that right?"

"No; even that isn't right," declared the young man.

"Well, how many are there?" demanded the others, in chorus.

"Do you all give it up?"

"Yes, we all give it up."

"Well, the New York train going to San Francisco would meet fourteen trains coming east."

"Fourteen," shouted the others.

"Yes, fourteen."

"How do you make it fourteen?"

"Easily enough," explained the young man. "Counting the train that comes into the station just as our train leaves, there are seven trains on the road when our train starts. Seven more will start before it reaches San Francisco, and seven and seven are fourteen. Easy enough, when you know how, isn't it?"

**He Didn't Mind.**  
Andrew Lang, in the Illustrated London News, gives an anecdote of Dean Stanley's amiable simplicity. The Dean was invited out to dinner, and was very late. When he arrived his collar was unfastened, and the ends vibrated like little white wings about the head of a cherub.

People could not but look at him with curiosity during dinner, and at length, with due precautions, his hostess ventured to ask him if he knew that his collar had broken adrift.

"Oh, yes," said the Dean. "Do you mind?"

"Not at all," said the lady.

"Then I don't mind, either," answered the Dean. "The lutton dropped off while I was dressing," and he continued his conversation.

"It was not," says Mr. Lang, "absence of mind, but untrivial presence of mind that Stanley displayed on this occasion. Any other human being than he would have been at the point of changing his shirt."

**Quick Returns.**  
Angry Caller (at newspaper office)—Say, I want that little ad. I gave you two days ago—"Wanted, an electric battery in good working order"—taken out.

Advertising Clerk—What is the matter? Didn't we put it in the right column?

Angry Caller—Column be dashed! The ad. overdid the business. My house was struck by lightning last night.

**What a Question.**  
His New Mamma-in-Law—I trust, my dear son, that you never indulge in the perilous habit of going out between the acts for a drink of intoxicants?

The Bridgroom—Why, my dear mamma, you didn't think I had it brought in, did you?—Cleveland Plain Dealer.

The Public takes care of many people who are not in the poor house.

The old settler remembers well because there was little to remember.

**Why They Are in Society.**  
The Sitting Lady (frankly)—I go into society to find a husband. Why do you?

The Standing Lady—To get away from a husband.—Tribune.