

DAKOTA COUNTY HERALD.

ALL THE NEWS WHEN IT IS NEWS

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State Historical Society

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NEWSY ITEMS FROM OUR EXCHANGES

Rosalie Rip-Saw: Mrs. Crandle of South Sioux City, is here visiting her daughter, Mrs. Ralph Mason.

Ponca Journal: Miss Clara Cook, of Dakota City, spent Saturday and Sunday with her mother in Ponca.

Ponca Advocate: C. Rasmussen and family were visiting friends near South Sioux City the first of the week.

Carroll Index: Fred Helweg, sr., departed Wednesday morning for Hubbard, this state, to attend a Durac Jersey hog sale.

Sholes items in Carroll Index: Rev. Phillips returned to his home at South Sioux City Monday after being in Sholes over Sunday.

Wayne Herald: Mrs. Fred Bartels of Hubbard, who had been visiting her daughter, Mrs. Charles Heikes, for a short time, returned to her home Tuesday.

Pender Republic: Attorney S. T. Frum, of Dakota City, was in Pender Wednesday, having business in the county court relative to the estate of his father, the late C. C. Frum.

Winnebago Chieftain: Mrs. Louis Herman and son Charles visited Mrs. Nellie Nunn last Sunday. Tilden Harris left for Crofton Friday to accept a position as manager of store in that place.

Plainview News: Mrs. J. T. McHenry underwent an operation for tonsils at the Plainview General hospital Monday. Mr. and Mrs. T. J. McHenry and Mrs. C. E. Greene returned home Sunday from an overland trip to Omaha.

Newcastle Times: The football game between Hubbard-Jackson and Newcastle resulted in a tie. The game was very interesting throughout and was witnessed by a good sized crowd. The teams expect to play off the tie in the near future.

Pender Times: Married, at the home of the bride's parents, Mr. and Mrs. W. W. Sharp, at South Sioux City, Neb., October 11th, Miss Agnes Sharp to Irl Lampert, of Sergeants Bluff, Iowa, by Rev. Hamilton of South Sioux City, Iowa. Pender friends extend congratulations.

Sioux City Journal, 7: A. C. Houseman, of South Sioux City, Neb., was arrested yesterday on a warrant filed with Judge Rice charging him with disturbing the peace. Houseman was arrested at Fourth and Pierce streets by Patrolman Crest and taken to the jail. He was liberated on a bond of \$100.

Laurel Advocate: Mrs. Olive Wedding and daughter Thelma were at South Sioux over Sunday. Since their return Thelma has been ill at the home of her sister, Mrs. James Harrington, but her condition today is reported better. The trip to South Sioux was made owing to the death of a child related to the Weddings by marriage.

Walthill Citizen: Miss Sylvia Lamson was a Lyons visitor Saturday. Geo. H. Lamson was a Sioux City visitor from Saturday until Tuesday. The following message came to Walthill yesterday: "Rosalie, Neb., Oct. 15, 1919. To Grandpa and Grandma Mason: It's a bouncing baby boy, Grandma come at once.—Ralph." Mrs. W. H. Mason went to that place yesterday and interviewed the youngster and reports him a fine boy. Here's luck to him.

Emerson Enterprise: Mrs. August Fisher's daughter, Mrs. Harris, of Sioux City, returned home Tuesday morning after a visit here with her parents. Nels Tolstrop and Chris Voss were on a fishing trip the first of this week at Crystal lake. Sure, it rained, but they enjoyed the trip all the more. John Church was painfully hurt Monday evening at Wayne by being struck across the cheek with the clinker bar as he was climbing onto the engine. His face was cut and badly bruised. Mrs. Henry McPherran and her daughter, Mrs. Arthur Cronk, of St. Joe, Mo., who is visiting here, went to Sioux City Saturday to visit with another daughter, Mrs. Hal Goodwin. Miss Minnie Kelley visited last week with her sister, Mrs. Frank Murphy, who lives near Homer. Mrs. Murphy and children returned with her Friday a visit over Sunday at the Kelly home.

Walthill Times: Mrs. L. G. Martin of Homer, visited Mrs. Swan Olson Monday afternoon. It leaked out this week that County Agent H. E. Taft resigned his position just before starting on his trip west, but there seems to be some difficulty in getting at the bottom of the reasons for his actions. The Times has interviewed several persons associated with the bureau, with the result more mysterious with each interview. There has been no dissatisfaction expressed with his work over the county, which has generally been regarded as exceptionally efficient. Neither is there any intimation of anything reflecting upon his honesty or character. As nearly as the Times has been able to ascertain the resignation is the outcome of strained personal relations with some of the officers of the bureau, and friction with some of the red tape artists in the state and federal end of the work who are more interested in their technical rules being observed than they are in helping Thurston county farm industry. The Times has not had an opportunity to interview Mr. Taft, which may throw additional light on the reasons for his action.

Bulletin on Vegetable Storage

How to successfully store vegetables is fully described in United States Department of Agriculture Farmers' bulletin No. 879. Late garden vegetables often may be stored with no outlay of money, outdoor pits or banks serving full well to keep them until late in the winter. When considerable quantities of vegetables are grown it is frequently advisable to construct permanent storage facilities in the form of a storage room in the basement or to build an outdoor cellar of wood or masonry, the bulletin says. "Home Storage of Vegetables," may be obtained from the Extension Service, College of Agriculture, Lincoln.

No disaster too big for Red Cross.

ENROLL Nov. 2 to 11



DREAM OF SOVIETS IS CENTURY OLD

Our Forgotten Socialism That Led to Widespread Repudiation by States

MILLIONS WERE BLOWN IN

Well Known Economic Writer Recalls Distressful Period When North Dakota Plan Left Ruin in Its Wake.

(From "Our Forgotten Socialism," by Albert W. Alwood, Copyrighted, Reproduced in Part by Permission of Saturday Evening Post.)

(Continued from last week.)

A few years later the senate devoted six hundred pages to a graft report, and that was about all the state had to show for its six millions. Illinois was even wilder. So bad was the logrolling that one county which did not get a railroad or canal was actually given \$200,000 in cash out of state funds, though the taxes were not enough to pay ordinary expenses. To get the support of nine delegates from another county which was to receive no direct benefit, the state capital had to be moved.

Instead of building one central route and branches as fast as the income justified them, nine great routes were started simultaneously. Two or three million dollars of profits were expected within a year or two. Only twenty miles was ever completed, and this piece of railroad was later sold to an individual for \$21,000, forming the nucleus of the present Wabash system.

"The rest," said a correspondent of a Baltimore paper, "is in every stage between completion and commencement—embankments half-formed, bridges half-built, an immense amount of timber lying on the ground; the first is left to wash away, the second to tumble down and decay, the last to rot in utter uselessness unless some kind person will take it for firewood or fence."

The State Bank Mania.

The idea in the '30's seemed to be that monopoly in banking could be broken up by making everybody a banker. It was thought that the way to get people out of debt, to create money, wealth and prosperity was to form a new bank. In Mississippi alone the capital of banks increased from one to twenty-five millions in a single year. After the great fire of 1835 in New York it was proposed to form a bank to relieve the sufferers, and when Tammany Hall was in debt it was supposed that a new bank was all that was needed. Even after banks had failed others were started in their place, on the theory, as stated by one disbeliever of that time, that the hair of the dog was good for the bite. The mania was so great that the

richest political plum was to be appointed commissioner in charge of supervising the distribution of stock in a new bank. When the stock of the Seventh Ward bank of New York City was distributed in 1832 the family connections of the commissioners got 3,710 shares, public officials were able to get 2,835 shares, and the general public, despite its clamor, received only forty.

The creation of state banks was immensely stimulated by the removal of deposits from the Bank of the United States, which Jackson destroyed on the ground of monopoly, to great numbers of new and weak state institutions. To make matters worse Jackson urged the state banks to lend freely, though they needed no such injunction. Then, too, the federal government after paying off the national debt had an enormous surplus from land sales which it distributed among the states and which found its way to the state banks.

The government sold its public lands at a fixed price of \$1.25 an acre, which in that great era of peace and expansion soon rose above the public sale price. Banks were started for the sole purpose of issuing notes to land speculators, who would use these notes to buy land and turn them into the land offices in payment. Then the government would redeposit precisely the same money in the banks, which would once more lend it out to the same speculators. Thus a vicious circle or network of speculative credits was formed which led to the final crash when the government at last became frightened and ruled that land must be paid for in specie.

Along with land everything else went up—cotton, lumber, beef and flour. A barrel of flour cost \$15, or almost as much as during the recent spell of inflated prices. Worst of all, the country was flooded with rotten, worthless, wildcat money. They called it blue dog, red dog, red pup, and the like. It was so bad in one state that the public printer would not print the governor's message until he was assured of specie. Banking consisted of note issue rather than the acceptance of deposits, and the banks issued so many different kinds of notes that travel became almost impossible. Money good in one county was unknown in the next.

The Wildcats of the Backwoods.

In Michigan the woods were filled with wildcats, and so many banks were started in out-of-the-way places that they came to be known as wildcat banks. Some of the banks were in towns that could not be found on the map. One with \$50,000 capital was found in a place that had formerly had twenty houses but no longer existed. The bank building was later used as a barn. A traveler was lost one night in the wilderness and at last found a road which led to a clearing where stood a single large imposing building bearing the sign "Bank."

Bank capital was supposed to consist of one-third specie, but the same specie was used over and over again by different banks. As soon as the inspectors had left one bank the specie was sent by fast courier to the next stopping place. Kegs were filled with nails except on the top, where a few silver coins were placed. The whole system of course went to pieces, but it left behind a million dollars in abso-

lutely worthless paper among a population of only a couple of hundred thousand.

Just how much money the state governments invested in worthless bank stocks cannot be stated. From 1824 to 1840 the western and southwestern states alone issued \$65,000,000 of bonds to provide banking capital to corporations. Much of this was lost. Though Pennsylvania and other northern and western states lost heavily in banking, it was the south and southwest that went in the heaviest. This was due to the extreme need for money involved in cotton planting with slave labor.

The hardy settler of the northwest could move into the wilderness with his family and support them from the first. But the planter had to buy his slaves and feed them for a whole year before he could sell his crop. Slave labor industry was highly capitalistic, more like a manufacturing or commercial business than that of the northern farmer. But the south was even more devoid of capital than the north, so southern states felt compelled to use their credit to supply capital to banks.

In some cases even railroads were permitted to issue money to pay their contractors with. Then the state would redeem the money in specie with the proceeds of bond sales. But when the railroad suspended without having done any permanent work the state was discouraged and the currency still out became worthless. Where bonds could not be sold the railroads were sometimes merely given banking power and as long as any one would take their notes they were able to keep going.

In Illinois a great quantity of bank stock was owned by the state, and state bonds were owned by the banks. Both became worthless, but as taxes were payable in banknotes, which also were naturally worthless at that time, the people hastened to pay their taxes in the notes and the state was soon reduced to utter poverty. It couldn't buy even the stamps to put on the governor's envelopes.

This situation so disgusted everybody that the legislature voted to have the bonds burned in a public bonfire before the doors of the state house.

Can States Do Wrong?

After the panic of 1837 it was said by one newspaper that the credit of the states had been banked to death. Provisions were then put in several constitutions forbidding the ownership of bank stock.

The repudiation of state bonds which followed the orgy described in this article is a delicate subject to refer to even at this late day. Our sovereign states are proud commonwealths and they resent any reflection upon their honor and credit. Besides, it is easy to find plenty of extenuating circumstances. There were two periods of repudiation, one after the panic of 1837 and the other following the civil war. In both cases a number of the states were absolutely prostrate.

When they entered upon a policy of government enterprises they never for a moment supposed that failure would result or that their taxes would be increased as a result. The public was filled with consternation and the word "creditor" came to be synonymous with "enemy." People only thought of ridding themselves of an intolerable burden. The equities of the situation were forgotten.

It is common enough for men to detest paying a note they have indorsed for a friend. Many of them would wriggle out if the law did not compel them to pay. But there is no compulsion upon a state to pay. The constitution of the United States lets it out.

Apparently it is taken for granted that a state will always do right, and any law that permits persons to sue a state is the same as admitting that the people are not always to be trust-

ed. But experience at least proves that if the states or any other forms of government are to assume business risks they should at least assume business responsibilities.

Dismay in Europe.

The way in which states threw over their obligations and honor when things did not turn out well was sad indeed. But the saddest people were the English investors. One noted Britisher suggested that citizens of New England and New York, where repudiation was never considered, should wear buttons when visiting England with the initials "S. S.," meaning "solvent states."

The Council of the Corporation of Foreign Bondholders in London has never ceased its attempts at collection and in most of its annual reports has bitterly compared the repudiating states, to their discredit, with the worst of the Latin-American countries. Even Liberia, the council points out, has done better. As recently as 1914 the annual report of the council had its usual bitter reference to the subject.

Naturally the adjustment of these state bonds becomes more difficult as time goes on because so many of these have fallen into the hands of speculators. They sell often for only a few cents on the dollar, and the states do not want to settle with mere speculators. North Carolina long had the largest amount outstanding, and as a result continual efforts were being made to do something in them.

Though individuals cannot sue a state it is well known that one state can sue another. Occasionally it has been possible to induce a state to accept the repudiated bonds of a sister commonwealth as a gift and then bring suit. South Dakota once went after North Carolina in this way, and of course won the case. North Carolina promptly paid up all the bonds of that particular class.

Of course where repudiation was at all extensive—in Michigan and Minnesota the amount was so small as to count but little—the credit of the state was injured for many long years. As recently as 1913 one of the foreign organizations of bondholders practically prevented a certain state from borrowing in the New York money market and there are several of these states which despite their present great wealth have only recently begun to shed outside buyers for their bonds.

FARM BUREAU NOTES

C. R. Young, County Agent

Several days ago Wm. Ebel, sr., who lives near Dakota City, returned from a visit to McHenry county, Ill. He at that time told the writer that he had seen Marquis wheat of the 1919 crop raised in that county as good as the average crop grown in our section. A letter was at once sent to the county agent of McHenry county to learn the prospects of securing seed. The following letter was his reply:

Woodstock, Ill., Oct. 14, 1919.
Mr. C. R. Young,
Dakota City, Nebraska.

Dear Sir:

We have some very good samples of Marquis wheat and will be in a position to furnish you with seed if you will notify us as soon as possible the amount you will need, so we can get in touch with our farmers having seed for sale.

Very truly yours,
A. J. GAFKE, County Agent.

We have written Mr. Gafke for samples and prices. Farmers wanting seed should notify us at once, stating the amount needed. We will then take this matter up with you as soon as information is secured. We will try to order in car lots. The pocket gopher eradication meetings held last week in Omaha precinct were poorly attended. The method of destroying this pest is so simple and cheap and the time required so small, that it is a shame more interest is not taken.

SHOULDER TO SHOULDER

The Officers of this Institution stand shoulder to shoulder with the farmers of this community.

We have money available for legitimate Farm Loans—and extend a cordial invitation to farmers in need of additional capital to call and frankly and freely outline their requirements.

Our service is prompt; our terms right; our rates reasonable.

Jackson State Bank

Jackson, Nebraska

Ford

THE UNIVERSAL CAR

We are experienced, and know how to give service to the owners of Ford cars. We have the same methods, machinery and skill that they have in the Ford factory, and we use the same parts made by the Ford Motor Company. Ford owners are doubly guaranteed by us as to the reliability of our service on Ford cars. Don't try to do it yourself, bring your car here. Incidentally we are getting a few Ford cars and are able to make fairly good deliveries.

SMALL & ROGERS THE FORD MEN

HOMER MOTOR CO.

THE HOUSE OF SERVICE