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CREDIT CURRENCY IS BADLY NEEDED

So Says Chairman Fowler, of the House Committee, Who Declares It Will Bring Permanent Relief.

HIS IDEA MAY BE JUST THE THING

The Clearing-House Certificates Must Be Used Temporarily, He Asserts Very Explicitly.

A special from New York, under date of November 4, in speaking of the financial situation, says: That permanent relief from the present monetary stringency can only be had through a system of credit currency adequate to meet the requirements of trade and redeemable in gold coin, was the opinion expressed today by Representative Charles Fowler, of New Jersey, chairman of the Banking and Currency Committee, which will, at the coming session of Congress, endeavor to have a law passed providing for credit currency issued by the national banks. Until such permanent relief is made possible by legislative enactment, Mr. Fowler asserted, the situation must be met by the issuance of clearing-house certificates, cashier's checks, and due bills of business houses and manufacturers.

"The underlying business conditions," he said to the Associated Press today, "are essentially sound as evidenced by the increased earnings of railroads and the products this year are \$500,000,000 more than last year (which was the highest year in our history), and are bringing to our people about \$7,000,000,000, but public confidence has been greatly shaken and credit seriously affected, therefore, every patriotic citizen, from the President down, should do all in his power to restore that confidence which is essential to national prosperity.

Cause of Stringency.
"The cause of the currency stringency is that there is scattered broadcast throughout the country, at the mints, in the wheat, corn and cotton fields, in the pockets of the people, or locked up, about \$1,300,000,000 of the reserve money of the United States, most of which, under a proper condition, would be in the banks serving as reserve. Temporary relief will be through the forced use of current credit in the form of clearing-house certificates, cashier's checks and due bills of business houses and manufacturers during the ninety days. The permanent cure must come through a system of credit currency expanding and contracting with the ordinary demands of the smaller trade, precisely as checks and drafts do in the broader field of commerce.

"We have not proceeded far enough into the present financial crisis to get a pretty clear perspective of the real situation.

"First, the condition is now general, reaching every nook and corner of the country.

"Second, if the gold certificates, the United States notes and silver certificates or the reserve money which the banks of the country have sent in agricultural districts of all sections to settle up the year's business, I say, if these reserves now scattered broadcast over the land were in the banks, where they properly belong, there would have been no money panic this fall.

"The proof of this assertion is conclusive. During the past four months there has been sent from the banks into the country districts approximately \$300,000,000 of currency. Of this amount, \$250,000,000 approximately was reserve money, which, if it were now in the banks, would serve as a basis of more than \$1,250,000,000 credits, or loans, and the present crisis would have been averted. This result could have been accomplished without increasing our bank reserves to the extent of a single dollar, without increasing the liabilities of the banks of the country to the extent of one cent.

Challenges Contradiction.
"I challenge any man to controvert this statement, and submit the following as absolutely conclusive proof of the assertion:

"If the banks of the country in which the \$250,000,000 had been deposited, had

been authorized, as they should have been, to create bank-note credits, as bank-book credits, and they had proceeded to convert this \$250,000,000 of bank-book credit, the banks would not have been affected in any degree or in any way whatever, and the whole country would have been amply supplied with currency, with which to transact all the full business.

"How could this have been done? Simply by authorizing each bank to issue cashier's checks, payable to bearer, which is a current credit, that is, credit that passes by mere delivery, requiring no indorsement. By this process the \$250,000,000 of bank-book credits would have been converted into bank-note credits, and as the reserves required for both forms of credits should be the same, there could have been no change whatever in the situation. The bank debt is the same, the amount of the reserve is the same. It has been only a matter of book-keeping.

"An issue of credit currency adequate to meet the requirements of trade and currency redeemed in gold coin is a principle followed by every civilized country in the world except our own.

World's Banking Power
"Mark this: The banking power of the United States in 1890 was about \$5,000,000,000 and now exceeds \$16,000,000,000, or equal to the entire banking power of the world in 1890, which Mullhall placed at \$15,985,000,000. Today the banking power of the entire world, outside of the United States is only \$21,952,000,000, and of this amount 20 per cent, or more than \$4,000,000,000, is in cashier's checks, or current credits. That is, credit currency, and, yet, while the United States has three-sevenths of the banking power of the entire world, it has not one single dollar of current bank credit, although the four-sevenths of the world's banking power has the advantage of \$4,000,000,000 current credits, or credit currency.

"On the same basis, we are entitled to have \$3,000,000,000 of currency credit or credit currency.

"If this principle were broadly adopted in this country, as it should be, our bank reserve might be increased from an average of 9.92 per cent to about 20 per cent and our banking liabilities remain practically the same.

"Can anyone give a single reason why we should use a check book for credits to order and not use a current credit of the same bank upon which we draw our checks? Is not the cashier's check just as good as our check upon the same bank—indeed, far better—when protected, as it should be, by a guarantee fund deposited with the United States Government many times more than ample to insure its redemption in gold coin?"

Increase of Reserve.
"If the banking institutions of the country could exchange \$1,000,000,000 of cashier's check for \$1,000,000,000 of reserve money, now floating around in the mines, wheat, corn and cotton fields, and this \$1,000,000,000 were added to the \$1,000,000,000 in the banks of July 1, 1907, our bank liabilities would be increased about 8 per cent, while our reserve would be increased 100 per cent; it would be 20 per cent, and this end alone is sufficient to justify the adoption of the principal of current credits in this country.

"Scotland has a credit currency, issued by the banks, that expands and contracts twice a year at the rate of \$1.22 per capita, or \$5,500,000.

"The same ratio would give the United States about \$100,000,000 of credit currency, but we have not one cent of credit currency, though we need it more than any other country in the world.

"France has a credit currency, issued

by the Bank of France, which is constantly expanding and contracting throughout the year at the rate of \$1.73 per capita, or \$67,000,000. The same ratio would give the United States \$150,000,000 of credit currency.

"Canada has a credit currency, issued by the banks, that expands and contracts at the rate of \$3.29 per capita every fall, or \$25,000,000. The same ratio would give the United States \$280,000,000 of credit currency. But we have none."

Winter Treatment of Peach Trees.

Recently the editor of the Signal called on an old gentleman at Moline, Ill., and found him enjoying fresh peaches picked from the trees in his little garden while the trees of his neighbors were destitute of fruit. The very late freezes caught the fruit trees in that section just as they did the Nebraska trees, the late frost being especially disastrous to the peach buds.

We inquired of the old gentleman how it came that he had peaches this year and he gave this simple method of winter treatment, and presumably it will apply in Nebraska to almost any sort of fruit tree: Leave the ground at the foot of the tree bare through the severest part of the winter and until the ground is frozen as deep as it will freeze. Then cover the ground around the trees with some sort of mulch, being careful not to cover so deeply that it will heat. The depth may be five or six inches if the measure is not too rich. A heavy coat of leaves or straw will do as well. The idea is to keep the ground around the trees frozen as long as possible and thus retard the swelling of the buds in the spring until no more frosts can come. The old gentleman said he had not missed raising peaches on his trees in fifteen years, although the crop is light some years of course. —Geneva, Neb., Signal.

BRYAN TALKS OF THE PANIC

Not a Serious Affair and Not of Long Duration.

W. J. Bryan was in Omaha a few hours Friday on his way to Wayne, where he made a political speech last evening. Mr. Bryan in an interview published in the World-Herald said:

"I do not look for any prolonged trouble in the business world. Conditions which made a panic and depression in 1893, are entirely different now. Then prices were falling because of a restricted money supply. Now we are in the midst of a tremendous gold production which gives an abundant money supply and maintains prices so that business is brisk."

"Then you do not think the present bank trouble shows the need of an emergency or asset currency?"

"Not by any means. On the other hand I think it presents a strong argument against an asset currency. Suppose, for instance, we had been using asset currency during the past year and in addition to the present trouble the people had distrust about the money. That would make matters so much the worse. As it is now there is no doubt about the quality of our money."

"But it argued by the advocates of asset currency that the panic would not have occurred if the bankers had been able to expand the money supply by using asset currency."

"That is not true. The panic was due to the fact that the New York banks not only loaned all their own money, but a lot of money belonging to the rest of the country out to speculators with Wall street stocks as security. When the stocks went down the security became impaired. The New York bankers got frightened and so did a lot of the depositors. That started bank runs, and the New York bankers, finding they could not collect their loans fast enough to pay their depositors, stopped paying them and refused even to allow the banks of Chicago, Omaha, and other cities to draw out the balances. With vast sums of money tied up in New York the banks of the country followed the example of New York and locked up their money, refusing to pay to country banks."

Expects to Husk Corn

John Clarence Aldridge, the man who is apprehended the other day because he was deemed of unsound mind, departed for the fair and fertile state of Iowa, this morning, assisted by the county to the extent of a ticket, and will engage in securing the abundant crop of corn which our sister state has raised this summer.

Itch cured in 30 minutes by Woolford's Sanitary Lotion. Never fails. Sold by Gering & Co., druggists.

SUPPORT OF SOLDIERS' HOMES

General Government Pays More Than Half the Running Expenses

The Lincoln Journal says: "Governor Sheldon has received \$8,575 from the government, being the quarterly payment for the support of soldiers and sailors in state homes. It is for the quarter ending September 30, and is at the rate of \$100 a year for each soldier in the state homes. There were in the Grand Island home for the quarter 239 members, and the government payment for the quarter is \$5,975. In the Milford home there were 104 members, the payment being \$2,600. The government makes this donation for every member of state homes throughout the country and has inspectors visit the homes for the purpose of ascertaining whether the membership roll is correct. Some fault is found by inspectors because members of the home are away during long periods on furloughs. The appropriation from the government goes into the general fund of the state, but as the homes are supported by appropriations from the general fund, the money may be said to go direct to the homes. If the number of members during the last quarter was the same during an entire year, the state of Nebraska would receive an annual appropriation of \$34,300 for the support of its two soldiers' and sailors' homes. The average per capita cost of maintaining members of homes in the various states last year was \$209. The cost in Nebraska is about \$180 per capita. Thus the government pays more than half the cost of maintaining the members in this state." If this be the case, why is it that state officials want to tax the inmates of these homes a per cent of their pensions? Every old soldier in Nebraska should enter a protest against such a procedure by voting out of office the set of officials who instigated such action. The general government never intended that such a tax should be placed upon the old veterans who fought the battles that these office-holders might live to enjoy the comforts of life under the stars and stripes.

A Former Citizen Speaks.

The Journal received this week the following letter from our old friend, J. M. Kiser, formerly of Mynard, but living in southeastern Missouri, to which point he removed nearly four years since. We publish the following letter from Mr. Kiser, which is a sample of the many letters we receive daily from those who have moved from Cass county to other points, and desire the news from their old home:

Success, Mo., Nov. 1, 1907.

DEAR OLD JOURNAL:

I have been parted from your company now nearly four years. During all the years of our separation you have never been absent from my memory, and at times it seemed life was unendurable without thee. My cup, bitterly seasoned with life's disappointments has sometimes nearly slopped over, yet ever recollections of thy goodness hovered o'er me. As a portion of thy value I herewith donate \$1.00, in consideration thou wilt weekly (not weakly) visit us, as of yore, for one year.

J. M. KISER.

Select Your Seed Corn.

The Department of Agricultural Extension urges the necessity of securing seed corn now. A circular letter sent out says: "If every ear of corn that is to be used for seed corn next year could be harvested this fall not later than October 5th and hung up where it would dry out thoroughly before the freezing nights of October, November and December have weakened or killed it, it would add millions of dollars to the wealth of this country. Don't wait until the time of husking to save the occasional good ear. Much of the seed planted in the spring is bad, not because it was not cared for during the winter, but because it was selected when the corn was husked and had already been killed or weakened by freezing. Twelve or fifteen ears will plant an acre. Can we afford to leave these ears in the field until we husk the corn during November and risk having them killed or weakened by freezing?"

That Night School.

All who are interested in the establishing of a night school either in the capacity of one of the instructors or those who wish to attend or who have those whom they wish to become students, are requested to meet at the office of the county superintendent on next Thursday evening, at 7:30, when definite action regarding the opening of the school, the tuition, and all matters pertaining to the school will be discussed and disposed of.

RESULTS OF TUESDAY'S ELECTION

The Democratic Candidates for County Clerk, Treasurer, Assessor, County Superintendent and Commissioner Elected.

JUDGE H. D. TRAVIS ELECTED

He Carries Both Otoe and Cass Counties by Majorities That Speak in No Uncertain Tone of the Faith Reposed in Him.

Tuesday was an ideal day, and notwithstanding the fine weather, a very fair vote was polled throughout the entire county, and from the returns, which are very accurate, the democrats get Judge Travis for district judge; W. E. Rosencrans for county clerk, Frank E. Schlater for treasurer, H. M. Soennichsen for assessor, Miss Mary Foster county superintendent of schools and Charles R. Jordan county commissioner. There was no opposition to A. J. Besson, republican candidate for county judge, and E. E. Hilton for surveyor. The majorities on the democratic ticket range from 250 to the 1,000 mark, the latter majority being that of W. E. Rosencrans over F. A. Bricka for county clerk. The majority of C. D. Quinton, republican candidate for sheriff, is nearly 900, while that of James M. Robertson, for clerk of the district court, is something over 200.

The election of Judge Travis to the position of district judge, and especially his majority in Otoe county, is a just rebuke to those villifiers of his character in Nebraska City, who were ready at all hours, day or night, to deride him in order to make a vote for their pet candidate, Jesse L. Root, who now realizes the fact that his friends in that county done him more harm than good. In the election of Charles R. Jordan, as commissioner for the Third district, is a victory for right and justice. And the returns demonstrate to a dead moral certainty that in the future no two commissioners will again come from one section, in an effort to get more than is coming to coming to them to the detriment of a section without a member on the board.

The election of W. E. Rosencrans to the office of county clerk by such a decisive majority, signifies that "Rosey" has done his duty well and that the taxpayers are well satisfied with his administration. His majority is unprecedented in the history of Cass county for a candidate for that office.

The friends of H. M. Soennichsen are highly gratified with the returns, which show that he is to be our next assessor by over 200 majority. The vote he received in the city of Plattsmouth fully demonstrates the high esteem in which he is held by the citizens of all parties. That he will prove faithful to the trust reposed in him, no one has any doubt. The voters of Cass county done an excellent day's work when they elected Frank E. Schlater to the office of county treasurer. The Journal was very well satisfied before the election, that if the tax-payers knew the worth of such a gentleman in the treasurer's office—the most important office in the county, that Frank would be elected by a good majority. His election is highly appreciated by, not only his many friends, but by all who know that the good condition of that office will continue.

The election of Miss Mary E. Foster to the office of county superintendent of schools by such a large majority over George L. Farley, is not a personal rebuke to that gentleman in any manner, but his defeat was in a great measure due to the way his appointment was made by the county commissioners. Miss Foster's well known qualifications and

Must Have Made the Corn Fly.

At the farm of Stephen A. Wiles, in five and a half days, Claude Sanders husked and scooped into a crib 585 bushels of corn. This is the best for long time husking we have record of up to date. We had a case the other day where one had husked 494 bushels in five days, making about 99 bushels per day. But this makes the daily average over 106 bushels per day. Now, who can beat this? Our columns are open for any one who can do the turn. Let us hear from you.

her lady-like manners and appearance won new friends for her in every section of the county that she visited. We predict that Miss Foster will perform the duties of the office to the letter and that she will perform those duties to the credit of the schools of the county and those who reposed such confidence in her by supporting her at the polls.

C. D. Quinton, who was re-elected to the office of sheriff, has made many friends since coming to Plattsmouth two years ago, and it is due to this fact that he received such an overwhelming majority over A. J. Box, the democratic candidate. We believe Mr. Box to be equally as good a man as Mr. Quinton, and while we thought he should have been elected, we feel that two many people believe in giving a man the second term, in case he gives general satisfaction in the first, that Mr. Box's election was looked upon as an impossibility from the start. The next best thing for the Journal to do is to extend congratulations to Sheriff Quinton and extend sympathy to Mr. Box in the hour of defeat.

J. M. Robertson on the face of the returns, seems to have been re-elected to the office of the clerk of the district court, by a majority of 211. This is not near as big a majority as Jim expected, but it is enough to continue him in the court house for another term of four years. The Journal believes that C. E. Metzger should have been elected for many reasons, which is not necessary to mention here. Mr. Metzger need not feel discouraged over his defeat, because many republicans are disposed to believe that had he been better acquainted over the county his election would have been recorded among the other successful candidates. He is a fine young man and any county should feel proud of him as a citizen, and we predict that notwithstanding his defeat in his first race for office against an old race horse, and that he will some day hold an office in the court house.

The success of the democratic candidates cannot be claimed as a democratic victory, because much credit is due the independent voting republicans of the county for their election, and lest the Journal forgets, on behalf of the chairman of the democratic county central committee, Henry R. Gering, W. C. Ramsey, secretary, and everyone of the successful candidates and defeated ones as well, we desire to return thanks to those republicans who believe in efficiency above party as qualifications for office.

Tom Johnson Victorious.

Cleveland, O., Nov. 5.—Mayor Tom L. Johnson was today elected for the fourth time as mayor of Cleveland, in a hard fought battle in which the republican ticket was headed by Congressman Theodore E. Burton, chairman of the house committee on rivers and harbors. At midnight Chairman Baker of the republican committee conceded the election of Johnson by 5,000 plurality. At the Johnson headquarters his majority is placed at a higher figure and the election of the entire democratic city ticket is indicated by 5,000 or more. The democrats elected a majority of the councilmen.

Becomes a Citizen of Plattsmouth.

I. S. White, who held a sale some time since, has moved into the place which he recently purchased from Mrs. Matt Spader, last evening and has become a citizen of Plattsmouth. In conversation with him this morning he said that he had voted fifty-one years in the precinct, and at last he had seen the work he had done in that direction rewarded. We are glad to have Uncle Ivan among us, knowing well that he is a first-class citizen.