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TELLER ON BANKS.

They Wrecked Business and Brought Ruin to Thousands.

HAVE NO RIGHT TO ISSUE MONEY

That is the Sole Prerogative of Government.

"I Will Vote to Wipe out Banks of Issue."

The following extracts from speeches of Senator Teller on banks and banking will be read with interest:

We are here to determine what the evil is; and when we have determined that we are to remove it if we can. If it can be demonstrated here that any statute on the statute book has brought about the evil which now exists, you can get my vote to take it off. But I will not take the say-so of a New York banker; I will not take the interested statements of the people who desire to be put in a position where they can command all the industries of the country as they could do if they could command the money of the country.

Since I have been in public life I have had fixed and determined views as to the right of the General Government in reference to the issue of its money. I hold, as I have on this floor many times stated, that the control of money is the prerogative of nationality and sovereignty; that no government is justified in surrendering it, not justified in surrendering it even for the most patriotic and most intelligent and helpful of all the men who could be selected; but it cannot be safely entrusted in the hands of corporations. It must be controlled by the general government in the main. Therefore I have always given my vote against the continuation of the national banks as banks of issue. I believe as banks of deposit they have had some value, but as banks of issue none.

Why are banks instituted? Not for the benefit of the bankers. They are quasi-public concerns, instituted for the benefit of the public. Banks have three great functions: First to receive the money of the people and keep it safely until they call for it; secondly, to pay it out when the people demand it. Another function is to transmit the money by bills of exchange from one part of the country to another. I think perhaps I should properly say there are but two functions of the banks, because the receiving and the payment may be said to be one.

Those are the functions of a bank. How have they discharged their functions? When a bank takes money and puts it in its coffers, unless the depositor makes a contract otherwise, it is payable on demand. Today, in the greatest city on the continent, no matter how much or how little money a man has on deposit, he is absolutely debarred by the rules of forty-six or forty-eight different banks of that city from drawing it. He is told, with an impudence which has never before been exercised even by banks, that he cannot have it.

Mr. George. What do the banks do with the money?
Mr. Teller. I understand that when a man goes to a bank and draws his check and says, "I want my funds which were deposited with you, say last winter or last spring," the officers of the bank say to him, "we will give you an account, we will certify a check, we will say that sometime (no time being fixed) we will pay you, but we will not pay you now." If that is not an act of insolvency, no bank ever committed one.

One hundred and forty banks in other parts of the country within the last three months have closed their doors because they were compelled to say that to their creditors; and yet the great banks of the city of New York, with an impudence and effrontery almost unheard of, have declared that they will not recognize the right of a depositor to claim his money on demand.

NEW YORK AND THE OUTSIDE BANKS.
The banks have another function, which is to transmit money from one bank to another. Commerce can scarcely be carried on unless that function is in active force. Business cannot be done between New Orleans and Chicago and New Orleans and New York, and all around unless bills of exchange can be used. They are the agencies of commerce.

Have these banks fulfilled that function? For more than six weeks the banks of the city of New York, and other cities which I might mention, have simply declined to pay drafts drawn on them by outside banks for the money that those banks have on deposit. Between a city that is entered by at least six railroad trains a day, and can be reached in twenty-four hours, and the city of New York the rates of exchange have been \$3 on the hundred; and between the city of New York and the city of Philadelphia there has been an absolute refusal on the part of the banks of Philadelphia to pay drafts on the city of New York in any kind of money.

I have in my drawer here a letter from a western banker, who tells me that through his bank he had a draft of \$7,000 on a Philadelphia bank, which he sent to a bank in the city of New York, and the bank there returned it to him saying: "We will present no drafts to the banks of Philadelphia, because they decline to pay." Then through other agencies, this banker sent his draft to Philadelphia for money admitted to belong to the drawer, and the banks of Philadelphia simply said: "We cannot afford to pay this, and we will not pay it."

*The other morning when the senator from Kansas [Mr. Peffer] introduced a resolution here making an inquiry concerning the banks, there was fright in this chamber, and we were told that we were going to disturb the banks. Mr. President, there is not a bank boy or a page boy who runs the errands for a bank in Chicago who does not know that the banks of New York have suspended; there is not such a boy in the city of New Orleans who does not know that the banks of New York have suspended. It is public talk everywhere. You cannot frighten the people any more than they have been frightened by that kind of conduct.

These banks have abandoned their functions as banks of deposit; they have declined to perform the functions imposed upon them by law, with the money in their tills. They have broken down as banks of exchange. They have declined to keep the business of the country in motion. Is it any wonder then that there is stagnation in commercial circles when men who own the money cannot draw it from the banks where they have deposited it, and men who owe debts cannot transmit the money wherewith to pay in such a way as that they will be sure it will reach their customers?

This may be an attack upon banks. I shall hear tomorrow from the public press of New York that we are attacking the banks. If these facts were unknown it might possibly be said that it was not worth while, in an excited state of affairs, to talk about them. But everybody is aware of them.

I again call the attention of the senate to the conduct of the banks in the early part of the spring just before the adjournment of congress, when they began to "hold up," if I may use a western phrase, the treasury department in order to compel it to issue bonds. They then stated to the department, "We will give you a little money," and they gave it; "You can not have any more, and if you touch the reserve, if you get below the amount which has been held in the treasury, there will be a financial panic and convulsion, and you dare not do that."

The \$100,000,000 reserve ran down to \$90,000,000, but the world did not come to an end. Business was infinitely better than it was a few days ago when the reserve was over \$100,000,000. They did not succeed in securing from congress \$200,000,000 of gold bonds or any other kind of bonds upon which they could bank.

THE SCHEME OF THE BANKERS.
I may safely assume that the opinion is very general in the country that a scheme was organized early in the season in New York for the purpose of creating a financial panic which would compel an extra session of congress for the repeal of the Sherman purchasing act, and I think the well-known, undisputed utterances of the executive and the conduct of the secretary of the treasury bear out the inference that it was not to be the act of the banks alone, but that when the New York Sun says that the bankers were to work not only in New York, but elsewhere with the administration, it spoke by authority.

I would not have anyone infer that I believe the bankers of New York intended to create just the condition of affairs that now exists. I think they undertook to create a distrust and disturbance in the country that would justify the president in calling congress at an extraordinary time, and thus secure an act, first, on the purchase bill; secondly, on the proposition suggested by the senator from Ohio, and suggested by them in their conference of bankers with the secretary last spring—the issuance of a large amount of government bonds, upon which they could continue to do banking business.

This panicle got away with them a little. They rather overdid the business and frightened the people beyond even what they had intended. However they are responsible for the condition, and if they get hurt, they ought not to complain. I stated yesterday that banks have two great functions—one to receive money and pay it out, and the other to transmit money from one section of the country to the other by way of bills of exchange. I demonstrated that the banks of New York City, Philadelphia, Boston, and of, perhaps, some other cities, have absolutely broken down as banks of deposit or banks of exchange.

CIRCULATION.
There is another function for national banks—and that is to maintain a circulation for the people. That was one of the great purposes for which these banks were organized in 1864. We were told then as we have been told since, as we were told by official utterances as late as last December, that the banks of the country were ready and willing, or would be when properly organized to furnish to the people of the United States a sufficiency of the currency which should be always as good as gold.

There are two things with reference to the currency that the people are particularly interested in; and which of the two they are interested in most, it would be somewhat difficult to say. They are interested primarily, I suppose, that there shall be a sufficiency of money, for by a sufficiency of money, only can you maintain prices. By a sufficiency of money only can you maintain the equity of contracts. They are also interested that it shall be good money; that if the banks undertake to issue circulation it shall be as good as any money the government issues.

I propose to deal with these banks for a few moments as banks of issue, and I think I can demonstrate very satisfactorily to everybody that as banks of issue, they have been as great failures as they have been as banks of deposit and banks of exchange.
[Here follows a technical discussion, more appropriate for a scientific work than a newspaper, demonstrating their complete failure to furnish a proper amount of circulation.]
TIME TO REFORM.
I am opposed to the extension of the
(Continued on 6th page.)

TAUBENECK DECLARES

A Free Silver Democratic Candidate Will be Snowed Under.

PEOPLES PARTY TO GO IT ALONE

The Democrats Will be Third In All States West of the Mississippi.

It Will Lose 30 Per Cent of Its Voters Who Favor Gold and Gain Few Silver Votes.

The New York World has been requesting statements from prominent men of all parties. Chairman Taubeneck sent them the following:
St. Louis, June 20.—The republican party cannot secure a single elector in any state west of the Mississippi river if the silver republicans and populists combine on a national ticket, which I have no doubt they will do. The silver democrats cannot carry more than half of the southern states without the aid of the populists and silver republicans. The moment the Chicago convention declares for silver, 16 to 1, the democrats will lose at least 20 per cent of their strength, which is the sound money element who will vote the republican ticket or remain at home on election day.



H. E. TAUBENECK.

With a loss of 20 per cent the states of Missouri, Kentucky, Tennessee, Virginia and West Virginia will give their electors to the republicans. The same loss in Texas, Alabama, Georgia and North Carolina will give those states to the populists. In all the old republican states west of the Mississippi river, with the exception of Iowa and California, the democratic party is the insignificant third party, while the peoples party is the strong second party. The democrats cannot secure a single elector from any of these states without co-operating with the populists, nor can they elect their state and congressional tickets.

No president who favors the free coinage of silver at 16 to 1 can be elected in 1896 without the assistance and undivided support of the peoples party.
H. E. TAUBENECK,
Chairman Peoples Party National Committee.

In the New York World of June 24 there is a further statement from Mr. Taubeneck in which he is reported as follows:
Henry E. Taubeneck, chairman of the populist national committee, said today that his party would not accept an old-line democrat as a candidate for president.

"Do you consider Bland an old-line democrat, and would you support him if nominated?"
"Bland is an old line democrat. I do not believe he would receive the vote of the populists or of the silver republicans for the reasons I have already stated. Unless the democrats see things in this light we will hold our convention in St. Louis and nominate our candidates for president and vice-president on a distinct platform. I would deplore such a condition. It may defer the triumph of silver four years longer, but it will sweep the democratic party out of existence and leave the peoples party to trample the republican party four years hence. I have reason to think that Blackburn of Kentucky, Jones of Arkansas, Bankhead of Alabama, Daniels of Virginia, and other southern senators and representatives are inclined toward Teller and a single currency plank platform. I shall be in Chicago during the democratic convention. There will be ample time before nominations are made to lay before them reasons which should make them meet us half way."

HE LIED TO THE PEOPLE

And Now Parson Andrews Will Have to Give Way for a Populist.

A preacher by the name of Andrews, who, it will be remembered, was elected to congress here a couple of years ago, has admitted to some intimate friends that he is feeling mighty "shaky," and entertains some very grave fears of defeat in the coming campaign.

But this is no news to the people of the big Fifth. The best men of every party are fully aware of the perilous route the parson is compelled to travel in submitting his claims to the

people for re-election. They know he is against bimetallicism—the vital question now regnant in the whole west and south—the issue which he pretended to favor until elected. They also know he voted for bonds, after telling his constituents that a man who would vote for bonds in time of peace is a traitor to his country; they know that instead of being honorable he has been corrupt; they know he has lied to the poor people of this district, to gain their confidence for the gratification of a personal ambition; they know that on the last hour of congress he introduced a sickly bill for the coinage of "domestic" silver; and that by his collusion with the moneyed class he has forfeited the right to ask the support of the debt-burdened and distressed people who desire a faithful public servant.

It is but natural, therefore, that all eyes are turned upon the bimetallic forces—the populist party—anxiously awaiting the development of conditions which will plant their leader squarely in the field of the people's rights.

The people of this district never did a better thing than when they sent the late Wm. A. McKeighan to congress, and the sighs of regret on every side indicate a disposition to triumphantly elect another man of his principle this fall.

There are numerous brainy populists, sincere and honorable, who have been mentioned favorably for congressional honors. Among them, Prof. Jones, Judge Thompson, R. D. Sutherland, figure most prominently.—Red Cloud Nation.

HARVEY'S ANSWER.

What He Has to Say of Whitney's Statement.

CHICAGO, June 22.—My answer to Mr. Whitney's statement, that the election of a free coinage president and congress would plunge the country in ruin is as follows:
On the election of a president and congress in November committed to free coinage, the danger of a panic will pass in a day. We will cross the danger line the moment that fact is known. The next day silver will begin to advance and gold to decline. Declining gold will come out from its hiding in a few days after the election, in a hurry to seek investments and will go actively into circulation. It will seek to invest itself in the things that are rising, for it will fall in value. This is a law inexorable as any of the certain laws of trade. The wheat in existence is sure to fall in value when it is known that a large new crop is coming; the effect is felt before the crop is harvested. So it will be with gold when it is known that a new crop of money is coming. Mr. Whitney's statement of predicted ruin is the threat of Wall street and is intended to frighten business men and to intimidate the people. If it is true that the money power can do what is threatened, it is a sufficient reason for its overthrow, for treating it as the enemy of the republic.

W. H. HARVEY,
Author of "Coin's Financial School."

MORE WALL STREET THREATS.

Come On—The West and South are Ready for You.

Now comes the New York Journal containing an interview of a New York democrat with Julius Chambers, a Washington correspondent, in which the New Yorker says:
"The western and southern men of our party are certainly out of their minds. They never have felt the weight of the commercial interests of the east arrayed solidly against them. The greenbackers and populists, silverites and changers never have withstood a cavalry charge by the combined money interests of the country."

"They will see it in November. The south will suffer most, I fear. Its loans will be called to the last dollar. Its cotton will be left to rot in the compresses, because the railroads that are owned and operated by eastern capitalists, in a majority of cases at a loss, will refuse to carry it. In the west every mortgage that is held against every farm in the silver states will be foreclosed. All lines of credit for dry goods and groceries in these independent regions will be closed, because the eastern bankers and merchants regard the silver movement as absolutely dangerous to the financial future of the country."

[Let them try it. The eastern states don't raise enough to feed themselves three months out of the year. If they don't get our beef, pork, corn, cotton and wool they can go naked, freeze and starve. They will get no more interest money, either.—ED. INDEPENDENT.]

Will We Join His Party.

AUSTIN, Texas, June 22.—The Democratic congressional convention for this the ninth congressional district, met here today and renominated Joseph D. Sayers. He addressed the convention and stated that he was unequivocally for free coinage at 16 to 1 and that that issue was the only one on which he differed from Cleveland. He also said there was no political doctrine that he would not advocate and no political party he would not support rather than see the populists gain control of the government.

Populists Indorse Teller.

SPOKANE, Wash., June 23.—The Spokane county populist convention, held today to select two delegates to St. Louis, declared for free silver and indorsed H. M. Teller for president. H. N. Maguire and C. W. Bushnell were chosen as delegates.

AMERICAN SILVER UNION

An Address to the People of Nebraska.

THREE-FOURTHS FOR SILVER.

Will This Immense Majority be Given Expression at the Polls.

The Fight of Old Was to Make Men Free This is to Keep Them so.

AMERICAN SILVER LEAGUE, Headquarters for Nebraska.

LINCOLN, Neb., June 18, 1896.

To all unconditional friends of silver in Nebraska:—Two of the existing national political parties of the United States have held their conventions, nominated their candidates and defined their policies.

One of these parties has declared in favor of the existing gold standard and against the free coinage of silver as standard money.

The other party has divided on that issue, the east against the west practically, and has begun the canvas for the presidency with two tickets asking the suffrages of the people.

Another of the great political parties will hold its national convention July 7, next, and sufficient is now known to warrant the conclusion that, that party will declare for the free coinage of silver at the present legal ratio of 16 to 1, without waiting for the concurrence or consent of other nations.

A fourth national party, controlling more than 2,000,000 votes will hold its convention July 22, 1896, a party that has always advocated the unrestricted coinage of silver as primary money on equal terms with gold.

It appears therefore that of the four national parties, two will declare unequivocally for free coinage of silver, and that on that question the prohibition party is about equally divided.

It is unquestionably true that three-fourths of the people of the United States favor the free coinage of silver as against the existing gold standard.

Whether the will of this immense and earnest majority can be given effective expression at the polls next November is the question of supreme importance then to be settled by the American people.

The American silver organization is not a new party and may never become a party, its purpose and aim being to aid in securing unity of action, that those who think alike may be induced to vote alike and by so doing clothe with official power the voice and the will of the great middle and industrial classes who now toil without profit, that others may profit without toil.

The organization will hold a national conference in St. Louis, July 22, 1896, wherein Nebraska will be entitled to fifty-one representatives, to be selected without regard to former political affiliations, nationality, creed or color. It is desired that the representatives shall be men of broad and liberal views who love their country and their kind, who can sink the partisan in the patriot and who can forget all personal considerations and unselfishly serve God and humanity in this hour of our national peril and distress.

The question has been asked in this state, "what would be the effect in this country on unborn generations, if, at the close of the nineteenth century, the people of the United States became so corrupt that they repudiated one half of their debts by paying them in money worth only half of its face value?" Let ten million freemen answer in November, "We will pay all our honest debts as honest men with honest money, in full and complete compliance with our contract, but we will not basely surrender our homes and our liberties to exacting Shylocks, native or foreign, who know no country, serve under no flag, are loyal to no party and who have no sympathy with mankind."

If there is no danger along the lines suggested, then there is no wisdom in the repeated warning given us by our statesmen and patriots in the past.

Daniel Webster said: "Liberty cannot long endure where the tendency is to concentrate wealth in the hands of the few."

James A. Garfield said: "Whoever controls the volume of money of any country is absolute master of all industry and all commerce." Does not Wall street control the volume of money of this country?

Thomas Jefferson said: "I believe banking institutions are more dangerous to our liberty than standing armies." He also said: "They (the banks) have already raised a money aristocracy which has set the government at defiance." And so they have. Henry Clews, the Wall street broker, in his financial circular, speaking for Wall street, May 24, 1896, says: "Wall street has learned to believe that there are greater potencies than party platforms, than legislative subservency to popular ignorance," meaning legislative enactments of the popular will. Again Mr. Clews says: "The near prospect of the authorization of free coinage, a counting of heads showing a certainty of two-thirds vote in the house and in the senate for sixteen to one would evoke in Wall street the kind of conditions that

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no congress has ever yet dared to disregard, and the cause of free coinage would be overturned at the moment when its success seemed most certain. It is this reserve power on which Wall street is now relying."

And what is this "reserve power on which Wall street is relying?" Evidently the power to control the money of the country and with it "all commerce and trade," the power to inaugurate another panic, as was done in 1893, compared to which the dangers of Jefferson's standing army are as a dream. An invading army of half a million men in a campaign of years could not work the ruin to the people of the United States that the panic of 1893 has wrought, and yet Wall street boldly asserts that, should the people of this country elect a congress that could pass a free coinage bill over a presidential veto, Wall street would overthrow the legally declared will of the people by "invoking a power that no congress has ever yet dared to disregard."

With a knowledge of those reasonable utterances and the well known fact that congress repealed the Sherman law at the demands of Wall street, the question suggests itself, "Who rules the American republic?"

March 11, 1896, New York bankers sent out a circular to all bankers in the United States, urging them irrespective of party affiliations to see that none but "sound money," gold standard delegates were elected to any of the great party conventions.

Perhaps not in answer to this request but a mere coincidence, that the one hundred and fifty thousand farmers of the state of Nebraska were represented in the St. Louis convention by twelve bankers and lawyers, two merchants, one stock raiser and one city official, as gathered from the state press.

And this very able delegation selected as the Nebraska member of the national committee on resolutions the one man on that delegation who declared that he was in favor of the existing gold standard and opposed to the free coinage of silver, and that he believed the convention platform ought to say so. All honor to Peter Jensen for this unequivocal declaration of his convictions. "God hates a coward," he said, "and the people admire courage, and so they do."

No farmer's voice was heard on that delegation. Did the price of gold standard wheat shut out the Farmer vote? If so, who governs Nebraska? The people or Wall street?

As to our money, it is claimed on as good authority as any that the coin money of the world amounts to about \$8,000,000,000—about \$4,000,000,000 in gold and about \$4,000,000,000 in silver.

Should one-half the volume of this money be destroyed in any way, the value or purchasing power of the remaining half would be doubled, and the value of all property would be divided by two, or reduced one-half.

When silver was demonetized gold was the standard money for less than forty millions of people. Gold is now doing the work for more than two hundred millions. Hence an increased demand and advancing standard of money value and a decreasing property value. It is not claimed that one-half of the money of the world has been destroyed by the demonetization of silver, but as just stated the demand for gold has been more than doubled by the demands made on that metal by Russia, Italy, and by some other countries for storing, and by individuals for hoarding, because of the loss of profit in all business enterprises caused by declining prices, bad debts and shrinking volume of trade.

To stop this ruinous decline in prices, and to check the rise in the price of gold let the mints of the United States be opened to the free coinage of silver, thereby adding to the world's supply of money and lessening the purchasing power of gold.
No party in this country has ever dared to declare unequivocally against bimetallicism. In 1888 the republican party in national convention demanded "the use of both gold and silver as money" and condemned the democratic party then in power "for its efforts to demonetize silver." Yet the republican
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