

# The Nebraska Independent.

The Wealth Makers and Lincoln Independent Consolidated.

VOL. IX.

LINCOLN, NEBR., THURSDAY, JULY 22, 1897.

NO. 9.

## THE CONFEREES AGREE

The House and Senate Committees Make Their Final Report.

WILL PROBABLY VOTE FRIDAY.

Some Opposition at First, But Later it is With-drawn.

Stock and Bond Tax Abandoned.

The conference committee on the Dingley bill has completed its work and formulated its report. The report was made to both the Senate and the House. The House under the rule of Speaker Reed promptly adopted the report. There were only a few short speeches, two by republicans, ten by democrats and one populist made on the adoption of the report. The final vote was 185 for the report, 115 against, divided among parties there were 180 republicans and 5 democrats for the report and 105 democrats and 12 populists and silver republicans against its adoption.

The populists and silverites did not vote solidly. Mr. Shalroth of Colorado and Newlands of Nevada, silverites, abstained from voting. Mr. Hartman, silverite, Montana did not vote.

The populists who voted against the report were as follows: Baker, Barlow, Botkin, Fowler, Jett, Lewis, Marshall, Martin, Peters, Simpson, Strowd and Vincent. Four did not vote: Howard, Kelly, Stark and Sutherland. The other populists were absent.

The report will not be so speedily adopted in the Senate. The changes in the sugar schedule and the restoration of the House duty of \$2 per thousand feet on white pine lumber, and the placing of a duty on cotton bagging and cotton ties will call forth much debate and considerable delay. Mr. Tillman, leading the southern senators will oppose the duty on cotton bagging and southern products, in the interest of southern manufacturers. They may attempt filibuster proceedings and be able to delay the final vote for some time.

In the Senate, Wednesday was devoted to a discussion of the conference committee report and good progress was made. A final vote will probably be reached not later than Friday. A considerable discussion took place concerning the proposed conference committee. Vice President Hobart decided that the report was regular and that the committee had not exceeded its authority in its recommendations. The reading of the report was completed. Senator Allen objected to the drawback of the duty on hides, upon all leather used in the manufacture of shoes for export. This drawback would enable shoe manufacturers to sell shoes cheaper in foreign countries than they could in the United States. The recommendation of the conference committee prevailed. The conference amendment striking out the Senate provision for a stamp tax on bonds and stocks also led to discussion. In answer to inquiries Mr. Allison said the point had been raised that an excise tax could be levied on a class of articles as a whole, while the Senate amendment expressly excepted bonds of building associations and other classes of bonds. This objection was felt to be well taken and the bond provision was abandoned. Senator Allen declared that this was another humble submission to the money power, Senator Morgan asserting that there were many reasons beyond the one assigned for the abandonment of the bond tax. The main influence was the favoritism shown to capital. It was this favoritism which makes converts to the populist party. Another influence was the sugar trust, which had been instrumental in having the bond tax abandoned, as it would affect the tremendous stock transfers of the trust.

## DEATH OF MRS. SHELTON.

Was a Woman Well and Widely Known in Northwest Nebraska.

Mrs. Jennie D. Sheldon wife of Hon. A. E. Sheldon died at her home in Chadron Tuesday. Mrs. Sheldon came to Nebraska more than thirty years ago. Her parents settled first in Lancaster county not far from Lincoln. She was an excellent scholar and a very capable newspaper woman. She was a graduate of Doane college at Crete and had studied for several years at the State University. Her home had been in Chadron for about eight years when she had assisted Mr. Sheldon in the publication of his newspaper.

Mrs. Sheldon took an active interest in every movement tending to enlarge the field of woman's usefulness, demanding the same opportunities for women as for men. Like her husband she was a populist in politics, and took an active part in every political campaign, often driving thirty miles to make a political speech, and her influence was always sought by aspiring statesmen. Her death will be a loss to the community, as well as to her husband and children. The remains will be brought to Lincoln and interred beside those of her mother.

The republican county convention will be held in Lincoln August 12.

## JOHN UNION PACIFIC THURSTON.

The Most Able Defender the Great Corporation Employs.

In the State Journal of July 19, W. E. Anna, the Washington correspondent of the State Journal, in discussing the proceedings of the Senate in connection with the foreclosure case of the government against the Union Pacific railroad and the part taken by Senator Thurston in the debate, says:

"The time of the Senate during the latter part of the week has been largely occupied with an attempt to prevent the passage of a resolution looking to government ownership of the Union Pacific road, and which, if passed, would tend to block the Fitzgerald agreement for a reorganization. Senator Thurston, who is looked upon as the most intelligent spokesman for the Union Pacific road, both in the supreme court, where he is constantly engaged on behalf of that corporation, and also in the Senate, where in committee and on the floor he is the best known advocate of the interests of the road in connection with our state, occupied the floor for the better portion of two days as the leader of the filibuster against the consideration of the resolution. Senator Thurston's able speech of last session in defense of the reorganization scheme was never finished owing to the objection of Senator Morgan and consequently never has been published. The senator dressed Senator Morgan down in great shape this last week for his obstruction to debate on the part of friends of the railroad and made one of the clearest speeches on behalf of the reorganization and the opponents of government ownership which has been heard on the floor of the Senate. It was listened to with great attention owing to the admitted intimate knowledge of Senator Thurston with Union Pacific affairs and to the fact that he is looked upon as the acknowledged champion of the road in the Senate and in the courts of Washington."

Thurston was elected as a senator to represent the people of Nebraska and should protect their interests against all encroachments. The correspondent of the Journal says that Senator Thurston is "constantly engaged in the supreme court in behalf of the Union Pacific corporation." The people of Nebraska should feel proud to be able to furnish so able a champion for the corporations.

## BANK OF EDDYVILLE STORY.

Receives a Specific Denial from Private Secretary Maret.

In their intense desire to injure, if possible the present state officers, some of the republican papers are not over careful in their statements of alleged facts. There is one in Lincoln that is particularly reckless in its charges. It recently charged that Governor Holcomb had received \$8,000 of state funds during Bartley's term as treasurer for his own use. The governor promptly exposed the falsehood by denying that he had ever received such a favor from Bartley or that he had ever used a cent of the state's money for his own benefit. Since that straightforward and emphatic denial, which the paper, with characteristic unfairness, declined to publish, the same paper has kept up its malicious insinuations by frequently inquiring suggestively, "How about the bank at Eddyville?" There was a bank at Eddyville some time since in which Benton Maret, the governor's private secretary, was interested, and this was a malicious effort to make it appear that in spite of the governor's denial that he had used any of the state's money himself, some of it had been used by Secretary Maret in his bank. It was in response to this insinuation that Secretary Maret to-day prepared the following statement:

"A twit publication of republican brand, issued for the edification of a Lincoln patronage, having seen fit to insinuate, despite Governor Holcomb's clear and explicit denial, that the governor was instrumental in securing a deposit of state money for the Eddyville bank, I desire to state that not one cent of the state's money has ever at any time been placed in that bank. More than that, neither myself nor any other officer or stockholder in the Eddyville bank ever received a dollar of state's funds either for the benefit of himself or that institution. The bank went into voluntary liquidation months ago and owes no man a penny."

BENTON MARET.  
Successor to Harris.

Gov. Taylor of Tennessee has appointed Thomas B. Turley to be United States senator to fill the vacancy caused by the death of Senator Harris. When questioned as to his position on the tariff bill now before congress, Senator Turley said that he had not studied the bill technically, but that on the question of the tariff he is as near a free trader as it is possible to be. Referring to the differences of opinion which have developed among democrats in the discussion of the present bill, he said that he is strictly in accord with democratic declarations through a long series of years and is in favor of tariff for revenue only. The senator preferred not to express an opinion regarding Cuba, believing that the question would not again demand the attention of the present extra session of congress.

On the financial question Mr. Turley is strictly in line with the Chicago platform. The new senator will leave for Washington at the earliest possible moment.

The best restaurant in the city—Orr's short order house—old Diamond stand—140 south 11th street. Take your dinner there.

## AN EXAMPLE FOR STATESMEN.

The late Senator Isham G. Harris was a democratic statesman of the strictest school. One incident in his life contains a lesson that modern politicians would do well to ponder.

He was confederate governor of Tennessee and had charge of \$500,000 in gold belonging to the school fund of his state. When the war ended he was forced to leave the United States and fled to Mexico for safety. President Andrew Johnson having offered a reward of \$5,000 for his arrest.

After the lapse of a number of years an amnesty proclamation, issued by the president, allowed Harris the privilege of coming back to this country. He was ruined in purse, having lost all his fortune during the war. Returning to Tennessee he proceeded to Nashville and deposited with the state treasurer \$500,000 in gold, the amount belonging to the school fund.

Nobody ever discovered where the money had been kept in safety all those years. The opportunity to appropriate half a million dollars in gold had presented itself and had been rejected. Poverty had no power to make him dishonest.

Do not the trucking, speculating, sugar trust, slaving senators at Washington present a sorry spectacle when compared with Isham G. Harris?

Let us hope that this grand example of honor and honesty, of faithfulness to duty and of stern resistance to temptation may have an influence on the politicians of today.—Chicago Dispatch.

## OLAF W. PALM IN THE EAST.

Well Known Insurance Agent Tells What He Saw in Ohio, Pennsylvania and West Virginia.

Mr. Olaf W. Palm, the well known insurance agent of this city, returned Wednesday from a pleasant and prosperous trip through the eastern states. Mr. Palm visited for six days at Cleveland, O., four days at Philadelphia, four days at Pittsburgh and three at Wheeling, W. Va. In speaking of general conditions, Mr. Palm said that the people of Nebraska are as prosperous as the people of Ohio and that their average condition is much better than that of the people of Pennsylvania and West Virginia. Crop prospects are better here. The wheat crop in the East is the only crop that can be said to equal the crops of this state. The farmers in those states do not enjoy the freedom that Nebraska farmers do. Their farms are small, mere garden patches, inadequate to their needs, and except in Ohio the improvements are poor.

Mr. Palm passed through the mining districts where the big strike has been declared. He said that public sentiment is almost unanimous on the side of the oppressed miners. Their condition is such as to command sympathy. At the present scale, without the proposed reduction, they cannot make to exceed \$18.00 per month. Out of this pittance the miner must pay house rent and support his family. The average home of the miner is usually very small, usually two small rooms more poorly constructed than the average barn in Nebraska. Hunger, silt, and degradation are found everywhere in the coal regions, conditions too bad to describe.

The political situation has greatly changed since election. Improvement was promised, but instead of improving, conditions have steadily grown worse. This has naturally destroyed the confidence which the people had in the new administration. The democrats and populists will without doubt carry Ohio and West Virginia and will greatly decrease the 300,000 republican majority in Pennsylvania.

Mr. Palm said that compared with conditions in the eastern states, Nebraska, notwithstanding her drouths, has much to be proud of.

## RENT FROM PENITENTIARY LANDS

Commissioner J. V. Wolfe Attending to the Interests of the State.

Land Commissioner J. V. Wolf has recently turned over \$207.50 to treasurer Meserve, the proceeds from rents for about 100 acres of penitentiary lands.

So far as the commissioner's office is informed this is the first payment of this kind on this account. The report of the last commissioner, Russell, shows that \$500 was collected from rent of penitentiary lands, and that the commissioner paid it out. The authority for the paying it out by the commissioner does not seem to be clearly understood, but even that is one of the few instances, if not the only one, where the republican commissioners have reported collections of this rent.

The penitentiary lands originally consisted of sixty sections granted by the general government to the state of Nebraska to build a penitentiary. All of it has been sold off and used for the designated purpose except 679.7 acres, which lie in small parcels mostly in Lancaster and Howard counties.

The present commissioner has made a contract to rent 200 acres of this remainder at the rate of a fraction over \$2 per acre per annum. The receipt is for the advance payment of the rent. Negotiations are pending for renting the remainder, and if it is let out at the same rate, it will yield to the state over \$1,200 per annum. This item is small but it is one of the many small savings that the present administration of the commissioner's office is making, which amount in the aggregate to several thousand dollars.

FOR SALE—A copper bottom clothes boiler for 65 cents. Everything in our store on this scale of prices. Bayard & Quire, 1329 O.

## DEMAND FOR STATE WARRANTS.

Policy of the Present Administration may Send Nebraska Warrants to a Premium.

At a meeting of the board of educational lands and funds Tuesday it was decided to invest \$20,000 of the agricultural endowment fund and \$75,000 of the permanent school fund in state warrants. This will make it possible for Treasurer Meserve to call in \$100,000 of general fund warrants in a very few days which will have the effect of greatly strengthening the price of warrants in the open market and may send them to a premium. The board cannot pay a premium on state warrants; it must buy them at par or not buy them at all. The five per cent interest which the warrants draw will then be taken out of the state's general fund and put into the state's school fund. It is as if a man should take money out of one of his pockets and put it in the other. He loses nothing in the transaction. The state (tax payers) are really paying no interest on warrants which are held by the school fund. It is simply taken out of the general fund box and placed in the school fund box. In the past the five per cent interest has been taken out of the general fund as at present, but instead of being placed in the state's school fund box it has been paid to the bankers or brokers who held the bonds, and the state (the tax payers) was out the money. The course that is now being followed will result in very material saving to the state. First the state gets the benefit of the improved credit and second saves directly the 5 per cent interest on the money invested and indirectly gets the benefit of the 7 per cent rise in value of all of its outstanding warrants. Third the state can purchase supplies at lower prices when merchants understand that they will be paid with warrants that are worth their full face than it can if it pays in warrants that are worth 7 cents on the dollar less than face. Treasurer Meserve conducts his office upon sound business principles and the entire state is reaping the benefits.

## HOLCOMB TO THE HERALD.

Nebraska's Populist Governor Explains Why Prosperity is Here.

The following telegram passed between the New York Herald and Governor Holcomb. The Herald was looking for political capital which it failed to get. The telegrams were as follows:

New York Herald, New York—Hon. Silas A. Holcomb, Lincoln, Neb.: In view of the statement that Nebraska has paid off \$28,000,000 of indebtedness within the last six months, can it be assumed that the state is experiencing a revival of prosperity? If this be so what effect will it have on Bryan's campaign? Kindly oblige the Herald by writing your opinion at our expense.

NEW YORK HERALD.  
New York Herald, New York—Nebraska's indebtedness has never exceeded \$2,000,000. Reduction of state's indebtedness from 95 per cent to par in the last six months has been caused by honesty, economy and business ability displayed by the present populist administration and not to the revival of prosperity. Nebraskaans are paying their taxes and discharging their obligations and supplying their wants by exercise of frugality, thrift and untiring energy. Business activity here is not occasioned by the triumph of the single gold standard or the prospective Dingley tariff bill, but despite the evil effects of both of them. Bryan's campaign, like the spirit of John Brown in the '60's goes marching on.

SILAS A. HOLCOMB.  
Governor.

## NEBRASKA'S REPRESENTATION

At the Unveiling of the John A. Logan Statue at Chicago, July 22.

Governor Holcomb and twenty-four members of the John A. Logan statue in Chicago July 22. No state will have a better representation than Nebraska. Colonel John G. Maher will be military secretary to the governor during the trip, and Colonel J. S. Hoover of Blue Hill, Nebraska, who was chief of General Logan's staff, will accompany the party. The governor and his staff selected the Northwestern railroad over which to make the trip to Chicago, leaving Lincoln Wednesday at 1:45 p. m. While in Chicago the governor will interest as many of the representatives of other states in the coming Trans-Mississippi exposition as possible, and will attend to Nebraska's interests in many ways. He is a pop and will be viewed and interviewed, all of which will result in good for Nebraska.

## Bennett Camp Meeting.

The annual camp meeting for the promotion of holiness and the conversion of sinners will be held at Bennett, Nebraska August 13 to 25.

A number of able ministers have been secured to assist in the meeting. The singing will be conducted by Prof. A. B. Huckins, one of the finest and most inspiring singers in the west.

No pains are being spared to make the meeting one of the best ever held at Bennett. Reduced rates have been secured over all the roads in Nebraska. When you purchase tickets ask for a certificate.

## ALLEN VS. U. P. RAILROAD

The Details of the Government's Transactions With this Great Corporation.

## WHAT THE ROAD HAS EARNED.

The Government Should Foreclose Its Mortgages and Operate the Road.

Freight Rates Would be Reduced.

In the Senate Thursday Senator Allen reviewed the governments transactions in connection with the Union Pacific Railroad company. He declared in favor of foreclosure of the government's lien and that the government should operate the road for the benefit of all the people. Senators Gear of Iowa and Senator Thurston continually interrupted him in a vain effort to destroy the logic and force of his remarks but it was to no purpose. Senator Allen had thoroughly mastered himself with the facts and successfully met their every attack. He said in part:

Mr. President, I desire the attention of the senate for a time to consider some of the questions that have been discussed respecting the Union Pacific Railroad company. Last winter during the month of February there were pending in this body two resolutions introduced by me having the same general purpose of the resolution now under consideration. These resolutions passed over the action being taken, and now the question comes again before the senate whether we shall request the president to interpose the executive authority to prevent the foreclosure lien on this property until some adjustment shall be made by congress of the government lien and whether we shall request the president to pursue the course required by the statute of the United States in case of a default in the payment of the obligations of the road. This necessarily brings into consideration some very important facts, among which are the assets and liabilities of the road. I desire to direct the attention of the senate first to these facts.

The Union Pacific railroad has \$6,162,751 of land mortgages, a part of its assets which by a foreclosure of any of the liens on the property and a sale under a decree of foreclosure would pass to the purchaser. It has \$13,358,500 as the value of 6,524,000 acres of unsold land. It has \$8,000,000 and stock for 20,000 acres of coal lands. Bonds for \$4,890,000 and stock for \$5,000,000 have been issued on those lands and illegally hypothecated with Drexel, Morgan & Co. These three items make a total of \$27,521,251. As a part of the assets also there is a claim to \$23,325,325 of railroad bonds and \$57,646,393 of railroad stocks illegally hypothecated with Drexel, Morgan & Co. September 4, 1891 to secure bonds issued then in violation of the act of 1873.

Besides under the law of 1864 and 1878 the government has a second lien on the road itself—on 1,048 miles from Council Bluffs to Ogden and 394 miles from Kansas City west. The earnings of the Union Pacific proper, which includes the 400 miles to Cheyenne and Denver, and on which, under section 9 of the act of 1878, the government lien could be held to extend, and which is valueless without the government section, have averaged \$7,563,669 every year from 1885 to 1894, and even now in times of depression, low rates, and receiverships, the road earns \$4,200,000 net, being equal to about 4 per cent on \$105,000,000. This income after paying 1 per cent on the Denver Pacific bonds, would pay 4 per cent on \$50,000,000 of a second lien in addition.

It would seem to be absurd under such circumstances to claim that this road should be sold for a little over \$45,000,000, including all the assets and including the sinking fund, amounting to over \$17,000,000 in other words, that the government lien should be sold out for a little over \$28,000,000 to the reorganization committee.

Now, what are the liabilities of the road? The liabilities of the Union Pacific proper are \$32,530,000 of which the sinking fund bonds, \$3,730,000 are a third-mortgage bond. For the Kansas and Denver Pacific, its liabilities are \$34,764,350 and of both to the government some \$53,000,000. Its capital stock of \$60,868,500 can be counted as an asset, as it will submit to an assessment of 15 per cent toward the payment of the government debt.

The liabilities of the Union Pacific Railroad company under the plan of the reorganization committee, of which Mr. Fitzgerald is said to be the head, will be \$87,000,000 of 4 per cent first mortgage bonds, including \$35,755,280 reserved for settlement with the government and \$51,000,000 of additional bonds authorized, and \$75,000,000 of preferred stock, \$20,864,000 of which is reserved for the government settlement, and \$61,000,000 of common stock.

In brief, this is the present condition of the road. These are its assets and liabilities. If anything can be said to be demonstrated, it is that this property is worth fully 50 per cent more under the plan of reorganization and in its present condition than it is proposed to be sold to the reorganization committee for. In other words, under this so-called reorganization of the road the government of the United States is to throw away fully one half of its claim.

Mr. President, no individual or private corporation would transact business on

principles of this kind, and there is no reason why the United States should make a donation of \$50,000,000 more to Fitzgerald and his reorganization committee.

Mr. President, I cannot understand how the Pacific Railroad committee, of which my honorable friend from Iowa, (Mr. Gear) is the chairman, can walk out in open daylight before the American people and report a measure that would authorize the sale of this property for that bid, and destroy or throw away over \$50,000,000 of the people's money that has been put into this enterprise.

Mr. Gear—May I interrupt the senator?

The Presiding officer—Does the senator from Nebraska yield?

Mr. Allen. Certainly.

Mr. Gear. I beg to state that no report has been made by the committee on Pacific railroads by which the government would lose a penny. The committee last year reported a bill under which and by which, if it had been adopted by congress, the government would have got the last penny it had invested in this enterprise. It is a part of the public history of this country, as to the condition that road is in to-day that certain parties, whom I know not and know nothing of and care nothing for, had agreed with the late president, Mr. Cleveland, that if court proceedings were instituted, they would, as an earnest of their good intentions, pay four and three-quarter million dollars, and would bid for the whole amount forty-five and three-quarter millions, which includes the sinking fund.

There is a wrong impression regarding the sinking fund. My friend, the distinguished senator from Alabama (Mr. Morgan) takes the ground that it is a gift to Fitzgerald. Who Fitzgerald may be I do not know, but that sinking fund is an application on the bonds originally issued by the government, which amounted to \$38,000,000, and by no construction of law or equity can there be any loss to the government beyond \$12,000,000 if it was closed out under foreclosure. Figures will not lie. The government statement of interest paid, cash in the treasury, the sinking fund, and transportation accounts, amounts to so much money. The whole debt amounts to \$91,900,000. Deduct the sinking fund from that debt and deduct the cash proposed to be paid by this so-called syndicate and Mr. Fitzgerald, and the government would lose about \$12,000,000; and that is all it would lose. And yet senators stand here and say the government is going to lose untold millions—\$50,000,000 the senator from Nebraska said. There is not a particle of truth in that statement.

Mr. Allen. The senator says "figures will not lie." I guess that is true, but sometimes the men who make figures will lie.

Mr. Gear. Figures will lie when they are manipulated by the senator from Nebraska and others when they try to foist such statements on the senate.

Mr. Allen. The senator from Iowa, as usual, is wrong. I have known him but very few times to be right on any question coming up for discussion here.

The government would lose more than \$50,000,000. If the net earnings of the Union Pacific railroad company are \$4,200,000 a year—and I will show they are more than \$7,000,000 before I conclude—that is 4 per cent on more than \$100,000,000; and if this government sells this property for \$45,000,000 and a fraction, including in that the sinking fund, which is cash, or the equivalent of cash, and which has not been applied, as the senator from Iowa says, on the first debt, then, Mr. President, we will lose over \$50,000,000—we will lose \$55,000,000, if not more—and no kind of sophistry, no kind of chop logic, no kind of pettifoggery, no kind of mystification, will take that prominent fact out of the view of the American people.

Mr. President, this reorganization committee ought to be authority itself on the question of the assets and liabilities of this railroad company. Here is what they say about the earnings. They give the earnings for every year from 1885 to 1894. In net earnings the Union Pacific railroad company, after deducting taxes, were \$4,315,077.25. That is 4 per cent interest on about \$115,000,000, and yet if the senator from Iowa shall have his way we are to sell this entire property for a little over \$45,000,000, throw in everything belonging to it, its coal mines, its lands, its land contracts, its telegraph system, the right of way, and over \$17,000,000 of bonds and cash, and the government will relinquish everything.

From 1885 to 1894 the average net earnings of the road for ten years, after deducting taxes, were \$7,563,669.10, enough to pay 4 per cent on over \$185,000,000 every year. Senators will not claim that 4 per cent is not a good rate of interest on railway bonds; and if this road for ten years would pay 4 per cent on over \$185,000,000 of bonds, and we shall sell the property for \$45,000,000 or a little more, I will ask my distinguished friend from Iowa if we will not be throwing away about one hundred and thirty-five or one hundred and forty million dollars?

This statement cannot be disputed, for it is the statement of the reorganization committee and the bankers who are a part and parcel of the syndicate. The committee are not making a statement adverse to themselves. They are prospective purchasers of the property. They want to get it as cheap as possible. They are not making a showing in the interest of the government. They are making a showing in their own interest, so far as the truth will permit and possibly a juggling of figures will permit, and yet they make it apparent that for ten years this property has been earning enough money every year to pay 4 per cent upon \$185,000,000, and it is carrying that much now.

At this point Senator Allen was interrupted by a series of questions by Senators Gear and Warren, calculating