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THE DEFICIT GROWING

Estimated at More Than \$25,000,000 For the Present Year.

CONGRESS MUST REMEDY IT

Receipts From the Sale of the Union Pacific Gives Little Relief.

Some Necessary Expenditures.

The deceitful plans of the present administration are beginning to develop. The real reason for pushing "currency reform" and issuing low interest bearing bonds is to secure an increase in the available cash in the treasury. The Rocky Mountain News points out that while Secretary Gage and the United Association of National Bankers are booming the proposed large issue of low interest bearing bonds, under the specious plea of "reforming the currency," there appears behind the scene, only partially concealed from the careful observer, a far more pressing reason for this fresh appeal to the money power in this country and Europe. The Dingley tariff bill has failed in the chief role assigned it, that of a revenue producer. The treasury officials are now ready to confess that a deficit of several millions—estimated at a figure varying from \$20,000,000 to \$30,000,000—will exist at the end of this year and that the outlook for next year is no better. An issue of bonds in the name of currency reform would, therefore, be deemed good politics. It would cover two things, the failure of the Dingley tariff act from the revenue standpoint, and the movement of the republican party toward the single gold standard, with an incidental, but certain contraction of the currency. With this program the mile square of London is in hearty sympathy, as witness the advance in that city of American securities upon the cabinet report of Secretary Gage's speech in New York Tuesday night.

For the year ending June 30, 1897, the total federal expenditures reached \$265,774,000. This was the result of an economical program, including the deferment of work upon a number of public buildings in course of erection, on the promise that the inauguration of a new tariff would bring plenty of funds. But trade conditions change if tariffs do not, and 1897 is not 1890. Hence the keen disappointment of the republican managers over the failure of this pet specific, which was to open the mills that the opening of the mines might consequently follow.

The pension list for the past fiscal year reached \$147,000,000, and as the appropriation was \$6,000,000 less, this item of deficit must at once be attended to. The internal revenue receipts in the nature of war taxation, no longer keep pace with the pension expenditures. It is the theory that the one should equalize the other. Any backward step on the subject of pensions would be extremely unpopular, more especially in republican states, while a proposed increase in the war schedule of taxes, twenty-two years after the war had closed, would meet with violent opposition in the senate and secure the defeat of dozens of republican congressmen at the next fall election.

The navy wants more money, and with very good reason. The extension of American trade abroad, in spite of the Dingley tariff, has aroused the jealousy of European governments, and Uncle Sam may look for difficulties in any one of a dozen directions, to say nothing at present of Hawaii or Cuba. It is the unexpected that happens. The Sandwich Islands and Cuba have been thoroughly discussed. As an evidence of European sentiment toward the big republic, read the following extract from the address of the Austrian prime minister, delivered last Saturday:

"A turning point has been reached in European development which calls for the unremitting attention of governments. The great problems of material welfare, which become more pressing every year, are no longer matter for the future, but require to be taken in hand instantly. The destructive competition which trans-oceanic countries are carrying on in part at present, and which is in part to be expected in the immediate future, requires prompt and thorough counteracting measures. If the vital interests of the people of Europe are not to be gravely compromised, we must fight shoulder to shoulder against a common danger, and arm ourselves for the struggle with the means at our disposal."

Under present circumstances liberal appropriations to the navy will be popular. Efforts to secure them will revert on the republican congress. It will put an end, for the present, to a "vigorous foreign policy."

Secretary Gage, in response to a widespread pressure, announces himself in favor of the resumption of work on the several public buildings now under way, and the commencement of others which have been ordered by congress. Among the latter may be mentioned: the coinage mint in Denver. There are thirty-three public buildings now partially constructed. To provide for all of them will take millions of dollars, and in rear of this opening wedge stalks the single gold standard, as there never yet was a time when the money power was not

ready and willing to take advantage of the people's necessities, whether genuine or otherwise. Failure to secure funds for a public building in their respective districts would seal the fate next fall of a number of congressmen. The republican party has no congressmen to spare. Hence we may look for an omnibus measure on this land-consuming topic. Were it not for the Union Pacific payments, the federal deficit at the end of this year would reach \$45,000,000, while the outlook for next year is by no means cheerful. With no financial legislation this winter, a bond issue in the spring, on the Cleveland basis, is among the probabilities. Fancy this as a factor in the fall campaign.

LOSSES FROM BANK FAILURES.

Figures From the Last Report of the Comptroller of the Treasury.

It is impossible to tell with accuracy the amount of money lost to the American people every year as the result of bank failures. For national banks the statistics kept by the comptroller of the currency are sufficiently satisfactory. The same official has tried from time to time to compile information relating to insolvent or other banking institutions. Comptroller Eckles gave special attention to the subject in his report for 1896 having made use of the fifty-eight national bank examiners as agencies for collecting material in relation to failed banks of all kinds and the Chicago Record makes an analysis of them after the following fashion. The figures thus collected however, necessarily were not in all cases complete, but they serve to throw much light on the subject.

Comparisons indicate that the institutions under national supervision are much safer places of deposit than are the state and private banks, as is shown by the following table from Comptroller Eckles report, giving failures for the year.

Class	No. in existence Oct. 1, 1896	No. Failures	No. Per cent.
National banks	5,619	37	.77
State banks and trust co's	4,544	29	1.31
Savings banks	761	9	1.18
Private banks	3,262	42	1.18
Totals	12,926	117	1.04

The per centage of failures of national banks, which for the most part are for the exclusive use of the larger depositors is seen to be considerably smaller than for any other class. The per centage of failures is highest for savings and private banks, the class of institutions with which persons of small means are likely to come in contact. These figures, therefore, give direct force to the statement commonly heard that the government does more for the rich than it does for the poor. In a measure it throws the mantle of paternalism over the large deposits of the wealthy and leaves the poor to safeguard their own scanty savings as best they can.

The figures as to per centage of failures however, do not tell the whole story. Since 1863, 330 national banks, or about 6% per cent of all created, have failed. The average per centage of dividends paid to creditors of national banks whose affairs are entirely closed is about 75 per cent. The reports of state banks failed since 1863 so far as information concerning them could be secured by the comptroller, show that 192 such insolvent banks paid dividends to creditors of less than 25 per cent; 203 paid 25 per cent and over, but less than 50 per cent; 184 paid 50 per cent and over, but less than 75 per cent; 128 paid 75 per cent and over, but less than 100 per cent, and 128 banks paid 100 per cent.

While the average dividend payment of insolvent national banks, therefore was 75 per cent, nearly as many insolvent state banks paid less than 50 per cent dividends as paid that amount or over. The dividend payments of insolvent private banking institutions are smaller yet, but the figures cannot be given with accuracy. In many such cases the creditors have received nothing whatever. Not only, therefore are there fewer failures of national banks than of other banking institutions, but the per centage of loss to creditors is smaller in the case of national bank failures than in the case of the absolvency of state or private banks.

Workingmen ought to be provided with some safer place of deposit for their small savings than banks of which more than one in a hundred, on the average is likely to fail every year, especially when the class of banks with which workingmen have dealings are likely to succumb. By establishing postal savings banks the government could provide for all persons of small means an absolutely safe place of deposit, so that hereafter bank failures need not be a source of terror to small depositors. By protecting the weakest and those most likely to suffer loss, congress would be protecting all.

A Good Showing.

The official returns of the Nebraska election for 1897 show that the fusionists had a plurality over the republicans of 13,819 votes and a majority over all of 11,381. The total vote in the state was the lowest in any of our years in Nebraska's history. In 1894 Mr. Bryan's plurality over McKelvey was 13,470. Mr. Bryan's plurality over all other presidential candidates was 9,571. It will be seen, therefore that on a decreased vote the fusionists increased their plurality over 1896 by 349 and increased their majority by 1,810. The decrease in the republican vote was 13 per cent and the decrease in the fusion vote was 19 per cent. The fusion plurality in 1896 was 11 per cent, while in 1897 the fusion plurality was over 14 per cent.—World Herald.

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WAS GIVEN EIGHT YEARS

Ex-Auditor Eugene Moore Receives His Sentence From Judge Cornish.

HIS WIFE PLEADS FOR MERCY

And Moves the Court to Fix the Penalty at Two Years Less Than Intended.

The Fine Fixed at \$46,816.10.

Ex-State Auditor Eugene Moore, who was convicted of embezzling \$23,408.05 of state money, was sentenced by Judge Cornish to serve a term of eight years in the penitentiary at hard labor and pay a fine of double the amount of the embezzlement.

When Mr. Moore first entered the court room to receive his sentence he was calm and resolute. He was accompanied by a deputy sheriff. Shortly after he had taken his place at the long table his wife seated herself by his side. Her affectionate attention moved Mr. Moore to tears, and he sobbed audibly.

A motion for a new trial had been filed the day before. Upon the suggestion of Attorney General Smyth the motion for a new trial was overruled by the court. All that remained was to pass sentence.

Judge Cornish, addressing Mr. Moore's attorneys, said:

"The defendant may take his place before the bar."

Mr. Moore advanced to the bar of the court with unsteady steps and leaned forward upon the desk. The court then asked him what he had to say why sentence should not be passed. Mr. Moore, with a voice trembling with emotion, spoke at some length. He said:

"I desire the court to be as lenient with me as possible. This affair or controversy has caused my heart to almost break and my mental distress has been almost unbearable. I have never before been arraigned before any court upon any charge whatever; this is my first offense against any law, and I have always striven to be an honest citizen and an honest officer. I have done this not only because of my respect for the law, but on account of my love for my wife and my children. I have relied upon those who were supposed to be my friends to assist me in paying to the state whatever money it is claimed I owe. I have entertained hopes that this controversy would never begin, but as it has begun and is now nearing its end, I desire to say that I never took a cent of anyone's money with any other intention than that of returning it whenever desired. Since this trial began, and my accusers have risen against me on all sides, I have endeavored to meet every point they have made against me.

"If I live long enough, and am able to do so, I shall repay to the state every cent which it is alleged I owe. I shall do this regardless of any step which the supreme court may take in the matter. I do not wish to escape the prison to have my name blackened, and I shall, if possible, pay back every farthing that the state says is coming to it. I have already paid to the state \$4,000, and this has been every cent I have been able to raise. I have sacrificed everything to ward off the calamity that now seems to be upon me, but the sacrifice has not been sufficient. I can now only ask the court to be as lenient with me as possible."

Mr. Moore was far from composed during his plea for mercy, but at the close of it he broke down completely and wept like a child. It appeared to those standing near that he must faint, and County Attorney Munger made haste to give him his chair, into which he sank with bowed head, the tears streaming from his eyes and trickling through his fingers. The grief of a man is always heart-rending and there were few eyes in the crowded court room that were not moist with the defendant's sorrow. Mrs. Moore broke into violent sobbing. Mrs. Moore had retained her seat near Judge Barnes, but when she saw the poignant suffering of her husband she hastened to his side and knelt down with her arms about his neck, whispering words of vain hope into his ear. Not a tear glistened in her eye, but the look of anguish upon her face would suffice to move a heart of granite. It was a perfect picture of wifely devotion and the strong men present turned from its contemplation with visible emotion. The officers of the court were affected, too, and for a brief moment it looked as though the wheels of justice would be clogged by sympathy. A chair was secured for the poor woman and she half sat, half knelt by the side of her husband. There was oppressive silence as the court began to speak.

THE COURT'S SENTENCE.

Before passing sentence Judge Cornish addressed Mr. Moore for several minutes. He said in part "I tell you Mr. Moore this is always a hard task for the court to perform and it has been my custom to give some reasons for the sentence I imposed upon those I found guilty. Take the case of almost any man who has committed a crime and there is always much to appeal to one's sympathy. I notice that when a crime is first discovered the people are much incensed at the perpetrator, but as time goes on, anger decreases and sympathy increases. But the court has to sit to administer justice to both accused and accusers. Human nature Mr. Moore, is weak and the steps from the path of rectitude are

easy and this is all the more reason why one should fortify his moral character for all attacks against his post of duty.

"Your offense, it appears to me, is of a particularly aggravated character. I understand that \$2,500 of the amount taken was received by you after the state had ordered that you do not draw against the funds in a certain bank."

"It is a great compliment to a man to be elected to an office; it shows that the people have confidence in him, and he should zealously guard that trust. Corruption is getting so widespread in official positions, both in the city and in the state, that many people are beginning to despair of the perpetuity of the government; they are commencing to believe that the nation is not founded on the right principles. If official corruption continues much longer, cases of the Barrett Scott type will become common; people won't stand it to be robbed and in their desperation they will remove the law from the courts and hang the offenders. I heard a man say the other day that if the stealing by officials did not discontinue he would be compelled to sell his goods and remove to a section where the public officers will not rob the people.

"In this case you enter, practically, a plea of guilty and I have thought that I would give you a very heavy sentence, but no court desires to be thought unmerciful. Some have advised me to give you fifteen years, while some of your friends have thought five years to be sufficient. My own judgment, regardless of the counsel given me by others, is that you should receive ten years."

When the court pronounced the sentence of ten years, Moore gave a convulsive sob. His wife, with face unstained by a single tear but with an expression of anguish that could only accompany a broken heart, half dropped to her knees, tightened her arms about her husband's neck and cried:

"Oh, please, judge, have mercy on him; have mercy on him!" and then her head dropped between her arms upon the shoulder of the man with whom she had lived so many years. There were many wet eyes at this second demonstration of staunch friendship and love, and even the court had to look away to avoid being carried away by feeling. There was silence for fully a minute and then the court said:

"On account of your devoted wife and your loving children, I will reduce the sentence by two years. Therefore the sentence of the court is that you shall be confined in the penitentiary for the term of eight years at hard labor, pay the costs of prosecution and be fined in the sum of \$46,816.10."

After Mr. Moore was led from the court room. He will be compelled to remain in the custody of the sheriff until an appeal can be taken to the supreme court.

A PLAIN STATEMENT

Secretary Porter Replies to Charges that He Illegally Opened Election Returns.

We are in receipt of the following communication from Secretary of State Hon. W. F. Porter. It is so plain that no comment is necessary.

Office of Secretary of State, LINCOLN, Neb., December 1, 1897.

EDITOR OF THE INDEPENDENT:

So much has been said by the republican papers of the state in regard to the election returns having been unlawfully opened by myself, and having been tampered with in this office, thereby endangering the legality of issuing certificates of election to Judge John J. Sullivan, and regents elect, that I deem it proper to make a statement of the facts as they exist in order that the people may be able to understand and judge for themselves as to whether I have been guilty of willful and malicious violation of the law, as is charged by the State Journal, and others.

To begin with I wish to say that the statement that the returns have been tampered with in this office, and the official election returns have been opened by myself, examined and returned to the county clerks to be changed or corrected, is false, except as I shall hereinafter explain.

Before election this office sent to the county clerks of the state two abstracts and two envelopes with the official address of this office, one being endorsed on the said "election returns for the office of judge of supreme court regents of the university for county" and the other to contain a duplicate for our conveniences in tabulating returns, the one with the endorsement to be filed away to be opened by the canvassing board. Quite a number of the counties did so send returns in duplicate, in which case one envelope was opened as stated above, and the one marked "election returns, etc." was filed away to be opened by the canvassing board at their meeting. Many of the clerks however sent their returns in their own envelopes unmarked, and there was no possible way of knowing what the envelopes contained and these were opened as ordinary mail and we only then discovered that they contained abstracts of election. These were put in another envelope and sealed up and laid away with the remainder of the returns, just as has been done in former years and as it has always been the custom of the office. I submit to every fair minded citizen to judge for himself whether there is anything in this that could have been avoided, or anything sufficiently irregular to warrant the charge of illegally tampering with the election returns.

In regard to the charge of having re-

turned election returns to some twenty counties, which was made by Mr. Sizor, secretary of the republican state central committee, the fact is simply this: only three were returned and for the purpose of correcting omissions where the clerk had failed either to sign his name or place the seal of the county on the abstract. No attempt was made nor any request to the county clerks to in any way change the returns from those three counties. They were simply technical errors which were likely to occur and no harm could possibly come by having them corrected.

If the honest voters of the state will but reflect for a moment and consider the fact that the abstract sent to this office is but a copy of the original on file in the office of the county clerks throughout the state and can be inspected by any one and compared with those copies in this office, they will readily see the absurdity of the charge, and that any tampering with the abstracts would have been an act of idiocy, as it could so easily have been detected. Had I been as dishonest as these fakirs have represented me to be I believe that I would have had more horse sense than to undertake to do something that could so easily have been detected and which could not have in any way effected the result of the last election, had I desired so to do. Even if Mr. Sullivan's majority had been so small that it was likely to be contested, and there might have been an object in wishing to change the returns, everyone with ordinary intelligence knows that could not have been done in this office without it being known by a comparison with the original abstracts held by the county clerks.

There are also a number of other charges which have been brought in connection with this by the York Times and some other republican papers of the state, charging that I illegally opened the printing bids for the printing of the house and senate journals and session laws, advertised for last summer. This statement is entirely false and the facts are simply these: The printing board met and received bids as advertised for. Upon opening and examining these bids the board exercised the right that is always reserved by every board in such cases, and rejected all of them and called for new bids to be submitted at a later date, and by so doing saved the taxpayers of the state several hundred dollars and of course deprived these gentlemen who were bidding of that much of a rake off, which of course they not being accustomed to, made them feel somewhat aggrieved.

Individually I care nothing for the criticisms of the State Journal and other republican papers of that ilk, who, having fattened off the taxpayers under the republican administration of the past, find it impossible to believe that there is honesty in the state house and that everything is only done for effect, when it comes to a question of economy, and I only make this statement because I have been charged with willfully and maliciously tampering with election returns and violating the laws of the state. So long as I am being assailed in my official capacity by these papers I feel satisfied that I am performing my duty, and should the time ever come when they speak of my administration of the affairs of this office with commendation I shall very carefully examine the conduct of the office, to see wherein the interests of the people of the state have failed to be protected, as we all know that the State Journal has always defended every steal that has ever been perpetrated within the walls of the capitol building, and is only now howling because it has been pushed away from the public trough and compelled to come in and do work at legitimate prices instead of getting the exorbitant prices they have enjoyed at the hands of past administrations for printing and other work done for the state.

It is apparent to every fair-minded citizen in view of the fact that these same organs have tried to implicate Governor Holcomb in the stealings of Bartley and others, and have been howling about Meserve's straw bond, etc., that they are simply trying to distract the attention of the people from their own infamous records, but they will not succeed, for, as the immortal Lincoln once remarked, they may be able "to fool" all of the people some of the time, and some of the people all of the time, but they cannot fool all of the people all of the time. Very Respectfully,

W. F. PORTER.

Editor Reinert, of the Valentine News, expresses himself as follows:

"We received a state warrant last week for \$54, and about the same time four offers from capitalists who were anxious to purchase same at one-half of one per cent premium, also paying cost of exchange to draw on them through the local bank. Our readers will remember that just prior to the inauguration of a populist administration warrants sold for 90 and 95 cents on the dollar, thus necessitating quite a loss to those having claims against the state. Why should you be a republican, anyhow?"

You will find the date at which your subscription expired marked on this week's issue of your paper. Take notice of it and if you are in arrears you should make a payment at once.

The Lansing theatre building was sold under an order of court to settle the partnership affairs of J. F. Lansing and Henry Oliver, joint owners. The purchaser was William Oliver, brother of Henry, and the price paid was \$15,000, the buyer assuming mortgages amounting to a little over \$55,000. The building was erected in 1890 at a cost of \$175,000.

It is currently reported that Mr. H. M. Bushnell will be appointed postmaster at Lincoln to succeed J. H. Harley.

United States Senator Wellington has sworn out a criminal complaint charging the editor of the Baltimore American with publishing libelous matter.

OWES THE STATE \$5,725

Legislative Investigating Committee Find Ex-Superintendent Mallalieu Short.

CASH RECEIVED FOR BEETS.

The Cash Book is Missing and Mr. Mallalieu Denies the Charges.

Records of the Institution Poorly Kept.

The legislative investigating committee has completed its work at the industrial school for boys at Kearney. A report has been made out by W. N. Silver, clerk of the committee. The shortage shown by the records of the institution is \$5,725.83. In addition to this the committee finds \$9,707.83 of unauthorized expenditures. The cash shortage is in the fund derived from the sale of sugar beets and other farm products grown on the state's farm by the labor of the pupils and sold by Mr. Mallalieu.

The unauthorized expenditures comprise disbursements from receipts of farm products, principally the sale of sugar beets. The committee holds that superintendents of state institutions must turn over to the state treasurer all moneys derived from the sale of farm products. Mr. Mallalieu expended \$9,707 for the benefit of the institution, but the committee pronounces his action unauthorized.

Receipts from the sale of sugar beets were arrived at from an inspection of the books at the Grand Island sugar beet factory. Twenty cars of beets were shipped to the factory by Mr. Mallalieu in 1891. The debts which appear against the total receipts for this shipment leave a balance of \$246.80.

Forty-three cars were shipped in 1892 and \$207.29 is unaccounted for.

Seven cars were sold in 1893. The cash received was \$442.85 and as nothing is reported, the entire amount was marked "unaccounted." In 1894 \$681.20 was the balance not reported as a part of the price of twelve cars of sugar beets. Twenty-eight cars were sold in 1895 and \$1,012.23 is the balance not reported, while in 1896 the amount was \$1,321.58, being derived from the sale of thirty-three cars of sugar beets.

Mr. Mallalieu received and accounted on his books for \$10,306.05. This sum also was derived from the sale of sugar beets and other farm products, including hogs and other live stock. The books show that he expended \$9,707.83 for the benefit of the institution, leaving a balance of \$528.21 unaccounted for.

Mr. Silver says in his report: "I would comment by saying that while the state has provided amply for the maintenance and support of the various state institutions, this one has been one of the favored few that has been provided with a sufficient amount of officers and clerical assistance so that no uncertain system of accounting can be said to have been caused by a lack of clerical help or the failure of proper provisions on the part of the legislature to furnish good and sufficient bookkeepers, stenographers and assistants to the superintendent."

Mr. Mallalieu has served as chairman of the republican state central committee, has been its secretary for several campaigns, and has held many positions of trust in the republican ranks in this state. His shortage is a surprise to his friends as he had been considered one of the most trustworthy members of the party.

MARTIN THORN GUILTY.

Convicted of the Murder of Goldenuppe—Jury Out Three Hours.

New York, Dec. 2.—Martin Thorn was yesterday convicted of murder in the first degree in killing William Goldenuppe, his predecessor in the affections of Mrs. Augusta Naak, at Woodside, L. I., on June 25. At the request of Thorn's counsel, the passage of the death sentence was deferred until next Friday morning.

Thorn heard the juryman polled on their verdict, but his face never changed color during the trying ordeal. With lips firmly compressed and jaws hard set, he faced the judge, jury and courtroom full of spectators will well feigned stoicism.

The jury was out three hours. Thorn's lawyers moved for a new trial on the ground that the verdict was not in accordance with the weight of the evidence, but the motion was overruled.

Just what will become of Mrs. Naak has not been made known by the Queens county authorities, but it is generally thought that the state will accept a plea from her which will not call for capital punishment.

When Martin Thorn had been led back to his cell after the conviction he admitted that the verdict was just, and that he, and not Mrs. Naak, killed Goldenuppe.

Bryan to Lecture in Uchoten.

Gettysburg, Pa., Dec. 2.—William J. Bryan will lecture here the evening of December 4 under the auspices of the Free Silver club.