

MUCH IMPORTANT WORK

State's Interests Will Be
Looked After By Present
Attorney

DEFAULTERS SENT TO PRISON

Money Lost In Banks Recovered
Through Attorney Gen-
eral's Efforts

The office of the attorney general may be truly said to be one of the busy departments of the state government. Upon coming into office January 7, 1897, the first reform attorney general of the state found plenty of important work waiting for him to do. The entire legal business of the state is entrusted to this department. Many do not understand that whenever a criminal case is appealed to the supreme court from any of the ninety counties of the state it becomes the duty of the attorney general to take charge of the case for the state, the county attorney not being required to further prosecute it. At the beginning of the term there was a large number of important criminal cases pending in the court of last resort. Among others was the case of George Morgan, who had been convicted of the murder of Ida Gaskill at Omaha. This case was prepared and submitted to the supreme court, the conviction and sentence affirmed and Morgan was executed.

Another important case was that of Davis, the colored man who had been convicted of wrecking the Rock Island train near the city of Lincoln, the result of which was the loss of a number of lives. The former attorney had refused to prepare a brief on behalf of the state and insisted that the case should be reversed. The brief was prepared by the present attorney general, the conviction affirmed, and Davis is now serving a life sentence with Warden Leiddig.

Still another important case left over from the old administration was the case of Henry Bollen, the defaulting city treasurer of Omaha. The brief was prepared in this case and it was argued to the supreme court, the conviction and sentence affirmed, and Bollen is now serving a term of nineteen years in the penitentiary.

In addition to the above about forty important criminal cases from different counties in the state have been briefed, argued and submitted to the supreme court by the attorney general in the past eighteen months, the great majority of which have been affirmed by that court, and the defendants are now serving time in the penitentiary.

Shortly after the attorney general assumed his duties he went to Washington and called up a motion for a re-argument of the maximum freight rate cases. The motion was granted and the cases again argued in April, 1897. In deciding the cases the court enjoined the roads from reducing their rates below what they were in 1894. This decision, if permitted to stand, would place the matter of ever regulating freight rates beyond the power of the people or the legislature. A motion was filed by the attorney general to eliminate that provision from the decrees. The motion was sustained by the court in May last and the judgment of the court was changed by striking out the objectionable portion. In the future this fact will prove of inestimable value to the people of the state.

Two important suits in the United States circuit court are the injunctions obtained by the stock yards company to prevent the enforcement of the stock yards law, and also the case brought by the insurance companies to prevent the enforcement of insurance law. These cases are conducted by able counsel and have involved a great amount of time and energy for nearly a year.

The attorney general has also acted for the banking board in all cases where it was necessary to have receivers appointed for suspended banks in all parts of the state.

At the last term a judgment of nearly \$7,000 was obtained in the district court of Buffalo county against the bondsmen of the Buffalo County National bank, which had defaulted in turning over that amount of state funds.

A judgment was recently obtained in the district court of Lancaster county against ex-Chief Inspector Hill and his bondsmen for a shortage of nearly \$7,000 in his accounts as inspector.

About a year ago the attorney general discovered that ex-Treasurer Bartley had a sum of money deposited in the Citizens' National bank of Grand Island before the failure of that bank, and believing the fund to be state money an action was brought in that county to compel the receiver of the bank to account to the state for the balance of the fund in his hands. A judgment was entered for the state and about \$1,000 paid into the treasury of the state and all future dividends will be paid to the state.

When the Exchange bank of Atkinson failed there was found to be a deposit in that bank amounting to \$55,000 in the name of ex-Treasurer Bartley. The attorney general claimed the fund as state money and has secured a judgment establishing the claim. About \$10,000 will be realized by the state from the assets of the bank.

The investigating committee appointed by the last legislature found that several of the superintendents of the state institutions were short in their accounts to the state. In the case of the superintendent of the feeble minded institute at Beatrice the attorney general secured a settlement of the same to the state without litigation.

An action was commenced in Douglas county to compel ex-Superintendent Gillespie of the deaf and dumb institute to turn over to his successor about \$2,000 that he retained in his possession and also a long list of

property belonging to the state that he removed from the institution when he left.

A suit has also been brought in Buffalo county upon the bond of John T. Mallalieu, ex-superintendent of the reform school, to recover a shortage of nearly \$5,000 in his accounts as superintendent of that institution.

A suit has been brought against William Ebright and his bondsmen to recover a shortage in his accounts as principal of the institute for the blind at Nebraska City.

Two suits have been commenced in the district court of Harlan county against the bondsmen of two of the banks in that county to recover nearly \$60,000 of deposits due the state. Two suits have also been commenced in Lancaster county against the bondsmen of the Merchants' bank to recover in the neighborhood of \$9,000 state deposits.

An action in replevin was brought in Madison county to recover some property belonging to the state that had been sold by creditors of the contractors of the state building at Norfolk.

When the new officers for the home for the friendless were appointed by the governor under the law of 1897, the old officers serving under the society refused to turn over the property to the state. Four different trials have been had on different phases of this difficulty, and one action in ejectment remains to be tried.

Six habeas corpus cases have been defended in the district and supreme courts, and in each case the prisoner has been denied the writ and held.

The legislature of 1897 placed the control of the telegraph, express and telephone companies under the board of transportation. The companies affected immediately secured injunctions from the district court restraining the board from acting in the matter. These cases were vigorously contested and twice submitted to the district court. The attorney general scored a victory in each case and had the injunctions dissolved.

The attorney general is also defending against the claim of Thomas P. Kennard against the state on an old claim for \$13,521.99.

A large number of mandamus, injunction and other cases of that character have been attended to by the attorney general in the last year and a half, each requiring considerable time and attention and many of which were of great importance to the people of the state.

The cases requiring the greatest attention have been those involving the defaulters of state officers. A suit is being prosecuted in the United States circuit court for the district of Nebraska against the receiver of the Capital National bank of Lincoln to recover \$236,000 lost to the state treasury by the failure of that bank.

The cases against Joseph B. Bartley, ex-state treasurer, and Eugene Moore, ex-auditor, and their bondsmen have occupied the attention of the attorney general in one form or another ever since he has been in office. The details of these cases are now very familiar to the reading public and but a brief mention of each need be made.

Moore was in default when he retired from office over \$27,000, being fees which he had collected as auditor and failed to turn over. The attorney general secured \$2,500 which Moore had on deposit in a Lincoln bank and it was paid into the treasury. Moore also paid \$1,500 on his shortage, leaving a shortage of \$23,000. He was arrested, charged with embezzling the funds of the state by converting this money to his own use. He pleaded guilty to the charge, but insisted it was not state money. He was sentenced to eight years in the penitentiary. He took the case to the supreme court and a republican majority of that court decided it was not state money and that Moore should be discharged. A suit was also brought against his bondsmen for the shortage. The district court sustained the demurrer after the supreme court had decided the criminal case and held that the state could not recover. The case was appealed to the supreme court and was submitted in June. No decision has yet been announced. While two judges of the Lancaster county district court and one judge of the supreme court have held that Moore was guilty and should be punished, two judges of the supreme court had the greater power and were able to turn him loose as having committed no crime.

When Joseph B. Bartley retired as state treasurer he was in default to the state in the sum of \$555,790.66, which he had converted to his own use and embezzled. Of this amount something over \$201,000 was represented by a warrant which he sold through the Omaha National bank and embezzled the proceeds. For this crime he was placed on trial in Douglas county, and after a trial lasting about four weeks was found guilty and sentenced to a term of twenty years in the penitentiary. This case was brought to the supreme court on error and the judgment was affirmed. Afterwards a rehearing was granted in the case. New briefs had to be prepared and the case was again submitted in May. June 7th the judgment and sentence were again affirmed after full argument, and on the 7th day of July at midnight Bartley entered the doors of the penitentiary there to remain for twenty years to expiate the crime committed by him upon the people of the state of Nebraska. Two suits were commenced upon his official bonds, the one on the bond given for the first term being brought in Lancaster county and that of the last term in Douglas county. This case has been tried twice, each trial lasting from four to five weeks, and on the last trial, by one of those unaccountable jury freaks a verdict was found for the defendants. An appeal was taken by the attorney general to the supreme court and the case will be argued and submitted to the court the first sitting in September.

A suit was also brought against the Omaha National bank to recover the \$201,000 represented by the warrant, that bank having negotiated the warrant for Bartley and thereby assisted him to convert the proceeds to his own use and thus to rob the state of that amount. This case will be tried at the next term of the district court.

THE AUDITOR'S OFFICE

Reforms Made Which Are of
Great Advantage to the
Taxpayers

RULINGS WHICH SAVED MONEY

Comparisons Made Between Republican and Reform Administration

The twenty-fourth session of the legislature passed a law which requires any person having a claim against the state to file an itemized statement of his account on a voucher, the form of which is to be provided by the auditor, and have attached thereto a certain oath. This oath states that the articles named have been furnished or the services therein mentioned have been performed. The claimant is required to take this oath before some officer using a seal. The above mentioned act was approved by the governor April 8th, 1895, and took effect thirty days from the date of approval. Auditor Moore had continued paying claims for salaries of officers and clerks up to the time he went out of office without them making oath to their claims as provided in the law.

When the present reform administration took charge of affairs the auditor immediately refused to pay any claims without the claimant taking the required oath. An assistant clerk of the state banking board brought suit in the supreme court to compel the auditor by a writ of mandamus to issue a warrant for his salary without his first taking the required oath—the writ was denied, the supreme court thus sustaining the auditor in his action.

The late reform legislature passed a law which went into effect April 12, 1897, regulating the fees of officers for caring for state prisoners and delivering them to the penitentiary, allowing the auditor to pay the following fees as the law now stands: Seventy-five cents per day for boarding the prisoner from date of sentence to date of delivery; three dollars per day for time employed; and actual traveling expenses. The following comparative table will show the effect of this law:

A yearly saving to taxpayers on this one item of \$33.58 per day or \$10,312.00 per year.

Section 29, chapter 28, of the compiled statutes of 1897, reads in part as follows:

"Each county treasurer shall receive for his services the following fees: On all moneys collected by him for each fiscal year, \$3,000, ten per cent; for all sums over three thousand dollars and under five thousand dollars, two per cent, etc." on all sums over five thousand dollars two per cent," etc.

The republican officials had always construed the law to mean ON ALL MONEYS COLLECTED FOR THE STATE. In that way the county treasurer was paid ten per cent on the first three thousand dollars collected for the county and also ten per cent on the first three thousand dollars collected for the state. The present auditor could not understand the law this way, and supported by the opinion of Attorney General Smythe, he construed the law to mean that for the purpose of figuring the fees of a county treasurer, all moneys collected by him to which he is entitled to fees should be taken as a basis for figuring the per centage, and the whole fees calculated and the state pay such a part of the whole fees as the state's collection are a part of the whole collection.

County Treasurer, John A. Pierson, brought suit in the state supreme court to compel the auditor by writ of mandamus to pay him his fees as computed under the old construction of the law. The writ was denied. Opinion filed April 8, 1898, the auditor being sustained in his construction of the law by the supreme court. While the auditor does not claim that county treasurers have received more pay than they have earned, he does claim that the law should be enforced as it is. The following comparative statement will show in a measure the saving to the tax payers of the state:

Cost to tax payers for collecting taxes in 1893. \$30,834.96
Cost to tax payers for collecting taxes in 1895. \$47,918.18
Cost to tax payers for collecting taxes in 1897. \$16,376.11
Average saving to tax payers of \$12,500 per year, though the real saving to the taxpayers will be as nearly as can be calculated \$71.36 per day or \$25,900.00 per year.

The appropriation to pay the salaries and running expenses of the auditor's office for the years 1895 and 1896 were \$24,000.00. The amount earned by the office and turned into the state treasury was \$9,000.00, leaving the tax payers to pay \$15,000.00. The appropriations for the same purpose for the years 1897 and 1898 were \$25,000.00. The amount earned by the office and turned into the state treasury up to May 21, 1898, is \$33,303.44. Estimated receipts for balance of 1898, which are

paid direct to the state treasurer, \$2,400.00, making the total earnings of the office for 1897 and 1898, all of which is paid into the state treasury, \$37,703.44. The office being a net profit to the tax payers of \$12,705.44, and a saving to the tax payers over 1895 and 1896 of \$28,505.44.

The rule adopted by the present auditor for the payment of salaries is as follows: Monthly salaries are paid any time after the 25th of the month. Quarterly salaries are paid any time after the 20th of the last month of the quarter. This policy was adopted to enable the office to pay all claims by the 20th of the following month. We find by careful computation that this policy has saved the state in interest in the payment of salaries in the executive and judicial offices, as compared with the policy used in 1892 and followed until 1897, of \$2,640.77 per year, making the direct saving for the two years, 1897 and 1898, over the years 1895 and 1896, as follows:

From sheriff's and other fees. \$21,024.00
From collecting state taxes. \$44,800.00
From office fees. \$28,505.44
From refusing to pay salaries in advance. \$5,281.54

\$99,610.98

Total savings to tax payers of \$99,610.98 or \$159.12 per day.

The total amount of officers' fees collected and paid into the state treasury by the reform state officers for the first seventeen months of the present administration, the year 1897 and to and including May 31st, 1898, \$66,113.79.

Paid in by republican administration 1893 and 1894, \$35,198.20.

Paid in by republican administration 1895 and 1896, \$13,218.12.

Making a saving to the taxpayers as compared with the years 1893-4-5-6 of \$2,886.38 per month or \$34,566.56 per year. This change is brought about by two principal causes; first, all fees charged and collected have been turned into the state treasury; and second, by legislation a reform legislature increasing the fees for filing articles of incorporation.

In the insurance department Auditor Cornell promptly made a ruling that country school houses and country churches could be insured in the farm mutual companies. This privilege was much desired and is very much appreciated by the country people, but republican auditors never saw fit to grant them this right. The rule had always been to let insurance companies and agents become indebted to the state. In this way the state lost nearly \$1,000 in bad accounts in 1895-96, the last two years under republican rule. Auditor Cornell promptly ordered that everybody shall pay the state cash in advance. So now the state has no uncollectable accounts and will never lose a dollar of insurance money while Mr. Cornell is auditor. The populist auditor always pays insurance fees into the state treasury. February 17 two republican supreme judges decided in the celebrated ex-Auditor Moore case that it was no crime for an auditor to keep these fees. At the time Mr. Cornell had several thousand dollars insurance money on hand that was but recently paid in. He paid it into the state treasury at once. He did not want money he did not fairly earn. He did not want money that came to him by such a queer, technical, unheard-of ruling as that. Since this monstrous decision by these two republican judges, Mr. Cornell has received nearly \$15,000 from insurance companies, all of which he might have kept absolutely, but he returned every dollar to the senders and asked them to remit all moneys directly to the state treasurer.

FAITHFUL TO DUTY
Present State Superintendent's Hard Work For the Schools
The office of state superintendent has not been behind any of the other offices in its management and efficiency. Promptness in attending to whatever work belongs to the office is a characteristic feature. To no other office in the state house do so many letters come. No less than ninety per cent of these ask for the interpretation of some section of school law or require a decision on some point for which the law does not make provision. This necessarily entails a vast amount of work during the year. Of the great number of decisions thus rendered there is as yet no complaint heard from any one.

Besides the large amount of correspondence the office sends out a great many thousand circulars to the thousands of school officers and teachers throughout the state. All the records and documents used by school officers and teachers are prepared under the supervision of the superintendent and the amount of these supplies sent out in a year weighs many tons.

Every session of the legislature has appropriated many thousands of dollars to be spent under the direction of the head of the department in furnishing the supplies above mentioned. Much depends upon the management of his money and letting out the printing of the supplies. While it is greatly to the credit of the office that no defalcations have been discovered under former administrations yet the present administration has made a saving to the people as compared with former ones. For the first eighteen months of the two years beginning with 1893 the amount of money expended by the office for supplies was \$7,002.40. For the same period for the biennium beginning with 1895 the cost of supplies was \$7,618. For the same period of the present biennium the supplies have cost \$3,441. This is a saving of \$1,081 as compared with the biennium mentioned and \$2,507 as compared with the second one.

The dispatch with which the office did its part of the work in distributing the state appropriation is most commendable.

Under former administrations applicants for state certificates were given the privilege of submitting their branches (as those named in the statutes for examination. The present administration has required applicants to pass on the subjects required by law and allows no substituting. This makes it just to all.

AN EXCELLENT RECORD

Eighteen Months of Reform in
Land Commissioner's Office Work Wonders

SCHOOLS RECEIVE THE BENEFIT

Collections More Than Double What They Were Under Former Administrations

School Lands Leased

The people of the state are probably more directly interested in the office of commissioner of public lands and buildings than in any other department of the state government, because upon its management depends to a great extent the public school system of the state for financial support. If the school lands of the state are leased and the rentals promptly collected it means thousands of dollars in the school funds of the state every year. Under former administrations these school lands were handled in a very loose manner, hardly any effort being made to lease them or to collect the rents after the leases were made. This resulted in a direct loss of thousands of dollars to the people.

For the past eighteen months this important department of the state government has been conducted upon a reform basis and the result is surprising to even those who expected to hear good things about the present administration.

Every school district in the state is aware of the increased semi-annual apportionment of school money, but all do not know that this increase is due to Commissioner Wolfe's work in collecting delinquent interest upon school land leases and contracts, and the large amount of school lands that he has put under lease, as the following figures will show:

The total of the first three semi-annual apportionments in 1895 and 1896 was \$733,743.59. The total of the first three apportionments in 1897 and 1898 was \$1,170,287.91, a total gain in eight months by the reform administration to the school children of the state of the magnificent sum of \$434,544.32, and of this sum \$355,971.95 comes directly from the new plan of handling the school lands by Mr. Wolfe.

A great portion of the old leases were delinquent on an average of six years or more, and these have either been collected or cancelled and the lands re-leased.

A comparison between the first eighteen months of the last republican administration and the first eighteen months of the present reform administration will clearly show that the schools of the state have received large benefits from the reforms introduced by the present commissioner. Here are the figures:

	Excess in favor of reform administration.
First half 1895. \$124,210.94	
First half 1897. \$195,196.19	\$ 70,985.25
Second half 1895. \$ 82,954.38	
Second half 1897. 218,127.09	\$135,172.71
First half 1896. \$105,908.19	
First half 1898. 255,721.28	\$149,813.09

The first year and a half Mr. Wolfe collected \$609,044.56, while for a similar period his republican predecessor collected only \$313,973.31, a difference of \$295,071.25 in favor of reform.

From 1890 to 1896, inclusive, under republican commissioners, these lands yielded only an average of \$139,423.19 for each semi-annual apportionment. During the first eighteen months of Mr. Wolfe's administration these lands yielded \$609,044.56, or an average of \$333,044.83 for each semi-annual apportionment; the same being an average of \$83,591.66 each six months of the new administration more than the average per six months during all of the preceding seven years under republican misrule.

SCHOOL LANDS LEASED.

During the entire two years of the last republican administration of the office the total amount of school lands leased were 111,123 acres, while in the first eighteen months of Mr. Wolfe's term he leased 412,345 acres, or nearly four times the amount leased by his predecessor in two years. And upon the lands leased he collected for the state as bonus above the regular lease rental \$10,200.00, this he secured as a result of personally attending the auctions held for leasing. These lands were leased on large payments of rental as well, the average being close to five months.

But notwithstanding the greater amount of work done and the miles necessarily traveled and the expenses necessarily incurred, and the postage used, the following figures will show where reform comes in in these respects.

Mr. Wolfe attended in person and held auctions for leasing the school land in sixty-three counties, and with all of the consequent expense of travel and hotel bills he has saved, during his term, for traveling expenses only \$217.83.

His predecessor held no auctions for leasing school land and did no more traveling for the state than has Mr. Wolfe on like business and yet he drew for traveling expenses \$427.95. The former Commissioner's records show that he wrote only 6,000 letters during his two years and drew \$2,353 for postage, \$500 of which was drawn after October 25, 1896, or during the last seventy-two days he was in office.

yet he turned over to his successor only \$32 in postage. This would leave him to account for \$470 for postage drawn during the last seventy-two days he was in office, or would be an average of \$6.53 per day for this time, or 325 letters per day. The records do not show any such amount of letters to have been sent, nor, in fact, do they show any such number of letters to the whole of these last seventy-two days.

Mr. Wolfe has written during his eighteen months over 13,000 letters, as shown by the press book, not counting circulars and ordinary letters, not copied, and has drawn \$50 for postage, \$150 of which has been for 10-cent register stamps for serving notices of delinquency. These stamps were not purchased by his predecessor, as he did none of this business, but had it all done by the county treasurers, who paid the postage.

LEASING ON SMALL PAYMENTS.
Of the 111,000 acres reported to have been leased by the last Republican Commissioner, 54,530 acres were leased on an average payment of only nineteen and one-half days and no further payments have ever been made on this 54,530 acres. This, in a great degree, holds good of the last six years of Republican misrule. In fact, it seems from the records that our school lands, before the reform administration, have been regarded as legitimate subjects of illegitimate barter, instead of being regarded, as they really are, as the most sacred trust ever committed to a public officer. The reform Commissioner, as well as the party he represents, has reason to be proud of the record he has made, and every honest citizen of Nebraska will say, "well done, good and faithful servant."

BUILD UP THE BANKS

Policy of the Banking Department Aims to That End

The department of banking under the reform administration makes showing that is most gratifying. This department for the first time in its history is presided over by a practical banker, the former secretary having no practical experience as a banker, while the present secretary brought to the office an experience of many years as a successful banker and an executive ability that has won for the department encomiums from even partisan foes. It has been the policy of the present secretary to build up the banks of the state, that they may be worthy of the trust of the people, and to this end has the secretary and his able corps of examiners labored unceasingly.

There are but two salaried officers connected with this department—the secretary and chief clerk, whose salaries are fixed by statute, and are the same as under former administrations.

An examination of the cost of this department to the state reveals what it means to have experience and economy as elements in its management. The following comparison of the three similar periods since the establishment of the department speaks for itself:

EXPENSE OF CONDUCTING THE DEPARTMENT.

April 1, 1893, to April 1, 1894.	\$1,121.14
April 1, 1895, to April 1, 1896.	1,064.65
April 1, 1897, to April 1, 1898.	520.24

In addition to the above saving to the people, the secretary has paid into the state treasury the sum of \$101.25 received as fees, which is an innovation in the record of the department. These fees were retained by former officers as "perquisites."

An extended comparison of the three biennials shows from the above that the average cost to the state of conducting this department under the former administration for the two similar periods was \$1,092.89. Under the present administration deducting the amount paid into the state treasury \$101.25 as received from fees from an amount expended \$220.24 leaves the net sum of \$418.59 as the actual cost of running the department under the present administration, or a saving to the state of \$672.90—nearly 60 per cent for the biennial.

THOROUGHLY EQUIPPED

Adjutant General Improves the National Guard

Under the present efficient adjutant general the military department has been greatly improved. One of the first steps taken by the present adjutant general was to thoroughly equip the national guard for active field service by providing them with tents, haversacks and the accoutrements necessary for an efficient soldiery. It has always been the custom since the organization of the national guard to hold an encampment each year for the purpose of giving the guardsmen instructions in the art of war. Under former administrations these encampments were mere shows, but when the present adjutant general came into office a radical change was made. Instead of a show, the annual encampments have been made schools of instruction, and as a result of this policy the guard became an efficient military force.

For the past few weeks the importance of the adjutant general's office has been greatly increased, as it has been called upon to place in the field at the call of the president, three regiments of infantry. This has made the work of the office more than double, but it has been accomplished without an increase in the office force and without incurring a deficiency.

That the work of the department has been conducted economically can be seen by the following comparison: In 1887 the legislature appropriated \$70,000 for the support of the guard. Two brigade encampments were held and the appropriation exhausted. The present adjutant general has placed at his command \$50,000 for the support of the guard the first two years of his term. Out of this he held two encampments and had left of the appropriation \$1800.80. This is a great reduction in expenses and is a creditable record for the reform Adjutant General.