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DAWES' GREAT SCHEME

Wild Cat Banking Based on the Plan of John Laws Dissected by an Old Banker.

The recent report of the comptroller of the currency outlining the scheme of banking which the national bankers have so long tried to get enacted, has attracted a good deal of attention. Of course all the mule head editors have given it their unqualified endorsement. Dr. Hall, the state banking commissioner, who is an old banker with twenty years' experience, was asked what he thought about it. He said:

"What do I think of Comptroller Dawes' recommendations looking to increased privileges to national banks? I think that he proposes that national banks shall not only take all the privileges they can get but get all the privileges they can take. They appear to be in the saddle now and will ride fast and furious for all the special privileges in sight. It appears from the newspaper report of the comptroller that the banks are asking for the privilege of issuing, to the par value of bonds deposited, for a reduction in the tax on issues, and for the privilege of issuing credit currency and for the establishment of a division of the United States treasury to be known as a division of issue and redemption.

"One thing, I notice has been committed and that the privilege to establish branch banks. The last named is the one thing more than any other desired by the national banks for it would enable the national banks to practically destroy the independent state banking system. With all the other special privileges asked for, granted, such a result seems possible. Doubtless an innocent looking amendment at the proper time will give this privilege too. This is probably being kept in the back ground purposely for the national banks do not desire to arouse the antagonism of the more than 8,000 state and private banks in this country for they would be a power to be dreaded. It is readily recalled by these people that it was the state banks that enabled Jackson to overthrow the old United States bank, and it was the branch bank privilege accorded to the United States bank that aroused the antagonism of the state banks at that time.

"It would be amusing were it not so serious to note with what utter complacency the Honorable Comptroller speaks of provisions for an emergency currency. When a state bank issued that kind of currency it was called 'Wild Cat.' If the state banks even proposed such a thing now, I have no doubt the comptroller would have an aggravated attack of hysteria.

"It will be remembered that while Mr. Carlisle was secretary of the treasury a bill was introduced along somewhat the same lines as indicated by Mr. Dawes, providing much the same privileges for the national banks and Mr. Carlisle was elated with it and gave it his hearty endorsement. It was known as the Baltimore currency plan. A bill on similar lines but with much stronger safeguards thrown around the currency issued, was drawn up giving state banks similar privileges, and Mr. Carlisle suddenly discovered that the whole scheme was vicious. The bill extending the privileges to the national banks was killed at once and the bill drawn in the interests of the state banks, I believe, was never introduced. Its mission had been accomplished.

"Really the assurance of the national bankers is worthy of admiration. They shiver at the thought of a fifty-cent silver dollar, but blandly smile at the promise of a fifty-cent national bank note. When an enlarged use of silver is advocated, there is money enough to do the business of the country but when an increase of the national bank circulation is mentioned, the necessities of the quantitative theory of money as a sound principle of finance they ridicule it as an exploded fallacy, but the moment you intimate that business would be benefited by an increase in the national bank currency they are delighted to admit the necessity for it. If you suggest that the people are satisfied with the greenback, you are charged with being unsound on the money question, but if you suggest that a national bank note guaranteed by the government is the best money on earth you are at once congratulated upon the soundness of your financial views. If an ordinary citizen objects to the present war taxes he is admonished that he must be patriotic and stand by the administration, but a national banker can boldly ask for a reduction of his taxes as is done by the comptroller in his recommendations, and be a patriot still. Truly the moral, financial and economic gymnastics of the national banker is something wonderful to behold.

"The recommendations of the Comptroller if enacted into law promise this country a 'Wild Cat' banking system as little entitled to confidence as the schemes of John Laws of land bank fame.

"The whole plan is born of selfish greed with a purpose to create in the country a bank monopoly. I have always supposed that bank supervision was instituted to protect the money of the people placed in the keeping of the banks. Three or four billions of deposits held by the national banks would seem an interest of great magnitude, but it appears to have been forgotten by the Comptroller. However when these banks can issue currency ad libitum they will not need deposits."

What basis is there for the bragging that republican editors have done during the last two weeks about the fine condition of the national finances? There is absolutely none at all. During the first two months of the new fiscal year our government has expended \$102,965,000.33,

of which \$21,086,469.81 has gone for the support of the civil and miscellaneous establishment, and all the rest for military expenses of one kind or another. The army got \$34,202,989.06; the navy, and interest on the war debt, \$9,153,845.38; a total of the military side of the ledger of \$79,153,835.64, or at the rate of \$474,959,073.84 a year for war-like outgoes, while the total cost of the civil establishment was at the annual rate of \$126,398,938.86.

Is that a condition of affairs to brag about? It will continue to grow worse as long as the war in the Philippines lasts.

There are five or six editors of fusion papers in this state whose writing, in point of English and sound, sensible argument, would do credit to any daily or magazine in the land. There seems to be several others who make no attempt to do any original writing at all. They are either too lazy to try or they don't know how. Every weekly populist paper should have at least one or two original articles of general interest in each issue. Of course the local news is what a country paper must always have, but when a paper contains nothing else in its home print, it falls far short of fulfilling its mission.

The Boston gold bug anti-imperialists held a meeting in Boston last Saturday and almost unanimously declared that they would vote for McKinley. That is just what the Independent said a long time ago that they would do. There is nothing to hope for from that Boston anti-imperialist league. The men who run it have no sympathy with the great mass of the common people of this country. They will talk about all men being born equal and then vote for a policy that closes the door of opportunity to nine-tenths of them so that the other tenth can become millionaires and be the industrial and political lords of the earth.

Deserves Honor

The Nebraska Independent was sent to my address during the past heated campaign just ended, and I must say it deserves much of the honors of the past great victory in Nebraska.

I find the Independent to be one of the best educators on the science of political economy in the country. It would be to the interest of every farmer and laborer in the country to support it, even if it is denounced by imperialists, money trusts, oil trusts, iron trusts, and in fact all the "steal" trusts in our country, for while we have subdued one of our cowardly enemies, namely Spain, we still have one of our greatest enemies yet to conquer namely trusts.

I dare say that if some foreign power could land an army on our shores and levy one-half the tax upon our people that the trusts are grinding out of the farmers today, no human power could check the tide of indignation which would overwhelm them.

In reference to imperialism, the republicans say: "stand by the flag boys." But let us be careful and put the flag in the hands of men who will stand by the principles taught in the declaration of independence and the constitution of our country, then we will stand by the flag first, last and all the time. But we cannot tolerate the idea of having the fair pages of American history blotted by the raising of our glorious flag to cover polygamy, slavery, wars of conquest, aggression, subjugation and extermination, for that has no place in the true policy of our government. To prevent these evils, let me suggest that we place the grandest statesman on earth, W. J. Bryan, at the head of our government, Dewey and Schley behind the 13-inch guns, the First Nebraska volunteers behind the rifles, the reform press behind our political campaigns, and the intelligent farmers and laborers behind the ballot. Then all people will have confidence that the flag will never be carried into fields where true Americans safely follow.

L. OLSON.

Senator Hayward Dead.

Nebraska City, Neb., Dec. 5.—Senator M. L. Hayward died this morning at 6:30. He had been unconscious nearly twenty-four hours and suffered no pain.

With the exception of Dr. Edward Hayward, who as a military surgeon is in the Philippines, all the members of the family were at his bedside. With them in the all-night vigil were a number of his closest friends in this city.

The senator was taken ill on November 9, while on his way from his office to his home, which he reached without assistance. He took to his bed at once and has not since been able to leave it. The physicians pronounced the disease progressive paralysis, and since that time, while at intervals he has seemed to rally and be somewhat better, he has gradually grown weaker physically until the end came.

As soon as the news arrived the flags over all county, city and state buildings were placed at half mast.

Governor Poynter issued a proclamation containing a tribute to Senator Hayward and sent the following message of condolence to Mrs. Hayward:

Lincoln, Dec. 3.—Mrs. Hayward, Nebraska City: Accept my sincere sympathy in this sad hour of your bereavement. The people of our state mourn with you for the loss of your foremost husband and one of our distinguished citizens. Freely command me for any service I may be able to render you at this time. W. A. POTTEN, Governor.

FIXING THE GOLD STANDARD

The Text of the Bill that Wall Street will endeavor to put through Congress this session.

Washington, D. C., Nov. 28.—The financial bill prepared by the republican committee, which met at Atlantic City last spring, was today made public by the committee. Its text follows: A bill to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, and for other purposes:

Be it enacted by the senate and house of representatives of the United States of America in congress assembled: That the standard unit of value shall, as now, be the dollar, and shall consist of twenty-five and eight-tenths grains of gold, nine-tenths fine, or 23.22,00 grains of pure gold, being the one tenth part of the eagle.

Section 2.—That all interest bearing obligations of the United States for the payment of money, now existing or hereafter to be entered into, and all United States notes and treasury notes issued under the law of July 14, 1890, shall be deemed and held to be payable in the gold coin of the United States as defined in section 1 of this act, and all other obligations, public and private, for the payment of money shall be performed in conformity with the standard established in said section. Nothing herein contained shall be construed or held to affect the present legal tender quality of the silver dollar, or of the subsidiary or minor coins, or of the paper currency of the United States, or the laws making national bank notes acceptable and payable for certain public debts and dues and obligations between national banks.

Sec. 3.—That there be established in the treasury department, as a part of the office of treasurer of the United States, a division, to be designated and known as the division of issue and redemption, to which shall be assigned, under such regulations as the secretary of the treasury may approve, all records and accounts relating to the issue, redemption and exchange as herein provided, of the several kinds of United States money. There shall be transferred from the general fund in the treasury, of the United States and taken up on the books of the said division as a redemption fund against outstanding gold certificates, the amount of United States notes held against outstanding currency certificates, the amount of silver dollar held against outstanding silver certificates, the amount of silver dollars and silver bullion held against outstanding treasury notes issued under the act of July 14, 1890, and an amount of gold coin and bullion to constitute a reserve fund equal to 25 per cent of the amount both of United States notes and treasury notes issued under the act of July 14, 1890, outstanding. The gold and silver coins and bullion transferred from the general fund in the treasury as herein provided, shall be increased or diminished as the case may be, in accordance with the provisions of this act, and in no other way.

ISSUE BONDS ANY TIME.

Sec. 4.—That it shall be the duty of the secretary of the treasury to maintain the gold reserve fund taken up on the books of the division of issue and redemption, as herein provided, and for this purpose he may from time to time transfer to such fund any moneys in the treasury not otherwise appropriated, or may exchange any of the funds in the division of issue and redemption for other funds which may be in the general fund of the treasury, and in addition thereto he is authorized to issue, and sell, whenever in his judgment it is necessary to the maintenance of said reserve fund, bonds of the United States, bearing interest at a rate not exceeding 3 per centum per annum, payable in gold coin at the end of twenty years, but redeemable in gold coin at the end of one year. But no transfer shall at any time be made from the general fund of the treasury to the issue which will reduce the general fund below \$50,000,000. That all United States notes and treasury notes issued under the act of July 14, 1890, presented for redemption, shall be redeemed in gold coin at the will of the holder, and all silver certificates presented for redemption shall be redeemed in accordance with existing laws.

ENDLESS CHAIN CONTINUED.

The secretary of the treasury is required to issue said reserve fund in maintaining at all times the parity and value of every dollar issued or coined by the government, and if at any time the secretary of the treasury deems it necessary, in order to maintain the parity and equal value of all the money of the United States, he may at his discretion exchange gold coin for any other money issued or coined by the United States. The notes and certificates so redeemed or exchanged, shall be held to constitute a part of said fund and shall not be withdrawn therefrom, nor disbursed, except in exchange for an equivalent amount of coin in which said coin or certificates were redeemed or exchanged, except as hereinbefore in this section provided. Nothing in this act shall be construed as repealing that provision of the act approved July 14, 1890, which provides that "no greater or less amount of such notes shall be outstanding at any time, than the cost of the silver bullion and the standard silver dollars coined therefrom then held in the treasury, purchased by such notes."

Sec. 5.—That the secretary of the treasury is hereby authorized to use at his discretion, any silver bullion in the treasury of the United States purchased under the act of July 14, 1890, for coinage into such denominations of subsidiary silver coin as may be necessary to meet the public requirements for such coin, and any gain or seigniorage arising from this coinage shall be accounted for and paid into the treasury. Whenever any silver bullion, purchased under the act of July 14, 1890, shall be used in the

coinage of subsidiary silver coin, an amount of treasury notes issued under said act equal to the cost of the bullion contained in such coin shall be cancelled and not reissued.

Section 6 provides for the recoinage of worn or mutilated silver coins.

Section 7 provides for the denomination of treasury notes and silver certificates.

Section 8.—Section 5,150 of the Revised statutes of the United States be and the same is amended so as read as follows:

HELPS OUT THE BANKS.

Sec. 5,150—Every association, after having complied with the provisions of this title, preliminary to the commencement of the banking business and after it shall be authorized to commence banking business under this title, shall transfer and deliver to the treasurer of the United States as security for its circulating notes any United States registered bonds, bearing interest, to an amount where the capital is \$150,000 or less, not less than one-fourth of the capital, and \$50,000 where the capital is in excess of \$150,000. Such bonds shall be received by the treasurer on deposit and shall be by him safely kept in his office until they shall be otherwise disposed of, in pursuance of the provisions of this title, and such of those banking associations having on deposit bonds in excess of that amount are authorized to reduce their circulation by the deposit of lawful money, as provided by law:

Provided, That the amount of such circulating notes issued to any national banking association having on deposit United States bonds to secure circulation at the passage of this act, or which may thereafter deposit such bonds to secure circulation, shall not exceed in any case the par value of the bonds deposited as herein provided.

Sec. 9.—That every national banking association shall pay to the treasurer of the United States in addition to the taxes imposed by an act approved July 13, 1898, entitled, "An act to provide ways and means to meet war expenditures and for other purposes," each half a year, in the months of January and July, on or before the thirtieth day thereof, a tax of 1 1/2 per cent on the value of its franchise as measured by the aggregate amount of capital, surplus and undivided profits, upon the last day of the calendar month next preceding.

Sections 5214, 5215, 5216 and 5217 of the revised statutes of the United States are hereby repealed. But nothing in this section contained shall be so construed as in any manner to release any national banking association from any liability from taxes or penalties incurred prior to the passage of this act. In order to enable the treasurer to assess the taxes imposed by the provisions of this section, each association shall within ten days from the first days of January and July of each year, make a return, under the oath of its president or cashier, to the treasurer of the United States, in such form as the treasurer may prescribe, of the amounts of the capital, surplus, and undivided profits on the last day of the calendar month next preceding. Every association which fails to make such return shall be liable to a penalty of \$200, to be collected either out of the interest as it may become due such association on bonds deposited with the treasurer, or at his option, in the manner in which the penalties are to be collected of other corporations under the laws of the United States. Whenever any association fails to make the return herein required the taxes to be paid by such association shall be assessed on such amount of capital, surplus and undivided profits of such association.

Whenever an association fails to pay the taxes imposed by this section the sums due may be collected in the manner provided for the collection of United States taxes from other corporations or the treasurer may reserve the amount out of the interest, as it may become due on the bonds deposited by him with such defaulting association.

Sec. 10.—That section 5138 of the revised statutes is hereby amended so as to read as follows:

Sec. 5138.—No association shall be organized with a less capital than \$100,000, except that banks with a capital of not less than \$50,000 may, with the approval of the secretary of the treasury, be organized in any place, the population of which does not exceed 6,000 inhabitants, and except that banks with a capital of not less than \$25,000 may, with the sanction of the secretary of the treasury, be organized in any place, the population of which does not exceed 2,000 inhabitants. No association shall be organized in a city, the population of which exceeds 50,000 persons, with a capital of less than \$200,000.

The report on the bill has been prepared by Representative Overstreet, of Indianapolis, who introduced the original bill of the monetary commission in 1898, and has been distributed to each republican member of the house. Mr. Overstreet frankly admits that the committee "did not consider the general subject of banking, nor did it seek to arrange a complete scheme of finance, but confined its recommendations to those subjects of most pressing demand, as evidenced by the pledges of the republican party and the general policy of the administration."

TRUCKLE TO OTHER NATIONS.

Mr. Overstreet quotes the pledge of the republican national convention of 1896, that all "our silver and paper currency must be maintained at a parity with gold, and we favor all measures designed to maintain inviolable the obligations of the United States and all our money, whether coin or paper, at the present standard, the standard of the most enlightened nations of the earth."

The repeated declarations of President McKinley are quoted, including his famous speech in New York at the beginning of 1898, in which he declared that the people's purpose in favor of sound money, must be given the "vitality of public law."

The declaration in the republican platform and the subsequent effort of President McKinley relative to an in-

ternational agreement, it is declared, were made in good faith, but the attitude of the leading nations and the constant fluctuations in the value of silver bullion render such an agreement practically impossible.

Explains a Mystery

Editor Independent:—I saw the following item in your paper:

"The Post says: 'The latest bulletin from Nebraska City is to the effect that J. Sterling Morton and Chaplain Mailley went down into the Missouri river and took a much needed bath. The surface of the waters of the 'Big Muddy' was not much disturbed, however.' It is commendable in the writer of the above that he tried to temper the wind to the shorn lamb, but that does not excuse the inaccuracy of the report. If the Post was going to tell the story at all he should have told all of it, and recorded the fact that the snail of them killed all the fish in the river for ten miles both ways, up and down."

Now, that clears up a mystery. I couldn't account for the dead fish lying along the edge of the river fronting my farm, or the horrible smell that they emitted. Do you suppose that that twain washed all the filth out of them, or are they likely to pollute the whole state in the next campaign? J. H. T.

"ME UND GOTT"

A Jewish Rabbi Points Out how McKinley Follows the Example of the German Emperor.

Rabbi Charles Fleischer, formerly of Denver and now of Boston, is one of the learned men of this country and one of the most prominent men in the Hebrew Church. The other day he took up McKinley's Thanksgiving proclamation and discussed it after the following fashion:

"The bumptious 'me und Gott' attitude of the emperor of Germany is paralleled in passages of this proclamation, relating what God and our present administration have accomplished in a twelve-month.

"Our presidents bids us remember the material causes for thanksgiving in the growth of prosperity and the spread of our power. On that basis, the next financial panic or a defeat at the hands of other people might at some future time deprive us of reason for thanksgiving. It will not do to cheapen and materialize our gratitude in this wise, and, like Jacob of old, bargain with God and make our thankfulness dependent upon our welfare.

"It is reassuring to be officially told that, as a result of the efforts of God and the administration, 'there has been a steady gain in the moral and educational growth of our national character.' A mere moralist might not have noted this, but a politician could not fail to see the increased interest of the people in politics.

"I take it that just this is meant by the 'moral and educational growth of our national character.' Surely no religionist, whether Jewish or Christian or unaffiliated, would claim that the increase of the war spirit, the rousing of the slumbering beast in man, the sacrifices of our real national character as a peace-loving and righteousness pursuing people on the altar of international greed and grab, the compromising with our ancient (and, apparently, antiquated) fundamental democratic principles for the sake of taking our place as a people on the lower plane of unprincipled imperial thought and practice—surely no religionist would contend that such facts indicate a gain in the moral growth of our national character."

"But the first president of our imperial democracy probably judges by different standards. He in whose eyes two years ago forcible annexation would be criminal aggression, and, today, such aggression and subjugation are only part of the process of 'benevolent assimilation,' must not be judged by those whose code of morality is still adjusted to a single, rather than to a double standard, to whom right is still right and wrong still wrong, whether an American or a Filipino, a Briton or a Boer.

"Our president may suggest, as he does in his proclamation, that we offer 'prayers to the Most High for a continuance of the divine guidance,' but some of us will include the president and all our executives and representatives in a fervent prayer that their minds may be open to God's influence; that they will not interpret the 'Divine Guidance' in the dim light of their own selfish interests, or even of this great people's temporary or apparent gain.

"America's first imperial Thanksgiving should be more prayerful than any preceding one, for more than ever, with the assumption of grave responsibilities in sharing with God the making and unmaking of the destinies of peoples, we must be sure that we are full of the spirit of God, sure that we are inspired always with love of humanity, never allowing ourselves or others for a moment to doubt our honest purpose as a people, prayerful always lest we forget that God is not deceived by pious proclamations and professions, evincing ever our faith that righteousness alone exalts a nation, and our determination that, through our righteous effort, the most exalted of nations shall be our beloved America. Then another Thanksgiving day shall find us indeed advanced in the moral and educational growth of our national character, because we shall have truly submitted ourselves to the Divine Guidance."

It will pay you to read our great premium offer on the fifth page of this issue. It may just "suit" you.

WHAT THEY WILL DO

The Demands of Wall Street as set forth in a Gold Standard Magazine.

The chief features of the house bill are those which relate to the metallic standard. The substance of the bills has reached the public, but heretofore in somewhat disconnected form. The following is a synopsis of the main features of the house bill:

1. That the present gold dollar is the standard unit of value in the United States.

2. That all interest bearing obligations of the United States for the payment of money, now existing or hereafter issued, and all United States notes and treasury notes shall be deemed to be paid in gold coin, and that all other obligations, public and private, shall be performed in conformity with the standard.

3. That there shall be established in the treasury department a division of issue and redemption, which shall keep a gold reserve for the maintenance of the parity of money, separate from the fiscal operations of the treasury.

4. That a gold reserve shall be constituted equal to 25 per cent of the combined amount of United States notes and treasury notes outstanding.

5. That the secretary of the treasury may sell 3 per cent bonds payable in gold whenever necessary to maintain the gold reserve at a proper amount and to maintain the parity of all forms of money issued by the United States.

These provisions are so clear cut and straightforward that they practically explain themselves. If enacted into law they will place the United States among the other advanced commercial nations, with gold as the fixed standard of value. The senate bill has not been given final form, but differs mainly from the house bill in creating a stronger gold reserve and giving the secretary of the treasury even broader powers. The house bill would provide a gold reserve at the outset of about \$12,000,000. The senate bill will place this amount much higher, probably at the even sum of \$150,000,000. The house bill provides for maintaining the silver dollars at parity with gold by authorizing the secretary of the treasury at his discretion to exchange gold coin for any other money issued or coined by the United States. The senate bill is expected to leave no discretion to the secretary, but to put every holder of a gold dollar upon the same plan by providing for exchangeability of either coin for the other at the will of the holder.

From "The Progress of Monetary Reform," by Charles Sumner Hamlin, in the American Monthly Review of Reviews for December.

The State University.

Columns of stuff has appeared in the republican papers of this state about a clean sweep when the new regents are installed, but with one exception no such demand has been printed in the fusion papers. That is not the populist idea at all. The following from the Yeoman is about the consensus of opinion that has been expressed in all the populist papers with the one exception noted.

We believe the new board of regents of the state university, which will be two-thirds fusion, will have too good sense to make any changes in the professorship for purely partisan purposes. In the election of chancellor, if they can find a broad-minded educator, admirably fitted and equipped for the position, more or less in sympathy with their views, it will be perfectly natural for them to promptly secure him. But, for that position, we want no second-rate man. It is all important that a strong man with rather conservative views be selected: Let us have no weak and cheap partisan. In regard to the professors now on duty, our positive conviction is that no change should be made where a professor is doing good work—that reflects credit upon the institution: Let us not pattern after the republicans of Kansas who removed some of the ablest educators of the country from their university for purely political reasons. The populist party of Nebraska has acted wisely thus far, and we desire that it make a record in the university of which we may all feel justly proud.

But One Issue—Gold

Editor Independent: Congress is in session. The country has been canvassed by agents of the plutocrats for weeks to have something done to keep that polygamous devil of a Roberts from taking his seat as a representative from Utah, and thanks to Dave Henderson and his republican caucus, it has been decided to make the attempt. But did you notice that the same caucus that decided to make Mr. Roberts a political issue also decided to put through a financial bill, fixing the single gold standard in this country, and relegating us to 1865 when we were willing to accept British consols as gold, and go broke in 1857. If no cog slips, this finance measure is to be passed before Christmas. The house measure is published, but the secret senate bill, which is to finally go through conference committee, is not yet made public.

Why not? If you could answer, perhaps you, instead of Mr. Bryan, would be the fusion nominee in 1900.

There is but one issue before the country, and that is gold. The blood and treasure expended in the Philippines is simply in the interest of gold. The juggling with Cuba and Porto Rico are all in the interest of gold. The exploitation of Mr. Roberts of Utah is especially in the interest of gold, because it makes a counterbalance for the finance bill; and Roberts and the bill are both to be disposed of before the holiday recess and the announcement of committee. Hurrah for the Emperor. Lincoln, Dec. 4, 1899. T. W. DAWES.