

# The Nebraska Independent

Consolidation of The Wealthmakers and The Lincoln Independent.

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## GAGE BE IMPEACHED

Engineered a Steal that in  
rmy Eclipses anything ever  
Before Attempted.

Teller, Harris, Tillman, Lentz and  
Others are after Him with Four  
Tined Pitchforks.

Washington, D. C., Jan. 1, 1900. (Special correspondence.)—The deal undertaken by Secretary Gage to place \$300,000,000 government money in the Rockefeller bank, the City National of New York, is outdoing John Sherman and old Middle of Jackson's day both combined, and is a feat of the populists, democrats and free silver republicans. They seemed all at once "to get a move" on them. They have kicked up such a row that Gage has backed down. He first said that any bank putting up bonds for its security could have the money, but that it must first be deposited in the City National and be divided out from there. When the thing began to get still hotter he made other arrangements. Some of the senators even go so far as to say Gage ought to be impeached and that there are good grounds for impeachment. Gage is a large stockholder in a bank in Chicago which is in close relationship with the New York City National—in fact it is said that the stockholders of the two banks are practically the same—both banks being Rockefeller institutions.

A good many republican senators were also disgruntled at this favoritism of Gage for they are interested in other national banks and wanted a slice of the pie as well as the Rockefeller. It was the nicest bit of pie dished out to McKinley favorites. Just think of it! Over \$300,000,000 to be given to the banks to loan, and in the present state of the money market they could loan it for 6 per cent and compound the interest every sixty days. Figure it up what the deal would give to the bankers. No wonder that there was a scramble to get a slice.

Allen, Teller, Harris, Lentz and several others are on their metal over the matter. There will be no lack of resolutions calling for an investigation when Congress meets on Wednesday. There will be three or four presented in the senate. One of these will come from Senator William V. Allen, of Nebraska.

Senator Allen's resolution calls upon the secretary of the treasury to submit all the facts respecting the deposit of public funds with the National City and Denver National Banks of New York City.

Members of congress now in Washington are very frank with their criticisms of the deal between the administration and the Standard Oil banking syndicate.

Senator Henry M. Teller, of Colorado, said, "Of course I am opposed to this whole affair. The treasury department has no authority to delegate such an enormous and far-reaching authority to one single private banking institution. It is against the principles of a republican form of government."

Senator Harris of Kansas, said, "I will gladly vote for a resolution demanding a congressional investigation. Heretofore the treasury department has played all the Wall street bankers as favorites. Now that it selects one particular institution as the object of its favoritism, I cannot see why others there should protest."

"I think that in selecting a bank as a sole depository Secretary Gage is prostituting his authority as a public servant. It is all wrong. It is a notorious fact that the department has all along stooped to the nod of Wall street. No such deference is shown to other interests in the United States. The manufacturing or agricultural interests, for instance, may cry for aid until they get black in face, but it is never forthcoming."

Representative Marion Devries, of California, said, "I hope that a resolution will be introduced calling upon the secretary of the treasury for all the facts. Wall street has been running the treasury long enough, but this latest scheme of Mr. Gage eclipses even the worst in the past."

Representative Edgar Wilson, of Idaho, said, "Let there be a congressional investigation, when we can get at all the facts. I will warrant that the country will be astounded when it learns every true aspect in the matter. It is but another demonstration of how completely Wall street has the treasury by the nose of the neck."

Senator Tillman said, "All comptrollers of the treasury since that office was created have graduated out of their positions and become the heads of a trust company or president of a bank in New York. But I had supposed that Mr. Gage was a higher man than to sell himself to any scheme of favoritism like this."

"I have always contended that Wall street controlled the government, and this seems to be further evidence of it. The present deal reminds me of my old Cleveland's bond deals by which millions of tax money was transferred to somebody's pocket."

## NO REBATES

New Zealand's Railways Beat Ours in this Respect.  
A capital article on New Zealand by Henry Demarest Lloyd, author of "Wealth Against Commonweal," appears in Ainslee's for January. He has this to say about the railroads:  
"The New Zealand railroads proved saleable in the London market and a stream of railroad iron and other

railway equipment began pouring across the Atlantic in exchange for the obligations of the colony. The rail road system was never developed as symmetrically nor on as business-like a plan as Sir Julius Vogel had intended. The colony was divided into a number of provinces, and each province did all the wire-pulling that it knew how to secure the lion's share of the new highways for itself. There had to be all sorts of compromises to carry the railroad bill through the Colonial parliament, and although the railroads that have been built are nearly all of them essential, the symmetry of the system has been marred by this log-rolling local jealousy.

"An intelligent traveler would not expect to find the state railroads of New Zealand able to sustain any comparison with the private roads of America. The comparisons would not be fair. If any conclusions are to be drawn from the New Zealand experience as to the comparative methods of public and private ownership, the comparison must be not between the state roads of so comparatively new and undeveloped a country as New Zealand and the private roads of so much older and wealthier a community as the United States, but between public and private roads in New Zealand itself. This comparison can be made. There are two private railroads in New Zealand, and the observation of the traveler confirms the verdict of the public that the state has been fully as successful as the corporations in the management of railroads.

"There is one fact which alone makes the governmental administration of railroads in New Zealand a matter of envy to the American observer. Such a thing as a rebate or a discrimination in favor of one shipper against another is unknown in New Zealand. No would-be commercial conqueror can get the traffic manager of a New Zealand railroad to make him a rate which will drive his competitors out of business.

"In discussing this matter with one of the government railroad officials, I asked him what the unit of shipment was in coal. The rates for coal, he said, were made by the ton.

"Could a man," I asked him, "ship 10,000 tons and get a lower rate than the man who shipped 1,000 tons?"

"No," he replied, "not if he shipped 10,000 tons."

"In a great many ways New Zealand roads show the superiority of public ownership over private. The principle on which New Zealand roads are operated is that they shall only make profit enough to pay the interest on the debt incurred in building them, and as rapidly as any surplus accrues, the rates shall be reduced. In other words, they are not run to make money, but to serve the people.

"The public administration of roads also takes cognizance of special circumstances in the condition of the people. When there was a great drought in New Zealand, and the grazing districts, the government reduced the rates on the movement of sheep in order to assist the settlers to restock the country. Special rates were made to facilitate the development of the export business.

"The railway department has organized a regular system of free school children's excursions. The children of one district, on some appropriate holiday, are carried in large train loads into another district. Children, for instance, in the up country are carried to the seashore that they may see a harbor and vessels, and all the insignia of commerce, and get a taste of the variety of metropolitan life. Town children are carried up into the country to the foot of the mountains and among the waterfalls, that they may hear the tui bird ring his silver bell and feast their eyes on the glories of New Zealand scenery."

## SECRETARY GAGE

A Little Over Ten Times Worse than Old Middle and the United States Bank of Jackson's Day.

Six weeks ago Mr Gage said that to lend the government's revenues to particular banks would be an unwarranted "favoritism." Since then he has decided to turn the entire internal revenue—about \$300,000,000 a year—over to a pet bank, without interest, the bank to lend it out for its own profit at whatever extravagant interest rate it can squeeze out of Wall street exigencies.

Secretary Gage and Treasurer Roberts declare that this is "a confidential arrangement between the treasury and the bank" concerning which the people are entitled to no information whatever. Yet the money thus lent without interest is the people's money. The treasury officers are the people's servants. Why are they under no obligation to tell the people what use they are making of their money?

In Jackson's time a deposit of only \$1,000,000 in the United States bank made that institution so dangerous an institution for the corruption of politics that the people decreed its overthrow. Is the danger less now, when, instead of \$1,000,000, a bank enjoys the use of \$300,000,000 a year of government money? If the United States bank, in order to preserve its privileges, corrupted congressmen, bought senatorial seats and interfered with presidential elections, is there no political danger in the endowment of the National City bank with the entire internal revenue receipts by an administration that is asking an extension of its lease on power?

## CORNELL'S VICTORY.

Why shouldn't Auditor Cornell feel proud of his success, Mr. Tribune? He has been one of the most abused men in the state house. The reason for this is very plain to those who are not struck by the persistent efforts of Auditor Cornell to protect the state treasury against grasping contractors, republican unconstitutional bills and other similar republican ways to grab the tax payers' money on the old republican plan. Scribner News.

## A DEBTOR NATION

Some of the Gold Standard Papers are Driven at last by the Wall Street Panic to Print the Truth.

Ever since '93 the populist papers have been calling attention to the enormous amount of wealth that is every year sent to Europe and never returns. It is payment of interest on the debts that we owe over there, the money spent by the globe trotters, the support of dukes and lords who have married rich American girls, the charges for freight carried in British ships, and that sort of thing. It was pointed out that about \$400,000,000 were sent over there every year because we were a debtor nation. This whole subject was thrashed out in the free silver speeches made in congress in 1893. To the utter astonishment of all well-informed men, about six months ago the republican press, as if actuated by one mind, started out, pointing with pride to the excess of exports over imports and claiming that that was a demonstration of continued prosperity.

When we showed that the shipment of more wealth away from our shores than was returned was a demonstration of anything else rather than that, we were called calamity howlers. The fact that we were sending to Europe something like \$400,000,000 a year more than was returned to us was denied. It was even claimed that we had all at once become a creditor nation through the working of the gold standard. Necessity has at last driven some of these gold standard newspapers to tell the truth. To the astonishment of every one who has watched this matter the following article appeared the other day in the financial column of the Chicago Record:

Accurate and complete statistics of international trade would fill an urgent want. At the present time half the foreign exchange experts in this country are trying to formulate some theory which will fully explain the disparity between the balance of trade account in the United States and the movements of coin and bullion across the Atlantic. According to the best figures obtainable from the official statistics it would seem that the flow of gold this way should be steady and enormous, notwithstanding the high discount rates which have been maintained in all European centers for many months. Various offsets are taken into consideration to explain the anomalous facts of the case, but they do not greatly lessen the difficulty.

It appears from the reports of the treasury department that the United States has exported goods of the value of \$1,500,000,000 during the last three years over and above the amount of imports. In a rough way this represents America's due balance in barter with the world. According to the canons of trade, this excess of sales over purchases should have brought many hundred millions of gold bars and coin. The official figures of the treasury, however, show that the net receipts of gold against the balance due have fallen below \$145,000,000. What about the difference? For the eleven months of this year covered by the statistics it appears that the balance of trade in favor of the United States is about \$420,000,000, to settle which only a trifle more than \$12,000,000 net of gold has been sent this way.

The disparity between nominal balance and actual settlement seems to be an augmenting ratio, and the question is, how can it be accounted for? The effect of foreign buying and selling of American securities is well understood, but it does not explain the matter satisfactorily. Good judges estimate that the annual draft on American credits abroad for the accommodation of tourists exceeds \$50,000,000 in ordinary years; but in periods of remarkable prosperity more persons go abroad and spend more liberally, hence the depletion of the nominal settlement balance is exceedingly heavy in such years as 1897, 1898 and 1899. It is a matter of regret that exact data on this point cannot be had, since such transactions come within the confidential sphere of banking.

In years of great commercial activity and profit, too, immense drafts are made on the American credit balance abroad by foreign born Americans, who are able to contribute largely to the support of relatives and dependents in the old countries. How great this offset is may be roughly approximated in part for past years by reference to the statistics of the postal union money order bureau, but there is no way to find out the amount of drafts bought for such remittances, and the grand total can only be guessed at. After all allowances are made for the impairment of the settlement balance there must remain a potential due bill, which ought to send much greater amounts of gold to this country than the treasury statistics show since 1897. This amount would be greater or less, according as the nominal balance was more or less fictitious, owing to the undervaluations of imported merchandise.

## AGUINALDO HONEST

Prof. Schurman at Last Acknowledged It and Much Other Evidence accumulating to Prove It.

Professor Schurman in a recent article in the New York Independent says: "I do not say that all of the insurgent leaders were dishonest. I believe that many of those who fought against the Americans were animated by the highest ideas of loyalty to independence. I think probably Aguinaldo is one of this class and that he is an honest man. The testimony of Lieutenant Gillmore who was long a prisoner in the hands of

the Filipinos is to the same effect. The New York Journal recently printed the statement of Otto Scheu, corporal company B, Third U. S. Infantry. Corporal Scheu was taken prisoner by some bushwhackers and was finally ransomed from them by officers of the regular Filipino army. The story told by this private soldier after giving the details of his capture and wanderings is as follows:

We were taken on to Victoria. We were put into a sort of bull pen, and I heard our captors bickering and quarreling with the insurgent officers. The bushwhackers evidently wanted more bounty for bringing us in than the insurgent officers were willing to give.

The bandits got to raving and cursing in regular Spanish style.

This sounded very much like auctioning off slaves, for we had picked up enough Spanish to understand about all they said.

When the quarrel got hottest the leader of the bandits jerked open the door of our pen and rushed in with his gun raised to shoot. If he could not sell his prisoners for as much as he wanted he was going to get even by shooting us.

We—three men bound together by ropes tying our arms together—stood up against the wall waiting to be shot down like dogs.

At that instant an insurgent officer dashed into the pen, sword in hand, and with the slash of a practiced fencer knocked the rifle out of the murderer's hands.

"Senor, these are my men," he cried out in Spanish.

That was Emilio Aguinaldo. I know that a good deal has been said against Aguinaldo, and I suppose he has done a good deal of wickedness, but we three men looked upon him as a hero as he dashed into that pen and saved our lives. We knew him at the first glance from the pictures we had seen of him.

The three of us called out his name and tried to thank him in very bad Spanish. Mine was very bad indeed, I know, for whenever I try to talk Spanish I get my German mother tongue mixed up with it.

Aguinaldo smiled as he dropped his sword back into its sheath. He made a polite bow to us, like a Spanish officer, and motioned one of his aides to take charge of us.

From that moment our condition improved.

We were allowed to bathe and were given clean white coats and trousers, such as the best equipped insurgent troops wear.

The officer in charge gave each of us a peseta a day to spend. This means about ten cents in American money. With that we were able to buy fruit, tobacco and other little things. We were well fed, having bread, coffee, pork and even chicken occasionally.

We were even given a fair amount of liberty in the village, though always attended by a guard. We were told that we could write letters to our folks if we chose and that General Aguinaldo would have them forwarded to Manila.

On September 9 I wrote a letter to my brother in New York and took it to Aguinaldo myself. One of his aides translated it to the general, and Aguinaldo O.K.ed it by writing his initials, E. A., in his big school-boy like letters on one corner. He then gave it to an aide to put with his own letters to go to Manila.

A few days after this there was a big gathering of insurgent officers. They came in from all directions to Aguinaldo's headquarters.

I found that these were the insurgent cabinet officers. There was the secretary of war, Ambrosio Flores; secretary of foreign affairs, Felipe Buenavista; Governor-General Francisco Macabulos Soliman, commandante of the staff of General Macabulos, Artur Dancel; Colonel and adjutant of President Aguinaldo, Severino Alias, Secretary of the Interior, Maximo Paterno, Secretary of Commerce, Leon Guerrero, Secretary of Instruction, Agueda Velarde and President of the Insurgent Congress, Pedro Paterno.

When our guards told us these big names with their high sounding titles it seemed very funny to us Americans. I wrote them down just to amuse the fellows, and when we were alone I would read off the whole gamut of names and offices that meant nothing.

After a meeting of this cabinet we three comrades and eleven other American prisoners who had just been brought in to town, were all taken before a committee of these high insurgent officials. There were three of them, General Aguinaldo, Secretary of War Flores, and Secretary of the Interior Alias. Senor Flores spoke English the best and he did the talking.

When we were lined up before this committee a thing happened that astonished us all. Each of the Americans was neatly clothed in a clean insurgent uniform except one man, Private Paul Spillane, company C, Ninth Infantry. He had a ragged United States army khaki coat.

Senor Flores, with extreme politeness, pulled off his own coat and offered it to Spillane. The soldier refused, of course. We were asked to promise that we would never again take up arms against the insurgents. I answered that I and most of my companions were regularly enlisted soldiers and were under orders from our government, so we could make no such promise.

We were then asked to use all our influence to induce our country to stop fighting the Filipinos.

After making his speech Flores took out a writing which he asked us all to sign. It was a sort of parole. All the men signed it by myself and Spillane. Aguinaldo then made a little speech to us in a kind of English that was hard to understand. He said that the insurgents were in good fighting order, and he put up the bluff that they could keep right on fighting for three years.

In a day or two we were told to get ready to be taken to Manila. We marched down to the town of Angeles, and there were turned over to General Otis on September 30. Eh

## GAGE'S BIG STEALING

He Makes a Present to Rockefeller's Bank of \$132,337 and there is Still More to Follow.

On July 2 last the old United States custom house property, at Wall and Williams street, was sold by the government to the National City for bank \$3,265,000.

Within a short time after the bid of National City bank had been formally accepted by Secretary Gage, James Stillman, president of the bank, went to Washington.

He took with him a certified check, drawn on his own bank, for \$3,232,350, the balance due on the price agreed upon.

This check Mr. Stillman personally handed to Secretary Gage.

The following day it was announced in Washington on official authority that the secretary of the treasury had forwarded to the National City bank for collection two checks—\$3,232,350 and another for \$32,650. These were the checks which he had received from the bank in payment of the custom house property.

In other words, none of the three and a quarter millions of dollars which the National City Standard Oil bank paid the government for the United States custom house six months ago has ever for one hour passed out of the bank's control. The bank has had not only the use of the money every day since to loan out at interest for its own profit, but it has at the same time been receiving rent from the government for the custom house.

The old proverb that one cannot eat a cake and keep it is thus set at defiance, for the National City bank owns the custom house and yet retains the money it paid for the custom house.

NEVER DEPOSITED IN TREASURY DEPARTMENT.

Secretary Gage has never turned the proceeds into the treasury, as required by section 4 of chapter 37, under the terms of which the sale was made.

This statement is made positively upon information obtained from the treasury department.

As clear profit the National City bank is not only receiving its 4 percent rental for the property at Wall and Williams street, but it is receiving the benefit of the interest on the purchase price of that property, which at 6 per cent since July 2—180 days—amounts to \$96,337, in addition to the 4 per cent rental which the bank receives.

The National City bank has not taken formal title to the property, and does not intend to take title until the government vacates it, the object being to avoid state and municipal taxes, which, with a regular assessment on a valuation of \$3,000,000, would amount to \$72,000 a year.

FACTS.

National City bank bought custom house property July 2 for \$3,265,000.

The act of congress authorizing sale required that money received should be deposited in the United States treasury.

Secretary Gage redeposited check in the National City bank—not in the treasury.

Not a single dollar of National City bank money ever left its vaults and was deposited in the United States treasury.

Title to property not recorded as having been transferred, although National City bank is receiving rental for it from the government.

National City bank thereby saves taxes due New York city, because United States government property is exempted from taxation.

FIGURES.

Interest for 180 days at 6 per cent on \$3,265,000, less by the U. S. treasury department on deposit in the National city bank, \$96,335.

Rent from the U. S. treasury department to the National City bank for use of the custom house for 180 days, \$64,224.

City taxes saved by the National City bank by delay of the U. S. treasury department in transferring formal title of the custom house to the bank for 180 days, \$30,600.

Total profit to National City bank to date on interest and saving in taxes, \$132,337.

As long as the National City bank continues to enjoy these favors its profits will be per day \$1,092.

The new tax assessors' lists are to be made up in a few weeks, and if the deeds to the custom house are not transferred to the real owner the National City bank will escape taxation. In four years, if the government's unique favoritism should continue, the National City bank would pay no taxes on its custom house property, would receive \$600,000 rental from the government and the use of the entire purchase price as well. This at the low estimate of 4 per cent would amount to \$600,000 more.

## MORE ECONOMIC WRITING

Inside Matter Should be Furnished Reform Papers Treating upon Fundamental Principles.

The Independent has had some correspondence with Mr. Walter Johnson concerning the fuller discussion of fundamental principles upon which the populist party is founded. That is the sort of matter that the men who have made the populist party want to get hold of. Of course the great standard works on political economy cannot be generally circulated, but the part of the science that is to be voted upon at the next general election can be largely reproduced between now and next November. To make it interesting, it should be applied day by day, and from week to week in answer to the sophistries which constantly appear in the daily papers.

The following letter and resolutions

are printed so that many of those who will attend the populist conference on January 5th in this city can have them in hand:

Editor Independent:—I enclose you the resolutions of which I have been corresponding with you in the past few days, regarding the organization of our reform press. It should not be inferred by anyone that the action will, in the least, interfere with the working of the reform press, either editorially or financially.

I have sent you the resolutions that they may be presented to the coming conference which is to be held at Lincoln on January 5, 1900. I have written Warwick Saunders to be present at that meeting if possible, and have sent him a copy of the resolutions. Of course you will use your entire judgment in making any changes you see fit, or any addition that you may prefer to make. You will notice that there was no amount stated for salary, and I think it best to make the amount very conservative. There is no one named for editors, and that, too, should be inserted at Lincoln. Hoping for the good of reform and the people you will push this with vigor at the meeting, and anything that you can see to do will be gladly accepted.

Respectfully,  
WALTER JOHNSON.

RESOLUTIONS.

We, the representative of the reform elements of the United States, seeing that every effort is being put forth by the representatives of plutocracy and the advocates of the gold standard to misquote and misrepresent us in the reform movement, give our assistance to the establishment of an organization set forth in the following principles:

1.—We believe that the principles of political economy, which we teach, should be kept before the people through the reform press; that the principles of political economy which we teach are too much neglected by the reform press; that a great majority of the people of the United States depend on the country press for their information regarding the movements of the general government, and those things which concern us in the reform movement; that the press has a great power in formulating the will of the people; that any power concentrated in organized effort is more effective than to be unorganized.

2.—And that our work in this movement may be more efficient, we suggest that editorials on the subject of political economy be furnished those houses whose business it is to print "patent matter," and that said editorials be inserted in the "patent inside" of our country press, and furnished to all other papers at a reasonable cost; that the editorials be stereotyped and appear typographically the same in all papers that will use them; that we get the consent of those houses whose business it is to print the "patent inside" of country papers; that we advise the appointment of—

—who shall write and stereotype the editorials, and deliver the same for publication; that the editor receive \$— per month and expenses for his services; that all money derived from stereotyping, above salary and expenses, revert to the campaign fund; that all reform papers be requested to use said editorials; that the editor establish his office at any place in the United States that he may prefer; that the appointment and removal of the editor be under the power of the national committee.

3.—That committees be appointed to present these resolutions to the democratic, populist and free silver republican national committees for their adoption and ratification.

## The Exception Clause

Editor Independent:—I enclose \$2.00 and hope to be reinstated on the roll of honor. My delinquency has not been a matter of choice, but that wave of prosperity failed to engulf me, as Mark and Mac promised. Please continue the Independent as long as the \$2.00 holds out. Perhaps the wave will have reached me by that time. I think the Independent the best paper in the state, because it tells them when they tell the truth and vice versa. I hope you will give it to them in the future as you have in the past.

Of course W. V. Allen is the man for the senate, and I heartily congratulate Governor Poynter on his election.

There seems to be some doubt among populists, or difference of opinion, as to the good or bad design of the exception clause on our paper money. I speak principally of the time of its adoption. I think it was a scheme of the parties who owned gold and who thought that by its adoption gold would appreciate. Was it not responsible for gold being at a premium? Gold went to \$2.30 at one time, did it not? What was the cause if it was not the exception clause? Would like to have your opinion on the foregoing.

A. D. DORR.

Stromburg, Neb.

It was the exception and nothing but that. As soon as they were received, by order of the secretary, for customs, they went up to par.

A FLAG FOR SALE.

Oh! tear the gorgeous emblem down!  
It gathers scorn for every eye,  
And depicts smile and good men frowns  
Whence 'tis passed by.  
Shame! Shame! Its stately splendors glow  
Above a slaver's loathsome jail,  
Its folds are ruffling every now  
His crimson flag of sale. —Whittier

WHAT WOULD JACKSON DO?  
If Andrew Jackson were president does anybody suppose he would long permit Secretary Gage to be hobnobbing with money kings like Rockefeller, Morgan, and Havemeyer, and to name a depository for receipts of the internal revenue department a bank which is the fiscal agent of the most powerful of all the trusts, the Standard Oil?

Would Old Hickory have permitted this?  
No, "by the Eternal!" —Buffalo Times