BANK INFLATION

Mr. VanVorhis Discusses a Subject But Little Understood-Present High Prices Due in Great Measure to Expansion of Bank Credits.

Editor Independent: I am persuaded that not many men among even those of superior intelligence and wide information know how great has | trial depression? If the banks should been the inflation of bank credits refuse to make any new loans, and desince 1896, as indicated by the "loans | mand payment of 25 per cent of maand discounts" of national banks alone. If it is known to any extent by those who are the depositors of such banks, then the almost absolute industrial panic that would ruin half silence in regard to it indicates that the significance of the fact is not at all appreciated. If the fact is known, or the significance of it appreciated, by any considerable number of those who are interested in the management of the more than 4,000 country national banks, a student of the subject is left in wonder at their reckless disregard of the probable conse-

quences.

The relation of this enormous inflais hardly considered at all. We are being constantly reminded about the increase of the volume of money, and proofs of economic doctrines and explanations of commercial conditions, but hardly a word comes from the same sources about a fact that has more economic significance than either or both. No correct conclusion can be It is Devastating the Philippine Islandsarrived at about the quantity of money in actual circulation, or about the production of the precious metals, or about commercial or industrial conditions without a careful consideration of the tremendous expansion of credits; an expansion that is out of all proportion to the increase of money

outside of the United States treasury. Between October 1, 1896, and April 30, 1902, (leaving out national bank notes), according to the reports from the treasury department, the increase of money in circulation was \$551,248,gold. Of this gold \$264,537,850 was, on April 30 last, in the United States treasury, and represented by gold certificates said to be in circulation. According to the last abstract of the comptroller, about \$225,000,000 of this increase has been absorbed into the reserves of the national banks. If the estimate of bank credits (including all private and state banks) made by the comptroller is approximately correct, there was not one dollar more money (excluding national bank notes) in actual circulation, and available for commercial transactions, or April 30 last, than there was on October 1, 1896. During the same period, there was an increase of national bank notes amounting to \$127,199,819. Between these two dates, the in-

crease of "loans and discounts" of national banks alone was \$1,296,165,769, making the amount of "loans and discounts" held by these banks nearly double what it was on October 1, 1896.

The following table will show the rapidly increasing rate at which national bank credits have been, and are being, expanded per day not excluding Sundays:

Oct. 6, 1896, to Oct. 5, 1897....\$477,856 Oct. 5, 1897, to Dec. 1, 1898.... 408,463 Dec. 1, 1898, to Dec. 2, 1899.... 725,204 Dec. 2, 1899, to Dec. 13, 1900... 602,965 Dec. 13, 1900, to Dec. 10, 1901.. 916,356 Dec. 10, 1901, to Apr. 30, 1902.. 953,915 This does not, of course, represent the whole volume nor the full expanby private and state banks. Accord-

It ought to be clear to any student of the subject that the increase of Adams, Grand Island. money in circulation, even if as large as shown by the reports, is far too quired to be increased by the contin- tary and treasurer. ued expansion of "loans and dis-

than \$1,500,000 per day.

cases neither honesty nor caution are | campaign. sufficient to prevent the reserves being reduced below the legal requirements, as I'have shown in former er- law in the state of Jalisco, Mex. This

The fact is, that our commercial fartherest away from the civilization age of gold. It benefits nobody but a embodied in the Dingley law, "and and industrial transactions have come of the Anglo-Saxon. There are over few men who want to make money by they do not propose to have them disto rest almost wholly upon credits; 1,000,000 inhabitants in this state and controlling the volume of money, and turbed, no matter what method is duty through the long, soft, mysteri- are the most disreputable gang of poli- tor's standpoint it is worth in the not credits extended to purchasers of the new law has almost unanimous what they make is n articles of trade, but bank credits- support. The people of that state, ex- pense of others. "loans and discounts" made by banks ceedingly few of whom are whire and controlled by them.

before mentioned, is correct, it requires them telling them that they could is no necessity for allowing the banks termined." The league publishes a not less than \$1,500,000 to \$2,000,000 have such a measure of self-govern- to issue their notes for money, and as per day to pay interest on "loans and | ment they were prepared to enjoy, but | nearly all of Mr. Fowler's bill is dediscounts" now held by banks. I re- nevertheless their course has been voted to this purpose, so much as repeat what I have said before, that we upward ever since they declared them- lates to this purpose can be stricken something fearful to contemplate. The gle familiar feature in all of his en- mote a revolution in the island and by any property for until he ascertains have reached a condition wherein these selves independent of Spanish author- out. This done, the woard of control "loans and discounts" are a perma- ity. The capacity of the Filipinos is might be authorized to issue United was run by a committee of laboring tity is much enhanced. He begins to want still more bloodshed. They property at one-sixth of its value. nent part of our financial, commercial a hundred per cent higher than that States legal tender notes, whenever men whose sole object is to enhance cease to think of himself as Jones or would like to have a few more farmer How can the state board assess these

and industrial problem. thing to be paid—as only temporary— the tutilage of the "superior" Anglo- great need of harmony. One wing of but here is a volume of indebtedness Saxon they have been developing a the party wants free cornage of gold. Who are personally and pecuniarily inagainst our commerce and industries civilization of their own in their own the other free coinage of silver. If terested in maintaining the present and more automatic. He is no longer its opinion of the populist or democrat quire about the value? If the men (to say nothing of the large indebtod- way. The belief of the ordinary re- both sides would give up tree coinage duties"-because present duties en- influenced by the conditions under who gives aid and comfort to that make the assessment purposely avoid

interest on it has become a permanent tribute to be paid to the banks that hold it.

If any one who reads this has any idea how this debt can be paid. should be glad to know now it can be done. If the banks should, for thirty days, refuse to increase their "loans and discounts"-make no loans except renewals and insist on the payment of interest, is there any doubt that there would follow commercial and industured paper and renew 75 per cent, is there any doubt that the demand would be followed by a commercial and the business men in the country?

there are some indications that it has | trol of banking currency. already begun) when they will begin strategetic movements for advantages against each other. There is not much question but that the Fowler against the country national banks and all banks of the west and the the enormous production of gold, as south. FLAVIUS J. VAN VORHIS. Indianapolis, Ind.

ASIATIC CHOLERA

Next Year it Will Likely

Appear Here.

The Philadelphia Medical Journal suggestively remarks that "this country seems to be taking the subject of cholera in the Philippines with a great deal on nonchalance. We are glad that no one thinks it worth while to get in a panic over it—and yet the fact that we are at the present moment having a full-blown epidemic of cholera in United States territory, is rather disquieting." So it is, to be sure. The official reports reveal that 1740 cases of cholera have occurred in Manila, involving 1385 deaths—a startling fatality. The same is true of the provinces where there have been 9444 cases, with 7038 deaths. Not since 1882, when a virulent epidemic of Asiatic holera decimated the native population, has there been such prevalence of the disease as now. Further than this, Lieutenant Colonel Mans says that there have been probably 2000 more deaths in the provinces, records of which have never been kept. The natives have tried to conceal the existence of cholera, and on that account absolute authority has been given the medical officers of the army. Quarantine regulations make it aimost impossible to get in or out of Manila.

Imperialism has already brought up on us an epidemic of smallpox and spread leprosy over several states of the union. According to all precedent we are to have an epidemic of Asiatic cholera next year, for the intercourse with the Philippines and thousands of returning soldiers will surely bring it. That, however, is only a part of the aftermath of a foreign war of

Committee Meeting

Meetings of the populist and democratic state committees were held at sion of bank credits. It is difficult to the Lindell hotel, this city, last Fri- like the United States, should be indetermine the amount of business done day. The democrats had previously creased or diminished. At the presing to the estimate of the comptrolle: he was empowered to choose a vice such matters except the owners of of the currency made in a report some | chairman to conduct the active work | gold and of the banks. These men detime ago, they do about three-fifths of the campaign, the doctor simply to cide not in the interest of the public, of the banking business of the coun- act in an advisory capacity. His se- but of themselves and the result is try. This may not be correct, but it lection was made but has not yet been that they are taking for themselves is certain that they do a large part of announced to the public. The demo- all the wealth of the nation except a and persistence than elsewhere. He is gamut of heat, fever, Chobie itch and it. This estimate can be largely to- crats selected an executive committee bare subsistence for the workers. duced, and yet it be very certain that as follows: H. D. Travis, Platts- Therefore we need a board of control him, and he will ask them to express and all of these elements are but facbank "loans and discounts" are now mouth; J. J. O'Connor, Omaha; Geo. being expanded at the rate of not less | L. Loomis, Fremont; Geo. W. Phillips, | the country is outgrowing the volume

The populists selected an executive committee as follows: First district, small, without taking into considera- Prof. H. E. Dawes, Lincoln; Second, tion the tremendous expansion of cred- | J. J. Points, Omaha; Third, W. V. Alits, to account for commercial and in- len, Madison; Fourth, F. M. Howard, dustrial conditions that nave existed Aurora; Fifth, Dr. Robert Damerell. during the last four or five years. The Red Cloud; Sixth, J. H. Edmisten, increase of money said to be "in cir- Thedford; at large, Cliff Frank, York. culation," (by which it is meant to Elon W. Nelson was chosen as chairsay that it is not in the United States | man, and he in conjunction with the treasury) has served little purpose ex- populist candidates and executive com- gress should do it. After this is done cept to keep up bank reserves re- mittee empowered to name the secre-

A sub-committee on conference was appointed by each committee and re-The banks make their profits out of port finally made that the two com-"loans and discounts," and the temp- mittees should open headquarters in tation is great to expand them to the Omaha, to be in the same building: last cent allowed by law. In many and that each should finance its own

Bull fighting has been prohibited by

THE FOWLER BILL

Mr. De Hart Encroaches Upon His Vaca tion Time by Writing Another Interesting Letter to The Independent

Editor Independent: The first section of the Fowler bill contains a good idea, or at least the germ of an idea, which deserves to be noticed. The section reads:

"That there shall be and hereby is created and established in the treasury department a division of banking and currency, which shall be in charge of a board consisting of three mem bers, and shall take the place of and The difficulty is now that the banks | shall have, exercise and enjoy all the themselves are becoming entangled in powers and authority heretofore lawthe dilemma, and, while they are fully vested in the comptroller of the standing together in a compact organ- currency and any other power and ization protected by the national bank authority authorized by the act and growing out of the Cuban reciprocity laws, the time is not far off (in fact, shall be known as the board of con-

"The members of said board of control shall be appointed by the president, by and with the advice and cousent of the senate. The term of office foresaw that the high protective tariff lows: tion of credits to the volume of money | bill is proposed legislation in the in- shall be for a period of twelve years, | idea must be dropped, and his reciprocterest of the strong eastern banks except that the terms of the first ity ideas were given to the world as three members shall be for twelve, a bit of statesmanship unexcelled. But, eight and four years, respectively. The as Senator Blackburn is credited with member appointed for four years shall saying, "Reciprocity means nothing be known as the first comptroller and | more or less than democratic free trade shall preside over the board of con- in homeopathic doses," and it is not trol, and the two remaining members human nature to give up any advantshall be known as associate comptrol- age, however unfair it may be. Aclers, and thereafter that member of cordingly those manufacturers whose the board whose term next expires goods are protected will fight to the shall become the first comptroller."

> stead, however of making the board supporters of the republican party as of control a "division" of banking and long as the republican party continues currency in the treasury department, the unfair advantages conferred upon pendent department of government. the republican party to relax in the The secretary of the treasury ought least its protective policy, these pinot to have anything to do with it. rates are ready to bite the hand that His power should be limited to collect fed them. As they have nowhere elsa tion and disbursement of the public to go, they are obliged to stay in the conditions. History is full of such money. Especially, he should have republican party and fight it out to the cases. The difficult task for us is the Cattle and hogs 1,919,640 rothing to do with the mints or banks, bitter end. banks should be used as depositories ald from New York, says: of the public money. The supervision of the same board. And the president of this board ought to have a seat in as a service.

The members of the board of control each serve twelve years (after the first appointment). This is none too long when we take into consideration that no member can become president of the board, or "first comptroller," until he has served eight years as an "associate comptroller." This gives the two associate comptrollers an opportunity to study money and currency and to become fa- the president think he is over sanguine Presidio at San Francisco. There they miliar with the laws of coinage and banking. Eight years is none too long adopt his recommendations next winto study money as a science, especially when a man is fitting himself for the for them, and one of the objects of |zon the regiment is sent immediately great responsibility of deciding as to when the money of a great nation. elected Dr. P. L. Hall as chairman, and ent time we have nobody to decide with power to expand the money when | their views in a manner that may not | tors in the tempering process. At the Columbus; C. B. Scott, Kearney; R. B. of money and to contract it when- in congress. If some of the senators selves practically immune from petty of American manhood. To meet this figure this stock at \$200 a share we are Wahlquist, Hastings; and R. O. ever there seems to be too much mor- and representatives had known what tropical disorders, but deep down un- sacrifice his wife and children must be interested in expansions or contrac- him to visit their constituents. tions of money. They should be like

their decisions. In order to carry this view in practice, it would be necessary to give the board of control power to close the mints to "free" coinage of gold. Either they should do this or else conthe board of control should have power to buy gold bullion and coin it on government account as we now coin fractional silver pieces. This las worked well with fractional pieces and it will work equally well with gold. It will give control or the volume of gold coin to the government which it ought to have. We have closed the mints to free coinage of silver dollars as well as of fractional silver pieces, goods. Curtis avers that it was largeand there is no reason for keeping the ly due to the efforts of this league state lies on the Pacific coast and is mints open to free and unlimited coin- that the existing rates of duty were

The board of control should also men, did not have an all-powerful na- have power to put a stop to the fur-

or paper, there would not only be harmony, but both sides would stand upon scientific ground.

rapidly promoting the cemonetization of gold," says a very high authority on the science of money. Will our statesmen make a note of this? JNO. S. DE HART.

Mt. Freedom, N. J.

A REPUBLICAN SPLIT

William E. Curtis Believes He Can Se Trouble Ahead in the Republican Camp

Populists and democrats long ago ceased to place any confidence in the mouthings of William E. Curtis in the Chicago Record-Herald, but nevertheless it is interesting to note what he thinks about the possibility of a split in the republican party, ostensibly measure, but in reality a fight to the finish on the part of manuracturers of highly protected goods against an inevitable change in the republican policy of protection. Long ago Blaine last ditch to prevent the administra- tion without trial of natives. Second. Strike out the rest of the bill and we tion of free trade in either allopathic That United States commissioned offihave a good idea to start with. In- or homeopathic doses. They are all it ought to be a separate and inde- them; but as soon as necessity compels sioned officers and private soldiers.

Curtis, writing to the Record-Her-"It is difficult to see how a split in of the mints, as well as of the banks, the republican party is to be avoided should be transferred to the board of unless somebody yields. This morn- characterize the rank and file of cercontrol of banking and currency. Mr. | ing I saw two of the "boxers" who de-Fowler makes a mistake in not giving | feated the Cuban recrprocity bill in mints as well as the banks. He sees unnecessary emphasis that President of an order is as much of an unconbut he does not see the importance of congress was very much misplaced. bringing the mints under the same One of them went so far as to declare control, so that everything that re- that the bill would not receive the suplates to contraction or expansion of port at the next session as it had at the currency can be under the control the last, and asserted that the only thick-and-thin supporters the presi- once of the Tom, Dick, or Harry dent had on the republican side in the cabinet; and all the members that fight were Platt of Connecticut should be experts in finance and will- Lodge and Beveridge. He says that ing to devote their lives to the subject if a vote had been taken by a secret ballot in the republican caucus the president's policy would have received the support of perhaps five men, possibly six, and no more, and that if it had been proposed by any other man than Rocsevelt it would have received

no support at all." "Those," continues Curtis, "are the sentiments of an extreme sugar beet senator, and must be accepted with caution, but some of the supporters of in his expectation that the senate will ter. He intends to make a great fight his speech-making tour through the country this fall is to preach reciproc ity, although several of the "boxers' have begged him not to do it. When "boxers" represent he will plead his cause with even greater earnestness insidious. With it they run the usual

"The president is already getting tojudges, not interested in the result of gether facts and figures to use in his speeches, and they will be the efforts of his life. He intends to force the fighting and to stand or fall upon the ting term might not be "Malingering." reciprocity platform. As an avowed At any rate, patients with the former candidate for renomination he is taking a great many chances, but no one amount of care and attention. Yet can help admiring his candor and this condition, this chronic homesick- But he, too, has his troubles. The courage and the strength of his con- ness, is one of the most dangerous thousands of employes of one of the Put the value of the property at \$400. victions, although some think that his disorders which we have to treat. It many great corporations which he conplan proves him to be a very poor politician. We will wait and see. The American Protective Tariff

league, the self-styled "Defenders of American Labor and Industries," numbers 979 members (four of whom are in Nebraska), nearly every one of whom is a manufacturer of protected personally and pecuniarily interested sickness, though they would not have thieves. They made a bargain with in maintaining the present duties only | described it as such, so faint and dim | Cuba to the effect that if the constitu-If the estimate of the comptroller, tion of another race standing over ther issuance of bank notes. There makes them the more active and de- has the thought of home become. . . weeky paper called The American of other men for a while he begins, rangements should be made and now Economist and the rot which appears to a certain extent, to lose his indi- they have repudiated the bargain. On in it during political campaigns is viduality. When there is not one sin- top of that they are trying to pro- How could any man tell what to assess unsophisticated would imagine that it vironment, this loss of a former iden- that means force annexation. They its value? You say you will assess of the people of Jalisco when they de- there is a necessity for more paper the price of labor. In reality, as Mr. Brown or someone else, or such and boys go down to Cuba to die of typh-A debt is usually regarded as some clared their independence. Without money. The democratic party is in Curtis points out, the whole organization and typhus fever or come home to if the men who make the assessment

WHY THEY DEGENERATE

"The demonetization of silver is The Effect of Foreign Wars of Conquest Upon the American Army-It Was Inevitable.

> remember how often the editor has pointed out the inevitable effect of imperialism and wars of conquest upon the army and the standard of morality at home. Henry C. Rowland, M. D., an assistant surgeon in the army in the Philippines, has recorded the facts in the case with scientific accuracy 'n McClure's Magazine. The Independent predicted its assertions upon well known natural laws and Dr. Rowland has recorded the effect of those laws as he saw them. As a surgeon in the United States army in the Philippines he had unusual opportunities for studying the physical and mental condition of the American soldier. During his service he visited the whole length of the archipelago and came in personal contact with all the different types of our soldiers. His observations and conclusions are as foi-

> A primary consideration of the tales of cruelty proceedings from the Philippines must naturally first evoke the query, "Are they true?" . . . To presume that these reports of atrocities are wholly or partially untrue would be to eliminate the necessity of this argument, for the sake of which we will grant the following:

> First. That United States commiscers have ordered the torture of natives, and third, that these orders have been carried out without protest by subordinates, i. e., non-commis-It is easy to understand a mono-

mania of blood-thirstiness existing in the individual as the result of heat, fever, exposure, and other climatic conception of an obedient fulfillment of cruel and savage orders by exactly such men as we see about us every day. If our troops were bound by such infrangible ties of discipline as tain continental armies, whose soldiers

ter would be clearer. . . . Reading in his morning paper of the torture and wholesale extermination of helpless Filipinos, the average New Yorker or Philadelphian thinks at whom he happens to know in the Philippines, and is assured that if only all of the men were of the type of this particular acquaintance there would be no such disgraceful blors on the pages of our nation's recent

history! Now, as a matter of fact, it is just some such Tom, Dick, or Harry who has done these things. Let us try to follow the military career of these three types and see if we can throw some light upon the casuistry produc-

ing such results. . . . Tom, Dick, and Harry meet in the are physically re-examined, and assigned to the same company of the same regiment. . . . On landing in Luto the front. At this time almost any direction is the front, and they have not far to go. At first the excitement of the firing line, and their interest in Theodore Roosevelt is advocating a strange, new surroundings, sweep cause he thinks is right there isn't away the nostalgia. Later, when the brave man. He crawls on his belly. much use trying to gag him, and in glamour of the novelty has worn off, and chronic form which is much more convinced that the people are with dysentery, but they are a hardy trio, content gnaws at their hearts.

When the regimental surgeon writes | for the much-needed new shoes. "Nostalgia" as the diagnosis of a patient he is apt to hesitate for a moment to decide whether the more fitmalady do not receive any extra more dangerous in that it is so often

Tom, Dick and Harry observe these things with sympathy. Although they have never run off their own track they are able to understand how " would feel ... Often when on outpost imperialistic end of the government basis and figure it up from an invesosed or what reason is advanced. ous tropic night, they have felt the The fact that nearly all of them are gnawing pain of a heartaching home- They haven't the honor of common

around him to remind him that he is bimself. His principles unconsciously adjust themselves to surrounding conditions and circumstances. What young Mr. Brown, of Greenfield, Ill., might have done if offered an indignity by any one, has nothing to do The readers of The Independent will with what Sergeant Brown, -th United States infantry, might do if, when half sick and thoroughly disgusted at the end of a long day's march, he is fired on by a native from a Nipa hut.

Anderson vs. Dewey.

General Anderson, who was in command of the land forces when the city of Manila was taken, is hot over of Spain?"

are no written documents to which an appeal can be made to settle the question and then says:

my correspondence with Aguinald | Pacific. It was delivered to them and was not approved by the admiral. Permit me to remark that he had no occasion for a correspondence. When joint obligations, the Great Northern he took possession of the Cavite navy and the Northern Pacific railroads, yards he doubled the wages of sev- bearing 4 per cent, and this stock was eral hundred Filipinos working there. That did not require any correspondence. Nor did it require any correspondence to induce Aguinaldo to were made in this state the Burlington start his insurrection. It is not diffi- stock was below par. The Burlington sioned officers have ordered the execu- cult to induce men to do what they stock when this assessment was worth wish to do."

Exports Fall Off.

Exports of staple products from the United States continue to fall off in to take the obligations of the Great noteworthy measure. The June record, just given out by the treasury de- that the cash was ready. It shows partment, compares as follows with that they set aside \$50,000,000 in cash that of a year ago:

June. Breadstuffs\$11,081,051 \$22,194,758 to take the obligations of these com-Provisions 12,856,574 15,783,509 But, your honors, that is not even a Cotton Mineral oils .. 5,770,691

cent, and in breadstuffs the decrease Poor's Railroad Manual has it right have sucked in a marttar atmosphere is one-half, due in large part to the and if you will take up their second the board of control all power over the the senate, and both declared with from infancy, and to whom obedience corn crop failure of last year. For the report and take out the leased lines whole fiscal year the exports of staple the importance of having three men, Roosevelt's confidence in the adoption scious reflex as the act of closing the products amount to \$775,624,206 against The Burlington railroad owns 7,894 instead of one, to manage the banks, of that measure at the next session of eyes at the report of a gun ,the mat- \$867,238,579 in the previous year-a shrinkage of nearly \$92,000,000.

Only One Way. There is only one way in which the trusts can be restrained and regulated. There is only one real remedy for the extortion practiced by the trusts upon the people. This is to repeal the Dingley protection duties which give the thists vitality and power. None of these duties are needed for revenue None of them are needed for "protection." The only service they perform is to bolster up the trusts and enable them to levy tribute upon American industry. Theodore Roosevelt used to be a tariff reformer. Why doesn't he give Mr. Littlefield the tip to base his promised anti-trust bill on tariff reform? It is the only thing that will count in the present situation.—Boston

Walter Wellman Contrasts the Soft Coal

or Ohio or Indiana works a strong, He faces danger. He toils with might the states and districts which those it returns again, but in the sub-acute and main. He breathes foul air. Hour after hour he sweats and works. When he comes out of the hole in the ground and goes to his meager supper in his humble cabin, weary, begrimmed, he has earned \$2. Of this he gives 20 cents to the cause, 20 cents in supbe mistaken by their representatives | end of their first year they find them- | port of a principle, 20 cents in defense

> York lives a man worth \$200,000,000. He has another palace at Newport. of stock of the Burlington on top of He has his yacht and his country seat. | that. Every luxury of the world is at his command. His income is so great that he does not know what to do with it. represents the solution from which trols have had the audacity to ask for may crystalize insanity. It is the better wages, a more just method of measuring their work, and for arbiunsuspected, and will smolder along tration. He, too, is fighting for a until it finally bursts into a flame of principle—the principle that poor men road was cashed in the market within suicidal or homicidal mania. It ac- who work with their hands have no a year, and taking its present rate of counts for more dementia than sun or | right to ask for anything except such | net earnings the Burlington will pay as their masters choose to give them. at the ordinary rates on money on safe -Walter Wellman, in Chicago Record-Herald.

The political scoundrels who run the tional convention would adopt the When a man is herded with a body Platt amendments tavorable trade ar- want to know it. ness of other kinds) that not only can nowadays is that no race not be paid, but must go on enlarging can advance unless the syndicates have not be paid, but must go on enlarging can advance unless the syndicates have not be paid, but must go on enlarging can advance unless the syndicates have not be government shall issue all the money can advantage.

The second of ethics. There is nothing tear after he set it up.

HARRINGTON'S ARGUMEN

Before the Supreme Court in the Mandamus Suit Against State Board of Equalization.

(Continued from last week.)

ton. I cannot in the brief time that

Now then, let us take the Burling-

is permitted for this argument here-I could not in ten hours go over all the things that should be said to show why this assessment should be increased. In the division of time among counsel I must necessarily hurry on and leave many things unsaid. but I want to take up, after covering Dewey's testimony. In view of the fact | the Union Pacific road, I want to take that 122 of the army were killed and up the Burlington road because the wounded, General Anderson asks with same effort to get a wrong judgment some force whether the understand- by misinformation is contained in the ing with Dewey "was that American brief of the Burlington-perhaps unsoldiers were to be killed for the honor | intentionally, I don't charge counsel with intentionally trying to mislead General Anderson regrets that there the court, but here is a condition as proved by the evidence here. The Burlington railroad, all its stock, almost 98 per cent of it, was sold to the "I now learn for the first time that Great Northern and to the Northern placed with a trustee in New York city. To pay for it they issued their deposited as collateral. They paid for the Burlington stock \$2.00 for \$1.00. When the assessments of 1897 and 1898 twice as much as it was worth in 1897 and 1898. I say that that stock at \$200 a share was a cash transaction. Why? Because the proof have shows that any man that did not want Northern and the Northern Pacific to pay \$200 for each \$100 share of that stock to any man who did not want 3,172,137 panies bearing 4 per cent interest. 5,450,352 am going to apply to the Burlington railroad. The mileage given here is Total\$40,627,282 \$56,386,612 utterly incorrect, the interstate com-This is a shrinkage of nearly 30 per merce commission has got it right, you will get it right, the second track. miles of railroad, or had when they were assessed this year.

widening it out and the other day, I believe in Missouri, the newspapers say they are getting hold of the K. C. & O., and none of these companies are covered by the stocks or bonds of the Burlington and hence are not a proper matter to be taken into consideration. At getting at the varue per mile we will first take the stock at \$196, I took it half way between counsel's figures and \$200, that gives rt, taking the stock of the Burlington raffroad to be \$45,600 a mile. In other words on a one-sixth basis it would be assessed at nearly \$8,000 a mile instead of about \$4,300, as it is. But that is not a true test. The Burlington railroad is worth more than that, and before ! pass from the mileage I want to say to counsel I have included not only every mile of road that you give when you made your last report to Poor, but I have included the road that was under construction in Wyoming then and I suppose is in operation now. That is not the test. I said this stock was all sold to the Great Northern and the Northern Pacific. I said it was sold upon a 4 per cent basis, now when the Burlington earns all of its operating expenses and when it earns enough money to pay interest on its bonded debt and enough money is earned to pay 4 per cent on these joint obligations of the Great Northern and the Northern Pacific, the whole surplus goes to the fellows who still own the Burlington stock, so when you not figuring it right at all, it is worth ey. The members of the board should he is going to talk about they would der the chronic tan and the lean, sin- give up something—a little less sugar a whole lot more than \$200 a share. have a salary and not be allowed to not have been so urgent in pressing ewy muscles the sluggish ulcer of dis- on the table, no meat for supper to- You can't buy any of it, it is not in day, or baby must wait till next month | the market, but the obligations given for it bear 4 per cent and were taken In a palace on Fifth avenue in New at par, but this does not represent the net earnings, there are millions

I see by the newspapers that they

are getting hold of narrow gauge and

Let us take another basis, which I think is a fairer one. Take their net earnings for the last year and capitalize that upon a basis of 4 per cent. 000,000, which is more than \$50,000 a mile, it will pay 4 per cent interest on that and leave you \$1,600,000 of a surplus every year. So that on the very basis on which the Burlington railinvestments at \$50,000 a mile, 4 per cent, and send \$1,600,000 a year into the surplus fund. Or if you will capitalize it straight out upon the actual

market \$55,000 a mile. Of course this state board of equalization didn't know this, the railroad corporation didn't want them to know it, and because they didn't they didn't

How could these men assess this property without knowing its value? railroads at one-sixth of their value the request that they find the value?