

THE ALLIANCE. PUBLISHED EVERY SATURDAY MORNING. BY THE ALLIANCE PUBLISHING CO. BOHANNAN BLOCK, Lincoln, - - - Nebraska. J. BURROWS, Editor. J. M. THOMPSON, Business Manager. EDITORIAL.

Alas, Poor Yorick. Many statesmen have bewailed "It was soon done for, I wonder what I was begun for," or words to that effect. And now our Dorsey, by whom Henderson and other western candidates claim they were deceived or betrayed or sold out, for the ultra high protectionist, the extreme goldite and silver destructionist from the state of Maine, may utter the same wail. Dorsey was out-Heroding Herod in his devotion to eastern interests and Wall street banking. He at once consulted and was advised by the secretary of the treasury and comptroller of the currency, and made his plans as Wall street brokers wanted, and fired his little gun without seeming to know where it would strike. He demanded by a bill that the banks could issue more currency without giving additional security or paying anything for it, and when his handling was introduced in the house, the poor thing was kicked unmercifully. So was the dear patriot. Some western members summarily pitched it out of the ring, and said it came there only to protect the wealthy banks and betray every other interest.

We regret to see that Dorsey does not take this treatment kindly. But he says now he will favor issuing \$300,000,000 in bonds, at 2 per cent, to be issued only to bankers. Don't, George, don't. We have a large surplus, and are to-day giving bankers 25 cents on every dollar if they will let us pay our debt. After bankers like Dorsey have salted away \$300,000,000 of our bonds, and the money should hold out among the people, so the treasury would be kept overflowing, the same patriots will urge that we then give a premium of 25 per cent if the bankers will graciously accept payment of the new bonds.

When will this class legislation end?—this making the rich richer and the poor poor poorer by law? They seem to grow more unscrupulous and dishonest as they grow richer.

Looking Backward. Our esteemed contemporary the Western Rural says that "human nature is making a determined kick against Edward Bellamy's book, Looking Backward, in which he describes society a hundred years hence as being founded upon justice and the recognition of universal brotherhood."

We must disagree with our brother. We do not choose to accept a perverted condition of society—a condition of "eager, throbbing, cruel selfishness"—as a fair exemplification of human nature. The wonderful success of the book is a specific repudiation of such an idea of human nature. Looking Backward, in its portrayal of the heights of perfection and charity and love that it is possible for mankind to reach, is the finest delineation of the philosophy of Christ that many centuries have brought forth. That is what the book is—a portrayal of the theories of Christ—love, charity, mutual help, the universal brotherhood of man. It is not the little romance that runs through it—it is not its art, nor its literary purity, nor its fine style, that has touched the popular heart. It is alone its masterly presentation of the truths that Jesus Christ taught that has caused human nature to respond with a great throbbing, and give the book a welcome such as no other has received for ages. Our belief and trust in human nature is implicit and boundless. It is all we have to tie to, all we have to build upon. The reception of this book justifies our faith. The lessons of our daily lives justify it. Even under false conditions, where false standards prevail, honest trust in our fellow-men is seldom betrayed. One great fact which offers the complete vindication of human nature stand out bold, and cannot be challenged. It is that the only true happiness to be found in this world comes from kindly association with our fellow-beings—from love and charity and beneficent words and deeds. Wealth brings not happiness. Honors bring it not. Fame brings it not. What alone brings it? Love and charity. It cannot be said too often. Fill the lines and pages with it. LOVE AND CHARITY! The love and charity that Christ expressed when He said "He who is with-out sin among you, let him cast the first stone," or "Do unto others as ye would that they should do unto you," or "Forgive them, Father! they know not what they do." Human nature is full of this—it throbs and pulsates with it. It is often obscured, often almost obliterated by degrading conditions, but no human being lives from whose heart it may not flash out when occasion serves. And this is the human nature that has responded to Edward Bellamy's book, and made it such a grand success.

To Our Correspondents. Boil it down. If you cannot get it all in one article of reasonable length, say one-half column, make two of it, and send them just as you want them printed. Do not ask us to edit them, or "cut them in two." We have on hand now enough communications to fill two issues, all of them of inordinate length. We really cannot print them, and it seems a pity. It is the short articles which find readers; so boil it down.

When the people get excited about railroad robbery how quick the "Investigate" gag is sprung. Paddock does it this time.

Gov. Thayer's Appeal. Under the above caption the Omaha Bee of Jan. 30 criticizes our proposition that the State Board should fix a rate on corn. It says: "Nobody knows better than the Ex-President of the Nebraska Farmers' Alliance that our State Board of Transportation has no control over railroads beyond the boundaries of the state. Nobody knows better than he does that the freight rates between railroad stations in Nebraska and the export cities on the seaboard are only subject to regulation or revision by the Interstate Commerce Commission. And the interstate commerce law does not even authorize the National Commission to fix freight rates. All they can do is to enforce the penalties imposed by the interstate commerce law against discrimination between localities equidistant, or shippers of like commodities, and the granting of rebates to favored patrons."

That's solid. Now our proposition is that the State Board shall fix a local rate, not on corn alone, but on all grain and stock, and then appeal to the Interstate Commerce Commission for justice on a through rate. We accept the Bee's statement as to the powers of that commission. We are now paying two cents per 100 more for hauling corn to Chicago, 541 miles, than from Chicago to New York, 1,000 miles. The roads, by their combinations, are continuous lines to the seaboard. The discrimination is palpable and outrageous. On both points this matter comes squarely under the jurisdiction of the Interstate Commerce Commission, and it has full power in the premises which the courts would sustain. The law never granted in explicit terms the power to fix rates to our State Board, but it exercised that power and the court sustained it.

Our claim is that it would have been dignified and proper, and probably effective, for the governor to set this machinery in motion. We further claim that the course pursued by the governor has been undignified and contemptible, and will have no result of any value. Is this robbery in rates a new thing? Has not Gov. Thayer been fully aware of it for years? Is there any special robbery in corn rates? How does it happen that he so suddenly rouses from the cushions of his Pullman sleeper to become the champion of the farmer and the humble suppliant to Mr. Holdrege? We can tell. It dawned upon his mind that there was a strong combination of farmers in this state which was likely to be an important factor in the next election, and he struck out to fool his members and make political capital for himself, and at the same time keep solid with the power that made Norval judge. That's exactly the size of it, and "nobody knows it" better than the Bee. No man in Nebraska has so little sympathy with the great plain people as John M. Thayer. No man so cordially hates a reformer or anyone who proposes to change the existing order of things. No man is so entirely subservient to the railroad corporations, and more free in the use of their favors. "No one knows" these truths better than the Bee. But its anti-monopoly costume is easily dropped when any of its pets are concerned.

Local Insurance Companies. County Mutual Insurance Companies are being formed in various parts of the state by the Alliances. The State Alliance, at its late meeting, instructed its Executive Committee to organize and incorporate a State Alliance Mutual Insurance Co. The Committee has no discretion in this matter, its duty being to obey this mandate in an effective manner. County mutuals are at a great disadvantage in one respect. They are necessarily weak in numbers, while the office work, expense for printing, etc., is nearly as great as for a State Co. A State Co. will be much stronger, and will be able to pay its losses with a lower per cent of assessment on its members. Would it not be better, instead of forming county companies, to establish county agencies under the supervision of the County Alliance, to secure and supervise the business in the county, and all become members of the State Co. Each County Co. will require as many officers as the State Co. Think of the army of employees which will be avoided by concentrating the business in one company. Of course the object of the State Alliance is to furnish members of the Mutual with insurance at actual cost, not to make positions and pay salaries.

Farm Mortgages Again. Our esteemed friend J. J. Jenkins seems to have mortgage on the brain. He has been investigating the mortgages of Sarpy county. He states that during the ten years from Jan. 1, 1879, to Jan. 1, 1889, there were only eight mortgage foreclosures in that county. We suppose he expects people to believe this. His other figures must be very reliable indeed. He does not inform us how many mortgaged farms were voluntarily surrendered to mortgagees at that time, nor how many were sold at private sale to avoid foreclosure. But in any event Sarpy must be a money-lender's paradise. A reliable authority in Fillmore county gives twenty-eight as the number of foreclosures in that county for 1889 alone. This mortgage business having now been settled to Mr. J's satisfaction, we suggest that he turn his attention to corn rates. Or, if that fails to afford scope for his gigantic intellect, that he take up the problem, "Was Hamlet a woman?"

A Terrible Accident. On Monday morning, February 3, the house of Secretary Tracy, of Washington, was found to be on fire, and the inmates imprisoned by the flames. Mrs. Tracy lost her life in escaping. A daughter and a servant maid perished in the flames. A married daughter and her child were seriously injured in jumping to the sidewalk, but will recover. Mr. Tracy was nearly killed by suffocation. This was certainly a heart-rending accident, coming suddenly upon a happy family.

The Question of Rates. The proposition has been made by certain newspapers, and has been seconded by Gov. Thayer, that the farmers should hold public meetings and address petitions to the railroad companies asking for a reduction of 5 cts per 100 on the corn rate. We wish to caution all members of the Alliance in regard to this matter. We consider that to act upon the above advice would be extremely unwise. In the first place the benefit of the trifling reduction of 5 cents per 100 on the corn rate would be almost equally divided between the shipper and receiver of the corn. This would bring the advance at this end of the line to 24 cts per 100 lbs., or 14 cts per bushel. This is the extreme advantage to be gained by that reduction, and it is not worth the powder. But if only 5 cts reduction was asked for, the roads would probably grant only 2 or 3, in which case no appreciable advantage would be realized. But at the same time, having granted this trifling reduction at the request of the governor or people, the roads will claim that it is reasonable, and that it was fixed by the people themselves, and the effort next winter to get the Iowa rates enacted into law would be seriously prejudiced.

Another reason is that the reduction should be on all kinds of grain and stock, and not on corn alone. And the reduction should be 10 or 15 cents per 100 instead of 5 cts. The rate from Chicago to New York, 1,000 miles, is 20 cts per 100. The rate from Lincoln to Chicago, 541 miles, is 22 cts, and 28 cents on stock. Who does not know that the western roads did not cost one-third as much as the eastern, and that they can carry at a proportionately cheaper rate. And yet east of Chicago the charge is 2 cts per 100 less for 1,000 miles than between Chicago and Lincoln, 541 miles.

Again, experience has shown that the only way to reduce freights is by law. The roads fought the Iowa Alliance at every step, but have at last been compelled to kneel and accept the rates. They will make no considerable reduction voluntarily, whether petitioned or not. This whole proposition to get a small reduction especially on corn arose out of a politician's attempt to make political capital. It assumes now the shape of an attempt to get the farmers to pull somebody's political chestnuts out of the fire. We do not hesitate to advise every man who can safely house his corn to hold it as long as possible. No one knows the turn the market may take in the spring; but it is safe to say it cannot go lower.

Do not call any public meetings to petition the railroads. Discuss the question of rates in your Alliances, and perfect plans to elect members of the next legislature who will make the Iowa schedules legal rates in this state. By this course you will maintain your own independence, and not be made cats' paws of the railroads and cunning politicians who are their tools and henchmen.

The duty of the State Board of Transportation is to adopt the Iowa schedules of local rates for this state, and then appeal to the interstate commission for justice on a through rate. The time will never be more opportune for such action than now. Unless the board shall cease its paltering, and justify its existence by some action showing that it has a back-bone this will be the last year it will occupy spacious rooms in the capitol.

"In the Name of Justice." Under the above caption the Omaha Bee has an editorial in its issue of last Sunday in regard to corn rates and the condition of the farmers of Nebraska, which contains some remarkable statements, and shows very limited information as to the actual condition of affairs, and their causes. We heartily concur in all the Bee says in favor of the farmers of this state, and in the demand that they should have transportation at just rates. But the assumption of the Bee that their present condition is caused solely by high freights, and that a trifling concession on the corn rate would afford them any adequate relief is entirely erroneous. The Bee says: "It is a fact not to be concealed, and which it would be idle to deny, that business depression is general throughout Nebraska. The obvious explanation of this is in the fact that the farmers, upon whose prosperity that of all other interests in the state largely depends, are unable to market their most important crop—the crop upon which they rely to meet their obligations and supply their necessities. Millions of dollars are represented in the unmarketed staple of Nebraska, and could it be disposed of there would be an unprecedented stimulus given to every department of business in the state that would contribute greatly to its progress and to the general prosperity."

Let us examine this a little. The first fact stated is obviously true. The business depression is general, and is felt by all classes. We would inquire of the Bee whether this depression has only been felt since the ripening of the corn? On the contrary has it not been coming on for years? Have not values been going down, real estate been depressed, and all kinds of business becoming more and more stagnated for years past? Is it only since the corn ripened that the prices of all kinds of farm products have been less than the cost of production? If these things are true the "obvious explanation" the Bee gives for the business depression is not the true explanation. The Bee very well knows it is not. No one better than the Bee knows that the demonization of silver and the contraction of the currency are the potent causes that have lowered prices and depressed all values—have covered the farms of Nebraska and the chattels of the farmers with mortgages, and threatened every business interest with bankruptcy. But it ignores all this, turns its financial conscience into the keeping of a national banker, and joins Thayer in a howl about the corn rate and an attempt to make political capital out of it, when it knows that the corn rate is

an infinitesimal factor in the cause of hard times. Let us see about this corn business. Suppose we have produced this year 150,000,000 bushels in the state. What proportion of this will be taken out of the state and sold? We have no statistics to guide us on this point; but 25,000,000 bushels is undoubtedly a large estimate. The per cent of our corn exported in 1881 was only 5.88. In 1887 it was 1.74. Of course to reach the figure we have named a large amount would have to be consumed in other states in this country. But at that figure, and at 15 cts a bushel, the sum it would bring into the state would be only \$2,625,000. This is about the full amount that we will realize from the sale of corn. It would just about pay one-half of the interest on a debt of \$50,000,000. We presume the Bee will not deny that there is as much debt as that in the state drawing interest. Of course we know there is very much more, but the Bee doesn't know it. Now the relief that Gov. Thayer proposes of five cents per 100, would amount to about 14 cents per bushel, and would aggregate \$375,000, certainly a sum worth having, but a mere drop in the bucket as far as any substantial relief is concerned, and a very small basis for the "unprecedented stimulus" the Bee prophesies. It is not the corn that is sold that is a benefit to the farmers. It is sold at a loss every time. It is that which is fed, and converted into pork, beef, milk, butter, horses, mules and cattle, which enables them to stay on their farms and raise interest for the money kings.

Has There Been a Contraction? MADRID, Jan. 31, 1890. EDITOR ALLIANCE.—Will you kindly answer these questions in the next issue of THE ALLIANCE: 1. Has there been any contraction of the circulating medium in the eleven years from 1878 to 1889, and if so, how much? 2. Has the circulation per capita been decreased in this period of eleven years from '78 to '89? 3. And if there has been no contraction or decrease per capita, why do we require a larger volume of circulating medium? Yours fraternally, CHAS. PURNELL.

1. There has been an absolute net increase of circulation of about \$349,000,000 since 1878. 2. The circulation per capita is about the same that it was in 1878. 3. There may be an absolute increase of money in circulation, and at the same time a very great relative contraction. This has been the case in this country, therefore the "if" of our correspondent in his third question renders it nugatory. The per cent of our increase of currency has just about kept pace with our increase of population; but our increase of production has largely outstripped both. Taking the period from 1866 to 1888, there was a large absolute decrease of money, and the relative increase of population and production would be still more marked. The beginning of the depression we are now suffering dates back of 1878. Business failures increased from 2,780 in 1867 to 11,211 in 1888. Taking increased production as a criterion, it will be seen at once why a largely increased volume of money is needed. We quote from an editorial in THE ALLIANCE: "In 1878 we produced of wool 211 million lbs., against 285 millions in 1886. We needed 40 millions more money to handle our wool in '86 than we did in '78. We needed '87 to handle our cotton 73 million dollars more than we did in '78. We needed 37 millions more to handle our pig iron than we did in '78." And so through petroleum, fermented liquors, sugar, tobacco, horses, mules, oxen, swine, coal, etc., until the additional amount needed to handle our increased production will amount to 1,500 millions of dollars.

This contraction relative to production has caused an enormous debt, and the growth of this debt causes a need for more money. Our total debt is said to amount to 30,000 millions of dollars. Evidences of debt are exchangeable like any other representative of wealth. Bonds, mortgages, notes, are sold every day, and require as tangible a volume of money to exchange them as do wheat, corn or cotton. We trust our correspondent can see why we require a larger volume of money.

An Interview With Leese. LINCOLN, NEB., Feb. 4.—[Special to the Bee.]—In answer to the question, "Why did you not go with the rest of the state board to Chicago?" Attorney General Leese said: "I did not go to Chicago with the other members of the state board because I do not propose to lower the dignity of this great state by begging for our rates. The sword is in our hands, and unless some immediate relief is given to the farmers of Nebraska, I propose to use it with a strong arm. Chicago loses by the roads maintaining those exorbitant rates, for what little corn is sent to market from this state goes south.

"The rate to Chicago, several years ago, was only 14 cents on corn, and now there is three times the amount of corn to haul and the rates are almost double. It is humiliating to see the state board of transportation running after the railroads when it has the power to bring them to time without leaving its office; but if it thinks otherwise, all right. I am satisfied the railroads will refuse to do anything, and if they do the hand-writing is on the wall."

Another Alliance Paper. We are informed that our Alliance friends in Washington are about to start an organ at Oakesdale. The Alliance is booming in that region. JAWGE (W. E. D.) says, "Well, if we can get those extra bonds to bank on, I believe I'll let Laws or Connell be senator. Of course we must let Thayer be governor. That's fixed."

A Grave Charge, and its Refutation. The following article copied from the Adams County Democrat has been started on its round of slander. We copy it and Mr. Thompson's letter in reply to the editor of the Democrat. No comment seems necessary. In fact, perhaps we ought to apologise for occupying space with it. But it will undoubtedly reach many of our friends who might think there was some foundation for it if there was no contradiction. It now looks out that no sooner had Mr. Armitage than he died at Kenesaw, was the victim of certain Alliance leaders who make their headquarters at Lincoln. Mr. Armitage, some months previous to his death, invested all his earthly possessions in a paper at Lincoln, called THE FARMERS' ALLIANCE. This investment was made at the earnest solicitation and promise of Messrs. Burrows, Thompson and other Alliance leaders that they would render all possible assistance. Mr. Armitage had implicit confidence in these men. They were brothers in the same cause. It now looks out that no sooner had Mr. Armitage established the paper upon a paying basis than these "brothers" commenced an operation to squeeze him out, and finally compelled him to accept about one-fourth the value of the plant, or have an opposition paper in the field. As to the truth of all this, the Democrats cannot vouch. If any part of it be true, the persons guilty should explain, if they can.

EDITOR DEMOCRAT.—The above article contains charges of so grave a nature, and statements so entirely at variance with the facts, that it seems proper that I should make a statement in regard to the matter. Mr. Armitage had a small newspaper outfit at Kenesaw. He was invited by Mr. Burrows, Chairman of the State Executive Committee, to move the same to Lincoln, and start an Alliance paper. The consideration offered him was that the paper was to be made the official organ of the State Alliance, and that the state secretary would move his office to Lincoln and assist in editing the paper, and give all possible aid in extending its circulation among the Alliances. Mr. Armitage embraced this offer with great alacrity, no urgent solicitation being needed; and a contract between him and the state secretary embracing those conditions was executed. The contract was fairly carried out on both sides. Mr. Armitage no doubt did the best he could to make the paper a success. But instead of putting it on a "paying basis," in the first part of September he notified the chairman of the executive committee that he could not publish the paper any longer unless the committee furnished him the means to do so. This the committee had never proposed to do. It did not feel justified in maintaining a paper by money taken from the State Alliance. But this presented to Mr. Burrows the alternative of either seeing the paper which he had been instrumental in starting fail and stop, or of himself taking hold of it and carrying it forward. He was nearly sixty years old, was quite comfortable on his farm, and greatly enjoyed taking up the hard work of publishing and editing a paper. But rather than throw upon the Alliance the discredit of a failure he chose to do so. He came to Lincoln and in partnership with myself, bought the plant of Mr. Armitage. Instead of "about one-fourth its value," we paid Mr. Armitage for the plant very much more than it was worth, in addition to assuming the obligations of the subscription list, and all the debts he had contracted. Mr. Armitage went out of Lincoln with considerably more money than he brought into it. No one had any thought of starting an opposition paper. No one could have been induced to do it. Mr. Burrows did not want a paper. Instead of any "squeezing" being done, all parties regretted the failure of Mr. Armitage. As for Mr. Armitage having put the paper on a "paying basis," that difficult feat is not yet accomplished. Mr. Burrows has had charge since Sept. 14, and has worked like a Trojan; but he has not taken out of the business enough money to pay his personal expenses for board, etc. The paper is paying for its white paper, mechanical labor and hired help, but not a dollar for its proprietors. I trust, Mr. Editor, you will do me the justice to publish this statement in connection with your article; and that papers that copied your statements will also copy this. Yours, &c., J. M. THOMPSON, Sec. State Alliance.

Latest Items. As we go to press word comes from the railroad magnates that "lower Nebraska corn rates are not yet obtained." Of course not. Think of the half-dozen fellows representing the Western Association complacently looking down on the governor between whiffs. "We'd like to oblige you, governor, but—"

It's LAW these fellows want, and law they'll get, a belly-fell, before long. Senator Paddock sees a small darkey in the wood-pile, and he comes up smiling with a resolution to INVESTIGATE! That has been the standard response to the cry of the people for relief for the past ten years. If Senator Paddock had come up to the chalk with an amendment to the interstate law, giving the commissioners full power to fix rates, to declare what rates are continuous, and making it mandatory on that body to adjust tariffs on the principle of a fair compensation for services rendered, we might have thought he was sincere. BUT INVESTIGATE! Pah!

The Secretary of Agriculture has just made an allotment of seeds to members of congress to palaver their constituents with. We had thought when this cabinet reached the dignity of a cabinet position this tomfoolery would stop. The dead-lock in the Iowa legislature continues. We hope it will continue till there's ice over the pit, if Allison can thereby be defeated. Defeat Allison! Defeat Allison!

Gov. Thayer sends a protest to the committee of ways and means against any reduction of the tariff on sugar. This is a stand-off. One-fourth a bushel on corn-rates down—three cents a pound on sugar up. "No comment needed. In the face of the present condition he gets off some 'home-market' rot."

Taxing Money. I am instructed by the Ithaca Alliance No. 734 to forward you the following resolutions and ask you to publish the same and send copy of paper to Paxton & Gallagher. P. P. F. 1—Yes. 2—Yes.

Anti-monopolists among other-holders and politicians that organization among farmers makes.

Of Interest to Paxton & Gallagher. At a meeting of Eureka Alliance No. 849 and Alliance No. 850, containing fifty-three and seventy-five members, a resolution was passed at each that they will not buy goods of Paxton & Gallagher of Omaha, or of J. D. McNelly, of St. Joe, or of any merchants that buy goods of them. I never saw such an awakening as now has hold of the farmers. There is a call for speakers all over this country. I have a call to address meetings in Clay, Adams, Nuckolls and Webster counties. Will speak in Webster this Thursday night and in Adams Saturday. We are organizing thoroughly around this point, and will soon be able to give you some good news. We think the State Alliance made a mistake in waiting until January for a meeting; for if we do anything in the next Legislature there should be a meeting in August or September to organize some general plan for action. Please speak to the President and the Executive Committee, and talk the thing up while the iron is hot, and before the farmers go to their spring work. A. J. ORENDORF, Secretary.

In Relation to Paxton & Gallagher. ITHACA, NEB., Jan. 28, 1890. EDITOR ALLIANCE.—I am instructed by the Ithaca Alliance No. 734 to forward you the following resolutions and ask you to publish the same and send copy of paper to Paxton & Gallagher. P. P. F. 1—Yes. 2—Yes.

Facts About the U. P. Railroad. In reply to questions of T. W. H. Smith, we give the following general summary of facts about the U. P. railroad: The following is a general statement of the aid extended to these companies by the United States: Bonds. Union Pacific..... \$7,238,512 Kansas Pacific..... 6,803,000 Central Branch..... 1,900,000 Sioux City & Pacific..... 1,628,230 Great Northern..... 25,886,120 Western Pacific..... 1,070,500 \$64,625,312

Land. Union Pacific..... 11,309,844 1.25 \$14,137,305 Kansas Pacific..... 6,000,000 1.25 7,500,000 Central Branch..... 1,900,000 1.25 2,375,000 Sioux City & Pacific..... 1,628,230 1.25 2,035,287.50 Great Northern..... 25,886,120 1.25 32,357,650 Western Pacific..... 1,070,500 1.25 1,338,125 Total..... 26,629,694..... 32,539,918

Total bonds and lands..... 97,166,430 First. That the Union Pacific railroad, from Omaha to Ogden, was constructed under three contracts known as the "Hoxie contract," the "Ames contract," and the "Davis contract." Second. That through the intervention of assignments made by the holders of these contracts to trustees, and through the intervention of a construction company known as the "Credit Mobilier of America," the profits derived from these contracts were secured to the officers and promoters of the Union Pacific railroad itself. The persons who received these profits determined the amount thereof by their own votes. Third. The result of these three contracts was as follows: The distance from Chicago to railroad company: Hoxie contract..... \$12,974,416.24 Ames contract..... 57,140,192.24 Davis contract..... 28,513,628.28 Total..... 98,648,236.76

Cost to railroad company: Hoxie contract..... \$12,974,416.24 Ames contract..... 57,140,192.24 Davis contract..... 28,513,628.28 Total..... 98,648,236.76

Total profit on construction 43,929,328.00 Fourth. The actual cost of construction under these three contracts was substantially equivalent to the proceeds of the first mortgage bonds of the company and of the government bonds, as shown by the following table: First mortgage bonds issued..... \$57,213,000.00 Sold at a discount of..... 3,494,901.25 Net proceeds..... 53,718,098.75 Government bonds issued..... 27,226,512.00 Sold at a discount of..... 91,948.72 Net proceeds..... 27,144,163.28

Aggregate net proceeds of both classes..... 80,862,262.03 Cost of whole road to contractors..... 36,932,933.94 Difference between proceeds of bonds and cost..... 43,929,328.09

Fifth. That the actual profits realized from the three contracts, after reducing the bonds issued to their cash value and charging the stock issued at 80 cents on the dollar, were \$23,306,819.81. These profits are stated as follows: Ames and Davis Contracts. Bonds (cash value)..... \$11,210,000.00 Twenty-four million stock, at 30..... 7,200,000.00 Cash..... 2,346,000.00 Total..... 20,756,000.00

The statement of the construction account, contained in the balance sheet of 1870, immediately after the completion of the road, is \$97,373,549.06. The immediate effect of this statement of the obligations on the financial position of the company is manifest. Without referring to the stock, on which no dividends were declared for some years, it is apparent that the annual interest charge was vastly greater than it would have been had the road been constructed for a sum approximating the actual cost of construction. The actual amount of the payment for interest for the year 1870 was \$4,749,350.32. (See Calhoun's report, volume 8.) The gradual effect of the absorption of the earnings of the company by excessive payments for interest, and in subsequent years for dividends, was to weaken the financial condition of the Union Pacific railroad company, and in time to bring about its insolvency, unless counteracted by a large development of its business and an increase of its earning power. Simultaneously with the completion of the road, in May, 1869, the company found itself obliged to increase its bonded debt. Between the 31st of October, 1869, and the 7th of September, 1871, it issued income bonds to the extent of \$0,457,000, for which it received \$6,614,600. During substantially the same period it issued its first land-grant bonds, to the extent of \$10,744,000, for which it received \$6,230,050. The cost of reproducing the Union Pacific system is estimated by the inspecting engineer of the commission at \$120,000,000. Its liabilities amount to \$225,638,964.96. Here, then, is an excessive capitalization of at least \$105,000,000.

THE GRAIN RATE PROBLEM. A Demand for a Greater Reduction. T. W. Lowrey Writes an Open Letter to the Governor and Board of Transportation. He insists That a Reduction of 10 Cents a Hundred on all Grain will be the most just for all. An Open Letter. LINCOLN, NEB., Jan. 28, 1890. Governor John M. Thayer and the Officers of the State Board of Transportation. DEAR SIRS:—I have noticed with much interest the various discussions on the rate question, also your late request or letter to George W. Holdrege pleading with him to make a five cent reduction on corn. I notice in the daily papers of this date that some prominent railroad official told State Treasurer Hill that these could be in a very short time a reduction on corn rates of 2 cents per 100 from here, 3 cents about about the center, and 5 cents from the western part of the state. This reduction will not be satisfactory, and it looks to me as if you and the board of transportation should insist on a reduction of at least 10 cents per 100 not only on corn but on all kinds of grain and stock. Wheat and oats are now as low proportionately as corn in all markets, and we have an immense crop of oats yet to be marketed. There is no doubt but that it can be shown that grain was carried by the railroads at least 8 to 10 cents per 100 cheaper than the existing rates several years ago. Compare our rates with the rates of northern or eastern lines and compare the tonnage and you will see that our roads should not charge more than 10 cents per 100 on grain to Chicago. The rate from Chicago to New York via any of the trunk lines is now 30 cents per 100. The distance is more than double on some lines and at least about 1,000 miles from Chicago to New York via the shortest line. The distance from Chicago via the B. & M. is 541 miles, and why they should be allowed to charge more than 10 or 12 cents for hauling grain 541 miles more than I can understand. They will say that eastern lines can afford to be cheaper in proportion on per cent of tonnage, etc. I would like to have you and the honorable board of transportation investigate this tonnage question and not take their word for it. "Tonnage," why should they spring this question? Is not a fact that our railroads claim that they can't get cars to handle the business of farmers? Are there not millions of bushels of grain being wasted on account of the railroads not furnishing cars to transport the grain? Is not the case why say anything about "tonnage?" Does it cost you not and did it not cost at least five dollars to build one of the trunk lines from Chicago to New York, through the mountains, to one end of that line, and build the B. & M. or any of our prairie lines? No government lands were given to the trunk lines to assist them to build their lines, and our lines can run a train of thirty cars easier than the trunk lines can haul fifteen, carrying the same tonnage. Expenses must be much less. I was informed by a high official of one of the trunk lines that the most money their line ever made was when they charged 15 cents for hauling grain to New York from Chicago. They charged 15 cents per 100 for 1000 miles. Remember our lines pay no terminal charges and do not handle any of our grain except to haul it after being loaded. They also pay for the elevator at this station, interested in the shipping and raising of grain, do protest against you or the board of transportation of this state accepting anything less than a 10 per cent reduction, on the grounds that the same will be accepted as a reasonable rate as far as local rates are concerned. The state board of transportation has now the power to make rates, and they should at once proceed to make such rates as are reasonable. Some of our speakers, like the Elder Howe to be donated to the poor of this city \$100 if Attorney-General Leese would subpoena the witnesses I would name in the case of the consolidation of the A. & N. railroads with the B. & M. and fail to show by such witnesses that rates have been materially advanced and competition defeated. I now will offer to donate \$500 on the same terms. Hoping that it will be called upon for or shut up, I remain Yours truly, T. W. LOWREY.

At a meeting of Eureka Alliance No. 849 and Alliance No. 850, containing fifty-three and seventy-five members, a resolution was passed at each that they will not buy goods of Paxton & Gallagher of Omaha, or of J. D. McNelly, of St. Joe, or of any merchants that buy goods of them. I never saw such an awakening as now has hold of the farmers. There is a call for speakers all over this country. I have a call to address meetings in Clay, Adams, Nuckolls and Webster counties. Will speak in Webster this Thursday night and in Adams Saturday. We are organizing thoroughly around this point, and will soon be able to give you some good news. We think the State Alliance made a mistake in waiting until January for a meeting; for if we do anything in the next Legislature there should be a meeting in August or September to organize some general plan for action. Please speak to the President and the Executive Committee, and talk the thing up while the iron is hot, and before the farmers go to their spring work. A. J. ORENDORF, Secretary.

In Relation to Paxton & Gallagher. ITHACA, NEB., Jan. 28, 1890. EDITOR ALLIANCE.—I am instructed by the Ithaca Alliance No. 734 to forward you the following resolutions and ask you to publish the same and send copy of paper to Paxton & Gallagher. P. P. F. 1—Yes. 2—Yes.

Anti-monopolists among other-holders and politicians that organization among farmers makes.

Of Interest to Paxton & Gallagher. At a meeting of Eureka Alliance No. 849 and Alliance No. 850, containing fifty-three and seventy-five members, a resolution was passed at each that they will not buy goods of Paxton & Gallagher of Omaha, or of J. D. McNelly, of St. Joe, or of any merchants that buy goods of them. I never saw such an awakening as now has hold of the farmers. There is a call for speakers all over this country. I have a call to address meetings in Clay, Adams, Nuckolls and Webster counties. Will speak in Webster this Thursday night and in Adams Saturday. We are organizing thoroughly around this point, and will soon be able to give you some good news. We think the State Alliance made a mistake in waiting until January for a meeting; for if we do anything in the next Legislature there should be a meeting in August or September to organize some general plan for action. Please speak to the President and the Executive Committee, and talk the thing up while the iron is hot, and before the farmers go to their spring work. A. J. ORENDORF, Secretary.

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