GOV. HOLCOMB

TELLS ALL ABOUT EX TREASURER BARTLEY'S BOND.

REEKING IN CORRUPTION.

HOLCOMB ACTED CAUTIOUSLY, AND DID HIS DUTY WELL.

Had Conspiracies of Public Plunderers to Contend with on all Sides --A Fearful Condemnation Which Is Fully Warranted by Facts Known to All Men.

To the Citizens of Nebraska:

Smarting under the defeat suffered by them at the last election, disgraced and humiliated in the eyes of all honest people because of the startling disclosures and indisputable array of evidence constantly being brought to light, showing one continuous revelry of fraud, corruption and extravagance in office by those put forward as their representatives and entrusted with the management of the affairs of state, the managers and ring leaders of the republican party of Nebraska have adopted a policy of guilty silence as to the wrongs committed against an outraged people, and, with the instinct of the guilty whose pockets are lined with ill-gotten gains, have raised the cry of "Stop, thief!" to distract public attention from their own grave offenses, hoping that in the confusion they may hide from public gaze and scorn their long train of evils and escape the condemnation of the people, which they so richly deserve.

Their position is: Let Bartley go; let Moore go; cover up all the fraud and extravagance which is being brought to light every day; let the guilty parties who have been entrusted with these important affairs of state and have proven recreant to their trust go unwhipped of justice; give us Barrabas, but crucify Holcomb.

CAMPAIGN OF LIBEL.

Qualifications For a Present Day Republican Politician.

In order to carry out this ingenious plan of distracting public attention from the real issues now before the voters, these astute, unconscionable defenders of republican faith and practices have engaged in the most disreputable methods ever employed in any campaign in this state, or perhaps in any other. They have made it a campaign of libel, slander, falsehood and deceit, such as probably has never before been witnessed in any political contest. The person who is the greatest stranger to truth, honesty and fair-dealing; the person who can utter one falsehood after another with the utmost abandon and recklessness of character is the one seemingly who has the highest seat in the councils of the party and the most potent voice in the conduct of the present campaign.

In line with this policy the committee on resolutions at the republican state convention reported a resolution, with mock virtue and feigned indignation, condemning certain republican ex-state officials whose wrong doing had been thoroughly exposed and the proof thereof made so complete and overwhelming as to require only the formal introduction in court to establish the fact judicially. And the resolution went further, saying, "We condemn the governor for failing to exercise his prerogative in requiring the treasurer to make an exhibit of and account from time to time for the public funds in his custody and by reason of this palpable dereliction of duty he cannot escape his share of the responsibility for the treasury defalcation." I can readily understand how a resolution of this kind reported to the convention would be adopted without discussion or inquiry, and of the action of the convention I have no comment to make. But to the committee who drafted and reported the resolution I charge that there was no truth in the portion just quoted, and no sufficient foundation in fact for its creation; that it was intended to deceive and for the purpose of shifting the responsibility from the republican party, where it rightly belongs, to myself, who in no way, by any fair construction of the facts, am chargable in the least with any responsibility

CHAMPIONS OF CORRUPTION.

Character Sketch of the Republican Platform Committee.

for this shortage or any part of it. These facts must have been known to this committee, and I will not presume that they were too densely ignorant to understand them. Look at the personnel of that committee—most of them men who have been the especial champions of republican policies of extravagance, corruption and boodlery; defenders of officials who, entrusted with the discharge of important public interests, have failed to measure up to the responsibility imposed upon them; men who have stood sponsor to the official integrity and official actions of those same men whom they are at last compelled by public opinion and force of circumstances to condemn. One of these distinguished promulgators of republican belief was in his paper taunting the populists of Nebraska over their alleged chagrin because Mr. Bartley was accounting for and would account to his successor for all moneys he was chargeable with, when at the very same time Mr. Bartley was short and was unable to produce the funds which he should have had as state treasurer. Another one much later arraigned in the most bitter terms Judge Baker, who presided at the trial of Mr. Bartley, for the manner in which he conducted the trial, when to every fair-minded man the defendant's guilt was beyond controversy or cavil, and all that was required was the formal introduction of the testimony as to facts already within the knowledge of all well-informed men in the state. Such are the men who undertake to condemn me for doing my duty.

APPEALS TO SPIRIT OF FAIR PLAY

Give the People the Facts and They Will Render a Verdict.

Never was a more striking illustration of the devil attempting to rebuke sin. These men, if they had wanted to be fair and honest, would have condemned themselves and the republican party, for they alone are responsible for this great wrong to the people. I do not expect fair treatment from these men. Fair treatment, truthfulness and honesty are qualities not possessed by those who are managing the affairs of the republican party today. They prefer deceit, falsehood, slander, fraud and corruption as best suited to their purposes. It is not to them, but to the honest, fair-minded people of the state, of all political parties, that I appeal. Let them know the truth and then pass judgment upon my every act. I challenge and court open, fair and honest criticism from any source and have no fear of the result.

THE GOVERNOR'S POSITION.

Bartley Required to Show Up the Funds on Hand.

What are the facts regarding my connection with these republican defendants? It is true that I was governor; that I approved Mr. Bartley's bond. It is further true that I required in good faith a full and complete accounting by him of the funds in the state treasury at the beginning of his second term of office and my first term. In the first place I have all along contended and yet contend that Mr. Bartley should have had his bond approved, his accounting completed in all respects and have entered upon his second term the very moment that I entered upon my first term. In this contention I am supported by the constitution and statutes, which provide that all state officers shall qualify and enter upon the discharge of the duties of their offices for the term beginning the first Thursday after the first Tuesday in January next after their election. It will thus be seen that Mr. Bartley should have qualified for his second term and entered upon his duties at the same time I began my first term. A responsibility was thrown upon me by his failure to thus qualify prior to the 3d of January, the time fixed by law, which I should not have been required to assume and which belonged, as I understand the law, to my predecessor. But this was not done and I was compelled to meet the conditions which I found to exist. I did so to the best of my ability and with perfect fidelity to the people.

BARTLEY'S BONDSMEN.

Were Endorsed by the Commercial Agencies as Good and Sufficient.

It has been said of late and often repeated that the bond of Mr. Bartley was insufficient when approved, and this falsehood, like many others, has grown until now it is boldly asserted that the bond was worthless and that I knew it to be such when I accepted it. Let us see about this. The bond was presented to me late in the evening of January 3. I advised Mr. Bartley that I could not possibly act in so important a matter that night; that I could not pass an intelligent judgment regarding its sufficiency without careful examination and extended inquiry; that the sureties were all strangers to me and I knew but little, if anything, about their financial responsibility. I then talked with numerous people about the financial standing of the sureties, and all spoke favorably as to their being persons of high business standing and recognized financial responsibility. I asked the aid of the commercial agencies and their reports, a great many of which I now have on file, gave to the parties signing the bond a rating in many instances greatly in excess of the amount for which they justified and in all instances showing that all sureties were financially responsible and proper persons to be accepted as sureties on obligations of this character. The aggregate of the value of the property owned by these sureties, subject to execution and sale on judicial process, far exceeded in amount the sum named as the penalty of the bond. The reports, I undertake to say, were reliable, trustworthy and such as any prudent, careful business man would have relied upon to ascertain the responsibility of the sureties on the bond.

DEMANDED MORE SURETIES.

All Swore That They were Worth Over $2,000,000.

But further: The amount of the bond was fixed when presented to me January 3, at one and one-half million dollars. I regarded this as lower than it in justice ought to be, but did not feel warranted in rejecting the bond outright, and, because the sureties seemed to me after careful and painstaking inquiry and investigation to be barely sufficient and the amount of the bond extremely low, I requested Mr. Bartley for additional sureties. These were furnished, and all justified in the aggregate by their solemn oaths for over two million dollars. Without going into detail regarding the different individuals composing these sureties, suffice it to say that they were persons who had reputations for personal integrity and standing and financial responsibility of the very highest character, nearly all of them being actively engaged in reputable business and having business connections equal to any who might be secured as sureties on undertakings of the kind under consideration. The bond was good and sufficient then, and it is now so far as I can learn; and this notwithstanding the very palpable falsehood which is now given currency for political effect, even to the point of impeaching the integrity and truthfulness of the sworn statements of these sureties, whose standing and character theretofore had been above reproach.

ACTED CAUTIOUSLY.

The Republican State Senate Endorsed Bartley's Bond.

I submit to all fair-minded men that I acted in this respect with due caution and business prudence and that this false charge must fall flat and should react on the heads of its authors.

But this is not all: A republican senate, upon a motion to amend, made by Senator Campbell of Nance county, appointed a committee to investigate the sufficiency of this same bond. This committee, after having the matter under consideration for several days and after making a thorough examination into the matter, reported as follows:

"In regard to the bond of Joseph S. Bartley, as state treasurer, we have to report that we have gone into the investigation very carefully.

"The sureties thereon are, with few exceptions, men of known business standing, our information having been drawn from non-official, but none the less reliable sources, and in each instance, confidentially received.

"Having given due consideration to all the facts presented, we beg to report that in our opinion the bond of said Bartley, as state treasurer, is good and sufficient.

"All of which is respectfully submitted. "W. R. AKERS,
"WM. STEUFER."

This report cannot be said to be false and unreliable without impeaching the republican senate which ordered the investigation. Do these purveyors of this falsehood want to be understood as saying that the republican senate falsified the condition of this bond and that it was worthless at that time, and that the report of the committee was a lie and made to deceive? I ask the honest citizens of the state to say whether I was derelict in my duty regarding this bond, and to them I submit the matter.

ARTFUL DODGING OF LAWYERS

Using Every Conceivable Device to Escape a $500,000 Judgment.

In the suit on Mr. Bartley's bond now in progress in the district court of Douglas county, every imaginable and conceivable defense which the ingenuity, skill and learning of counsel for the surety defendants can bring forth is being employed. They seek to profit by every issue and obstacle which can be raised, whether regarding the merits of the case or some dry technicality, and I can readily conceive how these defendants, with a probable judgment of half a million dollars staring them in the face, will through their counsel resort to the most desperate means to relieve themselves of this responsibility. It has been asserted during the trial of this case that ex-Treasurer Bartley was a defaulter at the end of his first term, and that I had knowledge of that fact. An offer to introduce evidence to sustain this charge was made by Mr. Cowin, one of the attorneys. People generally know how much importance attaches to an offer of this character, especially where it is known, as must have been in this case, that the offer was of evidence that did not respond to the issues in the case and could not relieve the bondsmen.

SENATOR RANSOM'S DENIAL.

Never Charged Governor Holcomb with Bad Faith.

even if true. Much has been said about Mr. Ransom, one of the attorneys for the bondsmen, making a charge of this kind, and scurrilous nondescript circulars, embodying these assertions as having come from Mr. Ransom, have been circulated all over the state, presumably by the republican campaign managers. I desire only to say that I have received a personal letter from Mr. Ransom enclosing an editorial from the Omaha Bee under the caption, "A Startling Arraignment," and embodying the substance of these statements, in which Mr. Ransom says: "I notice the enclosed editorial in the Bee this morning (Oct. 9) and without thinking it is necessary, because of the source, yet I desire to say that the statements therein contained are unqualifiedly false, and if you desire to inquire, I refer you to General Cowin, the leading counsel in the case, and the other attorneys in the case. Personally I made no offer whatever, but argued the admissability of an offer made by other counsel, but nowhere was it claimed in the offer or argument as stated in the editorial."

A DAMNABLE FALSEHOOD.

Refused a Challenge to Submit Proof.

Whatever may be the truth as to what was uttered in the court proceedings regarding this subject, and by whomsoever uttered, I have only to say that never was a more heartless and unjustifiable falsehood uttered by man than the statement or insinuation that I had any knowledge directly or indirectly or in any manner that Mr. Bartley was a defaulter at the beginning of his second term of office. Upon the contrary, I had every reason to believe, from a careful examination of the condition of the state treasury, that he had every dollar on hand that he was properly chargeable with. The fact that the attorney general consented that the defense might prove that a shortage existed, if one did, at the beginning of the second term irrespective of my knowledge regarding the matter, and that the court permitted them to offer proof of such alleged shortage, and their failure to offer one scintilla of evidence to sustain the charge made by them, ought to be conclusive proof that no such evidence existed and that there was no ground for the cruel, unjust and false offer made by Mr. Cowin to prove such charge. It leads one irresistibly to the conclusion that an attempt was made by counsel in this case to prostitute the courts of justice in order to manufacture some cheap political capital to bolster up the waning cause of a thoroughly discredited party.

It was proposed in this offer to prove these assertions by Mr. G. M. Bartlett, deputy state treasurer for many years, and yet, as the evidence afterward showed, Mr. Bartlett's testimony and my own on this point were substantially the same; and our knowledge of the entire transaction practically coincided. How, then, can counsel be justified in this unwarranted, outrageous, untruthful insinuation that I had knowledge of any shortage, or that, in fact, any shortage then existed? I understand a copy of this offer by Mr. Cowin has been printed and circulated by the republican state central committee throughout the state under cover of envelopes through the United States mails. If such be the case, those responsible are guilty of circulating a malicious libel and should be placed in the same category as those who will stoop to falsehood and vilification as the proper method of discussing public questions. These parties will be careful to say nothing in their defamatory circulars about the attorney general and the court offering to allow and permitting the defendants to prove any shortage during Mr. Bartley's first term, nor of the defendants' refusal to offer one iota of evidence that such was the case. How manly, how fair, how honorable, are such methods? What will honest people think of such treacherous and unreliable methods of conducting a campaign?

SHIFTING ABOUT.

Trying First One Falsehood Then Another.

It was first asserted that I had been negligent in my duty in not requiring the state treasurer to account for the funds in his possession at the beginning of his second term of office. Afterwards, when it was ascertained that such charge was utterly unfounded and could not be supported in truth, the allegation was made that the treasurer was a defaulter at that time and that I had knowledge of that fact. Since this palpable falsehood has been refuted, it is now, as a dernier ressort, publicly proclaimed that the manner of the accounting by the state treasurer was not such as the law required and was, therefore, illegal. I wish to examine into this phase of the question very briefly. In the first place I would have it distinctly understood that no responsibility can attach to me in any manner for whatever was done or failed to be done in the office of the state treasurer prior to January 4, 1895, at the time when I entered upon the active duties of my position. Whatever condition existed then and prior to that time was occasioned by the policy of the administration of state affairs by the republican party and their representatives, who had held almost uninterrupted control since the organization of the state, and who had up to that time and since proclaimed through the press and upon the stump that their management of the state's affairs was honest, economic, straightforward and in the interest of the people.

After being inducted into office and ascertaining that the state treasurer had not qualified under my predecessor and that the duty devolved upon me, I immediately set to work cautiously and carefully to discharge my duty in the matter of the qualification of the treasurer for his second term of office. Not only did I consider it carefully, but I also conceived it to be my duty to ascertain the true condition of the state treasury and secure an accounting of the funds chargeable to the state treasurer in order to comply with the spirit of the law. I think I can safely say that never before in the history of the state had such an accounting been made—certainly not to my knowledge. Bear in mind that what I endeavored to do was to ascertain the truth regarding the condition of the state treasury and to be satisfied that the treasurer had in his possession and under his control all funds with which he might properly be chargeable. I had neither the time, ability nor facility to enter into an expert investigation of this matter. I could only be expected to make a reasonable effort, situated in my position as I was, to require a full and complete accounting of the funds belonging to the state treasury. This I did.

SUPIEME COURT'S IRON HAND.

Unlawful to Deposit School Money in State Depositories.

I wish to call attention to the fact that after the enactment of the depository law by the legislature, the supreme court in an opinion handed down in February, 1894, held that the provisions of the depository law had no application to educational and trust funds, and that it would be unlawful to deposit these funds in state depositories. This decision, then, required a separation of the funds. In the current funds, which should be deposited in state depositories, Mr. Bartley accounted by exhibiting evidences which to me were satisfactory and which I am satisfied were perfectly reliable. He had practically all the current funds for which he was chargeable in state depositories, where they properly belonged. The other funds, being the educational or trust funds, must then be accounted for in some other manner. It is urged now that these other funds should all have been accounted for by the production of the actual cash. This was not done. In the nature of things it could not be done and was not required to be done under the law.

DISTORT GOVERNOR'S WORD'S.

His Idea of a Sham and Farce Accounting.

My language has been distorted and I have been charged with saying that the law requiring the accounting was a farce and a sham. I have uttered no such sentiment. I have said that to give the law a construction which would permit the state treasurer to go to the banks of Lincoln and Omaha and temporarily secure cash equal to the amount he was chargeable with and exhibit such cash as an accounting and then return it to the banks from which it was obtained, would be a farce and a sham and would throw absolutely no light upon the condition of the treasury, leaving us in as much ignorance as though no such accounting had been had. It is a fact known to many that county treasurers have made settlements by securing temporarily the cash necessary to balance their accounts, returning it to the banks after it has served its purpose, and nobody was any wiser as to the amount of actual funds in the control and keeping of such treasurer. This was especially noticeable in the case of Barrett Scott, of Holt county, who produced to the county commissioners money borrowed from the banks of Omaha for that purpose, returned it to the banks and within a very short period was found to be a defaulter to the amount of nearly one hundred thousand dollars. It was in this sort of an accounting that I did not believe there was any virtue and did not care to engage in. I felt it to be my duty to know where the funds were rather than to have somebody else's funds exhibited as belonging to the state treasury. In doing this I conceived I was complying with the law and giving to its requirements a sensible construction—one in which "the spirit maketh alive while the letter killeth." I examined Mr. Bartley's accounts and he exhibited to me cash in the treasury and certificates of deposit of solvent banks in the state, where he had the money on deposit for safe keeping, for every dollar for which he could be held responsible. These certificates of deposit and evidences of credits which he held in the banks had all the evidences of genuineness and there was not the slightest indication in any particular that the money which it purported to represent was not honestly and justly to his credit there, to be called for whenever it might be required by an order for its investment from the Board of Educational Lands and Funds.

HOW THE MONEY IS KEPT.

Custom and Common Sense In the Case.

Bear in mind the fact of this money being deposited in different banks was a condition that existed when I examined the treasurer's books and a condition which existed, which was upheld, which was endorsed, which was defended by republicans, under a republican rule and regime, in the affairs of this state for a number of years past. If it was wrong at that time, it was wrong the day before; it was wrong during the campaign preceding that time and every republican in the state who supported the republican policy and the republican administration of affairs was equally responsible for that wrong. Every state officer preceding me, every member of the supreme court, every member of the legislature, every well-informed person throughout the state knew that this money was not kept in the treasury vaults; that in the nature of things it could not be kept there in safety; and that its only safety lay in its investment as the law directs, for the benefit

JUDGE POST'S DECISION.

Regarding How the State Funds Should Be Kept.

of the school children of the state. Let me quote here an opinion of Judge Post, the republican candidate for re-election as judge of the supreme court upon this subject and see where I should be held responsible for this heinous offense and no one else share in the wrong, if one there be:

"By reference to the foregoing certificate of deposit it will be perceived that the transaction here involved differs from an ordinary general deposit in one respect only, viz., that the money of the state in the Capital National bank was payable upon the return of the certificates, and not subject to check. It is, therefore, directly within the reasoning of the cases cited. But the legislature could not, by the adoption of the criminal code, have intended to require the impounding of public funds in specie in the vaults of the treasury for another and sufficient reason, viz., that the state had then, as it has now, no sufficient vault in which to securely keep them. We take notice, too, for it is a matter of common notoriety that treasurers have never kept funds of the state in actual cash in the vaults of the treasury, and we may safely assume that they will never be so kept, since no treasurer could give the required bond who was suspected of an intention to entrust the millions for which he is accountable to the utterly insufficient security provided therefor by the state. A change so radical as to amount almost to a revolution of the financial policy of the state and which must result in multiplied embarrassments, owing to the inadequate provisions for investment of our rapidly increasing school fund, should not be sanctioned upon any such doubtful ground as an amendment of the criminal code, designed to prevent the embezzlement, by officers, of public funds entrusted to them for safe-keeping."

HOW IT WOULD WORK.

To Temporarily Produce the Cash is Absurd.

It it was required that this money should be in cash in the treasury vault of the state at the time of the accounting between Mr. Bartley and myself, it should have been there a year previous and for several years before. It should have been there at all times thereafter. It will not do to say, and the proposition is absurd, that for the purpose of accounting the money should be temporarily brought into the treasury vault, but that at all other times it should be deposited in the banks under the direction and control of the state treasurer. Had there been anything in the law to indicate that this accounting should be in actual cash, by the same parity of reasoning it would be required that the actual cash should be in the treasury vault at all times and under all circumstances, except where deposited in the state depositories. This was not the condition when the accounting was had. It was not the condition prior to that time nor since then. Every well-informed person knows that this money, which could not be deposited in depository banks, was not kept in actual cash in the treasury vault. In that accounting it was disclosed that over two hundred thousand dollars of educational funds were deposited in the vaults of one of the leading banks of the state. Other sums in smaller amounts were deposited in other banks. All were clean, clear-cut evidences of the deposit by the state treasurer of so much money belonging to the state, and which he might call in at

HIS DUTY WELL DONE.

Another Injunction Stared Him in the Face.

any time it was required. Will any sane man, will any prudent business man in the state say, under the circumstances in which I found the state treasury and its different funds, accounted for in the way they were, that it was my duty to insist and demand that the state treasurer withdraw all this immense sum of money from the banks where it was deposited and put it into the treasury vault? If such a course were required by law I would have endeavored to enforce it were it to break every bank in the state. But it was not so required. It could have brought nothing but disaster and ruin to the financial interests of the state, could have resulted in nothing but the wrecking and depleting of many banking institutions, solvent at the time but in a critical condition because of the disastrous financial condition and the sever drought thro' which this state had passed the season previous. Not only that, but I would have been met promptly by a process from the court in line with its other decisions that this money, until invested, was under the control and keeping of the state treasurer and that I as governor could not determine and had no right to determine in what manner he should keep the funds entrusted to his care and keeping by the choice of the people. What else can be said in the face of these conditions and in the face of what actually occurred than that there is a desperate attempt being made to bring reproach upon me because of the shortcomings of others and because I have been an instrument in bringing exposure to the extravagant mal-administration of affairs by republican state officials and those appointed to serve in important public positions?

DID ALL THE LAW ALLOWED.

Republican Legislature Should Have Taken a Hand.

Not only did I require a full and complete accounting from Mr. Bartley at the beginning of his second term, but during each semi-annual period thereafter I required from him a report in writing, and these are the only reports that are on file in this office made by any state treasurer, showing in detail the amount of moneys on hand, the amount deposited in the different depository banks and where deposited, and, in fact, a complete exposition of the condition of the state treasury at the close of each semi-annual period. This is all I could do under the constitution and the law. This was done, and never had been done prior thereto.

A republican legislature was in session at the time of the approval of Mr. Bartley's bond, and were there any occasion for the belief that the state treasury was not in satisfactory condition, this legislature and it alone above every other power, was provided by statute and by its own inherent power with authority to investigate all such matters. But the republican legislature, the friends of Mr. Bartley, and every republican today who has complained about these things that have transpired in times past, were as silent as the grave.

Section 5015 of the Compiled Statutes provides: "All books, letters, and transactions pertaining to the office of treasurer shall be open to the inspection of a committee of the legislative assembly or either branch thereof, to examine and settle all accounts and to count all moneys; and when the successor of any such treasurer shall be elected and qualified the state auditor shall examine and settle all the accounts of such treasurer remaining unsettled, and give him a certified statement showing the balance of moneys, securities, and effects for which he is accountable, and which have been delivered to his successor, and report the same to the legislative assembly."

THE $200,000 THEFT.

A Conspiracy to Rob the State is Plain.

In no other place in the statutes is such latitude and unlimited authority given for the examination of the condition of the state treasury as is here given to the legislature. If I have failed in my duty, this legislature failed tenfold more in their duty. But further: Of the moneys of which Mr. Bartley is in default, two hundred thousand dollars is for current funds. Reckless, indeed, would be the individual who for one moment would insinuate that I was in the remotest degree connected with this shortage of over two hundred thousand dollars. The legislature made an appropriation to reimburse the sinking fund. Scarcely had the act become a law than a voucher, adjusted by a republican state auditor, approved by a republican secretary of state, was made out in favor of Mr. Bartley, not as state treasurer, but in his individual capacity, and upon which a voucher was drawn in his favor, registered, and by him taken to a leading bank in Omaha and there negotiated and the money disposed of or dissipated in some way unknown to me. This warrant, less than ten days prior to the expiration of Mr. Bartley's term of office, was paid and cancelled. Not one step in the entire transaction was known to any one, so far as my knowledge goes, except these republican state officials and the bank officials who negotiated the sale of the warrant. Yet these arrant hypocrites would have the people of the state of Nebraska believe that I in some way have been derelict in my duty because of this loss of over two hundred thousand dollars to the people of the state. To what depth of infamy will they go in order to distract the attention of the people from their own crimes and misdemeanors?

THE SCHOOL FUNDS.

What Holcomb Tried to Do--What Supreme Court Did Do.

To return to the school fund, something over three hundred thousand dollars of which was not accounted for by Mr. Bartley at the close of his second term. What is the condition of this fund, and how has it been managed? The legislature undertook to secure its deposit in depository banks and the supreme court held that it was not lawful to do it. The legislature undertook to have the state treasurer buy state warrants with it when there was no[t] in the general fund and the su[preme] court held he could not do it. The B[oard] of Educational Lands and Funds [u]dertook to direct the state treasurer t[o] purchase state warrants with this uninvested school fund and hold them as an investment for the benefit of the school children of Nebraska. A case was made up and the supreme court held that such investment could not be made unless at the pleasure and with the consent of the person holding the warrant. The supreme court has, in fact, given us a line of decisions from the very beginning which in effect permitted the state treasurer to keep this enormous fund under his own control, care and custody—a temptation in itself to fraud, malfeasance in office and defalcation.

During my term of office I labored industriously to secure the investment of this fund as the law provides. I met with the stubborn, solid opposition of the republican members of the Board of Educational Lands and Funds, and investments in state warrants, such as are now being made every day and found to be satisfactory in every way, in accordance with the law and the early decisions of the supreme court, were by the republican attorney general held to be unlawful. What can now be done with the utmost satisfaction to all concerned, was then held to be unlawful. I then endeavored to secure the investment of this same fund in United States bonds, against which no valid objection could possibly be urged, and again met with the opposition of the republican members of the Board of Educational Lands and Funds, as strong and determined as that against investing it in state warrants. I then turned my attention to the purchase of county registered bonds, the only other kind of securities mentioned in the constitution, and by my own individual efforts, unaided in any way, secured the purchase by the board of over a hundred thousand dollars of the entire amount invested during my first term of office. Every dollar of this fund could have been and should have been invested prior to the expiration of Bartley's second term, and even before that, for that matter; but it was not done because of the active assistance, aid, co-operation and consent of republican officials, the republican press and party leaders throughout the state. If this fund had been invested as it should have been, no defalcation would have taken place. The money was on hand at the beginning of Mr. Bartley's second term of office. Instead of three or four hundred thousand dollars, every cent of it should have been and could have been invested, and not a dollar of it lost to the state.

HOW THE STEAL WAS WORKED.

Another Smoothly Carried Out Conspiracy.

Let me illustrate one other fact as to the condition of these funds. It will be borne in mind that aside from the two hundred thousand dollars, representing the amount collected on the sinking fund warrant, drawn in Mr. Bartley's favor, and about which I could know nothing, the remainder of $335,000 represented the educational funds in his hands. These funds, as above stated, were kept by him, and could not, under the decision of the supreme court, be deposited under depository bonds in banks designated as state depositories where the current funds must, under the law, be kept. Just at the close of Mr. Bartley's term of office, and when it was known that he was required to account for those funds, he presented three depository bonds, making three other banks state depositories. These bonds were not presented and were not acted upon until near the time that he was required to account to his successor. I objected and protested against the approval of any more depository bonds because of the nearness to the time when Mr. Bartley would be required to account for all funds, and because depository banks had been designated sufficient and ample to cover all current funds which should be deposited therein. Notwithstanding my objections, these three depository bonds were approved by the republican attorney general and the republican secretary of state, and, without my approval, which the law says must be had, these banks were designated as state depositories. At the time of this designation these three banks had in their possession over two hundred and twenty-two thousand dollars ($222,000). This money, I am satisfied, had been in these banks for a considerable period of time and was in fact school money and belonged to the educational funds and not to the

HOW EASY IT IS

To Rob a State When You Know How and Have Confederates.

current funds. By this action, however, Mr. Bartley was permitted to credit as current funds this $222,000, which properly belonged to the educational funds, and in its stead to dissipate and misappropriate an equal amount of current funds which he had accumulated during the last six months of his incumbency by failure to pay any state warrants, and of which, according to his report, submitted November 30, 1896, preceding the expiration of his term of office, the general fund alone amounted to $589,370.39. Yet, warrants at this time were outstanding against this fund for many times that amount. By this action of his fellow republican state officials, Mr. Bartley was permitted to take out of the school moneys which he had on hand, and which should have been turned over to his successor, this sum of over $220,000 and which he should have been compelled to account for out of the general fund which he had allowed to accumulate and for which by this act he was permitted to substitute school funds. This fact alone accounts for that amount of school moneys actually held by him as school moneys until within thirty days of the expiration of his term of office. In the face of all this, I have been slandered, vilified and my actions falsified in order to deceive the people. It is to the people, the honest citizenship of Nebraska, that I submit these facts and confidently await their judgment.

(Signed) SILAS A. HOLCOMB.
Executive Chamber, Lincoln, Neb., Oct. 21, 1897.

So many prominent physicians are making such a good case against eating bread that it seems proper that people in general who eat large quantities of starchy foods should know that such a diet is coming to be considered a menace to health. Bread is said to contain from 30 to 40 per cent of starch. It is hard to digest and makes a great and unnecessary strain on the digestive apparatus. Dr. Densmore of New York and other American writers on hygiene believe in a universal reform in this particular. Mr. T. P. O'Connor, in a London paper, recently made some very interesting statements. He said that persons who have strictly abstained from bread eating have retained their faculties to an unusual age. Sir Isaac Holden was an example. He lived ninety-one years, the greater number of which were spent in active work and out of Parliament. He smoked and drank in moderation. His friends believe his long life and remarkable vitality are to be attributed to the fact that he avoided all foods rich in starch. There are exceptions to the rule that starch is unhealthy. Rice, for instance, is readily digested.