

**HENRY CLEWS**

**Mr. Van Vorhis Gives a Little Insight Into the Gambling Devices of This Pretended "Investment Banker"**

Editor Independent: The reports from the New York clearing house banks show a continued loss of deposits. The report for the week ending June 6 shows a loss of about \$8,000,000 of the cash held. This is said to exceed largely the amount of loss expected. No far-fetched attempts at explanation by Henry Clews, or any other stock gambler, of the condition of the stock markets is required to account for the situation. With the loss of deposits shown by the clearing house reports, of course, the gambling in stock will be dull, and the bears will have the best of it. Stock speculation no doubt will continue to be dull while this loss of deposits continues. The people of this country generally will be benefited if the stock goes down until gambling ceases entirely, and until stock brokers are compelled to close their gambling shops for want of victims. Activity of these markets can be of no possible advantage to business generally, no more than activity in any other kind of gambling.

The report for June 6 shows a loss of deposits by the clearing house banks since March 1 of \$66,531,000 and a decrease of loans of \$35,026,200, while the loss of cash held is reported to have been \$15,555,600. These amounts are ascertained by comparing the reports of February 28 and June 6. Just how this can be does not appear from the reports. It has the appearance of something wrong with the reports somewhere. With a loss of deposits of \$66,531,000 and a decrease of only \$15,555,600 in the cash held, there must have been about \$51,025,800 in cash received from some source to make up this loss. Where could it come from except by a decrease in the outstanding loans and discounts? If, as reported, the loans and discounts only decreased \$35,026,200, then where did the money come from to pay the deposits withdrawn? It is difficult to see where it could have been obtained except out of the cash held. In this case the reports ought to have shown a loss of cash held of about \$31,554,800 instead of \$15,555,600. There is enough to indicate that there is something the matter with the reports, but just what it is difficult to tell. There is enough to justify a strong suspicion that, during the last four or five months, these clearing house reports have been doctored to suit the markets and to deceive the public about the conditions. There is enough to excite a little curiosity about the relation the sub-treasurer has as a member of the clearing house.

A little calculation disclosed that on February 28 the United States deposits amounted to \$52,163,900 and that on June 6 they amounted to only \$37,294,000. Here is a loss of deposits amounting to \$14,869,900, or almost the amount of deposits lost that is not accounted for by the reports made by the clearing house. It looks very much as if there had been some jugglery of the figures to cover up a loss of cash very much in excess of the amount shown by the reports.

There is evidently considerable anxiety on the part of large stock gamblers like Henry Clews & Co. to create the belief that there is a strong combination of "bear influences" campaigning to depress prices. This desire is reflected in almost every press report. It is suggestive of considerable deceptive nonsense. It may be a satisfactory explanation to those who regard Henry Clews, and others like him, as an honest financier engaged in an honest business instead of what they are—stock gamblers on a large scale, ready to avail themselves of every opportunity and device to deceive the public and increase the number of victims. Those who will examine the reports and investigate the doings and conditions of the banks will find a reason for the depression in the price of stocks that has no relation whatever to the efforts of what are called the "bears." The chances are, that gamblers holding stocks on margins are trying to get out with as little loss as possible, and that a break and panic among them is only prevented by the efforts made by parties holding large interests in the properties represented.

Every depression of price and sale of stock is immediately telegraphed all over the country as "an attack by the 'bears' upon the shares of the Etc., Etc., company" when the fact probably is—judging by the bank reports—that it is not an "attack" but a retreat of frightened gamblers that requires all the power and ingenuity

of the financial combinations to prevent becoming a rout.

The press dispatches are full of stuff about "rich men who are able to take care of stocks and pay for them." This sort of silly twaddle is indulged in by interested gamblers, and doled out to the reporters in the hope that it will keep up confidence, and increase the number of human flies that flutter around the blazing hope, of getting something for nothing, held out by Wall street. The country ought to be fully awake to the fact that men like Henry Clews, who call themselves investment bankers, are engaged in business that would not continue a month if the public knew all the inside facts. The success of such business depends upon want of knowledge on the part of the public. The training of such men makes them adepts in manipulating public confidence, and their personal interests make them unworthy of belief concerning the financial conditions. Their game is a confidence game, fully as much so as that of the man who works the check or change swindle.

There is a money stringency in New York. There is no doubt about it. The government is unable to assist the banks further without an increase of revenue or a decrease of expenses. For several months no permanent addition has been made to the United States deposits in New York national banks. During the last week in February there was an additional deposit of about \$12,000,000, but it was almost immediately withdrawn. During the week ending April 11 the aggregate deposit was again reduced about \$3,000,000 since which time it has remained at about the amount now on deposit—\$37,294,000. The comptroller's abstract shows that the banks outside of the clearing house have not had the United States deposits increased.

The press reports explain that the large loss of cash during the last week is due to the withdrawal of cash by trust companies. It has also been reported that some of the trust companies have withdrawn from membership in the clearing house. If this indicates anything, it indicates that the situation is not regarded as safe by them, and that they are getting ready for contingencies. I am not familiar with the laws of New York under which such companies are organized as a companion to some national bank, and acts both as a feeder and a safety valve to it. Such companies are not likely to withdraw these deposits from their companion bank. I question their having done so to any considerable extent in New York.

FLAVIUS J. VAN VORHIS.  
Indianapolis, Ind.

Editor Independent: The report of the New York clearing house for June 13 shows a continuation of what has been going on since March 1. Last week I took the report of June 6 from a paper in which the item of deposits, that ought to have been stated at \$898,625,000, was by the compositor made to read \$889,625,000. For this reason the amount of loss of deposits unaccounted for by the report was stated at \$9,000,000 more than it should have been.

The report for June 13 shows that the banks in the clearing house during the week decreased their loans \$11,776,100, and that they lost of their deposits \$11,795,300, while they report an increase of cash amounting to \$1,752,700. How there can be an increase of cash when the loss of deposits exceeds the decrease of loans is not obvious. Possibly it may be explained by the item of "checks on other banks" that are deducted in the calculation of deposits to determine the reserve required by national banks, but it is hardly reasonable to suppose that between March 1 and June 13 there should be a difference of \$8,723,500; that is, during that time, the loss of deposits exceeds the collection of loans and decrease of cash reserve by that amount, as will be seen from the following figures, to-wit:

	LOANS	DEPOSITS	CASH
March 1st...	\$950,156,300	\$956,206,400	\$245,003,300
June 13th...	903,322,000	886,829,700	231,184,600
Decrease....	\$46,834,300	\$69,376,700	\$13,818,900
Loss deposits			69,376,700
Dec. of loans	46,834,300		
Dec. of cash.	13,818,900		\$60,653,200
Loss of deposits in excess of decrease of loans and cash reserve,			\$8,723,500.

Whether this shows an actual covering up of a cash loss greater than shown by the reports or not, it does show that the reports are not made so they will disclose to the public the whole truth.

The amount of U. S. deposits held at the end of this week was \$37,204,000, or \$90,000 less than on the 6th.

A persistent effort evidently is being made to create the impression of a "bullish" tendency in the stock market. Such a tendency is first as-

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**Lincoln's Progressive Store**

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serted as a fact, and then in explanation of it among other things is reported the "decision affirming the right of the coal road presidents to refuse certain information demanded by the interstate commerce commission." That is, the price of stocks were given an upward tendency because the public could not get certain information concerning the properties represented by the coal road presidents. It is worth while to think about what this claim means. Who can it be that regards certain stocks as more valuable because certain information cannot be obtained by the public? Why will any one, for that reason, give more for them? Such a statement is surprising; not surprising that it is a fact, but surprising that publicity should be given to such a fact.

Is it possible that the information wanted was concerning illegal sources of revenue that would be cut off or decreased if the truth was known? Or might it be that, if certain facts were disclosed, the price of stocks would be decreased because the opportunity for deception would be less?

Such a reason given for an advance in the price of stocks in Wall street's great gambling house, known as the "stock exchange," ought to put the entire country outside of New York on its guard against that Sodom of financial and business inquiry.

It is to be hoped that as fast as possible the banks in other parts of the country, that have been sending money to the New York banks because they can get interest on so much of their reserves, will bring it home. The only reason why they can get interest on such deposits is the demand made for money by the activity of stock gambling. The condition is unnatural and dangerous to legitimate business. No honest banker, who understands himself and the situation, will put the money of his depositors in such jeopardy. It is not a question of the present solvency of banks, but the ability to meet cash demands in the event the financial situation should make such demands extraordinary.

FLAVIUS J. VAN VORHIS.  
Indianapolis, Ind., June 16, 1903.

Socialists have the opportunity to edit the Karl Marx Edition of The Independent (July 23, 1903) just as the single taxers did the Henry George Edition.

**Fillmore County**

Fillmore is one of the very best counties in Nebraska from the view point of a farmer. Here is found the same character of soil as in Richardson, Otoe, Sauriers and other rich farming counties, including Saline, where land sells up to \$100 per acre. Fillmore county is also in the rain belt and a crop failure by reason of drought is unknown.

Fillmore county offers tempting opportunities to the homeseeker who wants the very best land, as the prices of land are not so high as in other counties mentioned. However, prices are advancing rapidly. Weber & Farris, of Lincoln, Neb., have a 160-acre farm three miles west of Strang that is offered for sale; all very choice land; 100 acres under cultivation, 40 acres pasture and 20 acres in hay land. Good 7-room house, barn for 10 head of horses, hog house, chicken house, coal house, granary, corn crib, some alfalfa, fine ash grove, some fruit, good hog and cattle lots, etc. On free rail delivery route and telephone in the house. Price \$45 per acre. \$2,000 of this can run four years at 5 per cent if desired.

Any one desiring to buy a first-class quarter section farm will do well to investigate this property. It is offered at a very reasonable price and in a few years will command \$75 to \$100 per acre. There is no better land in the state of Nebraska. It is a comfortable home, a good farm and will prove an exceptionally good investment. Weber & Farris, 1328 O st., Lincoln, Neb.

**Tennessee Populists**

Editor Independent: In response to your inquiry regards the condition of the populist party in this state—Tennessee—will say, it is in an unorganized condition. Nearly all have gone back to the democratic or republican parties—mostly to the democratic.

Very little interest in politics is being manifested here at the present. Will try to find time enough in the near future to write you a longer letter on this point. W. J. FLATT.  
Templeton, Tenn.

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