WITH THE GOLD STANDARD. During the last presidential campaign a public speaker seeking high office said:

"The promulgation of the gold standard is an attack upon your homes and your firesides and you have as much right to resist it as to resist an army marching to take your children captive and burn the roof over your head."

But under the gold standard during the last half century imprisonment for debt was abolished.

Under the gold standard most states of the American Union have passed laws exempting homesteads and large values in personal property from execution for debt.

Under the gold standard, liens have been provided for mechanics and laborers that secure their wages upon the property whereon they put forth their efforts.

Under the gold standard, laws have been passed permitting poor persons to sue in the courts, state and national, without the payment of costs or the giving of security for costs.

Under the gold standard, laws have been passed providing for the appointment of attorneys to defend at the cost of the state impecunious persons in criminal courts and in some instances in the civil courts.

With the gold standard, laws have been so constructed that courts are compelled to enter judgment in favor of laborers who have to bring suit to recover wages, or enforce their rights against a corporation, for a stated sum to reimburse them for attorneys' fees.

With the gold standard, the wages of labor have been made preferred claims in the administration of estates.

With the gold standard, laws regulating passenger and freight rates upon railroads and other transportation lines, and likewise regulating the charges of warehouse-men and elevator-men have been instituted. This shows how false and flagrant the charge is that legislation in this country has been dominated by corporations during the last fifty years.

With the gold standard, in full vigor, national and state commissions have been created for the supervision of railway traffic; and the charges for carrying passengers and freights under this gold standard have constantly declined.

Under the gold standard in the state of Nebraska and throughout the Northwest, and in fact throughout the whole United States, the rates of interest upon money have declined and the rates of wages have increased.

In another issue THE CONSERVATIVE will depict further disasters that have come to the country because of the gold standard.

Man in all his civilized career has never successfully used anything as money which did not have value as a commodity before it became money.

VALUED INSURANCE POLICIES. QUERY: What is a Valued Policy of Insurance?

ANSWER: A Bad Trap for Honest People.

It would appear that the customary attempt has been in Nebraska to force fire insurance companies to issue what is called a "valued policy," in place of a true contract of indemnity. This effort may have been successful and if such an act has been passed it is probable that all prudent underwriters have wound up the insurance companies organized in the state and that the prudent insurance companies of other states and of foreign countries have withdrawn their agencies, leaving the people of Nebraska without the benefit of any safe contract of indemnity on loss by fire of any kind. No insurance company which will consent to issue what is called a "valued policy," except at a rate of premium excessively high, can exist or transact business under a valued policy law. The reason is that by way of what is called a valued policy law the safe contract of indemnity contemplated under policies of insurance is converted into a mere gambling contract or bet of a so-called premium received against the chances of a fire destroying the insured property at a fixed value. Someone may ask: "Why, is not that exactly what an insurance company exists for? Are not all contracts of insurance in the nature of bets or wagers?" Such questions simply expose the ignorance of the person who asks them and lead up to the question: What is indemnity?

The true contract of insurance is a *contract of indemnity*. It is a contract entered into by a corporation in consideration of a given sum of money under the name of premium to pay for property destroyed by fire *at its value at the time of the fire whatever that value may then be*. Let us take an example. John Smith owns a house in Nebraska City which he thinks is worth five thousand dollars. He may be right and he may be wrong. It may be worth five thousand dollars to him. It may not be worth five thousand dollars to anyone else. He insures it for five thousand dollars, paying, say, twenty-five dollars premuim for one year. During that year the house is totally destroyed. John Smith presents his claim against the insurance company for five thousand dollars. Where there is no valued policy law John Smith and the president of the insurance company agree upon two men who shall appraise the loss and if they do not agree a third will be called. This board of three appraisers finds that although John Smith had valued the property at five thousand dollars it was not worth over four thousand dollars. They then award John Smith four thousand dollars in cash and that gives him a just measure of indemnity for the actual loss by fire. That is a payment which is consistent with public interest.

John Smith then gets mad. He says he has been cheated. He says that he made a bet of twenty-five dollars against five thousand dollars that his house would not be burned. It has been burned and he now says that he is entitled to five thousand dollars; that if he doesn't get it he will go to the legislature and compel insurance companies to make that kind of a bet. That may have happened in Nebraska. Yet John Smith is all wrong. Such a gambling contract is against the public interest.

"What has the public to do with the matter?" someone asks. The answer is: Everything; because the public in one sense pays John Smith the amount of his loss. An insurance company distributes losses upon the community. Nearly every person who has any property insures it against loss by fire, paying a premium thereon. The losses and expenses are paid out of the premiums, not out of the capital of the insurance company. The capital of the insurance company is only a guaranty fund. If the losses are so great as to exhaust the premiums and to impair the capital no one will subscribe to the stock in an insurance company. The object of a stock insurance company is to put in capital in order to make an income or profit. This capital is invested and constitutes a sinking fund or safety fund to be drawn upon for the benefit of the assured in case of need. If the premiums do not cover losses, expenses and profits, and the capital is impaired or lost, then the insurance company is wound up and the stockholders lose their money.

When the insurance company is well managed the premiums charged are sufficient to pay the losses and the expenses and also to leave a profit, be it more or less, for the benefit of the stockholders in the insurance company.

Someone then asks: "Why don't insurance companies issue valued policies for a profit?" The answer is: That there are a sufficient number of rogues in every state who would insure their property for more than it is worth whenever they could get a chance; then set it on fire, let it burn and claim on the valued policy the full sum named. The rogues would get the temporary benefit, the underwriter that made such bets would be ruined and the honest members of the community would be deprived of any safe method of distributing honest losses among themselves.

Someone will ask: "This is very plain talk; what does the writer know about it?" The writer will reply that in the last twenty years he has been the president of a factory mutual insurance company which has issued true contracts of indemnity against loss by fire to the amount of seventeen hundred