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J. STERLING MORTON, EDITOR.

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BANK WICKEDNESS. THE CONSERVATIVE commiserates the ignorance and malice with which a certain sort of journalism assaults all bankers and banks. The constantly published averment that there should be, by statute, a fixed rate of discount for all customers, is no less absurd than a demand that in fire insurance all risks shall have one uniform rate of premium. When a judicious banker discounts a note he considers two things before he names the rate. The first is the profit to be made for the use of the money. The second is the risk of the loss of the principal—the sum to be loaned.

Can an abundant circulation, — say such as populistic leaders demand, of fifty dollars per capita — either diminish or increase the general rates of interest or the risk of possible loss?

More or Less.

If the quantitative theory of money is correct, and a redundant circulation lowers the purchasing power of dollars ever so much, can it lower or mitigate these two principal elements which control a wise banker in making a loan? Because money is very plenty must it be necessarily very cheap for hire?

Because money is abundant will the risk of discounting doubtful paper be reduced?

In other words can the financial vagarists of Bryanarchy by legislating their pipe-dreams into the vigor of operative law, make money so cheap that a worthless vagabond, whose note no banker will now discount, can then borrow money with a facility only enjoyed today by men of character and worth?

Is not all the twaddle about making money very cheap for the creditless, inexpressibly poor man the most inane charlatanism? How can intelligent voters be made to believe that money can become, by legislation, so gloriously plenty that it will enhance the value of paper now worthless and enable the makers of it to get discounts at regular rates? Is not all reasoning in favor of such a redundant currency the merest rot?

A CERTAIN SIGN. Hume says, and McLeod quotes him in his "Elements of Economics:"

"Nothing is esteemed a more certain sign of the flourishing condition of any nation than the lowness of interest."

But money, however plenty, has no other effect, if unfluctuating in purchasing power, than to raise the price of labor. Silver is more common than gold and therefore you get a bigger weight of it when you sell for silver your wheat, corn, pork or beef. But can you borrow silver at a less rate of interest than you pay for gold? If all the gold in the United States was exchanged in a single day for silver, at the sacred ratio of 16 to 1, would interest be lower the next day? Would the credit of a man without good name, without character for honesty, without property, be better at bank than it now is?

If gold becomes as common as silver and silver as common as copper, will interest rates necessarily be lowered, and all the howling, rag-tag-and-bob-tail of Bryanarchy be able to have their notes discounted at the banks?

FICTITIOUS VALUES. THE CONSERVATIVE has had forty-five years' experience on the farm lands of Nebraska. It bought land it had claimed and lived on two years, in Otoe county in 1857 from the United States for one dollar and twenty-five cents an acre and has been at home on that quarter-section ever since. More than ten years ago a piece of state school land adjoining Arbor Lodge was sold at public auction and THE CONSERVATIVE bid it in at two hundred dollars an acre, cash down, and received a deed for the same signed by John M. Thayer, governor of the commonwealth at that time. This school land had no improvements upon it at all. The state had expended no money for its betterment. Was this last a factitious, fictitious or "watered stock" valuation? If not, is the Burlington, Union Pacific, Illinois Central, Rock Island, Northwestern, or any other prosperous and paying railroad really worth more now than it was ten years ago? If worth more why may it not sell for more just as legitimately as land? Why is an enhanced value in land right and a correspondingly enhanced value in corporate stock wrong?

WATERED STOCK. When a farmer borrows ten thousand dollars on a farm of half a section of land which cost him, at $1.25 an acre, only four hundred dollars, but is now valued at twenty-five thousand dollars, does he bilk the money-loaner with watered stock?

He certainly does not.

The farm is worth that sum because it pays interest on that sum.

When a railroad that cost only twenty-thousand dollars a mile is earning enough to pay dividends on forty thousand dollars a mile and issues stock to represent its increased value, does it bilk the public? Most assuredly—notwithstanding it earns four per cent. on that amount and is actually worth that amount—it is a corporation and therefore wrong.

But the farmer is only one of us common people and therefore right.

TERMINAL PROPERTIES. There are railroads in the northwestern states, notably in Illinois, Iowa, Missouri, Nebraska and Kansas, which own today, terminal properties worth more money than the amount for which said roads were originally stocked and bonded. The depots, warehouses, and office buildings of the Burlington system in the cities of Chicago, St. Louis, Kansas City, Omaha, Denver, Burlington, Nebraska City, Plattsmouth, Lincoln, Grand Island, Hastings, Rulo and hundreds of other important stations along its six or seven thousand miles of lines would sell at auction today for a greater sum of money than the whole system originally cost. But to issue dividends upon enhanced railroad values belonging to a corporation is "watering" stock. The state may and does constantly increase by assessment the valuation of railroad real estate for