

EMBARRASSED BY RICHES

Revenue from War Taxes Far Exceeds War Expenses.

COST LESS THAN PROVIDED FOR

Estimate of Expenses Up to the Close of the Current Fiscal Year—Bond Sales and Revenue Collections.

The cost of the Spanish war promises to be considerably less than the liberal estimates made by congress, relates Charles A. Conant in the Globe-Democrat, and the treasury is already feeling the embarrassment of excessive riches. So much gold and so many notes are piled up in the treasury and its branches that the banks are having great difficulty in meeting the demand for small notes, and legislation for reforming the currency or reducing taxation will almost certainly demand the attention of congress next winter and spring. The cost of the war, including the maintenance of garrisons in Cuba, Porto Rico and the Philippines, until the close of the present fiscal year on June 30 next, seems likely to drop below \$25,000,000. The sum of \$58,000,000 was the computed cost in actual disbursements up to the close of June. The amount of July added about \$25,000,000 to this amount, and August about \$25,000,000. These combined sums make a total of \$115,000,000. There are many contracts which have been executed, but for which payment has not been made, and many other expenses which will run on for some weeks at the same rate as during the period of active operations, but the mustering out of many of the regiments, the cessation of the costly armament and the sale and transfer of vessels of the auxiliary fleet will considerably reduce expenditures during the remainder of the year. An estimate of \$20,000,000 per month, in addition to the cost of the ordinary peace establishment is considered by the treasury to be a liberal one for September and October. The average cost of settling the war expenses and maintaining garrisons during the eight months of the fiscal year beginning on November 1, is not likely to exceed \$10,000,000 per month. It might be a little larger than this during November and December, but will probably taper to a lower point during the months which follow. The war expenses during the remainder of the fiscal year may, therefore, add \$100,000,000 to the \$15,000,000 already spent, making the total cost of the war \$255,000,000.

Sources of Revenue.

Against these estimated expenditures the government has set two large items of extraordinary revenue, the sale of \$200,000,000 in 3 per cent bonds and the collections under the new revenue law. The latter were about \$13,000,000 in July and \$12,000,000 for August. If they continue to average \$12,000,000 per month, the total collections at the end of the fiscal year will be about \$140,000,000. These two large sources of revenue, therefore, exclusively for war purposes, will afford a total of \$340,000,000, or an excess of \$100,000,000 over the estimated cost of the war. The treasury balance on March 31, when expenditures for the war first began to attain serious importance, was \$225,455,544. The surplus derived from the bonds and the revenue will swell this balance at the close of the fiscal year to about \$315,000,000. The fact that this amount will be attained is already well established by the existing condition of the treasury. The proceeds of the bonds have been collected to the amount of only about \$15,000,000, and \$10,000,000 remains to be paid. The cash balance on August 31 was \$265,814,586, and if the entire proceeds of the bonds were received at once, the amount would rise to \$510,000,000. This total may not be quite attained at any time, but a total of \$325,000,000 is very nearly in sight, and is not likely to be much reduced after it is once reached. The current monthly receipts from the new revenue law will more than pay the expenses of garrisons in the former Spanish dependencies and the treasury will have on hand the largest balance of many years, consisting of more than two-thirds in gold.

While these figures represent the probable history of the treasury during the remainder of the present fiscal year, there are elements of the problem which may raise the cash balance to a still higher figure, if some of the surplus is not utilized in the meantime. One of these elements is the development of business prosperity, which will greatly increase the collections of revenue under old laws. It has been assumed in the preceding calculations that the ordinary expenses of the government in time of peace would be exactly met from the proceeds of old laws. Assistant Secretary Howell has already computed a surplus under these laws, amounting to \$9,622,719 for the five months ending June 30. If a similar surplus should continue it would add about \$22,000,000 to the treasury balance at the close of June next. A growing volume of imports and an expansion of business activity would swell this balance in the same manner in which the revenue was swelled in the prosperous years during the latter part of Mr. Cleveland's first administration. A surplus of \$50,000,000 would not be an excessive estimate. The proceeds of old laws in a period of business activity, if this should occur, the treasury would find itself on June 30 next with a surplus approaching \$100,000,000, and the country would cry out in alarm over the extravagance of the money market, caused by the withdrawal of currency from active circulation. More than this, it is not impossible that the expense of garrison service in the new dependencies will be reduced to almost nothing by the collection of the necessary funds from the subject countries. General Shafter has already telegraphed to the War department that he has collected \$104,000 at Santiago in customs duties and navigation charges during a part of August, and that the local expenses for the garrison house and the municipality have been only about \$12,000. If the handsome net revenue thus indicated for Santiago should be duplicated at Havana, San Juan de Porto Rico and Manila, the treasury might be relieved of the expenditures of \$10,000,000 per month set down for garrison from November till June, and another sum of \$80,000,000 added to the available surplus.

Danger of Concession.

A great congestion of money in the treasury like this would call for sweeping legislation to reduce the amount of currency in circulation to the channels of circulation and guard against congestion in the future. Secretary Gage, with the added data regarding the situation which three more months will place in his hands, will have an opportunity to write a striking report for presentation at the next regular session of congress. He will be able to point with pride to the successful maintenance of the public credit by the adoption of resolute measures of financial retrenchment, with the approval of congress to sketch the enormous surplus which has resulted from the prompt termination of the war by the energy of the American army and navy, and then to take up the problem of the future financial policy of the United States and its dependencies. Readjustment of the whole scheme of taxation so as to give the greatest freedom to trade between the United States and friendly powers, without impairing the security of American industry, and so as to substitute the more successful of the stamp taxes for tariff taxes which are no longer necessary, or which are unproductive,

with the enlargement of our banking policy, so as to make it comprehensive enough to give American bankers the control of business conducted by Americans in the new dependencies in all parts of the world, will be within the scope of the subjects requiring present consideration. It is probable that the secretary will recommend the retention of the increased tax on beer, and some of the stamp taxes, but will suggest the repeal of a portion of the stamp taxes.

The classification made at the internal revenue bureau of the issues of stamps by denominations and classes shows that the proprietary stamps sold during July had a face value of only \$2,650,000, which was less than a single item of the documentary stamps. The abolition of the proprietary stamps is not unlikely to be considered at the opening of the session of congress. Among the documentary stamps the best results were afforded by the sale of stamps for \$10, for \$5, for 50 cents, for 2 cents and for 1 cent. The stamps for the larger amounts are those used on charter parties and manifests and can well be paid by vessel owners and shippers. Among the stamps for small amounts the bulk of the 2-cent stamps which were issued in July to the number of \$2,000,000, with a face value of \$1,721,000, were used upon checks, and this tax will probably be continued as long as any of the stamp taxes. The 1-cent stamp upon express packages and telegraphic dispatches yielded \$735,000. Unless entire series of stamp taxes is repealed without discrimination the amounts afforded by the different taxes, as indicated by the denominations of the stamps, will afford a valuable guide in determining the legislation of the future.

Currency and Banking.

The future currency and banking problem the country opens up wide vistas if the United States proposes to compete upon equal terms with Great Britain and other commercial nations. British banks, with capital derived entirely from Great Britain and head offices established in London, dominate the exchanges of Asia, Africa and South America. Such institutions as the Hong Kong and Shanghai Banking Corporation, with a paid up capital of \$10,000,000 and deposits of more than \$100,000,000; the Standard Bank of South Africa, the London and River Plate bank, the London Bank of Central America, have concentrated the commerce of the world in London, and made the British capital the center of exchanges. A banking policy which will permit the banks of this country to establish branches throughout the world and to keep pace with German and Russian capitalists in the competition with Great Britain will be necessary if the United States is to become a world power. Great Britain in its banking regulations at home puts narrow restrictions upon note issues, but its colonial banks have been left free to issue circulating notes where such a policy would contribute to the expansion of their business, and the notes of British banks circulate in Persia and Turkey, as well as South America and South Africa.

It is evident that United States bonds will cease to be adequate as a basis of circulation for the note issues of the new banking system. Secretary Gage will, therefore, have an opportunity to renew his recommendations of last year, that banks be permitted to issue a certain proportion of their notes upon their business assets, but he will be able to give a thrilling setting of political and economic development in the four quarters of the world to the prosaic picture of financial development at home which he painted in his report of a year ago. The majority of the board committee on banking already have upon the calendar a bill which accomplishes a part of what may be necessary to permit American bankers to enter unfettered upon the race for the control of the world's exchanges. This bill permits the issue of notes in limited amounts and under proper safeguards upon commercial assets, and permits the creation of branch banks. Some further provisions may be required in order to contemplate the extension of the branches of American banks to Cuba, Porto Rico and the Philippines, and the creation of branches, if they are required, in the portions of China which are being opened up to the commerce of the world, and in the other newly opened countries where the foresight of German and Russian statesmen is already planting their banking institutions by the side of the older ones backed by British capital. An epoch making report, reviewing with gratification the achievements of the past, but pointing the pathway for a new policy of economic development in the future, is thus within the power of the secretary of the treasury to prepare and for congress to put into the form of law. An overflowing surplus will permit the application of a portion of the gold reserve to the reduction of the demand obligations of the government, and the retirement of matured bonds will afford the conclusive reason for a basis of circulation more elastic and better suited than that of the existing law to the future commercial development which is opening before the country.

OPPOSE AN OLD PAVING TAX

Plaintiffs Set Up Several Reasons for Not Paying for Cedar Block on Thirtieth Street.

Another suit to avoid the collection of excessive taxes almost a decade old has been commenced in the district court. This time the parties plaintiff are Anna Berggren, Catherine Mullery, George B. Dandy, Chauncey H. Sheldon, Alvin Saunders and Frank B. Montgomery. Their petition against the city was filed yesterday afternoon. They set forth that they are a majority of the property owners of paving district No. 219, for which in 1889 an aggregate tax levy amounting to \$12,252 was made for the paving of the district. The city, from Bristol to Spaulding streets, with cedar blocks, and that the petition presented to the city council at the time was signed by a large number of persons who were not property owners there. They also objected to the tax on the ground that it included \$24.80 for grading and \$107.75 for the salary of the city inspector, which, they aver, made the tax excessive, illegal and void. The cost of the paving was to have been \$283 per square yard, a second cause of action is as to the curbing. They therefore ask the court to set aside the taxes and restrain the sale of their property contemplated in the customary course of tax collection.

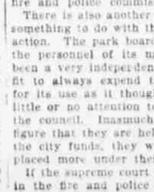
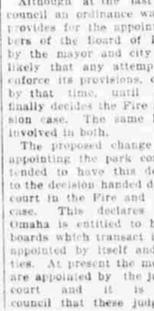
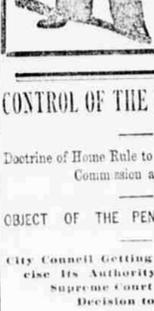
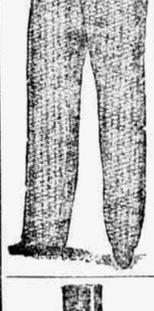
Services Are Not Needed.

SAN FRANCISCO, Sept. 8.—The United States steamer Albatross has arrived in port twelve days from Acapulco. It left here a short time ago bound for Coahuila, where Captain Curtis was ordered to protect the interests of American citizens. A few days after the Albatross sailed from here the British schooner Leander had reached Coahuila and by prompt action its captain not only adjusted the rights of both British and American citizens, but also secured the return of the Albatross put into Acapulco for coal and there found orders to return to San Francisco without delay.

Attempt to Swim the Channel.

DOVER, England, Sept. 8.—Frank Holmes of Birmingham left Dover at 9:30 this morning in an attempt to swim the channel. He was accompanied by a rowboat.

Captain Matthew Webb, the English swimmer, once swam from Dover to Calais. He was in the water twenty-two hours and twenty-five minutes and covered about thirty-five miles, although the distance between the two countries is considerably less. Webb subsequently swam the channel while attempting to swim through the Niagara rapids.



Fall Suits for Men .. Sale Begins Saturday Morning ..

Two floors stacked with New Fall Suits and Overcoats—\$50,000 worth of Men's Suits and Overcoats to be sold early—We will not wait, but will start in Saturday with a regular old-time BARGAIN GIVING SALE.

Men's Black Worsted Suits \$5.00—

Cut in 4-button Sacks of the fancy basket pattern and goods that retail usually \$5.00 for \$3.00—We expect to sell not less than 500 of these suits Saturday

Men's Fine Cheviot Suits \$6.00—

An every-day business suit for \$6.00—suitable for any business or professional man and worth not less than \$10.00—you can pick them Saturday at.....

Blue Diagonal Cheviot Suits \$9.00—

Double or Single Breasted. Price \$9.00—Worth \$15.00—The greatest drawing card of this sale—color guaranteed—absolutely all wool—trimmings the best—\$15 worth for \$9 on Saturday

Nobby Brown Cheviot Suits \$7.50—

Made to fit as well as our better suits—tailoring right—the right colors—the right trimmings and guaranteed right..... \$7.50

Black Clay Suits \$8.75—

Frocks, Round Corner Sacks and Straight front Sack Suits—Re-member, all wool Black Clay Dress Suit—price..... \$8.75

The Standard Cheviot \$10.00—

Double breasted sack—4-button cut-away sacks—3-button frock suits—\$18 worth of the best clothing ever made for \$10—Look the market all over Saturday morning then come to the Continental and ask to see this suit . . \$10.00

Men's Overcoats—Second Floor devoted entirely to Overcoats, Great Opening Overcoat Sale on Saturday.

\$8.00, \$10.00, \$12.00, \$15.00

Big Hat Sale Saturday.

20 cases of Men's Derbies, on sale Saturday at 95c

Job Lot Table, 50c.

All our remnant Hats from last season on sale at 50c, some worth \$1.50, some worth \$2.00, and some as high as \$3.00—broken lots, broken sizes—next to giving them away is our Saturday price 50c

Men's Trousers.

Fall Trousers are all on the table ready for your judgment—the prices \$2.00 up to \$4.50

Continental Clothing Co. N. E. Cor. 15th and Douglas, Omaha.

Sale Begins Saturday

New Fall Suits

CONTROL OF THE PARK BOARD

Doctrine of Home Rule to Be Applied to that Commission as Well.

OBJECT OF THE PENDING ORDINANCE

City Council Getting Ready to Exercise its Authority in Case the Supreme Court Upholds its Decision to Stand.

Although at the last meeting of the city council an ordinance was introduced which provides for the appointment of the members of the board of Park commissioners by the mayor and city council, it is not likely that any attempt will be made to enforce its provisions, even if it is passed by that time, until the supreme court finally decides the Fire and Police Commission case. The same legal principles are involved in both. The proposed change in the manner of appointing the park commissioners is intended to have this department conform to the decision handed down by the supreme court in the Fire and Police Commission case. This declares in substance that Omaha is entitled to home rule—that the board which transact its business shall be appointed by itself and by no other parties. At present the members of the board are appointed by the judges of the district court and it is held by the council that these judges should have no more of a finger in their appointment than the governor in the appointment of the fire and police commissioners. There is also another reason that has had something to do with the council's proposed action. The park board, without regard to the personnel of its members, has always been a very independent body. It has seen fit to always expend the money set aside for its use as it thought best, and it pays little or no attention to any suggestions of the council. Inasmuch as the city fathers figure that they are held responsible for all the city funds, they wish the board to be placed more under their control. If the supreme court decision is favorable in the fire and police case, and the ordi-

REVOLVER AS A COLLECTOR

East St. Louis Man Found to Have What is Due Him.

COMPELS CASHIER TO MAKE OUT A CHECK

Plan Works All Right Until He Attempts to Get it Cash—Officers at the Bank Waiting for Him.

CHICAGO, Sept. 8.—William R. MacFarlane, of the horse commission firm of MacFarlane & Evans of East St. Louis, today walked into the office of Louis Newgas & Son at the stock yards here, and presenting a revolver at the head of Louis N. Newgas, the junior member of the firm, commanded him to send for his cashier, Frank Moseley. Upon the appearance of Moseley, MacFarlane drew another revolver and ordered the cashier to draw a check in his favor for \$10,416, which he said the firm owed him. When the cashier had finished making out the check MacFarlane calmly instructed Newgas, at the same time giving a menacing flourish to his weapons, to affix his signature to the paper. That done, the man from East St. Louis lined the two frightened men up against the wall of the office and with all the solemnity of a judge at the bar administered an oath to them, to the effect that they would not attempt to follow him or raise an outcry. He then left, after stowing his revolvers and the check in his pockets. As soon as the visitor had left the office, however, Moseley and Newgas telephoned police headquarters what had happened.

Naval Reserves Going Home.

NEW YORK, Sept. 8.—Five hundred members of the Illinois naval reserves taken off forty-two different vessels on which they served during the war with Spain, left the Pennsylvania railroad depot in Jersey City today for Chicago. The men are expected to arrive in Chicago tomorrow afternoon.

Government Workman Drowned.

LIBERTY, Mo., Sept. 8.—A yeast with fifteen men in it, employed on the government work, being done at Liberty Landing, capsized in the Missouri river. William Stockhelm was drowned and several of the others were carried under a flat boat and narrowly escaped with their lives.

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TERMS OF CONSOLIDATION

Federal Steel Company to Have Enormous Capitalization—Buy Up Properties Wanted.

CLEVELAND, Sept. 8.—The Iron Trade Review this week says: The various committees that have been at work on details of the Minnesota Iron-Illinois Steel consolidation have made good progress in the last week, and it is expected that officers will be elected and that the Federal Steel company will be a working corporation by the end of the month. Minnesota Iron company stockholders will exchange 100 shares of their stock for 135 shares of preferred and 108 of common stock in the Federal Steel company. Illinois Steel company stockholders can exchange 100 shares of their stock for 100 shares of preferred and eighty shares of common in the Federal Steel company. Elgin, Joliet & Eastern railway stockholders can exchange 100 shares of their stock for 87 1/2 shares of preferred and eighty shares of common. In addition, all these stockholders pay \$25 per share for Federal Steel company preferred stock. This means Minnesota Iron company stockholders give 100 shares of their stock and \$2,375 for 135 shares of preferred and 108 shares of common stock in the Federal Steel company. The cash paid thus far for preferred stock will be used in purchasing a two-thirds interest in the stock of the Lorain Steel company. The Federal Steel company, it is understood, will not buy the properties of the various companies that are to be merged in it, but will buy the stock of these companies. This obviates the necessity of buying out all the stockholders. The latter can sell or not, as they elect. Only a controlling interest in the stock of such company is necessary. The \$10,416, which MacFarlane attempted to collect by intimidating Newgas and

PROTEST ON BAPTISM OF WINE

Women of W. C. T. U. Wish Baptism Illinois Christened with Water.

CHICAGO, Sept. 8.—The following letter was sent from the National Women's Christian Temperance union headquarters today to Miss Nancy Lister, who is to christen the battleship "Illinois": "We would call your attention to the fact that the battleship 'Kentucky' was christened with water from the Lincoln spring, and we feel that there are enough historic streams in our own state to make such an act most appropriate. We also feel sure that it would be far-reaching in its influence for temperance and righteousness. We know you will appreciate the spirit in which this letter is written, and will feel that we have taken an undue liberty. Very sincerely yours, KATHLENE LENTZ STEVENSON, Corresponding Secretary, HELEN M. BARKER, Treasurer.

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Tonight, Lawn Polo, 7th and Dodge Sts. at residence of G. M. Hitchcock, for both the Visiting Nurse association and Omaha Creech.