

# THE COURIER

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### OBSERVATIONS.

Last week THE COURIER printed a few questions in these columns especially interesting to the signers of the state auditor's bond. In this issue the results of the examination of the state's account with this committee are printed.

The constitution of this state provides that the term of office of members of the legislature shall be two years; that their pay shall be at the rate of five dollars; that they shall not receive pay for more than one hundred days during their term; that they shall not receive any pay or perquisites other than their salary and mileage; that they shall not receive any civil appointment within this state from the governor and senate during the term for which they were elected and that they shall not be interested, either directly or indirectly, in any contract with the state, county or city, authorized by any law passed during the term for which they were elected, or within one year after the expiration thereof.

The legislature at its last session appropriated ten thousand dollars and placed the same under the control of the governor, to be by him used to defray the expenses of an investigation of the accounts in the different executive offices of the state, and the expenses of investigating the several state institutions and for the purpose of prosecuting criminal and civil cases wherein the state has been defrauded.

Under the constitution no member

of the legislature could be appointed to make this investigation by the governor and senate, hence in order to get around the constitutional inhibition and to permit members of the legislature to receive the appointment and become recipients of the appropriation, a joint resolution, so called, was passed providing that the Speaker should appoint three members of the house of representatives and the lieutenant-governor should appoint two members of the senate and the five should constitute a committee for the purpose of investigating the accounts in the different executive offices and for the purpose of investigating the several state institutions under the control of said executive offices. By providing that these members of the legislature should be appointed by the Speaker and lieutenant-governor the provision of the constitution prohibiting members from receiving a civil appointment from the governor was avoided.

Under this resolution Senators Beal and Nutz and Representatives Moran, Wheeler and Zimmerman were appointed, and they constitute the investigating committee. The salary these members of the legislature were entitled to receive during their term of two years was five hundred dollars each; this was the legal limit of their compensation, exclusive of mileage. As per diem during the legislative session they each received from the state three hundred dollars exclusive of the amount paid them as mileage; since the adjournment of the legislature they have been paid by the state as members of the committee, as follows:

Beal, \$760.00, total \$1060; excess over legal limit.....	\$300.
Nutz, \$786.47, total \$1096.47; excess over legal limit.....	296.47
Moran, \$743.50, total \$1043.50; excess over legal limit.....	543.50
Wheeler, \$305.00, total \$805; excess over legal limit.....	105.
Zimmerman, \$320.00, total \$620; excess over legal limit.....	120.

The committee still continues to draw pay from the state. The secretary of state must have known that he had no authority to approve the claim upon which these excessive payments were made; the auditor must have known that he had no authority to examine or adjust the claim or to draw a warrant therefor, and the governor, under whose control the appropriation was placed, must have known that these members of the legislature were by the constitution prohibited from receiving from the state on account of their salary more than five hundred dollars each during their term of two years. If five members of the legislature may draw pay from the state at the rate of five dollars per day for two years by the subterfuge of making them members of a committee, why may not one hundred

and thirty-three members do the same thing?

Among the many subjects of legislation which will be considered by the congress which convenes on the sixth proximo, none will be of more general interest or importance than some of the many amendments that will be proposed to the existing law relative to national banks. It is within the power of congress to create in the public mind a confidence in these associations which they do not now enjoy and to practically prevent bank panics. This can be accomplished by legislation which will require each national bank to pay to the government a small annual tax on its deposits which shall be held as a trust fund and from which the government shall pay the depositors in such banks as fail, as soon as the liability to its depositors can be ascertained, and from the assets of the bank the fund shall be reimbursed as far and as fast as possible.

An annual tax of one-twelfth of one per cent per annum on the deposits in national banks if paid during the past thirty-three years would have raised a fund large enough to have reimbursed every depositor for money lost by the failure of national banks. It is not proposed that the government shall guarantee the deposits, but that it shall by law, compel the banks to pay a sum which will be used by the government in paying the depositors. The result of such legislation would be to at once increase the deposits in this class of banks and to put in circulation large sums of money now in hoarding.

Under the law as it now exists national banks pay government officials for examinations and it would be equally fair and far more beneficial to the patrons of these institutions if they were required to guarantee their deposits by a fund which should be in the possession of the government as trustee. National banks are chartered by congressional legislation and are under governmental supervision, but it is an unfavorable comment on the banking system that none of these banks can become depositories of government money until they deposit with the treasury government bonds as security for the payment of government funds entrusted to them. It is more than probable that the next congress will enact a law which will make deposits in national banks absolutely safe.

The council's acceptance of Mr. Stephenson's proposition to settle the claim of the city against him for a cash payment of \$5,244.66 was a measure of expediency rather than of exact

justice, and only as a measure of expediency is it acceptable. Mr. Stephenson asked for a third term in order that he might make good the loss occasioned by the wrecking of the Capital National bank. He secured a third term on this plea alone and failed to make his promises good. The whole amount of the deficit is probably less than the interest received by Mr. Stephenson, over and above his stipulated salary during his incumbency of the office of city treasurer and he or his bondsmen should be compelled to pay it. But the extreme uncertainty of the outcome of the legal process necessary to collect it, makes the acceptance of the ex-treasurer's offer, as I said before, expedient.

The proposition to employ an extra lawyer to assist the city attorney in the legal proceedings about to begin in the case of the City of Lincoln against the Street Railway Company for delinquent taxes, is another lamentable indication of the desire of certain members of the council to spend money and plenty of it. Without consulting the city attorney as to whether he needed aid, it was proposed by Mr. Woods that the city spend from \$5,000 to \$10,000 in employing an extra attorney to assist the city attorney in the case against the Street Railway Company. Mr. Abbott's legal services to the city have been distinguished by conservative efforts to save the city from expense. His advice, when followed by the council, has proved sound and has been justified by events. Among the city officers he has been distinguished by an unwillingness to recommend the spending of money on fanciful schemes originated by members of the council who think that is what they are there for. In recognition of Mr. Abbott's position as city attorney, if not on account of the integrity of his service, his opinion as to the necessity of employing \$10,000 worth of extra legal talent should at least have been consulted.

Mr. Woods claimed that the reorganization committee had employed eminent counsel and would carry the case to the supreme court. Mr. Slaughter denies the employment of additional counsel and that they expect to carry it to the United States court.

The company has not employed any additional counsel for the past year; in fact has not employed any counsel outside of its regular attorney, Mr. John H. Ames.

So far as the receiver is aware there has not been any word or thought of taking this matter into the United States court. In fact, the receiver has had nothing to do with the questions of law or taxes except to pay all city, county and state taxes. The receiver has paid every dollar of back taxes, personal and real estate, due from 1891 to the present date, as fast