

HIS FINANCIAL PLAN.

GAGE FAVORS A STRONG TREASURY.

The Problem of Silver's Depreciation Discussed—A Separate Note Issuing Department Clearly Advised—Suggestions as to Banks.

WASHINGTON, Dec. 8.—The annual report of the secretary of the treasury, submitted to Congress to-day, discusses the problem of currency reform as follows:

"In their respective annual reports to Congress, my predecessors since the close of the civil war have called attention with unflinching regularity to the menace to the public credit occasioned by the continued use of the large volume of demand liabilities, represented by legal tender notes, and have constantly appealed for such legislative action as would remove the dangers pointed out. Although these warnings and appeals have not as yet met with the responsive action that their serious nature justifies, it is not now the part of wisdom to ignore them. In fact, as time has gone on, all the reasons upon which these warnings and appeals were based have received additional force. The enormous depreciation in the commercial value of silver, as compared with gold, has greatly increased the financial responsibilities of the government in its demand liabilities, and all the logical consequences of the fact should be boldly faced.

"The advantages of a strong position in the national treasury, with its accompanying benefits to all commercial interests and great reinforcement of the public credit, can, I believe, be secured without any unsettling legislation, in a manner easy to be comprehended by all, and with small cost to the people.

"The recommendations I make must be construed as tentative steps in a direction which, if consistently pursued, will ultimately lead to conditions theoretically desirable rather than as being in themselves final measures to that end. The condition of the treasury in its relation to demand obligations requires that one of two steps be taken. The one may be a large reinforcement of the permanent gold reserve; the other may be by an important reduction in the objectionable form of liabilities. The latter is, in my opinion, the more desirable.

NOTE ISSUING DEPARTMENT.

"First—I recommend that proper legislation be enacted which will establish, separate and apart from the ordinary operations of the treasury as they relate to revenue and expenditures, a department to be designated and known as the issue and redemption division. To this division the sum of \$125,000,000 in gold should be set over from the general fund in the treasury, to be used only for redemption purposes, and all the silver dollars now held for redemption of silver certificates, and all the silver bullion and dollars coined therefrom, bought under the act of 1890, should be passed to the same account. Further, that the sum of \$200,000,000 in the legal tender notes of the United States known as greenbacks be collected as hereinafter described, and deposited in the said issue and redemption division, to be disbursed therefrom only upon the receipt in exchange therefor of an equivalent amount of gold coin. Such gold, when so secured, to be held in said division as part of the general redemption fund.

"Second, I recommend that provision be made for the issue of refunding loan bonds, payable after ten years at the pleasure of the government, such bonds to bear interest at the rate of 2 1/2 per cent per annum, payable, principal and interest, in gold coin; and that the secretary of the treasury be authorized to issue such bonds and receive in payment therefor, with an equitable allowance for the difference in interest, any part or all of the outstanding loans of the United States which mature by their terms of payment in the years 1904, 1907 and 1925.

BONDS PAYABLE IN GOLD.

"The advantage involved in the proposed action lies in this: It removes an ambiguity from our contract obligations—an ambiguity which affects unfavorably the government credit. The word 'coin' now used to express the obligation in the public debt, is an ambiguous word. It is no doubt understood by the more discriminating public creditor to mean gold coin, and the solemn act of Congress pledging the maintenance of silver coin upon a parity with gold coin makes it impossible to construe the word 'coin,' as therein used, to mean anything other than gold or its full equivalent. Yet as this is a conclusion of logic rather than a clear statement of fact, the simpler and more humble investors or would-be investors in the public debt are confused and doubtful, and the public credit is the weaker therefore.

"To refund our outstanding bonds now payable in coin into bonds payable in gold would strengthen and confirm the public credit and put us in a position to command the markets of the world for our securities on the most advantageous terms.

"The requirements of the national banking law now makes it impossible to organize a bank with a capital of less than \$50,000, no matter how small the place in which it is to be located, or how restricted the volume of business there to be transacted. Because of that, with the added expense of taxation, both national and local, many communities are deprived of the aid of banks of issue and burdened with enormous rates of exchange and interest charges.

"In order to obviate to as great an extent as possible these objections

and make the act more harmonious with proper business conditions, I recommend that it be amended in the following particulars:

AS TO THE BANKS.

"First, Permit national banks to be organized with a minimum capital of \$25,000 in any place having a population of 2,000 inhabitants or less.

"Second, Reduce the rate of taxation on circulating notes secured by deposit of bonds to one-half of 1 per cent per annum.

"Third, Permit banks now organized or hereafter organized to issue circulating notes to the par value of the refunding bonds hereinbefore suggested, when deposited by them with the treasurer of the United States; and, further, allow such banks as shall avail themselves of the opportunity to deposit as security with the treasury of the United States, greenbacks, treasury notes, or silver certificates to the total amount of \$200,000,000, against which there shall at once be issued to them by the comptroller of the currency national bank notes to an equal amount, it being further provided that from time to time, at his convenience, the secretary of the treasury shall substitute for the greenbacks, treasury notes, and silver certificates so deposited to secure circulation, bonds of the same class and character as the refunding bonds first named to the amount of \$200,000,000, such bonds to be chargeable to said banks and by them accounted for at such price (not less than par) as the market quotations may indicate to be their fair market value. During the period of time intervening between the deposit of greenbacks, treasury notes, and silver certificates and the substitution of the bonds by the secretary of the treasury the circulating notes specifically issued therefor shall be exempt from taxation. Upon such substitution of bonds the funds released thereby shall at once be transferred by the secretary of the treasury to the issue and redemption division.

NOTES WITHOUT SECURITY.

"Fourth, After said banks have deposited such bonds, greenbacks, treasury notes, or silver certificates to the amount of 50 per cent of their capital they shall be permitted to issue bank notes in addition to the 50 per cent thus provided, to the extent of 25 per cent of such deposit, which said 25 per cent may be secured by any direct pledge of security but issued against the assets of the bank.

"Fifth, Extend the guaranty of payment by the government to all circulating notes of the bank whether issued against deposited security or against assets.

"Sixth, To secure the government against loss, if any, attaching to its guaranty a tax of 2 per cent per annum on unsecured circulation shall be levied to create a safety fund, which shall be invested by the Secretary of the Treasury and the comptroller of the currency in government bonds. In addition to such funds the government shall be further protected by having a first lien upon all assets in case of failure of the issuing bank.

"Seventh—All notes shall be redeemed in the city of New York at the subtreasury, and at such other subtreasuries as may be designated by the comptroller of the currency, with the approval of the secretary of the treasury. The control of such redemption shall be under the direction of the comptroller of the currency and made from a redemption fund of 10 per cent, to be provided and maintained by the banks.

"Eighth—Restrict the issue of national bank notes to the denomination of \$10 and upward.

FINANCIAL STATEMENT.

The receipts for the last fiscal year were \$400,587,167.89 and the expenditures were \$18,952,454.41 more than the receipts. The estimated receipts for the fiscal year ending June 1, 1898, are 441 1/2 millions and the expenditures 469 1/2 millions. The estimated receipts for the fiscal year 1899 are 482 1/2 million dollars and the estimated expenditures 591 1/2 million dollars.

TARIFF LAWS OPERATION.

Respecting the operation of the new tariff law the report says:

"The tariff act of July 24, 1897, entitled 'An act to provide revenue for the government and to encourage the industries of the United States,' has not been in force long enough to determine fully its merits, but it is confidently believed that when in full operation it will afford ample revenue for the ordinary needs of the government, while adequately protecting our manufacturing and agricultural interests.

"Owing to the heavy importations which were made in anticipation of the passage of the measure the customs revenues received during the first three months of the operation of the act have been diminished, and are not an indication of the revenue which the law will produce when importations are normal.

"Our home industries have already felt the stimulating effect of the law. Steps have been taken to fully advise other governments of the provisions relating to reciprocal trade, and a commissioner has been appointed to assist in the negotiations of treaties under sections 3 and 4 of the act.

DINGLEY AND CURRENCY.

The Ways and Means Committee to Take Charge of Financial Measures.

WASHINGTON, Dec. 8.—The ways and means committee, in dividing up the message this morning, retained for itself the President's recommendations with regard to the retirement of the greenbacks and the reduction of the tax on national bank notes. This indicates that if a legislation is to be proposed in line with the President's recommendations it will come from the ways and means and not from the banking and currency committee.

Nebraska News in Brief.

REPORT OF STATE TREASURER.

MESERVE MAKES A STATEMENT OF NEBRASKA'S FINANCES FOR THE QUARTER ENDING NOV. 30.

The state treasurer has made the following statement, showing the receipts and disbursements of the state treasury for the three months ending Nov. 30.

Table with columns: FUNDS, On hand August 31, Receipts, Payments, On hand Novem 30. Rows include General, Sinking, Permanent school, Temporary school, Permanent university, Agricultural college endowment, Temporary university, University cash, Penitentiary, State bond, Hospital for insane, Relief, Capitol building, Reform school building, Normal building, Normal interest, Normal library, Normal endowment, State library, Permanent saline, Interest charged Co. treasurer, Institute feeble minded, Live stock indemnity, Penitentiary special labor, Penitentiary land, Agricultural & mechanical arts, Concurrence, Saline, Total, Suspended account.

Monday, December 6. Blooming business men are putting in telephones.

A general snow storm raged throughout the state last Friday. The fall was heavy in some portions.

At Hartington Friday, Frank Ankey was found guilty of the charge of bastardy preferred against him by Miss Violet Rawhauser.

Homer Neal and Joseph Wittmeyer, two citizens of Bart county were recently arrested charged with stealing wheat and selling it in Oakland.

Blanch Hildebrand, the missing prosecuting witness in the case of state v. Hildebrand for incest, has not yet been located. The case has been continued.

James Lindille, who was recently arrested at the instigation of the father of Charles Carpenter on the charge of murder, was bound over to the district court.

Chancellor McLean of the state university banqueted the football eleven of '97, the management, the second eleven and members of the athletic board last Friday night in celebration of the winning of the pennant of the interstate collegiate association.

Last Friday at St. Edwards a warrant was issued for the arrest of John Bushnell, who came there from Columbus some six weeks ago, charged with assault and battery upon Frank Stephens, a lad of seventeen. Up to this morning the marshal has been unable to find Bushnell, although it is quite certain that he is hiding somewhere in St. Edwards.

Street Commissioner L. L. Lindsey has received evidence that Church Howe has arrived at Palermo, Italy, where he will serve his country as counsel. The evidence was in the form of a bulky newspaper which bore this upon the wrapper: "Assessore di Lavori Pubblici, Signor L. L. Lindsey, Lincoln, Neb., Stati Uniti d'America."

"I'm no such a thing," said Lindsay, as he hurried away toward a banana stand in search of an interpreter who might be able to tell what Church Howe had been saying about him.

Dr. Galbraith of St. Joseph's hospital, Omaha, has unearthed a novel case of appendicitis. It is that of Fred Kulms, a laboring man who has been under treatment at the hospital. Kulms was suffering such agony that he could not remain quite a moment. He could not sit down or stand up, and simply wallowed about on the floor. It was observed that the cause of his suffering was strangulated hernia, and during the operation found necessary the discovery was made that he was also suffering with appendicitis. The operation was therefore extended to the appendix, and when the latter was removed it was found to contain five bird shot, one of which had become encysted. After their removal the patient recovered in nine days. He had never been wounded in the abdomen and it is said that a wound that would have deposited the shots where found would have necessarily have proven fatal. The only conclusion was that he had swallowed the leaden pellets while eating game.

The report of Mrs. Myra E. Olmstead employed by the legislative investigating committee to check over accounts at the industrial home for women at Milford, contained an account of a voucher for \$110.50 that had been paid twice by the state. The vouchers were issued during the administration of Mrs. Esther Perky, superintendent of the home, now deceased. The vouchers went through the regular course, apparently, passing through the hands of state officers, warrants were drawn for both and the warrants were paid by the state treasurer. This happened several years ago. D. Lenore Perky, daughter of Mrs. Esther Perky, has instituted an investigation. Attorneys called at the state house Friday last in her behalf and announced that they believed one of the vouchers was a forgery. Both vouchers had been photographed in order that comparisons might be made.

Joseph Holechek, a wealthy Bohemian farmer living five miles southwest of Humboldt, shot and instantly killed his wife at their home without any cause whatever except that she threatened to leave him on account of his abusing her while he was drunk.

Holechek had been to Humboldt Saturday and returned home drunk, about 9 o'clock he became abusive to his wife she got up and started for the door, saying she would leave and go to her brother's a half-mile away. Holechek followed her and shot her with a revolver.

He then attempted to shoot the hired man, who took the revolver away from him. A little later the woman's brother, Mike Blecka, who was visiting his brother near by, appeared on the scene and Holechek threatened him. Blecka knocked him down and he was secured and taken to Humboldt.

Holechek was a thrifty farmer, well-to-do, and is the father of ten children nine of whom are at home, the youngest being two and one-half years old.

Tuesday, December 7. Fritz Gougher of Franklin was yesterday arrested for passing counterfeit money.

John Wehn of St. Edwards was adjudged insane and taken to the Lincoln asylum.

BANKRUPTCY LAWS.

STRONG FIGHT TO BE MADE IN CONGRESS.

Chairman Henderson of the House Committee Promises to Have Early Action—Mr. Henderson on the Situation—Mr. Cannon on Currency.

WASHINGTON, Dec. 6.—The question, "What in your opinion is the prospect of bankruptcy legislation at the coming session of Congress?" General Henderson of Iowa, chairman of the House committee on judiciary, answered: "Well, as to that, it is rather early for me to express an opinion. On Monday I propose to introduce a bankruptcy bill which will be substantially identical with the one passed by the House of Representatives in the last Congress. There has also been referred to this committee the bill passed by the Senate at the special session. There will be a meeting of the committee early in the week and we will exchange views on the subject and see what prospect there is of a favorable committee action. Then a sub-committee will take the matter up and frame a measure, either a substitute for the Senate bill, or taking that as a basis, propose amendments to it."

"Do you think there is a strong public demand for such legislation?" was asked. "Yes, I do, and believe there will be a strong pressure brought to bear in favor of it. Such legislation properly framed and guarded is required in the opinion of a great many people besides myself, and all for the same reason. During the hard times of the last administration thousands of men went to the wall and their energies were bottled up, who if they could find legal release from the chains which now bind them would again and immediately resume the activities of a business life and add immensely to the leverage in favor of general business prosperity. They would be able to share in the benefits of the tariff legislation of last summer, and the country would be all the better for it. And yet, strong resistance will undoubtedly be offered to the enactment of such legislation and no man ought now to attempt to predict what the outcome may be, so far as the coming session is concerned. The most I dare say is that my hope is strong."

Representative Mercer of Nebraska, who is chairman of the House committee on public buildings and grounds, agrees with General Henderson as to the desirability of bankruptcy legislation. He said: "We have thousands of men in Nebraska who were laid flat by the hard times of the last three or four years who will never be able to regain their feet, financially speaking, until such a law is passed."

Chairman Cannon of the House appropriation committee, in reply to a question as to whether the people in his part of the country were in favor of bankruptcy legislation at the coming session said: "No, not in the country districts. There is considerable feeling in favor of it in Chicago and also considerable opposition to it I understand. It might perhaps be a good thing to have a voluntary bankruptcy law, to expire by limitation six months after its enactment."

"What do you think of the prospect of currency legislation?" "Oh, what's the use of talking about that in the face of the condition of affairs in the Senate? Why, if the House should pass a currency bill the Senate would probably strike out everything after the enacting clause and send us a free coinage bill. What's the matter with the currency, anyhow, if we can collect revenue enough to pay the current expenses of the government and have a little left? So far as the retirement of the greenbacks is concerned, I do not believe that a bill containing that provision could pass the House of Representatives. Then, why not let well enough alone? We've got to fight the free silver battle over again in 1900, and we would better prepare for it."

Business somewhat more animated, Due to Cold Weather.

New York, Dec. 6.—Bradstreet's says: "General trade throughout the country has presented rather more animation, owing to cold weather and the approaching holidays. While clothing, dry goods, hats, shoes, notions, hardware and fancy groceries have been in a little better demand from both jobbers and at retail in the region tributary to Chicago, St. Louis, Omaha, St. Joseph, St. Paul and Kansas City, the tendency of business has been to slacken. This is noticeable in iron and steel, and in further depression in cotton goods, print cloths having made a new low record in price. The monthly report of failures shows defaulted liabilities of \$11,610,195 in November, against \$12,700,856 last year.

Plays White His Wife is Dying.

LOUISVILLE, Ky., Dec. 6.—Della McQuaid Livingston, the wife of Arthur Livingston, an actor, died at an infirmary last night, just after her husband had finished playing a comic role in "Charley's Aunt" at the Temple theater.

Miss Bradley's Bottle of Whisky.

FRANKFORT, Ky., Dec. 6.—Register of the Land Office Reynolds to-day presented Miss Christine Bradley a bottle of whisky made in 1880, the year in which Miss Bradley was born, with which to christen the battleship Kentucky. She will use it.

Twenty-Six Hours of Snow in Iowa.

DES MOINES, Iowa, Dec. 6.—It has been snowing here for twenty-six hours without interruption. There are no present indications of a cessation of the storm.

Hundreds Homeless From a Cuban Fire.

HAVANA, Dec. 6.—News has been received here of a fire yesterday at Jaruco, with about 10,000 inhabitants, in which 110 houses were destroyed with nearly all their contents. No accurate estimate of the damage can be made. Hundreds are homeless.

Turns Out to Be Murder.

JUNCTION CITY, Kan., Dec. 6.—Corporal Fennel, battery B, Fourth artillery, at Fort Riley, died yesterday. Fennel was one of the two victims whom Private Leach endeavored to kill with a ball bat while sleeping.

INTERNAL REVENUE.

Nearly 2,500 Liquor Dealers in Prohibition Kansas—Almost 8,000 in Missouri.

WASHINGTON, Dec. 6.—In his annual report to the secretary of the treasury Mr. Forman, the commissioner of internal revenue, estimates that the receipts from all sources for the current fiscal year will aggregate at least \$155,000,000, an increase over 1897 of about \$9,300,000.

The report includes the following figures of collections made: Kansas—Including Oklahoma, \$250,398.32; Missouri, \$7,364,632.86.

Violations of internal revenue laws are noted as follows: Kansas—15 cases; settled during the year, 15 pending, 4. Missouri—208; settled, 115; pending, 93.

The report shows that of the special taxpayers in Kansas, there are 2,269 retail liquor dealers, 13 wholesale dealers, 2 brewers, 264 retail dealers in malt liquors, 46 wholesale dealers in malt liquors, 54 manufacturers of oleomargarine, 54 retail dealers of oleomargarine; total special taxpayers, 2,954.

In Missouri there are 7,645 retail liquor dealers, 173 wholesale dealers, 52 brewers, 415 retail dealers in malt liquors, 237 wholesale dealers in malt liquors, 95 dealers in oleomargarine; total special taxpayers, 8,719.

THE BOOM INVASION.

Indian Commissioner Jones Says It Is All "Sensational Newspaper Talk."

WASHINGTON, Dec. 6.—Commissioner of Indian Affairs W. A. Jones, who is in the West making a tour of inspection of agencies, has made an investigation that repudiates the reported project of men in Oklahoma, Kansas and elsewhere to take possession of the Wichita Indian reservation in Oklahoma, and thus force upon Congress the early opening of those lands to white settlement. Commissioner Jones reported the results of his investigation in the following telegram, dated at Anadarko, Okla., received by Secretary Bliss yesterday afternoon: "No foundation for rumor of invasion of Wichita mountains. It is all sensational newspaper talk."

NEW ATTORNEY GENERAL.

Governor Griggs of New Jersey Has Accepted the Position.

WASHINGTON, Dec. 6.—The position of attorney general to succeed Mr. McKenna, who will be nominated to the United States supreme bench to succeed Justice Field has been offered to Governor Griggs of New Jersey and he has consented to accept. It is understood that his appointment was urged by Vice President Hobart.

Sues for Blacklisting.

OGDEN, Utah, Dec. 6.—Following the verdict in the court of Judge Clifford in Chicago, on November 18, awarding damages against the Chicago & Northwestern railway to one Fred E. Ketcham, in the sum of \$21,600, because of blacklisting, which prevented his securing employment, there was filed in the district court at Ogden last night the complaint of John O'Hara against the Oregon Short Line railroad and receivers of the Union Pacific company, claiming damages to the amount of \$30,000. O'Hara had been a conductor and brakeman for twenty years at the time of the A. R. U. strike in 1894, and has been unable to get steady employment since that time. There will be about thirty cases filed here on the same basis.

Water Company Held Liable.

STEVENS POINT, Wis., Dec. 6.—The jury in the case of Julia L. Green, as administrator, against the Ashland Water Company brought in a verdict in favor of the plaintiff in the sum of \$5,000. The grounds of recovery were the alleged negligence of the Ashland Water Company in furnishing impure and unwholesome water, containing typhoid fever germs, to the plaintiff's husband, Lars G. Green.

Gets Ninety-Nine Years in Jail.

GUTHRIE, Ok., Dec. 6.—Fred Harner, aged 17 years, was convicted in United States court at El Reno for the murder of Alva Trapp in Wasnita county over a year ago and sentenced to ninety-nine years in the penitentiary. Young Harner killed Trapp to get money to buy his sweetheart a Christmas gift.

Sexton and Mrs. Anderson on Trial.

ST. JOSEPH, Mo., Dec. 6.—At a special term of court held at Princeton, the grand jury brought in an indictment of murder in the first degree against Ira Sexton and Mrs. Anderson, for the killing of Nathan Starks. The trial was commenced this morning. Sexton attempted to hold up Starks, a neighbor, and farmer, and killed him when he resisted.

For Poisoning Her Lover.

ARDMORE, I. T., Dec. 6.—Ida Randolph has been arrested at Caddo, twelve miles northwest, and jailed here, charged with the murder of Henry Ross a few days ago. The woman is the mother of a young babe. The indictment charges the prisoner with administering poison in whisky to Henry Ross, who died from the effects. Ross and Ida had been lovers, but quarreled, and the woman swore revenge.

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