

FOR ELASTIC CURRENCY

SECRETARY SHAW MENTIONS HIS SCHEME IN HIS ANNUAL REPORT.

REFERS TO SEVERE TESTS

Lowan in the Cabinet Says the Unprecedented Prosperity Encouraged Optimism Among the People and Raised Prices—Features of His Report.

Washington, D. C., Dec. 8.—Hon. Leslie M. Shaw, secretary of the United States treasury, in his annual report for the fiscal year ending June 30, 1903, which was made public today, refers to his "elastic currency" scheme as the means of solving questions arising out of situations such as those recently experienced by the United States. His report is very thorough and is a bulky volume dealing with all the matters which come under the supervision of the treasury department. Extracts from it follow:

The Monetary System.

"Our currency system has been subjected during the year to some very severe tests. Unprecedented prosperity encouraged the natural optimism of our people to such an extent that property of all kinds found ready and eager buyers at figures phenomenally high. A condition, therefore, existed which of necessity could not last. Within a year the market value of stocks and bonds, the proper and legitimate holdings of the people, has depreciated in an amount estimated far in excess of the cost of four years' devastating civil war. Yet notwithstanding this enormous and unexpected shrinkage, it has not affected in noticeable degree other classes of property. Banking institutions have exhibited no suggestion of weakness, few business failures have occurred, there has been but a slight curtailment in commercial enterprises, very little apparent hardship, and absolutely no fear of any depression in any form of currency. To all appearances the crisis is passed. There now exists certain reason for apprehension—certainly no occasion for alarm.

"By the provisions of a very wise act of congress, approved March 14, 1900, it was made the duty of the secretary of the treasury to redeem United States notes and treasury notes in gold or on demand, and to maintain the forms of money issued or ordered by the government at a parity of value. Evidently the people have understood, as they are justified in doing, that this statute authorizes the redemption of silver and silver certificates in gold whenever necessary for the maintenance of the parity. Nothing short of this assurance would have carried us through the period to which I have referred.

"One well-recognized weakness, however, has been strongly emphasized—currency is not elastic. It does not respond to the varying demands of seasons, or of localities, or of changing conditions of business. This admitted defect should be remedied. But in remedying it no measure should be considered that will in anywise weaken that which is now stable, and no element should be injected that will cause distrust or doubt. Fortunately, at the present time, of any measure which our several forms of money steps to examine its character. It is all known to be as good as gold, for the credit of the government is pledged to maintain its parity with gold. No act should be passed authorizing the issuance of anything less safe and secure.

National Bank Circulation.

"During the fiscal year ended June 30, 1903, national bank circulation increased, in round numbers, fifty-seven millions, only twelve millions of which were due to new organizations. Manifestly this rate of increase cannot be continued unless additional United States bonds are provided, or some other plan is devised.

"In my last annual report I called attention to the fact that the act of June 28, 1902, which authorized the secretary of the treasury to borrow \$30 million for the construction of the proposed isthmian canal, does not permit the use of these bonds as security for national bank circulation at a less rate of interest than 1 per cent per annum. I repeat my recommendation then made that these proposed bonds be made available as the basis of circulation on the same terms as the consols authorized by the act of March 14, 1900.

Condition of National Banks.

"In conformity with law, the national banks have submitted statements of their condition to the comptroller of the currency on five dates since September 15, 1902. The notable feature of the statements thus submitted are as follows:

"Individual deposits were at a higher point on September 15, 1902, than at any date subsequent thereto, and amounted to \$2,299,273,832.93. On September 9, 1903, they were \$2,156,322,497.97, a decrease of \$142,775,334.96. During the same period the loans and accounts increased \$201,319,291.35, but this increase was largely offset by an increase in capital of \$48,187,241, in surplus of \$39,769,554, and in bank deposits of \$26,141,513.

"The specie holdings of the banks on September 15, were \$266,238,260.02. On February 6, 1903, these holdings had increased to \$417,572,443.71. This value was the greatest amount of specie ever held by the banks during the existence of the national banking system. On September 9, 1903, specie holdings aggregated \$371,556,187.84. Of these holdings \$195,969,394.40 was in gold coin, \$148,547,520 was in gold certificates, and \$26,307,660 was in gold clearing house certificates. The balance consisted of silver dollars, frac-

tioned silver coin, and silver certificates.

"On September 15, 1902, the banks held in cash and on deposit with reserve agents and with the treasurer of the United States in the redemption fund, 25.74 per cent of their deposits liabilities on which reserve is required, and on September 9, 1903, 26.60 per cent.

Operations of the Treasury.

The most noticeable features in the condition of the treasury are the increased available cash balance and the increased holdings of gold. Since 1890, the available cash balance, including the reserve, has more than doubled, rising from \$179,259,837.18 to \$388,686,114.23. The cash in the general fund increased during the year by \$90,103,869.67, and the liabilities increased \$3,605,116.60. Thus the available cash balance at the end of 1903 exceeded that of 1902 by \$26,498,753.47.

"Increased receipts from customs, sales of lands, and from miscellaneous sources nearly equaled the diminution in receipts from internal revenue. The increase of expenditures for the fiscal year 1903 over those of 1902 resulted in a reduction of the surplus revenue for the year of \$4,939,708.21.

"For the first quarter of the fiscal year 1904 the receipts were \$6,733,297.42 greater than the expenditures.

"The trust funds held for the redemption of the notes and certificates for which they are pledged increased to \$883,068,869, an increase for the year of \$62,459,780.

"Transactions in public items, other than those related to the trust funds, caused a net decrease of \$18,625,444 in the public debt and reduced the annual interest charge to the extent of \$2,001,372.20.

"The foreign holdings of United States bonds are principally confined to the registered class, and are diminishing. In 1899 the amount was \$24,329,029. At the end of 1903 it was reduced to \$16,866,950.

IMPLEMENT DEALERS MEET.

Illinois Men Who Sell Farm Machinery Holding Convention Today.

Bloomington, Ill., Dec. 8.—Two hundred delegates are here to attend the annual convention of the Illinois Retail Implement Dealers association, which opened today, and will adjourn Wednesday. President Joseph Baker, of El Paso, delivered his annual address today, and reports were presented. Among other speakers were A. O. Bennett of Lansing, Mich.; J. B. Chambers, of Danville, Ill.

WANTS \$624,502,146.

Appropriations Asked for by Secretary Shaw for Next Fiscal Year.

Washington, Dec. 8.—Secretary of the Treasury Shaw has transmitted to congress estimates of the appropriations required by the government for the fiscal year ending June 30, 1905. The appropriations asked for aggregate \$624,502,146, as against \$589,189,112 asked for the year 1904, and \$605,286,990, the amount of appropriations for last year.

MEN AND WOMEN IN RIOT.

Several Seriously Wounded by Bullets and Knives at Caledonia, Ind.

Sullivan, Ind., Dec. 8.—In a general riot at Caledonia, a mining town near here, two men and two women were seriously injured and several others were slightly hurt. William Pittman during the row shot Mrs. Harry Blue, whose husband then fired at Pittman, three shots taking effect, and Robert Browning cut Gilbert Llewellyn's neck. Mrs. Roy Dickerson who quarreled with Peter Stevenson, was badly beaten. All of the persons concerned are miners or wives of miners. No arrests were made.

EXPLOSION FATAL TO TWO.

Edward Warren and Joseph Volinsky Victims in Kokomo Tragedy.

Kokomo, Ind., Dec. 8.—Yesterday afternoon while Edward Warren and Joseph Volinsky, the latter an Italian, were working in the boiler room of the Pittsburg Plate Glass company here, a steam pipe exploded, filling the room with scalding steam. Warren was dead when reached, and it is believed the Italian's injuries are fatal. Both men were strangers here.

Catarth Cannot Be Cured

with LOCAL APPLICATIONS, as they cannot reach the seat of the disease. Catarth is a blood or constitutional disease, and in order to cure it you must take internal remedies. Hall's Catarth Cure is a remedy, and acts directly on the blood and mucous surfaces. Hall's Catarth Cure is not a quick medicine. It was prescribed by one of the best physicians in the country for years and is a regular prescription. It is composed of the best tonics known, combined with the best blood purifiers, acting directly on the mucous surfaces. The perfect combination of the two ingredients is what produces such wonderful results in curing Catarth. Send for testimonials free. F. J. CHENEY & CO., Props., Toledo, O. Sold by druggists, price 75c. Hall's Family Pills are the best.

UNIVERSITY CLOSED BY DISEASE

Pennsylvania Institution With 200 Students Suspends Work Indefinitely.

Pittsburg, Pa., Dec. 8.—The engineering and collegiate departments of the Western University of Pennsylvania, in which there are over 200 students, were closed yesterday for an indefinite period owing to the presence of contagious diseases in the family of the janitor occupying a portion of the buildings.

GERMAN EDITOR DEAD.

Henry Lischer Publisher of Der Demokrat of Davenport.

Davenport, Dec. 8.—Henry Lischer publisher of Der Demokrat the only daily paper in Davenport published in the German language is dead. He was 75 years old. He was a pioneer German newspaper man in the west and a veteran of the Mexican and civil wars.

Herbert Spencer Dead.

London, Dec. 8.—Herbert Spencer the famous author, died today at his home at Brighton. His health had been failing for some months. He was born in 1820.

A state organization of the Sons and Daughters of Maine has been organized at Des Moines.

Webster county farmers continue to lose their hogs by the hundred in an epidemic of cholera.

GET DOWN TO BUSINESS

THE SPIRIT THAT PERMEATES CONGRESS FOR THE REGULAR SESSION.

CAMPAIGN SPEECHES

With a Presidential Election in the Near Future Little Important Legislation is Expected Though Many Addresses Will No Doubt Be Made.

[BY H. J. MAHIN.]

Washington Bureau of the Courier. Washington, D. C., Dec. 8.

An intention to get down to business was evident in every action of the house and senate yesterday when they met in the first regular session of the fifty-eighth congress.

"Get down to business" might be questioned as the proper term on the other hand because while congress will give all appearances of being very busy from now on it is not likely that very much important legislation will be enacted. With a national election coming next year both parties will be very careful about any radical action. There will be a great deal of speech making; in other words a lot of campaigning will be done in the halls of congress this winter. There will be no tariff legislation and while the trusts will probably get some attention there is little likelihood of any new laws on that question being passed.

Routine Work Safe.

A great deal of routine work and many small measures will be taken care of in between the speech making. Congress will not waste its time by any means. In fact many of the smaller measures that have been crowded out in former sessions will have a good show this winter and as each one of them is of considerable importance to a comparatively large number of people considerable satisfactory action may be taken in the aggregate.

Cuba and the Canal.

The two big measures occupying foremost consideration at present are the Cuban treaty and the Panama canal.

It looks now as though the canal matter might keep up its record for rapidity and get to and through the senate before the Cuban bill. The President has signified his intention of sending the Panama canal treaty to the senate tomorrow and while this action will call forth many warm speeches attacking the President and the administration on their policy in Central America the treaty will undoubtedly not meet any serious opposition and will be promptly ratified. It is generally understood that the people of the United States want the canal and while the democrats will not lose any little chance given them for criticism and fault finding in the negotiations they will not run the risk of putting anything in the way of the realization of the desire the United States people have had for many years to dig the waterway through the isthmus.

Reyes At Washington.

That the administration has no intention of retreating from the position it has taken on canal matters has been shown by the treatment in Washington of General Reyes, the Colombian envoy. General Reyes, by the way, is not a character that would be likely to put confidence into Colombia's cause. While a thoroughly good natured man he does not look like the future head of the republic (it is said he will succeed President Marroquin, of Colombia) He is a very large man and very foreign in appearance. He talks brokenly and is not overly clean. He seems sadly out of place in diplomatic circles. When he first came to Washington a group of newspaper men met him on the train and got him to talk before he had seen Dr. Herran, the Colombian minister here. He talked very fiercely, said much about an army of 100,000 men that would march against Panama and retake it. He seemed to have an idea that he could force the United States to take another attitude. A few days in Washington has changed him very much and it is now said that he is beginning to see that the best thing he can do is to assist the United States in its desire to see the Colombia-Panama difference amicably settled and to see the Panama assume a fair share of the Colombian national debt.

Wood's Confirmation.

It is almost proper to class the controversy over the appointment of General Leonard Wood with these two matters as being of initial importance with congress. This matter has assumed a menacing political turn. It is declared to be one of the chief causes which brought about a break between Senator Hanna and President Roosevelt. Mr. Hanna, who is backing Major Rathbone, is doing all he can to see that General Wood is not confirmed. Senator Foraker is lined up in Wood's defense, and, of course, the President stands in the background as Wood's firm friend. The fight continually grows more bitter and while it is generally conceded that General Wood's confirmation will be confirmed, some bad feeling is going to come out of the matter.

Webster county farmers continue to lose their hogs by the hundred in an epidemic of cholera.

Arrest American Citizen.

The affair grew out of the arrest of an Armenian, Ohannes Attarian a naturalized American citizen. Attarian had been in prison at Aleppo during the last two months and had just been liberated through the intervention of the American consular agent on condition of his leaving the country forthwith.

Police Prevent Departure.

Davis was accompanying Attarian on board a departing steamer when the police intercepted the party, assaulted and insulted Davis, rearrested Attarian and took him back to prison.

Davis Leaves Consulate.

Davis immediately lowered the flag over the consulate and formally broke off relations with the Turkish authorities.

Moslems in a Riot.

The mob of Moslems seized on the occasion to make a hostile demonstration against the consulate and against Christians generally.

Notifies State Department.

Washington, D. C., Dec. 8.—The state department received a brief cablegram from Consul Davis at Alexandria, in Asiatic Turkey, saying that he had had trouble with the local police, and had left for Beirut in consequence.

Will Investigate.

The state department promptly called Minister Lelshman at Constantinople to institute a thorough investigation of the whole affair.

GORMAN IS RADICAL

DEMOCRATIC SENATOR URGES PUBLIC INVESTIGATION OF POSTOFFICE FRAUDS.

NO DECISION REACHED

Lodge Moves to Refer the Matter to a Committee But Gorman is Insistent—Cuban Bill Crowds Out Discussion—The House Wants Fraud Papers.

Washington, D. C., Dec. 8.—When the resolution for the investigation of the postoffice frauds came up in the senate today, Gorman took the floor and strongly opposed its reference to a committee. He declared that the majority should not shrink from the investigation. He said there had been positive assertions that men who have had unlawfully placed employees on the rolls were to escape.

Claims There is Dissatisfaction.

Gorman said fraud and corruption were admitted and communicated to the senate by the President. He said the country was not satisfied with the investigation, nor was the senate.

Wants All the Facts.

"Let us have all the facts," said Gorman. "And see if the President will turn the rascals out."

Lodge Defends Motion.

Lodge who made the motion to refer the resolution stated that what Gorman said only further convinced him that the resolution should be referred. The investigation made under the order of the President, he believed had brought out all the facts.

Lodge said as to the insinuations against the higher officials that it is well known that the postmaster general and the fourth assistant had made every effort to get all the facts and it would be well for the senate to first examine the evidence to see if the investigation had been thorough.

Nelson Objects.

Nelson said it would be impolitic to take the evidence of the postoffice department now and make it public. Such procedure would furnish the defendants with papers in the department and give them an opportunity to make a defense.

Tillman claimed an attempt was being made to whitewash the frauds.

Hoar Expresses Views.

Hoar suggested that if the frauds were as great as claimed somebody ought to be impeached and such proceedings should originate in the house.

Cuban Bill Taken Up.

Cullom cut short the discussion on the resolution by insisting that the Cuban bill had the right of way. The resolution went over until tomorrow.

Teller Against Treaty.

Teller then began a speech in opposition to the Cuban measure.

House Wants Papers.

When the house convened today, Overstreet, chairman of the committee on postoffices and post roads, reported a resolution authorizing the committee to request the postmaster general to furnish the committee with all papers in connection with the recent investigation of the postoffice department.

Overstreet's Resolution Adopted.

The resolution was agreed to by a vote of 172 to 116.

BEHIND THE RECORD.

Six Day Bicyclists Fail to Make Spectacular Ride.

New York, Dec. 8.—At 10 o'clock today, fourteen teams were riding in the six day bicycle race at Madison Square Garden, the ten leaders having a score of 652 miles, 2 laps, thirty-eight miles over the record.

U. S. CONSUL INSULTED.

Davis Hauls Down Flag From Consulate in Constantinople, Dec. 8.—The United States flag over the consulate at Alexandria in Asiatic Turkey has been hauled down and Consul Davis has left his post for Beirut in consequence of a serious riot during which Davis was insulted and assaulted by the local police.

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Star Tiffany Sunburst.
An exquisitely beautiful and brilliant collection of blue-white stones. A brooch which could not be duplicated in genuine diamonds for less than \$250. Our price, and you can't tell it from the genuine. **\$2.50**

Moorish Brooch.
A quaint and beautiful design originally worn as a pendant. An exact copy of a Moorish design costing \$275. Heavy gold filled set with pure white, perfectly brilliant, imitation stones. A special bargain; our price **\$2.00**

Marguerite Brooch.
Petals of chased gold, mounted with cluster of sparkling brilliant, flashing stones in the center and perfectly matched pure white stones, of extraordinary beauty, between the petals. A magnificent ornament. Actually worth \$12. A bargain at **\$3.00**

Grecian Scroll Brooch.
Chased gold, set with sparkling stones. One of the most popular designs ever made. Heavy rolled gold plate. Not wear a fiction. Genuine diamonds this brooch is worth \$175. Special price **\$4.50**

Three-Stone Gypsy Ring.
Any combination of stones, Barrios Diamonds, Rubies, Emeralds or Turquoise. A beautiful ring that seems to be a world away. **\$3.00**

Round Belcher.
The most popular ring of the times. Warranted for 15 years. This ring cannot be told from a ring set with a genuine diamond worth \$12.50. Our price **\$1.50**

Twin Cluster Ring.
Ruby, Emerald or Turquoise center, surrounded by selected & extraordinarily brilliant pure white stones. A ring well worth \$25.00. Our price **\$4.50**

Five-Stone Hoop Ring.
A dainty and popular design. Five evenly matched and perfectly brilliant stones, mounted by hand in exquisitely finished heavy gold filled. A ring actually worth \$15.00. It absolutely defies detecting. Our price **\$3.00**

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