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PEANUT POLITICS

GOVERNOR CHAMBERLAIN is being criticized somewhat for his endeavors to protect the school fund, which State Treasurer Steel has, apparently illegally, deposited in the now defunct Title Guarantee & Trust bank. They say he is endeavoring to play "peanut politics," because of his efforts in this direction. Governor Chamberlain says: "If it be peanut politics to try to protect the financial interests of the state, then I am guilty of the charge." Treasurer Steel's only excuse for placing nearly \$400,000 of the state's money in this wildcat concern is, that he was only following the precedent established by his predecessors. That is to say, he was depositing the state's idle money where it would earn him 4 per cent. interest which, in this case, amounted to over \$1200 for each month.

When the flat salary law was enacted, the treasurer's salary was fixed at \$4000 per year. Prior to Mr. Steel's election, the constitutional salary had been but \$800 per year and the treasurer, by custom, was in the habit of converting interest on the state's idle money to his own use. The purpose of the flat salary law was to put an end to this habit. Mr. Steel, evidently, seeing the opportunity to increase his salary to even more than the old time desirable figure and perquisites, could not resist the temptation to loan the state's idle money. Unfortunately, he loaned to an institution which dealt in extremely hazzardous speculations. When the pinch came, the bank was unable to realize on its securities and Mr. Steel soon found that he was, figuratively, in the soup. He has converted a large sum of the state's money to his own use and is now unable to replace it. In ordinary private business this would be named "stealing or Stealing." No matter if his bonds can be recovered upon in one, two or three years, the crime exists, the same. The state's money constitutes a trust fund; to be expended only as the law directs. Mr. Steel has violated his trust knowingly and should be made to pay the penalty.

Assuming that Mr Steel is actuated by honest motives and desires to rectify the wrong which he has done—to assist in recovering the state's money, he should, do with alacrity, what the governor requires. He should, at once, place the money in the state's vaults or, failing to do this, he should resign so that the state could recover on his bonds. An honest man would do so; but Mr. Steel refuses to resign and he cannot replace the money. We are forced to conclude that he is rightly named, if the third letter of his name be changed to "a."

Governor Chamberlain insists that the money or resignation shall be forthcoming at once. His duty as governor compels him to make this demand. For thus doing his duty he is pronounced a "peanut politician." Suppose Treasurer Steel had been a like "peanut politician." Had such been the case, not a dollar of the state's money would have been deposited in the wildcat Title Guarantee & Trust bank. By all means, let us have more "peanut politics." Let us select only peanut politician, in the future for our state, county and city officers. We might, also, do well to elect peanut politicians as congressmen, as U. S. senators—and as presidents.

The idea is advanced that the Governor desires to displace Treasurer Steel, in order that he may replace him with a Democrat. Now, such ideas can originate only in the gray matter of the genuinely peanut politician. Governor Chamberlain, in the past, has proven himself to be broad-minded and liberal. He has, when he thought by so doing he would best conserve the public, appointed Republicans to office. He might replace Treasurer Steel with a Republican. Who, but himself, knows? But, it may be relied upon, his appointee would be an honest man and one who would be willing to serve for the legal salary.

Governor Chamberlain, of all men, cannot be accused of dealing in peanut politics. He is known to be a warm supporter of President Roosevelt's

policies in the prosecutions of trusts, railway re-baters, land grabbers, irrigation projects, improvement of rivers and harbors, etc. If he was peanuty in his political thought, he would be searching out faults in Mr. Roosevelt's administration, rather than to commend and second his measures calculated for the general welfare of the people. The country has need of just such peanut politicians as Governor Chamberlain, President Roosevelt, Senator LaFollette, Governor Folk and others—men who are enemies of evil-doers, bribers, grafters and land grabbers. May their numbers ever increase.

WHO IS THE MASTER?

IN 1896, WHEN MR. MCKINLEY was the nominee for president on the Republican ticket and won out in the election, the country was promised prosperity—the workingman was promised a full dinner pail, etc. Well, these promises have been made good. The country has never had a more prosperous decade than since the inauguration of Mr. McKinley. The Republican party is entitled to every atom of credit for this unprecedented prosperity. It has had absolute control of every branch of the government and could introduce any sort of fiscal policy it saw proper. No one will dispute this fact. Nor that that party is responsible for the financial system that has made the present Wall street panic possible.

When Wall street invaded the Federal congress during the civil war days and dictated the terms in which greenbacks should be issued, Wall street then became the master of the nation. It has continued to wield that mastery down to the present time. When Grover Cleveland was elected president the second time, Wall street demanded another issue of government bonds and proceeded to create the necessity for the issue. The bonds were issued as per order. One Wall street financial house is said to have cleaned up \$11,000,000 in handling the bonds. There may have not been a scheme worked out by a Wall street brain to bring this result about, but the consensus of opinion says different.

The present financial panic brought about almost entirely by Wall street gamblers, has created a necessity, fancied or real, for another issue of bonds. At all events the government, obedient to the Wall street demand, has issued the bonds, or certificates of indebtedness, and at a time, too, when the Federal treasury is plethoric with gold and cash of every description. Wall street has the power to force the government to borrow money at 3 per cent. interest and turn it over to the Wall street and other banks in the way of a deposit, without interest. In other words, the government, which is the people, must borrow money for the Wall street gamblers to continue the very same operations that have caused the present panic.

Is it not about time that divorce proceedings should be instituted between the Federal treasury and Wall street? Is it not about time that a change in a financial system which permits a panic in the midst of the most prosperous period the nation has ever known, shall be changed?

Until Wall street financiers shall cease dictating the financial policies of the nation, these panics may be expected to recur frequently. The "panic" is a part of the system of these money sharks. Every panic drops more dollars into the vaults of these pirates and fastens more securely their hold upon the country. An even and stable financial condition is not relished by Wall street. Oh, no! The panic is simply a colossal plan by which it fleeces the unwary.

As iniquitous as the system is, the Republican party must stand sponsor for it. It has allowed stock watering and high financing unlimited latitude, and the people are now reaping the legitimate harvest thereof. Our country has prospered as never before. Yet this prosperity is not attributable to our fiscal policy. Far from it. To our seemingly boundless resources, of food products, of the mines and of the forests is due our great prosperity and, too, in spite of a financial system that even the Oregonian says is bad. However, it is easy to rail out upon a matter when it brings us to grief. Any of us can see the faults and weak places of our present fiscal system. But who is wise enough to devise a plan that will eliminate the faults and weak parts and, at the same time, retain its valuable features?

It is safe to say, that if a few such millionaires as Senators Aldrich, Pratt, Elkins and several others of like ilk, could be eliminated from the United States senate, a financial system might be originated and adopted that would be a vast improvement over the present. But so long as a body of men have control of the national legislation who can only see their own interests in a proposed measure, there is but little hope for a financial system that will afford a lasting and stable condition.

The panic of 1893 found most of our farmers in debt and they were forced to make great sacrifices in order to meet their obligations. The panic of 1907 finds most farmers out of debt and with money in their pockets. They can just sit down and wait for the financial world to regain its normal condition. The farmers seem to have a good share of the money and the food products that the world must have. The dependent farmer of 1893 is the independent farmer of 1907. Farm life is undoubtedly beginning to look up.

GOLD STANDARD HAS FAILED

The views of the editor of this paper expressed in these columns, in supplements and in pamphlets, printed and circulated at his own expense in tens of thousands, for more than twenty years, that the gold standard would be a failure, has been verified by the present money famine at a time of the greatest business and industrial prosperity that has ever been enjoyed in the United States. With silver as standard money on an equality with gold as 16 to 1, as it was for nearly a century in the United States up to 1873, and as it had averaged all over the world for thousands of years, this panic would not have occurred. Great losses have been brought on the people, and great worry and trouble has been experienced by bankers and capitalists, manufacturers and laborers, by this shortage of standard money. There is not enough gold now in the world to pay five per cent. on the debts and business transactions. The standard money was reduced one-half by striking out silver, which was done to double the wealth of the capitalists who owned the bonds and stocks of the United States and of the world thirty-four years ago. Paper, or fiat money, is only notes or promises to pay in real money of intrinsic value, and silver had the same intrinsic value as gold at the ratio fixed by law until that law was repealed, and would have so continued if the law had not been changed. There is not enough gold now to redeem the paper when presented for redemption, and this causes the money panic and legal holidays, which would not have occurred with silver as legal tender.—Ex-Secretary of State Kincaid in the Oregon State Journal.

It is thought the Merchants' National bank, of Portland, the affairs of which are being looked into by Bank Inspector Claude Gate, will be reported solvent and allowed to continue in the banking business.

The condition of the improvident laboring man who depends upon the semi-public works for a living, is, to say the least, not the best in the world. With the price of food products at the high water mark and work scarce and at a reduced wage, he is feeling the weight of the bankers' panic unduly severe.

Secretary of the Treasury Cortlyen borrows money, which the government does not need, and pays interest thereon, then turns the money over to the banks without any interest charge. Would any sane business man act so foolishly? A financial system conducted upon this basis can lead to but one result—ruin.

President Roosevelt can hardly refuse to accept a re-nomination when he knows that the great mass of the common people demands his acceptance. So much of the work he has begun will be incomplete, and which no other probable candidate of his party can carry forward so well as he, that duty to his party and the American people will force him to accept the nomination.

Two Portland men each possessed \$50. One of them deposited his \$50 in the Title Guarantee & Trust bank. The other kept the money in his pocket until he was forced to give it up to a foot-pad. Both were despoiled of their money. Which of the robbers is the greatest enemy of society? In the first instance the money and confidence in the stability of banks were lost. In the latter, the money only was lost. The Title Guarantee & Trust bank is now in the hands of a receiver, and the robber-banker is not likely to be punished at all. The foot-pad, if caught, will be given a long term in the penitentiary. It is a peculiar kind of justice we have, anyway.

Of course the political bosses, many of whom are lawyers, are opposed to the Initiative and Referendum and Direct Primary law. These laws place the power in the hands of the people. Power to amend objectionable laws; power to initiate and enact laws, and power to nominate candidates for office, destroys all the old-time prestige of the political boss. But, gentlemen, these laws have come to stay. They are able to withstand the assaults of disgruntled bosses and tax-dodging corporations. Yes, the people are gradually regaining the power wrested from them by the political boss and tax-dodging corporations. The process is slow, to be sure. But in the end, the people will win out.

How would a law holding all banks of a state responsible for the deposit of all state banks do? Some plan must be devised by which the people will feel absolutely secure when they place money in a bank for safe keeping, if the private hoarding of money is to be stopped. If we can make our banks as safe against wildcat speculations as they are against thieves, people will cease private hoarding. The people are coming to fear the banker a great deal more than they fear the robber. Make the punishment quick and severe for bank looting and misappropriation of trust money, and a very long step towards preventing financial panics will be taken. The one great cause of the present panic is lack of confidence in the banker.

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