

RAILROADS OF NEBRASKA ARE LOSING THOUSANDS

Pay Millions to People in Wages and Taxes, and for Supplies Every Year

It is a strange fact, but nevertheless true, that in times past the people of the average state have not regarded their railroads as an "industry"—and yet, next to agriculture, there is not a single Central or Western state in which the railroads do not pay out more money for labor and supplies than does any other single enterprise, however large. We brag about our fertile farm lands and rejoice that our cities are filled with big factories with big pay rolls which create a market for farm products—but we forget that more workmen's families depend upon the railroads for a living than upon any other one industry in either the average state or the nation and that their welfare is therefore closely linked to that of the farmer and the merchant—not merely because they furnish him freight and passenger service, but because the millions they disburse in one way and another contribute tremendously to the prosperity of the state in which we live.

Thus, for instance, the railroads are the largest taxpayers in the state of Nebraska, their taxes for the calendar year of 1913 having amounted to over \$2,553,000—and this tidy sum contributed its full share toward the support of every public school, public highway and other revenue expense of the state.

In round figures, the railroads of Nebraska are valued at approximately \$275,000,000—money which, in years gone by, was invested in these great arteries of commerce by thousands of men and women who live all over the U. S. and in Europe and without whose financial aid the wonderful progress of our great commonwealth would have been impossible.

During the last year the railroads of Nebraska employed 30,634 men and women in this state, and paid to them over \$20,000,000 in salaries—and these millions did their full share to create a profitable market for Nebraska farm products and to uphold the volume of business of Nebraska grocers, clothiers, dry goodsmen and others who depend upon public patronage.

In other words, when the people of Nebraska look at their railroads in the light of an industry—when they look at the figures on the other side of the ledger—they will find that not only do the railroads return to them in one way and another practically every dollar they collect within the state for freight and passenger service, but that a number of lines are actually doing this business at a loss, while with others the margin of profit is so small that it doesn't begin to pay a fair return upon the capital invested.

In this connection, we wish to digress for a moment to quote some statistics which should have had a place in a former article. It costs an average of 7 mills per mile to haul a ton of freight in the United States, whereas in England it costs 2.33 cents, in Germany 1.42 cents, and in France 1.41 cents. In the United States the average wages paid to railroad employees are \$2.23 per day, in England \$1.15, and in Germany and France not over \$1 per day. The English railroads are capitalized at \$265,000 per mile, in France at \$137,000 per mile, in Germany at \$114,185—while in the United States the stock and bond capitalization averages only \$63,000 per mile. In view of this remarkable comparison, do American railroads deserve the wholesale denunciation which has been heaped upon them?

LOSSES UNDER PRESENT RATES

As evidence of the justice of the plea of the Nebraska lines that three-cent passenger rates should be restored, during the fiscal year ending June 30, 1913, the Missouri Pacific lost \$153,560 on the total volume of its Nebraska business—both state and interstate included. The Missouri Pacific has 371 miles of railroad in the state and the above deficit means that it sustained an actual operating loss of \$166 per mile upon properties valued by the engineer of the State Railway Commission at \$32,633.60 per mile. During this time it paid \$1,207,260.64 in salaries to its Nebraska employees and over \$105,000 in taxes.

During the calendar year ending December 31, 1913, the St. Joseph & Grand Island Railway sustained an actual operating loss of \$86,494 or a deficit of \$768 per mile on prop-

erties valued by the engineer of the State Railway Commission at \$22,596.46 per mile.

During the same period, the Rock Island, which has 246 miles of road within the state, showed net earnings of only \$194 per mile upon properties valued by the State Railway Commission at \$43,643.92 per mile. During the year 1914, the Rock Island earned only a little more than \$16,000 on all its Nebraska business, while in the meantime it paid out more than \$1,500,000 in salaries, taxes, for ties, fuel and other supplies and materials.

The Northwestern, which is one of the stronger lines of the state, has 1,065 miles of road in Nebraska upon which during the calendar year ending December 31, 1913, it earned \$1,130 per mile. The physical valuation placed upon the Northwestern is \$35,436.39 per mile, which means that on this basis it earned only a little better than 3 per cent on its investment. In a greater or less degree the same conditions prevail with reference to several other lines. Since the above figures were compiled—and they are taken from the report of the Nebraska Railway Commission and therefore should be entitled to the highest public confidence as to their conservatism—a reduction of 20 per cent in intrastate freight, known as Order No. 19, has gone into effect and this means, therefore, that from this time forward the showing of the various roads will be much lower than the figures cited above which were based upon railroad incomes before the 20 per cent freight reduction went into effect. While both freight and passenger rates have been inadequate for a number of years in Nebraska and adjoining states—yet in the passenger department they are nothing short of confiscatory and hence the plea of the railroads that the three-cent passenger rates be restored. In view of the facts and figures quoted above, is there a single fair-minded citizen in the state of Nebraska who will contend that the railroads are not entitled to help? Is not the present situation an impossible one and does it not mean inevitable wreck and ruin to several thousand miles of railroad which are intensely essential to the well-being of hundreds of towns and farming communities throughout the state?

LOSSES GROWING CONTINUALLY

From these figures, which are open to absolute proof, it can be seen that the Nebraska lines are not only sustaining a loss amounting to thousands of dollars annually on their traffic, but that with an ever-increasing cost of operation these losses are constantly growing heavier—and if the service to the public is to remain efficient and adequate, and if the railroad investments of the state are not to be driven to the point of confiscation, the people of Nebraska must, through their rate-making authorities, consent to a return to the three-cent passenger fare which was abolished without a due regard for increasing labor and supply cost or an adequate interests return upon the millions invested in Nebraska railroad properties. What industry is there in the nation which could have tolerated a reduction of one-third in its income on a large volume of its business during the last few years without coming to grief?

Four years ago, as governor of New York, Justice Hughes, of the United States Supreme Court, vetoed a two-cent passenger law enacted by the legislature on the ground that it was an arbitrary procedure which did not take into consideration a fair return upon the railroad properties of that state—and few men stand higher in the esteem of the American people than this great jurist who did perhaps as much as any other man in the country to break up illegal and unfair practices on the part of large corporations.

So, too, the Supreme Court of Pennsylvania held that a two-cent passenger fare was unconstitutional in that state because it was essentially confiscatory. This high court took the position that capital invested in railroads, as well as in other lines of private property, is entitled to earn 6 per cent on a fair capitalization and that the arbitrary enactment of a two-cent fare rendered such a return upon the lines in Pennsylvania impossible. It also took the posi-

tion that railroads not only have the right to insist upon a fair return upon both freight and passenger business, but that it is their duty to do so in order that one class of patrons may not be compelled to pay an inequitable rate to make up the losses sustained in another department.

If the arbitrary enactment of a two-cent passenger rate is unfair to the railroads of New York and Pennsylvania, where there are large centers of population and where the nation's greatest density of freight tonnage naturally exists, how much more unfair is such a rate in a purely agricultural state like Nebraska, which has a total population of only a million and a quarter with no large manufacturing centers?

The reader is familiar with the recent 5 per cent increase in freight rates granted by the Interstate Commerce Commission to Eastern lines—and again, as the commission wisely says, if the precarious financial conditions created by the European war renders this increase necessary, how much more are the weaker Western lines, which are compelled to exist almost altogether upon an agricultural patronage, entitled to some substantial relief? The population per square mile in Massachusetts is 441, in New York 204, in Pennsylvania 181, in Ohio 122, while in Nebraska it is only 16. If under these circumstances the Eastern lines need relief, can there be any doubt about the justice of the plea made by Western roads?

FACING GRAVE PROBLEMS

Unquestionably we are facing some of the gravest problems that ever confronted us as a Nation—and these problems grow largely out of a war which is without precedent in history. True, with a rapidly increasing cost of operation on the one hand and reduced rates on the other, it was merely a matter of time until the railroad question was bound to become pressing—but the great tragedy across the seas has suddenly resolved into an acute crisis a problem which might otherwise have been solved gradually and without any far-reaching industrial disturbance.

The United States is a heavy debtor Nation. During the average year our balance of trade against the rest of the world amounts to approximately \$500,000,000, but on top of this we always owe approximately another \$500,000,000 which heretofore we have been able to stand off by selling Europe industrial securities to that amount. Now, however, the great warring countries have served notice that they not only expect us to pay our debts above our trade balances in gold, but that in addition they look to us to buy back from them hundreds of millions of dollars worth of American securities which are now held abroad. It was to deliver this grim message that Sir George Paish, of the English Exchange, paid his recent visit to the United States, and when he got through making his statement to a group of big New York bankers, an old veteran financier who has survived many a financial storm remarked to his profoundly silent auditors, "The sheriff, with a writ, is on the doorstep."

That a great nation-wide crop next year will give us the largest trade balance we have ever known is undoubtedly true—and yet, with having to finance all our monetary needs at home from this time on and buying back millions of foreign owned securities, the future at best is precarious. However, the heaviest strain of all will come when the war ceases and when Europe begins to rebuild the hundreds of millions of dollars worth of property which has been destroyed—for this period is certain to force the highest interest rates the world has ever known, and if at that time American railroad securities are not earning a fair return upon the investment, nothing can prevent them from going into the financial scrap heap—and it is to prepare for this emergency—to keep railroad securities from becoming a point of national weakness, which will bring the whole temple of American investments tumbling down over our heads—to protect the hundreds of banks, life and fire insurance companies, etc., whose assets are largely invested in railroad bonds, as well as the railroads themselves—this is the fear which is gripping hundreds of financiers, and students of economic conditions in the present hour—men, many of whom heretofore have never seriously concerned themselves over the troubles of American railroads. In the present instance, therefore, the railroad crisis is of tremendous importance because in it is involved the still greater problem of the integrity and safety of the whole superstructure of American business. That we cannot shove it aside by a broadside of demagogic platitudes or minimize it by employing the strategy of an ostrich is apparent to all thinking citizens who are seriously concerned in their own and their country's future welfare.

UP TO PEOPLE OF NEBRASKA
In few other states have the railroads had a larger share in progress and development than in Nebraska, whose broad prairies they helped to convert from the habitat of roving herds of buffalo and savage Indians—and from that hour to this they have contributed their full share to a story of thrift and enterprise which swells with pride the breast of every true Nebraskan.
The last federal census report shows that from 1900 to 1910 the general value of Nebraska farm lands increased 156 per cent—and in view of these facts, had the men and women who put hundreds of millions of dollars into Nebraska railroad securities years ago invested their money in Nebraska farm lands, would not the investment have proven infinitely more profitable for them? And have not the railroads played a tremendous part in these advancing land values in the past, and will they not also have much to do with the value which will be added from this time forward? Have not the interests of the farmer and the railroads always gone hand in hand in this great Western country? Did they not conquer the wilderness together and would the progress of one have been possible without the other? Should not the railroads of this state, therefore, have the good will and friendship of the farmer when all they ask is that they be permitted to earn a reasonable income upon their investment?
Splendid as has been our progress in the past, Nebraska today stands merely on the threshold of her true destiny. We have ample room for thousands of additional tillers of the soil. So, too, our splendid inland towns and cities plead for factories in order that we may ourselves produce much of the finished merchandise for which our people spend many millions of dollars annually. Again, we still need hundreds of miles of new railroad mileage before we shall be able to make the most of our agricultural and commercial possibilities—and the millions necessary for the construction of these factories and these added transportation facilities will not be forthcoming unless we treat fairly the millions already invested within our midst.
No state can rise higher than its people. The state is what its people make it. We are all dependent upon each other. The welfare of the town and the surrounding farms depends upon a spirit of kindly cooperation between those who live in town and those who live upon the farm. Without splendid little inland towns we would have a rural atmosphere which would drive every bright country boy and girl to the cities—while without the farms the towns would wither and die. Even so it is with our great commonwealth which for its own sake and for the sake of the great nation of which it is a part should contribute its full share to the "New Day" to which the President referred so beautifully in a recent address—a day fraught with a broader understanding and justice for every man or interest, whether great or small. At this moment there are a half million men out of work in New York City, nearly 200,000 in Chicago, almost 100,000 in St. Louis, while the Kansas City Commercial Club for the first time in the history of that splendid city is grappling with the problem of thousands of idle men. Truly it is a time to think!

THE COURSE OF EMPIRE

Slowly but surely the course of empire is moving westward. Her lands impoverished in fertility, New England, as well as the great nations of the Old World, today look to the Corn Belt for foodstuffs—and sooner or later the center of this mighty nation's wealth will be found here amid the rich valleys of the Missouri and the Mississippi, which, in point of productiveness, are without an equal in any similar area upon the habitable globe. Here our people are assured that Nature will always sooner or later amply reward honest thrift and industry. Here our families are farthest removed from those influences which corrode and corrupt civilization. Here American manhood and womanhood find their broadest opportunity, and with a commonwealth so rich in promise and so much in need of additional capital with which to develop its resources, can her people do a wiser thing than to say to the world that every dollar invested in Nebraska enterprise and industry shall be permitted to earn a fair return for its owner from this time forward? Would not such a declaration be fair? Would it not be infinitely wise as a matter of pure business policy on behalf of our great state?

It is because Nebraska railroads believe that Nebraska people will be generously fair—once they know the truth about this great question—that has persuaded them to make this appeal through the public press.

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It is because Nebraska railroads believe that Nebraska people will be generously fair—once they know the truth about this great question—that has persuaded them to make this appeal through the public press.

In doing so they have tried to state their side of the story fairly. They have made no attack upon anyone or sought to appeal to prejudice—and that the reader may accord to them the same credit for sincerity which he claims for himself—that he may be willing to raise his voice in defense of their rights as he would expect others to do in his behalf under similar circumstances—this is all the railroads of Nebraska ask. (Paid adv.)

WANER IS CHAIRMAN County Commissioners Hold Business Sessions This Week— County Physician Named

In the annual re-organization of the board of county commissioners, Joe Waner, commissioner from the northwest district, was elected chairman of the board. This is the fourth time that Mr. Waner has held this office during his long term of service.

The board has decided that each commissioner will look after the road improvements in his respective district.

Dr. C. E. Slagle was re-appointed county physician for the year 1915. Bids are being asked for lease on the county farm for a term of one or two years.

Other business before the board is the assigning of the county printing for the year 1915. Bids were submitted by The Herald and Times of Alliance and the Journal of Hemingford. The Alliance Herald asked that the legal notices and commissioners' proceedings be published in all three of the papers and that it be allowed one-third of the regular legal rate if only two were designated, believing that the purpose of publishing such notices was to reach the most people. A similar proposition was made by the Hemingford Journal. The Alliance Times was designated for the publication of all notices except the commissioners' proceedings, which are ordered published in all three papers.

Six Calls in 1914

The national banks of the United States received six calls for statements from the national bank examiner during the year 1914, the last call being for the close of business on December 31. The law requires

that five calls be made. This is probably the first time in the recollection of most bankers that six calls have been made in any one year.

Former Citizen Visits Alliance

Engineer I. H. Huston of Ravenna, who formerly resided in Alliance and has property interests here yet, pulled a special stock train in from the east last Friday night, remaining in this city until Sunday. The time here was pleasantly spent in visiting old friends. Hereafter The Herald will keep Mr. Huston and his family posted on affairs in this part of the state.

A Nervous Woman Finds Relief From Suffering.

Women who suffer from extreme nervousness, often endure much suffering before finding any relief. Mrs. Joseph Snyder, of Alliance, O., had such an experience, regarding which she says:

"Six months I was bedfast with nervous prostration. I had sinking spells, a cold, clammy feeling, could not stand the slightest noise. At times I would almost fly to pieces; stomach very weak. My husband insisted on my taking Dr. Miles' Nervine, and I began to improve before I had finished the first bottle until I was entirely cured."

MRS. JOSEPH SNYDER,
252 Hudson, N. Y., U.S.A.

Many remedies are recommended for diseases of the nervous system that fail to produce results because they do not reach the seat of the trouble. Dr. Miles' Nervine has proven its value in such cases so many times that it is unnecessary to make claims for it. You can prove its merits for yourself by getting a bottle of your druggist, who will return the price if you receive no benefit.

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F. W. HAARGARTEN, Manager

Relief in Sight

when you buy a jar of Dry Zensal for the crusty, scaly skin of Dry Eczema, Salt Rheum or Tetter and Moist Zensal for Weeping Skin or watery eruption. These clean, odorless ointments for the two distinct types of Eczema will give you the relief you have been seeking. Come in and let me tell you about it. HARRY F. THIELE.



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