

A GOVERNMENT OWNERSHIP CLUB

Hon. M. F. Harrington, of O'Neill, Neb., and Hon. Edgar Howard, of Columbus, Neb., joined in calling a meeting for the organization of a government ownership club, the object of which will be to bring before the people the advantages of the government ownership of railroads. One of the local papers having charged that this was a movement started by Mr. Bryan, Mr. Harrington wrote a letter to the paper saying: "Permit me to say that while we will appreciate the assistance of Mr. Bryan and every other friend of the movement, that he has not even been consulted with reference to the calling of this meeting. The meeting is being called by those who were friends of government ownership of railroads long before Mr. Bryan gave it his influential indorsement. The organization will be an educational one and will be used to further the cause of national ownership of the railed highways. And whether any candidate shall benefit or not by the organization will depend upon his attitude on the question."

Mr. Harrington is right. The call was issued without Mr. Bryan's knowledge. It is only fair to say, however, that Mr. Bryan believes in the organization of clubs for the discussion and propagation of political ideas. His own position was stated in the reception at Madison Square Garden and has not been modified. While he has no intention of attempting to dictate to the democratic party or to urge his views upon the members of the party, he believes that government ownership will prove the ultimate remedy, and he has presented the dual form of ownership.

At the same time he recognizes that issues are made by conditions and that parties can only meet issues when they are ready to be decided. He is not in position to know how many of the people favor government ownership or how many of the democrats favor it, but he is glad to see clubs organized for the discussion of the subject, believing that only that which is good can survive debate. Should those who believe in government ownership organize for the presentation of their views, let those who oppose government ownership organize for the presentation of their views, and out of this discussion will come the truth.

MORE MONEY

The bankers are still clamoring for more money on deposit, and some of them are willing to pay an interest on it in order to get it. The influence of the banking fraternity is thrown upon the side of high taxes and a large surplus. The depositing of money in favorite banks without interest is a source of corruption, for it lays the foundation for large campaign contributions. Then, too, there is a suspicion that it has been used in the past to make soft places for treasury officials, a number of our secretaries and other prominent officials having gone from official life in Washington into lucrative positions with the favored bankers.

If government money is loaned to the banks, it ought to be loaned according to the plan which now prevails in democratic Missouri. The security is fixed and the money is then loaned to the highest bidder. In this way the government realizes the largest possible amount from the deposit, and the deposit goes where it is most needed. If the federal revenues were loaned out to the highest bidder, there would be larger profit to the government and the banks would not feel under any obligation to contribute to the campaign fund.

MASSACHUSETTS' RAILROAD EXPERIENCE

The Springfield Republican, one of the cleanest, best and most advanced of the eastern newspapers, has a very interesting editorial entitled "Bryanism in an Early Massachusetts Report." This editorial will be found on another page and reference is made to it here only to emphasize the importance of the policies which it discusses. The Republican says that so far as railroads are concerned the Massachusetts railway commission has been a failure, and this failure is explained by a report published nearly forty years ago in which the difficulties involved in regulation were pointed out. Those who have watched the effort of railway boards to meet and counteract the schemes of the railroads will appreciate the foresight of the Massachusetts committee which predicted failure.

What is even more interesting is that a second report suggested a single line of railway across the continent as a regulator of rates. This is not a new suggestion. It has been offered frequently. As prominent a statesman as Thomas

H. Benton, of Missouri, proposed a government road from the Mississippi river to the coast. That such a railway would do more to regulate interstate rates than a dozen rate laws goes without saying. It would also demonstrate whether government ownership is practicable. The railroads insist that government ownership is expensive and that the government could not own and operate a railroad as cheaply as private corporations. Figures are presented to show how much lower our freight rates are than European freight rates, although these arguments have one fatal weakness, namely, that they conceal the fact that government railroads in Europe compete with private railroads there. If the railroads owned by the European nations furnished as good accommodations and as good service at as reasonable rates as the privately owned roads in Europe, there is no force in a comparison between government roads there and privately owned roads here. Such arguments can not have weight until it is shown that the private roads of Europe are much better than the government roads, for if the governments of Europe offer accommodations as good as the private railroads of Europe offer, could not the government roads of this country do as well as the private roads in this country? Insofar as arguments can be drawn from analogy, it can be shown that the municipal plants of this country furnish service at a lower price than the privately owned plants, and it is also easy to show that there is not as much corruption under municipal ownership and the employes of the city are not as much to be feared in politics as the employes of the franchise-holding corporations.

But the purpose of this editorial is to call attention to the fact that back in Massachusetts there were people who pointed out a generation ago the difficulty of securing effective control through commissions, and even recognized the value of a government line as a regulator of rates. It ought not to be a capital offense to profit by the experience of the past and to recognize the wisdom of those who measure the influence at work and calculate upon the opposition which railroads could bring to bear against the work of a commission.

BANKERS PUSH ASSET CURRENCY

The press dispatches report that the house committee on banking and currency has decided to make a favorable report on a credit currency bill in line with the recommendations of the American Bankers' association. All the republican members of the committee present joined in the report and all of the democrats present opposed it. Godd for the democrats. Our party ought to present a united front against this new piece of favoritism. One of the first acts of the republican party when it came into power ten years ago was to increase the profits of the national bank. Since that time it has increased the taxes upon the people and now plans a new tax in the form of a subsidy. But it is still endeavoring to accommodate the bankers, and this new proposition seeks to inaugurate a new principle.

When the national bank was empowered to issue notes, the measure was advocated on the ground that it would create a demand for government bonds and thus help the government during the war. That argument has long since ceased to be effective, and there is no excuse now for the bank note except that it puts the volume of money in the hands of the bankers instead of the government. The credit currency has all of the objections of the present bank currency and several other objections which can not be made against the bank note as it now exists.

It is interesting to note the change of position made by the bankers. In 1896 they said we had plenty of money and did not need any more, and yet, immediately after the election, they asked for and obtained the privilege of issuing more notes on the ground that the country needed more. Since that time we have had an enormous increase in the gold production and gold coinage. We have increased the silver coinage and the bank note issue until the per capita circulation is more than fifty per cent greater than it was ten years ago, and yet the bankers insist that we must have more money still—provided they are allowed to furnish it. If the government stands back of the new currency, the people will bear the risk and the bankers will make the money; if the government does not stand back of the currency, the bankers will make the money and the people will run the risk, but in either case it means more profit to the banker. If they really desire an elastic currency and not more currency, why do not the bankers propose a reduction of the bank note issue with a provision

that an increase can be made? Why do the bankers not apply their tax idea to the present bank notes and provide that the issue of bank notes shall ordinarily be seventy-five per cent of the par value of the bonds? The government might then permit them to issue an additional twenty-five per cent upon the payment of a tax that would retire extra issue when the emergency was over. This would give them an elastic currency, but alas, it has a fatal objection. It would not give them as much profit as their plan, and therefore it is out of the question.

The democratic party is committed to the doctrine that the issue of money is a government function that ought not to be delegated to the banks at all, but in addition to this standing objection it opposes this new form of currency which lessens the security of the depositor, increases the risk of the note-holder and involves our country more deeply in the Wall Street control of our finances. The financiers are not willing to allow the money question to remain settled. They vociferously insist that it is dead when any proposition is made that they do not like, and then they as vociferously insist that it shall be kept alive so long as they have any new advantages to gain. If Wall Street is to be given any new mortgage upon the treasury, the republicans should be compelled to accept all the responsibility. The small bankers are already beginning to see the danger of an asset currency, and the democratic party will have their co-operation in fighting this new scheme of the large financiers.

SOLICITUDE FOR THE PUBLIC WEAL

Minister Limantour, of the Mexican cabinet, in explaining to congress the government's action in buying the Mexican Central railroad, pointed out the railroad consolidation that is going on in the United States and justified the action of the government as a step necessary for the protection of the public. He sums up his argument as follows:

"Thus, gentlemen, there are three main arguments for the merger: First, to avoid friction between the different corporations when the two are competing lines, or when one of them fears being antagonized by a concert in which the government holds controlling interest; secondly, to avoid the absorption of properties not controlled by the government by one of the great railway systems of the United States; thirdly, the prospect of realizing economies through consolidation under a single management."

And this solicitude for the public weal comes from Mexico. We still have some public men in the United States who insist that no matter what the railroads do, the government is helpless. These, however, will grow fewer in number and less noisy, for no government can admit that it is impotent to protect the public.

When a public man spends all his time pointing out the dangers of government ownership and none of his time pointing out the evils which have attended the private operation of the railroads, it is well to inquire upon which side of the question his sympathies are.

Public ownership has been referred to as paternalism. Private operation of the railroads has been a sort of infernalism which to many seems more unbearable than any paternalism involved in the protection of the public by government ownership.

CHARLES FREMONT COCHRAN

Ex-Representative Charles Fremont Cochran of St. Joseph, Mo., died at his home in that city on Wednesday, December 19. Mr. Cochran represented the Fourth Missouri district in congress for several years, and while serving in that body assumed a leading position by reason of his ability and his industry. He was a staunch democrat who was ever ready to defend the principles of democracy, and his defense was always able. A forceful public speaker and a man of genial presence and personality, he was a great favorite wherever men met to discuss principles and policies. Mr. Cochran was an enterprising citizen who gave largely of his time to further the public interests. For several years he engaged in the newspaper business and his newspaper was an able and fearless exponent of democratic principles. In his death Missouri has lost a leading citizen and the democracy of the nation has lost a tireless champion.