

agement necessarily affects the value of stock. The stockholders, therefore, who desire to purchase for legitimate investment, should have as much interest as the patrons in reducing the railroad business to an honest basis, but the railroads have thus far prevented the passage of a law authorizing the interstate commerce commission to fix the value of the roads.

When the value of the roads is ascertained, I am satisfied that public sentiment will insist that the returns shall be sufficient to pay a reasonable dividend upon the money invested. What this dividend should be it might be difficult to fix arbitrarily. I believe the statutes of Massachusetts and Connecticut fix a minimum dividend, but as these laws were passed some years ago when interest rates were higher, the rates fixed are probably too high at this time. I should say that any maximum rate fixed by the people should be a little higher than the rate fixed by competition in the purchase of stock. If, for instance, stock which pays a four per cent dividend can be sold at par, a maximum dividend ought to be enough above that to provide for possible fluctuations in business. If it requires a five per cent dividend to make stock sell at par, then the maximum dividend contemplated by legislation should be above five per cent, or say six per cent.

In case the various states or the nation decide to enter upon public ownership of the roads, there would be no disposition to confiscate the property. I am satisfied that in the purchase of roads the public would be much more apt to pay more than the roads are worth than less. There is, therefore, no reason why a person having money to invest in railroads should not be willing to invest upon an honest basis at this time, for no future legislation would deny him a fair return. But there is another reason why investors need not fear. They are not only protected by the sense of justice in the people themselves, but they are still further protected by the courts which will not permit legislation that is confiscatory. Several of the railroad presidents have recently complained of state legislation and charged that the legislation would not permit the railroads to earn a reasonable profit. The investing public has been unnecessarily alarmed by these statements. The railroad presidents, instead of attempting to terrorize the legislature, should have announced to investors that if the legislators attempted to cut down railroad earnings below a reasonable point, the courts would restrain them. No railroad regulation will be sustained by the courts that does injustice to the owners of the railroad, and if public ownership is entered upon, the government cannot take the roads without paying what the roads are worth. This is a judicial question. In order to obtain a railroad now in existence, the government would either have to buy it or condemn it. If it bought, it would have to buy upon the price agreed upon. If it condemned it, it would have to pay the price fixed by the court. It will be seen, therefore, that all this cry about confiscation is without foundation.

I think I can speak for those who believe in regulation and I know that there is not and never has been danger of injustice to the owners of the railroad, and if I can speak for those who believe that the ultimate solution of the question is to be found in public ownership, I can say that there is no disposition to confiscate railroad property even if the courts would permit it.

In arguing the Nebraska maximum rate case before the supreme court of the United States, I took the position that the value of the road to be recognized in the fixing of rates should be the cost of reproduction. You will find my brief quoted in full in the decision. While the court did not clearly lay down a rule on that subject, I am still of the opinion that there is no just basis for measuring the value of railroads except the cost of reproduction, that being the basis upon which all other industries must rest. A farmer's land is worth not what it may have cost him, or what he may have spent upon it, but what an adjoining farm can be bought for in the open market. A merchant's stock is not worth what it cost him, but what it can be replaced for at present prices. The rules that apply to the mass of mankind and to ordinary business in the fixing of values ought to apply to the railroads, for when we allow one class to exempt itself from the general rule it not only avoids contingencies which the rest must meet, but by the avoiding of these contingencies it throws an additional burden upon all other forms of industries.

Pardon this lengthy reply, but I am very glad to answer your questions and to tell you that honest investors in honestly conducted railroads have nothing to fear. The sooner the honestly conducted railroads separate themselves from the dishonestly conducted ones, the safer they will be, and the sooner the honest investor separates himself from the speculator the safer he will be.

Honest accumulations and honest investors have too long borne the odium that predatory wealth should bear alone. A line should be drawn among railroad managers and investors in railroad property, between those, on the one hand, who do a legitimate business and supply a public need, and those, on the other hand, who have the instincts of a bird of prey and make victims of all who are helpless and defenseless. Yours truly,

W. J. BRYAN.



ONE "GOOD TRUST"

At last some one has named a "good trust." Isaac Guggenheim, the smelting trust magnate and brother of Colorado's new United States senator, speaking to the New York correspondent for the Denver News, denounced the present day attacks upon corporations. He said: "Not all corporations are bad and not all trusts are thieves and robbers. A great combination of capital like the Steel trust, magnificently managed, is a positive benefit to the country, both for laborer and for consumer."

So the steel trust "is a positive benefit to the country, both for laborer and consumer." It is given the benefit of a high protective tariff and rewards the American people by selling steel rails abroad at a price cheaper than that demanded of the American consumer. The net earnings of this "good trust" amount to about twenty-three per cent of its gross sales. The net earnings exceed by more than eight million dollars per year the wages paid to employes.



CARNEGIE ON WALL STREET

Under date of New York, March 28, the Associated Press carried this telegram:

"Andrew Carnegie made a vigorous attack upon certain Wall street methods in a speech at a dinner given in his honor by the United States military telegraph corps tonight. Mr. Carnegie declared he had never made a dollar gambling in stocks and added that it was time business men declined to recognize men who make money in Wall street and render no value for it. 'A few gamblers in Wall street are in trouble,' said Mr. Carnegie. 'If a man has sold stocks short and they go down he is delighted. But if they go the other way and he has not the stocks to deliver, he thinks the president has gone a trifle too far. It is a good thing for the country that the gamblers have come to grief. I wish I could invent a system or plan whereby both sides of the stock gamblers would come to grief. As a business man I can say I never made a dollar gambling in stocks and I would as soon sit down to gamble with cards. Let me speak as a plain business man. Wall street is not all of America. There are some places in New York that are not Wall street. Speculators are parasites feeding upon values and creating none. It is time that we business men should rise and decline to recognize men who make money in this way and render no value for it and give nothing—or manufacture nothing—or exchange in no way for the value they get. We have had five years of wonderful prosperity. Today instead of charging \$460,000,000 for the Carnegie Steel company I would ask \$640,000,000 for it. But never a kite went up but it came down. Wall street is really in a healthy condition. It is an eruption that is coming out and not going in and let us rejoice and hope that tomorrow prices will go down. Gentlemen I was born to poverty. But I would not change with the richest man's son of millions born to life. What does he know of father and mother, of the boy whose mother is nurse, seamstress, washerwoman, cook, angel and saint—with no servant between—the boy whose father is his guide, philosopher and friend? No teacher, except at school. It's in the home that the boy gets his teaching. I am honest, I have lived both lives. There are men who say that riches are corrupting, but they only know one side of the shield. I have lived both. There is, gentlemen, very little in wealth adding to the sum of human happiness. I think that wealth rather decreases happiness."

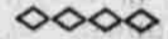
It is true, as Mr. Carnegie says, "Wall street is not all of America." It would have been better for the American people if Mr. Carnegie had long ago spoken frankly, yet his plain talk is bound to have considerable effect for it will tend to open eyes that have long been blinded. But while the American people are curing themselves of the notion that Wall street is "all of America," it will not do for them to close their eyes to the iniquity of the system which has made Mr. Carnegie's wealth possible.

In its issue of May 18, 1902, the Chicago Tri-

bune, republican, had an unusually interesting editorial entitled "The Arrogance of Wealth." The Tribune was considerably disturbed because Andrew Carnegie had offered to pay \$20,000,000 for the Philippine islands provided only that he was permitted to assure the Filipinos that they would be given their independence. The Tribune said that the steel magnate "has tried the patience of his friends severely in some of his late bids for notoriety." The Tribune thought that Mr. Carnegie was constantly posing. It said he has "scattered libraries broadly through the country, all of which are to be called for him, and every one of them is a 'contribution to the conscience fund.'" Then the Tribune explained:

"Mr. Carnegie made his money in a magnificent way, but he should never forget that HE MADE IT THROUGH THE UNDUE FAVORITISM of the government of the United States. OWING TO THE DISCRIMINATION PRACTICED IN HIS FAVOR BY THE TARIFF, he was enabled to amass a fortune of two hundred millions of dollars or more, MOST OF WHICH CAME OUT OF THE POCKETS OF HIS COUNTRYMEN THROUGH THE OPERATION OF UNEQUAL LAWS. Much has been said of the benefit arising to the workingmen from the establishment of the Carnegie works. The beneficent tariff system permitted the works to survive and flourish, but there are some people who have not forgotten the Homestead strike, nor the outrageous manner in which the workingmen were treated at that time by employers whose brutality has seldom been exceeded in the history of labor agitations."

While thanking Mr. Carnegie for his blunt speech with respect to Wall street, one could wish that he would contribute to the welfare of the American people, and increase the sum of his own happiness by telling the truth concerning the "undue favoritism" through which his own millions were acquired.



MYSTERIES

"A young democrat" writes to the New York World to say: "If my memory serves me right, you found fault with Mr. Bryan in 1900 because he insisted on the democratic platform being drawn to meet his views. In the matter of government ownership of railroads he does not appear so insistent in forcing his ideas on the people or his party. He states that he does not know if the same are acceptable or not, but that he believes the 'ultimate' result will be government ownership. In your editorial of the 16th you intimate that the term 'ultimate' was used to enable the candidate to 'hedge either way.' Now, then, to a regular reader of your valuable paper it appears that Mr. Bryan is 'damned if he does and damned if he does not.'"

The World will have no more difficulty in explaining this than it will have in explaining its peculiar position on the railroad question generally. It denounces the government ownership proposition with the same vigor it employed in fighting railway rate legislation. Opposed alike to government ownership and government control it has never yet taken its readers into its confidence sufficiently to tell where it really does stand. The World's position on the railroad question has puzzled some of its best friends.



NOT SO TERRIBLY MAD

The St. Louis Globe-Democrat, republican, prints a cartoon entitled, "Cutting Another Notch in the Big Stick." In this cartoon Mr. Roosevelt is represented as cutting in the "big stick" a notch labeled "Federal Courts of Railroads;" in the rear are a number of railroad chiefs who are shaking their fists at the president and standing under a banner bearing these words: "Angry R. R. Magnates in Their One-Act Comedy, entitled, 'We're always agin the President.'" But "we're" not "always agin the president." In fact in his latest proposition concerning federal control of railroads Mr. Roosevelt has no more stronger supporters than these very same "Angry R. R. Magnates." If one would learn how entirely misleading the Globe-Democrat's cartoon is, let him be reminded of the attitude taken by these great captains of industry.

For instance:

"I believe in federal control of railroads. It would be the best thing for the railroads."—Rockefeller.

"All rail transportation should be declared interstate commerce and put under federal supervision by a constitutional amendment, if necessary."—Paul Morton.

"There is federal control now. All that is