

State Historical Soc
Ex 15-31-

WEALTH MAKERS



IN THE SWEAT OF THY FACE THOU SHALT EAT BREAD IF ANY WILL NOT WORK NEITHER LET HIM EAT

MONOPOLY DISCUSSED.

Congressman Kern Speaks on the Light Question.

PRACTICAL POPULIST PRINCIPLES

A Very Able Discussion of the Subject of Monopoly and a Particular Application of the Needed Remedy.

A Matter of General Interest.

The House being in Committee of the whole on the state of the union, and having under consideration the bill (H. R. 548) making appropriations for the expense of the government of the District of Columbia for the fiscal year ending June 30, 1895, and for other purposes—

Mr. Kern said:—
Mr. Chairman: There are many features of this bill that I would change if I had the power to do so. I heartily agree with the remarks which the gentleman from Missouri [Mr. DeArmond] made yesterday with reference to District taxes, and shall support his amendment. But in the limited time at my command I will confine my remarks to that part of the bill which relates to lighting the public buildings and grounds and the streets of the city. I believe in the principle, Mr. Chairman, and have advocated it before my people, that it is the duty of government to see, so far as it is possible, that no corporation or combination of men shall control any of the necessities of the people; for it is evident that, when such conditions exist, the party or the power having control of such necessities will also have the power to extort for those necessities more than the people ought to pay as a matter of justice and equity.

Therefore, Mr. Chairman, I believe each municipality should control these necessities, such as local transportation of freight, humanity or intelligence, water systems, and lighting plants, by its own municipal government. I believe in forming a monopoly of all the people for the sole benefit of all the people of each municipality. And in cases where these necessities are national, affecting the interests of the whole people, I believe it is the duty of the National Government to take control of them in the interest of all the people.

A municipal or national monopoly for the purpose of controlling any of the necessities of the people, in which all the people are partners and alike reap the benefit, is always right; but a monopoly of any such necessity by a few private individuals for private gain is always wrong, and should cease. Congress should never again grant a charter, franchise, or subsidy to any individual or corporation through which public necessities may be controlled.

This is the principle I believe in. It is the principle I have advocated before my people. It is the principle they sent me here to advocate, and in behalf of the taxpayers of the Union, I offer these remarks. In direct opposition to this principle, we find by referring to Senate Document No. 91 that Congress in 1848 chartered what is known as the Washington Gaslight Company, and by that charter gave a private corporation control of one of the necessities of the people. As a result of that action, the taxpayers have paid millions of dollars to the stockholders that they ought not to have paid.

In the pending bill reported by the committee I see they have reported some reforms along this line, and have slightly reduced the cost of this necessity. For this they are to be commended, but in my opinion, Mr. Chairman, the only solution of this question is for the government, instead of granting these charters and special privileges to private corporations and thereby enabling them to fleece the people, to purchase or erect its own lighting plant and supply its own necessities.

The taxpayers have not only been paying more for illumination than they ought to have paid, but they have been paying for a very poor quality of light. To further illustrate and prove the

extortion of this corporation, and that it has been looting the Treasury. I again refer to the fact that this company was organized in 1848 [I quote from Senate Executive Document No. 1460, first session Forty-ninth Congress, dated July 20, 1886] with a capital of \$50,000, and that in 1886, when the report of Senator Spooner's committee which investigated it was made, the corporation had a capital of \$2,000,000, which undoubtedly by this time has increased to half a million. In addition to this we find, according to the same document, that the officers of the company acknowledged to the committee that the enormous sum of \$6,201,811, had been divided among the stockholders in the form of profits, of which sum of \$5,690,000 was paid during the nineteen years from 1866 to 1885, an average of \$298,000 per year.

Dr. T. A. Bland, of this city, in a very able review of the report of this committee found in Senate Miscellaneous Document, No. 91, in reference to the enormous increase of capital stock from \$50,000 to \$2,000,000, makes the following startling statement based upon the report of Senator Spooner's committee:

"The increase was made at different periods. In 1842, \$300,000; 1855, \$50,000; 1866, \$500,000. It was now \$1,000,000. In 1883 the secretary of the company, acting under the orders of the board of directors, destroyed the records of the company from 1848 to 1866. The officers of the company were, therefore, unable to tell the committee how the capital stock was increased. The inference is that it was increased by water or surplus profits, and that the original capital of \$50,000 has grown to \$1,000,000 in eighteen years, while paying an average of over 50 per cent annual dividends to the stockholders."

"From 1866 to 1883 the capital was increased to \$2,000,000. Of this increase \$200,000 was added in 1873, and the other \$800,000 in curiously irregular amounts [I quote from Senate report.] thus—\$29,668; \$39,142; \$56,316; \$275,158; \$408; \$5,650; \$123,080; \$2,215; \$123,158; \$1,400."

"The officers of the company could not or would not tell the committee where this increase of capital came from, and again the inference is quite clear that it was surplus profits."

The fact that the records of the company had been destroyed by order of the directors was evidence of glaring fraud, and ought to have forfeited its charter; and if this body does its duty now it will cut short the reign of this legal robber.

At various times vigorous protests and investigations have been made, but with little apparent effect. Can it be true, as Mr. Ingalls said, that the stockholders are too much for Congress? Let this be as it may, he was undoubtedly right when he declared, as I have declared today, that the only remedy is for the government to purchase the lighting plants or build new ones.

In the Fifty-second Congress I introduced practically the same bill, providing for the purchase of the old or erection of new plants, and in the succeeding campaign my Republican opponent and the Republican press of my district attacked that bill bitterly. They garbled it and misrepresented its meaning. They arraigned me severely as one who pretended to be working for the interests of the people but in fact was aiding corporations.

Mr. Chairman, I believed that bill right then, and after additional consideration of the subject, I am more convinced than ever that I was right and is right now. In my opinion the thing this government ought to do, is to pass such a bill as that and take from this corporation, which is robbing the taxpayers of this country of millions of dollars, the power to do so any longer.

Mr. Chairman, I find that this question is arousing a great deal of interest at the present time, and that I am not the only one that indorses the views I have expressed. Looking over Senate Miscellaneous Document 91, of February 14 1894, I find that the East Washington Citizens' Association indorses municipal control and gives many valuable facts in support of it. From that report I clip the following pertinent facts relative to electric lights:

ELECTRIC LIGHTS.
"The prices paid for the arc lights on our streets is 50 cents per night, or \$182.50 per annum. This is more than is paid anywhere in the United States, except at San Francisco and one place in Montana.

According to Capt. Lusk's report, taking 24 cities of not less than 100,000 inhabitants each, the average price for 2,000 candle-power lights is \$140.00 while we pay about 50 per cent. more.

Taking 146 cities, the average is still less, \$121.79, or two-thirds of what we pay. Taking a still larger list of cities he found the average to be \$124.85, or, as he says, considering the difference in lights, we pay 50 per cent. more.

According to the official report of the State board of Massachusetts in 18 cities, including Boston, where the wires are under ground, in part at least, and which is the highest of the nineteen, the average is \$122.28 per annum, and all 2,000 candle-power lights, while we pay 50 per cent. more.

In 52 smaller cities and villages in Massachusetts, the average for 1,200 to 1,600 candle-power is but \$85.64, considerably less than one-fourth what we pay.

Finally, taking 13 cities east and west which own their plants, the average cost is but \$57.74 considerably less than one-third of what we pay, and all 2,000 candle-power lamps.

So, too, in the 52 cities and villages in Massachusetts, quite a number of them own and run their plants, and if all did, the average in them would be still less.

Alexandria, Va. owns its electric plant, which cost, all told, \$14,500, furnishes 92 arc lights at a cost of 16 cents per night, or less than one-third of what we pay.

The Advance Club, of Providence, R. I., publishes two lists of cities supplied with electric arc lights of 2,000 candle-power. The first contains 131 cities in which the lights are furnished by contract, and the average cost is \$121.84 per light per annum. The second is a list of 30 cities which own and run their electric-light plants, furnishing arc lights of 2,000 candle-power which burn all night, and in them the average cost is but \$48.084 per light per annum.

Here we see the contract system cost the public over two and a half times as much as the municipal system. Here in Washington it is three and three-fourth times as much.

On the other hand it is argued that the companies pay taxes, while the municipalities do not. This is the best answer by the report of the electric commission appointed by authority of Congress in 1891, wherein they say, "The United States Electric Lighting Company pays \$225, or a trifle over the receipts upon one and one-half arc light," and at the same time there was appropriated from the District revenues for the benefit of this same company the sum of \$59,500."

Thus we see in every instance that the contract or corporate system costs much more than the municipal, and in Washington it costs three and three-fourth times more than it does in some other cities.

I particularly desire to call attention to that part of the report referring to the amount of taxes paid by this electric lighting company, as a sample of the manner in which these corporations escape taxation. Is it any wonder these fellows want to hold their job? Is it any wonder the people are complaining? Have they not a right to protest against the continuance of this thing? These corporations not only receive enormous rates for their lights, which are poor and dangerous, but they fail to pay their just proportion of taxes in support of the government which gave them their existence and from which they receive all their benefits.

I find also in the Congressional Record of the present month a further indorsement of these views in the shape of a resolution. It was introduced in the Senate by Mr. Manderson, a Senator from my own State, and upon it he made some remarks, which I will ask the clerk to read as follows.

ELECTRIC PLANT FOR WASHINGTON.

M. Manderson. I submit a resolution, preparatory to introducing it, I desire, by the unanimous consent of the Senate to say a few words.

The committee on rules has had its attention called to the condition of matters connected with the Capitol building and the public grounds surrounding it. The electric plant to give light to this building is seriously inefficient and has many shortcomings. Stalled electricians even go to the extent of saying that it is a dangerous thing in

the Capitol in its existing condition. Very shortly the great new building for the Congressional Library will have to be lighted. The committee has made exploration with a view to seeing what it would cost to put a proper electric plant to light the Capitol, the Malby annex, the public buildings and grounds, and the Library building. We find that at least \$200,000 would have to be expended for that purpose.

We have very near the city of Washington a water power that is almost unexcelled as to force by any in the country. It is somewhat amazing that capitalists and men of enterprise have not made use of the Great Falls of the Potomac for some useful purpose. Beyond peradventure, that is the place to erect an economical and effective plant. There is undoubtedly power enough there to light not only all the public buildings of the city of Washington, but the streets as well. Perhaps the Little Falls of the Potomac, as suggested by the Senator from Connecticut [Mr. Platt], that are nearer to the city, might well be used for this purpose.

With a view to an exploration of the matter, I submit a resolution and ask that it be now considered in the Senate.

The resolution was read as follows:

Resolved, That the Secretary of war be directed to investigate and report to the Senate the feasibility of using the water power of the Great Falls of the Potomac for the purpose of lighting by electricity the public buildings, grounds and streets of the District of Columbia. Said report shall suggest the method by which the right to use said water can be acquired, and what steps should be taken by legislation or otherwise to acquire said water power and the land needed adjacent thereto; also a general plan of the electric plant needed at said falls, and of the wires needed between said plant and the different parts of said District, and an estimate of the cost; also whether said power will probably be sufficient to furnish light to private consumers within said District and suggestion of the terms and regulations under which it shall be furnished."

Mr. Chairman, I desire to call attention to the above resolution, particularly the attention of my Republican friends. I would also invoke the prayerful attention of the Republican press of Nebraska, which so bitterly attacked me for advocating practically the same thing. I must insist that they either give me credit for being right, or assail Senator Manderson for being wrong.

Now, Mr. Chairman, I recite these facts to prove the statement that we have been paying extortionate prices for lighting the public buildings and grounds and the streets in this city, and to show that this extortion ought to cease. Why should this company be permitted to use one of the necessities of the people as a means of robbing them? I take the ground that these necessities should come to the people at cost, and that no private individual should be permitted to reap enormous profits from them. Is it any wonder that the wealth of the country is being accumulated and aggregated in the hands of a comparative few? Is it any wonder that there is universal complaint going up from the four corners of the earth today, because the many are needy, while the few are reveling in opulence? The matter which I am now discussing illustrates one of the reasons why this is so. We have here simply an illustration of a principle which prevails throughout the length and breadth of our country today.

In every avenue of trade and business through these soulless corporations, that which is created by the many is gathered in by the few, who return therefor no just equivalent. It seems to me there is no better place on earth than at the seat of the government to insert an entering wedge and begin this work of reform. It must be not only begun, but consummated throughout the length and breadth of our land, if the masses of our people are to get the relief to which they are entitled, and if their birthright, guaranteed to them under the Constitution, is to be preserved and perpetuated.

The Alliance-Independent has changed its heading as well as its name and has a prettier heading than the old one. It is now known as "THE WEALTH MAKERS"—The Index.

DIXON COUNTY ALLIANCE holds an open meeting at Allen March 31st.

What Exchanges Say of It.

THE ALLIANCE-INDEPENDENT, of Lincoln, came to us last week with a new head, THE WEALTH MAKERS, which is calculated to cover all classes of wealth producers and secure to the paper a hearing without stirring up any man's prejudice as to his political name. The name of itself is suggestive of the ends sought, that of uniting all producers in one unbroken army for self protection and securing the rights given by the All Wise to them who eat bread by the sweat of their brow. Brother Gibson and Company have done honor to the cause they uphold, and may unprecedented success be theirs.—New Era.

THE ALLIANCE-INDEPENDENT has got a new heading and is now called THE WEALTH MAKERS. It is a very neat and attractive paper, well edited, sound exponent of the people's rights and under its reconstructed management is one of the permanent fixtures of Lincoln and the state of Nebraska worthy of the moral and financial support of every patriotic citizen of the state. Get a sample copy if you are not now a subscriber.—The Populist.

THE ALLIANCE-INDEPENDENT came to us last week with a new name. It is now called THE WEALTH MAKERS. The paper is a powerful exponent of the principles which affect the wealth producers of our country, and the new name is a very original and appropriate one. Here's success to THE WEALTH MAKERS, and may it continue the fight until the great army for which it labors shall have equal rights and justice.—Hay Springs Leader.

THE ALLIANCE-INDEPENDENT, published in Lincoln, appears this week under a new name, THE WEALTH MAKERS (of the World). On either side the picture of a globe are the words "In the sweat of thy face shalt thou eat bread" and "If any man will not work neither let him eat." A startling heading and one worthy of thought. The article on first page "All This In America" is worth the price of the paper.—Independent Press.

Our state paper, THE ALLIANCE-INDEPENDENT, reached us in a bran new dress and rechristened with the appropriate name, "THE WEALTH MAKERS of the World." This state paper is fast gaining a firm hold, not only in Nebraska, but all over the United States for its advanced ideas. It ought not only to be read by every Populist, but by every progressive citizen.—Arapahoe Pioneer.

A few days ago we received a copy of the consolidated "ALLIANCE-INDEPENDENT" which now sails under the comprehensive and suggestive title of "THE WEALTH MAKERS." It is a fearless advocate of the honest toiler and wealth producer. It costs only a dollar per year, and should be read by every laboring man, every merchant, farmer and mechanic of Nebraska.—Gretna Reporter.

THE ALLIANCE-INDEPENDENT has at last found its head too cumbersome for its body and has traded it off for THE WEALTH MAKERS. Under this new sign it will try to keep in the middle of the road and thus prevent the people from securing the reforms sought and benefits to be derived from needed changes in the laws. Such papers do more harm than good.—Crete Democrat.

THE ALLIANCE-INDEPENDENT, of Lincoln, is no more, but a strong reform paper, THE WEALTH MAKERS, appears in its place. The new paper is better in every way than the old.—Ex. [This way of putting it is a little misleading. It is the same paper with a new name simply. We expect to go on making improvements, however.—Editor WEALTH MAKERS.]

THE ALLIANCE-INDEPENDENT of Lincoln is no more, but its soul goes marching on. Last week the paper changed its name to THE WEALTH MAKERS, under which name it will sail in the future. The paper under its present management is greatly improved, and should be given a wide circulation.—Custer County Independent.

dropped its hyphenated head and come out under the new name of WEALTH MAKERS of the World. The name is more than the average newspaper man can support, but advocating the cause it does it sounds quite appropriate. Messrs. Gibson, Griffin and Hyatt still remain at its head.—Oakland Independent.

THE ALLIANCE-INDEPENDENT has changed its name to "THE WEALTH MAKERS" and has one of the neatest heads you ever saw, with the following quotations in a prominent place in the scroll work: "In the sweat of thy face shalt thou eat bread. If any will not work neither let him eat.—Hamilton County Register.

THE ALLIANCE-INDEPENDENT of Lincoln, the state Populist paper, has changed its name to THE WEALTH MAKERS. It is a name we do not fancy but the paper is just as good as ever, and should be read by all Populists. No other paper in the state fills its place. Come in and subscribe.—Loup Valley Alliance.

THE ALLIANCE-INDEPENDENT of Lincoln is no more. In its place appears THE WEALTH MAKERS, bright and true. It is better, if anything, than THE ALLIANCE-INDEPENDENT, and that was the best paper in the state. We wish the paper, under the new name, unbounded success.—Alliance Tribune.

"THE WEALTH MAKERS (of the World)," with the motto: "In the sweat of thy face shalt thou eat bread," "If any will not work neither let him eat," with a fine display of head type, now heads the People's party state paper, hitherto known as "THE ALLIANCE-INDEPENDENT."—Independent Citizen.

Henry Stamm of Haigler, Dundy Co., living just over the Kansas line writes, "Please send me your valuable paper. I have the promise of four subscribers as soon as they get the dollar. I can't do without your paper. I read it through the first night I got it, and then wait for the next one."

THE ALLIANCE-INDEPENDENT of Lincoln has changed its name to THE WEALTH MAKERS, with a fine, large attractive head. It is the same old paper with the same crew of editors advocating the same Populist principles as did THE ALLIANCE-INDEPENDENT.—Verdon Vedette.

THE ALLIANCE-INDEPENDENT has doffed the old name, and in the future will be known by the name, "THE WEALTH MAKERS." This is a very appropriate name for a paper that is doing an untold amount of good in our state.—Tecumseh Republic.

THE ALLIANCE-INDEPENDENT comes out with a gorgeously gorgeous new heading, THE WEALTH MAKERS. We are confidentially informed that it has no reference whatever to the proprietors of the paper.—Lincoln Evening News.

A. Arthur Griffes of Hastings, Neb., writes: "You are making a splendid paper. Your double headed editorial this week is remarkably fine and practical. All we need now is to get the paper into the hands of the people."

"WEALTH MAKERS" is the new name for THE ALLIANCE-INDEPENDENT, and adds greatly to the appearance of that paper, besides it is broader and much more comprehensive in its significance.—Shelby Sun.

THE ALLIANCE-INDEPENDENT has been changed in name to "THE WEALTH MAKERS," but in ability, usefulness and real it is the same as usual, except that it improves every issue.—People's Banner.

The name of THE ALLIANCE-INDEPENDENT, published at Lincoln, has been changed and it is now THE WEALTH MAKERS. The management, however, remains unchanged.—Greeva Democrat.

THE ALLIANCE-INDEPENDENT came out last week under its new name, "THE WEALTH MAKERS." That paper is doing much good for the cause of reform.—The Headlight.

J. W. Dorland of Council Bluffs Iowa, writes: "The new name of the paper is the best of all suggested. You are bound to succeed."