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THE ONLY SOLUTION.

The Government Should Own and Operate Telegraph and Telephone Instruments.

WESTERN UNION'S POWER.

Walter Clark of N. C. Shows How the People Would be Benefitted.

The Cost in Switzerland.

The following very interesting and instructive article concerning the government ownership and operation of the telegraph and telephone system was written by Walter Clark of Raleigh, N. C., and published in the May number of the Typographical Journal.

He says:

The present Western Union Telegraph Company has a nominal capital stock of \$120,000,000 on which regular dividends of six and eight per cent are paid, besides \$100,000 salary to its president and other salaries to its other high officials.

Yet the stock holders of that company have never paid in cash to its treasury but \$440,000. The other \$119,560,000 (or as much of it as is not water) has been created by exorbitant rates. This has been raked out of the public by high rates, in addition to its annual dividends on its watered capital, high salaries to high officials and lobbying expenses and franks to public officials. The plant of the Western Union is estimated to be really worth \$20,000,000 so an eight per cent dividend on its nominal capital of six times that amount is in truth forty-eight per cent. A firm in New York offered the government a few years since, to put up a thoroughly equipped line for \$35,000,000, not only to the 21,000 selected points the Western Union now operates, but to each of the 75,000 postoffices throughout the union. As every postmaster could use the telephone, probably that instrument could be put in at each of the 75,000 postoffices using the telegraph in addition, at 16,000 of the postoffices, to forward long distance messages. With the vastly increased number of messages would follow low rates, and the extension of the service to every postoffice, experts express the opinion that a uniform five cent rate for ten body words, between any two points in the union, would be profitable to the government. In England when the telegraph passed from private hands to that of the government with a reduction of rates to twelve cents to every twenty words, the messages promptly increased thirty fold in number. Other countries had similar experience, the increase in the number of social messages being simply marvelous.

Another great objection to the present system is that while the higher officials are, like the railroad officials, paid enormous sums which they cannot and do not earn, the vast mass of operatives are screened down to the lowest possible figure, and are in constant danger of losing their places. This would be otherwise were the telegraph and telephone operated under the postoffice department. The high officials would not, as now, all speedily become millionaires, and the men who do the work would receive reasonable salaries and would have, like other postoffice officials some stability of tenure. The object of government in operating telegraph and telephone service will not be to exorbitate rates, to pay great salaries and dividends on a sixfold watered stock, but to operate this department of the postal service, as it does the others, upon fair salaries to men and officers and at as near cost as possible. No profits are desired. Then, too, instead of restricting itself to 21,000 selected points, the government would utilize the 75,000 postoffices and steadily increase their number. The increased business would not only increase the pay of country postmen, but would be placed in the postoffices, the rents now paid for offices by the private companies would be a clear saving to the government.

It has been objected by the Western Union lobbyists that the telegraph and telephone systems could then be controlled for partisan purposes. But we know that the postoffice officials in the last campaign were not so controlled, while capitalistic pressure was brought to bear as far as possible upon nearly every telegraph operator who could be reached. There is every reason to believe that, under government control, messages would be more sacred than under the present system. As to telephones for private use, the government rents them at \$6 per year, and even in Paraguay, at \$12 per annum.

But it may be asked why the government has not been asked to take this step, when all other governments have adopted electricity as a motive power in their postoffice economy. The telegraph in this country originally (1844-1847) belonged to the postoffice and when, from mistaken notions of economy, congress permitted it to go into private hands, Henry Clay, the great Whig leader, and Cave Johnson, the democratic postmaster general, earnestly protested and propheticly foretold the evils that have followed. Repeated attempts to restore those elements to the postoffice have been made, supported by leading men of all parties, including five postmaster generals. No less than eighteen con-

gressional committees have from time to time reported upon bills restoring the telegraph to the postoffice, of these sixteen have reported in favor of it, one report was non-committal and one slightly adverse. The telegraph monopoly, which finds its revenue better than a gold mine, has always sought for delay, and by its powerful lobby at Washington, its lavish issue of franks to congressmen and other public officials, and its influence over the daily press, to which it furnishes telegraphic news, has always so far prevented a roll call on the measure. They will continue to do so as long as possible. There can be no doubt that if the measure could come to a vote, public opinion could force a result in the interest of the people.

In 1868, indeed, the Western union was virtually whipped, and promised to surrender if given two years to wind up, and the act was passed which was still on the statute book, that all telegraph lines built after that date should be built with the notice that the government could at will take them over, upon appraisal of the value of the plant—without franchise being allowed for. But by the next congress the Western Union was strong enough to prevent a vote, and has been so at every congress since.

Boards of trade in Boston, New York Chicago and other leading cities, have petitioned congress for a postal telegraph. As far back as 1870 the legislatures of Massachusetts, Alabama and Nebraska did the same, and the legislatures of Nevada and Nebraska in 1873 and the legislature of other states have followed their example.

The report of postmaster general Wanamaker several years since, contained a list of official bodies and labor and other organizations which had asked congress for this great boon and betterment, and the bare list covered several pages. But the people have so far asked in vain. The W. U. systematically distributes its franks to every senator and member of congress who will accept them, and to every influential official at Washington and elsewhere whom it is deemed advantageous to influence. It controls the daily press largely through its dispensation of news; it has, too, the active cooperation, sympathy and support of the money power, especially of the great trusts, a system of which it is the pioneer, and it constantly maintains a powerful lobby.

Seeing the great difficulty in getting a postal telegraph and telephone bill through congress, owing to the dilatory and obstructive tactics of the Western Union and while waiting the passage by congress of a postoffice, telegraph and telephone act, which shall give us a uniform rate of five cents between any two points in the union, each state, whose legislature represents the people and not the corporations, should pass an act providing for a maximum rate for telegrams of ten cents for ten body words, for a message between any points in its own borders, and a maximum annual rental for \$12 at a residence and \$18 at an office or store.

(1) This will give the people immediate relief, as the larger part of telegraphing is done within state limits, and it will incidentally cause a reduction in interstate rates.

(2) By accustoming the people to lower rates and legislative control of telegraph and telephones, it will hasten public ownership.

(3) It will reduce the exorbitant profits and salaries of these overgrown corporations, and disable them from spending so much money in lobbying and franks to prevent postoffice ownership of telegraph and telephone.

The power of state legislatures to regulate the charges of telegraphs and telephones within their own limits is well settled by the decisions of the United States supreme court.

In Kansas, the Morrill bill was introduced to fix telegraph rates at ten cents for ten body words between all points in that state. In North Carolina, bills were introduced to fix the telegraph rate at 15 cents for ten words between any two points in the state, and telephone rentals at \$12 at a residence and \$18 at an office or store, and were defeated only by the narrow margin of one vote in each house, so closely did the corporation lobbyists calculate their strength.

Similar bills may be pending, or may have passed, in other states. They should be introduced everywhere—in every state and territory, whether they can now be passed or not. Their introduction and the discussion of them will attract public attention to the fact that the people have the power to remove the high rates which now debar them from the use of these great facilities, which are now practically restricted to the rich and decadent. The effect will be educational, and the next time the legislature meet the bills will be passed, for the people are really the masters, when refused to express their will.

If the postoffices were operated in the public interest, postal savings banks and parcels post would also long since have become efficient parts of our postoffice system. They are so operated in nearly every other civilized country, to the profit of the government and the greatest benefit of the masses. There being no risk of broken savings banks, earnings are more generally deposited, and the "parcels post" largely saves the public from the high rates of our express system. We miscall this a "government of the people." A consideration of the above defects in our postoffice management shows beyond cavil or question that, in consideration for the benefit of the public, we are far behind most other countries, even those making small pretensions to popular government. Taking our postoffice department as a sample, it could be said that ours is a "government of the corporations, by the means of the lobby and for the benefit of the millionaires."

An was said by the inspired prophet of old, "The ox knoweth its owner and the

ass its master's crib, but Israel doth not know, this people do not consider." With the wealth of a continent entirely the creation of their own hands, they permit a few thousand men to confiscate it for their personal profit. With the wonderful discovery of steam and electricity, given by Providence for the betterment of the condition of the masses, with apathy they see railroads and telegraphs and telephones used to increase the wealth of millionaires, and to bind themselves and their posterity in the chains of hereditary serfdom, and standing upon the shoulders of more than sixty centuries, with the advantage of the lessons they would teach, without effort, almost without a struggle, they see the "power of the purse" pass from them, and know not that, without it, freedom is an empty form and the taskmasters of Goshen their certain and early doom.

BILL TO FORECLOSE.

The Government's Mortgage on the Union and Central Pacific Railroads.

INTRODUCED BY MR. BUTLER.

Provides That the Government shall Own, Operate and Control Those Roads.

The Full Text of the Bill.

We have received a copy of the bill introduced in the senate by Senator Marion Butler, providing for the foreclosure of the government's mortgages on the Pacific railroads, and providing a manner in which they shall be operated and controlled thereafter. He quotes the language of the existing law to show that the government not only reserved the right to foreclose under certain contingencies but that those contingencies have happened, and that therefore if existing law was executed, that this great through line across the continent would at once become a government railroad. The bill directs the attorney general and secretary to perform their duty and carry out the existing law. Mr. Butler's Bill (S 1728) is as follows:

Supplemental to an act entitled "An act to aid in the construction of a railroad and telegraph line from the Missouri River to the Pacific ocean, and to secure to the government the use of the same for postal, military and other purposes," approved July first, eighteen hundred and sixty two; also an act approved July second, eighteen hundred and sixty four, and also an act approved May seventh, eighteen hundred and seventy eight, both in amendment of said first mentioned act and other acts amendatory thereof and supplemental thereto, and directing the attorney general to have certain provisions of said acts judicially enforced, and directing the secretary of the treasury to take possession of the Union Pacific and Central Pacific railroads, to provide for a sinking fund and for other purposes.

Whereas, the United States has issued its bonds, payable in thirty years after date, bearing six per centum interest per annum, amounting to twenty-five million eight hundred and eighty-five thousand and one hundred and twenty dollars, to the Central Pacific railroad company to aid in the construction of said road and its telegraph lines, upon the condition that the amount of said bonds so issued and delivered to said companies, together with all interest thereon, should at maturity be paid to the United States and upon failure of said company to comply with said condition the railroad and telegraph lines, with all property rights, functions, immunities and appurtenances thereto belonging, and also all lands granted to the said company by the United States which at the time of said default, shall remain in the ownership of said company to be subject to be taken possession of by the secretary of the treasury for the use and benefit of the United States; and

Whereas, the United States has issued its bonds, payable in thirty years after date, bearing six per centum interest per annum, amounting to twenty-seven million two hundred and thirty-six thousand five hundred and twelve dollars, to the Union Pacific railroad company to aid in the construction of said road and its telegraph lines, upon the same terms and conditions referred to above applying to the Central Pacific railroad company; and

Whereas, a large part of the principal and interest of the bonds issued by the United States to the Central Pacific and Union Pacific railroad companies is now due and payable and the said companies are in default; and

Whereas the said railroad companies have failed to comply with the provisions of said act and also of the act adopted May seventh, eighteen hundred and seventy-eight, amendatory to the act of July first, eighteen hundred and sixty-two, authorizing the United States to aid in the construction of said railroads and telegraph lines; and

Whereas, according to the terms of said acts such failure is made to operate as a forfeiture of all property rights, privileges, grants and franchises derived or obtained by them from the United States; Therefore

of America in congress assembled, that the attorney-general of the United States be, and is hereby directed to cause such forfeiture by said railroad companies to be enforced.

Sec. 2. That the secretary of the treasury be, and is hereby directed to take possession of the Central Pacific Railroad and telegraph lines and of the Union Pacific railroad and telegraph lines, with all of the property rights, functions, immunities, and appurtenances thereto belonging; and also all lands granted to the said companies by the United States which at this time remain in the ownership of the said companies, subject to any lawful, prior, and paramount mortgage, lien, or claim thereto. And thereafter, the United States government shall own, operate, and control said roads and properties as public property as one continuous line of railway, and shall charge no greater rate for the carriage of passengers and freight thereon, and for messages forwarded over its telegraph lines, than may be sufficient, in the opinion of the secretary of the interior, to pay the actual operating expenses of said road and telegraph lines, to keep the same in proper and efficient repair, and to create and complete a sinking fund as hereinafter provided.

Sec. 3. That for the purpose herein mentioned the secretary of the treasury shall fund any bonds, mortgages, or liens debts of said railroad companies, respectively lawfully paramount to the rights of the United States, into bonds of the United States payable in thirty years after date, bearing not more than three per cent per annum, to be known as Pacific Railway bonds, the interest and principal of which may be paid in any lawful money of the United States. And the right is reserved to the United States to call in said bonds, or any of them, and to pay the same at any time after ten years from the date hereof; and the further right is reserved to postpone the payment of said bonds until a later period or periods beyond thirty years from date, subject to the payment of interest thereon during the time of such extension. Such bonds shall be issued in amounts not to exceed one thousand dollars each, and shall have coupons attached to each bond for the payment of interest, at a rate not to exceed three per cent per annum; and such coupons shall be payable quarterly each year, beginning with the date of the bond to which the same are attached. The bonds and the coupons so issued shall be made payable to the bearer, and the title to the same shall pass by delivery. Provided, That said bonds may be registered by the owner thereof in the treasury of the United States in the manner and with the effect as is now prescribed by law in the case of other registered bonds issued by the United States.

Sec. 4. That there shall be established in the treasury of the United States a sinking fund, and said sinking fund shall be invested by the secretary of the treasury from time to time in the bonds issued under the provisions of this act, at a rate not exceeding the par of their face value and accrued interest, or in any other interest-bearing obligations of the United States; and the interest thereon shall be like manner from time to time invested, and the same shall accumulate and be disposed of as hereinafter mentioned. There shall be carried to the credit of said sinking fund, on the first day of February of each year, the net earnings of the Union Pacific and Central Pacific railroads and telegraph lines until said sinking fund shall be sufficient in amount to liquidate the principal and interest of said Pacific Railway bonds.

Sec. 5. That the secretary of the treasury is hereby authorized and directed to ascertain the cost by purchase of such parts of lines now owned and operated by the Union Pacific and Central Pacific railroads as may be necessary to constitute a continuous line of road between Omaha and Kansas City and San Francisco, or the cost of constructing such necessary connecting lines, and to report the same to the congress of the United States within six months after the passage of this act.

MESSAGE TO CONGRESS.

The President Recommends the Appropriation of \$50,000 for Cuban Sufferers.

CHAPMAN TO GO TO JAIL.

The Iowa Senators Did Not Favor the Omaha Indian Supply Depot.

Senator Mason Speaks for Cuba.

In the senate on Thursday the 13th Senator Allen called up his resolution to bring E. R. Chapman before the bar of the senate and require him to purge himself of contempt on account of his refusal to answer questions to a committee of the senate investigating the sugar trust scandals, and the speculation of senators in connection therewith. The discussion proceeded quietly along legal lines until Mr. Tillman of South Carolina took the floor. He said in his fiery manner: "It seems to me that we are not after Chapman; the original investigation was not intended to punish Chapman, but to discover whether any senator on this floor had been guilty of using his official position to make money by speculating in stocks, which were influenced by his action as a senator, on the committee which reported the tariff

bill. It is not worth while to try to cover up this matter with bandage and flippancy. There are today in the newspapers of this country charges floating about and being sent broadcast, signed by correspondents in the gallery to the effect that last week, when the new tariff bill was reported with a change in the sugar schedule, that three senators had speculated in the sugar stock. We have another stench on our hands and instead of it being a differential in favor of the trust of a third of a cent as that was, it is now two-thirds in favor of the trust.

There are two correspondents who have, over their own signatures charged that senators have speculated within the last week and made money. Now if you intend to get at the true inwardness of the matter, to get at the truth and to punish those who are guilty say so and do so or else hush. That is the whole sum and substance of it. We do not want Chapman, we want Havemeyer; we want the man who bought your men if they were bought. That is what we are here for and now let the senator who loves the dignity of the senate as much as any other man, take the resolution to his committee and bring back a measure here that will mean something. We can now make those men who have charged that senators have speculated say where they got the information or we can punish them for contempt. We can call on Havemeyer and the sugar trust grandees and make them answer or put them in jail for contempt. Either investigate so as to find the truth and punish the criminal or hush."

After Mr. Tillman had finished the resolution was referred to the committee on judiciary. Senator Allen will undoubtedly call it up again. The location of the Indian supply depot at Omaha that Senator Allen had so successfully piloted through both houses and through the conference committee came up for final vote in the House. Congressman Mercer and Jerry Simpson made speeches in favor of Omaha. The vote resulted 54 for Omaha and 47 against. It is a great victory for Omaha and means much for the state of Nebraska. An illustration of the opposition to the location of the depot at Omaha and the credit that is due Senator Allen as the originator and pilot of the scheme is to be found in the position taken by Senator Grear of Iowa a neighboring state that would naturally be friendly to Nebraska. He would support its location at Council Bluffs or Sioux City, but he said:

"I will not be found supporting legislation championed by Senator Allen. I look upon the whole matter as a trap set by Mr. Allen for the purpose of catching the republican party. He has stood on the floor of the senate and openly charged the republican party with extravagance, and I do not propose to be fooled by voting money out of the treasury unless I can see my way clearer than I do on the Omaha warehouse project."

If Allen "set the trap" future developments showed that he also baited in the proper style. The persistent efforts of the Cuban sympathizers in the United States senate is beginning to bear fruit. A mass meeting was held in Washington last Sunday afternoon to consider the distress in Cuba. The meeting was attended by more than 3000 persons. The speakers were Senators Gallinger, Allen and Butler, Rev. Johnson and Rev. Ennis. As a result of this agitation and the discussion in the senate President McKinley sent the following message to congress:

"To the senate and house of representatives of the United States: Official information from our consuls in Cuba establishes the fact that a large number of American citizens in the island are in a state of destitution, suffering for the want of food and medicines. This applies particularly to the rural districts of the central and eastern parts. The agricultural classes have been forced from their farms into the nearest towns where they are without work or money. The local authorities of the several towns, however kindly disposed are unable to relieve the needs of their own people, and are altogether powerless to help our citizens.

The latest report of Consul General Lee estimates 600 to 800 Americans are without means of support. I have assured him that provisions would be made at once to relieve them. To that end I recommend that congress make an appropriation of not less than \$50,000 to be immediately available for use under the direction of the secretary of state.

It is desirable that a part of the sum which may be appropriated by congress should, in the discretion of the secretary of state, also be used for the transportation of American citizens who, desiring to return to the United States, are without means to do so.

WILLIAM MCKINLEY,

Executive Mansion, May 17.

A resolution appropriating the \$50,000,000 as requested was passed immediately. The discussion of the official recognition of Cuba by the United States was then continued. Senator Hoar of Massachusetts is the leader of those opposed to Cuban recognition, while Senators Morgan, Allen and Mascan favor recognition. Senator Mason urges immediate action. He said:

"When you get at the deep undertone of the conscience of the Christian people of this country, they say let us have freedom in Cuba. Let the Spaniard go back to his own land and let us have no slaves upon our continent. You can call it jingo as long as you like. You may define jingo as long as you please. Patrick Henry was a jingoist, according to the definition of the gentlemen who are trying to keep the insurgents in Cuba. Every man who would rather fight than buy peace at the dishonor of his wife and child, has been called a jingo from the days of early republics until

FOR CARRYING MAIL.

The Enormous Robbery of the Government by the Railroads.

THE RENT FOR POSTAL CARS.

Senator Butler Gives Some Interesting Figures Concerning the Mail Service.

The Subsidies Asked.

When the appropriation bill was up for consideration in the senate, and the item of appropriation of \$171,238.75 to pay for special mail facilities on trunk lines from New York and Washington to Atlanta and New Orleans was under discussion Senator Butler moved to strike out that part of the appropriation and took occasion to give some very interesting figures in connection with the transportation of mails. This item of over \$171,000 was for special facilities, and was entirely unwarranted in his opinion for the reason that the railroads are already paid several times as much as they should be for the transportation of the mail. He says:

"We are now paying as much per ton for carrying the mails as we paid twenty years ago, yet during this time freight rates have been reduced 40 per cent and passenger rates have been reduced over 18 per cent. Besides I showed that twenty years ago we paid the railroads more for carrying the mails than any one else then paid for a like service. The senator from South Dakota (Mr. Pettigrew) and others also spoke at some length on the same line. No senator was able to controvert a single fact and proposition which we laid before the senate. Besides we showed that the government not only pays too high a rate but that we pay for more weight than is carried. The railroads "pad" the mails during the weighing season for one month, and then the government pays on that weight for the next forty seven months. This fraud and robbery by this method alone runs up into the millions of dollars.

In short, it has been demonstrated, proved and not questioned by any one, that we are today paying an exorbitant rate, nearly twice as high as should be paid to carry the mail. We now pay about \$32,000,000 to the railroads for this service. One man says it is \$12,000,000 too much, another says it is \$10,000,000 too much, another says it is \$15,000,000 too much, but every senator on the floor admits that it is too much.

Now that is a fact which has been demonstrated here. Everybody admits that it is too high, that the contract price which we now pay to the railroad companies for carrying the mails is too high. The committee of appropriations recognized it was too high by offering to investigate the exorbitant prices paid; the committee on post offices and post roads recognized it (see majority and minority reports from the committee on post-offices and post roads on the Loud bill) every senator who has spoken recognized it. Yet this morning when I offered an amendment to the appropriation bill providing that the postmaster general should not pay the railroads more for carrying the mails than express companies and others pay the railroads for a like service, what did the senate do? You voted down the amendment and gave your sanction and approval to the gigantic steal that is now going on.

"Mr. President, that is not all. In addition to the heavy appropriation in this bill to pay the railroads for hauling their mails, there is another item appropriating \$3,600,000 to pay the railroads for the rent of the cars in which the mail is carried. I showed this morning that that was twice as much as all the postal cars were worth. There are not more than 500 postal cars in use. These cars cost only about from \$3,500 to \$4,000 each. Therefore, the government could buy every one of these cars for less than \$2,000,000. These cars last about twenty years, yet this bill proposes to pay \$3,600,000 rent for them in one year. At this rate, in 20 years the government would pay \$72,000,000 for the use of cars that it could buy and own for less than \$2,000,000. This is the most reckless and astounding business proposition that I have ever heard. Yet, this morning, when I moved to amend this item by providing that the postmaster-general should not pay more rent than 10 per cent of the cost of the cars, what did the senate do? It voted the amendment down. How senators can justify their votes to taxpayers is beyond my comprehension. Here we vote away millions of the people's money into the pockets of the railroads without a single reason or excuse for so doing. No senator has dared to try to give a single reason or excuse.

Mr. President, the pending bill proposes that in addition to the high prices we pay for hauling mail, in addition to the high prices we pay for car rent, we shall pay a special extra subsidy over and above the high price we pay per ton for carrying the mails and the high price we pay for rent of postal cars.

Isaac Worrall, father of Thomas Worrall of this city died at his home near Agnew, last week aged sixty-four years. He left a family of five sons and three daughters, several of whom are married. He was buried at Valparaiso.

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