

PUBLIC OWNERSHIP.

THE PRINCIPLE FOR WHICH OUR FATHERS FOUGHT AND CONQUERED.

Private Monopoly Involves the Unconstitutional Power of Taxing the People for Private Purposes—The Double Act of Creating and Choking.

The war upon monopoly is in defense of the very principle for which our fathers fought and bled and conquered in the Revolution, for a monopoly in private control means taxation without representation, and that is a power which no legislature has a right to grant to any man or set of men—a power which no one should be permitted to exercise in a free country, for "taxation without representation is tyranny."

It makes no difference whether the people are compelled to pay the tax by the power of their necessities or by the power of the sheriff. When the coal combine raised the price of coal last year on an average 20 cents a ton, it levied on the United States a monopoly tax of \$9,000,000 on the annual output of 45,000,000 tons, because the combine was already receiving heavy prices for its coal, and the cost of mining it is not increasing, but diminishing every year. Vice President Holden, one of the leaders of the combine, testified before the New York senate investigating committee that in "advancing the price of coal the cost of production or transportation is not considered at all"—the price "has nothing to do" with the cost. It will not do to say that people need not buy coal if they think the price is too high—they have got to buy coal—it is only because of the necessity of the case that the combine is able to collect its exorbitant rates.

Look at the Western Union paying 100 per cent dividends in the darkest days of the war, and averaging, from its organization to the present time, 300 per cent per annum on its original stock. No wonder the owners of these monopolies became multimillionaires. No wonder Jay Gould remarked that he had rather be president of the Western Union than of the United States. If these magic methods of accumulating riches were equally diffused, it would not be so bad, but the farmers cannot put their hands into Uncle Sam's pockets and take out whatever they choose, as the monopolist can. The farmer and the mechanic sell at competitive prices and buy at monopoly prices. The telegraph men and the coal men sell at monopoly prices and buy at competitive prices. No wonder the former grow poor and the latter unconsciously rich.

Not only is monopoly in private control unjust, as enabling its owner to compel the people to pay more than a labor equivalent for the service he renders; not only is it the most powerful influence for corruption and for hastening the concentration of wealth in the hands of a few selfish schemers; not only is the growth of private monopoly the greatest danger of the republic, but upon the plane of actually existing laws, so far as any monopoly rests upon a grant from the government, it is absolutely unconstitutional, and so far as it rests upon agreements among men, or the natural limitation of property, it calls for state interference according to undisputed principles of the common law.

As we have seen, and as the American public knows to its cost, a monopoly in private hands gives its owner the power to collect from consumers more than the value of what they receive. He could charge the fair value of the service he renders without a monopoly—the advantage of monopoly. The reason men struggle so hard to obtain it is the power it gives to charge more than the value—in other words, a private monopoly confers the inestimable privilege of demanding something for nothing and involves the power of taxing the people for private purposes, a power which the legislature cannot lawfully confer upon any man or set of men, because it does not itself possess any such power. It can tax or authorize taxation for public purposes only, and taxation for the benefit of an enterprise in private control is not for a public but for a private purpose and is beyond the sphere of legislative power.

It makes no difference whether the constitution limits the power of the legislature to public purposes or not, the grant of a monopoly is, according to the clearest principles of jurisprudence, entirely beyond the utmost power of any legislative body in a free country.

The provisions of the constitution are not the only limitations on legislative power. There are others that inhere in the very substance of republican institutions.

And what the legislature cannot lawfully do directly it cannot lawfully accomplish indirectly under the guise of a franchise. The settled principles of the law, logically carried out, would render utterly void every franchise in existence. Even the sovereign power of Queen Elizabeth was held incompetent to create monopolies, because they were detrimental to the interests of the people. And if the "divinely commissioned ruler" of the people may not inflict this injury upon their interests by what authority can it be done by the servants of the people, elected to conserve their interests, not to defeat them? An agent must be loyal to his principal's interests, and the moment he ceases to be so his authority vanishes. That is bedrock to the law of the civilized world.

All this is clear, and yet our judges would probably hesitate to declare a legislative franchise void today even if the argument against its validity were fully and strongly urged (which it never has been so far as I know), and they would hesitate because of the long line of such enactments in the past and the disturbance that would be caused by an adverse decision at this late day. And yet it is perfectly manifest that the fundamental principles of a republican

government are broken every time a franchise is granted and every moment a monopoly is maintained by aid of the law instead of being swept into the list of crimes as it should be. The people are bitter in their denunciation of trusts, and congress has passed severe laws against them for the sole reason that they are monopolies, whereby we have the serio-comical spectacle of a government creating monopolies with one hand and endeavoring to choke them with the other—declaring absolutely void all monopolies formed by agreement among men, because monopoly is in its nature contrary to public policy, and sustaining exactly similar, in some cases identical, monopolies established by the agents of the people without an atom of authority to do it, but through a flagrant breach of their trust and in violation of the fundamental principles of free institutions, which even the direct vote of a majority of the people would have no right to overcome or alter.

The remedy does not lie in killing the trusts and franchises. We could not if we would, for monopolies are formed in obedience to a law superior to any that congress can make—the law of industrial gravitation. Internally monopoly means co-operation instead of conflict, wise management instead of planless labor, economy instead of waste. It is not monopoly we object to, but monopoly in private control. The true remedy is public ownership of monopolies. That will retain the economies of concentration and remove the evils of overgrown private power—keep all that is good, kill only what is evil. We are bound to have monopolies. The only question is whether they shall own the public or the public own them. We think the people will be more comfortable to swallow than be swallowed.—Professor Frank Parsons in Twentieth Century.

Not Guilty, of Course. Havemeyer, the sugar king, is not guilty of contempt. That was the decision of the court Thursday at Washington.

The trial of Mr. Havemeyer is not, however, without beneficent results. It emphasizes the fact that the laws are for the poor and hastens the time when the majority of the American people shall be in contempt of court.

Last week we called attention to the legal farce that resulted in the imprisonment of Broker Chapman, or, to be more explicit, resulted in transferring his place of residence to a section of the district jail and furnishing his usual luxuries at the expense of the government. The offense of Chapman and Havemeyer was one and the same thing. That Chapman's case was not dismissed is due to their differing ranks. It is his misfortune that he is not a millionaire instead of a millionaire's factotum.

There is one significant point in the proceedings that should not escape notice. The judge did not permit the millionaire's case to go to the jury. He relieved them of all power by ordering them to bring in a verdict of not guilty. Had the simple question of right or wrong been left to the 12 citizens there would have been a possibility of endangering the sugar king's liberty.

No person who does his own thinking is surprised at the humiliating failure of the United States senate to compel a multimillionaire to accord it respectful treatment. The lords of the trusts are the masters of the nation, and there is no reason why they should stand in awe of a body that is their subservient tool or conceal their contempt for a people shamefully submitting to their robbery.—Leadville Miner.

The Forcing Process. One of the large eastern acid manufacturers, having works in Chicago and Cleveland and backed by a capital of \$7,500,000, is making extreme efforts at present to place his goods in Colorado. In addition to getting the freight rate reduced from Chicago to Colorado common points from 98 cents to 60 cents per 100 pounds, he is offering acid at a price which is below cost of production. This, of course, saves the consumer considerable while it lasts, but in case the Colorado concern is forced out of business the eastern man will have everything his own way, and eventually the consumers will pay for what they are gaining now. We think it would be a much more far-sighted policy for Colorado consumers to protect the home concern and by so doing not only keep the money in circulation at home, but prevent the eastern manufacturer from getting control of the market, which will enable him to make prices to suit himself.—Denver Road.

Coxey Feels Little. In suspending his paper Coxey declares that "it is too late now to expect any reform through the ballot," and it is broadly hinted that unless the promised prosperity is forthcoming inside of a few months it may become necessary to again mass the unemployed and bankrupt people at Washington, this time "not to petition, but to demand that they fulfill pledges made prior to election to an outraged people, or resign." This sounds somewhat as if Coxey had a notion of marching upon Washington in truly John Brown fashion. Events that have transpired during the past few weeks indicate that another strong revolutionary current has set in, and for the next few months we may expect to hear plenty of muttering on the part of those who have lost faith in the ballot.—Cleveland Citizen.

A Job For Chandler. There is a great swindle that Senator Chandler might get after, with profit to the government and honor to himself—the Union Pacific railroad. The government has paid twice over in principal and interest what the road cost and still owes the principal of the bonds issued to build the great iron highway. Why should not the government take possession of this road and operate it for the use and benefit of the whole people?—Naguanaw Labor Exponent.

BUTLER ON INCOME TAX.

Continued from page 1.

and exert their power to prevent congress, if not to try to influence the court to save them from paying a fair share of the burdens of taxation. They contribute liberally in campaigns. It must be because they expect a princely return. They refuse to contribute, if they have power to prevent it, to support the government, though they expect the government to call out soldiers if necessary to protect their property, if such an emergency should arise. Let them remember that the ninety-nine out of every hundred of such soldiers are the men who are today forced to pay double taxes in order that the rich and powerful privileged few may escape taxation.

Mr. President, it is astonishing, when we stop to look where the wealth of this country is located, to see that the court should feel justified in straining and perverting the constitution to prevent the majority of the wealth of the country from paying taxes. It is astonishing that congress does not move its hand to correct the wrong. But a little over 1 per cent of the people of the United States own 70 per cent of the property of this country. Over 98 per cent of the people have left distributed among them less than 30 per cent of the wealth of the country. Under any system of the tariff taxation the bulk of the duties collected and the burden of taxation falls upon that 98 per cent who own only 3 per cent of the wealth.

The doctrine that is preached in support of protection and high tariff duties is that we must protect American labor against the pauper labor of Europe and American industries against foreign industries where pauper labor is employed. I suppose pauper labor is labor that has to work cheap under competition, because no laborer works for less than what would support him if he can help himself. Now let us see how the pauper labor of America compares with the pauper labor of Europe. In Europe the average of tenant farmers, who raise large crops of men who do not own homes, who rent houses, who work for their daily living, is about 40 per cent of the population. How is it in this country? Between 70 and 75 per cent of the American people are tenants and renters. We have a larger per cent of people who do not own homes and who work one day for their next day's bread than the cheap pauper-labor countries of Europe have, and yet under the false promise of protection we continue to lay the burden of taxation upon the shoulders of that class of people and allow to go free those who own 70 per cent of the wealth and who are each year accumulating to themselves nearly all that labor produces. They own more wealth than they know what to do with, yet they object to paying a fair share of the taxes for the support of the government, and congress acquiesces.

History tells us that every country that has gone down under commercialism reached the stage of decay when less than 10 per cent of the people owned nine-tenths of the property. We have already passed that period, that danger line long ago. If we had a fair and just income tax on the statute books, it would not remove the conditions, the special privileges, that today are concentrating the wealth in the hands of a few. It would simply equalize taxation. The evils that make an unfair distribution of the wealth created would still remain. Other legislation would still be needed to remedy that.

The wealth of this country has doubled since 1880. We had then about \$43,000,000,000 worth of property. Today we have over \$86,000,000,000. How has that wealth been distributed itself while it has been created? Out of every dollar, Mr. President, that has been added to the wealth of this country since 1880 it has gone about as follows: To one man out of twenty, two-thirds of that dollar has gone; to the other nineteen out of twenty, only one-third of that dollar has gone, to be divided among the nineteen, less than two cents for each; and the fact stares us in the face that the nineteen who have gotten one-third out of every dollar's worth of property created since 1880 have been the producers of wealth and the others have been the speculators and accumulators of wealth by special privileges granted by congress in unjust and vicious laws.

Now, Mr. President, this disproportion, as I have said, is not due entirely to the want of an income tax. It is due chiefly to other causes. Those causes should be removed. There are great financial and transportation problems before the country that congress will be called upon to consider. The causes that have brought about this startling disproportion of the distribution of the wealth must be removed if our republic is to be preserved. But even if these causes were already removed and there was equal opportunity offered every citizen to work and enjoy the fruits of his labor, still the duty and responsibility of congress would be just as great to see that taxation was so levied and collected that each individual would pay in proportion to his ability to pay. The income tax is the fairest and most just method of accomplishing this.

Inasmuch as the tariff bill is now under consideration, and inasmuch as the last tariff bill had an income-tax provision, and it was that provision that the court rendered its decision upon, it will probably not be out of the way to read an extract from the dissenting opinion of Mr. Justice Harlan. He is a republican. He no doubt believes in the principles of protection. If he is a republican such as the majority on this floor is, he is not even satisfied with the high protection of the Wilson bill. Now, what does he say about the tariff bill being a fair measure of taxation? In speaking of striking the income-tax provision out of the Wilson law he says: "It nevertheless results that those parts of the Wilson Act that create the new theory of the constitution involved by these cases are those imposing burdens upon the great body of the American people who derive no benefit from real estate, and who are not so fortunate as to own invested personal property, such as the bonds or stocks of corporations that hold within their control almost the entire business of the country."

He recognized the fact that the Wilson bill with the income-tax provision struck out was not a fair and equitable measure of taxation. He recognized the fact that it laid the burdens most heavily upon those who did not own much property and who had not the means to pay. In this connection I might call attention to the fact that whether it is a democratic tariff or a republican tariff, whether it is a tariff for protection or tariff for revenue, yet a tariff is still practically a poll tax. In every state in this union we raise our taxes by a tax on the poll and a tax on property. Why? We recognize the fact that every man

whether he owns property or not, receives certain protection from the government as an individual. Therefore we place a uniform tax on each individual, on his head and call it a poll tax so that every one, even if he has nothing but his limbs and his muscle, is called upon to contribute so much to support the government. Then in order to equalize taxation, we turn to the individual and look at his property, and we tax him according to the amount of his property, a certain per cent on his property.

How is it with the Federal government? We raise nearly all of our taxes by a tariff; that is a tax on a man's necessities, a tax on his mouth, on his back. Therefore each individual is taxed on what he eats and wears. He is taxed not according to his means, but according to his necessities, without any regard to the amount of property he owns. If the man worth \$1,000,000 eats no more than the man who mauls rails for 50 cents a day and does not own a dollars worth of property, then they both contribute exactly the same to support the Federal government. To that extent the tariff may be called, for it is the nearest illustration you can give to the system of state taxes, a poll tax—not literally, but near enough for illustration. Now, will we raise all of the money necessary to run the government upon the individual; that is by a poll tax?

I have a tenant, he owns nothing but a little personal property, which he moves from one tenant house to another, when he moves. He has ten children. He buys more pairs of shoes, if he buys any for his children, in a year than I buy. The mills that you want to open now in order to restore prosperity depend upon being kept open on his power to buy, upon his power to consume. He has his wife and his children, and his children are increasing. His power to purchase is less now than it was five years ago, though his family is larger and his necessities greater. Shall we place upon that man, in order to increase his capacity to consume, burdens of taxation out of his ability to pay? If your American manufacturers prosper and keep their mills open, it must be because the American people are able to consume and to purchase. When we raise all of our taxes by tariff, then we not only put a poll tax on the tenant, but an additional poll tax on his wife and on each of his ten children—a poll tax on every mouth that is fed and on every back that is clothed. Then we make this poll tax very high, high enough to raise all the tax necessary without placing a dollar of tax on property. Is it just?

Mr. President, it is clear to-day that the burdens of taxation today fall largely upon that great mass of American people who are not accumulating wealth, men of moderate means and men who work for daily wages. For what reason I will not stop now to discuss, but they fall largely upon that great mass of American citizens who work more hours in a day than they should be forced to work in order to supply their families with the necessities of life. The wealth that is accumulated by the fortunate few in this country, whether honestly or dishonestly, is not a question to be considered with reference to an income tax, but that wealth should certainly pay in proportion to its amount with the man who has accumulated only a small amount, who is forced to be a daily toiler and producer.

It begins to look as if the constitution may never be again amended by submitting an amendment to the states. Surely if this amendment cannot be submitted to the states, then no amendment in the interests of good government and justice will ever be submitted, unless there is a radical change in the American congress.

There is more public sentiment, founded on the broadest principles of equity, behind this question of an income tax than behind any other question that I can conceive of that will have to be submitted to the people as a constitutional amendment. If we can not amend our constitution? If the court can render decisions digging holes in it from time to time, and the old bulk of the constitution has to stand with the life taken and amended out of it by judicial decisions; if with the progress of events we cannot amend the constitution to keep pace with the development of civilization and commerce, then the quicker the American people know it the better.

If we can not submit to the legislatures of the states this amendment providing for an income tax, then there is one other way of amending the constitution, and the people ought to know, and know quickly, that their only hope is through a constitutional convention. A constitutional convention, if called, Mr. President, will not be called under the auspices of a political party; it will not be called when voters can be appealed to on the ground of standing by "the dear old party." Men will vote their honest judgment; the evil effects of party machinery that warp men's judgments will not be in play then; and the delegates, coming fresh from the people, will not be so easily controlled by corporations and trusts as some members of congress are. The delegates in a constitutional convention will stand nearer the people than congress now does. The privileged few, who now enjoy so many unjust advantages, had best submit to a just income tax a dozen times than force the people to call a constitutional convention.

Such a convention would destroy the evils that cause the unequal distribution of wealth. I shall press this amendment, but I would prefer to see a convention held. If the privileged classes were wise, they would help me to pass this amendment. But they will not, and I wish simply to call the attention of that class of our citizens, and of those who sympathize with them so strongly as to probably be unable to do exact justice between all our citizens, to the fact that this amendment is a small reform compared to what the American people will demand in constitutional convention, if they meet—and they surely will meet soon, unless congress measures up nearer its duty—and that then there will be a supreme effort of the American people to go back to first principles and place this government where its founders thought they had placed it, and, I think, more carefully than our successors were able to do in the primitive stages of our republic.

It seems that the "repudiators" have succeeded in electing an attorney-general who is weaving a mighty fine web around the public defaulters.—Ex.

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