

The Nebraska Independent.

The Wealth Makers and Lincoln Independent Consolidated.

VOL. IX.

LINCOLN, NEBR., THURSDAY, NOVEMBER 11, 1897.

NO. 25.

OBJECTIONS ANSWERED.

Government Should Purchase Own, and Operate the Railroads.

HOW TO PAY FOR THEM.

Roads pay Good Dividends on Actual Value. Would Soon Earn Purchase Price.

Civil Service Rules to Apply.

In the article entitled "some of the evils," in last week's issue we quoted from the speeches of Thomas E. Watson of Georgia. This week we continue his argument in which he answers the usual objections urged against government ownership of the railroads. Summing up the objections Mr. Watson says:

1st. Our opponents say it will bankrupt the country to buy the roads.

If this is true we must not buy them. This country is tottering under as much bankruptcy as it can stand, already, and we must go slow in accepting new obligations.

The first thing a prudent business man considers, when deliberating upon the purchase of property, is this—"Does it pay good dividends?" If the record shows that the property has always been handsomely profitable, and is at the present time paying good dividends upon actual values, then the investment becomes inviting.

Apply this test to the railroad problem, and the result is favorable to the buying of the property. From 1871, at which date the government reports commence, down to the present time, there has never been a year when the roads have not paid magnificent profits, in spite of extravagance in salaries to high officials, in spite of the expenses of subsidizing politicians and newspapers, in spite of panics, labor troubles and rate wars. From 1882 to 1892 the government reports show that the railroads made in net profits the marvelous sum of thirty-four hundred millions of dollars!

Therefore here is a good piece of property to buy, for the reason that it pays well.

Another consideration which would have its weight with a judicious man of business is this—"does that piece of property, as it now stands, cause me inconvenience or loss, or would the purchase of it remove that danger or loss from my other property?"

It has already been shown that all other business is at the mercy of the railway management and that the profits wrung out of the passenger and shipper on watered stock injure and oppress all other property to the extent of nearly two hundred millions of dollars per year.

Therefore, to have the general public invest its money in these roads, is to buy out a property owner whose management of his property injures the neighborhood, and victimizes all other interests for the benefit of his own.

When manufacturers of doors, sash, blinds and finished lumber products of all kinds, find that they pay too much tribute to the saw-mills, they operate a saw-mill of their own. On the contrary when a saw mill owner finds that the difference between rough and finished lumber is too great, he puts in machinery and dresses the lumber himself. In other words, no prudent business man suffers too much of his profits to go to another business man if he can prevent it.

The same principle applies to railroad. If the carrier of freight charges too much, the people should carry their own freight.

If the traveler is forced to pay too much for a ride, he should provide a vehicle of his own. If the carrying of freight has necessarily gone into the hands of the railroads, and if the necessities of modern travel compel the citizen to ride on the trains, then the only way to escape the payment of unjust freight and passenger charges is to buy out the system whose exactions we wish to remove, but cannot otherwise escape.

Therefore we say that no man can be bankrupted by the purchase of property which yields a good net income.

Furthermore, we say that when one of the causes of hard times among the people is the huge earnings which the railroads have gobble up, there will be less danger from bankruptcy by the removal of one of its causes.

But still a better way of meeting this objection is by explaining that the people are buying the railroads every day, paying for them every day, and yet never owning them.

The government reports show that we have been compelled to pay an average of 8 per cent. net profit on the actual costs of the roads each year since 1871. According to the best authorities about one-half of the capitalization of the railroads is fictitious. Watered stock to the extent of about five billions of dollars has been put into the road values. We pay an average of 4 per cent. net profit upon the full amount of capitalization, watered stock as well as genuine.

Therefore, upon actual values we pay about 5 per cent. per annum, net.

worth. Even at the rate of 4 per cent we pay for them, watered stock and all, every 25 years.

The government reports show that since 1871 we have paid these railroads enough to buy them three times and over. The same evidence shows that we are continuing the same schedule.

We pay for the roads in freight charges and passenger rates. We are buying them every time we ride or ship freight.

The populists merely propose that we shall hereafter so change the policy that when we pay for the roads again they shall be our property. We respectfully close the bankruptcy argument by suggesting that the surest way to bankruptcy is the continual paying for property which never becomes ours. This buying property and never getting anything but the privilege of buying it again would seem to be a game whose advantages are entirely too much on the side of the man who continually pockets the price but never delivers the goods.

Another question common to all objectors is, "How are you going to pay for the railroads?"

Under the law of Eminent Domain the government could only acquire title by having the property assessed, and the price paid in lawful money.

No populist dreams of having the government obtain the railroads without settling for them fairly.

In the judgement of many eminent authorities the entire value of the property can be covered by the sum of five billions of dollars.

But let us say, for the sake of argument, that the board of assessment would put the value at the other extreme \$10,000,000,000. How then are we to pay this tremendous sum of money?

By a glance at the government reports it will be seen that \$5,473,611,000 of the railroad values are represented by bonds. The holders of these bonds would jump at the chance of having the government assume the payment of these bonds with three per cent. interest and twenty years' term.

Thus more than half the settlement could be made without the slightest difficulty.

The other four and a half billions could be met by the sale of long term bonds; or by the issuance partly of bonds and partly of full legal tender treasury notes.

By the time these bonds fell due the savings made, as heretofore estimated, would pay them off without paying one additional dollar of taxes on the people. Another plan which has been suggested is that the government should operate the roads through a commission which shall pay over to the present owners all net earnings until the assessed price has been paid.

This country was never so prosperous as in 1866 when we had two billions of dollars of paper money circulating among the people, stimulating thrift and encouraging new industries everywhere.

Our population has doubled since then and so has the volume of business. We sincerely believe that it would be an infinite blessing to the American people if the government should again fill the wasted arteries of trade with fifty dollars per capita of paper money, behind each dollar of which stood the strength of the entire republic. To increase our treasury note currency to the same proportion as we had in 1866, would about pay the railroads the difference between their bonds and their utmost assessed value.

It would be much easier to make a settlement now with the capitalists who own the roads than ever before.

They see the dangers of the speculative syndicates and of the extravagant management which has thrown so many railroads into the hands of receivers. The stock holder feels that he is powerless to protect his property from the raid of the Wall Street. The railroad "wrecker" is a professional free-booter who can skirt the dangerous coast of the penal law without striking its reef, and who plunders with the greed of a Pizarro. To steal a railroad is irresistibly tempting to the man who gets the chance, because it is so certain to lead the thief to power, fortune and fame. After you steal a good, fat railroad, it is your own fault if you don't hold a seat in the United States senate the balance of your life.

All this being true many honest people who have their funds invested in railway stocks and bonds would be glad to exchange them for government securities which would be absolutely safe.

Another objection is, if the railroads belong to the government the patronage would be so great that the party in power could never be ousted.

The people who insist upon this do not seem to be aware that under our civil service law there are thousands of men who cannot be removed with a change of parties. The purpose has been to remove the business operations of the government from the hasty and unwise action of partisan politics. Thousands of democrats held office under Harrison. He had no power to remove them. Thousands of republicans held office under Cleveland. He had no power to remove them.

This system could be extended to the railway service, a board of commissioners appointed representing each of the three political parties, and these men could prescribe rules and regulations which engineers, firemen, conductors, switchmen, etc., could be chosen. Once chosen these men could only be removed for cause and through the action of the commission. The employees of the road would not be at the mercy of the political party. They would be really more independent and assured of their jobs than they are now, and the going in and going out of presidents would not affect them in the slightest.

Last year a section boss on the Central railroad who had served the corporation for twenty years was suddenly discharged. He believed that his dis-

missal was due to the fact that his wife had sued the road for the killing of her cow. His discharge came from the corporation managers in Savannah, and they refused to reinstate him. The Central was at the time in the hands of a receiver appointed by Judge Emery Spear, of the United States court. The section made complaint to the judge. An order was issued that the railroad show cause why it had dismissed its employee. No cause could be shown and Judge Spear ordered the section boss back to his job—and he went.

Under corporation management he would have had no redress. Under government management his rights were respected.

The management of receivers and Federal courts is not generally satisfactory, we admit, but the trouble grows out of the fact that the corporation manages the road through the receiver and the court. Get rid of the corporation ownership entirely and there will be no motive for oppression and injustice. When the motive ceases the injustice will cease.

We pride ourselves upon the power to uphold self government. No man can maintain to the objection now under discussion without saying he has lost faith in self government. In Europe, in Asia and in Africa governments run the railroads. Shall we confess that we alone cannot do so? Germany owns her railroads and is governed through parties to a very great extent; yet we never hear of railroad patronage controlling her politics.

The Swiss Confederation is much more democratic than ours, and owns her railroads yet we never hear of the patronage controlling her elections.

The truth is that patronage controls men after the elections rather than before. It is the individual office holder who is bought by patronage.

An illustration of this truth was furnished by the manner in which "the free silver" senators and congressmen were bought by Mr. Cleveland in 1893. He bought them after the election.

Patronage never yet held a party in power, for the simple reason that the "outs" always exceed the "ins." No matter how many men you put into office, there are always five times as many on the outside clamoring to get in.

Hence the thing even up. Ask any congressman about it and he will tell you that he loses influence by every appointment he makes. Why? Simply because at best he only makes one friend—the man who got in, while he makes half a dozen enemies in those who were disappointed. Senators and representatives would rush unanimously to the support of any bill which deprives them of all patronage and gave it to somebody else.

Ask your congressman if this is not true.

I know it to be from actual experience and observation.

Patronage may therefore bribe an individual, but in general elections over an immense scope of country, and amid teeming millions of people patronage is as often the source of positive injury to the party in power as it is a benefit.

Another objection frequently urged is that if the government owned the roads the citizens could not recover damages for injuries done to his person or to his property by the running of the trains.

If the government owned the railroads the jurisdiction of the present court of claims could be extended so as to embrace these cases.

No sovereign could be sued without its own consent. This consent the United States has given to a variety of suits which must be brought in the court of claims.

As already stated the jurisdiction of this court could be extended so as to include suits of the character named.

In the event that this plan should prove objectionable, it would be easy for congress to give jurisdiction over these cases to the district courts. In suits of this kind the government would be represented by its district attorneys and the plaintiff by the lawyer of his choice.

Verdicts by the plaintiff would have to be provided for in the regular appropriation bills of congress, just as judgments in the court of claims are now satisfied.

Another objection is that the ownership of the roads by the government would be a step in the centralization of national power.

It might be a sufficient reply to this to say that any sort of centralization is better than that now going on. The private ownership of these colossal properties centralizes enormous powers in the hands of a few individuals whom the public cannot reach. They commit any depredation upon the people and then escape personal responsibility because of the shield which the corporation affords.

The question which confronts us is whether it is best to permit these mighty powers to rest in the hands of a committee of managers in Wall Street or whether we will vest it in the general government to be exercised for the good of all.

We favor individualism whenever the individual is chiefly concerned and nationalism whenever the nation is concerned—just as Jefferson did.

The nation can best operate its postal service, hence it is nationalized—although the business could be done by individuals. Where a business is so clearly of a public nature that the individual can only get fair treatment by having the government to act for all, then individualism ceases to be wise and nationalism becomes necessary.

Look at the present railroad system. What standing does the individual have against combined capital or against combined labor?

None whatever. Our present system so completely crushes the individual that it takes a monster union of the laborers to make the slightest stand against organized money.

Now, when national capital fights or-

ganized labor, each being organized on national lines, isn't it about time to recognize the fact that in such a struggle of giant forces the individual is lost?

And if things have come to such a pass that national money forces, angry and excited, organize warfare upon national labor forces, angry and excited, isn't it perfectly clear that the issue is national, the danger national, the disease national, and that the remedy must be national?

Populism stands for state's rights upon those local questions where the state is chiefly concerned.

But when it comes to creating a national currency, or a national navy, or a national commerce, or a national postal system, we believe the government should act for all, and thus give uniformity and impartiality to the system.

Another objection is that government ownership would be "paternalism."

Granting for the sake of the argument that the man who makes this objection really knows what he means, we meet it by saying there is no more "paternalism" in the government carrying a pound of stuff as freight than there is in carrying the same pound of stuff as postal matter; no more paternalism in carrying a package in a freight car than in carrying the same package in a mail sack; no more paternalism in carrying a passenger than in sending a mail boy to deliver mail to the passenger.

The paternalism which is offensive in a government is that which transacts for the citizen private business which the citizen should transact for himself.

To carry freight for the citizen is no more an interference with private work than is the carriage of letters, the coinage of money, and the establishment of lights along the coast. Individuals could do each and every one of these things but as they relate to the public more than to the individual, it is thought best for the public to step in with a uniform system and do for all that which benefits all.

Another objection which was never heard of till this year, is that government ownership would lead to discrimination in favor of one section against another. This is very funny. Especially in favor of the amazing discriminations which characterize the present system.

If the government owned the national highways and their management were vested in a department or a board of commissioners, we would really like to know where would be the motive of that department or commission to attempt discrimination against any section, any individual or any industry.

To commit crimes men must ordinarily have motives. They must see some profit to themselves in a profit practiced upon others. Suppose a railroad department created to manage the government railroads. This department would be filled with appointees from all sections of the country, as is the case with each of the departments we have now.

No man in the department would own a dollar in the railroads. The government would own all. Every dollar made in freight and passenger rates would go to the government, not to the office holder.

Bribery might be practiced, you say. But how could it be concealed, though? Freight rates can't be kept secret, neither can passenger fares. They all have to be published and shippers can be relied upon to keep posted. How then could discrimination be practiced without instant exposure?

Complaint against discrimination at present goes for little. We can put pressure upon the corporations. But if the government owned the roads direct pressure could be applied through governors, legislatures, cabinet officers and congressmen. As there would be no railroad lobby if the government owned the roads, it would be easy to have redress given for any wrong inflicted.

While we have thus treated this objection as though it had merit, it really has none at all. It is only the desperate grab of a stump speaker at an imaginary hobgoblin.

If discrimination can be practiced in favor of one section against another in the government railway service, why is it not done in the postal service? Who ever heard of the postoffice being run in the interest of one section against another, one city against another, or one industry against another?

A two cent stamp goes as far for the farmer as it does for the banker. A postal card does as much for a tramp as it does for a king. A special delivery stamp carries a letter to the hut as quickly as to the palace.

So it would be in the government railway service. If passenger rates were fixed at two cents per mile, ten cents would carry you five miles in the south or five miles in the north. There could be no discrimination whatsoever.

If freight rates were settled by the mile or by the "zone" system, or upon the system of "long haul" or "short haul" or "through freight" the plan adopted would be published to the world and would, in the very nature of the case, have to be uniform. Under similar conditions the rates would have to be identically the same in all sections.

When an objector to public ownership of public roads is driven to the necessity of trying to array sectional prejudice against the plan it is certainly time for unbiased citizens to see that the debate on that side is pausing for want of argument.

High Binders and Leprosy.

In the Chinese district in San Francisco the police are having serious trouble. High binders are returning in large numbers from the Alaska canneries and the old war of the tongue is about to be revived. Under the present system of admitting Chinese many who are afflicted with leprosy are being admitted. The matter will be brought to the attention of the president and executive interference will be asked for.

THE SYSTEM A FAILURE.

Representative Government Fails to Protect the Interests of the People.

ONE OF THE PLANS PROPOSED

Adopt the Referendum and Let the Whole People Rule.

Congress Always Favors Trusts.

In an article in the November number of the New Time Hon. C. Barlow M. C. writes that representative government has proven a failure. He says that to many the statement may seem exaggerated but if any one who doubts it will lay aside his prejudices and look at things as they are, not as they should be, he must admit that the legislation of the past generation in this country justifies the position taken. A representative form of government must be one which will protect the rights of the people and defend them against the unjust methods of those who would despoil them. It must be one that can refer all its acts to the people with full confidence that they will endorse them by the stamp of their approval.

Have we such a government? Are the people protected in their rights? Is the equality of all men, guaranteed by the constitution, defended against the interests that are endeavoring to obtain control of all God's gifts to a free people? Is it not a fact that when public questions are to be acted upon by the so-called representatives of the people that the interests of the whole people are not for one moment considered, but that, at the sacrifice of the rights of humanity, decisions are made in the interest of some man or set of men?

It matters not how much we Americans may dislike to admit the truth in this matter, circumstances are such and present conditions so unjust, that we cannot longer deny the fact that representative government is a failure. When pitted against the combinations of capital, whose representatives are even on the alert to guard the special privileges they have been hired to foster, the inalienable rights of the people, as guaranteed by the constitution, are ignored.

Mr. Barlow says: "In this last extra session of Congress I have been a careful observer, and without hesitation or fear of successful contradiction, I charge that every concession demanded by a trust or combine, when backed up by proper effort, has been granted. On the other hand, when any attempt was made to lighten the burdens of the wealth producers, who, as the years roll by, are being ground finer and finer between the millstones of capital and competition, such action has brought upon the head of the daring individual who attempted to honestly perform his duty to his constituents, the scorn of the powers that be, while his every effort was doomed to failure and he found himself in a measure ostracized."

A man in congress today who battles for the people and tries to faithfully voice their wishes is designated a crank, while many think him a menace to our country and a person with whom it would be dangerous to associate.

A true representative of the people is one who has the courage to call attention to the corrupt methods and practices of those men who have for years acted as representatives of the people, but who in reality have been false to their constituents, false to their country, and false to themselves.

Briefly, these are the existing conditions. Now for the remedy. A man is not justified in calling attention to an evil unless he is prepared at the same time to point a remedy. In this case the remedy is a simple one—adopt the referendum, and let the whole people rule. The trend of public opinion today is all one way—toward a government of the people, not, as some think, toward a monarchy. Every American feels that the whole people can be trusted, but many have come to the conclusion that we have trusted a few of them long enough, and too long. The heart of the masses is to be trusted at all times. To deny this is to admit that a republican form of government is a failure. The closer we bring the details of the government to the people, the more fully will it represent them, and the more readily will it respond to their wishes.

Let any one recall the gross violations of the people's rights that have occurred within their own state, probably in their own city or county, and they will at once concede that if the people could have expressed an opinion on the measures which authorized such violations they would have unanimously rejected them. The giving away of franchises to corporations, which gives them power to tax without merey generations yet to come, is one of the greatest crimes that have yet been perpetrated against the people. I believe I am justified in saying that, if every city in this country owned its street railways, electric plants, water systems, and gas plants, the revenues derived from these sources would pay all the expenses of their municipal governments. This was accomplished in Glasgow last year, and it may be accomplished anywhere if put to the test. With the referendum as the law there is not a city in the land today that would give away its franchises. The referendum would be a sure and safe remedy against the recurrence of such crimes.

While I am of opinion that the financial

cial question will be the one first adjusted, yet it is folly to imagine that its proper adjustment will restore the government of the people. The evil of the gold standard is but one of many barnacles that have fastened themselves upon the body politic, and must all be wiped off before this government will be restored to those who alone can maintain and preserve it—the people.

While many have come to conclusion that representative government is a failure—and they are justified in that conviction by the results of the past thirty years—yet they all believe that the government of the people can and will be the greatest blessing humanity has ever known. With the referendum we will have such a government. With the people in power their right to life, liberty and the pursuit of happiness will never be questioned. They will realize their responsibility to each other and declare "I am my brother's keeper."

FAIR AT OMAHA A FAILURE.

The Associations Can Pay Only 55 per Cent of the Premiums Awarded.

The state fair at Omaha has proven a failure in every particular. Visitors to the fair were disappointed and disappointed in almost every particular. It is also a failure in a financial way as is shown by the following letter sent out by Secretary Furness to all prize winners:

Nebraska State Board of Agriculture, Office of Secretary, Brownville, Neb., Nov. 1.—Dear Sir: Owing to extraordinary circumstances entirely beyond the control of the management of the late Nebraska state fair held for the year 1897, receipts are such that we are compelled, reluctantly, and for the first time in the history of the board, to pay in cash a percent of premiums due winners, and issue evidences of indebtedness for balance. We trust this will never occur again, and beg both the leniency and consideration of our patrons.

Herewith you will find a cash warrant for 55 per cent of the premiums due you and an evidence of indebtedness for 45 per cent, payable, Nov. 1, 1899, bearing 5 per cent interest from the date until paid. The date of payment is made in 1899 for the reason that it will be suicidal to attempt holding a state fair in 1898 while the great Trans-Mississippi exposition is under way at the same time.

The reason for delay in answer to the hundreds of letters I have received since the fair concerning payment of premiums is because I knew not what to say until the board of managers held a recent meeting and determined the financial status of fair matters.

Yours with regrets,
ROBERT W. FURNESS,
Secretary.

MUST PASS A POOLING BILL.

Railroads Will Make Efforts to get One Through Next Session of Congress.

Executive officers of the western railroads have had another conference in Chicago on the freight rate situation. The practicability of bringing about a restoration of all rates which have been reduced below the regular tariff, was discussed at considerable length, but in view of the position maintained by the southwestern roads in regard to rates to and from gulf ports, the conclusion was reached that nothing could be done at present to adjust matters. The opinion was freely expressed that until a change is effected in the law as it has been declared to be by the supreme court of the United States, there is little probability of rates being maintained on a permanent basis.

An effort will be made to have the law amended at the coming session of congress and to have a pooling bill passed that will allow the railroads to form a gigantic trust for the control of all of the transportation business of the country. Such a bill can probably be put through the lower house but it can hardly pass the senate as constituted at present. The railroad pooling question should be made one of the leading issues in the congressional campaigns in the next election. It is of vital importance to all people. An increase in freight rates affects everyone, both shipper and consumer.

A MAJORITY OF FIVE.

Republicans Will be Able to Elect a United States Senator from Ohio.

There have been no new developments in the legislative situation in Ohio. The democrats having apparently abandoned all further efforts to contest the election of republican representatives in close counties. The republican majority of five on joint ballot in the general assembly will probably not be changed unless the fusionist members in Cincinnati vote with the republicans.

There is a general feeling that it will be impossible to return Mark Hanna but if he is not returned, a gold ring republican will be his successor. This of course would not change the relative strength of mono-metalists and bi-metalists in the United States senate.

It was all-wise providence that created woman after everything else had been finished; otherwise she would have wanted to boss the job.—Grand Island Democrat.