

ENCOURAGING LETTERS

Readers in Every State and Territory Recognize the Importance of the Undertaking to Construct Liberty Building

ORDERS FOR POSTALS FROM EVERYWHERE

Many Have Sent for the Second and Third Block, Recognizing the Independent as the Foremost Champion of Liberty in America

During the past week The Independent has received hundreds of encouraging letters from its readers in every part of the country commanding it for the splendid work it is doing in defending the rights of the plain people. Slowly but surely the powers of plutocracy are advancing and encroaching upon the rights of the people. On every hand can be found evidence that the present administration is in hand glove with the money power of the country. Special privileges are continually given to those who have already grown rich and powerful through special favors from the government and gradually the people are denied rights guaranteed by the constitution and the Declaration of Independence. The scriptural prophecy that "To him that hath shall be given and from him that hath not shall be taken even the little that he hath," is being literally fulfilled. The press of the country, subsidized by the gold of plutocracy and hypnotized by the glories of conquest make no protest. Through ignorance of the real dangers the people tamely submit. If liberty and the privileges of self-government beneath the American flag can be denied to people in the Philippine Islands on the merest excuse by the powers of organized greed now in control of the government, how long will it be before the same powers find good and sufficient excuse to deny the same privileges to the people at home? It is only by education that the people can be awakened to the real dangers ahead. The best educator is a weekly newspaper if edited honestly and fearlessly. It is a weekly text-book, a lesson once a week to all who receive and read it. With this in mind readers of The Independent everywhere are making every effort to increase its circulation. For their assistance The Independent is thankful and in return will fight the best fight that it can in their behalf. As our army of readers increases the good that we can do becomes greater. To all who send for a block of five cards we send a roll of sample copies of The Independent for free distribution among their neighbors and friends. When you have the sample copies it is easy to get your neighbors to subscribe. Many have disposed of several blocks in this way. Why not send for a block of five? If you have difficulty in selling them you may return them. It costs you nothing to try. Here is what others are doing:

FROM ARIZONA TERRITORY.
I am pleased with the way in which you lay the facts before the masses. Please to send me a block of five and I will sell them if I can.—Asa Turner, Solomonville, Ariz.

FIRST FROM COLORADO.
Send me a block of five. I did not see anyone from Colorado and thought she ought to be represented in this good work.—Mrs. M. E. Brown, Greeley, Colo.

SOLD THREE IN 15 MINUTES.
Enclosed find \$3.00 for five Liberty cards received Saturday. I disposed of three of them in fifteen minutes after receiving them, the other two the next morning. I believe I can sell another block.—Joseph Burr, Leoti, Kas.

FROM OLD MISSOURI.
Send me a block of five of your cards. I will sell them and remit the price to you with names and post offices of purchasers.—W. J. Gardner, Bracken, Mo.

BEST IN THE U. S.
I enclose \$3.00 for cards sent me which I have sold. I have been a subscriber to The Independent for several years and think it the best political paper in the United States.—Peter Johnson, Gordon, Neb.

FROM MONTANA.
Enclosed \$3.00 for block of postals. Let one pay my subscription and send me the others which I will endeavor to sell.—H. L. Keene, Canton, Mont.

WANTS TWO BLOCKS.
You may send me two blocks of your cards if you will. I have one block already sold or spoken for. I am independent to the backbone and will do what I can to help the cause along.—Frank Thomas, Arcadia, Neb.

SOLD THEM EASILY.

I received your postals and sold them in a short time. Would like to have another block of five. Will help you to all I can.—H. L. Shelton, Wauwata, Neb.

FROM WAY DOWN SOUTH.
Enclosed is check for \$3.00 for block of five to help you erect castle in and from which to advocate and defend liberty, equal rights to all and special favors to none.—J. P. Bridger, Mt. airy, Ga.

WANTS THE THIRD BLOCK.
Enclosed is P. O. order for \$3.00 for my last block of five. Will try another block of five if you please. I have two more subscribers already engaged. Received the sample copies today.—A. W. Halleck, Clarks, Neb.

We have many more letters like the above, but cannot take room to print more. All bring words of encouragement.

What we need most is a home. At present we are located in a building which we rent. In the midst of a campaign or other inconvenient time we might be compelled to move. To that extent we are at the mercy of landlordism. What we desire to do is to buy a little spot of mother earth from which we can fearlessly champion the

plain people from the aggressions of organized greed, and from which we cannot be driven by the order of some plutocrat. We want to construct a "Liberty Building," dedicated to the defense of the liberties of the plain people. In time of peace we wish to prepare for war.

We need a building 30x142 feet, two stories high, of the most economical construction.

We will use it without plastering, heat it with ordinary heating stoves and be thoroughly happy and at home to and for all our friends and patrons. We will get along without the luxury of steam heat or hot air furnace.

The plan adopted to accomplish the undertaking is to sell "Liberty Building Postals" in blocks of five for \$3.00. Each postal is good for a year's subscription to The Independent to be sent to any address in the United States or Canada. What we ask of our friends and patrons is their co-operation in disposing of 2,000 blocks of 5,000 cards. We have made the price low to make it easy for them to dispose of the cards. When you ask your neighbor to buy one of these cards you are not asking him to contribute or donate anything. You are in reality offering to sell him a year's subscription to The Independent at 40 cent less than he could buy the subscription direct. We can afford to make this low rate for these cards in blocks of five for three reasons: First, we do not have to pay an agent his wages and traveling expenses to secure the subscriptions. All that expense, which is usually heavy, we avoid by this method. Second, we will use the money to build a home for The Independent and quit paying rent which now costs us \$65 per month. Third, we wished to make it easy for our friends to sell the cards. Those are the plain reasons why we are selling "Liberty Building Subscriptions" in blocks of five at the low figure we are. We have been as liberal in our offer as possible. It costs more money to publish a paper devoted to the defense of the plain people than to publish one advocating the cause of plutocracy. The money power would gladly furnish material to fill all our columns free of charge if we would accept it. They would be liberal with their advertising patronage and generous to a fault if we would indorse their legalized robberies. That's why plutocratic sheets cost so little. Shall we give you that kind of a paper? Never! We will print the truth and sell the paper as cheaply as we can. Invite your neighbor to try it for a year. Ask him to compare it with the hand-made and ready made stuff furnished him by the organs of plutocracy.

Here is the roll of Liberty Guards and what they have done to date. Let us add your name to the list:

No. cards ordered:
H. L. Keene, Canton, Mont. 5
L. G. Todd, Union, Neb. 10
J. F. Vandala, Ravenna, Neb. 5
L. D. Austin, Moulton, Neb. 10
C. F. Faddis, Jefferson, Pa. 5
W. J. Gardner, Bracken, Mo. 5
N. Cochenour, Roseland, Neb. 5
W. W. LaMunyon, Rising City, Neb. 5
L. B. Harrison, Bancroft, Neb. 5
G. A. Y. Reeds, Burketon, Ore. 5
C. W. Kinch, Lexington, Neb. 5
D. H. Fries, Nehawka, Neb. 5
A. W. Halleck, Clarks, Neb. 5
J. C. May, Buck Horn, Wyo. 5
S. Jones, Patterson, Mo. 5
E. R. Woods, Burwell, Neb. 5
S. A. Hauston, Pickaway, W. Va. 5
Thos. O. Clark, Baltimore, Md. 5
Alfred Anderson, Stromsburg, Neb. 5
A. P. Sheenden, Willmar, Minn. 5
H. C. Stoll, Beatrice, Neb. 5
A. L. Caskey, Oregon, Mo. 5
F. M. Hayes, Rensselaer, Ind. 5
A. C. Cameron, Brownsdale, Minn. 5
L. E. Hallstead, Petersburg, Neb. 5
Chas. M. Bowen, Bath, N. Y. 5
Connor Shortwell, Cambridge, Neb. 5
O. Z. Zook, Hillsboro, Ore. 5
P. B. Neal, Madison, N. C. 5
J. Miner, Friend, Neb. 5
W. E. Billeter, Ainsworth, Neb. 5
R. C. Snyder, Eaton, O. 5
J. M. Elrod, Madison, Neb. 5
Peter Johnson, Gordon, Neb. 5
J. W. Rooth, Londonville, O. 5
Geo. Gillett, Burwell, Neb. 5
J. E. Guthrie, Comstock, Neb. 5
E. S. Gilbert, Weeping Water, Neb. 5
Louis Berry, Pawnee City, Neb. 5
S. G. Haile, Clearwater, Neb. 5
J. P. Bridges, Mt. Airy, Ga. 5
Mrs. Ellen Rice, So. Dayton, N. Y. 5
J. L. Brouse, Stratton, Neb. 5
C. W. Kinch, Lexington, Neb. 5
D. P. Pugh, Imperial, Neb. 5
C. J. Jackson, Nolanville, Tex. 5
Wilfred Lebert, Archer, Neb. 5
W. E. Freeman, Cushing, Neb. 5
L. E. Hallstead, Petersburg, Neb. 5
S. Hunziker, Guide Rock, Neb. 5
J. W. Bray, Table Rock, Neb. 5
D. E. Burkley, Giltner, Neb. 5
Lewis Reynolds, Union, Neb. 5
Mrs. Eliza Sowards, Ashland, Neb. 5
J. M. Babb, Clayton, Ill. 5
Jas. O'Fallon, Mead, Neb. 5
Wm. Scott, St. Paul, Neb. 5
C. J. West, St. Paul, Neb. 5
Joseph Wittmer, Salem, Neb. 5
C. W. Duncan, Pilger, Neb. 5
D. W. Haskins, Geneva, Neb. 5
Lewis Frey, Fairmont, Neb. 5
L. O. Lessig, Frankfort, Kas. 5
B. A. Dean, Juniat, Neb. 5
Michael Hoferer, Wamego, Kas. 5
J. Miner, Friend, Neb. 5
L. Brickard, Wood River, Neb. 5
H. B. Lorain, Upland, Neb. 5
Dr. W. P. Cunningham, New York. 5
H. F. Canon, Tecumseh, Neb. 5
J. F. Abbott, Unadilla, Neb. 5
A. S. Bennett, Forge Village, Mass. 5
Total 1157
To state committee of Neb. 2500
Grand total 3637

Our readers intending to put out a strawberry patch should send for price list of irrigated plants to O. E. Cox, Columbus, Neb.

RAILROAD TAXATION

A Discussion of the Different Principles Involved and Suggestions for Taxation in Nebraska

Taxation on the one hand and government regulation and fixing of rates on the other, are the upper and nether millstones from which railroad men aver, the railroads have no escape. As to rate making, however, the experience of Nebraska is sufficient to show that escape is not very difficult where those looking after the state's interests devote their energies to helping the railroads evade the law. It may be laid down as a general proposition that the railroads do not fear rate making and regulation by the state, because they have been eminently successful in evading laws looking to that end. In its thirteenth annual report the interstate commerce commission said: "It

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Syphilis cured for life.
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and Diseases of Women.
Electricity With
Enables us to guarantee to cure all cases of paralysis
of the nose, throat, chest, stomach, liver, blood,
skin and kidney diseases, Lost Manhood, Night
Emissions, Hydrocele, Varicocele, Gonorrhea,
Gout, Pleurisy, Fistula and Rectal Ulcers, Diabetes
and other diseases of the bowels, Cataract, Rheumatism, Dyspepsia
or Syphilis we cannot care, if curable.

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four states, including Nebraska. In three of these the tax is supplemented by taxes on receipts, and in Vermont it is alternative with a tax on receipts. Twelve states levy taxes on gross receipts. In six of these this tax is only supplementary to a tax levied on some other basis; Vermont has the alternative system, as before stated; and with the other five states the tax on gross receipts is the main feature. "New York levies a tax on capital stock according to dividends, supplemented by a tax on gross receipts. Massachusetts levies a tax on capital stock at its market value, with deductions for property locally taxed. Pennsylvania levies a tax on capital stock and bonded debt, supplemented by a tax on gross receipts. Connecticut levies a tax on capital stock, supplemented by a net earnings tax, a tax on passengers, and specific tax on cars and locomotives. All the more progressive states have abandoned mere property valuation as the basis for the taxation of their transportation companies." (Same, p. 1045.)

Without any change in the Nebraska constitution the first and third principles of taxation may be employed in taxing public utilities. The constitution requires both property and franchises to be taxed according to their value. Why not tax the franchises? For years and years the railroads have been taxed only upon the valuation of their physical property.

In recent years they have doubtless paid their share of taxes on the actual tangible property; but their franchises have wholly escaped taxation. Shall we submit to this any longer?

It is high time that the reform forces get together and nominate men for the legislature who will do their duty without fear or favor—if they do not do it, they deserve overwhelming defeat.

How may the value of franchises be determined? There are various methods. One is to ascertain the total value of the railroad by "capitalizing the net earnings" and deducting therefrom the value of the physical property.

"Capitalizing the earnings" means this: Suppose the earnings to be \$1,000,000 and that 5 per cent is held to be a fair return; such a road would be worth \$20,000,000, franchise and all; and if the physical property should be appraised at \$15,000,000, then the franchise would be valued at \$5,000.

The Nebraska law relating to the assessment and taxation of the railroads (together with telegraphs, telephones, express companies, etc.) needs amendment, and the reform forces must take up the fight for a better system of taxing them.

The populist party stands squarely by its platform demand for public ownership of these monopolies, but it may be a good many years before the movement will assume large enough proportions to accomplish the desired end; and until there is some immediate prospect of success, we must take conditions as we find them, and make the best of them. Government control of rates is so far an "iridescent dream." But these monopolies can be made to bear just proportion of the taxes, or approximately so, and let us investigate the various methods and choose the best.

As to subject matter, railroad taxation may be divided into three general classes, although it has been said that "there is no method of taxation possible to be devised which is not at this time applied to railroad property in some part of this country." (Report N. Y. Ry tax committee, 1880.) Speaking generally assessments are made and taxes levied—

1. On property.
2. On capitalization.
3. On receipts.

A somewhat different classification, however, may be made, taking into consideration the underlying principles involved:

1. The property tax principle.
2. The income tax principle.
3. The fee principle.

The property tax principle underlies the systems of most of the states. It is embodied in two distinct forms. The predominant type is found in the property tax pure and simple, (as in Nebraska) where direct assessment of property, as in the case of individuals, is the rule. Less prevalent, but no less significant, is the form exemplified in the various taxes on capitalization, based on indirect or inferred valuations of corporate property.—Report of Industrial Commission, vol. IX., p. 1018.

The income tax principle lies at the bottom of the transportation tax systems of a number of the states, where various taxes on receipts and earnings have been established." (Same, p. 1022.) Under our present Nebraska constitution it is doubtful whether this principle could be incorporated into the laws. "The legislature shall provide . . . revenue . . . by levying a tax by valuation, so that every person and corporation shall pay a tax in proportion to the value of his, her, or its property and franchises, the value to be ascertained in such manner as the legislature shall direct." (Constitution of Nebraska, art. IX., sec. 1.) But, although no tax could be based directly on the income of railroads, (without amending the constitution) the legislature could doubtless enact a law permitting such income to be considered in ascertaining the value of property and franchises.

The fee principle lies at the root of a variety of impositions levied under a variety of names; and in some cases it is almost impossible to distinguish that part of a levy which is imposed under the fee principle from that which is levied under the tax principle. The most important of these levies is the franchise tax." (Rep. Ind. Com., Vol. IX., p. 1028.) No trouble would be experienced in levying a tax on franchises—in fact, our constitution demands it; but strange to say no legislature has ever undertaken to designate a way to ascertain the value of franchises or to tax them.

The fee principle works well as supplementary to the property tax principle; but, of course, with the income tax principle fully in force, nothing supplemental is needed. The property tax principle prevails in thirty-

four states, including Nebraska. In three of these the tax is supplemented by taxes on receipts, and in Vermont it is alternative with a tax on some other basis; Vermont has the alternative system, as before stated; and with the other five states the tax on gross receipts is the main feature.

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