

the preservation of our dual form of government as necessary to the perpetuity of the republic.

The plan according to which the federal government is to own only the necessary trunk lines and the several states the remainder of the roads is consistent with our form of government and instead of leading to centralization promises to build up the states and thus offer a sure bulwark against centralization. I have been surprised that this plan should be opposed on the ground that it would lead to centralization when it was the fear of this that led me to present the plan.

While the plan was proposed before I knew of its having been tried in other countries, I have since learned that it has been successfully employed in other countries, notably in Germany, where nearly all the railroads are owned by the several states.

When in Germany last summer, I was told by a member of the reichstag that as a result of this system the credit and influence of the several states had been greatly strengthened.

That the dual plan is practicable must be evident to any one who has seen the manner in which the small states of Europe handle their international traffic.

SYSTEM SHOULD BE INAUGURATED GRADUALLY

Having set forth the plan and my reasons for setting it forth at the time I did, I will now answer your questions.

It is not necessary that there should be many trunk lines. Some have assumed that every line which runs through two or more states is a trunk line, but this does not necessarily follow. Only enough trunk lines are necessary to give each state an outlet for the merchandise shipped over the state lines. While it is not likely that adjoining states would have any difficulty in making joint traffic arrangements still the operation of a few federal trunk lines would give to each state an independent position.

As to the acquiring of lines, I suppose that all would agree that the system should be inaugurated gradually, so that the government could profit by experience. It is probable that a commencement would be made with one trans-continental line, with a possible cross line. A line from the Atlantic to the Pacific crossed by a line from the Lakes to the Gulf would do more to demonstrate the wisdom or the folly of government ownership than all the arguments that could be made for or against the system. If the government is incompetent to attend to such matters and too extravagant in public work, the private roads need not be afraid of competition. In fact, they ought to welcome the experiment. If, on the other hand, the government shows that it can reduce rates, improve the service, accord better treatment to employes and still earn a fair profit on the investment, who can justly complain if the government road squeezes water out of stocks, reduces private management to an honest basis and compels the roads to give better rates to patrons and better terms to employes?

GOVERNMENT CAN BUY OR BUILD

These experimental lines can be bought or built, whichever the government officials think best. I have not entered upon the details of the plan or attempted to decide upon what basis the government should buy. If it announced its purpose to buy a line there would probably be a number offered and it could have its choice. The government might buy a controlling interest in a line—that is the way the railroad magnates do. If it built a new line, the success of the new line would largely determine the value of other lines offered for sale to the nation or to the various states. Our commerce is increasing so rapidly that a new line would not materially lessen the business of the old lines; there is even now need for more transcontinental lines and the Chicago, Milwaukee & St. Paul is building through to the coast to meet this demand. The transcontinental roads have not been able to carry the freight offered to them and the Union Pacific is earning an income on considerably more than the value of the road.

If it was thought best the government could do as France did: authorize lines, guaranteeing fair dividends and contributions to a sinking fund which at the end of a term of years would give the government the title to the roads.

If any one doubts the financial success of a government trunk line, he must overlook the fact that the mails at the present rates would at once furnish quite an item of business.

It is not fair to compare government roads in other countries with private roads in this country. The public roads of Europe are equal to the private roads of Europe—that is the only fair comparison. Our municipal plants in this country are as good as the private plants and furnish ser-

vice at a lower rate, which is evidence that the public ownership of roads is feasible.

WHAT THE STATES COULD DO

Being assured of an outlet for the traffic of their roads, the states could proceed to acquire local roads slowly or rapidly as they wished. If the people of any state preferred to leave the local lines in private hands they could do so; if they desired to build new roads, they could build them; if they desired to buy existing roads upon such terms as seemed best, they could do that.

The dual plan suits itself to the views of the people in each state and to conditions to be met in the several localities. If trunk lines were so operated as to permit private roads to use them upon equitable terms, it would be of still greater advantage. At present the small lines are forced into consolidation in order to secure an outlet for their traffic; as soon as these private lines tapped a government line they would be independent.

Objection has been made to government ownership on the ground that it would prevent the states from exercising police power over the operation of the roads. This objection might be made against the federal ownership of all the roads but it does not lie against the dual plan. For, first, if the states did not choose to own the local lines, they could exercise the same control over them that they do today. Second, if they desired to own the local lines, their control would be even more complete than it is today. Third, an act of congress could provide for the operation of trunk lines in harmony with the police laws of the various states, and fourth, the states could be permitted to run local trains over the trunk lines.

NO SUDDEN CHANGE CONTEMPLATED

You will see from the above that no sudden change is contemplated. On the contrary, the change, if adopted, must necessarily be slow. It ought not to be treason in a country like ours to suggest that the people themselves are the ones to determine what should be done, and the plan which I have proposed provides for the inauguration of the change with the least possible disturbance.

It is needless to say that no confiscation is proposed. There is no disposition under either strict regulation or government ownership to do injustice to investors in railroad securities, and the courts would prevent injustice even if it were attempted. As a matter of fact, the people have been more ready to do justice to the railroads than the railroad managers have been to do justice to the people.

If the railroad managers had respected the rights of the public, there would have been no talk of government ownership, but instead of that they have used the power given them through their ownership of lines, to juggle the price of stock, to discriminate against shippers and cities and to collect from the helpless public all that the traffic would bear. They have combined to destroy competition and then divided the spoils.

When regulation has been attempted they have terrorized congress and state legislatures and have corrupted officials. If the sentiment has turned against private ownership, the railroad managers have only themselves to blame.

POPULAR FAITH IN REGULATION

At this time a majority of the people still seem to have faith in regulation, and the first thing necessary is to ascertain the present value of the railroads and then prevent any more watering of stock. I shall assist as far as I am able to test regulation under as favorable conditions as can be created, but having reached the conclusion that, in the end, regulation will be found ineffective, I have stated the conclusion.

As I was slow in reaching this conclusion myself, I can be patient with those who honestly fear government ownership. In the meantime, I am anxious that those who become convinced of the necessity of government ownership shall consider the plan which reduces centralization to a minimum and adds to the influence and vigor of the state. Very truly yours,
W. J. BRYAN.

Lincoln, Neb., April 6.

MAY BE TOO RADICAL

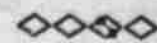
The New York World is devoting considerable space to double headed editorials entitled, "Make Harriman resign." After "a long and heated campaign," the World expresses surprise that its appeals have had no effect upon the Union Pacific directors. Maybe the explanation is that Mr. Harriman knows too much to be shelled.

The controversy between Harriman and Mr. Roosevelt's friends has grown exceedingly bitter, but with all their bitterness, it does not seem to have occurred to the Roosevelt forces that an effective way of disciplining Mr. Harriman would

be his arrest and prosecution on the Alton deal.

We have been told that between the Roosevelt forces and the Harriman forces, it is "war to the knife." But while Mr. Harriman's feelings have probably been injured, and his sense of gratitude has probably been shocked, he does not even bear a scratch, as a result of the "terrible warfare" made upon him.

"Prosecute Harriman for the Alton deal," may sound just as serious to the Roosevelt forces as "make Harriman resign," sounds to Harriman's fellow managers of the Union Pacific.



"IT MAY BE TREASON BUT—"

The New York Evening Post prides itself upon conservatism; but if the editor of the Post is not careful he will read himself out of the lists.

In a recent issue the Post had an interesting editorial entitled "The New Gold and the Rise of Prices." The Post points out that all statistics agree that from 1872 to 1897 there was a steady downward movement by which the general level of prices was reduced not less than 30 or 35 per cent. Then the Post shows that since 1896, the course of American prices had been steadily upward, ranging from 90.4 in 1896 to 115.9 in 1905. In other countries as well the price rise has been noticeable. The Post attributes the "world-wide rise of prices" to the recent phenomenal increase of the world's gold output. Since 1883 the annual production of gold has advanced from \$95,392,000 to \$404,649,000.

But the "world-wide rise in prices" is somewhat different from the "American rise in prices," and the interesting story relating to this difference is told by the Post in this way:

"But if, fundamentally, we attribute the world-wide change in prices to the remarkable increase in the world's production of gold, it by no means follows that this force has operated in vacuo, without the help of other forces. —Indeed, the index-numbers for England and the United States show that THE RISE OF PRICES IN THE FORMER COUNTRY HAS BEEN LITTLE MORE THAN HALF AS GREAT AS IN THE LATTER, so that one is led to suspect that SOME CAUSE HAS OPERATED TO NEUTRALIZE THE EFFECTS OF THE NEW GOLD IN ENGLAND, OR TO INTENSIFY THEM IN THE UNITED STATES. Between 1896 and 1905, Mr. Sauerbeck's index-number advanced from 61 to 72, or about 18 per cent; while during the same period the index-number of our own bureau of labor advanced from 90.4 to 115.9, or nearly 28 per cent. Clearly, with us the rise of prices has proceeded at a pace NEARLY 50 PER CENT GREATER than that indicated for England.

"It may be treason to say it, but the fact seems to be that IN THE ENGLISH MARKET, WHICH IS OPEN TO THE COMPETITION OF THE WORLD, PRICES CANNOT ADVANCE SO RAPIDLY AS IN OUR OWN FAVORED LAND OF TARIFFS AND TRUSTS. Our present method of manufacturing prosperity is to have the federal government, through the Dingley tariff, bind the consumer hand and foot, and then invite the Trusts to rifle the victim's pockets, not overlooking his scarf pin and other valuables. Meanwhile our president extols the square deal and proves to you that there is no possible connection between the tariff and the Trusts. The result is prosperity—for the Trusts and the campaign committee—but the process is undeniably expensive.

"How long the gold output is likely to go on increasing is as difficult to answer as the further query, HOW LONG ARE THE TRUSTS TO ENJOY THEIR PRESENT LICENSE TO PICK OUR POCKETS?"

Let every Commoner reader show this Post editorial to his republican neighbor.



CLEVELAND ON INSURANCE

Former President Cleveland is just now engaged in a work which is not likely to add to either his laurels or his reputation. As counsel for the Life Insurance presidents he has submitted a brief in relation to the power of states to take salaries paid to Life Insurance officials into consideration in laws regulating insurance. As this brief is intended for use in opposing state legislation it puts the ex-president in a class with the lobbyists—a rather undignified position for one of his standing. But as he is the custodian of his own reputation less exception can be taken to his employment than to the legal opinion which he has given. He denies the right of the state to put a limit on salaries paid to officials by companies doing business within its borders. The objection which he raises goes to the very root of the question of control. If the states are powerless to protect policy holders from losses sustained through extravagant salaries, of what value is state au-