

## High Rail Rates Fatal to Midwest

Nebraska Member of Upper House Declares More Than Credit Facilities Are Needed. Praises Omaha's Efforts

By GEORGE W. NORRIS, United States Senator from Nebraska.

It is common knowledge that the producer gets too little and the consumer pays too much. In the consumer's purchase price there is a larger item for transportation than there is for production. Everybody knows that the cost of transportation is unreasonable and much of it unnecessary. Middlemen are growing rich while the producer is growing poorer, and the consumer at the other end of the equation, is in many cases, struggling to make both ends meet.

The great war has left the consumer and the producer much farther apart than they were before. All this machinery between them, much of it unnecessary, and most of it extravagant, must be lubricated and kept in order by the sweat and toil of the great common people.

**Taxation of the People.**

The greatest one item making up this enormous cost, is the cost of transportation. The railroad, after all, is nothing but a great middleman. All of its income consists of the levy it makes upon the products of the country from the time those products leave the producer until they reach the consumer. It is a middleman, it is true, that cannot be eliminated, it is one that makes its levy upon

everything that we eat, drink, wear and use. It taxes all classes of people.

Even those who never hear the whistle of a locomotive and who never see its gorgeous trains speeding across the country, are not exempt but must pay their tribute upon everything they eat and upon everything they wear. With a heavy hand it levies its tax upon the cradle in which the little child is lulled to sleep, and likewise it taxes the coffin in which the old and aged are laid away in eternal rest, and between the cradle and the grave, nowhere does the human being in civilized society escape its exacting demands. It is a tax upon civilization just as fully and completely as though it were itemized in the taxpayer's receipt which he receives from the county treasurer. Since we cannot and do not want to escape its exactions, it is important that we reduce its levy as nearly to cost as possible.

**Loss From Watered Stocks.**

Every illegal issue of stocks or bonds, every manipulation of railroad earnings, every watering of capitalization, and every issue of stock dividends from surplus earnings, are paid for by the people who wear clothes and consume the products of the farm, just as completely as though they issued the bonds of the state or the municipality to turn the water of these unholy manipulations into gold.

Regardless of how we may disagree as to what should be done with the railroads, everybody knows that the freight rates are too high, and everybody knows that a large proportion of the capitalization of these railroads is watered. Everybody knows that unconscionable manipulation of stocks and bonds in the management and control of railroads, has been indulged in for years by the money sharks of Wall street. In defense, however, it is said that all these things are past, that they happened years ago, and that therefore they should be forgotten and not discussed.

Waiving for the moment the claim that no manipulation of this kind is taking place now, or has taken place recently, it is still fundamental that every sin of this kind that has been committed in the past, is still making its unholy levy upon the producing and consuming public. An illegal issue of stock 50 years ago is as harmful today as ever before. The issue of \$100,000,000 of capital stock 50 years ago is costing the consuming and producing public just as much today as the issuing of \$100,000,000 of legitimate stock. There is absolutely no difference as far as the public is concerned. We feel it now more than we did then because it has been going on for so many years, pyramiding itself upon itself until the burden has become too great for our civilization to stand.

It has been only about two years

## Omaha's Pay Day Bandit Squad Ready for Action



Here is Police Inspector Jack Pasznowski and the pay day bandit squad, armed with sawed off shot guns. Members of the squad hold themselves in instant readiness on Saturdays, the day when most of the Omaha cash payrolls are delivered, to answer all calls. They can be in any part of Omaha within seven minutes of the time the call is received.

From left to right, the picture shows Police Inspector Jack Pasznowski and Detectives Davis, Killian, Bugiewicz and Miklas.

honor, most respectfully and graciously declined to grant the relief for which they prayed, and the committee will always be able to remember that pilgrimage to the seat of power with the most pleasant of recollections, although they may not be able to feel that they accomplished any great results. They have at least shown their willingness, their anxiety, and their desire for justice, even though the ordinary citizen may feel that all the time they were on the wrong track.

**A Rejected Bill.**

Some way or other this episode brings back vividly the great fight that was made in the senate of the United States a little over two years ago, in an attempt to increase the profits of production and to reduce the costs of consumption by the elimination of some of the unnecessary middlemen and the reduction of transportation. The bill over which the fight took place came from the agricultural committee of the senate. It had been given extended consideration by that committee. The committee had heard not only some of the leading economists of our country, but had witnesses from Australia and from parts of Europe. The bill upon which these hearings took place had been drafted by the chairman of the committee after several months of work and consultation with many of the leading citizens of the country who had made a study of production, consumption and transportation. In brief, this bill set up a giant middleman between the producer and the consumer. It encouraged co-operative organization among producers and also among consumers. It provided that this corporation should buy of one and sell to the other, with no profit in the transaction except sufficient to pay the costs of the business. It was authorized to do an export business and to set up its agencies in foreign countries. The bill provided for a reduction of freight upon these transactions. It likewise provided for the turning over to this corporation of some of the ships owned by the government, which were then and still are tied up at docks doing no service and no good. The bill provided that these ships should be turned over to this corporation without charge except the cost of keeping the ships in repair and paying the expense of their operation. It likewise provided that the government in case of war or threatened war should have the authority to take over the ships upon demand, without the payment of any damages or other costs. It therefore helped to settle the merchant marine question as well as the transportation question and would have kept the government, without expense, in constant readiness for international danger with ample merchant marine.

The bill excited intense opposition on the part of big business and big politicians.

After a great deal of maneuvering, manipulation and secret conferences a substitute bill was proposed. For days before the substitute came out it was known something of the kind was in the air, but it was only about a half hour's notice that was given to the chairman of the committee as to what the real procedure was going to be. Two members of the agricultural committee who had been staunch supporters of the committee bill, after a private dinner at the White House, came back to the committee and voted to make the surrender.

When the smoke and noise of the political battle had cleared away, and the real friends of the producers and consumers of the country had gone down to bitter defeat, and the substitute had passed the senate, it was found that the author of the bill, the leader of the fight, broken hearted at the decision of his committee, had been carried from the scene of the fight a physical wreck, not to return to that chamber for many months.

A leading member of the committee who had originally been exceedingly ardent in support of the committee bill, but who surrendered in order to be regular, was found clothed in judicial ermine, occupying a life position at an increased salary.

Still another member of the committee, who at the beginning was an ardent supporter of the bill, but who voted for the administration substitute, was elevated to the head of the famous "farm bloc" which position

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duce the rates or we must use existing rates as a basis to rebuild our civilization; and if we do the latter and permit the evils of the past to still be continued, it will be but a few generations until the same thing will have to be done over again. The pyramiding cannot continue without destruction and ruin to those who produce and those who consume.

The farmer who produces the wheat from which bread, the staff of life, is made, lives, as a rule, far from the large centers of population where his product is mostly consumed, and therefore the transportation question strikes him with ruinous force. The ordinary business man can add the freight to his product and the consumer pays it in the increased cost of consumption. It may be burdensome and it may be unreasonable, but still business has a legitimate right to its profit, and it can pass the cost on to the ultimate consumer. The farmer is denied this privilege. Whether it would be possible for him to do this by proper organization, is a debatable question. It is sufficient to say that he is not so organized and is not able to fix the price of the product which he sells to the middleman.

On everything he buys the freight is added. From everything he sells the freight is deducted. It cuts him early and late, winter and summer, and sells his product at a loss. Other things besides freight properly enter into his problem, but freight alone, in thousands of cases, has changed a profit into a loss. Freight alone would in most cases, if properly adjusted, make his venture a profitable one instead of a losing game.

**Praises Omaha Movement.**

There is no doubt but that all classes of business men sympathize deeply with the farmer, especially the wheat farmer, in his present predicament. The leading business men of Omaha moved by this sympathy, recently organized and sent a committee of their best representative men to meet with the president of the leading railroads and beg of them to make a temporary reduction of the freight rate on wheat for export in order to enable the farmer to get some additional return for his wheat in the markets of the world.

There is an exceedingly commendable thing for these business men to do, but after all, they were not striking at the fundamental difficulty. They went to Chicago and approached the throne of these railroad presidents, and there figuratively speaking, on bended knees pleaded for relief for their down-trodden brother, the farmer. They were making no threats, they were claiming no rights. They were simply begging for mercy; pleading that those who control the situation give justice to the farmer.

There are many honest citizens in our land who felt humiliated that the necessity should ever arise for such a remarkable occurrence. There are those who really believe that instead of asking, there should be legal authority for the proper officials to demand; that instead of pleading before those who really rule, for mercy, there should be power vested in the proper officials to fix a rate to meet such an emergency. These representative citizens of Omaha, we learn from the public press, were treated with great respect by the railroad executives who hold in their hands the prosperity of the country and rule with unlimited sway over the great transportation systems that form the necessary network between those who toil in the fields and those who toil in the shops.

**Plea Refused.**

This great committee did not believe in government ownership. They are satisfied apparently with present conditions. Many of them would undoubtedly look with horror and suspicion on anyone who dared to suggest that the water had been taken out of the capitalization of the railroads, and the proper officials of the government did their duty in the rate question, such a scene of supplication and begging for mercy would have been unnecessary. Most of them, perhaps all of them, would be shocked if someone dared to suggest that such a condition would not have existed if the railroads were owned and operated by the government.

If this pathetic scene did not illustrate the advisability of government ownership of railroads, it did at least demonstrate the existence of railroad ownership of government. The railroad executives, after treating the committee with great respect and

tion it is utterly and entirely futile. Freight rates are still untouched. And the farmer is still producing at a loss.

It is no wonder, therefore, that others than the farmer should begin to sympathize with him in his predicament. It is no wonder, therefore, that committees from the commercial organizations should bow the head and bend the knee before the great magnates who control the transportation systems of our country, and there beg for mercy, plead for concessions to the farmer, to be given as a favor and not as a right. A few years ago this committee would have been driven from the presence of these powerful magnates and scourged to their pained offices.

It is a source of great gratification, no doubt, that in our present high state of civilization they were treated with great consideration, while their prayers and supplications were respectfully denied. We have, therefore, reached the stage where those who plead and those who pray for mercy for their fellow-men have their prayers and requests denied in a respectful and gentlemanly manner.

The farmer now has the blessed privilege, while he toils and sweats to pay the interest on the money that a munificent government has loaned him through the instrumentality of a middleman, of knowing that while he still produces at a loss he has the friendly sympathy of all classes of citizens, and that those who plead for him before the throne of power, although they accomplish nothing in his behalf, are at least treated with consideration and courtesy by our masters.

**Constitution Day Sermon at Latter Day Saints**

Carl T. Self will speak at the morning services today at the church of the Reorganized Latter Day Saints, Thirty-sixth and Burt streets, on the subject, "Is the Constitution Obsolete?"

His talk will be in connection with the nation-wide observance of Constitution week.

Members of the church Friday night celebrated the 100th anniversary of the founding of the denomination at Manchester, N. Y.

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