

FREIGHT RATES

The Kennedy Bills Slaughtered by the Railway Lobby—Kennedy's Speech

Representative J. A. C. Kennedy of Douglas last Friday forced the railroad lobby to again show its hand. The lobby had no trouble in beating him then, but Kennedy sowed the seed which will some time result in the political death of a good many politicians who so joyously bowed their necks to the railroad yoke.

As to what was done, we cannot improve on Harvey E. Newbranch's special correspondence to the World-Herald. Under Lincoln date of April 3, he said:

Ominous of the approaching storm against railroad companies that are exacting unjust and exorbitant freight rates from the people of Nebraska was the vote upon the Kennedy maximum rate bills taken in the house of representatives this morning.

Though the railroad lobby was on the ground in force; though the hiss of its whip was heard right in representative hall; though the slave drivers were beating their minions back into line by main force, still there were twenty-seven republicans who, on the first vote taken, dared stand out against the demands of the railroads. And when the second vote was taken, though the lobby had in the meantime leaped upon the republican members as a tiger leaps upon its prey, there still remained nineteen of them who stood firm for lower freight rates in Nebraska. But, while nineteen republicans voted with the fusionists for the Kennedy bills, forty-seven republicans voted the dictates of their railroad masters, and the bills were lost.

The republican vote for the bills was unexpectedly large. That it was large tells, eloquently, how strong is the popular demand for protection from railroad extortion in Nebraska. But, more than this, it was a deserved tribute to the splendid speech made by Kennedy, on the floor of the house, in advocacy of his measures. Though not much time was occupied in its delivery, the speech was easily the most convincing delivered during the session, and the facts and figures adduced therein are destined to be a valuable educational influence in the fight that is rapidly approaching.

As soon as the house convened this morning Kennedy moved that house roll 421, directing the attorney general to institute proceedings to enforce as many of the schedules of the maximum rate law as possible, and house roll 451, creating a state board to have control of the regulation of freight rates, he advanced to the head of the sifting file. Discussing this motion, Mr. Kennedy proceeded directly to argue the merits of the bills. To do so he made a showing to prove that freight rates in Nebraska are exorbitant, and that they can be reduced to those prescribed by the maximum rate bill and still leave the railroads with a high earning capacity. He produced a lengthy compilation of Nebraska rates on grain, as compared with Iowa rates, to prove that Nebraska rates are from 50 to 75 per cent the higher of the two for the same distance. Here are a few of his illustrations:

To ship from Hastings to Omaha over the Burlington & Missouri, a distance of 151 miles, costs 16 cents per 100 for wheat and 14 cents for corn. The Iowa rates for that distance is 9 1/2 cents for wheat and 7 9/10 for corn—a difference of approximately 75 per cent in favor of the Iowa farmer.

To ship from Kearney to Omaha over the Union Pacific, a distance of 199 miles, costs 16 cents for wheat and 14 cents for corn. The Iowa rate is 10 67/100 for wheat and 8 89/100 for corn. To ship from Grand Island to Omaha, over the same road, a distance of 156 miles, costs 16 cents for wheat and 14 cents for corn. The Iowa rate is 9 63/100 for wheat and 8 cents for corn. A difference of from 50 to 75 per cent in favor of the Iowa farmer.

To ship from Norfolk to Omaha over the Northwestern, a distance of 119 miles, costs 14 cents for wheat and 12 cents for corn. The Iowa rate is 8 52/100 for wheat and 7 11/100 for corn. The difference is 70 per cent in favor of the Iowa farmer.

To ship grain over the Missouri Pacific to Kansas City costs 50 per cent less than to ship to Omaha over the Burlington. For instance, from Falls City to Kansas City, a distance of 150 miles, costs 8 1/2 cents on wheat and 7 1/2 cents on corn. The Burlington rate for the same distance in Nebraska is 14 cents on wheat and 12 cents on corn.

Mr. Kennedy then went on to show that, as a result of charging these unreasonably high rates, the railroads are earning enormous profits. He illustrated by taking the main line of

The Burlington & Missouri in Nebraska, which is 191 miles long and on which, according to the last report to the state auditor, the net earnings were \$2,498,306 or \$13,038 per mile. Capitalizing the value of the road on the basis of 4 per cent, he showed that its value, based on earning capacity, is \$312,288 per mile. And yet, he asserted, its reconstruction value is not to exceed \$30,000 a mile, the difference in reconstruction value and earning value giving just an idea of how much money the producers and consumers of Nebraska are contributing to the profits of the railroads. This same main line of the Burlington is assessed by the state board for taxation at only \$10,580 per mile.

Continuing, Mr. Kennedy said: "In the years 1891, 1892 and 1893 an average of 2,242 miles of Burlington railroad in Nebraska earned \$8,011,308.37 net, after paying all legitimate operating expenses, repairs, betterments and taxes, to say nothing of lobbyist expenses. This was absolutely clear profit to be devoted to paying interest on bonds and dividends. It amounts to \$3,572.27 net for every mile of Burlington line in Nebraska. At that time, on this showing, the maximum freight rate law was held in conflict with the fourteenth amendment.

"In the years 1899, 1900 and 1901 an average of 2,275.77 miles of line in Nebraska earned \$14,331,703.83 net after paying the expenses aforementioned. The increase in mileage was only 33.13 miles, or about 1 1/2 per cent. The increase in net earnings was \$6,320,395.46, or 78.89 per cent—almost 79 per cent. The earnings per mile of line were \$6,296.64, an increase of \$2,724.37 per mile over the previous three-year period, or almost 76 per cent.

"In the period of 1891-3 every man, woman and child in Nebraska contributed about \$8 of the net earnings of the Burlington, either directly or indirectly. In the period of 1899-1901 this contribution was increased to about \$14 for every man, woman and child—an increased tax of \$6 each, or \$2 per year.

"By the aid of juggled figures prepared by a subservient republican board of transportation working for their railroad masters it was as much as the federal court could do to find its way clear to hold the law bad at that time. Yet the Burlingtons net earnings were only \$8,000,000 in three years—now they are more than \$14,000,000. Does any reasonable man believe that those rates would be too low today under the improved conditions?"

"Other roads will show a similar state of affairs. None but a man willfully blinded to conditions can deny that the railroad earnings have increased enormously, both by reason of increased traffic and by reason of covertly increased rate.

"Owing to peculiar methods of railroad bookkeeping the net earnings by no means tell the whole story. Operating expenses are now made to cover betterments, which were formerly paid for by an issue of bonds. The Omaha station, for example, was doubtless paid for out of gross earnings. We take the railroad figures, however, as reported to the state auditor, and there is not a particle of doubt that the rates prescribed in the maximum rate law are reasonable.

"The Burlington has considerably less than half of the 5,700 miles of railroad in Nebraska, but if we assume its earnings to be half of the total our calculations would be about like this:

"In 1891-3 every man, woman and child in Nebraska contributed \$16 to railroad net earnings—say \$5 a year for convenience. In 1899-1901 this contribution rose to nearly \$29, but call it \$9 a year to be conservative.

"Twenty-five dollars a year for the head of the family then—\$45 now."

The republican railroad members made no effort to answer this speech. They sneered and ridiculed and complained, and finally Thompson of Merrick moved to lay on the table the motion to advance the bills. On the motion to table the vote resulted, ayes 39, nays 47, and it was lost. Thirty-nine republicans voted aye and twenty-seven republicans and twenty fusionists nay. The vote was as follows:

Ayes—Bacon, Bartoo, Belden, Burgess, Cassell, Christy, Coats, Cravens, Cropsey, Currie, Deles-Dernier, Detrick, Douglas, Ferrar, Ford, Gilbert, Good, Hanna, Harmon, Hathorne, Herron, Jones of Otoe, Jouvenat, Kerns, McAllister, Mendenhall, Morsman, Nelson of Pierce, Ribble, Robbins, Roberts, Sadler, Shelly, Smith, Spurlock, Stetson, Thompson, Wilson, Mr. Speaker—39, all republicans.

Nays—Republicans, Anderson of Knox, Atwood, Caldwell, Fishback, Copsey, Cunningham, Davis, Gregg, Harrison, Hogrefe, Hunter, Jahnel,

Jones of Richardson, Knox, Koetter, Mangold, Meredith, Nelson of Douglas, Perry, Ramsey, Reed, Rouse, Spier, Sweezy, Ten Eyck, Warner, Weborg—27. Fusionists, Anderson of Kearney, Becher, Eggenberger, Fellers, Fries, Gishwiller, Hoy, Johnson, Kaveny, Kennedy, Kittell, Loomis, McCulloch, Memminger, Mikesell, Shipley, Startzer, Thorpe, Trask, Waring—20. Total nays, 47.

Absent and not voting—Republicans, Anderson of Hamilton, Friedrich, Gelwick, Holliet, Junkin, McClay, McLain, Riggs, Sears—9. Fusionists, Dobry, Shinstock, Tooley, Vlasak—4. Total absent and not voting, 13.

By the time the vote was taken on Kennedy's motion to advance the bills the railroad lobby had whipped many bleeding and bruised republican members into line. In consequence there were but thirty-nine votes to advance, while there were forty-seven in opposition. The republicans who had been prevailed upon to flop and vote with the railroads the second time, after having voted against them the first, were Atwood of Seward, Cunningham of Hamilton, Hogrefe of Richardson, Hunter of Webster, Jones of Richardson, Mangold of Douglas and Ramsey and Spier of Gage. Rouse of Hall, after having led a great fight for the Kennedy bills, and having voted right on the first vote, ignominiously dodged on the second. Riggs of Douglas, who had been absent on the first vote, arrived in time to line up against the railroads on the second vote.

The fusionists who were present voted solidly for the bills both times. Of the absentees Dobry and Vlasak had been excused; Shinstock and Tooley must find another excuse.

The republicans who voted on both roll calls for the Kennedy bills are these:

Anderson of Knox, Caldwell of Clay, Copsey of Custer, Davis of Buffalo, Fishback of Clay, Gregg of Wayne, Harrison and Jahnel of Washington, Knox of Buffalo, Koetter of Douglas, Perry of Furnas, Reed of Johnson, Riggs of Douglas, Sweezy of Webster, Ten Eyck of Douglas, Warner of Lancaster and Weborg of Thurston.

They Never Learn

A giant? Yes. With all a giant's force

And all a giant's patience in its use. With toil-bent form he takes his plodding course,

An object of coercion and abuse. He never thinks his Titan strength to loose

On those who drive him; but reserves it all

To bear the world's great burdens; to produce

At the behest of his oppressors small. He might be master, yet continues as a thrall.

He is a social outcast, being poor; Too humbled to proclaim his real worth,

A sense of servitude he must endure From those of wealth and so-called gentle birth;

And yet he makes the wealth of all the earth;

The palace builds to beg before its gates;

He lives in want and suffers from the dearth

Of wealth and plenty he himself creates.

He meekly bears it all and blames it to the fates.

He makes the mountain yield her store of gold,

And yet its blessings are to him unknown,

He fills the land with bounties manifold,

Yet others reap the harvests he has sown.

He, through his toil and industry alone,

The wilderness into a garden turns;

Yet others take the fruitage for their own.

Greed beats him down and filches what he earns.

He feels the wrong, but still the lesson never learns.

—J. A. Edgerton.

History and Suggestions

Editor Independent: What has become of the populist party, and what is the cause that she has come to the point where she is today? In all history of the United States, there never has been a new party started that elected one presidential elector in her first campaign, till in 1892, when the populist party put their ticket in the field. We came out of that campaign with seven states and one from Oregon, or 22 electoral votes; elected majorities to the legislature and governors in some of the states, and congressmen and senators in the controlling power in the

and I think we should have been satisfied with the result and kept up the battle single handed. I believe today she would be the first or at least the second party; but when it came to 1894 it started fusion in the north with the democratic, and in the south with the republican party, then in 1896, they nominated Bryan and Watson. After the republican party split up, and also the democratic party, one wing of the democratic and the silver republicans nominated Bryan, but not Watson; then the populist party split in two and we had two populist parties.

I for my part never believed that the democratic party could be reformed, but I did stay with the populist party and voted for Bryan. Then in 1900 the gold democrats or the reorganizers got control in most of the states and repudiated the Chicago and Kansas City platforms and at last when the plutocrats got about that Bryan would be elected, they trotted out Grover Cleveland to make that little speech on that old fraud, tariff, which I believe was one of the causes that drove the most of the populists back in the republican party. Everybody must admit that in '92 the most strength of the people's party came from the republican and socialist parties. There must have been something wrong with the populist party in those states where they had control of state government or they would not have lost about every state and will not be represented in the next congress and senate. But it is no use to cry over the mistake that has been made; the question is, what should be done now, and so I will try to explain what I think.

If you look over the platform of all the reform parties, there is very little difference, and if they expect to accomplish anything they should come together and see if they could agree on a platform and fight the battle together under one banner. Suppose the St. Louis fair starts in April, there should be a conference called, say at St. Louis, Chicago, Omaha, Kansas City, or some other city not too far from St. Louis, as the railroad will give reduced rates. The populist, socialist, social democrats, social labor, union reform prohibition, woman suffrage, single taxers, also the so-called Bryan democrats, the dissatisfied republicans and all the silver unions should send delegations to that conference and see if they cannot agree on some basis and start a new party, and agree on a name for the new party; also on the representation to the national convention and the date and place to be held.

But the convention should be held early in 1904, before the republican and reorganizer democrats' convention. The same should be done in all the state and county conventions, and try to agree on a platform and every one should roll up his sleeves and work for it to win. I think the main plank should be the initiative and referendum as an amendment to the constitution. If that would be adopted every reform could be gotten, but not as it is today. We send congressmen and senators to Washington, but what are they doing? Nothing for the producers, but everything for the plutocrats. There should be a plank for government ownership of railroads, telegraphs, telephone, and coal mines; that would do more than all the trust remedies advocated by the republican and democratic parties. The money should be issued by the government, whether gold, silver or paper, and not through the banks, as it is now done. The president, vice president, senators and supreme judges should be elected by direct vote. Postal savings banks should be established; but the initiative and referendum should be the main issue. I for my part would be satisfied if there was nothing else in the platform and I think every true reformer has to admit and agree to it. Now I would like to hear from some more able thinkers and writers on these propositions through The Independent.

AUGUST UHDE,

Curtis Bay, Md.

Chas. M. Bowen, Soldiers' Home, Mich.: Can it be possible that the "reorganizers" will buy or capture the next Nebraska delegation to the democratic convention? It does seem as if Bryan could control it. If not, I am a populist hereafter. The Independent is the very best paper in the world. (It is hardly likely that the "reorganizers" understand the task they have in Nebraska; at the same time the Bryan democrats must not be too confident. Eternal vigilance is the price of liberty.—Associate Editor.)

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