

THE MERGER CASE

Without doubt the occurrence of greatest interest to the people which happened during the week was the decision in the case of the Northern Securities company, or the Merger Case, as it is most commonly called. It is the most sweeping anti-trust decision ever made in this country. The United States court of appeals, sitting in St. Paul, has given Jim Hill and his partners the most stinging rebuke ever administered by a court. In this decision all four judges—Caldwell, Sanborn, Thayer and Vandevanter—concurred. Every contention of the defendants is swept aside and a permanent injunction entered against them. The opinion, written by Judge Thayer, contends that the attempt of the Northern Securities company to hold and vote the stock of the Great Northern and Northern Pacific railroads is in direct opposition to the provisions of the Sherman anti-trust law; that these are competing lines of road and the merger destroys competition; that any restraint of interstate commerce is illegal; that the mere power to fix common rates for competing lines, whether the rates actually so fixed are reasonable or unreasonable, is in contravention of the law, and that a charter from New Jersey does not carry with it the right to override a federal statute.

The dailies are making great ado about the decision, but The Independent does not see that it will have any practical effect, even if sustained by the supreme court. It will not establish competition between these roads. It seems to this writer that Dan Lamont, Grover Cleveland's old chum, stated the facts when asked to give his opinion on the decision of the court. Lamont is a director in the securities company. He said:

"The same men who own and control Northern Securities own and control the Northern Pacific, Chicago, Burlington & Quincy and Great Northern. What's the difference? The Northern Securities company simply made it easier for these men to run the roads."

The truth is that railroads are monopolies, and supreme courts nor congresses can make anything else out of them. There can be no competition with a railroad and it is futile to try. There is but one solution to the question. The government must own the railroads. If, as Lamont says, one set of men own all these roads, a "security holding company," while a convenience, is not a necessity in destroying competition. Perhaps in the sweet bye and bye, the people of the United States will find all these things out and then they will go to work and apply the proper remedy.

These three great lines of railroads are all owned by the same men. They will never establish competition between them, whether there is a securities company or not. As far as competition is concerned, this decision will not affect it in any way whatever.

RECENT ELECTIONS

The recent elections in Cleveland, Cincinnati, Chicago and St. Louis go far toward clearing up matters in regard to the chaos that has reigned in the democratic party. The democrats carried three of these large cities and lost one. Tom Johnson made a clean sweep in Cleveland and so overwhelming was his victory notwithstanding that the corporations used every means in their power to defeat him, that it is generally conceded that Mark Hanna, who was on the ground and gave his full attention to the campaign, has received the greatest blow that has been dealt him since he entered politics. What makes Hanna's defeat most stinging is the fact that the senator had the legislature pass the now celebrated "ripper bill" concerning cities with the firm conviction that Tom Johnson would be defeated and the power of the city of

Cleveland and all other cities in the state would be in absolute control of one man. Hanna calculated that with a mayor of Cleveland elected in his interests, he would not only have Tom Johnson disposed of, but things fixed to suit him for all time to come. Now Tom Johnson holds that power and not Hanna. This being the case, it is freely predicted that Hanna may be defeated for re-election.

In Chicago, Mayor Harrison was elected for a fourth term on a distinctively public ownership platform.

In St. Louis the republicans were defeated on account of the notorious corruption of their city officials, several of whom are serving in the city council who have been sentenced to the penitentiary and are out on bail pending appeals in their cases. In Cleveland, Chicago and St. Louis, the democratic platforms were all right and men of the right stamp were nominated on them. In Cincinnati the thing was the other way. A gold democrat, M. E. Ingalls, president of the Big Four railroad, was the candidate, and the republicans carried the city with a whoop and a hurrah that left the "reorganizers" in a most hopeless condition.

Ingalls was one of the kind of democrats that all the republican dailies have been lauding to the skies. They have held him up as they have Judge Parker and Dave Hill as a model for all democrats. They found it easy to do up Ingalls, just as they expect to do up any reorganizer candidate that they may induce the democrats to nominate.



ASSOCIATED PRESS MONOPOLY

All that nine-tenths of the people know of the world and of politics they get from the Associated press. The character of the men who for a great part make that news has often been pointed out by The Independent. No great daily has seen fit to place a correspondent in the Philippines and all the news that the people get from there comes through the Associated press. It now turns out that the Associated press agent there was an ex-convict, who shortly after the expiration of his sentence of seven years for forgery was employed by it to furnish the news that the people of the United States were to base their political action upon. Previous to his sentence for forgery he had been a confidence man and a genteel swindler in Europe, Australia, India and Egypt. In the Philippines he went by the name of Edgar G. Bellairs, but he has had many aliases, among them Cheriton, Elaine and Cameron.

He served the Associated press also in Cuba and China. This is the man who made a medical lieutenant a brigadier general, and another, an adventurer from Kansas, the commander of a department of the United States army, for upon his dispatches the fame of Wood, Funston and Chaffee rests. When he left Manila he was given a farewell dinner by the army and among those present to do him honor were Major General A. R. Chaffee, commanding the division of the Philippines; General Charles F. Humphrey, chief quartermaster; Colonel Charles A. Woodruff, chief commissary; Colonel William P. Hall, adjutant general; Brigadier General T. J. Wint, Brigadier General J. M. Lee and the president of the American chamber of commerce. There were 43 other men, all distinguished in army or in civil life, in attendance to attest their friendship for the departing journalist.

This Associated press monopoly is the most dangerous thing to good government that ever afflicted any nation. It will continue as long as the telegraph is in the hands of private parties. In connection with the Western Union Telegraph company it controls a monopoly that threatens free government. All that the people know about the "water cure" and other

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modes of campaigning in the Philippines has come from the pen of this ex-convict.



THE "STEAL" CORPORATION

"Advertising is the material mainstay," says W. J. Ghent, in "Our Benevolent Feudalism," speaking of "our moulders of opinion," "and the merchants and magnates who have largesse to distribute must be humored. 'Publishers,' says the interesting census bulletin on 'Printing and Publishing,' 'are depending more on advertising and less on subscriptions and sales for financial return.' Whether it be the sensational 'yellows,' or the less sensational, but characterless 'pinks,' or the staid and ponderous 'grays' of the press, the same rule holds."

Which calls to mind that the Omaha Bee's share of largesse from the United States Steel corporation has just come to hand in the form of a full page advertisement, giving the first annual report of that octopus. This statement shows that for the year ended December 31, 1902, the gross sales and earnings were \$560,510,473.39, and that after deducting for manufacturing and operating expenses, general expenses (including Schwab's salary and taxes), and other minor charges, the net earnings for the year were \$133,308,763.72—or a trifle better than 10 per cent on the \$1,325,267,583.43 worth of property which the corporation claims to own.

But The Independent did not set out to give an analysis of this report. It simply wants to call attention to the taxes paid by this corporation, reported at \$2,391,465.74. That of itself is an enormous sum—sufficient to wipe out the floating debt of Nebraska and perhaps leave enough to build a temple for the university without any help from Rockefeller. Yet, enormous as the sum is, it amounts to less than two mills on every dollar of property, and less than 2 per cent of the net earnings.

The United States Steel corporation paid a trifle over 18 cents in taxes on each \$100 worth of property held by it—and that includes every kind of taxes, state, county, and municipal. An \$8,000 quarter section of Nebraska land (say in Lancaster county) pays about \$35 a year in state, county and school district taxes; \$8,000 of steel

trust property paid but \$14.40 in taxes last year.

It ought not to be difficult for the small taxpayer to see where he comes in in a deal like this, or to see how the corporation can afford to pay enormous prices for publishing full-page advertisements of its report in the leading plutocratic newspapers of the United States.

The Nebraska supreme court has made the startling discovery that in all Nebraska cannot be found a competent young woman, of populist or democratic persuasion, capable of assisting Deputy Clerk Paul Pizey in preparing the "unreported" opinions, and because of this discovery the court has appointed Miss Howell of Omaha, a republican, to do the work. It may not be out of place to remark at this time that such tactics tend to strengthen the party organizations which placed Judges Sullivan and Holcomb where they are today!

MUNICIPAL OWNERSHIP

Municipal ownership has, in Omaha, at least, reached the same stage which direct legislation reached long ago. That is to say, no party dare oppose it, and, therefore, it ceases to become a political issue. There can be no war without resistance.

At the coming city election four or five candidates for mayor will crave the suffrage of Omaha electors. The present mayor, Frank E. Moores, "machine," or Rosewater candidate; Erastus A. Benson, bolting republican, or anti-Rosewater candidate; Edward E. Howell, democratic; and Judge Cunningham R. Scott threatens to break in as an independent candidate for mayor and will run by petition. He says that he will be elected on a platform of municipal ownership of the waterworks, equal taxation and a city government by the people, instead of by crooks and gamblers.

As an act of simple justice to Governor Mickey, The Independent desires to say that it has been agreeably disappointed by his action in signing the appropriation bills without cutting out any state university items—but it can't help wondering if, when he signed the deficiency claims bill of something like \$120,000, he recollected the statements he made last fall on the stump relative to "closing the books without a deficiency."