

**PUBLIC OWNERSHIP**

Being the Second of Mr. Suediker's Letters to the Kansas City World—Transportation at Cost

About a year ago Chairman Knapp of the interstate commerce commission told us that discriminating charges on our steam railways had been one of the main causes in building up certain trusts; had bankrupted thousands of our citizens and built up the fortunes of a few men. That such power to discriminate was the power to build up cities here and destroy them there, all at the whim and caprice of some railway manager. The only means of adjustment, said Mr. Knapp, "is government ownership and operation."

Every business man, every farmer and stockman—in fact, every man who must need ride on steam railways, and those who would like to ride if they had a pass, are more or less interested in the rates charged for use of our steam highways.

It is not the purpose of this paper to go into details, more than to show, in round numbers, that it does not cost much to carry one person a mile or a ton of freight a mile, when a train of freight or passenger train is headed for port. Some railway systems move a ton of freight for three and one-half mills per mile; other systems charge three times as much for the same service. A select few ride on passes, some pay a quarter of a cent per mile, the many pay six times what the service is worth. So as a matter of fact, nearly all of us are interested in cheaper transportation of person and property.

In trying to demonstrate that a 10-cent charge is all the service is worth, to get on a passenger train and ride to the next station or end of the division, let that be 100 or 200 or more miles, no more figures will be used than is necessary to show the average man the present immense profits in the monopoly of steam railways, owned by a few of our private citizens.

From the last report of the interstate commerce commission we find for last year that the—

Total earnings and income from all sources, \$1,768,272,486  
Less operating expenses, 1,030,397,270

Total gross income... \$ 738,875,216  
In operating expenses, \$220,410,298 were expended in maintenance of way and structures, betterments; \$184,358,454 in the maintenance of equipment; \$544,098,802 in conducting transportation and \$81,520,716 in meeting general expenses.

As the earnings and incomes were from 195,561 miles of railway the average income per each mile of line was \$9,042 and operating expenses \$5,269, or 58.3 per cent of all income. While net income per mile of line was \$2,773, or 41.7 per cent.

Assuming that money can be obtained at 4 per cent and the net income being \$3,773 per mile of line, each mile is or can be capitalized in round numbers for \$95,000 per mile. Or the 195,561 miles of railway have a 4 per cent earning power on a capitalization of \$18,500,000,000.

Now every mile of these railways can be duplicated for less than \$19,000 per mile of line. So that under public ownership and operation, instead of a net income of \$3,773 per mile, freight rates and passenger fare could be reduced to one-third of the present rate and pay 4 per cent on actual cost of the physical plant, thus saving to the people as a whole over \$50,000,000 annually as income on steam railway franchises. This item alone will show that the few men who control our steam railways have a taxing power on trade and commerce equal to if not greater than the general government.

In the year 1901 the number of pas-

sengers reported as carried was 607,278,121. Some of these passengers rode from Boston or New York to San Francisco or Los Angeles; more did not go farther than Kansas City, and a greater number stopped at Chicago. But the vast majority got off at the next station. For the long rides and the short ones, added together and divided by the number of persons, we find the average ride to be about 28.5 miles. So if there should be a charge of only 10 cents to ride to the next station or end of division, let that be 100 or 200 or more miles, the charge would really be on an average ride of twenty-eight and one-half miles. But if our longest ride per this estimate be 200 miles instead of from Portland, Me., to Portland, Ore., as per the first estimate, the average ride might not be over twenty miles. Let that be as it may, a few miles more or less on an average ride cuts little figure when the train is going.

A large majority of our people had to pay 3-cent fare per mile; many only a quarter to half a cent per mile, others 1 and 2 cents per mile to use a public highway that should be equally free to use at same cost to every citizen without any discrimination of any kind. But the average fare paid was 2.013 cents per mile, or 57.5 cents per journey of 28.5 miles. The number of passengers per train was 42, though there was room for 200 or 240, so the average passenger fare per train for 28.5 miles equaled \$24.16. This amount as shown above is at least one-third more than is necessary to pay cost of actual service. So if we can cover \$16 per the 28.5 miles at 10 cents per journey or trip we will have made a start in the right direction.

Now that depends on how many more people would ride if fares were within their reach. On an average there was room on the trains to have carried 200 or 240 instead of the 42 passengers. So if it were possible to load every train to its full capacity there would be no trouble for that would make gross receipts \$35 to \$40 per car for every 200 miles. If four times as many people took passenger service there would be plenty of funds to pay all cost and more, too. But if only three times as many ride on railways, there might be a little shortage, which could be made up by a general tax on the increased monopoly values that would naturally arise if the government owned and operated the steam railways.

For, what the present owners of steam-railways would cease to take as monopolies of franchise values, these values would ultimately accrue to other monopolies of natural opportunities. So a tax on these values would not be a burden on labor or capital. But 10-cent fares would not produce a shortage. Let the ride be to next station, or 200, or end of division. If three times as many people as now ride rode on same train, there would be \$3 per car per 28-mile journey. As the passengers would change on an average seven times in that mileage, there would be a gross income of \$21 per passenger car. Four passenger cars per train would equal \$84. If the mail service continued to pay the same mileage as now it would add \$25 more for the 200 miles. Reduce express charges one-half and the express car would add another \$25 for the 200 miles. One baggage car would add \$21 more. So here we have \$155 gross income for carrying seven cars 200 miles. Is there a competent civil engineer who will say the \$155 will not cover all cost of whatsoever kind, except dividends on \$76,000 per mile of monopoly values?

Let us look at this cost of service on steam railways from another point of view. Forty years ago it cost 45 cents to carry a bushel of wheat from Chicago to New York—all rail. From invention and a higher utilization of natural forces the cost has been reduced to less than 10 cents per bushel, or a reduction of 80 per cent, and yet there is big money in the freighting of wheat from Chicago to New York.

Sixty years ago the railway companies charged the government 9 1/2 cents per mile for mail cars. If like reduction were followed in mail car service as in the freighting of wheat, two or three cents per mile would be the charge today. Instead of lowering the rates, as warranted by invention, the railway companies have raised the charges one-third (to 12.75 cents per mile), as warranted by monopoly. Here we see that the cost of furnishing, operating and maintaining of good passenger cars at 10 cents per mile would lose no money and is all the service is worth. With cars well loaded it will not cost 2 mills per mile to carry a passenger.

Suppose a passenger train leaves Kansas City tonight for Chicago with the average of 42 passengers per

train. That will be the average number all the way through. Of course they will charge about fifteen times, getting on and off at every station. Suppose, by accident, one more than the 42 passengers rode on the same train to Chicago and no one connected with the train service knew of it, how much extra would it really cost the company to carry this unknown passenger: Barring accident, not 5 cents.

There is room now for five or six times as many people to ride on steam railways as do ride. Why not let them ride? Suppose I had a monopoly of the streets of your cities, and by paying them, could charge the public for their use. Suppose the charge was all the traffic would bear, and only one-fifth of the citizens could afford to use them. Every citizen would like to use the streets more or less, but the monopoly charges prohibits them. True, there is room for five or six times as many people on the streets. Reducing charges to actual cost so every one could use the streets would not necessitate more streets. It would simply make it possible for all men to use them on equal terms.

Why, then, should steam railways be monopolized any more than paved streets in our cities? Either one interferes with trade and commerce, and is against the advancement of civilization. Freight reductions should follow in like manner under government ownership and operation. There should be a uniform charge of \$5 to move a car to next station or \$10 to end of division 100 or 200 miles. The average car of freight is hauled 135 miles. Such reduction would lessen the distance between the farmer and the eastern markets one-half; and bring the manufacturer of the east and consumers of the west closer together. More than that, it would put all men on the same equal footing as regards the equal use of our public highways.

The above is not given out as an accurate estimate, by any means but it is not far out of line. It should arouse thought and discussion at any rate. The object aimed at is a great one—it means more for humanity than many of us have dreamed of.

Some ten years ago, I think it was Mr. Huntington of the Southern Pacific, who wrote in the North American Review that railway service would never be complete until under one management: The question is: Should our great transportation system be controlled by the government like the postal department, or by some Morgan or Rockefeller? A dangerous power would thus be placed in the hands of one man. The power to make or break individuals, cities and towns. Mr. Huntington showed that great economy would come of one management. Many high salaried officers and pets dropped from the payroll. No shortage of cars. Today, when the north needs large numbers of cars to move crops, thousands of cars are idle on southern switches. When the south must move her crops and cars cannot be had, northern side tracks are full of empties. Under one management, a person or car of freight would go the shortest route, not the longest as at present. Thus we see there is nothing to be lost and much to be gained under government ownership and operation of steam railways.

Naturally there will be two classes who will oppose government ownership. The strongest of these are the beneficiaries of the present system as owners and large users of passes and discriminating freight rates. The other class are more numerous and on account of their environments, their continuous struggle for an existence, they have not been out of the city for years unless they walked, or have not been outside the country for two decades unless they rode out in a farm wagon. The argument of this class will be, "Oh, it's too cheap." The others—more interested—will say, "It can't be done."

If private parties had always operated the United States mail service and today were charging 10 cents to carry a letter from Fort Fairfield, Mo., to Portland, Ore., and someone would suggest that under public operation the same service could be furnished for 1 cent who would oppose such public operation?

The strongest opposition would naturally come from the ones controlling the monopoly of the mail service and the few persons who had their letters carried free; yet a great protest would come from the many who never wrote any letters or received a newspaper; for to their minds the service would be too cheap. Ignorant opposition is the hardest to overcome, let the line of advancement be what it may.

Many cities in Europe own and operate their gas, electric light and water plants and street car service. Under public ownership the people get better service at greatly reduced rates.

As cheap transportation is beneficial to people living in cities, so would cheap steam railway transportation be to people in both country and cities. Make the world a better place to live in.

If the object aimed at in this paper is worth attainment, let the readers of The World discuss the question from all points of view.

"Never yet was will but found some way or means to work it out. Nor ever did fortune frown on him who dared." R. T. SNEDIKER.  
Kansas City, Kas.

**WHO FOR VICE PRESIDENT?**

The Republican Managers Considering Roosevelt Sure of Renomination Are Engaged In

**SPECULATING ON RUNNING MATE**

Who Will Please the President and the People and Strengthen the Party.

Although it is a year at least before the conventions can determine the matter, politicians of both parties are actively laying their wires for the presidential campaign of 1904. The democratic situation is chaotic at present and no one can safely attempt a forecast of the coming contest from the democratic point of view. Theodore Roosevelt will be the republican nominee for president if he lives till the date of the convention. His partner on the republican ticket is an unsettled problem. Names of good men all over the union are canvassed. Nebraska is honored in the discussion for friends are suggesting a WESTERNER FOR VICE PRESIDENT.

The managers think a western associate essential to the success of the ticket. With perhaps a whole year to think about the matter it is probably a waste of time to guess at the result of the convention on vice president. In the meanwhile healthy voters, loyal to their party and loyal to the imperial west cannot afford to overlook anything which tends to make the west stronger commercially as well as politically. Therefore it is entirely natural and proper that the wonderful career of

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