

THE WORST OF ALL MONOPOLIS

Railroad Monopoly in Private Hands

Editor Independent: The question—destroy the trusts or pauperize the people—is paramount. An irrepressible conflict is on between the trusts and people, and must be fought out now, for a money oligarchy proposes to create a money feudalism that can control all lines of production, distribution, transportation, and finance, and hold the great body of the people in industrial slavery for centuries to come. The leaders of this money oligarchy, all able, educated, aggressive, courageous, unscrupulous men, are always at work; they know the weak places in the people's position, and therefore know what action to take to overcome obstacles and how to make an all-powerful organization.

Trusts shelter under tariff protection, freight discrimination and franchises. To talk of licensing trusts is to trifle with evil. The trusts have come—some as the product of industrial evolution, from the fact that great combinations have made possible the introduction of economies in production; some as the product of special legislation, largely the granting of franchises exclusive by their nature; some as the result of railroad discriminations forbidden by the law, but which the law has been powerless to prevent. And so arising, the trusts must be treated with some regard to the manner by which they have risen. Those that have come in the third way, in railroad discriminations, can be dealt with effectually, properly, by the government taking possession of the railroads and putting an end to the evil of freight discrimination, so destructive of the first right of the American people to an equality of opportunity. Those that have arisen in the second way, can be successfully treated only by the national, state, and municipal governments taking back the public franchises they have given away and which they have a common law right to do; those that have arisen in the first way, and that abuse their power, the power that comes with concentration, and that ought to benefit the general public, must be taken by the people as they see the necessity, and that they may enjoy the benefits of the industrial evolution going on around them.

Where trusts and monopolies are the growth of natural conditions, are, and must continue to be, monopolies, because of the very nature of their being; then the nation, the state, the municipality, must be the monopolist in order that the people may be protected in their rights. Where monopoly can not be destroyed, or where, being of natural growth, it is not to the interest of the people to destroy it, the government must be the monopolist. Private monopoly of natural monopolies must be a bane, government monopoly must be a blessing.

The friends of the policy of protec-

tion must now defend it from those who build up under duties on imports degrading domestic monopolies. The money cliques, under the tariff, shut cliques could effectually and easily extend their special rates, their discriminations, their rebates divided, thus out foreign competition in industrial operations and set up monstrous domestic monopolies, and so make abortive the protective system.

To stop this shameful course, to put an end to this public robbery, I proposed fifteen years since to legislate against industrial trusts:

1. To treat industrial trusts as conspiracies against the public.

2. To remove all tariff import protection from articles which the trusts monopolize.

3. To provide means to discover and to enforce penalties against dishonest capitalization of industrial corporations.

In these ways I would destroy all the trust corporations that rest upon tariff protection and put an end to robbery of the people through overcharges for manufactured articles and through sales of fictitious because over-capitalized stocks and bonds. Thus would be justified the protective tariff system imposed for protection of American labor against underpaid and degraded European and Asiatic labor. Unless such legislation can be had, the protective tariff system can not and should not be maintained. Protective tariff duties should never be imposed for revenue.

The Hon. Paul Morton, in a published statement, says that he believes one of three things is sure to take place in the conduct of our railway systems. First, legalization of pools; second, further unification of ownership, delivering in time the entire railway ownership of the country into the hands of a few individuals or one syndicate; third, government ownership. Mr. Morton declares that he stands for pooling. Of course, all in the railroad group believe in pooling, for such plan puts into their hands all the important enterprises of the country, for all depend for life upon transportation, upon the railroads. The worst of all private monopolies with which we have to contend is the railroad monopoly. Upon it rest most of industrial monopolies that so sorely oppress the people, exacting the toll of monopoly, this toll being added unto the prices paid by consumers for trust products and deducted from the prices paid producers by the trusts for the raw material they purchase. Monopolies exact toll both buying and selling, and buying labor as well as the products of labor. It is power to exact such toll that monopoly gives, and it is the railroad monopoly that has conferred such monopoly power upon many industrial combines and trusts. It will be noticed that I speak of rail-

road monopoly as the worst private monopoly. I do so because I believe that if the railroad monopoly was a public monopoly it would not be bad at all. I do not believe the men working national railroads could be used as political machines as they are now used. At this time the railroad men vote as railroad presidents and managers dictate. Under national railroads the army of railroad men would be free to vote as they wished; there could be no slavery such as exists now, for holding their places would not depend upon their votes, but upon good and loyal work done.

Mr. Morton and all other railroad officers say that competition is at the bottom of our railroad troubles, the very root of rate discrimination, and therefore all say to get rid of such discrimination we ought to authorize pooling between the railroads. Legalization of pooling would get rid of competition, would make one great private railroad monopoly. Thus there would be an end of rate-cutting and rate discrimination to get business, but there would not be an end to rate-cutting and rate-discrimination to give advantages to favored combines and trusts in which railroad managers and the money cliques behind the railroads, dictating their policy, have or may secure an interest. The latter kind of rate-cutting would go on worse than ever, for more than ever would it be in the power of the speculative money cliques to use the railroads effectively as engines of speculation, engines to build up the prosperity of these enterprises in which they were interested, wreck those enterprises which were competitive, and that they wished to destroy. And so the evil of rate discrimination would not cease, but would be accelerated with the joining of our railroads in a way to make one great private railroad monopoly. The cutting of rates has not been forced upon railroads by large shippers as often as have rebates been offered such shippers by the railroad managers. These railroad managers demand a share, as personal profit, of the money thus dishonestly showered upon favored shippers at the expense of the railroad investor, and to the ruin of the competitors of such favored shippers. It is thus that railroad managers with salaries of a few thousands of dollars a year accumulate large fortunes in a few years—fortunes that can be counted only by millions; it is thus that these shippers who profit from the enjoyment of special privileges gather fortunes. Such shippers and such railroad managers gather their great fortunes because of their partnership in fraud, and it is in this partnership that is to be found the cause of the granting of special privileges by our railroads. They are granted for the mutual profit of those in this partnership. And to suppose

that the legalization of pooling, that can but strengthen the ties of that partnership, will break up the granting of special privileges, is absurd. In short, such pooling arrangements, as Mr. Morton urges, would broaden the territory over which the railroad building up trusts, combines and monopolies. The producers and consumers must be the losers from the legalization of railroad pools; must lose from the spread of discrimination; must lose from the arbitrary raising of freight rates.

The further unification of ownership of railroads means the permanent fixing of freight rates so as to pay interest on the millions of dollars of over-capitalization, means the fixing of freight rates so as to pay interest upon several billions of dollars of capital stock for which no money was paid—paying interest upon the fictitious capital the money cliques in control of the railroads of the country have divided among themselves. In other words, the money combine in control of the railroads of the country will take from the producers and consumers of the country each year more than three hundred millions of dollars (\$300,000,000) for interest upon capital stock, for which no money was paid, for which no real value was given. Of course the railroad corporations have most valuable public franchises, but no capitalization or charges should be made upon franchises, for franchises are a public trust. The evil from private railroad monopoly can not be met by pooling legalized. The evil will cease when we have nationalized the railroads, substituted a public monopoly for a private monopoly. When we have national railroads we will have equal and fair rates from all points. We will see an end of discrimination and an end of the shameful partnership between railroad managers and shippers that now makes and wrecks fortunes. Competition and pooling do not insure fair railroad rates.

We have come to a point where we must nationalize the railroads or establish a new form of feudal aristocracy.

State ownership of railroads in Great Britain was settled in principle more than sixty years ago, for in 1844, upon the introduction of Mr. Gladstone, an act of parliament was passed definitely providing for the compulsory acquisition of the railway system of the United Kingdom by the state in the discretion of parliament at any time after twenty-one years from that date; and in all subsequent railway legislation the possible ultimate possession of the system by the state has been steadily kept in view by every new railroad act being made subject to the act of 1844.

WHARTON BARKER.
Philadelphia, Pa.

Chosen Farmers of America

Among the different bodies of organized farmers now extending their local branches into every locality, the Chosen Farmers of America deserves consideration. Mr. Wm. K. Osborn, secretary-treasurer of C. F. A. Union No. 1, Farina, Ill., sends Tom Watson's Magazine a club of eight subscribers for that publication and The Independent, and takes occasion to say:

"Enclosed you will find a club of eight subscribers to the magazine and Tibbles' Independent, sent by the Chosen Farmers of America, at Intervale Home, Union No. 1.

"Please accept this little contribution as a showing of our loyalty to Tom Watson, the standard bearer of the grandest party on earth.

"We are all in the middle of the road with our coats and hats off and ready for the best race in 1908 that the people of this country have ever witnessed. Even now we can feel the thrill of victory in our pulses. Tom Watson didn't get elected president last fall but we believe he cleared the track for a great run next campaign.

"Washington's retreats always carried with them the effect of victory and so did Watson's defeat last fall.

"Now, brother populists, let us get into the ring and get ready to give the G. O. P. the knock out blow in 1908. Never has a country needed reformation as ours does today. Never has it been more necessary that the people should band together against the mighty power of monopoly.

"So let us be ready. With Tom Watson as our leader we can rout the enemy yet."

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