

# The Independent.

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## RAILROAD COMPETITION

The Thing Is Impossible and There Is No Pretense That There Is Among Railroad Men

### FREIGHT ASSOCIATIONS RULE

A High Rate and Made Equal to All Is Better Than Constantly Changing Lower Rates With Rebates

On interstate business, or rather, on business going over two or more railway lines, which business we might properly term "inter-line" business, there is an agreement between such lines for division of revenue. These agreements are published, but not as tariffs are, for general distribution, and are known as joint percentage divisions.

Suppose a ton of freight originates at Canton, Ohio, destined for Fergus Falls, Minn. It can start over the Cleveland Terminal & Valley railway, or over the Pennsylvania company, or over the Wheeling & Lake Erie railroad. Those lines being the separate roads at Canton, and all in an agreement with identical rates to common territory. If the freight is first class, the rate will be 91 cents per 100 pounds plus the local rate, 56 cents, west from St. Paul. The expense bill or freight will be \$18.20 plus \$11.20, or \$29.40 for the through haul. The initial road at Canton will get 43 per cent of \$18.20, as its portion for delivery at Chicago to any of the roads leading to St. Paul and such receiving road will get 57 per cent of the \$18.20 and the Great Northern road at St. Paul will get its local rate of \$11.20 for carrying to destination, Fergus Falls.

In other words, the haul, Canton to Chicago, will be \$7.83, which is 43 per cent of the through haul on the defined territory under agreement. The road northwest from Chicago, will get \$10.37, which is the remaining 53 per cent of the \$18.20, and the Great Northern road will collect the total bill of \$29.40 on the ton of first class freight and retain the local rate, \$11.20, as its portion, paying in its adjustment of accounts through the railway clearing house, with the other roads, their respective portion. There are railway associations that have jurisdiction under traffic agreements with every portion of the United States. The two associations which govern the business above quoted, are known as the Western Trunk Line committee, the chairman of which is Mr. James V. Mahoney, and the other, the Central Freight association, whose chairman is Mr. J. F. Tucker. There is nothing on the tariff sheets to indicate where the office of such committee is located, and like Topsey in Uncle Tom's Cabin, they "just growed." This is no doubt a weak effort on their part to lose identification, because of our foolish laws which are dead letter against railway pooling. We have laws against public brawls and street fights, and then again we make laws, the purport of which is to cause natural monopolies, as are railways, to become competitors and fight. We just as well enact a law that two cats if tied by the tail and strung over a line shall not fight, as to enact a law that two roads shall not pool when we undertake to regulate their rates, and they know we must ship over one or the other, or let our freight rot. Every portion of the United States is governed as to traffic to and from any point on all commodities by one form or another of rate making associations, for division and maintaining of revenue. There is absolutely no competition among railways in the United States other than a "hot air" struggle among freight solicitors who make an effort at certain points to keep up their percentage of tonnage so that the percentage divisions may remain as agreed upon in renewal of agreements. The rule of the czar is not more absolute over Russia, than is the rule of the freight association over the respective territories they have apportioned among themselves in the United States. Wherever there is an exception to this, there is a momentary fight which is among railways, as defined by General Sherman among nations, in its effect on the railway. The writer does not complain of rate committees, because in choosing between monarchy with stable rates and anarchy with fluctuating rates, he would promptly

choose the monarchy. But we, the people, should demand the average rate shown to have been earned on each and every line of railway be put into effect, that all may be treated alike, and we be given the benefit of the average or postal rate, which for the nation will not exceed 5 cents per hundred pounds. If we permit the class rates which are always discriminating, to remain in force, and the ton per mile system to rule, which is always burdensome, it will mean that the high rates that govern on but a fraction of the total tonnage, may be cut and rebates be secretly made building up trade and manufacturing trusts as now done. If, however, we insist upon an average or postal rate being made, no road can make rebates without cutting its lowest as well as its highest rate which are embraced in that average and that will tend to do away with rebates. Should the average rate of any western railway, where rates are uniformly too high, be found to be so high that there is a temptation to make rebates and if it be caught doing so, the penalty should be an immediate dropping of its rate to the cut rate. The traffic department of any road would sit up and notice things with such a law in effect. If freight originates at Fort Wayne, Ind., or in a certain prescribed surrounding territory, known in the division sheet as Group 7, the east of the Chicago roads get 26 per cent of the through rate to St. Paul and common point territory, and the lines northwest of Chicago, get the remaining 74 per cent. If from Detroit, Mich., or Group 8, the east gets 39 per cent and west 67 per cent.

Did space permit, we could give the divisions and rates obtaining to every hamlet, village and city in the empire of rate-making, but we quote enough to give the reader an idea of principles of rate divisions now made by the roads to which we wish to again refer when we get further along in our rate-making story and when we undertake to explain our postal rate theory.

A. J. GUSTIN.

Kearney, Neb.

### Knows What He Wants

Editor Independent: Some time since I received a circular letter from you in which you state you would be pleased to hear from me as to local conditions and suggestions of party policy. Blame yourself therefore if I bore you.

Locally we are "down and out." Butler county was one of the banner counties for the Farmers' Alliance ticket in 1890. Some townships were practically unanimous for the alliance ticket. Since that time it has been like a game of battledore and shuttlecock. We gave Bryan about five hundred in 1896. McKinley carried it by about as many in 1900, while in 1904 Roosevelt carried the county by about seventeen hundred. Debs got about two hundred, and fifty votes while Watson and Tibbles only got about a half hundred, one of which was the vote of your humble servant. By close fusion and personal hustling we have managed to keep a foothold in the court house. We now have only the sheriff. Local fight in the republican ranks gave us the state senator and one representative.

As to party policy nationally I know what I want, but the best way to get it is another question. I want to see the principles of the populist platform of 1892 and 1904 enacted into state law and I do not care whether it comes about through Roosevelt republicanism, Bryan democracy, or Watson populism. My opinion is that it will have to come through a union of all three—call it co-operation, fusion or whatever you please. I do not believe in partisanship.

For populists to deny Bryan, or hoist the name of Watson or any one else for 1908 seems to me the most shortsighted folly any one could be guilty of. Watson may be the most unlikely man in 1908 that we could dream of. In order to get reform principles enacted into law we will have to have the co-operation of Bryan democrats (which includes Folk and Douglas), Roosevelt republicans (which includes LaFollette), Debs' socialists and the few calamity howlers that supported Watson.

It does not take a man of much political discernment to foresee the nomination of Bryan in 1908 as the standard bearer of democracy. If Bryan's platform in 1896 had had the initiative

and referendum there would have been no further use for the populist party. Bryan's platform in 1908 will have railroad ownership by the government, municipal ownership of public utilities and other populist vagaries. Now do you suppose for a holy minute that any old populist who shouted for Bryan in 1896 and 1900, would turn him down in 1908 if his platform is practically populism? A few would, yes. A few like that mullet head who wrote The Independent lately that he traveled all over the United States advising populists to vote for Roosevelt. When the fool-killer happens along that man's name is Dennis.

Populists may deny and defame Bryan as much as they please, but the American people, without regard to party, recognize him as the ablest man in public life today and the majority of them believe him sincere. He showed his long-head by maintaining his regularity, knowing full well, as we all did, that Parker would be overwhelmingly beaten.

I am not a hero worshiper. My estimate of Bryan is made not so much from reading his Commoner or listening to his speeches, but from having watched his career for the last twelve years and more from republican editorials and the editorials of independent journalists and magazine writers.

The question, it seems to me, for populists in 1908 will be this: Will we support Mr. Bryan on a platform which contains nearly all that we have contended for for the past thirteen years or shall we flock by ourselves and a little handful of us vote for Watson or some other one of the Old Guard and thereby make easier and surer the election of some such trusted friend of the money power as Fairbanks, Foraker, et al. For myself I shall choose Bryan.

It was the sage remark of Mr. Jefferson that we have and can have but two parties—the aristocratic (the money power) and the democratic. What folly for the democratic party thus to be divided? (I am speaking of democratic in the broad sense meant by Mr. Jefferson). Mr. Lincoln, too, spoke of fooling all the people part of the time, part of the people all of the time, but declared it to be impossible to fool all the people all the time. The money power has found it to be unnecessary to fool them all the time. It is only necessary to fool enough of them to keep them divided.

Mr. Bryan declared in a speech at Wichita, Kan., in 1897, that it is useless to wage war on the trusts and let the greatest of all trusts, the money trust, go unscathed. Mr. Bryan has since learned that the railroads own the banks and therefore are part of the money trust, hence he has come to advocate government ownership of the great trunk lines and state ownership of the short roads that do not cross the state lines. Mr. Bryan is learning. It takes a smart man to learn. Some men assume that they already have all wisdom.

You will say that I am not a populist. Call me whatever you please. I was reared to believe that all political wisdom, all political morality, and all wise statesmanship originated in the republican party and there abode permanently. My first presidential vote was for James G. Blaine.

In the days of Grover the Fat, I got a little political wisdom into my cranium and when I failed to discern the difference between G. Cleveland democracy and Tom Reed-John Sherman republicanism, I decided that was the place to get off.

I voted for Bryan and Watson in 1896, Bryan and Stevenson in 1900 and Watson and Tibbles in 1904. I hope to vote for Bryan and Douglas in 1908. A populist can NOT be elected in 1908. A democrat of the Bryan, Folk, Douglas class CAN be elected. The platform will be of Mr. Bryan's dictation and it will be essentially populist. I shall consider it my duty to support it. I am responsible for no one but myself. I shall vote for Jeffersonian democracy as I see it.

W. O. BENNETT, M. D.

El Dorado, Kan.

Frank D. Comerford, who was expelled from the Illinois legislature because he charged the members with boodling, was triumphantly re-elected last Tuesday from his district in Chicago. He said he was going straight back to the legislature to renew his fight on the grafters.

## ASTOUNDING EXTRAVAGANCE

Roosevelt's Administration so far Has Cost the Country More Than Three Billion Dollars

### ENORMOUS DEFICIENCY IN SIGHT

More Bond Issues, Endless Chains and Things of That Sort Within the Next Four Years Certain

The following table shows the increase in the cost of government from the time of Grant and the enormous jump that it has made under Roosevelt:

Grant, 1869-1873	\$ 656,645,825
Grant, 1873-1877	674,716,557
Hayes, 1877-1881	547,226,224
Garfield-Arthur, 1881-1885	790,931,820
Cleveland, 1885-1889	868,037,675
Harrison, 1889-1893	1,217,331,537
Cleveland, 1893-1897	1,309,478,606
McKinley, 1897-1901 (war with Spain)	1,906,136,611
Roosevelt, 1901 to July 1, 1906	3,117,617,137

The appropriations of the government during President Roosevelt's administration aggregate \$3,117,617,137, which is \$940,100,856 more than was appropriated during the eight years of President Cleveland, and \$1,211,480,526 more than the four years of President McKinley, during which time the Spanish war was fought and won.

The appropriations for the army and navy during President Roosevelt's administration aggregate almost \$1,000,000,000, which is more than was expended during the Spanish war by President McKinley.

With a deficiency of at least \$780,000,000 almost a certainty during the next fiscal year, President Roosevelt and the republican congress went ahead making lavish appropriations for the army and navy while paring down those for rivers and harbor improvements and public buildings. Because of the enormous appropriations made during the last two the secretary of the treasury repeatedly warned congress that a deficit would certainly occur if more economical appropriations were not made. Extravagance of all descriptions ruled the Fifty-eighth congress, except in the last short session, when a mighty effort was made to cut down the appropriations.

The president and congress differed as to how the appropriations were to be reduced. He demanded that no appropriation for the army and navy should be decreased, and insisted that everything else, including rivers and harbor improvements, in which members are vitally interested, should be cut. Instead of the great naval program which he had arranged, Congress gave him but two battleships, making a reduction in this one appropriation bill of about \$20,000,000.

During the four years of President Cleveland's first administration from 1885 to 1889, the expenses of the government were but \$868,037,675, or \$2,249,579,462 less than during President Roosevelt's administration. The expenditures were greater during the second Cleveland administration, from 1893 to 1897, because of the natural growth of population and in material greatness, requiring more money to carry on the government. During this four years the expenditures amounted to \$1,309,478,606, or \$1,808,138,531 less than in President Roosevelt's time.

From the time of Grant to that of Roosevelt the expenditures have shown a gradual increase, but the increase during the latter's administration has been most sudden. President McKinley disbursed \$1,906,136,611, but the expenses of the Spanish war were borne by his administration. No war expenditures can be charged to President Roosevelt's administration, yet the appropriations exceed those of President McKinley by \$1,211,480,526.

President Grant disbursed under the head of "miscellaneous," \$248,032,245, which was about the average until President Cleveland's first term, when this item rose to \$313,048,080, but this was increased slightly during the war with Spain, when President McKinley's administration spent \$453,766,954. President Roosevelt's administration under the head of "miscellaneous" has brought the sum up to the startling aggregate of \$1,505,850,419. Under the heading of "miscellaneous" is placed the opstoffice, deficiency and other bills of the government not specially enumerated.

The appropriations for the navy un-