

# The Independent.

Vol. XVI.

LINCOLN, NEB., APRIL 13, 1905.

No. 47

## POSTAL FREIGHT RATES

A Five Cent Rate Per Hundred Pounds for Any Distance Would More than Equal Present Receipts

### RAILROAD CRIMES SINCE 1893

Forgeries Have Been Committed to the Amount of \$1,465,490,000 and the Vile Work Still Goes On

(Copyrighted by A. J. Gustin, April 7, 1905.)

If no discrimination be made to any shipper, any commodity, or to any locality, a 5 cent rate per 100 pounds could be made and the roads of the United States obtain a greater net revenue than they now get. We will now give the facts to prove what a "square deal" will mean. It will mean a 5 cent freight stamp transporting 100 pounds of freight exactly as does a 2 cent stamp the transporting of a letter. We will get our facts from the reports of the roads which have been made annually to the interstate commerce commission for the past seventeen years. These reports are the most carefully compiled data in the possession of the government. The statistical report of 1903 is the last one compiled and we will in this letter give comparative facts each year from 1893 to 1903 inclusive.

In 1893 the number of tons of freight carried was, 745,119,482; the gross revenue on which was, \$829,053,861; average or postal rate per ton, \$1.10.

In 1894 the tonnage carried was 638,186,553; gross revenue, \$699,490,913; average or postal rate per ton, \$1.10.

In 1895 the tonnage carried was, 696,761,171; gross revenue, \$729,993,462; average or postal rate per ton, \$1.05.

In 1896 the tonnage carried was 765,891,395; gross revenue, \$786,615,837; average or postal rate per ton, \$1.03.

In 1897 the tonnage carried was 741,705,846; gross revenue, \$772,849,314; average or postal rate per ton, \$1.04.

In 1898 the tonnage carried was 879,006,307; gross revenue, \$786,727,917; average or postal rate per ton, 98 cents.

In 1899 the tonnage carried was 959,763,583; gross revenue, \$913,737,155; average or postal rate per ton, 97 cents.

In 1900 the tonnage carried was 1,101,680,238; gross revenue, \$1,049,256,323; average or postal rate per ton, 97 cents.

In 1901 the tonnage carried was 1,089,226,440; gross revenue, \$1,118,543,314; average or postal rate per ton, \$1.05.

In 1902 the tonnage carried was 1,200,315,387; gross revenue, \$1,207,228,845; average or postal rate per ton, \$1.03.

In 1903 the tonnage carried was 1,304,394,323; gross revenue, \$1,338,020,026; average or postal rate per ton, \$1.05.

The average or postal rate received during the years 1893 to 1903 inclusive, is one dollar three and three-quarters cents per ton, or five cents and two mills per 100 pounds, including the lean years and fat years, and all other contingencies.

This includes years in which rates were made higher than the roads at that time considered reasonable, that the revenue might afford surplus from which to pay rebates, which was a common practice towards large shippers.

This fact was shown in the Standard Oil investigations and is cited by some of the apologists for Mr. John D. Rockefeller. At this writing the Union Pacific is issuing \$100,000,000 of stock in addition to its present vastly inflated paper values, and this fraudulent policy is being pursued generally by other lines in order to justify increased and unnecessary rates which were formerly paid out in rebates.

The railway mileage since 1892 has increased 31,516 miles and railway capital has increased \$2,409,000,000. Allowing \$30,000 per mile for value of increased mileage we find that in eleven years, 1893 to 1904, inclusive, "water" or forgeries have been floated to the tune of \$1,465,490,000, for which no value has been placed in public use.

It is well known that the public will be expected to redeem or make good these forgeries when the roads are taken over by the government. And at the present and for the future the roads expect a freight rate to be exacted which will make these forgeries

good. The question is will public opinion grow wise enough to detect the shell game in such financiering before the railways are purchased by the nation.

The average rate received for a term of years show that the veins and arteries in the body of a healthy child do not carry the blood of life with more regularity, nor adapt itself to the growth of the body of manhood, with more certainty than does modern transit over iron tramway carry the merchandise or blood of commerce. It is the writer's contention that transportation is as yet in its childhood, and that its untutored mother, like the squaw, has tied the child to a board, on the ton per mile basis. He believes that a broadminded national policy known as the "square deal" must now do justice by making a postal rate and recognize everyone's rights under eminent domain. We must disabuse the mind of the brutal savage, who thinks railroading is a private business, and teach him that it is a public business and that society has rights he must respect. We must take away from him the power to strangle at pleasure or congeal at a few trade centers the possibility of production and distribution to or from any acre of our broad domain.

The writer has been told by eminent traffic men who have given years of conscientious study to their work, that the average rate is all right if the government owned and operated the roads, but that so long as different corporations owned the lines under divergent conditions, requiring rates more for one road than for another, that his contention was an Utopian dream, impossible of realization.

First, we would enact a national law that rail transportation be made national in its scope as is the postal system and for the same reason that we regulate the postal service. We would enact that freight stamps be sold by the postal agencies as arep postage stamps and in like manner obtainable only from the federal government. The millions of revenue will thus go into the hands of the government and the government then repay to the individual lines under their local or percentage agreements, the average earnings such lines showed to be their due. The cancelled stamp accompanied by voucher of service be presented by individual lines to the national clearing house for payment, based on rate percentages similar to percentage divisions now made between lines or local rates, as the case may be, giving each line the average rate shown to have been received.

In 1903 the average revenue from Group III was 70 cents 4 83-100 mills per ton. The number of tons carried, 302,297,816. In Group H the average rate received was 82 cents 3 1-3 mills per ton and there were 404,236,945 tons carried. That is upwards of 700,000,000 tons, or more than half the tonnage moved that year, at a rate under the average. In Group X (Pacific coast states) the average rate was \$2.2944 but the tonnage was but 38,629,926 and in Group VII, in which Nebraska is located, the average rate was \$2.1837 per ton and tons carried were 26,486,545. In other words the average rate for the nation of \$1.05 per ton would for that year, if applied on our plan to all tonnage, create a level-gross revenue equal and exact to that paid in and paid out by the nation. The revenues will accrue to the owners of the railways and no confiscation of railway property will result, nor to the shipper will confiscation result as now often done under the chaotic rate making in force.

If a 6 cent rate per 100 pounds be made the lawful one, a sinking fund of two hundred twenty-five millions will be created and placed into the hands of Uncle Sam, which will enable him to condemn and pay cash within a few years for all the roads at their present inflated values. Magna Charta never had greater bearing in possibilities for future personal liberty than have these suggestions for future industrial growth.

If the writer owned every mile of the roads in fee simple, he would put into effect this plan of postal rates from a practical standpoint. He believes this plan will make it possible to load the 4,346,790,165 mileage of empty freight cars which now results in one-third of the car mileage being a dead loss instead of a source of revenue.

A. J. GUSTIN.  
Kearney, Neb.

## TALES OUT OF SCHOOL

Massachusetts Legislators Bought and Sold Like Fish and Sausage in the Market

### HOW "FIXERS" DO THEIR WORK

Tom Lawson's Exposures Make Very Interesting Reading for All Those Who Vote 'Er Straight

The following extracts are taken from Lawson's article in Everybody's Magazine. Tom has been on the inside and not only knows what he is talking about, but evidently tells the truth:

At this period I knew nothing whatever of the workings or the wire-pullings of state legislatures. My business life had been engaged at the stock end of corporate transactions, and I had not troubled myself about franchises or how they were obtained, being content to play my part with the manufactured product with which we dealt on the market. In a general way I knew political corruption existed. That Rogers had obtained favors for his Brookline company through bribing officials I had good grounds to believe; I had read of strange doings in connection with H. M. Whitney's West End railway franchise obtained from the Massachusetts legislature amid an accompaniment of much public scandal; but being quite without personal experience I had no clear conception of how things were done and, innocently enough, I asked Whitney before we parted:

"How is it possible for you to get this valuable charter from the legislature, particularly with such a strong and honest man as Roger Wolcott in the governor's chair, when Addicks has been trying continuously for four or five years, regardless of expense, to secure an ordinary one under which he can combine our gas companies?"

George Towle answered for Whitney:

"Lawson, that part is no affair of yours. Mr. Whitney will absolutely guarantee to deliver all those goods, and if it is necessary to override the governor in getting them, he will also guarantee to do that too. You can call all that done the minute we sign papers."

We, the Boston companies, were to "go snags" with Whitney in the results of a legislative game in which he was to bear the expense of getting a charter, and as Whitney and Towle said it was to cost them, to get it, \$250,000 to \$300,000, it looked as if there would be some nasty business done at the state house.

I do not set up for a saint, nor to possessing exclusive virtues which distinguish me from the ordinary American citizen who does business for gain. A man who writes the history of affairs in which he bore a leading part is bound to be accused of egotism however he deals with himself, especially if he admits a strong prejudice in favor of honesty and fair-dealing in his relations with his friends and the public. In reiterating that the bribery end of our "hitch-up" with Whitney did not appeal to me, I am neither pluming nor crowning myself, but merely stating a fact. But this was an emergency I could not meet as a mere personal concern. It was my duty to care for the interests of a great property which must not be endangered by my scruples, and I was willing to be advised by my business friends in the matter. So I went round among my most conservative banking, business and newspaper connections and put hypothetical questions to them bearing on my difficulty. In nearly all instances the replies were the same, and the subject seemed to be regarded as a joke—what were legislatures for, anyway, but to be "fixed"? All who did business with legislatures "fixed" them, and Whitney was certainly the star "fixer." I frankly stated that I considered bribing a legislator as a low-down crime and that I did not believe it was done in our strait-laced old commonwealth as freely as they all seemed to think. Thereupon I was sarcastically referred to my Bell telephone, New Haven, and Boston & Maine railroad friends, the organizers of trust companies and many other representative pillars of social and business society, who had had occasion to deal with the state. I began at once a round of investigation among men who would talk frank-

ly to me, and discovered that a most iniquitous condition existed. Massachusetts senators and representatives were not only bought and sold as sausages or fish are in the market, but there existed a regular quotation schedule for their votes. Many of the prominent lawyers of the state were traffickers in legislation, and earned large fees engineering the repeal of old laws and the passage of new ones. Agents of corporations nominated candidates for office, and paid the expenses of their election in return for votes for a favorite measure and promises to "do business." The legislature was organized on the same basis; its executive officers were chosen because of their subservience to certain corporation leaders; committees were rigged to do a given thing and prevent other things from being done. Above all, I learned that the chance of a citizen of Massachusetts obtaining a charter from the legislature of his state, unless he had money to put up for it, was about as good as a hobo's of securing a diamond and ruby studded crown at Tiffany's by explaining that he wanted it. In fact, the citizen's request would be regarded by senators and representatives very much as Tiffany's would take the hobo's—as a joke first, then as an impertinence.

The Massachusetts legislature is bought and sold as are sausages and fish at the markets and wharves. That the largest, wealthiest, and most prominent corporations in New England, whose affairs are conducted by our most representative citizens, habitually corrupt the Massachusetts legislature, and the man of wealth among them who would enter protest against the iniquity would be looked on as a "class anarchist." I will go further and say that if in New England a man of the type of Folk of Missouri can be found who will give over six months to turning up the legislative and Boston municipal sod of the past ten years, who does not expose to the world a condition of rottenness more rotten than was ever before exhibited in any community in the civilized world, it will be because he has been suffocated by the stench of what he exhumes.

The Whitney machine for the manufacture and moulding of legislation was complex but efficient. It achieved its wonders in broad daylight. Considering what it did and how it was done, the astonishing fact is that no outcry to speak of was ever raised at its performances. I was vastly bolder than Tammany and made fewer excuses for what it grabbed. But its chief engineer was a leading citizen, and his assistants all gentlemen of great respectability and admirable antecedents, and in Boston, social and civic dictions are shields behind which much may be concealed.

Corrupting a legislature is not something a man may do with a filip of his finger and thumb. However bold the operations, the conveniences must be observed. When really large designs are entertained, the manipulator begins before the preceding election and has had his "lawyers" at work throughout the country, seeing candidates and ascertaining their feelings. So a certain percentage of votes are signed and sealed in advance, ready for delivery at the proper time. But there is always a crowd of new men who must be taken care of on the spot, and these must be approached with tact. Some amateurs have fanatical notions of honor which interfere with both their own and the interests of the franchise-grabbers. To deal with all these contingencies, to take care of captured votes and to shape legislative proceeding along safe lines, require the services of almost an army of men.

At the head of Whitney's forces was his lawyer, George H. Towle, big of brain, ponderous of frame, and with the strength of an ox. A man of terrific temper, he knew not the meaning of the word fear. Nothing aroused him to such frenzy as to have to do with a legislator who unnecessarily haggled over the price of his vote or influence. On such occasions, when a lieutenant had reported that Senator This or Representative That would not come into camp, Towle, with an oath, would simply say: "Take me to him, and I'll have his vote in ten minutes or there'll be occasion for a new election in his district tomorrow!"

Second in command was Mr. Patch, Towle's secretary and factotum, his exact opposite in every way. Where