

destroy his competitors and to become a trust, it will not altogether remove the causes of the high prices which oppress the people. Only lower freight rates and lower tariff rates can do this. When discrimination by tariff rates and freight rates is abolished the trusts will not find it easy to fix prices. But as long as private ownership of the railway lines prevails high freight rates and therefore high prices for goods will continue to obtain.

Government ownership is the only effective means of giving low freight rates to shippers. What is it that under private ownership makes high freight rates necessary? Nothing more nor less than watered stock. In his Ottawa address Thomas Lawson was not mistaken when he described the methods by which the western railways were over-capitalized. Whenever the west made such progress as to warrant a higher capitalization of the railroads additional millions of stock were issued. The owners of the roads pocketed the difference between the original cost and the new capitalization. This, of course, is only approximately true, for the stockholders of the roads, even the big stockholders, have been changing constantly. Nevertheless the fictitious valuation has been created, and a comparatively few financiers have taken the "rake-off." To pay interest on the increased valuation the railways have found it necessary to maintain high freight rates. The public is always paying a tax on watered stocks. At the same time the railways are refusing to pay their legal taxes on a valuation estimated according to the par value of these watered stocks. The financiers find it as necessary to place a high value on stocks when they wish to water them as to place a low value on the same stocks when they wish their railways to escape a just taxation.

Only government ownership will fully and effectually remove both discrimination and exorbitant rates. When the government takes possession of the roads justice will dictate that they shall be bought only at their rightful value, all water being squeezed out. This will relieve the public from the necessity of paying a tax on fictitious values. If present values are fifty per cent water the government will be able to cut the freight rates at least fifty per cent.

These are the reforms which the people will try rather than the tricks of the speculator, and they will attain the object which Judge Grosseup desires, that is to say, a wider ownership of stocks, not by fostering the trusts but by destroying them.

WHY ARE THE PACKERS INDIFFERENT?

"Not a jot" was the reply of a prominent Chicago packer to a Sioux City reporter when asked if the indictments returned by the federal grand jury at Chicago would have any effect on the beef industry. "He begged to be excused from discussing the matter in detail, but his actions indicated that he did take a serious view of it."

This particular packer might have criticised the reporter on the ground that he had leaped to a conclusion, and yet the reader cannot but be impressed by the fact that the attitude of the packer is the traditional attitude of the soulless corporation and its more or less soulless proprietors. Rarely do the corporations "take a serious view" of any legal action brought against them. Even indictment on a criminal charge fails to terrify the trust magnate, who has learned by experience that he can afford to laugh at the law.

The beef trust magnate naturally feels that he has more reason to laugh at the law than any of his kind, for he recalls with hilarity the farcical Garfield investigation and argues that it ought to be as easy to blind the federal court as it was to blind the president's special commissioner. For a number of weeks prior to the indictment secret service men pried into the beef trust mystery which Commissioner Garfield had failed to solve. Evidently the Garfield findings were not conclusive to the government, and sleuths were employed to ferret out hidden lawlessness which a mild and impressionable young man not only could not find, but which he declared did not exist. But while the secret service men shadowed the packers and their officials, private detectives shadowed the secret service men. Apparently the Chicago indictment was returned as a result of evidence secured by these government detectives. The packers, it is reasonable to assume, learned from their hired detectives just what evidence was secured and are now fully informed as to the facts upon which the indictment was based.

Why, then, was the prominent Chicago packer so indifferent? If the evidence was of serious character he should have been greatly worried. The outsider will be tempted to ask himself whether this Chicago indictment is not a farce such as will outdo in absurdity the Garfield fiasco. Aware that the government was investigating their methods and thoroughly acquainted with every move made by the United States district attorney and his assistants, is it

possible that the packers permitted the inquisitors to discover new or even old evidences of guilt? Looking at the matter from a different point of view, the outsider may ask whether the packers care "a jot" about any evidence against them that may have been unearthed. To this interested outsider it would seem as though these were the only alternatives—either that the United States district attorneys have failed, as Commissioner Garfield failed, to obtain evidence adequate for a conviction, or the packers are confident that they can defy criminal prosecution with as much impunity as they have always defied civil prosecution. In this connection the words of President Roosevelt are pertinent:

"The great lawyer who employs his talent and his learning in the highly remunerative task of enabling a very wealthy client to override or circumvent the law is doing all that in him lies to encourage the growth in this country of a spirit of dumb anger against all laws and of disbelief in their efficacy."

WHY MICKEY WENT TO OMAHA

"What will he say and what will he do?" This was a question propounded by *The Independent* when it was announced that Governor Mickey would take part in the great reform meeting at Ottawa, Kas., there to meet with Lawson, La Follette, Hoch, Folk and William Travers Jerome.

But, alas, Mickey did not go to Kansas and the question will never be answered. Mickey did not even go to Fairbury, where he was to have been chairman at the Lawson meeting. Instead, he went to Omaha. He stated that this trip was taken at the suggestion of Norris Brown, who wanted him to hear some important testimony in the railway tax case now being tried in federal court. The Chicago Inter Ocean has it that the governor was kidnapped by two railway attorneys and taken to Omaha. They are reported to have used the railway tax case as a pretext to lure the governor from Lincoln. No testimony, however, was taken in Omaha on the day that Mickey should have gone to Fairbury.

But let not the critical too quickly decide that Mickey did not have a good excuse. What was the excuse? Perhaps that question, too, will remain unanswered. But those who are prone to sneer at the good governor would probably have done as he did. If you had been the consistent friend of the railways, if the railways had labeled you "Our Man," would you have gone to Kansas or even to Fairbury to criticise the railways? If you had favored the Standard Oil company in a little matter of oil inspection, would you have championed and "chairmaned" Lawson at Fairbury, or even at Coyote Crossing? If you had loved the lobby and the lobby had loved you and had befriended you in your political campaigns, would you have denounced the lobby and lobbyism on a platform occupied by La Follette of Wisconsin and Folk of Missouri? Or would you have gone to Omaha to hear a tax case or even to see a baseball game? Would not Jericho look like a seven-walled city with hanging gardens compared to Ottawa, Kas., or Fairbury, Neb., at such a time?

FIGHT ON PASSES MAKES PROGRESS

Agitation against the free pass is having its effect. Those who have opposed the giving and receiving of free transportation cannot but be cheered by the progress which has been made toward the absolute extinction of the practice.

Governor Hanly of Indiana has announced that he intends to make the acceptance of passes so distasteful that an honest man will not wish to accept one and a dishonest man will not dare. It is only a few weeks ago that the Ohio democrats condemned the practice, and Governor Herrick, who was renominated by the republicans of that state, declared that the bribery of officials by means of the free pass must cease. President Roosevelt gave the movement great momentum when he decided to decline all offers of free transportation.

Charles J. Bonaparte, a few days after his appointment as secretary of the navy, announced that by reason of the public position he occupied he felt unable to avail himself of free passes. He "declined the courtesy with thanks," indicating either that he misunderstood the significance of the pass given to a public official or that he wished to avoid the harsh but truth-telling word "bribe."

It is probable the secretary had not considered the subject deeply, but he saw that the only honorable course open to a member of the president's cabinet was to follow the example of his chief. If the pass were a mere courtesy there would be no sense in refusing to accept it "by reason of public office." It is because the pass is a bribe that the public official is morally bound to reject it.

While there has been substantial progress against the system