

hauled, and that this lowers the per ton mile rate. Taking into consideration the enormous traffic of this country and the advantages just mentioned, even though our wage scale be high, it is evident that our freight charges should be much lower than European freight charges.

But Mr. Gordon may wish to know whether it is not true that our railroads can give the people rates half as high as the government could afford to give if it owned the roads. The reasons why freight rates are in some instances much higher in Europe than in the United States have been pointed out. It remains to point out some reasons why the government could afford to make lower rates in the United States than are now made by the transportation companies. The government would not operate the roads to obtain vast profits; it would operate them for the convenience of the people. The government would not be constantly pouring water into stock and would not find it necessary to charge "all the traffic will bear," which is the present policy of the railways. The government would not give rebates to favored shippers and be compelled to exact higher rates of shippers in general on that account. It would not give free passes to thousands of public officials and private citizens in nowise connected with the railway service, and would therefore not make up the losses on passenger traffic out of the freight traffic. The government would not maintain expensive lobbies and corruption funds, nor would there be any competition to secure traffic. Competition to secure traffic is about the only kind of competition that remains in the railway business. The roads seldom compete in the matter of rates, but they continue to compete for business at considerable cost. They maintain expensive advertising bureaus and employ thousands of agents whose duty it is to ferret out business and to secure it for the roads they represent. Under the changed conditions it would be possible for the government to charge lower rates than are now charged by private companies.

The relative merits of the Boston street railways and the street railways of Glasgow are unknown to The Independent. Mr. Dalrymple, the Scotch expert, who has general supervision of the Glasgow transit system, was tolerably proud of the Glasgow street railways when he visited the United States a few months ago.

The celebrated axiom, "that government is best which governs least," is true in one sense. The ideal government is one in which the greatest good of the greatest number is secured by the fewest laws. When such a golden mean has been obtained, it is useless to increase the number of laws.

The purport of the question seems to be this: Would not the governments be governing too much if they owned their public utilities? Would this not be paternalism, would it not be interfering with private enterprise?

Paternalism was something abhorrent to Jefferson and the democrats of his day. The democracy of the present day, however, has somewhat modified its view of paternalism. Where private enterprise is possible, and where it inures to the good of the whole people as well as to the good of the individual, paternalism is objectionable. But where private enterprise mismanages a natural monopoly the public is made to suffer for the benefit of a few individuals. Such a condition is intolerable. If such natural monopolies can be better managed by government than by private enterprise it is the duty of government to take possession of these monopolies. These reasons were potent in persuading the United States government to manage its postal system, which was so apparently a natural monopoly, and they will yet lead the government to establish a parcels post system and to take possession of the transportation, telegraph and telephone lines.

THE NATION'S BAR SINISTER

At the reciprocity conference in Chicago some laughter was created by Former Senator William A. Harris of Kansas when he said:

"Mr. McKinley was chagrined and mortified by the senate's trampling on the treaties made in accordance with section 4 of the Dingley bill. These gentlemen did permit some treaties or commercial arrangements to be made under section 3, by which we established reciprocal relations and admitted chewing gums, conka beans and vanilla beans."

Senator Harris humorously called attention to the bar sinister of our popular government. Of late it has come to be recognized that the United States senate will thwart all measures advocated by the people when these measures are opposed by the trusts. The senate is thereby achieving the object of a few men who took part in the convention which gave us our constitution. While many good men believed that it would be wise to establish a legislative

body that would be a check on the popular assembly, there were some delegates to that convention—and Alexander Hamilton was one—who saw that the upper house of congress would eventually block all legislation displeasing to a privileged aristocracy of wealth.

Just now those who own the country's railways are relying upon the senate to prevent any legislation looking to government control of the transportation companies. Throughout the nation sentiment in all parties is overwhelmingly in favor of government regulation, and yet the strange spectacle is presented of half a hundred men defying the wishes of many millions. This spectacle will continue to flaunt itself in the face of the nation until senators are elected by the people. It is true that senators elected by the people would not be incorruptible, but under the present system the corporations see to it that few men enter the senate who have not already been corrupted.

Those who sneer at the election of senators by the people hold that the people would make quite as bad a mess of the matter as do the legislatures, but experience teaches differently. Our house of representatives lacks the glitter and glare of the senate, but its personnel is considerably more respectable from the standpoint of common honesty.

But while the people are about the task of amending their constitution it is likely that they will take the precaution of providing for a system of recall. Undoubtedly this system will come in for much earnest discussion in those days now near at hand which are to witness the passing of the senate as at present constituted.

SOME PRIVATE OWNERSHIP EVILS

The present grain rate war is reported to have been caused by the giving of rebates to Kansas City shippers. Some of the prominent shippers of Kansas City bought grain on the open market at the prevailing prices, shipped it to Chicago and made a profit. Other shippers tried to do the same thing and discovered that they could make no profit after paying the freight charges. The natural conclusion was that their competitors were receiving rebates from certain roads.

The shippers who had been discriminated against went to certain other roads and complained. The traffic managers did not tell them that the day of the rebate was past; they knew better. They knew that the accusation against the other roads was true. Considering it too dangerous to begin the distribution of rebates by the wholesale, they decided upon a grain rate war. Rates were cut to the very lowest point at one sweep, but no grain was shipped on these rates. Before they could go into effect a higher rate was announced. The railways had come to a partial agreement. While the railways are quarreling over the grain rates little grain will be shipped. The dealers will be afraid to buy on the basis of the low rates because they fear that rates will go lower and that they will have on hand grain purchased at too high a price to be saleable at a profit.

These are some of the evils which will always exist under the private ownership of the railways. Under government ownership such irregularities in rate-making and rate-cutting would be eliminated.

CUSTOMS AND RAILWAY TARIFFS

The repressive effect of extortionate freight rates on this country's export trade in agricultural products has been pointed out by The Independent. The farmer is not the only loser. The railways, in spite of their high rates, must eventually feel the loss. If grain cannot be sold abroad the farmers will have no reason to grow any more than is required for the home trade. If no surplus is grown no surplus can be transported, and the railways will suffer. In this way a permanent check is administered to the agricultural development of the West.

There is a similarity to be noted in the final effects of high railway tariffs and high customs tariffs. Sooner or later high customs tariffs are met by retaliation abroad and this curtails the export trade of the nation at which the retaliatory tariffs are directed. Next year the tariff convention between the United States and Germany comes to an end. Germany has adopted a system of maximum and minimum tariffs which are to be used in concluding commercial treaties with other nations. Under the present treaty with Germany the United States is a favored nation, but in 1906 this country, unless it revises its tariff schedules on German goods, will be excluded from the favored nation class and the maximum tariff will be required on all American goods.

The effect which this maximum tariff will have on our exportation of grain will be made clear by the statement that Germany will