

in the economics of our government, or it is favoritism. It is quite possible that many industries need protection to equalize the labor costs of production in this country compared with countries in Europe.

The interstate commerce commission reports that railroad gross earnings from transportation alone for the same period aggregated \$2,787,266,136. Similarly apportioned the railroad burden for the year was \$151.48 per family! Which means \$30 a year or \$2.50 a month for every man, woman and child of us all!

So railroad transportation charges cost the people more than eight times as much as the tariff! Yet congress rushed headlong to revise the tariff downward but let the railroads go scot free!

**The Advance of Earnings**

Fully to appreciate the enormity of these railroad earnings let us go a trifle deeper into the reports. To the average man the national debt is something stupendous, past all comprehension. The secretary of the treasury states it was \$2,652,665,838 on June 30, 1910. Yet the railroad gross earnings from transportation for the year ending on that date were, in round numbers, \$135,000,000 greater. ("Poor's Manual of Railroads" declares gross earnings from transportation to have been \$2,804,580,939, with \$200,899,127 available from other sources, bringing the total railroad revenues up to \$3,005,480,066; fixes the net earnings from all sources at \$1,119,959,439, and the surplus, after all disbursements, at \$171,109,815.)

The net earnings reported by the interstate commerce commission aggregated \$940,076,386; greater by \$27,000,000 than the interest bearing national debt; considerably greater than the gold certificate circulation of \$862,936,869; nearly double the silver certificate circulation of \$489,117,000; equal to the entire government coinage of gold; far in excess of the government's ordinary expenses of \$659,705,391 for the year and likewise exceeding

the 1911 appropriations of \$721,313,900.

According to the commission's figures the railroad transportation bill last year was \$7,636,345 a day; the net profits \$2,575,359 a day. Which is going some. Looking back into the reports you will find that between 1888 and 1898 freight rates decreased 25 per cent, yet despite this the net earnings increased from \$315,626,584 in 1888 to \$429,352,345 in 1898, or \$114,000,000 for that last year. Since then rates have not decreased. And last year the net earnings showed an increase over 1898 of \$510,724,018! More than a million a day!

During the last ten years the railroad earnings have increased from ten to twenty per cent annually. During that period the railroads have collected approximately \$20,000,000,000. The admitted net earnings aggregate \$7,269,537,229. They have paid \$2,696,544,374 in dividends. And the Lord only knows how much has been pocketed surreptitiously!

The net earnings in 1900, in round numbers, were approximately \$525,000,000. In 1910 they were \$940,076,363, an increase of nearly 80 per cent. For the decade ending in 1900 the net earnings totaled \$3,998,000,000. During the ten years ending in 1910 they jumped to \$7,269,000,000, an increase of 82 per cent. And for the last half of the decade ending in 1910 the increase over the corresponding period of the preceding decade was \$1,651,000,000, or 91 per cent. In the last five years railroad earnings have increased more than ever in railroad history. Consider the possibility of this increase being maintained another twenty years, by no means an improbability in such a rapidly developing country. It is simply bewildering, dwarfing the wildest dreams of the most frenzied financiers. Even permit present rates to prevail and if they maintain for another twenty years their tremendous earning showing of last year they will have netted an amount ap-

proximating their present bloated capitalization of \$18,890,000,000.

These figures do not take into consideration at all the operations of the numerous express companies which impose upon the people a burden approximating \$125,000,000 a year while their actual investment for all purposes does not exceed \$6,000,000 a year. These companies all earn prodigiously. All pay big dividends. All have big surplus funds, and frequently have big melon cuttings. In one of these a few years ago \$24,000,000 were distributed among the stockholders of a single company. And after all these companies amount in actual service to the people to no more than a parcels post which the government should have established long ago. With government control of the railroads this pernicious form of extortion would end. In European countries express companies do not exist. There the parcels post is supreme; satisfactory to the people and remunerative to the governments.

Poor's "Manual of Industries" for 1909 registered industrial corporations with an aggregate capitalization of \$17,529,126,232 and some 30,000,000 stockholders. The gross earnings of these corporations totaled \$2,165,786,015, according to their reports. In the same year the railroads, with a capitalization of over \$18,000,000,000 ("Poor's Manual of Railroads") and some 450,000 stockholders and probably more than that many bondholders, say 1,000,000 for both, showed a gross earning of \$2,513,212,736, or \$347,426,748 more than all the industrials. This showing will be of peculiar interest to more than one business concern in America today, for it is an admitted fact in hundreds of instances that the earnings of industrial enterprises have decreased just in proportion as railroad freights have advanced.

Who gets all of this money? The railroad presidents would have you believe the widows and orphans are the chief beneficiaries. That is buncombe, burlesque, rot! The holdings of most of the 450,000 stockholders are small. How many of your acquaintances have more than \$1,000 of railroad stocks? You can count almost upon the fingers of your two hands the multi-millionaires who control the railroad systems, manipulate them as they please and take the lion's share of the profits. The Morgans, Harrimans, Hills, Vanderbilts, Rockefellers and men of their stamp are the real plum pickers. They control the stocks, are responsible for the water in them and receive tribute from more than 90,000,000 people through the medium of exorbitant freight rates.

This comparison of railroad and industrial earnings shows an outrageously disproportionate condition of affairs. Less than a million railroad stock and bondholders are dividing earnings equaling the returns to 30,000,000 industrial stockholders. And they are preying upon 90,000,000 people in doing it. But worst of all is the fact that scarcely more than a score of financiers divide the big pot. Is there any justice, I ask you, in their being permitted to impose such an extortion upon the people, even though the people are indifferent through lack of knowledge and appreciation of the true conditions? Is it fair to the industrial and commercial interests of the country that these men be privileged to prey upon them uncurbed, arbitrarily fixing their territory and restricting their expansion by the enforcement of prohibitive freight rates? Isn't it about time to withdraw the railroads from what the present controlling monopoly is pleased to term private ownership? How long are we to continue to per-

mit these men to inflate the capitalization, increase rates to pay dividends upon this added capital, use the surplus in the purchase of more stocks in other roads and sap the life-blood of our commercial and industrial energy for their own financial advancement?

The only sure safety for the country lies in a speedy adjustment of the railroad problem. And the short cut to an effective solution is for the government to take over the railroad properties outright. Such an action should not be confiscatory in any degree. Full value should be allowed for the railroad holdings, but no more. It should always be borne in mind that the railway kings have taken their pay as they went along. A fair and just physical valuation should be made the basis of the acquisition. All legitimate property rights should be respected, but the railroads that have gouged the people for years should not be permitted to swindle the government with their last gasp.

There can be no middle ground with the railroads. The government action when it comes must be summary and final. It will not be accomplished without a memorable struggle. Never has the concentration of wealth and power been so pronounced, so real, as right now. Wall street is the inevitable impelling force. The railroads are the fulcrum of the lever. They work hand in hand; their interests are mutual. They will not submit tamely.

A dozen years ago Morgan controlled nearly \$3,000,000,000 of railroad properties. Today he is accredited with directing the policies of financial interests approximating \$12,000,000,000. Add to this the Harriman, the Hill and the various other railroad groups whose holdings represent almost an equal amount and you have some idea of the railroad influence, stupendous, crushing, heartless. Not only do they control absolutely the financial world but they tremendously influence legislation, law enforcement and even national policies. And this condition of affairs will continue until a determined national administration is given sufficient popular support to enable it to recall the voice of authority to Washington.

Paving the way to government ownership congress should provide for an early physical valuation of all the railroad properties. The railroads claim a property valuation of more than \$20,000,000,000, yet in 1909 they paid only \$90,333,000 in taxes, less than nine-tenths of one per cent upon a fifty per cent tax return. Still plundering the people! The first big clash will come upon this proposition of a physical valuation. La Follette has been trying for years to force it. President Taft in his message to the last congress urged it. The trust-controlled stand patters have always blocked it. But come it must.

Whatever such a valuation may show the government should accept it, consolidate the railroads into one big system capitalized at the valuation figure, and issue bonds at not to exceed three per cent in exchange for the properties and securities. The average stock or bondholder would gladly exchange his holdings for a government bond. He would welcome the substantial guarantee government ownership would bring. At three per cent, considering the water, he would be getting off handsomely.

**What We Must Do**

In France, where all railroad bonds carry the government guarantee, they never exceed three per cent. In giving this guarantee the government reserves the right to take over any road at will upon a stated per-

# Money-Savers

## SPECIAL LOW-PRICE CLUB OFFERS ON STANDARD PUBLICATIONS FOR 1912

For the convenience of our readers the following combination offers have been arranged. Write us for best prices on any combination of periodicals—The Commoner must always be included. We will save you 20 per cent in most cases and in some cases 50 per cent from the regular price of such periodicals.

	Pub. Price	With Commoner
American Homestead	1.00	\$1.00
American Bee Journal, Chi.	1.00	1.40
American Boy, Detroit	1.00	1.40
American Magazine, N. Y.	1.50	1.75
American Motherhood	1.00	1.60
Atlantic Monthly, Boston	4.00	4.60
Boys' World, Elgin, Ill.	.50	1.00
Breeder's Gazette, Chicago	1.75	1.75
Commercial Appeal, weekly	.50	1.00
Common Herd, Dallas, Tex.	1.00	1.25
Cosmopolitan Mag., N. Y.	1.50	1.75
Courier-Journal, Louisville	1.00	1.25
Current Literature, N. Y.	3.00	3.00
Delineator, New York	1.00	1.65
Democrat, Johnstown, Pa.	1.00	1.25
Enquirer, Cincinnati	1.00	1.00
Etude, Philadelphia	1.50	1.90
Everybody's Magazine, N. Y.	1.50	1.85
Field & Stream, N. Y.	1.50	1.85
Forest & Stream, N. Y.	3.00	3.00
Fruit Grower, St. Joseph	1.00	1.25
Good Housekeeping, N. Y.	1.50	1.75
Health Culture, Passaic	1.00	1.50
Hoard's Dairyman, Weekly	1.00	1.50
Housekeeper, New York	1.50	1.90
Independent, Weekly, N. Y.	3.00	3.00
Industrious Hen, Tennessee	.50	1.00
Irrigation Age, Chicago	1.00	1.35
La Follette's Magazine	1.00	1.25
Literary Digest, W'kly, new	3.00	3.25
Literary Digest, W'kly, Ren.	3.00	3.60
McCall's Magazine, N. Y.	.50	1.05
McClure's Magazine, N. Y.	1.50	1.90
Metropolitan Magazine, N. Y.	1.50	1.75
Modern Priscilla, Boston, m.	.75	1.35
National Monthly, Buffalo	1.00	1.25
Outing Magazine, New York	3.00	3.25
Outlook, New York, W.	3.00	3.25
Pacific Monthly, Portland	1.50	1.85
Pearson's Magazine, N. Y.	1.50	1.75
People's Popular Monthly	.25	1.00
Pictorial Review, New York	1.00	1.55
Poultry Success	.40	1.00
Practical Farmer, Phila.	1.00	1.25
Progression	.50	1.00
Public, Chicago, Weekly	1.00	1.25
Recreation, N. Y., Monthly	3.00	3.00
Republic, St. Louis, semi-w.	.50	1.00
Review of Reviews, N. Y.	3.00	3.00
St. Nicholas, N. Y.	3.00	3.25
Cincinnati Daily Post (Rural Edition)	2.00	2.25
Scribner's Magazine, N. Y.	3.00	3.75
Southern Fruit Grower	.50	1.00
Springfield Republican, W.	1.00	1.60
Sturm's Oklahoma Mag.	1.50	1.60
Table Talk, Philadelphia	1.00	1.60
Technical World, Chicago	1.50	1.85
Twentieth Century, Boston	2.00	2.25
Uncle Remus's Home Mag.	.25	1.00
Weekly Inter Ocean and Farmer	1.00	1.10
Woman's World, Chi., M.	.25	1.00
Woman's Home Companion	1.50	1.75
Word and Works, with Hick's Almanac	1.00	1.25
World's Events, Chicago	1.00	1.45
World-Herald, Omaha, daily	4.00	4.00
World-Herald, Omaha, daily except Sunday	3.00	3.25
World Today, New York	3.00	3.00

Address All Orders to THE COMMONER, Lincoln, Neb.