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The Month's Story

The Non-Lazy Man It is not only the unemployed who are suffering in these hard times. The man with a job is on the anxious seat. He is often forced to work overtime, and at a frightful stress and strain.

A little while ago, a Milwaukee wage-worker fell dead at his work from heart disease. He was sick when he went to work in the morning, and his family urged him to stay at home, but he answered grimly: "The rent must be paid." Sick or well, the employed man must hang on to his job—even if he drops dead while hanging on to it.

The employers, on the other hand, view the situation with great complacency. "I am not kicking at the times," said one Milwaukee millionaire employer. "They're a good thing for the workmen. Now they are all afraid of their jobs, and it is *positive pleasure* to me to go through the factory and see them buckle down."

The gentleman with this beautifully contented spirit well knows that no slavedriver's whip ever cracked to such good purpose as the competition of labor. While this whip cracks the loudest in times of industrial crises, when thousands of idle men are hunting work, yet even in our "prosperity" it was always close at hand. With the development of capitalism, the competition in labor develops. And with competition in labor, high pressure increases. And with our modern pressure, the ratio of suicide and insanity is also steadily increasing. 11,000 persons committed suicide in the United States in the year 1907—an average of thirty people every day! In England, where capitalism is highly developed, it is estimated that if the present rate of increase of insanity keeps on, in two or three hundred years there will be no sane people left to act as nurses and guards in the insane asylums.

Anti-Socialists sometimes ask, "What will you do with the lazy man under Socialism?"

I ask: What can we do for the industrious man under capitalism?

He is using up his vital forces at a tremendous speed. By the time he reaches middle age he is worn out and superannuated. He stands a chance—a steadily increasing chance—of becoming a suicide or a maniac. And even when he is ill, he cannot rest like a sick horse or a lame mule, but must keep at work till he drops dead in the harness.

What shall we do for the industrious workingman?

Would it not be well to stop worrying about the social and economic status of tramps and loafers under the Co-operative Commonwealth? Here is a question that concerns us closer.

* * *

A Have you noticed that the assailants of Roosevelt and the
"Nipped" defenders of Roosevelt seem to be agreed on one thing?
Revolution They disagree as to what caused the panic. But they agree
 that the working class is a pretty dangerous class, and
 that the main thing is to keep it down.

Mr. Quarles, in an address entitled "How Far Can the Movement Against Wealth Go Without Danger to the Community and the World at Large?" roasted Roosevelt and labor together.

"The cry against the rich is dangerous," said Mr. Quarles. "The poor man has formed a labor trust. It boycotts honest, independent labor. Has our president ever told you so? Has he ever lifted up his voice to thunder this to the country?"

And the very next day Secretary Garfield vigorously defended the president with the claim that he had saved the country from a revolt of the lower classes. By curbing the lawless rich, Roosevelt nipped in the bud "a revolution in the United States. It is not inconceivable that the Socialist dream of a revolution might have come true," says the Secretary of the Interior with a cold shudder.

Do you get the point, Mr. Workingman?

The point is just this—these politicians, with or against Roosevelt, are not concerned with the question of the justice or injustice of restraining the "predatory rich." With them it is merely a question of how best to *hold you down*.

If preserving silence about the crimes of the trust and the stock gamblers will only keep you quiet, than let them break all the laws and nothing must be said about it. If on the other hand curbing the rich will prevent you from exploding forth in a "Socialist revolution," why, then, the end will justify even this means. That is, the big capitalists who hate Roosevelt and the middle class capitalists who admire him agree on one thing. They well know that in the end their profits all come out of you. And they well know that they have a common interest in keeping you under.

This fight for and against the trusts, for and against regulation, for and against the Roosevelt policies, is not your fight.

Bear that in mind!

Your fight is against capitalism. Your fight is against the whole profit system, "regulated" or unregulated.

Neither lower freight rates, nor laws against rebates, nor railway commissions of any form or fashion will raise your wages or shorten your hours or bring the Social-Democratic system one inch nearer.

Let the small capitalists bait the big ones, or the big ones eat up the little ones, but let them not muster you into the fight on one side or the other. You have a vast work to do—to establish the Socialist Republic. And you must not be interrupted.

Socialist and Suffragist All woman suffragists are not Socialists, says Mrs. Annie Cobden-Sanderson, but all Socialists are woman suffragists. This brave English woman, whose portrait we give as our frontispiece in this issue, is one of the latter class. She is not among those smug and comfortable bourgeois suffragettes who fail to see that our false economic system is the great underlying wrong of all woman's wrongs. She clearly understands that for women, as for workingmen, political liberty without economic freedom would be a most barren victory.

Mrs. Sanderson is the daughter of the English reformer, Richard Cobden. Through the influence of William Morris she became a Socialist. She has long been an active worker in the Independent Labor Party. For years she has been treasurer of its Metropolitan District Council, an office involving a vast amount of work. The Labor Leader says of her,

"It is not too much to say that throughout the whole of the labor movement she is universally respected, not only because of her personal charm and the unflinching charity of her judgments of others, but also for the sterling quality of the service which she has always rendered, and for the complete subordination of personal considerations to the common weal."

In the recent agitation for woman suffrage in England, Mrs. Sanderson was one of the brave women who were sent to prison for making speeches on this subject in the lobby of the House of Commons. Here she was confined one month. The most painful part of her experience, says Mrs. Sanderson, was the sight of the eight hundred other women in the prison. Most of these women, wives and daughters of the poor, were imprisoned for drunkenness in which they had sought to drown their misery, or for infanticide to which they had been pushed by the frightful economic conditions under which they are crushed.

During the past month Mrs. Sanderson has been relating these prison experiences to large audiences in this country. She returns to her native land with many good wishes for the ultimate triumph of this brave Socialist woman.

* * *

Proposed Labor Party Worms, it is said, will turn in rage at last. Mr. Gompers and the officials of the American Federation of Labor have certainly crawled in the past before the old party politicians. Now, it appears, they have suddenly resolved to stand up. At any rate, it is reported that they have under serious advisement the foundation of an Independent Labor Party.

This, if true, is certainly one of the very best symptoms of the times.

Not that a labor party of Mr. Gompers' creating will be a Socialist party. But that the American Federation of Labor should be stung into any real political action is very cheering. That this pro-

posed action is called out by the recent decisions of the supreme court against labor, is still more encouraging.

Besides, although the new labor party, if launched, will certainly not start out as a Socialist party, that does not mean that it will remain non-Socialist forever. There is nothing half so educational as to do things—or even to try to do things. The new party will be a sort of manual training class for getting labor's hand in for real political work. Workingmen cannot fight long against injunctions without finding that the whole force of the capitalist system is behind these injunctions. Sooner or later the working class will be forced to fight the system, not its fruits.

And there is where the educational value of any real labor party comes in.

A great general once said that all he knew about military tactics he had learned from his own defeats. And that is the way in which the working class has learned its most useful political lessons. Failures are good school-masters.

If a labor party does not start out on just the right track at first, still it is on the road. It will get somewhere in the end.

So we say, the rumor that a labor party is in embryo is good news. All is grist for the Socialist mill. Every kind of working class activity helps our cause. It is only stagnation that is death.

Roosevelt seems to have enlarged his list of "undesirable citizens," by putting himself in it!

Taft is willing to concede almost anything to the cause of labor if only he can get that coveted presidency. And afterwards——! The old story!

If you want a capitalist party politician to agree with you on any subject, no matter what it is, wait till just before election to talk with him about it. But if he manages to get elected—then it is a vastly different matter!

Says the *N. Y. Tribune*: Army enlistments in this city have increased 300 per cent in the past two months. The majority of the men who are enlisting after weeks of unemployment are former clerks,

cashiers, and mechanics, and are well educated." It is pretty tough to find that your country isn't yours after all and then to be forced by hunger to take up arms for it.

Who are the dreamers, after all? Isn't it the man who thinks mankind can be individually reformed under the capitalist system, when that system puts a premium on business cupidity and on selfishness?

The Socialists chalked up some more victories in the recent elections in Norway. In Christiania the new city council will be composed of 27 Socialists against 57 of the other parties, and the Socialist vote increased 25 per cent. In Bergen, 24 Socialists were elected to 53 of the other parties. In twelve smaller towns 103 Socialists were elected.

Government Ownership of Railways

By CARL D. THOMPSON

Social-Democratic Member of the Wisconsin Legislature

Fifty-nine out of sixty-four nations publicly own and operate all or part of their railway systems. Among them are some of the leading nations of the world—Germany, Austria, Belgium, Norway, Sweden, Denmark, Switzerland, Hungary, Italy, New Zealand, and others.

Furthermore, the change from private to public ownership is going on rapidly. During the last five years, four countries, Switzerland, Italy, Japan and Mexico, have nationalized their roads. So far as we know no nation that has once nationalized its roads has ever gone back to private ownership.

The government ownership of railways, therefore, is not a theory or a dream. It has been a reality in the experience of many nations covering a period of at least a quarter of a century, and carried on under every form of government, and every condition of people.

And what have been the results? The following are a few of them: (1) *The conditions of labor have been improved.* (2) *Rates have been reduced.* (3) *Travel and transportation are less murderous.* (4) *The railroads are better financed.* (5) *Vast economies are effected.* (6) *Railroads are taken out of politics.* (7) *The general conditions of the country are rendered more stable.* Let us briefly establish each of these points.

I. ADVANTAGES TO LABOR.

Conditions of labor are better under government ownership of railways than under private ownership.

Roughly speaking, there are 1,250,000 workmen employed upon the railroads of this country. Clearly the question of the conditions of labor of so large a number of our citizenship is a matter of great public concern. It is a notable fact, verified, we believe, almost everywhere, that governments are more humane in the treatment of labor than are private employers. For example, if we compare the railway mail clerks and postal carriers who work for Uncle Sam with private employes in similar lines, we find that the hours of labor are on an average $2\frac{1}{2}$ hours less per day and the wages average \$375.00 per year more. ("City for the People," Parsons, tables on p. 164-165.)

The Federal Government has been a pioneer in reducing the hours of labor of its employes. In 1840, at a time when in private employment 11 or 12 hours was the rule, an order of the president provided for 10 hours in all public employment; and again in 1868, after private employment had reached the standard of 10 hours, congress reduced the

hours for public employes to 8. The hours of the clerical and official force are $6\frac{1}{2}$ to $7\frac{1}{2}$ hours per day.

State governments and city authorities have followed the Federal Government in the adoption of the eight-hour day. New York was the first city to introduce it in 1870. At the present time there are eight or nine states which prescribe the eight-hour day on all public works. ("Trades Unionism and Labor Problems," Commons, p. 478.)

From this it is quite natural to expect that the wages and hours of labor would be better under government ownership than private. And this is exactly what we find.

1. *Wages*.—New Zealand after establishing the government ownership of the railroads has steadily raised the wages of the employes since 1896, amounting in some cases to as much as 60 per cent. ("Story of New Zealand," Parsons.) Switzerland upon taking over her railways raised the wages 15 per cent. ("Railways, Trusts and the People," p. 365.) The average wages in Germany under government ownership are \$45.00 per year higher than in England under private ownership. And when we add that the German employes have in addition to their wages an allowance averaging over \$100 per year towards house rent, and in addition to all that have insurance against accident, sickness, and death besides, it will be seen that the wages are certainly more than \$150 per year higher on the government roads in Germany than on the private roads in England. And that does not really show the full advantage of public ownership in this respect, because a dollar in wages means more in Germany than in England—the general wage level is higher in England.

It is often claimed that wages are higher on the private roads in America than on the public roads of Europe. But it must be remembered that the general wage level and the cost of living are much higher here than there. The only fair method is to compare conditions in a certain country before and after public ownership; or at least to compare conditions under public ownership with conditions in a country of practically the same conditions. The average wage on the German roads is \$345 per year. The other allowances bring it up to \$472. On the American roads it is claimed that the average is \$630. But these figures include the enormous salaries of our American railroad kings that amount in some cases to \$100,000 per year. It is ridiculous to call such plunder "wages." The only proper way is to take the annual earnings of the real workingmen. According to the fifth annual report of the Commissioner of Labor the annual earnings of railway workmen on 60 leading roads were as follows: firemen \$337; switchmen \$264; flagmen \$244; telegraphers \$235; baggagemen \$331; brakemen \$212; trackmen \$124. The average for these is only \$247 per year, far below the German average.

So if all allowances are made, and it is remembered that there are no "enormous" salaries paid on the government railroads (their presidents receive \$2,520 per year), while the rank and file are better paid, the returns to labor are higher both relatively and absolutely on the government roads than on the private roads.

That the change to government ownership would immediately result in a reduction of hours and an increase of wages is evident from the fact that the measures already presented in Congress for the nationalization of railways, the first on Jan. 3, 1900 (56th Congress, document 53, "Railway Nationalization") and the last in Feb., 1907, ("Government Ownership of Railroads," speech on Senate bill 8436), both provide for an *eight-hour day* and for an *increase of wages*. The former provides for an immediate increase of wages for 184,494 trackmen. At present they receive from 47½ cents to \$1.25 per day, and nearly half of them are employed only half of the time. "Think of it! More than 50,000 men work for the railway companies for from 47½ cents to \$1.25 per day during six months of the year, receiving barely enough to subsist upon during the time of employment, and in the fall of the year, when the cost of living is high and employment is hard to obtain, they are turned out to tramp, beg, starve, or steal and become criminals."

"There were 184,494 of these neglected beings employed upon the railways in 1898. Five to a family, and you have nearly a million persons sunk in this helotism. What an opportunity for a Toussaint l'Overture, a Garrison, or a Lincoln! What an opportunity for this Senate!" ("Railway Nationalization," argument presented to U. S. Senate, 56th Congress, first session, Document 53.)

Is this not a striking argument for the government ownership of railways? Offered, too, not by a Socialist, but by a student who knows what this measure means for labor. If such a feature comes forward as a natural part of the movement for government ownership what could it not be made to do for labor by a group of Socialists who would seek especially to secure the rights of labor! Or, indeed, with this general purpose showing itself in the measures already advanced, what could not be done for labor by even a few Socialists in Congress to add the strength of their influence, votes, and agitation in behalf of labor.

2. *Hours of Labor*.—The contrast between public and private ownership in the matter of hours of labor is even greater. Hours of labor on our American railroads are tragic. Men are worked to the very limits of human endurance. What the average is we cannot know. But it is known that thousands of men work 12 to 18 hours per day; that it is no unusual thing for them to be kept on duty 20 and even 36 hours without relief. Indeed, in extreme cases 40 to 48 hours of continuous service have been performed. In England, where the railroads are also privately owned, "the Board of Trade found in one month 3,971 instances of engineers and firemen working more than 18 hours, and 29,273 more than 15 hours, and there are plenty of cases of 'days' ranging from 20 to 33 hours, if you can imagine a 33-hour day." ("R'ys, T. & P.," p. 468.) In a personal investigation of the hours of labor of telegraphers in Wisconsin the author found the average about 14 per day; 20 to 36 hours were not at all uncommon, and in a few cases men had been on duty 72 consecutive hours without rest.

Engineers have told the writer of cases in times of great rush when, having been on duty continuously for 20 to 30 hours, they have stood up with hands on the throttle in order to keep from falling asleep; firemen "so dead for sleep" that engineers had to go repeatedly

to their side of the engine and roughly arouse them to keep them at work; engineers blowing the whistle as a train neared a city and falling asleep without "shutting off" the engine, to be awakened by their train rushing by the depot.

Such things are appalling to contemplate. That they are facts and that they are very common is certain. A railway fireman once remarked to the writer that not a hundredth part of the perilous things and hair-breath escapes on railroads is ever dreamed of by the public. If they knew, said he, they would ride very uneasily.

Nowhere on earth are such criminal hours of labor exacted—nowhere except perhaps in some other countries where as here the railroads are privately owned. In Italy on the government roads 10 hours is the limit; in Switzerland 8; in New South Wales 8; in Prussia 11 for general employes, for switchmen 8, and engineers 10. One may almost say that the eight-hour day is being established everywhere under government ownership, for it has already come in many departments (in all departments in some countries), and the tendency everywhere is in that direction.

Such is the situation on government railroads. Turn again to our private railroads in America. It was only after a most terrific struggle last winter that Congress was finally forced into passing a law limiting hours of railway employes to 16 *per day*. And we are by no means sure at this time (Feb. 1908) that when taken to the supreme court even this law may not be set entirely aside by that august body. But even if it holds, consider the contrast; eight hours, or nearing eight, under government ownership—sixteen under private.

To be sure some states, on the ground of "the safety of the traveling public" (never out of consideration for the men), have tried to regulate these matters. The laws are seldom enforced, it seems, but even if they were, what would it mean? In Georgia they would be limited to 13 hours per day; in Ohio 15; in Colorado and Nebraska 18; in Minnesota 20; and in New York and Michigan 24. "There is something pathetic in such rules and regulations. If it is necessary for New York and Michigan to forbid the companies working their men longer than 24 hours without an eight-hour rest, the questions naturally arise, How long would the companies work the men if unrestrained, and How much can the railway men stand anyhow?" ("R'y. T. & P.," p. 467.)

Is it a wonder that the labor unions urge their members to work for the government ownership of railroads?

3. *Rest Days, Holidays and Vacations.*—These also are much more liberally provided under government ownership. In Germany every active employe is entitled to two holidays per month, and trainmen must be permitted to rest at their homes not less than 10 consecutive hours daily; in Switzerland 52 holidays are allowed each year in addition to a continuous vacation of 8 days. ("Foreign Laws relating to R'y Employes," Bulletin of the Bureau of Labor.) The same tendency is shown in the treatment of the federal employes of our government at Washington in contrast to the private employes. The government gives each one 30 days vacation per year with full pay. In addition they are allowed 30 days per year for sick leave. Many who are fortunate

enough not to be sick combine these into a two-months' vacation, and some of the typewriter girls go to Europe. In addition to the above, they get eight holidays a year and 52 Sundays. They also have 52 half-holidays, Saturday afternoons. This leaves 219 working days out of 365 in the year to work only from 9 a. m. to 4 p. m. ("The World's Work," June 1903.)

Contrast this with the treatment of employes by the railroads. By far the larger part of the railway employes here work every Sunday (without extra pay) and every day in the year; a great proportion work at night, and in cases of accidents and emergencies, which are altogether too frequent, must work Sundays and nights as well as days.

4. *Better Housing of the Employes.*—In at least some of the foreign countries the governments provide another advantage for their employes which is unique and suggestive. In New Zealand the government itself builds houses and rents them to its employes. This protects them from excessive rents by affording a means of escape from the private landlord. Matters of this kind are a decided advantage to labor by helping to reduce the cost of living.

And besides the New Zealand government makes a special provision for workingmen's homes by advancing them money with which to build. ("Story of New Zealand," p. 222.) The low fares granted to workingmen also enable them to live in better quarters outside of the crowded centers. Workingmen going ten or twelve miles out, as many do, travel about three miles for one cent or a four-cent fare each way. It is sometimes claimed that these reduced fares to workingmen bring them no advantage in the long run because the owners of property will at once put up the price of rent. But the government of New Zealand and at least one or two others have checkmated this move by building workingmen's houses of their own, thus keeping down the rents and also by advancing loans to the working people to enable them to establish their own homes. ("Story of New Zealand," p. 387.)

All the employes of the Prussian state railways receive allowances for house rent amounting to \$28 a year for the lowest class; \$75 for the fourth class; \$125 for the third class; \$160 for the second class; and \$200 for the first class. Thus again the government ownership of railroads is used as a means of protecting the working class in the matter of cost of living. ("R'ys, T. & P.," p. 349.) The railway administration of Prussia owned 30,840 houses of this kind at the end of 1899; in 1905 the number had increased to 40,800 ("Prussian Railway Administration," An. Am. A. Pol. & So. Science, Mar. 1907), while loans of public money to the amount of \$135,000 have been granted to building societies, which in this way have provided 1,266 dwellings for the working people. ("The German Workman," Dawson, p. 118.)

Thus it will be seen that the government ownership of railroads serves to improve the conditions of the working class, not only in the matters of wages and hours, but tends ultimately to improve their conditions in other directions.

The contrast between public and private ownership is strikingly shown in the matter of the treatment of the workers in case of accident resulting in injury and death.

5. *Accident Insurance, Sick Benefits and Old-Age Pensions.*—The establishment of government ownership is almost always followed by the inauguration of a system of accident insurance and old-age pensions. Under private ownership, on the other hand, it requires a constant legal fight and interminable litigation to compel the railroads to provide for the killed and injured. And this is all the worse because the management of our private roads is so much more reckless than that of government roads.

It was less of a risk to life and limb to enlist in the union armies during the rebellion than it is to enlist in the railway train service of the United States. It is seven times as dangerous to be a railway employe in the United States as in Austria-Hungary (*Encyclopedia of Social Reform*, "Railways"); six times as dangerous as it is in Belgium; four times as dangerous as it is in Austria ("R'ys, T. & P.," p. 468). And yet, while the work is so much more murderous, one is tempted to say it is about six times as hard to recover damages or assistance in case of accident here as it is in the European countries that own their roads. In this country the employers liability laws are entirely inadequate and unjust. Moreover, they are so drawn as to compel endless litigation to secure any returns at all. And even if a case is proven, the maximum amount recoverable at law is in the most cases only \$5,000. In Wisconsin the Social-Democrats succeeded in raising the limit to \$10,000, but even so, the rule seems to be pretty well fixed in the courts. In Europe the amount paid by railways for an employe's life has been as high as \$72,000.

But in any case when an employe is killed or injured it ought not to be necessary for him or his relatives to be forced at once to engage a retinue of legal talent to get what belongs to him. A liability law however good is not what is required. There should be an accident insurance which would give relief to the injured without delay or litigation. If a worker must go to law to recover damages the chances are the case will be delayed, appealed and finally lost. And even if he wins the lawyer gets the most of the money. What is needed is accident insurance, sick benefits, and old age pensions. And this is what practically every country that owns its railroads has established. In Germany 13,196,000 workers enjoy the old-age pensions; 10,319,564 have sick benefits and 17,366,000 have accident insurance. Belgium, Switzerland, Sweden, New Zealand, indeed all government ownership countries, have this form of insurance, and in nearly every case it dates from the time of the establishment of government ownership.

The benefits include an annuity during life of the retired employe, pensions to widows and minor children after his death, sick benefits and various payments in case of accident resulting in injury. In Prussia alone the old-age pensions fund amounted to \$15,000,000 in 1900. ("Story of New Zealand," Appendix III, page 790, on "State Annuities;" "Bismarck and State Socialism," Dawson, chaps. VII and IX; "The German Workman," Dawson; "Railway Nationalization," p. 51.)

Only four railroads in the United States have adopted pensions, and they with such limits and restrictions as to remove much of their value. Most of the systems do nothing whatever in this respect. And

besides, many of the roads compel their employes to sign away any claim to damage in case of injury as a condition of employment; others require their employes to take out membership in certain relief associations which the companies themselves control. Membership in these associations releases the companies from liability. So by every device the private roads seek to keep their employes from recovering damages for injuries and killings, while at the same time the recklessness of management, the wounding and injuring of workingmen increases every year.

6. *Organized Labor Favors Public Ownership.*—This fact is pretty reliable evidence. The trades unions are as a rule conservative in matters of this kind, and do not take an avowed position with reference to governmental policies until after they are pretty well assured that it is to their advantage. But many of the central bodies in various countries have already expressed themselves quite strongly in favor of public ownership.

The American Federation of Labor, at its annual convention in December, 1896, passed the following resolution: "Resolved, that the sixteenth annual convention of the American Federation of Labor urges upon all the members of affiliated bodies that they use every possible effort to assist in the substitution in all public utilities—municipal, state and national, that are in the nature of monopolies—of public ownership for corporate and private control." (Quoted in "City for the People," p. 165.) And such is coming to be a pretty general conviction among organized laborers everywhere. In Switzerland, when the question of establishing government ownership was agitating the nation, the trades unions, including the powerful organization of railway employes, all actively favored the law. The central body of the Swiss unions "decided unanimously to ask the societies to work to the measure of their power in favor of the adoption of the purchase law." ("R'ys, Trusts and People," p. 360.)

- No doubt the influence of these unions had considerable weight in the campaign. And the workingmen were not disappointed in the results, for as soon as the government took over the railroads it at once advanced the wages 15 per cent.

The trades union convention of England at its session in 1905 adopted without debate a resolution urging its parliamentary committee to "bring all possible pressure to bear upon the members of parliament and other public representatives, so that public bodies may be empowered to enter into and carry on any work or business in behalf of the people so as to steady the volume of trade and provide work at fair rates for those who would be otherwise idle." (Civic Federation Report, part II, vol. II, p. 58.)

In every respect, therefore, the government ownership of railroads means an improvement in the conditions of labor. The labor unions and the more thoughtful of the working class everywhere realize this and therefore are urging its adoption.

II. ADVANTAGES TO THE GENERAL PUBLIC.

1. *Rates, both Passenger and Freight, are Lower Under Government Ownership.*—A careful study of this subject shows that it would be possible under public ownership to reduce the passenger rates to at least one cent a mile, the freight rates similarly, while at the same time greatly improving the system, increasing the efficiency of operation, and improving the conditions of labor.

Prof. Parsons, who has made perhaps the most careful study of the comparative rates under public and private ownership (the *Arena*, Mar., 1907), says that "both freight and passenger rates are lower in Germany than in England or the United States. The average passenger rate is less than one cent a mile against two cents in the United States, and $2\frac{1}{4}$ cents in Great Britain. Mr. Larabee in discussing this subject shows that the average fare per mile is 2.15 cents in the United States under private ownership. Under government ownership, the average rates are as follows: Austria, 1.67 cents; Germany, 1.17 cents; Belgium, 1.18 cents; Denmark, 1.20 cents; France, 1.45 cents; Italy, 1.64 cents; Russia, 1.45 cents.

And, besides, under government ownership the passenger traffic is handled in a different way. For example, the zone system is quite generally put in operation, and there are offered second, third and even fourth class tickets at greatly reduced rates. Under this system the rate is one cent a mile or less for long distances and runs down to about one-third of a cent a mile. One can travel 457 miles for \$1.60. A similar service in this country would cost \$9.14. The result of this system was to reduce the rates fully 50 per cent and the stimulus to travel was so great the traffic doubled and the receipts increased in spite of the reduction. ("R'y's, T. & P.," p. 375.) In Switzerland, the government roads offer tickets, good over the entire railway system of the country, for one month for \$15 second class, and \$11 third class. Tickets good over the entire system for an entire year are sold for \$59 second class, and \$45 third class.

Under these provisions, Gov. Larabee, in his "Railway Problems," and Todd in his "American and European Railroads," and Cowles in his "General Freight and Passenger Post," show that the rates under government ownership are reduced in some cases to as low as three-fifths of a cent per mile in Germany, France, Austria, and one-tenth of a cent a mile on workmen's tickets in Belgium. J. D. Miller, in his "Finance and Transportation," has shown that on one form of tickets in Hungary, the workmen are able to travel 944 miles for \$2.70, third class. Similar services in this country would cost \$18.80, or seven times as much. In Switzerland and New Zealand the government also makes special reduced and excursion rates for school children, thus aiding the cause of education.

Mr. David Lewis in his arguments in the 56th Congress, first session, document 53, in favor of national ownership of railroads, makes a very careful presentation of passenger rates in all foreign countries, and on actual statistics from the Interstate Commerce Commission reports, shows that it would be quite possible for the railroads to reduce their present fare at least one-half, and yet make as much money as they are

making now. His final conclusion, after a most exhaustive argument, is that the American railroads could be operated under government ownership upon a general passenger rate of one cent a mile or even less and yet cover all expenses.

It must be understood, however, that such a reduction would only be possible under government ownership and would be possible under that system because of the great economies of which we shall speak presently.

Speaking of freight rates, Prof. Parsons says, "There is an impression that freight rates in Germany are much higher than in the United States. This impression has resulted from the comparison of average rates without explanation of what the average rate is." The German freight rate includes express. It also includes large amounts of traffic, which in this country are handled by private fast freight trains. And besides the German roads carry an immense amount of mail and baggage for the parcel post for which they get no pay. The American roads, on the other hand, receive enormous sums from these sources. Therefore, Prof. Parsons concludes, "making allowance for express and mail, freight, etc., the German commissioners, recently in this country, conclude that a proper figure for our average freight rate would be 1.44 cents per ton-mile, while the figure for the Prussian roads would be .95 cents. On the private roads of Great Britain the average ton-mile rate is 80 per cent higher than the average German rate. It is therefore clear that the passenger rates are decidedly lower under government ownership and freight rates at least considerably so.

2. *Better Service.*—Practically every authority upon the subject of government roads agrees that the change to public ownership results in an improved service. More and better trains are run. The tickets are made in greater variety so as to better serve the convenience of the people. For example, workingmen's tickets are issued which are of great service to the working class, but in addition monthly and even yearly tickets are sold at most surprisingly low rates, which are a great convenience and saving to business and professional men, doctors, and traveling men, as well as the general public. In Germany at one time private car lines supplied all the sleepers, as they do in this country. But now under government ownership the state runs sleeping cars of its own and the service is much improved. The Germans do not seem to appreciate the idea of having to balance themselves on the back of their heels and the nape of their necks to undress and having to sleep on a shelf. Accommodations which in this country would cost \$7 are provided in the sleeping cars on the German roads for \$2.50, about one-third as much.

In the matter of public education the policy of the governments is also very liberal. In Germany the school children get 75 per cent off on tickets and can ride on all trains, so that the monthly tickets cost about one-half of a cent a mile. Similar and even greater reductions are offered on the government roads in New Zealand. We even have the splendid example of the government roads carrying excursions of happy children from the crowded cities out into the open country for the enjoyment of a day with nature; and on the other hand bringing the

country children into the city for the study of its wonders. What can be more striking than this splendid policy of the government with regard to the relation of its railroads towards the subject of education? The same use of government railroads is made in Norway and Sweden. Private railroads are not conducted for the service of the people and the advancement of education, but for the private profit of their owners.

In the matter of freight rates the greater serviceableness of government roads is shown in many ways. In the first place it is agreed by all authorities that the vicious discriminations which have been the curse of private ownership are unknown. On the other hand, the tariffs are simple and flexible and are made to serve in every way the needs of commerce more fully than the private roads. In times of drought, special rates are made for the farmers. In times of distress, the roads respond quickly to the social needs. And so in a great many ways the government ownership of railroads serves the needs of the people much more effectively and widely. And this is natural, because under government ownership the railroads are operated primarily for the service of the people, and not as under private ownership for the profit of its owners.

3. *Greater Safety of Travel and Fewer Murderous Railroad Wrecks Under Government Ownership.*—Of all the railroads in the world those of our country are the most destructive, reckless and murderous. During the single year of 1905, 9,703 people were killed and 86,008 people injured. It is estimated that our railroads in America have killed more than 46,630 people and crippled 360,400. During the first 30 days of 1907 there occurred on the railroad system of this country 24 wrecks in which 188 people were killed and 156 people injured, and thousands of dollars worth of property destroyed. The private roads here are much worse than the private roads of Great Britain. The latter carry annually 400,000,000 more passengers than the American roads and killed only 166 passengers in 1905; and while the railroads in America killed 10,000 people in 1904, the railroads of Germany which are owned and operated by the government killed on the entire system only 74. Furthermore, while the safety of railway travel has slowly but steadily increased in other countries, it has decreased here in America; while the number of persons killed in proportion to the number of passengers carried, has steadily decreased in other countries, it has steadily increased in America. (Ridgeways, Feb. 9, 1907.) The railroads of America under private ownership are seven times as destructive of life and property as are the railroads owned by the government in Austria-Hungary, and six times as destructive as the government railroads of Germany. One trainman out of every 11 that are employed is killed by the private American railroads in every year, and one out of 150 is injured. "Railroading is more perilous than war, and even more fatal than the most mortal of all wars, the great civil conflict of the sixties." ("Railroad Nationalization," p. 60.)

The safety attained by the German government roads is one of their great achievements. There are more people killed on the private roads every week in America than are killed on the German roads in a year, and this in spite of the fact that there are 200,000,000 more

passengers carried on the railroads of Germany than on ours. Our roads killed over six times as many and injured 25 times as many passengers as the Prussian roads. ("R'ys, T. & P.," p. 330.) The government railroads of Switzerland have taken such care in the operation of their lines that in 15 years up to the end of 1904 not a single passenger had been killed in a single accident.

Prof. Parsons has prepared a careful statement, compiled from the reports of different countries, which shows that "railway travel is safest in Denmark, Norway, Switzerland, Sweden, Belgium, Germany, Austria-Hungary and Australia (all government roads); that it is more dangerous in Great Britain (private) than in any of the above mentioned countries and that in the United States it is most dangerous of all; about 6 times as dangerous as in Germany; 17 times as dangerous as in Belgium, 3 times as dangerous as in France, and 4 times as dangerous as in Great Britain." And in every case the greatest safety is attained in the countries where the railroads are owned and operated by the government; and the number of persons killed in proportion to the number of passengers carried increases exactly in proportion to the degree of private ownership. ("R'ys, T. & P.," p. 444.)

The record of the destruction of life by railroad accidents in this country is simply appalling. Prof. Parsons puts it in a very graphic way. "The Iroquois Theatre holocaust in Chicago stirred the nation from sea to sea with sympathy and horror, but the railroads killed eleven times as many people in the same year as perished in that awful catastrophe. The Johnstown flood and the Galveston horror shocked the sensibilities of the world with the terrible sacrifice of human life, yet the railroads of the United States killed last year nearly 20 per cent more persons than the total number of casualties in both those historic calamities, and in addition wounded about 10 times as many more. In two recent train accidents reported by the Interstate Commerce Commission in 1904 more persons were killed than were killed in train accidents by the state railways of Belgium in their entire history from 1835 to 1900." ("R'ys, T. & P.," p. 446; see also Literary Digest, Mar. 2, 1907.)

Such facts as these put the matter beyond a doubt. The government ownership of railroads results in a much greater degree of safety both for the traveling public and the working class as well.

4. *Government Ownership Would Tend to a More Stable Financial Condition in the Country.*—Railroad stocks and bonds constitute about 75 per cent of the material with which the stock jobbers and brokers gamble on Wall Street. And this railroad capital fluctuates in stocks anywhere from 30 per cent to 1900 per cent, and in bonds from 5 to 100 per cent each and every year. It is this fitful and appalling rise and fall in the stocks and bonds of railroads that constitutes one of the most disturbing elements in the modern financial world. The manipulation of these things by the stock gamblers is often the cause of a demoralization in the country, of panics and hard times with all their damning and disheartening effects. Over \$700,000,000 worth of railroad bonds and \$100,000,000 worth of shares of railroad stock are sold on the New York Stock Exchange in a single year. And yet all this

enormous railway capital is the subject of every panic, accident, combination, frown of fortune, and fury of frenzied finance. The terrible panics of 1854-7 and 1873 are by many attributed directly to excessive railroad building and speculation. No less an authority than A. T. Hadley attributes the financial crisis of 1884 to the same cause. The crash of 1866 was largely due to speculation in railway stocks; the corner of Northern Pacific in 1901 caused a Wall Street panic; and every one well knows that today the stock market is the center of the gigantic gambling by which every economic and financial interest of the nation is imperiled.

Transportation constitutes the very foundation of modern society. If this is subject to these perilous fluctuations and uncertainties, is it any wonder that our financial world is so unstable? Let us suppose now that the government owns these roads. This great field of vacillating value is then removed from the realm of stock gambling, redeemed by the substitution of stable capital backed by government securities. These securities have a constant value. Their value is seldom or never the subject of speculation or uncertainty. The interest will be paid promptly, the principal will be met. The field of gambling is thus destroyed and the opportunity for this terrible disturbing element is removed. ("Railway Nationalization," p. 9.)

Out of this stock gambling comes the terrible train of financial crimes which have been so graphically described by Lawson and other magazine writers during the last few months. The terrible over-capitalization, the manipulation of stocks and bonds, discriminations in rates, the struggle between the Titans of our financial world, the crushing of the smaller ones and the grinding to pieces of countless fortunes, the financial crash, the panic and hard times—all this terrible tragedy takes its rise from the anarchy which prevails in this world of railway financiering. If all this enormous capital and wealth which it represents were transferred from the realm of uncertainty, of stock speculation, gambling, and legalized robbery, to the realm of stability, certainty, order and justice, would this not have a tremendous effect for good upon the whole financial world?

III. ADVANTAGES IN OPERATION.

In addition to the advantages of government ownership which are mentioned above, there are a number of others which would be secured in connection with the operation of the roads. Brief mention should be made of a few of these, as they are all of great importance.

1. *Co-ordination with Other Public Utilities.*—Under a proper system of government ownership, such as we have in the progressive countries, the postal, telegraph and express systems are all co-ordinated and operated together with the railroads. Furthermore, in Germany especially, the government owns canals and waterways which are also made to increase the efficiency of transportation. The possible savings and advantages under such arrangements are truly enormous.

For example, in this country our postal service is badly crippled by the railroads. In the first place, the railroads charge the government outrageous prices for the transportation of the mail, nearly seven times

as much as it charges its allies, the private express companies, for similar service. But in addition to this it also charges the government enormous rates for the rent of mail cars. It is found that the government pays in some cases as much for the rent of a single car for one year as it would cost to build the car. The cars last on an average 20 years. And then, as though this extortion were not enough, the railroads add to the burden still another. It has been discovered that in weighing the mails the roads have falsified the weights. The weighing is done once every four years, and upon that basis the railroads are paid for the handling of the mails. It has been discovered that during the period when this weighing was being done all sorts of frauds were practiced. Thousands of pounds of empty sacks, bags of grain and in one case even a big pile of lead pipe were shipped back and forth and weighed over and over again in order to increase the weight of the mails. Taking all of these things together, it is estimated that the government is robbed at least \$24,000,000 every year by these exorbitant charges. This is fully three times the amount of the deficit reported in the postal department. ("R'y's, T. & P.," pp. 145 to 155.)

Contrast this startling situation with that in the nations that own their railroads. In Switzerland, Germany, Austria, Italy and Belgium the railroads owned by the government carry the mails free of charge, up to one car on each train. In case more than one car is needed, a small charge is made to cover the cost. Thus under government ownership the mails are carried at cost or even below, while in the United States the railroads are robbing the government and crippling the postal system.

In a very true sense civilization and progress depend upon the efficiency of a postal system, which facilitates free intercourse among the people through periodicals, papers, letters and other forms of communication. This has been carefully worked out by Parsons in his "Civilization Tables" in the "Story of New Zealand," p. 721. He concludes by saying: "Thus the weight and influence of our whole vast railway system stands squarely across the path of our civilization and higher social progress."

A similar situation prevails in regard to our express companies, which in this country are under private ownership. The rates charged are excessively high. They are 15 times as high as the rate charged by the parcels post in Germany. There, under the public ownership of railroads, the government carries a good-sized package or box of merchandise anywhere within the German Empire for about one cent a pound, insures it, guarantees its safe delivery, collects the price of the purchase, and remits it to the shipper. Such a service is impossible except under government ownership. It costs 40 cents to send a ten pound package by express from Boston to New York. A similar service in Germany would cost 12 cents.

It costs \$1.25 to send a twelve-pound package by express in this country when a similar package could be sent an equal distance in Germany for 12 cents. And, strangely enough, the citizens of foreign countries, can send packages to any town in the United States more

cheaply than we can send them in many cases from one town to another within our own country.

It is of course the private interests of the express companies that block the progress of our people in this direction. The vast profits made by these companies are prized too dearly to allow of any consideration of the welfare of the people. "Outside of the United States," says Parsons, "the world is practically a unit on the parcels post, and in many countries the whole express business is in the hands of the government. China and the United States are the only countries of importance that do not possess the parcels post. All of the others perform this service under the postal department at rates varying from one-fifth to one-fifteenth of what it costs us here."

Furthermore, the telegraph system under government ownership is generally co-ordinated with the mail, express and railway service, and such a co-ordination becomes an immense service to the railroads and the people. When to this is added the telephone system, the whole is still farther increased in efficiency.

And finally, in Germany at least, the government owns a fine system of canals and waterways which it is constantly improving. In this way a great deal of freight can be shipped by water at a much less expense than otherwise. In this way the transportation system is greatly facilitated and the cost still farther reduced.

It will be seen, therefore, that a vast amount of increased efficiency is possible under the government ownership of the various systems of transportation and communication. Especially is this so when these various means are properly co-ordinated and adjusted to each other.

3. *A Better System for the Improvement and Extension of Railroad Facilities.*—The really great and important railway undertakings of this country have in nearly every case been initiated not by private enterprise, but by the government. Such was notoriously the case in the building of the great trans-Continental systems, such as the Union Pacific, Northern Pacific and Southern Pacific. A vast empire of land and millions of dollars were given outright to these corporations in order to get them to build the railroads.

And this shows how empty is the objection raised against public ownership on the ground that the government would not furnish a sufficient initiative required for great, progressive undertakings and for extensions and improvements. As a matter of fact, it was the government in nearly every case and not private capital that made the vast railway systems of today possible. Read the history of railroad-building in this country. It is the story of the most gigantic plundering of the public wealth in the history of the world. It is the story of the famous Credit Mobilier; it is the story of the plunder of the public domain. Countless millions of dollars, no one will ever know how much, of government resources have been turned over to these railroad companies in order to "encourage construction." And an empire of land, the best and the richest in the country, has been given to them outright. In nearly every state in the union vast appropriations of this kind have been made. Each one of the trans-continental lines has been able to get from Congress grants of land as high as every other section

for 20 miles each side of its railroad bed for the entire length of its lines. More than 215,000,000 of acres of land, a vast empire larger than the whole of the New England and Middle states combined, have been given to the railroads by the government. More than \$140,000,000 in cash have been appropriated to six railroads alone in addition to the land. But even that is not all. States, cities and towns have been bonded for nobody knows what enormous sums, to offer bonuses to these railroads.

"The Union Pacific alone secured from the government 13,000,000 acres of land; the Kansas Pacific 12,100,100; the Northern Pacific 47,000,000; the Atlantic and Pacific 42,000,000, and the Southern Pacific 9,520,000 acres. The total area given by act of Congress to Western railroads is nearly as large as the whole original thirteen colonies. It is larger than the German empire and Italy combined; larger than Austria-Hungary, Switzerland, Denmark and the Netherlands; larger than France, Great Britain and Belgium." ("R'ys, T. & P.," p. 137.)

It may be truthfully said therefore, that after all it was the government of the United States and its people who really built the railroads of this country. It was the people who took the initiative, or at least whose resources made the enterprises possible. How then shall we say that the government would lack initiative? Such an objection in view of these facts is like heaping insult upon injury.

And besides there is reason to believe that the government would be much more prompt in the inauguration of improvements and new inventions than private companies are. The experience of foreign nations demonstrates that improvements are made even more rapidly there than here. The reluctance and tardiness with which new inventions and safety devices and similar improvements are adopted by our private railway systems in this country is strikingly illustrated in the case of air brakes, the safety coupler, and grade crossings.

In March, 1893, a federal law was passed requiring the railroads to equip their trains with automatic couplers and air brakes. But the railroads were allowed five years during which to comply with the law. During that time the railroad slaughter resulting from the lack of these safety appliances was allowed to go on with surprising regularity and a shockingly steady increase. At the end of five years, according to the industrial commission's report, certain roads had not equipped two per cent of their cars. The railroads succeeded in securing an extension of two years longer; and finally of three years more. At the end of ten years the Interstate Commerce Commission complained that 31 per cent of the cars inspected were still defective and named seven companies that had been fined for violation of the law and 20 others against which actions for such violations were pending.

Such has been the brutal and merciless spirit of the American railway companies. And the result of this criminal negligence shows itself in the terrible murder of our railway trainmen and passengers as shown above. Meanwhile, every nation operating their roads under public ownership has been able to steadily reduce the death rate upon their roads through the increasing application of all kinds of safety devices.

This fearful sacrifice of life on the part of our railroads to the interests of private gain is shown again in the matter of grade crossings. In most of our industrial centers the railways rush their trains through crowded centers at appalling speed on a grade level. Inevitably fearful accidents result. And the destruction of life from this one cause alone in this country is simply terrific. In Buffalo alone there were more people killed at grade crossings in 18 months than occurred in the whole of Germany for the succeeding period of five years' time. Not long ago in the city of South Milwaukee a fast train plowed through a crowd of workmen that were crossing the track near a factory. At this point there were several tracks, and a train having just passed from one direction had concealed the approach of the fast train from the opposite direction, with the result that seven persons were killed in an instant of time. Similar accidents are occurring everywhere in the country upon the grade crossings.

For years, therefore, every humanitarian principle has been demanding of the railroads the abolition of grade crossings. In the crowded centers these roads should either be elevated or depressed. But in this matter as in all others, the private railroads fight against the public interests. They look first, last and all the time at the cost. They fight to avoid the expenditure necessary to abolish grade crossings and to apply safety devices of all kinds if they think it will be cheaper to pay damages. Under government ownership in foreign countries, on the other hand, the railroads have been much prompter to apply all of these devices, with the result that they have attained a degree of safety in travel which we have described above.

And as for a system of extension and the building of new lines, it is clear that the needs of new districts are much more likely to be provided for by public enterprise than by private. Private roads will build only when there is a sufficient traffic to ensure a big profit. The public which has service rather than profit for its purpose will build where the roads are needed. A comparison of railway mileage in the United States shows that the present distribution is very unjust to the various sections. Some are overcrowded with roads and others are almost entirely neglected. This is of course natural under the system of private ownership, since every railway company will try to crowd its systems into the more densely populated parts of the country in order to win from the other companies the paying business. And similarly all the companies will naturally decline to build their roads into the sections that are least populated and therefore need them the most. The welfare of the people demands exactly the opposite policy. And under government ownership this is always attained. We see it splendidly illustrated in New Zealand and in our own postal system here.

4. *Vast Economies Possible Under Government Ownership.*—It is a well known fact that great saving could be effected if the railroads of this country should be operated under one unified system, such as would be inaugurated under government ownership. For example, the salaries paid to railroad presidents in this country are enormous and excessive. From \$25,000 to \$100,000 per year are paid to these men, in spite of the fact that they represent financial manipulation, rather

than any actual service in the management of the railroads. The superintendents are the men who are trained in railroading and do the managing. Under government ownership in Prussia we see the contrast. There the president of a railway division gets \$2,750 per year; the Minister of Public Works, who is general head of the government system, \$9,000 per year. These salaries cannot be said to be insufficient, for they secure for the government the very best men for this work. In this country our college presidents often receive only from \$3,000 to \$5,000 per year, and the members of the president's cabinet get only \$8,000. The total saving estimated by Mr. Lewis in his "Railway Nationalization" on this alone would be \$9,000,000 per year.

Another item that would be saved under government ownership would be in the abolition of "law expenses." The railroads expend in a single year as high as five million dollars for this purpose. It is not at all unlikely that four-fifths of this expense would be saved under government ownership. This would amount to \$4,000,000 per year. Another saving would be effected by the abolition of unnecessary competitive advertising. The saving on this is estimated at \$18,000,000 per year. Other items are,—increase of passenger service due to the lowering of rates, the abolition of passes, the exclusive use of the shortest routes in passenger and freight service, the consolidation of freight and passenger depots, etc.

Upon each of these items Mr. Lewis has made the most careful estimate based on the unquestioned data of past railroad experience in this country (see pages 28 to 38). The total amount of saving possible under government ownership is estimated at \$191,879,000 per year. Another very careful estimate has been made by Prof. Ely in his "Socialism and Social Reform." He places the figures at \$200,000,000 per year. As these estimates are based upon experience of the railroads and the reports of the Interstate Commerce Commission, it is reasonably certain that they are practically correct.

With such an enormous saving as this every year, consider for a moment what vast improvements would be possible in our system of transportation.

5. *The Financial Success of Government Ownership.*—The most striking illustration of the advantage of government ownership is shown in the matter of financial management. In view of the enormous financial exactions which the railway management of this country has made of our people, the financiering of these roads has been the most colossal failure, the most stupendous robbery that has ever characterized the capitalistic system anywhere on earth. In spite of the vast empires of land and the countless millions of dollars our people have given outright to these corporations; in spite of the additional countless millions of tribute that they have levied upon the commerce of our country; in spite of the vast fortunes that have been accumulated for individuals; in spite of all of this, 660 different railroads have gone into the hands of receivers in this country and 910 have been sold under foreclosure in the last 30 years. In other words, not only have these railroads absorbed all of this vast wealth which has been poured into their coffers, but in addition to that the private managers have

sapped the enterprise so completely, that over 42 per cent of the railroad mileage of the country has been bankrupted. ("Socialism and Social Reform," p. 270, note.)

The complete demoralization of the American railroads is set forth in a strong editorial by no less conservative a magazine than *The American Review of Reviews*, February, 1907. It says.

"The American railroads with all their rich traffic have not kept up to date. Passenger cars have become shabby and obsolete, and old locomotives have been kept in use which ought to have gone to the junk heap. German railroads under government ownership have been kept up to a far better state of efficiency than our American roads. At least 100,000 miles of our railroad systems have become unfit for the ordinary needs of current traffic. The management has brought American railroading into a position of being the most slovenly of all our business organizations, whereas, it ought to be the most precise, methodical and alert."

"No condemnation," they say, "of their failure is likely to be too drastic or to state the facts with serious exaggerations. The failure of the railroads to respond efficiently is due to the fact that the railroad system has been used for making a set of individuals rich at the expense of the country's transportation. It is unquestionably true, that a great part of the recent increase of the capitalization of American railroads does not represent actual expenditure for improving the roads and their equipment, but rather represents the great game of private financiering by means of which a set of men have rapidly become millionaires. They have gotten control of the American railway system, have bled it unmercifully for their own benefit, and the result is that it no longer serves the practical purposes for which railroads exist." ("Review of Reviews," February, 1907.)

Furthermore, these railroad magnates claim that they are unable to obtain the money which is absolutely necessary to enable them to bring their systems up to the requirements of the country. Mr. Hill declares that the railroad companies of the United States must expend not less than \$5,500,000,000 within the next few years, in order to equip and extend the railroads sufficiently for the needs of the country. And it is admitted that such sums would be very difficult if not impossible to secure.

The government, on the other hand, as is well known, can borrow money and can borrow it at a less rate of interest than any private corporation. It would therefore be able to secure the funds that are necessary to make the required improvements and extensions.

It is perfectly clear, therefore, that the private owners of the railroad systems of this country are unable to successfully finance them. It is therefore time for the American people to follow the example of all the other nations and take over these railroads and own and operate them themselves.

The break-down of the private ownership of railroads was illustrated in a most striking manner in the winter of 1907, when the roads were entirely unable to handle the business required of them. At seven primary cattle markets in the west, the receipts of cattle in November

of that year showed a falling off of 300,000 head, because shippers and drovers could get no cars. At fifteen grain markets, the receipts for grain showed a decline of 17,500,000 bushels, because of the car shortage. In Montana, mines have been closed because there were no cars to load. And at many places in the northwest people were actually suffering for want of coal because the railroads were unable to get cars to ship it to them. (Ridgeways, Jan. 26, 1907.)

In short, farmers and merchants and the people in general were confronted with ruin and actual suffering because the railroad system of the United States was unable to handle its business.

Contrast all of this reckless waste and financial mismanagement with the record which the various governments have made in the management of their railroads. The Belgium state railroads have made a net profit for the government of \$11,750,000 per year, or a total of \$251,000,000 in eight years. Germany cleared in 1904, \$375,000,000, and in 1905 the net surplus, after all expenses for interest, new equipment, extension, depreciation, etc., were paid, was over \$120,000,000. Prussia clears enough off of her railroads to cover fully one-half of all the other government expenses. In 1897 the net profit on the railroads was \$238,000,000. The net earnings of the government railroads in New South Wales in 1904 were \$5,800,000; Austria-Hungary clears \$5,782,200 per year; South Australia \$2,400,000; New Zealand \$3,700,000. Even Brazil in South America saved its people \$2,000,000 per year on its government railroads. ("U. S. Consular Report" No. 205, October, 1907, p. 291; "Rys, T. & P.," p. 347 and 386; Document 65, 56th Congress, first session; "Everybody's," February, 1907, p. 182; "Arena," February and March, 1907, "Railway Experience in Germany;" "Statistical Acct. of Australia and New Zealand," 1903-4.) And so on through the whole list of nations that own their railroads.

And, mark well, these financial achievements have been made at the same time that all of the other advantages which we are discussing in this argument have been secured. It is not merely a question of dollars and cents. The most important thing is that the railroad system of a country shall serve the social, economic, educational and moral needs of the people. And from our standpoint this should always be the chief aim. We do not think that the railroads of the country should be run primarily to make profit; nor that the profit should be used as it is in Germany to pay the other expenses of the government. It should be used either to improve and extend the service or to reduce the cost. We believe the theory of New Zealand is more nearly the correct one. In that country it is the rule that as soon as the profits on the railroads go above 3 per cent, the rates are reduced. And reductions have been made amounting to as high as 20 and 40 per cent in a single year. If such a reduction as that had been made on the railroads in this country in any recent year, it would have meant a saving of \$500,000,000 to our people. But while the people of New Zealand, because they go on the idea that the railroads should be operated for *service* and not for *profit*, have the advantage of a constantly reducing rate, we in this country have seen rates increased.

But at any rate no one can say that the government ownership of railroads is not a financial success so long as these nations are earning such vast sums of money as are mentioned above.

IV. THE FAILURE OF REGULATION.

The policy of the dominant political parties in this country so far is *regulation*. This has been the reply given by politicians to the growing demand of our people for a better transportation system. When facts like the above have been presented to the political parties and government ownership suggested as the remedy, they always say, "There is a way to solve these difficulties without going to the extreme lengths urged by the Socialists and establishing government ownership."

Of course the discerning person perceives that back of all of this is the tremendous influence of the railroad corporations, who are known to have been the chief influence in the political life of this country for nearly half a century. It is well understood that neither of the old political parties would dare to face the people with the government ownership of railroads as a part of their program. The leaders of these parties realize well enough that such an action would be fatal. This was strikingly shown in the case of W. J. Bryan. If one can judge from the nature of his utterances, when he returned from his trip around the world, he was convinced of the advantages of the government ownership of railroads. When he made his first address upon his return he suggested this as a possible plank of the Democratic party platform. But this suggestion precipitated a riot among the leadership of the Democratic party. Even in this organization, which is supposed to represent more progressive and radical elements than the Republican party, there is too much of capitalistic influence to make it safe for a moment for the party to undertake to advocate such a measure as this. And Mr. Bryan very awkwardly and very hastily retracted his position.

So we have both the dominant parties offering *regulation* as their remedy for the present appalling evils of railroad management in this country. It is quite likely that this will continue to be their policy.

But this has been the policy pursued by our states and the nation for over thirty years. And what has been the result? Every evil of the private ownership of railroads has steadily increased throughout that period up to the very present moment. Not a single one of the worst evils of our system has been in any considerable degree removed or substantially checked.

We have an Interstate Commerce Commission. Nearly every state in the union has a railroad commission. Thousands upon thousands of dollars are spent by these states every year in this effort at regulation. The state of Wisconsin alone spent \$37,385.18 in 1905 in this way upon its railroad commission, and since then the cost has certainly increased enormously, as the duties of the commission have been greatly extended.

And what is the result of all this? Practically nothing. In spite of all that has been done, no person can look upon the results and feel

that they are at all satisfactory. The Interstate Commerce Commission itself admits that the effort is a failure, and then attempts to explain it. They say they have not sufficient authority and are constantly asking for more. This possibly might be remedied. But they say also that many of the evils of private railroad management are of such a nature that they cannot be ascertained; that the shippers as well as the railroads have often been able to set their decisions aside by appeal to the courts.

It is perfectly clear, therefore, that regulation is no solution of the difficulty. It does not go to the roots of the matter. The antagonism of interest between the owners and the public can be abolished only by public ownership. It is self-evident that every institution and enterprise should be run in the interests of those who own it. If private individuals own our railroads, then the constant struggle will be to operate these roads in the interests of the private owners. The private owners demand big profits at whatever cost. They choose their officials, from the section foreman up to the railway presidents, with this end in view. And they place upon their officials this one inflexible demand—profits. And then the state undertakes to set a commission of men to watch these officials and keep them from doing the things which their superiors demand they shall do. And this is the inevitable, interminable conflict. So long as we have the private ownership of railways, so long we shall have this unending struggle. It is prodigiously wasteful and at the very best is only in a most partial way successful and taken as a whole an absolute failure.

V. METHODS OF NATIONALIZATION.

As to the method of procedure for the nationalization of railroads, a whole volume should be written. And it should involve a careful study of the various methods that have been pursued by the different countries that have established public ownership. The methods are different in the different countries, and there is no doubt that many different devices may be resorted to as a means for accomplishing the desired end.

In Germany, we are told by Mr. Russell in his "Everybody's" articles, the German government began by buying stock first in one and then another of the various railway systems, and thus gradually established the government ownership of about 19-20 of the total mileage there. However, the foreign nations have been much more careful in safeguarding their interests in the matter of railways than have our people in America. This makes the provision for public ownership easier. The Prussian law of 1838 established a system of progressive taxation on the net earnings of the railroad companies. All moneys realized from these taxes were to be used by the state in purchasing railway shares. And then all income on such stock must be used for the same purpose and no stock so purchased can again be put on the market. In this way the railroads are made to provide beforehand the money with which to purchase them. And the transition to government ownership works itself out automatically. In addition to this the government also built and extended railroads.

The transition was gradual. For thirty years private and public roads were operated side by side in competition. And as a result of this experience the government more and more determined that public ownership was the correct policy.

In Switzerland the method was somewhat different. Anticipating the possibility of national purchase, the government had passed, in 1883 and 1895, a law subjecting the railway companies' accounts to rigid regulation and inspection. This became the basis for the purchase later on. The question of the purchase of the railroads was submitted to a general referendum in 1898, and was carried by an overwhelming majority. The details of the method of purchase were provided for carefully and the government appropriated \$200,000,000 in 1899 for the purchasing of the roads. In accord with the laws previously passed, the government was allowed to take possession of the roads on giving three years' notice and paying 25 times the average net profits for the ten years preceding the announcement of purchase. Or the government could pay the construction value—whichever method of computation produced the larger sum, deduction being made for any sum necessary to bring the road up to a standard condition. The final sum actually paid for the four railroads now in the government possession was \$186,078,000. ("R'y's, T. & P.," p. 362.)

In general the methods of securing government ownership have been a gradual purchase of one after another of the systems. In some cases, however, as in Switzerland and Italy, the whole system has been taken over practically at once, and the money appropriated out of the general government funds for this purpose.

In some cases the establishment of government ownership is effected by the government foreclosing on mortgages which it holds upon the railway systems. The Social-Democrats in the state legislature of Wisconsin urged this as a possible method for the United States. They pointed out that between 1876 and 1904, 660 different railway companies in the United States had been in the hands of receivers, that is, practically owned by the government. Their suggestion was that whenever this occurs and a road is taken over by the government, reorganized and put upon a paying basis, that instead of handing it back to private enterprise, it shall be kept. Had this policy been pursued up to the present time, 115,599 miles of railway would already belong to the government involving capitalization amounting to \$6,451,125,000.

It will be seen, therefore, that any of a number of different methods may be used for the establishing of government ownership. A system may be bought outright as proposed by Senator Pettigrew and explained in his argument on the bill before congress. ("Railway Nationalization.") Or the government may follow the method explained by Emil Vandervelde, the scholarly leader of the Social-Democrats in Belgium, which he calls "Interpenetration," that is, the gradual purchase of stock as was done by the German government. Or it may hold those which fall into the hands of the government through the failure of private financiering and bankruptcy, or it may foreclose its mortgages upon such roads as are unable to pay. At all events, it is quite

practical to provide for the nationalization of railroads by means which will not require a single cent of additional burden upon the people.

Some object to public ownership because they think that the government would have to contract an enormous debt in order to acquire the roads. On the contrary, however, as we have shown, it is possible for the railroads to be nationalized without the issuing of a single dollar of bonds, the increase of taxation, or the burdening of the people.

They can be made to pay for themselves. However, even if it should be necessary in order to facilitate the matter, for the government to assume a debt of a few million dollars, it would be infinitely wiser to do so than to allow the present condition to continue. The railroads are capitalized at over nine billion dollars (\$9,017,016,907 in 1904), of which certainly more than one-half and in many cases as high as two-thirds of the stock represents no investment whatever. And yet the railroads are managed, rates are fixed, expenses of operation manipulated in such a way as to compel the people of the United States to pay over to them enough tribute to give them a high rate of interest on the total capitalization. Furthermore, the capitalization of the railroads is increasing every year. It increases at the rate of about \$200,000,000 per year. And this increasing capitalization means simply that the private ownership of railroads is the means by which the capitalistic classes are increasing their rates of plunder year after year indefinitely. If that rate keeps up, for 10, 20 or 50 years, the results will be appalling. It would mean that the people of the United States would be compelled to pay, through transportation charges, interest upon a vast sum of money reaching up into the 10, or 15 billions of dollars. By the side of such a calamity, the public debt of a few millions that would be necessary to buy the roads would be only a drop in the bucket.

Is there any other way of escape from this terrible threat of increasing capitalization than through public ownership by whatever means may be reasonably safe and just?

VI. GOVERNMENT OWNERSHIP AND POLITICS.

It is frequently held by the opponents of government ownership that such a step would result in an unheard of increase of political corruption. These opponents generally point to the political corruption in government circles and argue that if the government ownership of railroads should be established and so large a number of people put into the government employ, this would fearfully increase political corruption and patronage.

Unfortunately for these objectors, however, the facts are against them. All over the world where the governmental functions have been extended, either in the direction of the ownership of national utilities such as the railroads and telegraph, express, telephone, etc., or the municipal ownership of city utilities, there, all authorities agree, the evil effects predicted have not resulted. On the contrary, the government of foreign cities where the principle of municipal ownership is most widely in operation is vastly better, and there is less corruption and graft than in American cities where we have comparatively little public ownership. And in the countries where government ownership

has been widely extended, there is less political corruption than in America.

One reason for this is the fact that wherever public ownership is put in operation, the employes are generally put upon the civil service basis. In all of these countries men are chosen for their positions upon the basis of their fitness. In Germany, for example, a long period of apprenticeship and most exacting evidences of efficiency are required for the appointment to the higher offices. And in less proportion the same is required for others.

And in the measures pending before Congress for the government ownership of railroads, explicit provision is made for the application of the civil service basis everywhere. Furthermore, the progress of the civil service reform in this country and the increasing abolition of the spoils system makes the danger from this source constantly less. And it is likely that as the cities and the states increase their functions from time to time, the civil service principle will go forward, and this certainly is essential.

But there is another phase of this subject. The railway service does not offer the same opportunities for partisan selection as some other branches of public service. Of course, some of the higher offices would be very desirable and eagerly sought for. But out of the million and more employes there are at most not more than 5,000 of these. There would be very little incentive for politicians, boodlers, or grafters to work political schemes to secure appointment as section hands, switchmen, brakemen, stationmen, carpenters, machinists, shopmen and so on. The sleek politicians would not be very likely to seek the job of dispatching trains, adjusting a schedule, running a locomotive or watching a switch. So that the danger from place-seeking would be limited to a very small proportion of the positions at the very worst. And as for the rest it is a notorious fact in this country that almost none of the men who hold the high offices in our railway system have risen from the ranks. All of the more important positions which would by their nature be sought for by the politicians, are today held by men who have not secured them by merit, but hold them because they hold stock or because their friends hold it. Whereas, on the government roads in Europe exactly the opposite is the case. Almost without exception the men who hold the better positions upon the government roads are men who have won them by reason of notable efficiency in preparation for their work and service in the lower ranks. There is every reason to believe, therefore, that there would be vastly less of inefficiency due to place-hunting, favoritism and nepotism under government ownership than there is today under private ownership.

Furthermore, the development of a more democratic form of government in the states and nation will also tend to safeguard the people upon this point. Already several states have adopted direct legislation as constitutional amendments. It is only a matter of time when the general principle of direct legislation will become a fundamental part of our general laws. As this is done, the power of corrupting our legislation, and thus manipulating political power for private ends, will be destroyed. And this again will make the extension of public owner-

ship secure. Therefore, in view of the experience of so many other countries, and especially in view of the developing democracy in our forms of government, municipal, state and national, the force of this objection disappears.

VII. THE PLACE OF GOVERNMENT OWNERSHIP IN THE SOCIALIST PROGRAM.

And this brings us to a consideration of the place that government ownership should take in the general program of Socialism. We do not urge the government ownership of railroads as in itself a panacea. Neither do we believe that this particular reform would in itself be adequate. As we have already indicated there are possible dangers in the direction of government ownership. To meet them requires the application of other principles. We have mentioned the necessity of civil service reform. The whole system of railway operation should be rigidly based upon merit, as it already is in most of the countries now owning their roads. And therefore civil service must be advocated along with the government ownership of railroads.

Furthermore, in order that the railway system, if publicly owned, shall be properly administered so as not to serve the interest of one class at the expense of another, it is quite essential that our forms of government shall be truly democratic. This necessitates the wide extension of the principle of *direct legislation*. This also should go with the effort to secure the government ownership of railroads.

In short, it is absolutely essential that in establishing government ownership of railroads we should also establish the public ownership of government. It is possible for government ownership to be only another form of tyranny. If the government be an autocracy, owned and administered by the few, and solely for their interests, as we have for example in Russia, then to put a vast system of transportation and communication into their hands means simply so much added power. And indeed the value of government ownership of railroads depends very largely upon the degree of democracy established in each particular country.

This is a matter for careful discrimination. Some of the opponents of government ownership and even some Socialists themselves, we are sorry to say, are misled upon this point. They observe, for example, that in some countries the working classes are rather unjustly dealt with by governments that own their railroads. In some cases their grievances are not fairly considered, laws are passed forbidding strikes, and the powers of the government are used to suppress them. From this the conclusion is drawn that the government ownership of railroads is of no advantage to the working class.

However, this situation is natural. If the working class in any country is not well organized, or if they do not have representation in the government in proportion to their numbers, and especially if they lack political organization, it is perfectly natural that the government should be less considerate in their treatment. This of course is well understood. This is why the Socialists everywhere urge the political organization of the working class. We believe that it is absolutely

essential that the movement for government ownership of railroads should be accompanied by a strong and thorough-going organization of the working class, both on the economic field in trades unions and also on the political field in order that they shall be properly represented in the government administration of the roads.

In this connection, however, it is gratifying to note that in the most democratic forms of government labor has received the most considerate treatment. Even in Germany the form of management is very democratic. And in many of the countries in addition to the advantages which have been mentioned above (in the discussion of labor conditions under government ownership) Australia, New Zealand and Denmark have a form of profit-sharing with their workmen. Prof. Parsons states as the result of his investigations that on the whole the governments are more inclined to favor the organization of their employes into unions than are the private companies.

And finally, in addition to these necessary elements, the Socialist always feels that along with the government ownership of any one public utility, there should be also the public ownership of other utilities that go naturally with it. Thus in establishing the government ownership of railroads we should also have the government ownership of the telegraph, the express companies, the parcels post. And these should all be co-ordinated with our postal system, which is already publicly owned. We have elaborated upon the advantages of this coordination above. But along with this, in order to secure the greatest possible degree of efficiency and service for the people, there should go the public ownership of certain other public necessities. It is a well-known fact, for example, that the railroads are vast owners of coal lands. Already the government is moving in the direction of public ownership of these resources. A great trust has been built up in the coal business. This trust has had its influence upon railroad management. The same is decidedly true of the oil business. The vitiating influence of the Rockefeller interests upon the railroad system of the country is well known. Furthermore, the consolidation of railroad interests has fostered or led to the monopoly of a great many other outside enterprises. For example, while the concentration of railroad ownership has gone steadily forward so that the entire railway mileage of the country is now in the hands of a few men, it is also well known that the same men hold the controlling influence in some of our greatest financial enterprises, such as the life insurance companies.

In short, the whole capitalistic system is involved in the ownership of the railroads of the country. The principle and arguments that show the necessity of the government ownership of railroads apply in the same way though perhaps not so obviously, to all of these great public utilities. The purpose of the Socialist is to destroy ultimately all power by which one man or set of men shall be able to draw from another man or set of men an unearned income. It is the purpose to so administer the social and economic life of the people as to guarantee every man the full products of his toil—to make it impossible for any man to live off the labor of another. And while the private ownership of railroads constitutes the foundation of our capitalistic system, never-

theless there are other elements in it. And while therefore we urge the government ownership of railroads and are determined to work for it persistently, and in every way open to us, we nevertheless warn the people that the government ownership of railroads would not establish the social order aimed at by Socialism, for there are many other elements of advantage sought by us.

However, all of this does not lessen one iota of the strength of the facts that are presented above. Nor does it weaken our determination to fight for the government ownership of railroads at once and all the time. Neither will it prevent our working in every possible way consistent with the maintainance of the organization of the Socialist movement for the government ownership of railroads. Because the Socialist party is the only political organization that stands for the full program that is necessary in order to lift humanity to the next higher social order, we shall at all hazards maintain the integrity of our political organization. But with this understanding we shall use our political power in support of every measure that moves in our direction. Every effort to teach the people of this country the enormous advantage of government ownership, whether made in connection with our propaganda or not, will be welcomed, and, to the extent of our power, supported. Every measure, whether advanced by our representatives in the city, state or national legislatures, or by others, that moves in this direction, will receive our support. In short, in every way possible we shall work now and always for the establishment of all measures of this kind.

And this we do the more earnestly because we perceive that there is abroad in the world today a great movement towards industrial democracy. The rising strength and increasing intelligence of the organized working class; the civic renaissance that is manifesting itself through the great municipal ownership movement throughout the world; the steady increase in the intelligence and power of labor, the growth of democracy in government—all of these mingling together are making *towards* the co-operative commonwealth, which the Socialists seek. It is ours to lend every possible strength of effort to each phase of this movement, believing that a victory gained in any one direction will emphasize the need of advancement in other lines, increase the power of the common people in their struggle with the forces of capitalism, and bring us finally to the goal.

Councillor Jackson, one of the best posted British labor correspondents, writes: 'That the Socialist movement is stronger at the end of this year than at its commencement, there can be no doubt whatever. There have been terrific attacks upon its advocates during the year without a doubt, but the movement advances. The trade unions, or, in other words, the organized workers in this country, are rapidly swinging over to the Socialist party. Preachers, writers and numbers of other thoughtful men, disgusted with society as it at present exists, are becoming Socialists.'

The Right To Demand

By VICTOR L. BERGER

TRULY the great masses of the people—the very part that does all of the hard work, the manual and nerve labor—are now damned to a hell without hope or likelihood of redemption. They are doomed to a life of suffering, of misery, of ignorance, and of constant torture. They live scantily from day to day, are badly fed, badly dressed and badly housed, and, what is worse, are in constant danger of being deprived of opportunity to labor. And that casualty may in a short time turn the well-meaning workman into a good-for-nothing tramp, his wife and daughters into despised creatures of lust, and his sons into thieves.

And, queerly enough, while our laws protect property and “morals,” capitalists and murderers, they do not protect the man in need of work. He finds himself confronted with the alternative of taking “charity” or of starving. If he wants protection he must commit a crime. He must steal, rob or become a common drunkard. Then he is “protected” by the law. He is sent to jail, or to the so-called “house of correction.” And some agent of the county, or of some organized charity, “takes care” of his wife and children.

And yet if we look closer, all the elements are at hand to make a comparative heaven out of this hell. There are all the things that laborers need in all countries, and in plenty. Especially is this the case in America, where there is an abundance of all good things, for the laborers have produced them. And if there should not be enough, they would produce more if permitted to do so.

Right here we catch a glimpse of one of the cardinal points of the whole question: The question of all the misery in the world.

The workmen would and could produce everything in plenty; but they cannot do so at will. They must wait for somebody else to permit them to do so, to give them work, for they do not own the tools or the raw materials.

The tools (i e., the machines) are expensive now-a-days, therefore they are under complete control of the capitalist class. The tools of today also require a great amount of raw material, and to buy that requires capital, which is another reason why capital controls production.

You see, then, that “capitalism” is the wall that the devil has put up between the laborer and his product.

The laborers, under present conditions, cannot employ themselves, but are dependent on the will and convenience of some owner of tools and materials. And not for love nor for Christian charity does the owner of the tools and materials give the laborers employment. He does so to invest capital, and to make profit.

The workingman's labor has become a mere ware in the market.

And, as such, his labor (i. e., himself) is subject to the same conditions as every other ware, the conditions of supply and demand. He and his labor are now also subject to competition.

The workingman's labor, or rather his time, that is, his life, is now bought in the open market, by the highest bidder on the one hand, from the *lowest seller* on the other. And the capitalist or employer cares to buy the laborer's time only when he is young, strong and healthy. When he is sick, or when he is old, the employer has no use for him. "Business is business," you know.

And because of this, we see that our so-called free-worker is actually worse off than the blacks were under slavery before the war. The black was "property," and represented about \$1,000 of value, which his master owned; therefore, the master took good care of him, and was anxious to have him in good condition as long as possible.

Thus we see plainly that the *private ownership* of the *means of production*, which was formerly the means of securing the product of the producer, has now become the means of exploitation — and consequently of servitude. The development of the tool into the machine *separates* the workman from his product. In this way, a comparatively small number of capitalists obtains a monopoly of the means of production.

It is a paltry evasion for our capitalists to say that the workers are free to accept or to refuse the terms of their employers. The laborers *must* consent. If they refuse the terms, there are plenty of others, hungry, starved and desperate, ready to take their places. But suppose it were possible that the employer could not get other men to take the places of those who refuse the terms offered (and pray do not for a moment think that such could actually be the case; this is merely a case of supposition), the employer could stand it; he would merely stop business for the time being. And do not imagine for one instant that he would suffer privation by doing so. His home would be just as radiant with luxury as ever, and he would probably try to endure life by a trip to some foreign country.

Now, another important consideration. Since the working people of the country do not receive the full value of their product, can they be expected to buy back these products? Their numerical strength makes them the chief consumers of the country, and those on whom production mainly depends. In this way (by the laboring people not being able to consume enough) and by the planless way in which production is carried on in general, the *so-called* over-production is created. That is, no matter how much or how little the toilers of a nation create, they always create more than they are able to buy with their wages. And in this way so-called crises originate. They have come upon us about every twenty years, roughly speaking, since capitalist production began its sway. At such times the trade and the manufacturing of a nation come to a standstill because "there is too much on hand!"

And the working people have to stop work and go ragged and hungry, *because there is too much on hand*. And just now we are having one of these crises, or are very near one.

But for the poor people the times are *always* hard.

During "hard times" the wives and daughters of the capitalists do not leave off attending balls, parties, and the opera, in their silks and diamonds. On the contrary, if the times are very hard the charity organizations, which, in spite of some good intentions that are back of them, are intended to deal out hush money to the dispossessed, simply arrange a "charity ball." And then *they* dance and eat—for the poor.

There is but one complete deliverance from the rule of the people by capital—and that is the rule of capital by the people. If much of what has been considered private property is to be absorbed in great monopolist ownership, as seems to be the inevitable outcome of the competitive struggle, then the people as a whole should become the monopolists! And that is called Socialism.

However we are not going to wait and to starve until Socialism is introduced.

The present conditions cannot be blamed on the working people as we have shown plainly. It is the capitalist system that is to blame. Therefore, we have a right to *demand* that organized society — the state and community—shall help the working people.

Socialism is the kind of dream that makes the other fellows wake up!

Capitalism exploits and exhausts the workers and then when it can exploit and exhaust them no further tosses them out upon the charitable mercies of the professional charity givers.

A New way to deal with Social-Democracy has been discovered in Schoenwald, Germany. A master painter of that place has just made the proposal that merchants and farmers refuse hereafter to sell potatoes to Socialists. "Then they would starve to death, and that would be the end of Social-Democracy!" he declared triumphantly.

It cost the government one hundred thousand dollars to convict Banker Walsh of Chicago. And the cost of this ultra capitalist to the government does not end with

conviction. One hundred thousand dollars would have built one hundred fairly good homes. The capitalist system is itself costly, and it is costly when it tries to sit in judgment on the distorted character of its own making.

Every one of the nine military recruiting stations in New York City has turned away from 500 to 800 applicants since December 1. Getting what they ignorantly voted for!

The new constabulary law in Nevada is the most insufferable piece of capitalist legislation ever enacted in the United States. It makes the handful of mine owners, through an irresponsible mounted police, the complete masters of the entire state, and sets up an absolute despotism of capitalism before which the workers will be as gnats, with their lives having about as much value.



ALD. EMIL SEIDEL

Social-Democratic Candidate for Mayor of Milwaukee