

recommendations or suggestions that might disturb the vested interests of railway rings.

That New York city is fast losing its preeminence as a commercial center, because of differential freight rates instituted by New York's railways in favor of other points, is conceded. It is to check this tendency that New York officials propose to rebuild the Erie canal. They profess to hope thereby to bring into competition a cheaper service that will compel the railroads, in self defense, to lower their charges and thus redirect the movement of freight to the port of New York. In the execution of this purpose the scheme of canal improvement mentioned above is outlined. It requires an initial expenditure of about \$100,000,000 of state money.

The need for cheap transportation is insistent, and \$100,000,000, if necessary, is not too much to secure it. But success should be assured, to justify a proposition so colossal; and the proposition does not give assurance of success. The mode proposed is not only inefficient, but it would aggravate the condition complained of.

Maintenance, interest charges, and amortization of the principal will necessitate an annual burden of from \$10,000,000 to \$12,000,000. If the traffic on the canals is doubled, about 8,000,000 tons of freight will be accommodated, consisting mainly of lumber, cereals, iron and coal—bulky and slow-moving freight. Each ton moved will cost the state \$1.25 or more, on a highway extending only part of the distance. Added to this indirect burden will be the direct charge for freightage paid by the shippers. Persons and perishable freight cannot be carried in barges, no matter how moderate the charges, and therefore improved canals cannot be of benefit in this most important regard.

Paradoxical as it sounds, canals to succeed must fail. Their utilization indicates excessive railroad rates. It is certain that the railroads will meet the competition of the canals, else the canal scheme is chimerical. But they will reduce rates only on that portion of the business which canal service is capable of dividing with them, recouping their loss by increased charges for services in which

they are unopposed. During the open season they may carry bulky freight at a loss, and by thus forcing the canals to cost more than the service they render is worth, arouse a public clamor for the abandonment of state management of our canals, and eventually throw the canals into the hands of the very interest they are intended to compete with.

An independent right of way, open to all transporters, is the essential purpose of the canal promoters. But a plan more certain and less expensive than canals is possible. The distance from New York to Buffalo, about 450 miles, can be spanned by a railroad highway at a cost of about \$50,000 per mile. Estimating construction at the extravagant cost of \$100,000 per mile, the railed highway could be built for less than half the cost of enlarging the canal.

The state could upon a public highway supply the motive power, permitting any shipper or company of shippers to use the service under proper regulations, as at present with barge owners over a waterway. Transportation companies would then be compelled to do business at competitive rates. There would thus be established an effective competition—without the intervention of state authority arbitrarily fixing rates—that would reduce the cost of service to a business basis of profit. It would place all operators and shippers on an equality of opportunity, and wreck a nest of monopolies now supported by railroad favoritism.

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EDITORIAL CORRESPONDENCE.

New York, Aug. 4.—On the subject of improvements in railway travel, there is something suggestive about the changes that have been made between Chicago and New York.

A score or so of years ago, the best accommodations were such only as the ordinary sleeping car afforded. The nearest approach to the convenience, comfort and luxury now enjoyable was the sleeping car state room; and that was only an approximate approach—approximating present possibilities of comfort about as a journey to New York would ap-

proximate in point of distance a trip around the world.

Now, however, the accommodations of first-class hotel life, combined with great speed, are offered by the leading roads. On the Lake Shore, for instance, the limited express makes the journey in 24 hours to the minute. Its stops are few and only at the most important points.

It does not stop at all between Albany and New York, but rolls along the perennially picturesque Hudson at the unbroken pace of nearly 50 miles an hour. One of its cars is half observation and half compartment; and, like the rest of the train, all luxurious. In the observation room a stenographer and type writer serves passengers free of charge. A maid attends upon lady passengers, and a cheerful porter is always in evidence at the touch of an electric bell. In the compartments one can buy a berth as in a sleeping car, though at a slightly higher price—higher than the price on western roads. This is almost as great an improvement upon berths as berths were upon seats. The compartment is sacred to its sole occupant, unless heavy travel necessitates the sale of upper berths. In that event two passengers instead of one are assigned to a room. But be the occupants one or two, privacy is preserved and neither need leave the room from one end of the journey to the other, so complete are its appointments. The chief advantage of these compartments, however, is the opportunity they afford for dressing in privacy and without discomfort. One must have had experience in the gymnastics necessary to prepare for bed or for breakfast in a sleeping car berth, with toilet facilities 20 berths away, more or less, in order fully to appreciate the comfort of making those preparations in a sleeping chamber where all facilities are at hand and no gymnastical contortions are needed.

But that is not all. The whole train (the appropriated seats and compartments alone excepted), is at the service of every passenger. Besides the observation room, a delightful lounging place—all window—from which the panorama of scenery may be observed as it slips by, a buffet car makes an attractive smoking-room. Both are well supplied with reading matter, including periodicals and a library of books, and the whole train is brilliantly lighted at night with electric lamps. This sumptuous hotel on wheels includes a dining car, where meals are served at regular hours for the uniform price of one

dollar; and they are meals such as no hotel offers for less than from \$1.50 to \$2.00.

Altogether, a trip to New York on the Lake Shore limited is a luxurious though short vacation. But I have not written of it merely to describe it. The advertising folders do that better than I can. My object is to contrast these luxurious possibilities of modern travel with the comparative discomfort to which travelers who must economize expenses are forced to submit.

Though vast improvements in traveling facilities have been made, few are to be enjoyed without extra expense. There is very little improvement in accommodation or service for the old price between New York and Chicago. On the Lake Shore line the traveler must pay \$20 for fare alone. That has been the fare for years. True, he may have a cheaper ticket if he wishes; but if he buys one he must "go steerage," his best accommodations being those of the common smoking car. Live stock, also, is carried cheaper. But having paid this charge of \$20, the old-time fare, the traveler may secure a sleeping berth and the comforts and conveniences of a sleeping car for \$5 more. This price, also, has remained unchanged for years. If, however, he wants a compartment, it is not enough for him to pay the extra \$2, making \$7 in all for sleeping compartment accommodations. There are no compartment cars on ordinary trains, and he must pay \$4 extra fare to go by the "limited." Unless he pays that, he foregoes the luxury of a compartment car. To get dining car privileges he need not pay the extra fare; other trains also carry dining cars. But he must pay it for dollar meals as good as those served on the "limited."

So improvement in travel sums up very much more to the advantage of the rich traveler than of the poor one. Whereas first-class travel between New York and Chicago, ten to twenty years ago, cost \$25 in addition to meals, first-class travel to-day, in addition to meals, costs \$31. And though the lower grade of accommodation is in some respects better now than first-class accommodation then—slightly quicker time, somewhat safer and more convenient cars—yet the price is the same; and a wide gap has been created between the two grades of first-class travel now in vogue, a gap so wide as to give to the lower one impressively the character of second class. The distinct improvements in travel are "limited" to travelers who pay extra.

Nor is that the worst of it. Extra service ought to command extra pay. But in order to give these advantages to persons who pay extra, the common traveler is assessed. His fare has not been reduced. He pays more, comparatively, than the value of the service he gets, and the difference is applied to the maintenance of the limited express, which does not pay. The extra charge for its conveniences is enough to keep off the "common herd," but not enough to make up the difference in cost. A convenience for the "nobility" who use it, it is supported partly at the expense of the "proletariat" who cannot afford to.

This kind of favoritism may not have contributed to generate the sentiment against corporate ownership of the means of transportation, for few have taken the pains to analyze it; and in itself it is not very important, being a result, probably, rather than a cause, of the advancing tendency to class distinctions in this country. But be the cause or causes what they may, that hostile sentiment exists and is steadily growing.

Its principal manifestations are with reference to municipal service. They are apparent everywhere, in small towns and in large cities alike. Wherever private ownership of municipal monopolies exists, there agitation for municipal ownership is rampant. And nowhere is it more marked than in the city of New York.

In support of the municipal ownership idea a largely attended dollar dinner was given yesterday at College Point, one of the Long Island Sound resorts in Greater New York. Chairs were set for 617 guests—the number of tickets sold—and they were nearly all occupied. Col. A. P. Ketchum, a prominent republican, presided, and among the local speakers were Fred W. Hinrichs, of Brooklyn, a democrat, and Gen. H. E. Tremain, of New York, and Lucien Knapp, of Queens, republicans.

The dinner was organized by "The Franchise Tax and Municipal Ownership League," which demands that no further franchises be granted in Greater New York, and that those which have been granted beyond recall be specially taxed. The underlying principle of this league, therefore, though limited in application, is that of the single tax. It is consequently being vigorously supported by single tax leaders such as D. B. Van Vleck, A. J. Boulton, Sylvester

Malone, George W. Everett, Samuel Seabury and James R. Brown. But the principal leadership in the movement includes democrats and republicans of local prominence and influence, whose high standing testifies to the inroads that radical sentiment, in the true sense of that much abused term, has made in the ranks of conservatives.

Politically the movement evidently aims at contesting the approaching municipal election with Tammany hall on the question of municipal ownership and franchise taxation. This has had the effect of causing some prominent single tax men to hold aloof. Though they do not want to antagonize the others, and nothing like dissension has occurred or is probable, they suspect a union of the league with the republican party upon some partisan republican as the anti-Tammany candidate for mayor. If such a combination were successful there, it would put the enormous political power of Greater New York into the hands of the national republican party during the next presidential campaign, and by thus securing the state to the republicans might turn aside political currents of vastly greater importance to the single tax cause than a local defeat of Tammany hall this year.

Special reasons for a heated agitation of the municipal ownership policy in New York are apparent, when the situation with reference to transportation rights is considered.

In the face of a popular vote for municipal transportation, and even in professed compliance with it—a profession that borders on the hypocritical—public interests in New York are being corralled by a ring which by comparison makes the old Tweed ring seem more than half angelic. This ring is composed of gentlemen—some of the richest, and ablest, and hitherto most respected and trusted gentlemen of the metropolis. As the inwardness of their proceedings unfolds, the full meaning of the familiar Kansas beer story is realized. Said a Kansas politician to the members of a committee whose meeting in his office had come to a close—

"Boys, I have some beer stowed away in a cool place. Let's drink it."

As Kansas is a prohibition state the committee was enthusiastic.

"But hold on, boys," said the host, raising his hand for a further hearing; "hold on! Before I bring in that

beer I want to know whether you are going to drink like gentlemen or like hogs?"

"Oh, that's all right, Bill," answered one of the party, "we'll drink like gentlemen fast enough." The others joined in the assurance.

"Well, if you're going to drink like gentlemen," the host replied, "I'll have to get more beer. Hogs know when they've had enough."

These New York gentlemen, whose behavior recalls Tweed's famous query: "What are you going to do about it?" are some of them members and some of them advisers and influencers of the rapid transit board. That board is empowered to construct and regulate the use of a municipal rapid transit system—the great underground system now in course of construction. This was authorized by a popular vote. The ballot read simply, "for (or against) municipal construction of the rapid transit road." But the statute authorizing the vote empowered the board, in its own discretion, to do the work by contract. It did not require the board to do that. It merely trusted its judgment and honor.

The board decided to resort to contract. That decision might very well have been in good faith. But for bidding on the contract, the board adopted conditions which effectually discouraged every bidder but one; and after accepting his bid, it modified these conditions so as to relieve him of obligations that other bidders had been unwilling to assume. Not only did it thus give out the contract at a price several millions in advance of what the work, under sub-contract, is being actually done for, but it arranged to have the city lend the favored contractor the necessary capital for construction at the low interest rate of four per cent.

In other words, the city itself is constructing the system. It provides the capital, and at high wages it hires the chief constructor. But it does so in a form which gives to him all the benefits of contractorship without any of its risks.

The board then provides that the contractor shall have a lease of the road for operation for 50 years, with privilege of renewal for 25 years more, for a certain rental, upon condition of charging not more than a certain fare. Some idea of its fidelity may be got from the fact that the rental it demands is the lowest and the fare it allows is the highest that he law permits. Besides this, it is suspected, with reasonable shrewdness, that the

board itself is actually, though of course not nominally, responsible for certain convenient vagaries of the laws under which it acts, and behind which it hides when criticised.

The contractor to whom the rapid transit board has been so generously considerate is, of course, only a middleman, the real party in interest being the Metropolitan Traction company. This powerful monopoly, assisted by its highly respectable republican, democratic and non-partisan coadjutors, is acquiring as complete control of Greater New York as the robber barons had of the Rhine; and the rapid transit board appears to be its very obedient servant. Corruption on the part of the board cannot be proved. Indeed, in the vulgar sense of corruption, there probably is none. That kind went out with Tweed. But there is not much room to doubt that financial, professional and property interests are being played upon, to the destruction of public rights, with the same effect, to the same end, and with more real turpitude than would be involved in coarse corruption of the Tweed type. It is as probable as Tweed's venality before his spectacular exposure. This opinion has at any rate taken root in the public mind of New York, and not a few immaculate reputations are likely to suffer thereby. Already some very available mayoral material, of altitudinous respectability, has been counted out on grave suspicion. L. F. P.

NEWS

Our latest report on the steel strike (p. 264) closed with the 31st, when the compromise terms proposed by the executive committee of the strikers had been rejected by the trust. After an all-day session on the 1st the committee decided to go to New York in a body for a further personal interview with Morgan. They had been invited to do this by President Schwab, of the steel trust. On the 3d, accordingly, the committee, consisting of 15 officials of the Amalgamated association, met Mr. Morgan and eight other representatives of the steel trust in secret conference at New York. At this meeting the steel trust officials offered the following terms of settlement as their ultimatum:

Preamble. Conditions under which we are willing to advise a settlement of the labor difficulties:

Tin Plate Company—Should proceed

under the contract signed with the Amalgamated association as of July 1, 1901.

American Steel Hoop Company—Company should sign the scale for all the mills owned by the American Steel Hoop company that were signed for last year.

American Sheet Steel Company—Company should sign the scale for all the mills of this company that were signed for last year except the old Meadow mill and the Saltsburgh mills.

The strikers' committee responded with the following:

We, the members of the executive board of the Amalgamated association, hereby present the following proposition as a reply to that received from the United States Steel corporation:

Sheet Mills—All mills signed for last year, with the exception of Saltsburgh and Scottdale and with the addition of McKeesport and Wellsville.

Hoop Mills—All mills now known to be organized, viz., Youngstown, Girard, Greenville, Pomeroy, Warren, Lindsay, McCutcheon, Clarke, Bar Mill, Monessen, Mingo, 12-inch, nine-inch and hoop mills of the Cleveland Rolling Mill company, tin mills—all mills except Monessen.

Note—All other matters of detail to be left for settlement by conference.

In making public this proposition and that of the trust representatives, the strikers' committee explained that at the last conference, as at those preceding it, they had required the signing of the wages scales for all the mills owned and operated by the United States Steel corporation, while in the proposition given above they asked that "the scales be signed for none but those mills which are organized and where the men ceasing to work have signified their desire to be connected with the Amalgamated association." This modification had been made, they further explained, because the trust officials declared that the strikers wished to force men into the organization against their will and desire. The strikers therefore asked that the scale be signed for only those men who desired it. Each party rejected the ultimatum of the other, and the conference abruptly adjourned. Soon afterward Mr. Shaffer, president of the Amalgamated association, authorized this announcement:

Within a week every union man and every union man at heart in the employ of the United States Steel corporation will be asked to join in the strike now being waged by the Amalgamated association. We must set-