

the magnitude in the mass of this petty form of bribery: "It would take a train of ten coaches every day, including Sundays, to handle the passengers holding free transportation on our line east of Pittsburg and Erie." As this is a formal statement by the railroad itself we can assume it is not seriously overdrawn. And yet what an indictment it is—an indictment of these railroad officials by themselves! Seldom has an opponent of private ownership and operation of railroads made a broader charge against the railroads as corrupters of American political life. They here confess that they have debauched the people's servants wholesale. Not merely those who, elected or appointed, have the making and administration of the law, but that other department of our government which so many yet hesitate to believe is ever corruptly influenced—the judiciary.

#### The "graft" of the gas companies.

A pitiful play is being made by the gas companies of Chicago to delay the inevitable reduction in gas prices. Sometimes their lawyers shed crocodile tears for them, and sometimes they threaten endless litigation. Yet full well they know, all of them, that they are charging enormously exorbitant prices for gas, and that sooner or later they must drop their graft. Of their exorbitant prices there is no lack of proof. Here, for instance, is a letter which a Chicago dealer in investment securities, Mr. J. W. Sibley, of 184 La Salle street, is circulating among business men. It speaks for itself:

Dec. 8, 1905.

Dear Sir:—Do you know that *gas for fuel and illuminating purposes can be manufactured for about 30c per 1,000 cubic feet?* Do you know that gas companies from one of the safest and most profitable of all investments—no gas company in a town of over ten thousand having failed? If so, figure out how safe and profitable a proposition would be if a growing city of 80,000 population would grant a *liberal 50 year franchise for gas at \$1.35 for illuminating and 85c per 1,000 cubic feet for fuel. We have just secured such a franchise.* One of the strongest and most conservative Banking Houses of this city has taken our entire bond

issue. The head of this house has personally taken a large amount of six per cent. cumulative preferred stock—there is only a small amount left. If you would be interested in knowing about the details of this proposition—kindly make an appointment. Very truly yours,  
J. W. SIBLEY.

We trust that Alderman Young, the scrupulous and cautious chairman of the obstruction committee which is now languidly inquiring into the cost of making gas, will offer Mr. Sibley an appointment. For, if Mr. Sibley is truthful, as he doubtless is, 75 cents for gas would yield a gross profit of about 45 cents. This is information which Alderman Young would doubtless be more or less glad to get.

#### The Morgan-Field naggers.

We have already noticed the nagging to which Mayor Dunne has been subjected by a busy bunch of pharisees (p. 502), who have suddenly discovered that a State law requiring beer saloons to be closed on Sundays demands immediate enforcement. For thirty years this law has been ignored. Not until Mayor Dunne came into office and began making trouble for traction and gas interests has its enforcement been strenuously demanded. But the chance to nag him into doing something to irritate the German population was not to be lost. Doubtless those who actually do the nagging are quite sincere, and totally unconscious in their pious innocence of the subtle financial impulses back of them. And yet their pertinacity with the Mayor contrasts strangely with their indifferent attitude toward the State officials whose especial duty it is, if it is anyone's, to enforce this obsolete blue law. Mayor Dunne recently turned the tables upon one of the committees that visited him in connection with these efforts to cool off burning corporation questions with the moribund Sunday beer drinking question. "Why can't you be a man, like Gov. Folk?" asked one of the committee of Mayor Dunne. "Have you presented this matter to the State

authorities?" the Mayor asked in response. "Yes, a month ago," was the reply. "Well, what did they say?" "They referred us to the local authorities," was the indiscreet explanation; to which Mayor Dunne replied, as he closed the interview: "Gov. Folk didn't do that, did he?"

#### WHAT IS PATERNALISM?

The cry of "paternalism," as applied to public management of public affairs, is a word which demagogues glibly use to frighten mossbacks. But anybody of ordinary information will perceive, if he think carefully of the word, that for the thing the demagogue has in mind when he uses it, it is a misnomer.

Government operation of a railroad in Russia would be paternalistic, because there the government is not by the people, but by the "Little Father"—pater; whence, paternal, and paternalism. But government operation of a railroad in the United States would be exactly the opposite. Instead of being paternal (by the father), it would be democratic (by the people).

Manifestly the act itself, considered apart from the actor, cannot be described either as paternal or democratic. An act, to be paternal, must be performed by a pater; and to be democratic, it must be performed by a democracy—the people.

That this distinction is important will be seen when we reflect that nobody is finding any fault with the railroad as an institution. The railroad itself is neither paternalistic nor democratic. The question is: Shall the ownership and operation of the railroads be paternalistic or democratic—which?

In an absolute monarchy government operation of railroads would be rightly termed paternalistic; because in that case the monarch (one-ruler) would control the public function, to the exclusion of the people. But in a republic, government operation of a public function is nothing more nor less than operation by the whole people, all of whom are political equals. This absolutely excludes any idea of a monarch.

Little Father, or pater. It thus affords no root from which to extract the term "paternalism."

The trouble with our demagogue friend who misuses the term "paternalism" is that he has not grasped the fundamental significance of the American Revolution. He does not realize the fact that the colonists of 1776 turned things around, politically; that they, grown weary of "paternalism," undertook to supplant it by means of doing, through a government by the people, the things that the king—the pater—had arrogated to himself the right to do, for the people.

The American who calls government operation, in America, "paternalistic" thereby demonstrates his failure to comprehend the spirit of the Republic, that the act of a pater is paternal, while the act of democracy is democratic.

The demagogue may retort that un-"democratic" things are often done in democracies; to which it may be answered that the acts of monarchs are sometimes "democratic." In both cases it would be a mere playing with words.

In America, he only is a paternalist who declares that the government—the organized public—is not capable of doing a distinctive public service as well as an individual citizen could do it. To surrender a public service to private ownership and control is the nearest possible approach in a democracy to paternalism. It is as much as to say that the people are incapable of managing their own business; therefore, some great and good individual—some Little Father (pater) must do it for them.

If the people of the United States should decide that popular government is a failure, and should substitute a monarchy, they would thereby declare for paternalism—for a "father" to rule over and protect them. If they should decide that public operation of the post office is a failure, and should sell it out to, or give it into the hands of private individuals, as a privately owned and operated concern, the act would be as nearly paternalistic as any act could be, in a republic.

The misuse of the term "paternalism" by American demagogues

is significant of their sentiment toward democracy. They look upon government as a thing apart from and superior to the people. Their hearts have worshiped imperialism so devoutly and for so long a time that their intellects have forgotten (if they ever have known) that, in America, the government is of, for, and by, the people.

The real paternalist, in America, is he who denies the capacity of the people to manage public service through the machinery of government. He regards the people as children, members of a great family, needing a "father" to organize and operate their public business. And he would gladly be that "father," himself; for "there's millions in it!"

What is paternalism?

It is the ownership and operation of public utilities by any other than the public; as, in an autocracy, by the monarch, or, in a republic, by a private individual or corporation.

EDWARD HOWELL PUTNAM.

## EDITORIAL CORRESPONDENCE

### AUSTRALASIA.

Corowa, N. S. W., Australia, Nov. 10.—In my last letter (p. 487), I told you that two local government bills were before the New South Wales State parliament. The municipalities extension bill, relating to present municipalities has been postponed until next session. The shires bill has passed the Assembly, and is now before the Council, or upper house.

I said in the same letter that the maximum tax which could be levied was two pence half penny in the pound on the unimproved value of the land. This referred to the abandoned municipalities bill only. Under the shires bill the maximum tax is one penny half penny in the pound on the unimproved value; but if that does not bring in a sufficient revenue, a further tax of one half penny in the pound on the improved value may be levied. The total area of the present municipalities is only a little over 2,800 square miles. The shires bill is designed to bring about 191,000 square miles more under local government.

For many years the growth of the labor parties has been steady, but there are now signs of a reaction. The labor leaders have been more cautious lately in their utterances.

At the Interstate Labor conference

(page 344) in April, the "objective" was altered, and all direct mention of State socialism omitted.

In both Queensland and West Australia, where the State parties are strongest, there has been friction between Labor ministers and the parliamentary Labor caucus, the ministers being accused of not pushing on fast enough with labor legislation.

In Queensland the Labor party is the predominant partner in a coalition ministry, but some of the Labor ministers state that in future they will stand as independents. At a recent by-election in Queensland, in a mining town which was considered a safe Labor seat, the Labor candidate was easily defeated by an "independent."

In West Australia for more than a year, the Labor party led by Mr. Daglish was in power, though not in the majority, the numbers being Ministry (Labor), 22; Opposition, 24; Independent, 4. In September the Daglish government was defeated, but a ministry formed by the Opposition leader came to grief soon after meeting the House. A general election was held in October, when the Labor party lost a number of seats, the result being Ministry, 34; Labor, 13; Independent, 1, with two returns still to come in.

Mr. Daglish, the ex-premier, severed his connection with the Labor party and was elected as an Independent. In his address to his constituents he said that the systems of cabinet and caucus would not work together. He found the caucus trying to control the cabinet. Ministers answerable to the country for the administration had either to throw over the caucus or become merely the creatures of other members having no such responsibility. One or two Queensland Labor ministers have spoken in very similar terms.

In both States one of the points of difference between ministers and the caucus has been the question of crown land sales. The caucus demands their cessation and substitution of leasing, but ministers say they find this would retard settlement. Why this should result does not appear. I know that in New South Wales when land let on perpetual lease is made available it is readily taken up, being often many times over applied for. This system, of course, enables men with but little capital to take up land for themselves.

At the Interstate Labor conference (p. 344) one plank (4th) adopted was that a referendum of Commonwealth electors should be taken on the tariff question, in order that the parliamentary Labor caucus might vote solidly for high or low duties, in accordance with the result of the referendum. This proposal came from the protectionist delegates at the conference, but