New Zealand After Twenty Years of Progress

The Two Chief Strongholds of Progressive Democracy

By B. O. FLOWER, in The Twentieth Century

Continued from Last Issue

Now what does this all mean? It means that these cheerful high-ball drinking millionaire railroad magnates, whose throne-room is Wall Street, are imposing bonded indebtedness that the wealth-creators and consumers of America, of our generation and the next, will have to pay by the sweat of the brow of millions; for the dividends on these inflated bonds must be paid from the operation of the roads. And herein lies an added excuse which the railroads will no doubt put forward for demanding continued extortionate rates for mail service as well as for picking the thread-bare pocket of industry that the favored few may enjoy a perpetual golden harvest made possible by the government placing in private hands this arbitrary taxing power.

What the U.S. Has Done

Our nation has given the railways an empire of land and franchises worth hundreds of millions of dollars; yet has she safeguarded the people's rights by prohibiting stock-watering, bond inflation or a riot of extravagance in regard to salaries and expenses of chiefs and favored officials? No, she has virtually abandoned the wealth-creating millions of America to the rapacity of the public service companies, and the railways have been industriously assisted in their farming of the people by the express companies, the telegraph corporations, and the telephone monopolies.

Perhaps no more striking example between government administered in the interests of the people, and one administered in the interest of the fuedalism of privileged wealth can be found than that offered by New Zealand and the United States.

To return to the railways of New Zealand. We have already seen how there has been a rapid diminution in the freight and passenger rates since the Liberal government commenced its system of operating the railways. But under this Liberal democratic management the railways have also become a special blessing to the dependent citizen struggling to reach independence and prosperity, and to the child reaching to the light of education. Thus, for example, workingmen desiring to own little homes and yet remain at work in the cities, can live within a radius of twelve miles of the city and enjoy a four cent fare each way; while the school children enjoy special advantages on these state-operated roads, children in the primary grades being carried absolutely free. Older children pay from $2.50 to $5, according to age, for three months' tickets, up to a distance of sixty miles. "This gives them," as Professor Parsons points out, "a possible 120 miles a day for three to six cents, or twenty to forty miles for a cent."

Besides this, the road arranges for special school excursions, by which at a normal figure children are taken from the cities one hundred or two hundred miles into the country to study geography and the wonders of nature in the mountains and picturesque valleys; while the children from the country districts are brought into the cities and taken by the teacher over the printing offices, the ships, through the gas works, and various other manufactories and objects of interest.

The Parcel Post

Another example of the wise statesmanship of New Zealand, which contrasts strikingly with the statesmanship of our own country that has been grossly neglected of the interests of the people or that has placed the demands for the dollar above the welfare of the citizen, is found in the parcel post. We have no parcel post because the great over-rich and extortionate express companies have been all-powerful—whenever attempts have been made by high-minded statesmen to secure this service that would at once prove an enormous benefit to the people and a source of almost fabulous income to the postal department. Postmaster-General Wanamaker knew full well what he was saying when he gave to an English statesman the fact that it was the four great express companies that furnished the explanatory reason for the failure on the part of the people's representatives or rather misrepresentatives, at Washington, to give them a parcel post.

And why have the express companies so strenuously opposed a parcel post? Simply because they wish to farm the American people of millions upon millions of dollars, levied from industry as extortionate tribute. Do you question this? Then read the following facts as given in an editorial in LaFollette's Weekly, for January 8 of the present year:

"The Wells Fargo Express Company in the fiscal year 1909 earned net, after the payment of all expenses and taxes, over 86 per cent of the total value of all its property and equipment used in its business, and received in addition $1,400,000 income from investments of the accumulated profits. It presented its shareholders with a special Christmas dividend of 300 per cent. of $24,000,000.

"The American Express Company has been paying dividends of from six to twelve per cent. for years, on a capitalization half water; and last year received an income of $1,178,000 from investments of its additional accumulated profits.

"The Adams Express Company with a total investment of about $6,000,000, has, in recent years, in addition to high regular dividends amounting to $36,000,000, and last year received from its accumulated profits not yet distributed an income of over $1,000,000. So that another special distribution dividend of 100 per cent. is about due to the Adams shareholders.

"And so we might go on giving the statistics of the extravagant profits of the express carriers. Some of the smaller companies earned last year 200 and 300 per cent. net on their investment."

Now in New Zealand the parcel post will carry a parcel up to eleven pounds in weight and up to three feet in length and three feet in circumference, for six cents a pound, anywhere over New Zealand and not exceeding twelve cents a pound to any foreign land.

It may be urged that distances are much shorter in New Zealand than in the United States, and this is true. The extreme length of New Zealand from north to south is little over a thousand miles; while its greatest breadth is only 250 miles. But to offset this, it must be remembered that New Zealand is comparatively sparsely settled as yet. It has only been in very recent years that the present progressive system of development and organization of the country's transportation service along liberal lines has been under way. Now all persons conversant with the facts know that the cost of transportation in sparsely settled districts, especially where the transportation system has not been well organized and developed, is necessarily high.

But with population and organization the cost rapidly diminishes in proportion to receipts. Thus a street-car service in a small city will often be run at a loss for some time. After the city becomes a large centre, however, the street-car service becomes a great and perpetual growing mine of wealth to the city or corporation operating it. The same is true in regard to railways and transportation service in general. It is probable that if New Zealand were anything like so well settled and the service so developed as in older countries, her parcel post charges would be not more than one-fourth what they are today. To realize that this is a reasonable supposition one has only to compare the physical valuation of the express companies with their watered stock, and then note the enormous dividends that have been paid and are being paid on this watered stock. In New Zealand, where the railways are owned by the government, there is no danger of extortionate traffic rates; while the parcel post would only require a reasonable profit on the money actually invested. Hence the cost of service would be constantly lessened.

Doukhobors leaving Yorkton for B.C.

Again, when we compare the parcel post rates with foreign lands which New Zealand has secured for her people, with the express rates from our country, we have another striking illustration of the difference between private and public ownership of natural monopolies.

"New Zealand," says Professor Parsons, "sends a ten pound package 12,000 miles to London by parcel post for seventy-five cents. From Boston to London, 3,000 miles, our express companies charged one dollar for such a parcel. A New Zealander can send a three pound package by postal express to London for twenty-five cents. From Boston to London the company rate is fifty cents. From Boston to New Zealand the charge for a three pound package is thirty-six cents by parcel post, and $1.05 by express, and for eleven pounds the charge is $1.30 by postal express, and $2.35 by corporation express.

The Postal Savings Banks

The postal savings banks in New Zealand, as in all nations that have established them, have proved a tremendous incentive to thrift on the part of the people, and especially of the industrial millions. The workingman who can go to the postoffice and deposit his little savings week by week and know that the credit of the government stands behind it so that there is practically no danger of his waking up some morning to find his money lost on account of the failure of the bank or the embezzlement of some of its officials, soon acquires the habit of making his regular deposits.

In America we have savings banks in many of the large cities, and in some of the States the interest of the people are fairly well safeguarded by stringent legislation. In other states there are no such proper safeguards, while in numbers of small cities and towns as well there are no savings banks whatever. Hence millions upon millions of dollars that would be saved for old age or which would gradually accumulate until the laborer had acquired enough to purchase a home, are frittered away.

In 1903 the total deposits in all sorts of banks in New Zealand amounted to $140 for each inhabitant. In the United States with no postal savings banks, the total bank deposit amounted to only $110 per inhabitant.

In speaking of the benefits of this wise government action, Professor Parsons observes:

"Finally, postal banking has proved to be an important factor in the equalization of wealth, aiding the small beginnings of accumulation at one end, and, at the other or investment end, cutting off a source of speculation and profit for private monopolists by drawing savings deposits into public banks instead of leaving them to private institutions where they would be manipulated for private gain."

There can be no question but that we would have had the postal savings bank long ere this had it not been for another great privilege seeking and privilege-enjoying class—the banking interests. Like the railroads, like the express companies, like the telegraph and telephone trusts, this great interest has been able to prevent the people's interests being thus conserved.

Helping the Helpless

In this country, if there is a business depression and public works have to be curtailed, or the corporations find it to their interest to cut down the labor force, the workers are promptly dismissed, sometimes with regrets and kind words but without any intelligent or systematic effort being made to help them bar their doors against the wolf of want. Often such cutting down of labor comes in the winter season, or when it is approaching, and always after a panic there is an army of once self-respecting and industrious men and women forced by the iron hand of fate and the hard heart of a Christian society, which places money above manhood, into the depths. The slums of the city enlarge their borders and the army of human derelicts is largely augmented.

Now the New Zealand government holds that it is the august, solemn and inescapable duty of the civilized state, no less than the proper function of wise statesmanship, to bend every effort to preserve the citizen from losing his self-respect or becoming a human derelict. Therefore, shortly after the progressive democratic party came into office, the government organized an employment bureau to secure positions for the out-of-works and to help the helpless workers to reach a field of profitable employment. Here year by year the friendly hand of an enlightened state has been extended to the seekers after labor, and never did the good officers of a fraternal government shine so luminously in the poor man's night time as during last year, when financial depression reached New Zealand. Before that the government had assisted from two to six thousand people a year to obtain good positions at private or public work, but last year over ten thousand persons who would have fallen into the slough of despond were taken by the hand, so to speak, by this civilized state, and given positions of steady employment.

Four thousand one hundred and

Continued on Page 11