

LIVE QUESTIONS

BY

JOHN P. ALTGELD.

COMPRISING HIS PAPERS, SPEECHES AND INTERVIEWS; ALSO HIS MESSAGES
TO THE LEGISLATURE OF ILLINOIS, AND A STATEMENT OF THE
FACTS WHICH INFLUENCED HIS COURSE AS GOVERNOR
ON SEVERAL FAMOUS OCCASIONS.

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Cooley was in the vigor of manhood he expounded the constitution like a freeman addressing a free people. There was nothing subservient in his utterances, and the bright reputation he then made must not be clouded by utterances that are born of a grateful dotage.

NECESSITY OF ORGANIZATION AMONG LABORERS.

(Answer to Chicago Times, September 3, 1894.)

Standing together is their only salvation. Respect the law and stand shoulder to shoulder. So long as a portion of the laboring classes can be used as a club upon the backs of the remainder, just so long will there be no hope. [They cannot get a whole loaf so long as a portion of their number are willing to accept half a loaf and let their children go hungry. Their entire struggle, not only for bread, but for life, will be with organization and great concentrations of capital, for individual employers are fast disappearing. Instead of dealing as they once did with a master who knew their wants and felt at least that interest in them that grows out of a daily association and living together, they now have to deal with the agent of organized capital. This agent feels that not only his salary, but his position depends upon his securing large returns for the stockholders and is much more severe, more cruel and more heartless than the master who managed his own affairs. There used to be hundreds of employers where there is now one, each employing but a few laborers, and an individual laborer being able to choose among so many employers, had, at least, some chance to get fair wages and fair treatment. Now in many cases the laborer has no choice. There is but one employer within reach. Combination and concentration has wiped the others all out. The agent of this one employer can dictate both wages and terms to suit himself unless he is met by organization of the other side.]

Combination and concentration on the side of employers and of capital being already a fixed fact, the laborers have got to pursue the same path or give up all hope for the future of their children.

THE PULLMAN CORRESPONDENCE.

Early in the summer of 1894 the employes of the Pullman Company went on a strike on account of insufficient wages. They claimed that they had long been at starvation point and could not live on the wages the company proposed to pay. Finally the organization of the

American Railway Trainmen espoused the cause of the Pullman employes and refused to handle Pullman sleeping cars. This brought on the great railway strike of that year. The Pullman employes were of a superior character. There were very few old men or men of inferior grade, the company employing only the best. Yet in a few weeks after leaving the shops, the majority had to apply for bread to a public relief committee which had been organized. But the relief that could be obtained from public charity became exhausted. The Cook county officials did what they could to furnish aid, but the demand was too great. Finally numerous appeals were made to the Governor, when the following correspondence took place:

Kensington, Ill., August 17, 1894.

To His Excellency, the Governor of the State of Illinois: We, the people of Pullman, who, by the greed and oppression of George M. Pullman, have been brought to a condition where starvation stares us in the face, do hereby appeal to you for aid in this our hour of need. We have been refused employment and have no means of leaving this vicinity, and our families are starving. Our places have been filled with workmen from all over the United States, brought here by the Pullman Company, and the surplus were turned away to walk the streets and starve also. There are over 1,600 families here in destitution and want, and their condition is pitiful. We have exhausted all the means at our command to feed them, and we now make this appeal to you as a last resource. Trusting that God will influence you in our behalf and that you will give this your prompt attention, we remain,

Yours in distress,

THE STARVING CITIZENS OF PULLMAN.

F. E. POLLANS,
L. J. NEWELL,
THEO. RODHE,

Committee.

Springfield, August 19, 1894.

To George M. Pullman, President Pullman Palace Car Co., Chicago: Sir:—I have received numerous reports to the effect that there is great distress at Pullman. To-day I received a formal appeal as Governor from a committee of the Pullman people for aid. They state that sixteen hundred families, including women and children, are starving; that they cannot get work and have not the means to go elsewhere; that your company has brought men from all over the United States to fill their places. Now, these people live in your town and were your employes. Some of them worked for your company for

many years. They must be people of industry and character or you would not have kept them. Many of them have practically given their lives to you. It is claimed they struck because after years of toil their loaves were so reduced that their children went hungry. Assuming that they were wrong and foolish, they had yet served you long and well and you must feel some interest in them. They do not stand on the same footing with you, so that much must be overlooked. The State of Illinois has not the least desire to meddle in the affairs of your company, but it cannot allow a whole community within its borders to perish of hunger. The local overseer of the poor has been appealed to, but there is a limit to what he can do. I cannot help them very much at present. So unless relief comes from some other source I shall either have to call an extra session of the Legislature to make special appropriations, or else issue an appeal to the humane people of the State to give bread to your recent employes. It seems to me that you would prefer to relieve the situation yourself, especially as it has just cost the State upwards of fifty thousand dollars to protect your property, and both the State and the public have suffered enormous loss and expense on account of disturbances that grew out of the trouble between your company and its workmen. I am going to Chicago to-night to make a personal investigation before taking any official action. I will be at my office in the Unity block at 10 a. m. to-morrow, and shall be glad to hear from you if you care to make any reply. JOHN P. ALTGELD, Governor.

(On the morning of the 20th Mr. Wickes, a vice-president of the Pullman Company, called and offered to take me in charge and show me around. I told him that I should be pleased to have him go along with me, but that I did not think it best to go under anybody's wing. I then went to Pullman where two of the company's representatives joined me, and I spent the entire day making an examination, and the next morning sent by messenger the following letter to Mr. Pullman:)

Chicago, Ill., August 21st, 1894.

Mr. George M. Pullman, President Pullman Car Company, Chicago, Ill.: Sir:—I examined the conditions at Pullman yesterday, visited even the kitchens and bedrooms of many of the people. Two representatives of your company were with me and we found the distress as great as it was represented. The men are hungry and the women and children are actually suffering. They have been living on charity for a number of months and it is exhausted. Men who had worked for your company for more than ten years had to apply to the relief society in two weeks after the work stopped.

I learn from your manager that last spring there were 3,260 peo-

ple on the pay roll; yesterday there were 2,220 at work, but over 600 of these are new men, so that only about 1,600 of the old employes have been taken back, thus leaving over 1,600 of the old employes who have not been taken back, a few hundred have left, the remainder have nearly all applied for work, but were told that they were not needed. These are utterly destitute. The relief committee on last Saturday gave out two pounds of oat meal and two pounds of corn meal to each family. But even the relief committee has exhausted its resources.

Something must be done and at once. The case differs from instances of destitution found elsewhere, for generally there is somebody in the neighborhood able to give relief; this is not the case at Pullman. Even those who have gone to work are so exhausted that they cannot help their neighbors if they would. I repeat now that it seems to me your company cannot afford to have me appeal to the charity and humanity of the State to save the lives of your old employes. Four-fifths of those people are women and children. No matter what caused this distress, it must be met.

If you will allow me, I will make this suggestion: If you had shut down your works last fall when you say business was poor, you would not have expected to get any rent for your tenements. Now, while a dollar is a large sum to each of these people, all the rent now due you is a comparatively small matter to you. If you would cancel all rent to October 1st, you would be as well off as if you had shut down. This would enable those who are at work to meet their most pressing wants. Then if you cannot give work to all why work some half-time so that all can at least get something to eat for their families. This will give immediate relief to the whole situation. And then by degrees assist as many to go elsewhere as desire to do so, and all to whom you cannot give work. In this way something like a normal condition could be re-established at Pullman before winter and you would not be out any more than you would have been had you shut down a year ago.

I will be at the Unity block for several hours and will be glad to see you if you care to make any reply. Yours, respectfully,
JOHN P. ALTGELD.

It should be noted that the people of Pullman were all tenants of the Pullman Company, and were charged very high rates for rent, water, etc., and when their wages were reduced these charges were not reduced.

Mr. Pullman made a short answer to the above letter, but did not

offer to do anything toward relieving the situation, and he declined to abate any of the rent due from the tenants. Thereupon the following final reply was sent to him:

Chicago, August 21st, 1894.
George M. Pullman, Esq., President Pullman Palace Car Company,
City.

Sir:—I have your answer to my communication of this morning. I see by it that your company refuses to do anything toward relieving the situation at Pullman. It is true that Mr. Wickes offered to take me to Pullman and show me around. I told him that I had no objections to his going, but that I doubted the wisdom of my going under anybody's wing. I was, however, met at the depot by two of your representatives, both able men, who accompanied me everywhere. I took pains to have them present in each case. I also called at your office and got what information they could give there, so that your company was represented and heard, and no man there questioned either the condition or the extent of the suffering. If you will make the round I made, go into the houses of these people, meet them face to face and talk with them, you will be convinced that none of them had \$1,300, or any other sum of money only a few weeks ago.

I cannot enter into a discussion with you as to the merits of the controversy between you and your former workmen.

It is not my business to fix the moral responsibility in this case. There are nearly six thousand people suffering for the want of food—they were your employes—four-fifths of them are women and children—some of these people have worked for you for more than twelve years. I assumed that even if they were wrong and had been foolish, you would not be willing to see them perish. I also assumed that as the State had just been to a large expense to protect your property you would not want to have the public shoulder the burden of relieving distress in your town.

As you refuse to do anything to relieve the suffering in this case, I am compelled to appeal to the humanity of the people of Illinois to do so. Respectfully yours,

JOHN P. ALTGELD.

Immediately after the above correspondence an appeal was made by the Governor to the humane people of the State, describing the conditions at Pullman and asking for aid. Relief of all kinds soon came and some of the old employes were enabled to move to other points.

THE PULLMAN ASSESSMENT.

ADDRESS TO THE STATE BOARD OF EQUALIZATION.

(Relating to the assessment of the Pullman Company. Sept. 25th, 1894.)

In Illinois the stock of corporations is not assessed by the local assessor, but by the State Board of Equalization, composed of one member from each Congressional district, thus making a board of twenty-two members. As some corporations manage to almost entirely escape taxation, this board is often charged with being controlled by improper influences, and cases are cited of some members of this board growing wealthy while they had no visible means of support. As the State was obliged to keep a military force for some time to preserve order in the town of Pullman, and was put to a great expense in protecting the property of the Pullman Company, there was much complaint over the fact that the Pullman Company managed to escape taxation on most of its property. Thereupon I laid the following facts before the board:

Gentlemen: I have received a great many complaints from different sections of the State concerning the assessment of the capital stock of the Pullman Palace Car Company, and my attention has been called to some facts which I feel it my duty to lay before you. In doing this I wish expressly to disclaim any desire to interfere in any way with the duties of your board. The law imposes upon you the duty of assessing corporations, and I call your attention to the following facts, in the belief that they may assist you in arriving at a just assessment, and putting an end to an injustice. The records in the office of the Secretary of State show that the Pullman Palace Car Company has a capital stock of \$36,000,000. Recently Mr. George M. Pullman, the president of the company, testified under oath before a commission in Chicago, among other things as follows: Question: What is the present capital stock of the Pullman Company? Answer: Thirty-six million dollars. Q. Is that capital stock paid in cash? Ans. That capital stock is paid in cash. From time to time during the 27 years of its existence the capital stock was enlarged in order to meet the general enlargement of the plant. Q. Are the dividends which you pay based on the whole capital of \$36,000,000? Ans. Yes, sir; on the whole capital of \$36,000,000. Q. What are your dividends? Ans. Our dividends are 2 per cent. quarterly. Q. For how long? Ans. The company has paid dividends ever since its organization. The dividends for the first two years were at the rate of 3 per cent.

quarterly and for a time after that the dividends were paid for two years at 9 1-2 per cent. per annum, and then from that day they have been 8 per cent. per annum without any changes. Q. Has the company any bonded debt? Ans. It has no bonded debt. Q. And in addition to these dividends you have accumulated from \$16,000,000 to \$18,000,000 of undivided profits? Ans. The undivided profits amount to something like \$25,000,000. Q. In addition to these annual dividends you have mentioned there has also been accumulated about \$25,000,000 of undivided profits? Ans. Yes, sir.

This is from Mr. Pullman himself. Adding this \$25,000,000 of surplus to the \$36,000,000 of stock makes \$61,000,000 which the stock of the Pullman Car Company represents. Again the market reports for a considerable time in the past show that the stock of this company has been selling for cash in the market at a figure which would make the market value of all of the stock amount to over \$61,000,000. On April 13, of this year, it sold for 174. Further I attach hereto a copy of a report made by this company for the year ending July 31, 1893, to its stockholders and Poor's manual of railroads, and found on page 1,118 of that authority. In this report it is stated that the net earnings of that year were \$6,526,448. Out of this they paid 8 per cent. dividend, amounting to \$2,520,000 and carried \$4,006,448 to the surplus which then amounted to \$25,700,000. That is they carried nearly twice as much to the surplus as they paid to the dividend, although the dividend was 8 per cent. This was for the year ending July 31, 1893. The heavy world's fair travel came afterward. If the surplus for that year was \$4,006,448 the surplus for next year must be very large. The report shows that the surplus has been upwards of \$3,000,000 for many years, consequently the surplus must now be nearly \$30,000,000. The total assets of the company at that time was \$61,791,643; they must now be considerably larger. All this is the company's own showing.

So that whether you take this statement of Mr. Pullman or the price at which the stock was selling in the market or the statement of the company made a year ago, there is upwards of \$61,700,000 of property represented. Under the law, personal property follows the residence of the owner and pays taxes where he resides. This company has not much real estate outside of Illinois. The sleeping cars are personal property, and as the company is an Illinois corporation and has its main offices in this State, it should pay taxes here on all of its personal property except in cases where it is actually shown that it has been legally taxed elsewhere. The average assessment of other property that is assessed at all in this State is found to be from 20

per cent. to 25 per cent. of its cash market value. Therefore, if the stock of this company were assessed in the same proportion of its market value as other property it would make an assessment of \$12,360,000 to \$15,000,000. Instead of this it is assessed at only \$1,695,500 in this State, the company having represented to your board, as I am informed, that its property was assessed in other States. But it failed to show where it was taxed or how much. The auditor of this State has written to the proper officers of every State in the Union and of the Dominion of Canada inquiring how much the Pullman Palace Car Company was assessed, and what taxes it actually paid in each of those States. I attach hereto a tabulated statement showing the substance of the letters and telegrams received in answer to these inquiries. The letters and telegrams themselves are in the possession of the auditor and can be examined by you.

The tabulated statement referred to above showed that in most of the States the Pullman Company paid no taxes at all, in some of the others it simply paid a small license fee; that all of the assessments on its property made in the United States, including that in Illinois, would not amount to even a fair assessment on twenty millions of dollars; that consequently the company had over forty millions of dollars that was liable to taxation in Illinois, but was not assessed anywhere and did not pay taxes anywhere; that as the real estate and other property of the State was assessed at from one-fifth to one-fourth of its value, it was apparent that from eight to ten million dollars should be added to the existing assessment of the Pullman Company; that as the rate of taxation in Chicago, where the company was located, was about eight per cent. on the assessment, it was apparent that the Pullman Company had for many years been annually defrauding the public out of from six hundred and forty to eight hundred thousand dollars per year, and that consequently it had now in its possession several millions of dollars that in justice belonged to the public.

I appealed to the board to right this wrong and compel this company to bear its share of the public burdens. But my appeal was in vain. The board left the assessment practically as it was. I was subsequently told that the only effect of my address was to cause some of the members of the board to raise their price and force the Pullman Company to come and see them.