

Railroads and the People.

BY PAUL MORTON, TRAFFIC MANAGER OF THE ATCHISON, TOPEKA AND SANTA FE RAILROAD.
(From the N. Y. Independent.)

One of three things is bound to come in the transportation business of the country: legalized pooling, concentration of ownership, or government control. Of these three, the people, if they are wise, will accept the first, and it is to their very best interests to advocate it earnestly. One-fifth of the wealth of this country is invested in railroad securities, and people owning them should be protected. Unrestrained competition would in time destroy the value of these securities, and disaster in all other lines of industry would certainly follow.

I favor legalized pooling because I believe the public can be better served by stability in freight rates than by unrestrained competition, which is naturally destructive. Pooling, if legalized, should be under the supervision of the Interstate Commerce Commission, or some other competent body, which should have the power to decide whether pool rates are unreasonably high or unreasonably low. Rates should always be reasonable; they are sometimes too high, and at other times too low. There are a great many people in this country who are violently opposed to trusts or monopolies of any kind, and yet they favor unrestrained competition without realizing that the natural result of such competition is concentration.

If the railroads of the country are to fight each other to a finish, the natural outcome will be one ownership by a few people. Personally I do not believe this would be a great calamity, but fully seventy-five per cent. of the people of this country would protest most vigorously against anything of the kind; and yet, by opposing an arrangement whereby an apportionment of traffic or earnings can be made which will enable the railroads to live, they are expediting just such a condition of affairs. Unrestricted competition means that the big shipper, the colossal industrial enterprise, the institution with the greatest tonnage, will continue to secure preferential rates, and it also means that if there are any discriminations to be made in rates, that the larger cities, as well as the larger shippers, will get the inside. Legalized pooling would protect the small shipper and the small town, and these are the bulwark of our national prosperity, hence their interests should be looked after.

Government control or ownership of railroads will probably not be attempted or advocated extensively until the public realizes that unrestricted competition has forced the railroads of the country into a few hands, and then there will be a great outcry to achieve it, notwithstanding the fact that the people themselves will be to blame for the concentration of power and proprietorship in the transportation facilities of the country.

The objections to Government ownership are many. The probable introduction of politics into our transportations as a consequence would be a very serious objection. The extravagance with which Government business is conducted is another objection. My opinion is that the post-office department, which is often referred to as an ideal Government function, is managed in anything but an economical way. The Government pays the railroads of the United States about 28 per cent. of its total earnings from the postal department, and shows a large annual deficit. Private interests control the express companies, which pay the railroads fifty per cent. of their gross earnings, and still show a profit. In a town of 20,000 people the postmaster receives a salary of three or four thousand dollars per annum, and the express agent one hundred dollars per month. The express agent is in an office that costs a thousand dollars a year. The postmaster is in the Government building, the interest on the cost of which is anywhere from six to twenty thousand dollars a year.

I hold that transportation is a public service, and to some degree a tax, and believe that all shippers and travellers should be treated alike. I think it would be just as proper for one merchant to buy his postage stamps or his customs duties for less money than another, as it is under like circumstances and similar conditions for one shipper or traveller to have better rates of transportation than another.

The rates of transportation in this country, both passenger and freight, are lower than they are anywhere else in the world, and the service rendered is far superior. The tendency of rates is still downward, but this will have to be checked. The service the railroads of the country render is in every sense a composite service. The cost of it depends very largely upon the cost of supplies and material. If the Atchison, Topeka and Santa Fé had to buy the steel rails, ties, bridges and locomotives to-day that it has bought in the last three years, they would cost the company nearly four million dollars more.

If it is fair to the people of the country to establish maximum rates on the composite service rendered them by the railroads, why is it not equally fair to the railroads to establish maximum prices on labor, steel rails, ties, coal and other component parts of the service? Is it fair to make a price on the whole, without considering the cost of the constituent parts? Transportation by rail should be considered as a monopoly, and should be supervised as such. If the Government of the United States were to have different custom houses along the coast competing with each other as to import duties, it would, in a sense, be a repetition of what is now going on in the transportation business.

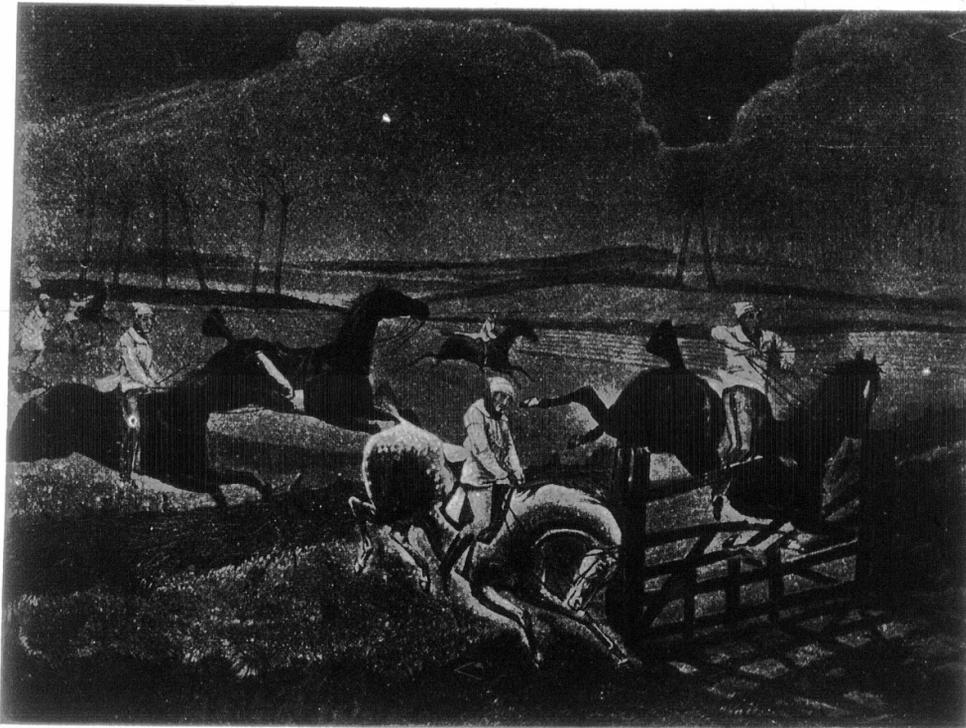
I do not believe, as is often claimed, that railroads are overbonded. Most of the Western railroads have been through a period of disaster or distress. Their bonds, in many instances, have been scaled down, as have their rates of interest, and as a general proposition the principal roads in the Western country could not be duplicated to-day for what they are capitalized per mile.

in favor of it, I doubt if the Western country is yet quite prepared for it, and advocate legalized pooling as a temporary substitute. With permission to contract with each other for a division of their tonnage or their earnings, there will not be the pressure there is now for joint ownership. The logical result of unrestricted competition is the death of competition, or consolidation.

Railroads are now generally prosperous, though there will not be much new railroad built for some time owing to the increase in the cost of material. It is estimated that the increase in the cost of supplies and material over that of a year ago or more, amounts to about \$300 per mile in maintenance, or about one-third. American railroad labor is the highest-paid labor in the world. It has had more constant and regular employment since the railroad business has improved. There has been some increase in the wages paid, and if the business continues as prosperous as it is now, it is not unlikely there will be demands made for further increase.

Labor and capital are now on a parity, both organized, and will deal with each other in respect to each other's rights. Both will be strong confederations, neither one having the upper hand.

The general situation in the railroad world is at present satisfactory. The advance in the price of supplies, the prospective demands of labor, and the prohibition of combinations to maintain reasonable charges, are the only three things in the transportation business to-day which are discouraging. The general condition of the country is the best we have ever experienced. The people of the West never owned so much, or owed so little.



ACCOMPLISHED SMASHERS, AND A RUN ON THE BANK.

Canadian Horses for the British Army.

As we go to press, a telegram from Ottawa states that Hon. George W. Ross, Premier of Ontario, has been urging the establishment somewhere in Canada, and if possible in Ontario, of a station for the purchase of remounts for the British army. On January 11th he visited Ottawa, in company with Hon. J. M. Gibson, Attorney-General, and Mr. Aemillius Irving, Q. C., and interviewed His Excellency the Governor-General on the question, and was received very graciously at Rideau Hall. The matter was placed very fully before Lord Minto, who assured Premier Ross that he would place himself at once in communication with the War Office and with Lord Lansdowne, whose former connection with Canada would naturally add very much to his zeal and interest in any question affecting the Dominion. Lord Minto fully appreciates the importance to Canada of raising horses of a recognized standard of

weight and value, and the great source of revenue such would be to those engaged in horse-breeding in Ontario and other parts of the Dominion. The war office has purchased for the South African war an immense number of horses in the United States. The Governor-General thinks from what he has seen of Canadian stock that horses of the required quality could be just as easily furnished by our breeders, and he is hopeful, with such representation as can be made to the War Office, that a remount station can be established here. Now that mounted infantry are to be more largely employed in conducting warfare, the demand for horses will be much greater than heretofore, and the opportunity should not be lost of bringing to the attention of the Imperial authorities the source of supply available in Canada. The matter will be brought before the Legislature at the coming session for such action as that body might deem wise.

Paying Prices for Pigs.

The farmer who is fortunate enough to have hogs in fit condition to market at the present time certainly is in clover. The Toronto market reports show that for well-finished baconers weighing between 160 and 200 pounds alive the price there is \$6.80 per 100 pounds, which should be satisfactory to the most exacting feeder, and there is money in raising the right sort of pigs at these figures, which with reasonable good care and feeding can be made to bring this price at from 7 to 8 months old.