

Railway Statesmanships

In calling attention to the nature of some of the arguments made recently in the United States Senate and elsewhere regarding the pending railroad bill, Francis H. Sisson, vice-president of the Guaranty Trust Company of New York, declared before the Sunrise Club at the Cafe Boulevard last week:

"The open door of opportunity awaits the entrance of the railroad statesman. Out of the fog in which the whole subject is to-day enshrouded, some thoughtful leader must point the way for future progress, or confusion worse confounded will follow the chaotic condition in which transportation now flounders.

"We have watched the grim spectres of Cold, Hunger and Want stalk in the wake of transportation paralysis. We are reaping the harvest of ten years of railroad baiting, born of ignorance, prejudice and political expediency, the doing of which as a people we never understood, and the results of which we never anticipated.

"The fair and sane plan proposed by the Administration to meet the immediate situation is in progress of enactment into law, and is, and should be, a far step in progress toward the ultimate solution of the problem. With the enactment by Congress of the Administration plan, opportunity for achieving many desired results will follow. Already the Director General has organized a well-selected staff which promises well.

FOR INCREASED EFFICIENCY.

"It is significant to note that the very steps taken by the Government to increase efficiency in railroad operation are in themselves the best possible vindication of the position and contentions of the railroad managements for years. Only by practically suspending the Sherman act, eliminating conflicting State control and permitting combinations, pooling and merging of activities and resources has the Government been able to effect greater operating efficiency. No better evidence is needed to prove how far from a sound economic attitude has been that of the Federal Government and the individual States in dealing with the railroads in the past. And the present situation should lay the foundation for a safer, saner policy in the future.

"One vital fact is apparent to-day above all others; the sceptre in the railroad world has passed out of the hands of the railroad executives and the bankers who financed them. The American people control the situation through their political representatives, and they will determine the whole course of the future. The burden of right decision lies with them, and they will suffer, or prosper, in accordance with the wisdom shown.

"No class of the people will exercise so powerful an influence in reaching this decision as the shippers; they must learn, if they have not learned already, that the thing of most vital importance to them is getting their goods to market. The rates at which his service is rendered are incidental to having such service prompt and adequate. The long struggle of the shippers to hold down rates in defiance of the economic trend of the times, and the obvious necessities of the railroad situation has worked the undoing of the shippers, as well as of the railroads, and they are suffering under the situation they have themselves largely caused. To serve their own ends in the future, they must take a constructive attitude toward the transportation question and lend a hand in the successful solution or the problem.

"After this journey through the twilight zone of highly centralized government, it seems very certain that there will be no reversion to the old system of competitive private ownership and conflicting regulation.

"If not that, then what do we face? On every hand we hear the prophecy that the present control of the railroads by the Government is but the first step toward Government ownership, and that once unified under Government control and operation, the railroads will never be unscrambled. It is urged that when the economies made possible by Government coordination, and the elimination of competition are achieved, neither the railroad owner, nor user, nor worker, will wish to return to the old order.

"But the fact may be boldly stated at this point that, in no country in the world where government ownership of railroads has been attempted has it been successful, with the single exception of Prussia, where, under the arbitrary mandates of a military autocracy, some degree of efficiency and profit has been secured. Further, it may be stated that in no important instance has the experience of our own Government in business operation been such as to warrant the conclusion that such activity could be profitably ex-

tended. Still further, it can be maintained that there is a sufficient majority of failures in public ownership of other public utilities in this country clearly to demonstrate its wastefulness and inefficiency under our present form of Government, and at our present state of political progress.

"The privately-owned railroads of the United States have the lowest freight rates, the lowest capitalization per mile, the greatest operating efficiency and pay the highest wages of any railroads in the world.

WHAT IS THE SOLUTION?

"If private ownership has failed, both when unregulated and when over-regulated, and Government ownership gives no promise of success, what plan offers for meeting the situation?

"Various suggestions of a central Federal corporation, regional holding companies, Government guarantees and plans calling for profit-sharing with the Government above a fixed return have been frequently made. Somewhere along this line of thought lies this rational solution. It is very certain that the old days of enforced competition, anti-trust laws, anti-pooling laws, conflicting State regulation, wasteful competition, duplication of service, would not be permitted by a public alive to its own interests.

"It seems equally certain that Government ownership would not be permitted if the public were equally alive to its own interests. The hour has arrived, and is now at hand, for the suggestion of some plan which will be ready for adoption when the crisis of war has passed, and the pressing needs of business demand the return of normal business conditions, and the operation of economic, rather than martial law, and somewhere, within the meaning of the words, 'co-operation' and 'partnership' lies the answer."

German Railway Problems

Railway problems perplexing Teutons.

The railway situation of the Central Powers is discussed in an article published in the London "Times," which says:

"It is difficult to gauge the true position, as the newspapers sometimes give prominence to reforms which may be proposed by the authorities, but which are in reality only intended to throw dust in the eyes of the public in Germany to cover up some deficiencies in the service.

"There is no doubt that up to about six months ago the railways were able to maintain a fairly efficient transport service. Gradually, however, with the waning man-power the service deteriorated. As long as possible the railways kept up a time-table, which was very little behind the pre-war standard. The fares were unaltered except for trifling increases. Of course, in the war zone the service was reduced long ago, if not suppressed entirely.

"This make believe efficiency could not last, and the Railway Minister had to show his hand rather suddenly. It is instructive to note that the occupation of so much extra territory has become a burden for the German railways. The drain on their resources has become immense, in spite of the fact that there is no coal shortage in the sense of that experienced by France and Italy. The difficulty is to get the coal to its destination.

EXTRA MILEAGE TO BE OPERATED.

"In considering the effect of the war on the internal working of the railways, the extra territory served must not be lost sight of. This is what it means in extra mileage to be operated:

	Miles.
Belgium	2,700
France	929
Poland and Russia	5,310
Rumania	1,400
Serbia	750

"In other words, there are roughly 11,000 miles in enemy hands, slightly less than one-half of the railways of Great Britain.

"It is quite certain that not too much rolling stock was left available for the enemy. This is especially the case with locomotives. It has been official stated that over 155,000 German wagons are running in the occupied zones. Since the beginning of the war the Germans have built 120,000 new wagons and 5,000 new engines, but this supply is not nearly enough for the requirements.

"It will therefore be seen that to keep up the supplies for the armies and the civilian populations over such long distances was no light task. Gradually it became impossible. Public notices were issued asking people not to travel. Still the traffic increased, and the trains became overcrowded and behind time.

"It was in October last, when the harvests were being transported, that the breaking point was reached. The Minister was no longer able to carry on the traffic without some drastic move. Suddenly, on the 18th of the month, the fares by all fast trains were doubled. On November 1 a new timetable was issued, by which many trains were struck off.

"The Austrians followed suit on December 1 with a 50 per cent increase in the fares, making 80 per cent with the previous one imposed in February. The Hungarians raised their fares from November 15 on a sliding scale from 70 to 120 per cent.

MARKED REDUCTION IN TRAFFIC.

"The immediate effect of all this was to reduce the traffic by about two-thirds. The trains that were then running were reduced in weight, and dining cars, which had disappeared from the scheme, were again put into working.

"The Under Secretary of State, Herr Stieger, speaking on December 14 on the question of the coal shortage, stated that the reduction in travel accounted for a saving of 2,000 tons a day on the Prussian railways. What he did not say was how many protests had been received as a result of the suddenness of the introduction of such a ban on travel.

"It is interesting to note that the fares are about equal to those charged in England. Thus, for a journey of 90 miles the third-class fare in England is 11s. 3d.; in Germany it is 10s., in Austria it is 11s. and in Hungary 12s., 8d.

"To summarize the new time tables which came into force in November, 1917, is not so easy, as a detailed comparison would occupy too much space. Roughly the whole train service has been reduced by about 55 per cent. Taking at random the service from Cologne to Berlin, a distance of 362 miles, the fastest trains in pre-war days did the journey in 8½ hours to nine hours. There were about 15 in each direction. There are now only nine trains for civilians and four 'leave' train for the military only. They do the journey in 11 hours.

"There are numerous 'leave' trains all over the country, which are run daily for military purposes to convey the troops between the Eastern or Western fronts and their homes. Thus there is a regular service from and to Vilna, Riga and other Russian stations right up to Berlin. On the Western front there are 15 trains a day for the troops on leave, besides four ordinary fast trains on the main line between the Belgian frontier and Cologne. From Metz during the day there are 11 'leave' trains and eight for civilians for all parts of Germany. Some of these trains are not always run when leave is stopped.

"The time tables in Belgium and in the occupied territory of France present a sorry picture. Except for the military trains there are but few ordinary trains, and these are stopping trains. The journey from Ostend to Brussels takes about five hours instead of one hour and three-quarters as in peace time. Moreover, all sorts of restrictions are in force and no journey can be made without a permit from the military authorities.

"Comparing the German train service with our own, the balance is certainly in favor of ours."

SHIPPING LOSSES.

London, February 27.

Eighteen British merchantmen were sunk by mine or submarine in the past week, according to the British Admiralty report to-night. Of these fourteen were vessels of 1,600 tons or over and four under that tonnage. Seven fishing vessels also were sunk.

Arrivals numbered 2,274 and sailings 2,398. Nine merchantmen were unsuccessfully attacked.

The losses to British shipping in the past week show a considerable increase over the previous week, when the vessels destroyed numbered fifteen, twelve of them over 1,600 tons. In the preceding week, nineteen British merchantmen were sent to the bottom.

RAILWAY EARNINGS.

The traffic earnings of Canada's three principal railways for the third week in February aggregated \$4,067,813 against \$3,740,187 for the corresponding week in 1917, an increase of \$287,626, or 7.6 per cent. The previous weeks' increase was 3.8 and for the first week of the month 2.8. All the roads showed an increase. Following are the earnings for the past week with the changes from a year ago:

	1918.	Increase.	P.C.
C. P. R.	\$2,435,000	\$210,000	9.4
G. T. R.	980,013	23,526	2.5
C. N. R.	652,800	54,100	9.0
Totals	\$4,067,813	\$287,626	7.6