

These and other questions may best be answered by defining a railway and stating some propositions as to its relations to the people and the state.

A railway is the successor to the highway. The railway train differs from a wagon or automobile in running on metal tracks instead of a paved roadway, but it fulfils exactly the same function in modern life that the wagon and stagecoach did in former times, only improving on its work by carrying greater traffic and giving swifter communication. Many courts have so defined the railway, but if no court had ever so defined it, nothing could alter the fact that the railway is related to the life of the community in precisely the same way as the old highway. But in all times and among all nations there has been an instinctive recognition of the public right to the highway.

The true relation of the railway to the people or state may be set forth in the following propositions:

First: The railways of a country are the main highways of a country.

Second: There is no source of revenue for a railway other than the rates imposed upon the people for the carrying of their persons and their goods.

Third: This revenue is raised, not from any hidden fountain of wealth within the railway itself, but from the earnings of the people, whose labor and money furnish the traffic.

Fourth: By the division of labor in modern civilized life every one who earns or spends money contributes directly or indirectly to the cost of transportation, and this cost enters into every article used by every citizen.

Fifth: The maintenance of a nation's means of communication is a function of sovereignty, and since all the people contribute to their cost, railway rates are a national tax; and in the more highly civilized countries they are the largest element of all forms of taxation.

From these premises conclusions are to be drawn of the highest importance to the economic life and to the government of a country. One is that all revenues raised from railways in excess of the cost of building, operating, and maintaining them are a supertax on the