

THE RAILWAY PROBLEM

FROM THE VIEW POINT OF BOTH

CAPITAL AND LABOR.

The Interstate Commerce Law passed by the Congress of the United States, took effect April, 1887.

So eminent an authority as President Hadley, of Yale University, who is considered by all who know him as one of the wisest thinkers and greatest men of our Continent, has said in a Lecture on "Ethics of Corporation Management," delivered in 1906: —

"Personally, I am one of those who look with serious distrust on each extension of political activity. I believe that the Interstate Commerce Law did more to prevent wise railroad regulation than any other event in the history of the country. I think that the Courts would have dealt with our industrial problems better than they have done if the Anti-Trust Act had never been passed. I have gravely doubted the wisdom of some of the more recent measures passed by the National Government."

The results show that what he said with reference to the conditions arising from restrictive statutes affecting railways passed in the United States is unquestionably true. This is evidenced by the actual figures, as published in Government reports, and other reliable publications for the past 20 years.

While the following tables show enormous progress and development during the *past* twenty years in many other lines of industry, it will be observed that the construction of new railway mileage during that period has made much less progress in the United States, whereas it should have made the most, the increase being less than 50%. Likewise Agriculture, the most dependent of all classes of industry upon the railways, has made comparatively poor progress; the increase in production during that period, for corn being 47%, wheat 77%, and cotton 91%.

For the *two preceding* decades, the progress of *railway construction* was far more rapid, the increase in mileage for the twenty years prior to the passage of the Interstate Commerce Law having been over 280% as compared with less than 50% since that date.