

WHY THE COST OF OPERATING RAILROADS HAS BEEN INCREASED

Struggling Against Increased Cost of Labor, Supplies, etc., on One Hand --Reduced Rates on the Other.

During the last few years the advocates of government ownership of railroads have been somewhat persistent in the public press and the matter is referred to here, not with any idea of combatting this propaganda, but merely that the people may briefly see both sides of the picture. So long as a lot of men welcome the wrecking of the railroads on the theory that the government will take them over and that such a state of affairs would be preferable to private ownership, it will be impossible to obtain from them a fair judgment of the latter system which now prevails in the United States. It is impossible to go into this great question at any length at this time, but here are a few things worth thinking about. Much has been said in recent years about the "water" contained in American railroad securities, and, in this connection the valuation of the government owned railroads of Europe is very interesting. In Germany the state owned roads are valued at \$114,185 per mile. In Austria at \$120,692, in Hungary at \$69,210, in Italy at \$126,886, in Belgium at \$190,914, in Switzerland at \$102,950, in Roumania at \$90,113, in Japan at \$88,104, in New South Wales at \$71,391—while the privately owned lines of the United States, regardless of what water may have been forced into them in specific instances, are valued at only \$63,944 per mile. Whatever inflation may therefore have been put into their properties in the past, the fact remains, that their present valuation is much lower than that of the government owned railroads of Europe, and, what is still more important, the rates charged are the lowest and the service rendered admittedly the best in the world. It is also pertinent to remember that the charge of watered stocks, after all, can be made against but very few American railroads—the lion's share of them having been managed without a breath of scandal or criticism.

In this connection, a statement contained in the last annual report of the Deutsche Bank of Berlin, which has a paid-up capital and reserve fund of \$75,000,000, is interesting: "American railroads need higher rates. The present rates are the lowest in the world—representing but a fraction of the English railway rates, for instance—and this in the face of the fact that wages in the United States on the average are fully twice as high as in Europe." Certainly this view of the privately owned lines of the United States, coming from Germany, which has the most successful state owned system of transportation in the world, is worthy of grave consideration.

In further confirmation of this statement we quote the following statistics: It costs 7 mills per mile on an average to haul a ton of freight in the United States while in England it costs an average of 2.33 cents, in France 1.41 cents and in Germany 1.42 cents. The average daily wage paid to American railroad employees is \$2.23, in England it is \$1.35, in France 88 cents and in Germany 81 cents. Are American railroads therefore entitled to the wholesale abuse and denunciation which has been heaped upon them from all sides in recent years?

LETTING WELL ENOUGH ALONE

In view of these facts, the average citizen may well ask himself whether it is not best to let well enough alone rather than invite other ills we know not of—whether it is not wiser to cure such defects as may encumber the present system rather than run the danger of plunging this mighty industry into the whirlpool of party politics for all time, with its attendant opportunity for evil, of which the past affords such rich variety of experience. The United States is still a young country, and in many sections only partially developed. Many new lines and extensions are needed here and there to give a wider opportunity to expanding agriculture and commerce, and nothing could be more unfortunate or disastrous than that these favors could henceforth be obtained only by leave of the dominant political factions which will reign at the national capital in the years to come. Political parties are intensely human institutions, and the average cautious citizen will prefer to leave the railroad expansion of the future to the economic law of supply and demand of the different communities rather than to place such a temptation for power in the hands of those

who rise and fall in the field of politics. Furthermore, should the time ever come when the government takes over the railroads, it means that the people will have to forego the millions of taxes which they now pay and which help to support the public schools, public highways and other public expenses—and that henceforth these millions of revenue would have to come out of the pockets of the people.

Many other things could be said upon this phase of the question, but space forbids. For some time, the government, through the Interstate Commerce Commission, has been engaged in making a physical valuation of all our railroads as a matter of guidance for future rate adjustments. Again, we repeat, since the people absolutely control and regulate the railroads, is that not enough? Will it not be better to let well enough alone—to cling to that which is good and eliminate that which is bad in the present system, which, with all that has been said against it, furnishes the best and cheapest transportation service in the world?

INCREASED COST OF OPERATION

We now wish to refer briefly to another phase of the problem. For a number of years the cry of the "high cost of living" has been everywhere abroad in the land. Time was, not many years ago, when the farmer sold his corn at 25 cents per bushel. Now it brings from 50 cents to 75 cents. So, too, he sold hogs at 3 cents per pound, which now readily bring from 7 cents to 10 cents—while a good steer calf, which used to bring from \$10 to \$12, now sells for from \$20 to \$25. Nobody who knows anything about present land values or the farmer's cost of production will contend that he is not entitled to these increased prices. As a matter of fact, unless he is an exceedingly good manager and utilizes the best of modern agricultural thought he is by no means getting rich at present prices—high as they may seem to people in the cities who do not understand the cost attached to present-day farming. To go back to the old prices he used to receive would bankrupt, in a little while, every farmer in the country—and the tendency of the future will be for the prices of farm products to go still higher than lower. Agriculture is the nation's greatest fundamental industry and society must make the farm game sufficiently profitable to justify the man who is on the farm today and the farmer boys of the future to stay by the plow. Much has been said recently about the fact that the farmer does not receive enough for what he produces—that there is too big a waste in the channels through which his products pass before they reach the consumer, and that he has some cause for complaint in this respect is undoubtedly true. However, the railroads can face such an inquiry with a clear conscience—for an exhaustive investigation conducted by the Lehigh Valley Railroad some time ago shows that the farmer gets 50 1/2 cents out of the average dollar's worth of products he sells; the packers, local shippers, distributors and retailers get 44 1/2 cents between them; while the railroads receive only 5 cents, or one-twentieth of the dollar, for the transportation services they render.

So, too, there has been a steady advance in practically the entire realm of merchandise and manufactured products, whatever their nature, and the ever increasing toll in the cost of labor, steel products, lumber, cars, locomotives, and other supplies has levied a tribute of untold millions upon the railroads, which have not only been forbidden to increase their rates, but, on the contrary, in many instances, compelled to lower them.

BIG INCREASED COST OF LABOR

To give the reader an exact idea of how the cost of labor has advanced in the operation of railroads we quote the following increases in the daily wage from 1900 to 1914—a period of only fourteen years: In the case of engineers it increased from \$3.68 per day to \$5.76, or an increase of 56 per cent; firemen from \$2.21 to \$3.62, or 64 per cent; conductors from \$3.31 to \$4.83, or 45 per cent; station agents from \$1.98 to \$2.16, or 9 per cent; other station men from \$1.62 to \$1.90, or 17 per cent; ordinary trainmen from \$1.97 to \$3.36, or 70 per cent; machinists from \$2.72 to \$3.52, or 29 per cent; carpenters from \$2.31 to \$2.59, or

12 per cent; other shopmen from \$1.93 to \$2.20, or 14 per cent; section foremen from \$1.51 to \$1.83, or 21 per cent; trackmen from \$1.15 to \$1.52, or 32 per cent; telegraph operators and dispatchers from \$2.25 to \$2.65, or 17 per cent. This means a general average increase in wages of 32 29-100 per cent—and all other classes of railroad operatives and employees in a more or less similar degree. While these advances have proven a great boon to the nearly two million men employed in the railway service and increased their capacity to buy from merchant and farmer, they have exacted many millions annually from the railroads themselves—all of which made the general public richer, but the roads poorer. In 1900 the railroads paid \$1.44 per ton for coal. Now they pay \$1.81. Then they paid 38c for ties. Now they pay 52c.

OTHER INCREASED COSTS

But there are many other items which have enormous yincreased the cost of railroad operation which we cannot go into because of a lack of space. The public is constantly demanding a more efficient and a safer service, and hence the railroads have had to spend vast sums in installing block signals, steel passenger cars, doing away with grade crossings, straightening lines, heavier locomotives, better roadbeds, and supplying many other precautions protecting both their operatives and the public—all things very necessary yet very costly. So, too, numerous states have passed "Full Crew" laws which, without benefitting the public, have compelled the railroads to pay a toll of millions to useless employees.

Now, while labor, farm products, merchandise and manufactures and supplies of all kinds have steadily increased in price, the railroads, as stated before, have been compelled to reduce their rates in the face of this avalanche of ever-advancing cost of operation—and that all but the most powerful lines find themselves in an exceedingly critical condition is not to be wondered at. The farmer, the merchant, the manufacturer and the laborer justly insist that they would not be able to get along on the prices they received ten or fifteen years ago. How, then, can the railroads, which are the largest employers of labor an d buyers of material in the United States, be expected to exist on less than they received ten or fifteen years ago? In view of these facts, it is no wonder that President Wilson and other patriotic and careful students of the situation are speaking words of kindly admonition to the American public, to the end that the railroads, through whose giant arteries flows the very life blood of the nation, may not be wrecked and destroyed.

THE PUBLIC AND THE MANAGER

On the one hand, for the last twenty-five years the public has demanded the best and highest efficiency in service and lower rates in one and the same breath. On the other hand stand the thousands of men and women who have invested their money in railroad securities and who, in common with the farmer, the manufacturer and the merchant, believe they are entitled to a fair profit. Then come the hundreds of thousands of employees who are continually clamoring for an increase in wages, as well as the cost of all manner of railroad supplies which is constantly advancing—and between them, as arbitrators, stand the managers of the roads—the big "hired men," struggling with might and main to reconcile all these conflicting interests in the face of reduced rates upon every hand. That they have at last reached a point where they can continue the unequal struggle no longer should not be a matter of wonder—and in face of harsh and

unfriendly criticism which has descended upon their heads from every quarter they find themselves in the mental attitude of the fiddler in the Western mining camp when he yelled out, "Please don't shoot, boys; I am doing the best I can."—(Paid adv. To be continued next week.)

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Visited Friends Here

E. L. Coleman, of the law department of the Burlington, who formerly lived in Alliance and is now at Billings, Montana, spent part of last week in Alliance visiting friends, while on his New Year's vacation. Mr. Coleman was much gratified at the rapid advancement of Alliance. He left here in August, 1913.

Visited New Year's Day

Alsten L. Jacobs and wife of Ellsworth spent New Year's with Tom King and family at the King ranch, northwest of Angora. They report an enjoyable visit.

"Clean Up the Bowels and Keep Them Clean"

There are many remedies to be had for constipation, but the difficulty is to procure one that acts without violence. A remedy that does not perform by force what should be accomplished by persuasion is Dr. Miles' Laxative Tablets. After using them, Mr. N. A. Waddell, 315 Washington St., Waco, Tex., says:



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