

## Government Administration of the Railways

### A Reply to Its Critics

The critics of railway operation under Government management have been answered in a statement recently issued by Theodore H. Price, who is now actuary to the United States Railroad Administration at Washington.

Mr. Price briefs the grievances of the various complainants as follows:

1. The advance in freight and passenger rates.

2. The abolition of the through bill of lading for export freight and the cancellation of export and import rates.

3. The dismissal of solicitors who "took an interest in the handling of the traffic" and the consolidation of freight and ticket offices.

4. The withdrawal of the credit previously allowed in the matter of freight charges which must now be paid before or upon the delivery of the goods unless the consignee gives a bond that will protect the Government.

5. The difficulty of getting information regarding tariffs and rates.

6. The discontinuance of the package car service between important jobbing and consuming sections.

7. The withdrawal of the shippers' right to route their freight as they chose.

Mr. Price also quotes the following editorial from a prominent daily newspaper:

"We have now some details as to the first five months of government operation of the railways; and while it is far too soon to pass any judgment, two facts stand out very strongly and are worthy of note.

"The first is that in these five months, on the face of the figures, the roads carried slightly less tonnage than in 1917. This, in spite of the tremendous pressures of war and of the known increase in many lines of production, is certainly very significant. Extra traffic has been carried in other ways, largely, as we know, by motor trucks.

"The second fact is that the number of available locomotives and cars remained practically the same as in the first part of 1917. There was no increase. The roads were taken over for their supposed inefficiency. But the government, with all its money and power, has found it easier to acquire experience than to increase the efficiency of the railroad machine.

"After five months of unlimited credit and power there is no increase in cars or locomotives, or rail movement, or tonnage hauled. To move their increased traffic the industries of the country have had to resort to the highly expensive carriage by motor trucks over country roads. This may have been unavoidable, and the railway administration, like the fuel bureau, may have done everything possible. It may prove its wonderful efficiency and high superiority in time. We merely point out there is no evidence yet that the Government is performing no miracles that might not have been expected of the roads themselves, if they had simply had enough money to go ahead in their ordinary way."

Mr. Price says that this is a fairly complete summary of the criticism that is being directed at Governmental administration of the railways, and after quoting the statistics upon which it purports to be based of the year was 0.6 per cent less than during the same months last year, he adds that while they show that the number of tons of freight carried one mile during the first five months

they also show that the loaded car freight mileage traveled in the carriage of this freight was 552,868,512 miles, or 8.6 per cent less than the distance traveled under private management in the carriage of nearly the same ton mileage of revenue freight during the same period in 1917.

Dealing with the reduction in the average daily mileage of locomotives and freight cars, he points out that this is due to the heavier train load and car load, and explains that is not economically practicable to haul heavy trains as fast as light ones, and that the Railroad Administration has adopted the policy of loading trains to capacity and moving them on schedules that are not too fast to be maintained.

This showing, he claims, indicates not inefficiency, but a striking increase in the efficiency with which the railroads are being operated, and asserts that it is directly due to the heavier loading of the freight cars and the greater train load now pulled by each engine.

He continues as follows:

The average carload has been increased from 26.2 to 28.5 tons, or 8.8 per cent. If this ratio is maintained, it will be the equivalent of an addition of 8.8 per cent, or 211,200 freight cars to the present equipment of about 2,400,000 cars, and if the ratio of increase in the train load, equal to 2.7 per cent, is maintained, it will be the equivalent of adding about 1,750 to the present equipment of some 65,000 locomotives of all sorts.

Surely this is better than buying new cars and locomotives at a time when they can only be had at extravagant prices and the manufacturing energies of the country are overtaxed to provide the things required for the winning of the war.

Instead of proving the inefficiency of Government management, these figures furnish the strongest possible proof of its efficiency and wisdom in demonstrating that the old cars and engines are being made to do more work than they performed under private management. This same progress toward the intensive use of the present equipment is to be found in the report of loaded cars arriving at Philadelphia and Pittsburgh during the first four weeks of July. This report is as follows:

(Comparative statement loaded cars and tonnage contents arriving at Philadelphia and Pittsburgh four weeks ending July 27, 1918, and corresponding four weeks previous year.)

|           | Cars.   | Tonnage.  |
|-----------|---------|-----------|
| 1918..... | 100,228 | 3,023,207 |
| 1917..... | 107,158 | 2,752,765 |

These figures show an increase of 9 per cent in the tonnage and a decrease of 7 per cent in the cars used. The number of tons per car in July, this year, is 30.2 as against 25.7 tons in the same period last year. The increase of 18 per cent, if it were general throughout the country, would be the equivalent of an addition of about 432,000 cars to the freight car equipment of the railroads.

Although the Government has recently ordered 100,000 new freight cars and about 4,000 engines have been under order for a long time, to provide for the expected increase in the traffic, they cannot be turned out in a day and while waiting for them the present capacity of motive power and rolling stock is being scientifically increased, not only by increasing the car load and train

load, but by sending the traffic over the shortest and least resistant routes without regard to the caprice of the shipper. Moreover, priority has been given to orders for the large number of locomotives required by General Pershing for military operations in France and the locomotive works have been thereby prevented from delivering promptly the engines ordered for the railroads.

In several cases the distance that freight in transit between two important cities formerly traveled has been shortened by from 200 to 500 miles and in one instance recently some 8,999 cars carrying freight between two western cities were within a period of sixty days re-routed so as to effect a saving of 195 miles in the mileage traveled by each car. This was the equivalent of 1,754,644 car miles, which at six cents a car mile means a saving of \$105,278.

As to the alleged movement of freight by motor truck it can only be said that the Government is moving regular freight and passenger trains promptly, notwithstanding the extra tax imposed on its facilities by a troop movement now averaging 1,100,000 men per month, that there is no freight congestion or delay, that the cars supplied to the coal mines are now in excess of the daily loadings and that if shippers are sending their goods in unusual quantities by motor trucks, which is not provable and is doubtful, their action is not the result of a lack of railway transportation.

In fact, the Railroad Administration has of late been urging merchants to take advantage of the present carrying ability of the railroads to stock up against their winter's needs when weather conditions make train operation more difficult.

Of the other items in the indictment of government operation of the railways referred to it Mr. Price remarks:

1. That the advance in the cost of transportation is less than the advance in wages and the price of almost every other commodity that society requires.

2. That through bills of lading for

export cannot be issued because the Government has preempted the ocean room and there is no assurance that the goods can be forwarded upon arrival at the seaboard.

3. That as competition between the railroads no longer exists there is no occasion for competitive solicitors and ticket offices and that their abandonment will save the railroads about \$23,000,000 annually.

4. That the Government is not authorized to extend credit to consignees for the freight they owe when the goods are delivered, and that it cannot exceed its legal authority.

5. That a new and simplified classification and rate book has been prepared and will be effective and available as soon as the shippers themselves approve it.

6. That a continuance of the package car service would have involved a wasteful use of facilities that are needed for the winning of the war, and

7. That if shippers were allowed to select the routes by which their freight would be carried, the efficiency and economy that are shown to have been secured by re-routing could not have been obtained.

To this categorical refutation of the grievances alleged by complainants whose attitude reminds one of the couplet which runs

"The good old times—

All times are good when old,"

and suggests that they are to be classed with the chronic reactionaries and opponents of progress, I can only add that two months' close study of what has been and may be done under a unified management toward increasing the serviceable efficiency of the American railways convinces me that the wisdom of the President's action in taking over the transportation facilities of the country will be cumulatively demonstrated as the years roll by.

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