

FORAKER'S THEORY VS. STICKNEY'S PRACTICE

Senator Foraker declares with all the deliberation and earnestness of manner for which he is famous, that he believes it impossible for congress to provide a way for making freight rates which would be better than the method now in vogue.

Senator Foraker tells us that "the railroads employ for rate making the brightest and most skillful men they can find," that their work "is of a scientific character," that it "can not be done except by experts," that "they must, of necessity, meet as nearly as possible the requirements of their patrons," that they must, therefore, "not only make rates as low as justice to the railroads will allow," but "they must make them interdependent, so that shippers can with facility send their products throughout the entire country."

There you have the opinion of an expert who never made a railroad rate, on the subject of making railroad rates. What practical railroad man and rate maker would have the hardihood to step forward and contradict the ukase of the senatorial expert from Ohio?

President A. B. Stickney of the Chicago Great Western Railway, has, it is true, had the hardihood to offer something in contradiction of

the senatorial rate maker, but as Mr. Stickney's whole life has been devoted to building and managing railroads, of course his work will count for nothing on the rate making question as compared with that of the senator from Ohio. While Senator Foraker is telling us that the railroads are employing for rate making "the brightest and most skillful men they can find," Mr. Stickney, the mere railroad builder and manager, is telling us that "it is unfortunate that the men who make the tariffs of rates are not mathematicians instead of fairly good guessers." While Senator Foraker is telling us that "their work is of a scientific character and can not be done except by experts," Mr. Stickney, who has had nothing but practical experience in railroading, tells us that these "scientific experts" merely "guess that if one rate is so much, another rate in order to be relative, must be so much." Senator Foraker tells us that in his expert opinion "a better way may be found of making these rates than that which is now in vogue, but I do not believe it possible for congress to provide it by intrusting such a complicated, delicate and vitally important duty to any such agency of its creation as that which has been proposed." Then Mr. Stickney, who has only spent a busy lifetime in studying rates and building and managing railroads,

and has never had the practical experience that comes only to senators of the United States, says:

I desire to go on record as saying that in my opinion it is entirely possible to construct a tariff mathematically. It could be done easily by adding to the terminal expenses and the special burdens of each class of shipments practically constant quantities for the cost of hauling, which would be symmetrical, equitable and satisfactory both to the people and to the railroads. Furthermore a schedule made in this way could be printed in a form so easily understood that any man of ordinary ability, by inspection of the schedules, could tell for himself the legal rate upon any shipment he might desire to make. To the ordinary man the present tariffs and schedules are about as plain as Greek or Choctaw.

John Howard Payne, the homeless, wrote the immortal song, "Home, Sweet Home." Spinsters have written our best essays on "How to Raise Children." And Senator Foraker, who never made a railroad rate, steps to the front and tells us all about the difficulty attendant upon that work. It was extremely insolent of Mr. Stickney to interrupt.

THE PEOPLE KINDLY "ALLOWED" TO CONTROL

Grover Cleveland, chairman of the trustees of the Ryan stock in the Equitable, has written a letter in which he says that he is in favor "of such mutualization as will be real and genuine and at the same time will compel in the direction and management of life insurance companies such business ability, such attention and devotion to duty, and such honesty and alertness in discharging fiduciary obligations as well as promoting legitimate self-interest as are positively vital to the beneficence of such organizations."

But Mr. Cleveland says that he is "not blind to the fact that obstacles lie in the path of the proposed mutualization which are so inherent that even with the greatest study and care they can not be easily overcome." He adds:

Mutualization and policy-holding control are pleasant to the ear, but in and of themselves they do not successfully import good administration or successful management. If policyholders are to be allowed control they should in some way be made to realize their responsibilities as well as their privileges.

There are obstacles in every enterprise where a considerable number of people holding interests are to be consulted, but mutualization as applied to these insurance companies means that the policyholders will have a potent voice in the affairs of the company. If they have that voice and exercise it unwisely, they have it in their power to correct whatever errors they may have made. If they fail to exercise the power and become indifferent to their duties as policyholders, then no one but themselves will be to blame for their negligence. The important thing is that this enormous power be removed from the hands of a coterie of men and placed where it properly belongs, among the policyholders.

What Mr. Cleveland says of mutualization as applied to insurance companies may be said, and has often been said, as applied to popular government. Paraphrasing for convenience Mr. Cleveland's statement, it may be said that obstacles lie in the path of the republican form of government which are so inherent that even with the greatest study and care they can not be easily overcome. Republican form of government, and control by the people, are pleasant to the ear, but in and of themselves they do not

successfully import good administration. If the people are to be "allowed" control in the government under which they live ("allowed" is hardly the word) they should in some way be made to realize their responsibilities as well as their privileges.

The American people have often seemed indifferent in the past, but who—outside of the circles where princes most do congregate—will say that this indifference is an argument against the people being "allowed" a controlling voice in their government? In republics the people are to be continually reminded that "eternal vigilance is the price of liberty." When they become indifferent they pay the penalty for their indifference, sooner or later and—sooner or later—their eyes are opened. What a sad plight they would be in if, when the truth dawns upon, they find themselves without the power to remedy their wrongs. And so it is with mutualization and policyholder control. They are not only pleasant to the ear, but they provide the means whereby the persons most deeply interested in the affairs of the insurance company may protect their rights.

"NOBODY'S BUSINESS"—AN HISTORICAL EXCUSE

A representative of the Philadelphia North American, in his report of the meeting of the directory of the Lehigh Valley Railroad company, which meeting was held in December, 1902, said:

Beauveau Borie, one of the directors who attended the special board meeting, was asked for information as to what had been done.

"There was nothing of any importance or of outside interest," he replied.

"That being as you say, Mr. Borie, would it not be to the best interest of the company and all concerned to let it be known just what the financial matters acted upon were?"

"There has been too much idle talk already. It is buzz, buzz, buzz, and nothing after all."

"But, Mr. Borie, the public may think in view of what is talked around that something of importance was acted upon, and this belief, when the facts are otherwise, as you say, might result harmfully."

"Well, let them go to hell. It is nobody's business what was done, any more than it would be if I paid five cents more for a newspaper."

That was merely another way of stating the opinion evidently held by Vanderbilt when he contributed to American literature the classic: "The public be d—d."

Whether it be the statement of Vanderbilt who is entitled to rank as a pioneer among the "trustees of God" or the statement of Borie, it is, as Mr. Lincoln, referring to what he called the arguments of thrones, said "the same old serpent." The same contempt shown for public opinion by Vanderbilt and Borie is felt, evidently, by the frenzied financiers and the great insurance managers who manipulate the funds of the policyholders for the benefit of the private exchequer of insurance officials and their friends.

Like those who in all the ages of the world have advanced arguments in favor of king-craft, these men "bestrode the necks of the people not that they wanted to do it, but because the people were better off for being ridden."

Confronted with the protests of the masses in his day Vanderbilt said: "The public be d—d!" Reminded that the public had some rights in his time, Borie said: "Let them go to hell! It is nobody's business."

It is "nobody's business" that money contributed in the form of insurance premiums is used for the benefit of a political party whose leaders may be depended upon to sanction a continuance of frenzied financial policies. It is "nobody's business" that the money belonging to policyholders is used in speculation in order that enormous profits may be gathered by a coterie of insurance officials. It is "nobody's business" that United States senators traffic in the great prestige con-

ferred upon them through their official position. It is "nobody's business" that fraud and corruption are carried on in the various departments of the federal government where contracts are to be let to those who will pay the largest bonus to the officers in charge rather than to those who will perform the work at the smallest cost to the public treasury. It is "nobody's business" that corporation chiefs conspire in restraint of trade, violate the anti-rebate law and obtain monopolies upon the necessities of life.

The common rules of morality do not apply to the champions of "national honor" and to the defenders of "the business interests of the country." It would seem that these men are above all law—not only the law of the land but the law of God. What the public may think of their conduct is of no importance. The opinion of the plundered policyholders is unworthy of consideration. These men may violate the trust reposed in them; they may grow rich through misappropriation of funds confided to their care; they may violate law whenever the opportunity to gain through such violation presents itself; and whenever it is suggested that they be held to account they seek to hide behind the "business interests" of the country; and all too often they are protected because men in authority give serious consideration to the threat that prosecution of these lawless men would result in commercial disaster.