

## "Hew to the Line, Let the Chips Fall Where They May"

No man who is financially connected with a corporation that is seeking privileges ought to act as a member of a political organization, because he can not represent his corporation and the people at the same time. He can not serve the party while he is seeking to promote the financial interests of the corporation with which he is connected.

in the state and betray his constituents, the railroads took him on a special engine to the state line and he has never returned to Nebraska since. At the next session the bill passed in spite of the efforts of the railroads, and this time was signed by the governor, but the railroads immediately enjoined the enforcement of the law and we are still waiting for a reduction of freight rates although the railroads are able to pay dividends on a large amount of watered stock and fictitious capitalization.

"There is not a state in the union that has not had experience with the railroad lobby, although the people of the south have probably had less experience than the people of the north. Railroad development of the south came after the development of the north, and during the period of development the railroads were able to secure almost anything they wanted. But when the period of active development ends, the people begin to ask themselves whether they can afford to allow the railroads to own a state because they have developed it, and in the end the people always attempt control, but an attempt to control the railroads is always followed by resistance and by the employment of corrupt means with which all the railroad lobbyists are familiar. I am not fully informed as to the situation in each of the states of the south, but in several of them the democratic platforms are demanding more stringent legislation and protesting against the influence of the railroads in politics. In several of the states democratic candidates have been nominated for governor on planks demanding effective control of the railroads. I would have sooner reached the conclusion that government ownership will ultimately be necessary, but for the fact that I feared and still fear the centralizing influence of national ownership—to have all of the railroads owned by the federal government, and to have the station agents, freight handlers, track repairers, bridge builders and trainmen all appointed from Washington would practically obliterate state lines and absorb the state in one consolidated and centralized system.

"I am a believer in our dual form of government, under which the state is supreme in its local affairs and the federal government supreme in interstate and international affairs. I would not admit the necessity for government ownership until I had worked out a plan by which the federal government would own only the necessary trunk lines and the state governments the local lines. By a trunk line I do not mean every line which runs through two states, but only those trunk lines which may be necessary to regulate interstate rates and give the states a national outlet for their local lines. These trunk lines need not be numerous, and the states should be permitted to use them on equitable terms for local trains run in connection with the state railroads. I believe it would be an advantage to allow all railroads—even those in private hands—to use the trunk lines, for the consolidation of lines has been forced upon the smaller roads, which found in consolidation the only outlet for their freight. If local lines could tap one of the main arteries, it would be independent of the large systems and able to hold its own.

"The state ownership of railroads is not only free from the objection based upon centralization, but really strengthens the position of the state. The tendency for a century has been to enlarge the powers of the federal government and to decry the relative importance of the state. State ownership of all the railroads but the few trunk lines would very much strengthen the states' position and make the states a bulwark against centralization.

"The dual plan is a democratic plan in harmony with democratic teachings and gives the advantages of government ownership without the

dangers of national ownership. This system of confining national ownership to trunk lines and reserving the local lines for the states has another advantage, namely, that it makes the adoption of the system gradual. If we attempted national ownership, the federal government would extend its network of roads through every state, and in carrying out the will of the majority of the people of the United States, the wishes of particular sections could not be considered. The plan which I propose leaves each state to deal with the subject when it pleases and as it pleases. No matter what the federal government may do in regard to trunk lines, each state will be at liberty to retain private ownership of local lines as long as it likes and to convert the private lines into state lines whenever the people desire it. What is more democratic than to let the people do as they please and have what they like?

"The advantages of the dual plan, therefore, are, first, that the importance of the state is preserved and the dangers of centralization reduced to a minimum; and second, that the system can be adopted gradually as the people of the various states are ready for it, and each state can profit by the experience of other states. It is argued that the government can not operate a railroad as well as a private corporation. A single trunk line, operated by the government, would do more to settle this disputed question than all the arguments that could be made. If experiment proves that private ownership is better, the states need not attempt public ownership. If, on the contrary, experience proves as it has in Europe that public ownership is better, the states can adopt it at their leisure.

"I need only repeat that government ownership is proposed not as an immediate remedy, but as the ultimate remedy. If democratic friends declare that they prefer private ownership to public ownership, I answer that I would prefer private ownership to public ownership if I believed it possible to regulate the roads in a manner satisfactory to the public. It is because I have lost faith in regulation that I have suggested ownership. If further experience with regulation satisfies the people, they will not be called upon to consider the question of public ownership, and as I for years opposed public ownership in the hope of securing efficient regulation, I can be patient with those who still hope and can wait for events to convince them as events have convinced me.

"No one will deny that the trend of events is toward government ownership. Ten years ago when I was denounced as too radical, I neither advocated government ownership nor suggested the possibility of it—I was still hoping for regulation. Since that time the president himself has held out the possibility of government ownership as a threat to compel the railroads to consent to regulation. I was only about six months ahead of the president in suggesting government ownership as a remedy, the difference between his position and mine being, he regards government ownership as fraught with danger and still hopes that successful regulation may make government ownership unnecessary. I go a step farther and express it as my opinion that experience has already proved the futility of regulation and propose a plan which eliminates the greatest evil of government ownership—the centralization of so much power in the hands of the federal government. Without this alternative of government ownership it would be entirely impossible to drive the railroads out of politics. Even with this threat I am very much afraid that we shall not be able to keep the railroad representatives away from congress and the state legislatures.

"There is just one other objection to which I wish to refer, namely—that under government ownership an administration could keep itself

in power. Under the dual system proposed only the trunk lines would be under the control of the federal government, and their employes would be few compared with the entire number of railroad employes in the country. As the various states would own the local lines within their borders, the influence of one state would counteract the influence of another state. Then, too, under a proper civil service the interference of the railroad employes in politics would be reduced to a minimum. Some twelve years ago I proposed a change in the civil service law which would give to each party its proportionate representation in the civil service. This plan would preserve the merit system in the appointments but would give each party its share of the offices, and the employes would counteract each other's influence. I might add that having passed through two campaigns, I have been able to form an opinion of the civil service employes as compared with the railroad employes. The president was against me in both my campaigns. In the first a democratic president was using his influence in behalf of the republican candidate, and in the second election the republican candidate was at the head of all the departments of the government. In both campaigns the civil service employes gave me less trouble than the railroad employes, who were coerced by their employers into the support of the republican ticket, and I say without hesitation that I would rather risk the influence which a president can bring to bear upon civil service employes than to risk the influence which railroad owners can bring to bear upon railroad employes.

"But as my only desire is to study the question and leave you to consider it now or at such future time as you think it an issue, I will not go into details. When the time comes for the discussion of the proposition as an important issue I shall be glad to take up all branches of the subject and show that the dual plan is not only democratic but practical and that the dangers of government ownership under such a plan are less than the dangers of private ownership if we can judge private ownership by past experience, and I believe that the advantages of government ownership under this plan are much superior to the advantages of private ownership as we now have it."

I have not only found a hearing in the south, but I have found much more encouragement than I had expected. While a majority of the democratic leaders of the south—in fact, nearly all of them—are opposed to government ownership at this time, they, with but few exceptions, admit that government ownership will be necessary if regulation fails. No democrat can stand before an intelligent body of citizens and declare himself in favor of private ownership without adding that he will favor government ownership if he has to choose between the government ownership of the railroads and the railroads' ownership of the government. This is the position which the leading democrats of the south now occupy, but it is too early to know the opinion of the rank and file of the party. It must be remembered that the populist party developed strength all over the south, in some places having almost if not quite a majority of the white vote. These populists have gone back into the democratic party, but they have not surrendered their belief in the government ownership of railroads, which was one of the main planks in the populist platform. If the populists of the south would favor national ownership, which involves the enlargement of the influence of the federal government at the expense of the state, they would be much more apt to favor state ownership, which would add to the importance of the state and at the same time give the people the benefit of public ownership.

President Roosevelt has sounded the alarm