

tions have shown upon what a gigantic scale corruption was organized. Newspapers owned by the railroads were conducted by individuals who represented themselves as the real proprietors.

Political economists holding positions as instructors in universities were on the payroll of the railroads and were used to deceive the public, and politicians were controlled through secret retainers. The railroads influence was rampant at Washington and completely dominated many states.

If it was a scandal under the old system, what may we expect if all authority is centralized at Washington and the railroads are given so large a stake in the election of a president, senators and congressmen?

The President appoints the inter-state commerce commission; it would mean hundreds of millions a year to the railroad managers to have the commission filled with their friends. They have sometimes attempted to name these appointees, even when the federal government controlled only inter-state rates. How much more arrogant they will be if all power is exercised by the federal government. Senatorial contests will become much more exciting when the railroads pit their candidates, secretly controlled, against a candidate whom they cannot bribe.

And what will be the fate of the man who sues the railroad? His lot is hard enough now. It will be worse then, when to the delays which are now excessive is added the distance, which will amount to denial of rights.

### III.

#### NOT PREPARED FOR FEDERAL OWNERSHIP

The third proposition is the nationalization of all railroads. If the people must choose between private ownership, on the one hand, with all the evils inherent in the private monopoly and all the dangers involved in a system of corruption nation-wide and the injustice which would be involved in private ownership under federal, not state, supervision, and on the other hand direct government ownership, they will, when informed, choose the federal ownership.

But I think that they are hardly prepared to make that choice now. In the first place, they will be appalled by the new indebtedness which would have to be incurred. With a bonded debt of sixteen billions and a half, which, we are informed, may rise to twenty-five billions before the armies are demobilized and the war bills have been paid, the people will hardly be willing to add twenty billions more in order to pay for the railroads.

Then, too, they will be frightened by the magnitude of the bureau necessary for federal operation—a bureau with a corps of employes almost as numerous as those now necessary for the management of the business of the federal government.

They will be alarmed, also, by the possibility of a partisan use being made of such a large force of government employes.

All of these objections could, in time, be answered. For instance, the interest upon the debt contracted to buy the railroads would not be as heavy a fixed charge as the interest and dividends now paid on railroad capitalization, and it must be remembered that present capitalization represents considerable more than actual value.

Second, the employes needed for government operation would not be as numerous as those now necessary for private operation, because consolidation would eliminate much duplication in this force.

Third, the government could not control officials to the same extent that the railroads have been able to coerce their employes, because the government would have to act openly, while the railroads have been able to act secretly.

Then, too, the government's power to use employes is offset by the activity of those who fail to secure appointment—no mean factor in the problem—and it is possible, by means of improvements in the civil service, to reduce to a minimum the partisan use that can be made of employes engaged in the public service.

But, while the arguments against the nationalization of the railroads can be answered in time, it is not likely that the voters can properly inform themselves and reach settled conclusions before federal operation of the railroads expires by limitations in the law.

The men interested in the return of the railroads to private ownership are organized and on the alert; they are largely in control of the avenues of information, and at the first on-

slaught will probably be able to overwhelm the advocates of nationalization.

### IV.

#### A NEW PLAN SUGGESTED

The fourth plan is, to my mind, the one most easily presented and defended, namely, a dual plan in which the federal government will own and operate, not the entire railroad system of the country, but only a trunk line system sufficient to give every state an outlet for its products and an inlet for its purchases.

Such a system would effectively regulate inter-state commerce, and yet would cost but a small sum compared with the nationalization of all railroads.

Such a system would also meet the objections made to the establishment of a gigantic bureau at Washington, and the objections based upon the fear of centralization—a real fear—in support of which many illustrations can be drawn from history. The government can easily enter upon this partial nationalization by the appointment of a committee to investigate the advisability and cost of such a system, and the report can be made after investigation and acted upon before the time set for the return of the railroads to private ownership.

The dual plan contemplates not only a trunk line system owned and operated by the federal government but the ownership and operation of the local network of roads by the several states.

The government could, for instance, take over one first-class trunk line between the Atlantic seaboard and the Great Lakes at Chicago; another to the Mississippi Valley at St. Louis; another to the Middle West, and lines to the North, South and Central Pacific coast; also North and South lines, and so on.

This nationalized system engaged in interstate commerce would traverse all the states.

It would compete with privately or state owned railroads in service and in economy of operation, not in rates, because the government would fix all inter-state rates, as it does at present.

This would give an opportunity to test the relative merits of private vs. public ownership. The government owned system would have lower fixed charges because its bonds would be issued at lower interest rates. The resulting profits could be used either to extend the system or pay off the debt. The taking over of a trunk line would not embarrass the owners of branch lines (whether owned by a corporation or a state), because the trunk line would be open to all on fair and impartial terms.

In other words, while it is government ownership, the larger part of the problem is distributed among forty-eight states and can be extended over a number of years.

#### WOULD HARMONIZE WITH GOVERNMENT

If the dual plan is adopted the government can, in a short time, put into operation a trunk line system which will make each state independent in regard to railroads within its borders, because whether these railroad lines be long or short they can find an outlet over the national system, and the states can put the system of government ownership into operation as rapidly as public sentiment is ready, exercising in the meantime a complete control over intra-state traffic.

The dual plan harmonizes with our form of government in that it provides for national ownership and operation of a system of national lines, and state ownership and operation of local lines.

Where connecting local lines extend through several states joint traffic arrangements can be made without difficulty, first, because the adjoining states will be equally interested in through traffic arrangements, and, second, because the national trunk line system, ever open for use, will compel fairness in the fixing of rates on other inter-state lines.

To recapitulate:

First, a return to the old system of private ownership is not desired by any considerable number of either railroad private owners, operators, shippers or the public.

Second, the adoption of the consolidated system of private ownership advocated by the railroad interests would aggravate the situation and make the railroad question acute in politics until the people were forced to government ownership in self-defense.

Third, the nationalization of all the railroads is a problem so large and involving so many difficulties that an attempt to secure it is likely to hasten a return to private ownership.

Fourth, the dual plan adjusts itself to our dual form of government, simplifies the problem from the standpoint of cost and operation, and safeguards the nation's future by giving to the states an enlarged work that will greatly strengthen them both as economic and political units.

W. J. BRYAN.

## THE INITIATIVE AND REFERENDUM

The idea of representative government is an old one, the natural outgrowth of an enlarged democracy; but the line that separates the man who is at heart an aristocrat from the man who is at heart a democrat—a line that runs through society everywhere and always—separates the advocates of representative government into two classes.

Those who belong to the aristocratic class regard the masses as really incapable of self-government, except to the extent of selecting superior men to do their thinking for them.

Those who are at heart democratic believe that the people not only have the right to govern themselves, but have capacity for self-government as well, and, therefore, regard the representative not as an unalloyed good, but as a necessary evil. The democrat believes there is more virtue in the people than finds expression in their representatives; they would, if it were possible, have all questions decided by the people themselves. This being impossible, the representative is, according to the democratic views, chosen, not to think for the people, but to act for them and to carry out the wishes of the people.

### VAST DEAL OF DIFFERENCE

It makes a great deal of difference, not only to the public, but to the representative himself, which theory prevails—the aristocratic or the democratic. If the aristocratic theory is the one adopted, the wishes of the people are disregarded and their opinions despised.

The representative who holds the aristocratic view prides himself on being above the "clamor of the multitude" and is quite free with the use of the word demagogue.

He will tell you that he follows his conscience and is not willing to vote contrary to his conscience, no matter what his constituents think or demand—forgetting that his constituents have consciences also and have chosen him to give expression to their consciences and not merely to his own.

It may be remarked in passing that the conscience of the aristocrat usually hibernates during the campaign and only becomes active after his election is made sure, and then only when some predatory interest is seeking a special privilege to which the masses object.

The democrat—I use the word, of course, not in a partisan sense, but in the broader sense in which it has been used for more than two thousand years to describe the believer in popular government—is fully as conscientious as the aristocrat, but, believing that he is merely the trustee of others—the servant of sovereign people—he considers it his duty to give expression to the wishes of his constituents or resign and allow some one to speak for them who can conscientiously do so.

In other words, the democrat, instead of misrepresenting the people—as the aristocrat is proud to do—feels that he has no moral right to embezzle power and turn to his own advantage an official authority with which he had been entrusted by the people.

### DEMOCRATIC IDEA GROWING

The democratic idea of representative government has been growing all over the world, and nowhere more than here. A few illustrations will suffice to establish this fact.

1. The members of the Electoral College were, in the beginning, chosen with a view to independent action. The theory was that they would be better able than the voters at large to weigh the relative merits of the various candidates and choose wisely between them. One man even selected the President of the United States when the election was thrown into the House of Representatives. That man was Henry Clay.

The choice was between John Quincy Adams and Andrew Jackson, the two leading candidates. The people preferred Jackson, but Henry Clay disliked that great democrat and used his