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GEORGE W. BERGE, EDITOR AND PUBLISHER

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Constitutional Amendment for an Elective Commission

A year from now the voters will be called upon to decide at the polls whether they want an elective railway commission for Nebraska. While the subject has not been discussed with any great degree of interest as yet, it may be accepted as practically certain that the vast majority of Nebraskans are in favor of such a commission and will demand that it be given those powers which are considered by thoughtful people absolutely necessary for the proper regulation of the railways, viz., the power to prevent all discriminations and the power to fix rates.

All who have studied the railway question, except those who are personally interested in defending and supporting the railways, believe that these powers should be given to a government commission. That congress, having the right to regulate commerce between the states, has the right to confer such powers, is no longer questioned, inasmuch as Attorney General Moody, after an exhaustive inquiry, reached the conclusion that congress possesses the widest latitude in exercising its control over interstate commerce.

If the government commission is to meet with success in fixing interstate rates it must receive the support of state commissions having the power to fix local rates, for there would be a constant temptation on the part of the railways to raise local rates whenever their through rates were lowered. With the work of the national commission supplemented by a state commission in Nebraska local and through rates affecting Nebraska shippers could be much more effectually regulated and harmonized than if no state commission existed.

The people of Nebraska will be the more eager to secure a railway commission in view of the fact that the present maximum freight rate law is not being enforced. As *The Independent* has pointed out frequently this law, while in abeyance as a result of

the United States supreme court's ruling that its rates were confiscatory in 1897, which had the effect of sustaining the circuit court's injunction preventing the law's enforcement, is still on the statute books and has never been declared unconstitutional. It can and should be revived, but the attorney general has seen fit to disregard the demand that the maximum rates be placed in effect by appropriate legal steps for the dissolution of the injunction.

Under the law of 1887 the state had a railway commission with limited powers, but among these powers was the right to make fair and reasonable rates if in the judgment of its members the rates provided by the law should be considered too high. The railways succeeded in prevailing upon the supreme court to declare unconstitutional the law creating the state board. At that time the impression went forth, and was sedulously cultivated by railway spokesmen, that the abolition of the state board nullified the maximum freight rate law. This, however, was far from the truth. Even with no state board existing the maximum rates of the Newberry law can be enforced, for the only important power possessed by the board was the right to make lower rates than the Newberry rates.

The fact that the Newberry rates were considered confiscatory in the hard times is no proof that the rates are confiscatory in 1905, but it is a fact that gives the attorney general a chance to claim that the law cannot be enforced. With no relief in sight through the action of the attorney general the people will naturally look forward to the time when they can establish a state commission that will have the power to fix fair and reasonable rates. From now until the constitutional amendment is submitted to a vote, the necessity of such a commission should be kept in mind and the question should be constantly agitated.

Future of Our Foreign Commerce

During the progress of the war in Manchuria much was said about the "Yellow Peril." Predictions were freely made that if Japan triumphed she would close the door in Asia and establish an Asiatic Monroe doctrine. It is too early to declare that this is not Japan's program, but there are some indications that she is to follow a more enlightened policy.

The withdrawal of her demand for indemnity places the island kingdom of Nippon in the position of a great debtor nation. Unable to liquidate the enormous war debt without utilizing her industrial resources to the utmost, Japan must be careful to manage her affairs in a business-like manner. Arrogance and exclusiveness, the high hand in Asia and a selfish commercial policy, will not conduce to Japanese prosperity. Even though she be defended from all perils of unwarranted attack as a result of the new treaty with England, Japan will find it necessary to gain friends throughout the world. It was regard for her commercial interests that moved Japan to make great sacrifices for peace and it is to be hoped that the same consideration will guide her aright in dealing with the nations who will continue to seek an outlet for their trade in the Orient.

Every consideration of historic friendship should influence Japan to remain shoulder to shoulder with the United States, but it must be admitted that there is sure to be a pronounced commercial

rivalry between the two nations for the trade of China. In the next few years Japan's manufacturing interests will grow apace. She will have two powerful elements always at work to give her the advantage over the United States—cheap labor and proximity to China. Efficient labor, aided by inventiveness and exhaustless energy, is cheap labor, and such labor the United States possesses. This may neutralize the effect of Japan's cheap labor. How we are to neutralize the effect of proximity, however, is not clear.

For a long time to come our agricultural products will be required in China. Japan, of course, will be unable to furnish more than an insignificant supply. In the long run, however, the awakening of China means China's agricultural development, and that, in turn, means that China will grow all she needs for home consumption.

It is evident, therefore, that the trade of the orient is precarious. The United States has been forced to seek this trade because Europe is producing such a supply of manufactured goods that her peoples cannot use all the surplus goods we can make. But the chief foe of our trade in Europe is the protective tariff. It keeps out not only our manufactured goods but our agricultural products as well. Even those commodities not produced in Europe, or produced in insufficient quantities, are imported from our commercial rivals. Tariff