

and who will not pledge himself to abstain from accepting or using a railway pass or other railroad favors. If the citizens of all the counties take this view of the matter the railways will be defeated in the next election. Any candidate of any party, who is known to be tainted by railway influence, will be defeated, and a legislature will be elected that will destroy the free pass bribery system and give to the state an elective railway commission empowered to regulate the railways for the benefit of the people. The need of such a commission is imperative and it should have real powers. It should not only have the right to fix a rate that may be found unreasonable after investigation on complaint, but it should have the right to investigate and fix a rate even though there be no complaint, for frequently shippers will endure great wrongs rather than complain, fearing that if they complain they will be accorded worse treatment as soon as the railways find a good chance to obtain revenge. Moreover, the rates should go into effect at once and every effort should be made to secure a law which, while remaining constitutional, will be designed to prevent the use of injunctions to thwart the purpose of the law.

STANDARD OIL STILL CONTROLS

Senator John F. Dryden, president of the Prudential Life Insurance company, testifying before the Armstrong committee in New York, said that federal control would prove beneficial to policyholders as well as to the companies. He then proceeded to define the benefits. The life insurance companies would be able to comply strictly with all regulations, something now impossible because state regulations are conflicting. Here the senator failed to particularize. Another benefit would be the protection afforded by the government to companies transacting business abroad. Furthermore, the government would have absolute authority to investigate all companies.

Policyholders will wonder if President Roosevelt's indorsement of Senator Dryden's plan was gained by such puerile reasoning. They will be at a loss to see what benefits will accrue to them. The senator did not name a single benefit that federal control would confer upon policyholders and merely hinted at a possible benefit when he said that the government would have absolute authority to investigate all companies. But what reason has the senator for thinking that federal investigation would be any more advantageous than state investigation to policyholders? The states have absolute authority to investigate all insurance companies and a state investigation is apt to be as fruitful of good results as a federal investigation.

Mere investigation is not sufficient. Offenders should be punished. Herein the New York investigation has been ineffective, but a federal investigation would have been no more effective, if we are to judge by what the government has accomplished in its rebate cases. The government has been as liberal with promises of immunity as has the New York investigating committee, and the results have been alike. The big offenders have not been punished except by public opinion. Public opinion, however, does not deter the Standard Oil crowd from retaining control of the life insurance companies. Standard Oil reorganized the Equitable and placed Paul Morton in control. It has now reorganized the Mutual and placed Charles A. Peabody in control. As soon as Mr. Peabody had been chosen president he made this untrustworthy announcement: "No private interest controls the company and I enter upon my duties as the representative solely of the policyholders, chosen unanimously by their elected representatives, the board of trustees."

Policyholders of the Mutual will recall that when they took out policies they assigned their proxies to the management. This they were forced to do or go without policies. It is, therefore, impudent and presumptuous on the part of Mr. Peabody to call the trustees the elected representatives of the policyholders. But the announcement is typical of Standard Oil hypocrisy and promises ill for the future of a company that is mutual only in name.

It is rumored that Standard Oil is planning to retain control of the New York Life, whose funds have proved so useful in carrying forward the financial deals of the Standard Oil crowd. It is just possible that Thomas W. Lawson may be able to thwart this plan. Policyholders of the New York Life are free to vote at all elections, although they have never availed themselves of the opportunity. Lawson is now securing proxies from New York Life policyholders and may get enough to control the next annual election. He is, however, meeting with strenuous opposition from the Standard Oil crowd. Recently E. H. Harriman made inquiries among the employes of the Harriman lines for the purpose of discovering how many were assigning their proxies to Lawson and of preventing those who had not already done so from so assigning their proxies. Harriman

is the man who wanted to share with Ryan control of the Equitable and who brought on the present investigation because Ryan refused to take him into partnership, but both are Standard Oil men and the little disagreement among these demigods of finance does not indicate that there is any discord on the Olympian heights where John D. Rockefeller and H. H. Rogers, with godlike repose, dictate the nation's destiny.

SENATOR MILLARD'S DILEMMA

Senator Millard has retired from the committee on interstate commerce under fire. In Washington it was rumored that the senator wished to escape the embarrassment of remaining on the committee and opposing the president, but he denied any such motive.

A few weeks ago Senator Millard was reported to be out of harmony with the president on rate legislation, but when interviewed he said rather evasively that he hoped the committee on interstate commerce would be able to recommend a measure in accord with the president's wishes. Then, as now, Senator Millard said that for the present he did not care to express his views on rate legislation.

Senator Millard was severely criticised even by members of his own party when he first adopted this dubious attitude. They demanded to know why a senator seeking re-election should be excused from making clear his views on the most important issue before the public, but his friends explained that the senator was right in not declaring himself for or against the president's policy until that policy should be defined precisely in recommendations to congress. These recommendations have been made, but the senator, instead of expressing his views, again beats a retreat, abandoning bag and baggage.

The senator's action does not seem to be even good politics. He cannot expect to remain a senator by refusing to take any stand on important issues. He admits that he has "strong ideas as to rate legislation," and in time he will no doubt tell what they are. That they are antagonistic to the president's ideas and to the ideas of an overwhelming number of Nebraska voters is most probable. If such be the case Senator Millard cannot hope to remain a United States senator except on one theory, viz., that the railways will continue to dominate Nebraska politics and elect the next legislature.

Senator Millard possibly knows good politics better than most men. It may be that the present agitation in Nebraska against railway rule is merely a bubble that is sure to burst before the next election, or that a republican legislature, despite the hostility in republican ranks to continued domination by the railways, will be a railway legislature.

On the other hand, it is just possible that Senator Millard is in perfect accord with the president on rate legislation and retires from the committee because he does not wish to openly oppose the railway interests to whom he owes his selection. In either contingency the senator can gain little by continued silence. Sooner or later he must take a stand for or against the railways.

MOODY SEES THE LIGHT

Although in his message to congress the president did not urge that the giving and receiving of rebates be punished by imprisonment, it is to be presumed that he is in perfect accord with Attorney General Moody who advocated the prison penalty in his annual report and who now has directed United States district attorneys in all cases where there is probable ground for action to prosecute the givers and takers of rebates on the charge of conspiracy. Under the conspiracy act they may be incarcerated for the offense of conspiring to violate the Elkins law. The attorney general, therefore, considers that violation of the Elkins law is one offense and that conspiracy to violate it is a separate and distinct offense.

In 1903 the Elkins law was amended by striking out the words which provided for the penalty of imprisonment. The penalty of a fine was retained, and violators of the law can be fined as low as \$1,000 and as high as \$20,000. In its present form the law has proved almost a complete failure. The giving of rebates has greatly increased since the criminal penalty was abolished. Realizing that the prison penalty is the only menace that will restrain the givers and receivers of rebates, Attorney General Moody has decided to do everything possible under the present law to stop the practice of rebating. The chief handicap will be the secrecy and subtlety with which rebates are now given and received.

Those who are supporting the president's railway policy in the house and senate should see to it that the new law provides for the penalty of imprisonment and for the keeping of accounts by the railways in such a manner that the interstate commerce commission can more easily detect rebating. If the new law contains these