

RAILROADS.

How Recent Legislation and Decisions Have Affected The Business.

The year 1898 has performed all that it promised in tonnage for the railroads, and the officers of transportation lines everywhere in the West are gratified at the volume of traffic carried.

The earlier months of the year indicated a large wheat crop, which was realized when the harvest came, but as the farmers had been the chief beneficiaries of Joe Leiter's wheat deal had in many instances sold their holdings free on board cars at trans-Missouri river stations for more than \$1.25 a bushel they felt able to hold the crop of 1898 until prices suited them. For this reason the Western wheat crop did not move at all freely, and instead of two-thirds of it moving out in September and October, as it did in 1897, it is estimated that on the 1st of November two-thirds of the crop was still in the hands of the producers. Since November 1, the movement has been large, and it has been a question of capacity in transportation, all lines having been taxed to the utmost.

The movement of live stock, coal, lumber, minerals, manufactured articles and merchandise has been large, and the last named has shown beyond question a purchasing power among the agricultural communities far exceeding anything in the last five years.

RATES NOT SATISFACTORY.

Notwithstanding the large tonnage, the rate situation has not been satisfactory. Unrestricted competition is certainly not the life of trade in the transportation business, and if followed to its logical conclusion will result in vastly inferior service to the public, bankruptcy for the railroads and in the end a consolidation of the transportation interests of the country in a few hands.

The year 1898 has been unusual in the number of very important decisions by the courts affecting the railroad rate problem. The Nebraska rate case, which involved the right of the state railroad commission to make arbitrary reductions in rates which the railroad claimed were confiscatory in character, brought forth the constitutionality of the question. The courts decided in favor of the railroads.

A similar decision has recently been rendered by Judge McCormick of the United States circuit court at Dallas, Texas, restraining the Texas railway commission from making rates which the court found to be unreasonably low.

The fourteenth amendment to the constitution of the United States was invoked in both of these cases, wherein it is forbidden for a state to deprive any person of property without due process of law.

THE TRANS-MISSOURI CASE.

Another important decision was the trans-Missouri case, in which the su-

preme court of the United States decided that the association of Western railroads to fix rates was an illegal combination under the Sherman trust law. This decision was closely followed in the joint traffic association case, which association was declared illegal and dissolved.

There are many who believe that, while these last two decisions may have been in accordance with the anti-trust law, the law never was intended to cover the railroads, which had already been covered by the interstate-commerce act, and others believe that the anti-trust law is a bad law, anyway, and ought never to have been enacted. The Sherman anti-trust law prohibits all combinations and agreements in restraint of trade; hence these decisions.

The interstate-commerce law provides that rates shall be so adjusted that they shall not discriminate between persons or localities, but under the decisions referred to associations with this object in view are declared illegal. There are many railroads, with vastly diverging interests, and it seems unreasonable to expect that the rates can be arranged to conform to the interstate-commerce act without conference or agreements. The two laws seem to conflict.

NOT IN RESTRAINT OF TRADE.

An experience of over twenty years in actual contact with these associations convinces me that they have been in furtherance of trade and not in restraint of it. Seventy-five per cent of the changes in rates and classifications made by these organizations have been reductions, always with the idea of stimulating trade, and to one who is familiar with the operations of these associations and the actual results attained the decision by the supreme court that they are in restraint of trade is, to say the least, amusing.

The interstate law as it is now written is weak. It aids more than it prevents the evils it sought to eradicate. It should be strengthened. There are probably more and greater discriminations in favor of large shippers today under that law than there ever were prior to its enactment.

The majority of the shippers and carriers in this country want uniformity and stability in freight rates. It may be true that there are selfish shippers and carriers who believe that unrestricted competition will best serve their purpose, but they are the exceptions.

In strengthening the act to regulate commerce the railroads should be permitted to make enforceable contracts whereby a division of tonnage or earnings may be entered into. These arrangements should be under the supervision of the commission. Under them the commission should be empowered to say what a reasonable rate is, and it should not hesitate to decide that a rate

might be unreasonably low as well as unreasonably high. This seems necessary authority in order to carry out the provisions of the act preventing unjust discrimination between localities.

VAST INTERESTS OF THE RAILROADS.

One-fifth of the wealth of the nation is invested in railroads; in value they come second to agriculture. First production, then distribution. Neither can prosper without the other. Distribution is the handmaid of production.

Every good citizen—every one having the interest of the country at heart—should see to it that the railroads are fairly treated. It is true that much of their trouble arises from bad faith among themselves, but it is likewise true that when the transportation interests of the country become paralyzed other industries will suffer and calamity will again be abroad in the land.

Stability in rates should be insisted on by all classes. It has often been said that transportation is a commodity. It is nothing of the sort. It is a public service, and no more a commodity than a tax. How long would the merchants of Chicago submit to pay higher import taxes than the merchants of New York? How would one merchant in Chicago feel if another one was buying postage stamps for less money?

LAWS AGAINST DISCRIMINATION.

It is clearly the intention of all the laws ever enacted in this country to have rates of fare and freight so adjusted that they will not discriminate between persons or places, and yet even a great city like Chicago is seriously discriminated against in many ways, and apparently without redress. Thousands of small towns have no chance to grow, and as to individual discriminations, they are well known.

There is nothing of public interest—neither extension of territory, the currency question nor the tariff—that demands more careful study and prompt attention than the proper regulation and protection of American transportation. It can only be treated soundly as a public service, and as such the question of competition has to be eliminated, just as it is in the postoffice and custom house.

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London papers call Christian Science a "pagan superstition" and regret that "imposture can shut out so much civilization." They trace the epidemic back to the United States.

Life has considered the case of Mr. Roberts of Utah. "He must not expect," says Life, "that they will all three be received in Washington society as his wives. Washington has never approved of ostentatious polygamy, even in members of congress."