

the Reagan substitute, as I have shown, is not only not distinguished by this unity and integrity of purpose, but is complex and contradictory in some of its essential features.'

The Inter-State Commerce Commission disclaims any intention or desire to make rates for the railroads, but claims that unless it is empowered to say to what extent a rate is unreasonable and enforce its decisions, it is virtually powerless, and that the public interests suffer by a lack of such power. There is grave doubt, however, whether the grant of such power would be just or advisable.

## The Massachusetts Law.

The Railroad Commission of Massachusetts, the first state to establish such a supervisory body, was not granted this power, but simply that of investigation and publicity, together with some additional powers, such as deciding whether the construction of new lines was advisable, and the amount of capitalization, etc. This has resulted in the New England states in a satisfactory adjustment of the relations between carriers and shippers. Complaints of excessive rates or unjust discrimination are fewer in the New England states than elsewhere throughout the Union. Carriers are earning satisfactory dividends, and shippers enjoy reasonable, uniform and stable rates. The unjust discriminations, which are a constant source of complaint in other sections of our country, are here comparatively unknown. I believe that if the Inter-State Commerce law is amended by repealing the prohibition of pooling, so that railroad companies can enforce their contracts upon each other, and the Inter-State Commerce Commission will limit its activities to investigating and showing up unjust discriminations between persons and between places, and thus invoke the power of publicity and public opinion, backed by the courts, the evil of unjust discrimination, which is the chief one of which the public now has cause to complain, can be gradually eliminated.

The business of transportation is perhaps the most intricate one in existence, and the ways in which unjust discrimination can be effected are innumerable. Chief among them are special rates and rebates; classifying one product lower than another when conditions are substantially the same; underweighing and billing; minimum car load rates for cars of various sizes; excessive mileage charges allowed for private cars; free storage charges to favored shippers which others are obliged to pay; besides other methods too numerous to mention. In one of the investigations of the Inter-State Commerce Commission a unique method of getting business was developed in the formation of a grain-buying company. This is best described

by the testimony itself;

## Cause of Discrimination.

President Stickney of the Chicago & Great Western Railroad, was asked by the Commission to explain how it happened that his road secured all the grain traffic in the territory reached, and that his competitors received so small a share. His general freight agent had been asked the same question, and had replied evasively. President Stickney answered, with characteristic frankness, that his road had organized a grain-buying company, and shipped the grain purchased by this company at its own convenience, instead of the convenience of the grain dealers. By taking its own time for shipments his road could carry grain for the farmers more cheaply than his competitors in the pool. He stated that his competitors did not carry grain for the farmers, but gave cut rates to large dealers that forced all the traffic into their hands. Addressing the attorneys of the other roads, he said:

'Here is the trouble: I have been acquainted with this northwestern country for thirty-five years. In all that time there has never been a year that the corn crop was moved until the corn was in the hands of the dealers who had the rate. Once the farmer is compelled to sell his grain, you fellows cut the rate for the dealer. There is in Kansas this year 240,000,000 bushels of corn, and not over 25,000,000 bushels have been moved this year, so far. The farmer—the small dealer—has not the rate. He is compelled to sell, and then you fellows make the rate for the purchasers and the corn moves. You charge the Kansas and Nebraska farmer thirteen cents to haul his corn two hundred miles, and you charge the grain dealer six cents to haul the same grain twice as far—to Chicago. I tell you, that it is this kind of business that is making anarchists west of the Missouri river.'

None of these practices can stand the light of publicity, and the Inter-State Commerce Commission at present possesses powers of investigation and compelling attendance of persons and the production of papers, which, if persistently exercised, and railroads are given the right to contract with each other and enforce their agreements in the courts, the unjust discriminations which now exist will be gradually eliminated. A small rudder will turn a big ship with a little time and sea room. This is a big problem and requires time and the best thought of the best minds in the country to solve it. The Inter-State Commerce Commission is not powerless. It is performing a great work and with its present able personnel will within a reasonable time solve the problem better without increased power or radical action. If its members had permanent tenure of office like the judges of our United States courts, and were thereby divorced from political and local in-

fluences, it might be desirable to increase their power, but until this be done it seems wise to limit the power of the commission to investigation and supervision and let the courts decide the question, when it arises, of what is a reasonable rate.

## VERIFICATION.

The following letter to the editor of THE CONSERVATIVE throws some light upon the question of our trade in the Orient and its possibilities:

'I take pleasure in giving you some figures in confirmation of your very interesting letter written from Chicago, May 29, 1896, while returning to Washington after a short visit to this city. In this letter you were pleased to speak in complimentary terms of our harbor, city, and prospective commerce with Japan. I quote your words 'the cotton from the South ought to be discharged from the docks of San Diego and then transferred to a regular line of steamships destined for Japan. The day of commerce between this country and that is just dawning. Before it will have reached the splendor and intensity of its zenith, San Diego will have been either confirmed or condemned as the port through which all that vast volume of trade must flow.' At the time this prophetic letter was written, not a ship had ever left this port for the Orient; not a pound of cotton had ever been sent from here to Japan. Now and for the quarter ending April 1, 1900, there is and has been an average of four ships a month for the Orient with an average carrying capacity of 4,000 tons, and usually laden to their full capacity, largely with cotton from the South. Then, at the date of your remarkable letter, such shipments were not contemplated by our shrewdest business men, nor did they foresee that lines of steamships to the Orient from this port were among the future probabilities, while only one night's visit here presented to your mind this important commercial fact. During the quarter ending April 1, 1900, there were shipped from this port to the Orient of cotton alone, 20,293 bales, 10,718,900 lbs., valued at \$1,358,000. These figures I have just obtained from the custom house, and they establish the dawn of the day which you saw dawning four years ago. It is due, perhaps, to say that all the freight for the Oriental trade is carried by rail to the wharf where a large warehouse has been built since your visit, and from there placed on ships, an interesting spectacle. I witnessed a few days ago the loading of an immense iron ship with cotton bales for Japan, confirming 'San Diego as the port through which this vast trade should flow.'

The people of the cotton-growing states, of Southern California, but especially of San Diego, are under great obligations to the Santa Fe railroad