

## SHIP SUBSIDY LOBBY.

The methods employed to secure the passage of the ship subsidy bill are enough, if all other evidence were lacking, to arouse suspicion as to the integrity of the measure. Expensive lobbies are not required to obtain meritorious legislation. The most costly lobby that has ever been in Washington is now being maintained in the interests of the subsidy bill. The shipowners and shipbuilders, conscious of the prejudice throughout the country against their attempt to plunder the public treasury and wishing to counteract the influence of a hostile press, have established a press bureau, the most elaborate ever employed in behalf of any measure. Of this new move a special to the Chicago Record says:

"Methods are being employed in behalf of this measure that have never

been known before at the national capital. In Washington a press bureau has been organized for the purpose of supplying the newspaper correspondents with information bearing on the progress of the bill. This press bureau is run exactly on the lines of a press bureau of a national campaign and the men managing it are the same that managed the press bureau for Senator Hanna in the last campaign. In addition to this a literary bureau is engaged in shipping to all parts of the country copies of the speeches made in support of the subsidy bill, together with committee reports in favor of the measure and arguments gathered from various sources. The speeches of Senators Frye and Hanna in favor of this bill have been sent out literally by the million.

"In addition to this another bureau has been directly in correspondence with the leading members of business, commercial and financial exchanges, boards of trade, and similar organizations, with a view of impressing upon them advantages of the shipping bill and asking them to have their organizations take action. As a result these bodies all over the country are meeting and passing resolutions in favor of the bill."

## RATE MAKING.

In its annual report, made the first of the year, the Interstate Commerce Commission recommends that congress increase its powers to include the privilege of rate making. "It is wrong and intolerable," says the commission, "that a classification committee or a railway manager should be able by a stroke of the pen, without consultation with the public, without even informing the public, to arbitrarily change the rates at which freight traffic shall be handled."

This observation of the commission suggests the query, is it not "wrong and intolerable" for your grocer, butcher or haberdasher to "arbitrarily,

without consultation with the public" raise the prices, respectively of sugar, beef steak or neckties? If it is right for merchants to thus fix the price at which they sell goods, wherein is it "wrong and intolerable" for those, who have their capital invested in railroads, to determine the price at which they shall carry goods? Either those, whose money is invested in transportation facilities, should have the right to manage their property or, if the government would exercise control, it should first establish its ownership by due compensation to the owners of that which they seek, the exclusive and arbitrary power of managing.

Referring to this request of the commission for additional powers, the Railway Age thus discusses the question from the standpoint of the railway companies.

"Is it wrong and intolerable always and without qualification for railway managers to establish the rates at which they offer transportation, 'without consultation with the public?' Who then should fix rates, if not the railways that do the carrying? Should the right to manage the property in their charge be taken from the officials representing some thousands of railway lines all over the country and placed absolutely in the hands of a Government commission? Would it not be 'wrong and intolerable'—slightly paraphrasing the commission's words—that a Government commission should be able by a stroke of the pen, without consultation with the railways, arbitrarily to change the rates at which freight traffic is handled?" This is what the commission desires authority to do—to take from all the railway presidents and managers and traffic experts of the country absolutely the final power of making transportation rates and to lodge that power in the hands of six men closeted in Washington from all practical contact with the vast interests of which they are made the irresponsible dictators.

"Such a seizure by national authority of property rights and individual responsibilities would be 'wrong and intolerable,'

unless justified by gross abuse of their powers by the railway companies, to the injury of the state and public. No such abuse exists. The commission is unfair in conveying the suggestion that because the railways have made changes in the classification sheets some of which have had the effect of increasing and some of lowering freight rates, therefore they have committed a crime for which the commission should have the power and the pleasure to punish them. Why, after a period of depression and disaster to all industrial interests, should there not be possible a recovery in the prices for transportation as well as in the prices of all other commodities? The appalling record of receiverships and fore-

closures shows how capital invested in railways has suffered; how much of it has been wiped out; how many companies have for years failed to pay any dividend; how small a profit considering the tremendous risk and uncertainty, and compared with many other forms of investment even the most prosperous railways have realized. Prohibited by congress and courts from agreeing together to maintain living rates the railways have been destroying each other by rate wars, and when they try to restore some of the demoralized tariffs and return to reasonable methods of doing business, the Interstate Commerce Commission cries out that this is 'wrong and intolerable.'

"The commission apparently does not mean to be unfair. In its last report it concedes, much more fully than ever before that with competition unrestricted and agreement between carriers prohibited, inequalities and discriminations and losses are bound to exist, and it intimates a conviction that pooling agreements are desirable. It makes no charge that the restorations which have been made in the classification sheets impose rates that are unjust and unreasonable. But it is the fact that the railways still have power, 'by a stroke of the pen,' to change a rate, even to lower it, without the authority of the Interstate Commerce Commission, that is wrong and intolerable. And so the commission—or some of its members—continue to intimate suspicion of the motives and purposes of the railway managers, as a class, and without exception, and to agitate the public with fear of injury and oppression by the railways unless these peaceful interests are deprived of the power of self-government.

"It is in this attitude toward the transportation interests that the Interstate Commerce Commission seems to many good citizens and reasonable men to be unfair and uncandid."

## SUBSTITUTES FOR SHIP SUBSIDIES.

In the current issue of the Forum, Mr. Louis Windmuller under the above caption discusses the ship subsidy bill now before congress. He calls attention to the fact that prior to the civil war, when sailing vessels were in vogue, American ships carried one-third of the world's commerce, as oaken vessels could be made cheaper here than anywhere else. But when these wooden ships gave way to iron cruisers we were supplanted on the seas by Great Britain on account of her superior resources for iron manufacture. Mr. Windmuller proves by a collection of the statistics for the last ten years of the efficiency of the merchant marine of the leading maritime nations that the United States is again coming to the front and shows a larger percentage of increase than Great Britain.

The cause of this is that steel is now