

# ADDRESS

delivered by

**Mr. James J. Hill**

before the

**Kansas City, Mo.,  
Commercial Club**

November 19, 1907

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Two eras and two stages of civilization meet where we are gathered to-night. Both the old trails and the new find a starting point for the western journey at the mouth of the Kansas River. In days not yet beyond the memory of men now living, the Santa Fe trail and the Oregon trail were names to conjure with; symbols of trade and empire since realized beyond the wildest imaginations of the men who passed over them seeking adventure and fortune. Westport and Independence, Kansas City and St. Joe are names written in the book of the pioneers who founded the empire of the Southwest, and whose worthy successors in the work that they began T see about me here.

Under date of June 2fkh, 1804, this is written in the journal of Lewis and Clark: "We encamped at the upper point of the mouth of the river Kansas. On the banks of the Kansas reside the Indians of the same name, consisting of two villages, one at about twenty, the other forty leagues from its mouth, and amounting to about three hundred men/" In 1834 overland trade with Mexico was established, and the Missouri River was the transfer point for merchandise from the steamboat to the wagons of the overland trader. In 1833 Westport was laid out, and "Westport Landing," the present site of Kansas City, was its river base for traffic. The famous Santa Fe trail was established; and by 1857, after the westward movement had grown to large proportions, the Santa Fe trade, most of which passed through Kansas City, was estimated at more than five million dollars, branching off from this to the Northwest was the equally famous Oregon trail; and the transcontinental lines of to-day determine no more surely the direction of traffic than did those old lines of travel, of story and of trade. When Crawford, whose journal remains one of the authentic sources of early Western history, journeyed to Oregon in 1842, he went from Buffalo by way of Pittsburg, Cincinnati and St. Louis to Independence, and thence nearly two thousand miles by way of Laramie, Fort I Tall and Walla Walla to the Falls of the Willamette. Every page of your early history is crowded with the records of commercial conquest, and every stage of your growth represents a corresponding stage

iii the intercourse of the States and the exchange of their multiplying products. If there is a community in this country historically and practically fitted for understanding and leadership in matters of traffic, Kansas City by old association and experience may claim the prize.

This is a time when the needs of traffic, when the present and the future of those new lines of traffic that civilization has made and that have modified and almost remade civilization, must be dispassionately and impartially considered. The Santa Fe trail and the Oregon trail and a score of others are busy to-day with a commerce that the first half of the last century could not have conceived. These iron highways are part of our national transportation system, including, in round numbers, 225,000 miles of railroad, whose interests are those of every community and of every man. You have other ways, it is true, the old ways of the water, and these must not be neglected. But this subject, important as it is, and demanding as it does a positive and liberal policy and activity on the part of the Government, may give place to-night to a better understanding of the more pressing and important question of the preservation and development of the land lines which arc to the nation's life what, the veins and arteries are to the body. Clog them, and the whole body pays a heavy penalty.

The transportation facilities of the whole country are and have been unequal to its present needs. They must be made equal to the burdens they bear or the country cannot prosper. The internal growth of the United States, in population, in manufactures, in agricultural production, is unparalleled. Every item makes more business for the common carrier. Your splendid city, with its remarkable commercial development, furnishes one case in point. The entire section tributary to you is growing to-day as rapidly as any other portion of the country. To the south you behold the rise of a new commonwealth, having a population at its admission as great as that of Minnesota after forty years of statehood, entitled on its admission to five members of Congress, where only a few years ago was the distant border of frontier settlement. The rise of the new, the expansion of the old commonwealth, are both reflected in the statistics of the railway business of the nation. How far railroad construction has been unable to keep pace with domestic commerce the country even now does not realize. A few figures will help to make clear this significant and alarming fact.

A comparison of the report of the Interstate Commerce Commission, covering railway statistics for the year ended June 30th,

1896. with the report of the same body for the year ended the same date 1906, just published, gives startling results. In that ten year period the increase in the railway mileage of the United States was 22.7. In the same ten years the number of passengers carried one mile increased 93%, and the number of tons of freight carried one mile increased 126.470. The business is two and one-quarter times as great, while the machine for handling it has increased but little more than one-fifth. The consequent congestion and loss are growing every year. The railroads of the country carried over sixty million passengers and over two hundred million tons of freight more in 1906 than in 1905. The increase in passengers one mile for these twelve months was 1,375,330,947, and the increase in the tonnage carried one mile was 29,414,441-,731. If the figures for the year ended June 30 1907, were available, they would show that the increase is still rolling up and gaining size in a geometrical ratio every month. With trackage increasing at an average rate of a little over two per cent, a year, reaching two and eight-tenths per cent, in 1906, when business was pressing fiercely on the roads, and traffic growing at the rate of over twelve per cent, per annum for the past decade, rising to fifteen and seven-tenths per cent, for the last year, the wonder is that the business of the country has not been actually paralyzed.

"Railroad managements have met this situation by every effort to increase equipment, and increase efficiency in operation. In both directions what they have accomplished is little short of wonderful. In these ten years the increase of locomotives on the railways of the country has been forty-three and seven-tenths per cent.; and the increase in the number of cars of all kinds fifty-one per cent. New equipment, has been put into service as rapidly as the makers could furnish it, and still there is a demand from every quarter for more. This, however, would not have saved the situation from actual disaster but for the increased efficiency secured by building larger engines and larger and better cars, and by constant improvements in loading and handling cars and trains which have multiplied the working power of each unit of equipment. In these ten years between 1896 and 1906, the average number of miles per annum for each passenger locomotive has been increased fifty-six and six-tenths per cent., and the number of freight ton miles per freight locomotive fifty-four and four-tenths per cent.

This factor of efficiency is expressed in density of traffic, or the number of tons of freight carried one mile for each mile of railway track. It measures the actual business use of trackage. The density of traffic on all the railways of the United States was 521,558 tons for the year 1896, and 962,179 tons for the year 1906. This

is that the practical **working** value **of each** mile of track has been almost doubled; has been increased, to speak in **exact** figures, eighty-four per cent, in these ten years by introducing higher efficiency in operation. Everything that available capital, ingenuity, cheap service, high-priced labor and skilled management can accomplish has been done. The problem that remains is both physical and financial; to bring construction up to the needs of our immense domestic commerce, and to raise the necessary money to do this. If both or either of these is impossible, it is not the fault of the railway system. Only gross ignorance of the truth, or the malice of disturbers, can ignore these plain and proved facts. Only by improved methods of operation has the country been saved from such a blockade of traffic as would have destroyed business activity or turned it into a game of confusion and chance.

This achievement, in connection with a constant reduction of rates that has brought the average fare per mile\* for each passenger in the country in the last ten years to about 2.00 cents, and the freight rate to .08 cents per ton per mile, a saving that amounts to billions of dollars in the aggregate, will be better appreciated after a comparison between the statistics of railroads in the United States and the systems of other countries. The average freight rates in Europe are about one hundred per cent, higher than our own. While the average charge in this country was .48 cents per ton per mile in 1906, the latest available statistics give the average rate in Germany as 1.352, France 1.428, Austria 1.303, and the United Kingdom 2.160. The people of the United States are furnished with transportation at a rate which, if applied in other countries, would be as great a boon to the public as the abolition of practically all taxation. If the rates in force in Great Britain were collected here, the railroads could pay cash at par for every dollar of their capital stock, bonded debt and other obligations, amounting to over fourteen billion dollars, in less than four years.

The wages paid to railroad employees in England are approximately fifty per cent, lower than in the United States; in France, sixty-five per cent, lower; in Germany, fifty per cent, lower. Practically all increase in revenue derived from added volume of business handled on the railroads of this country is now absorbed by increased expenditure made up chiefly of enhanced cost of material and additions to the scale of wages. Partial reports for the first six months of the current year showed an increase in gross earnings of \$114,656,528 and an increase in operating expenses of \$95,282,978.

Yet there is no comparison between either the actual efficiency or the low capitalization of our railways and those of our commercial competitors. The following table shows in round figures (he

volume of freight handled by the railroads of four great nations, with their average capitalization:

	<i>Carried 1', Mile-per Mile of road</i>	<i>Capitalization per Mile</i>
England .....	500,000	\$271,000.00
France .....	410,000	136,000.00
Germany .....	770,000	110,000.00
United States .....	9,60,000	67,000.00

The railroads of Europe operate within small areas, in old countries, where population is crowded and traffic is- highly con-centrated. The systems of this country stretch from ocean to ocean, and many of them cross mountains, deserts and unoccupied lands contributing hut little business. Yet we carry from twenty-five per cent, to over one hundred per cent, more freight to the mile. Our comparatively modest capitalization represents only to a limited extent a lower cost of construction. The excessive figures of foreign railway capitalization are due largely to the custom of charging everything to capital account. No due allowance is made in those countries for depreciation, no due provision for betterments. Now a railroad plant, like any other plant, deteriorates rapidly. Much of it must be renewed every few years. Rails wear out, equipment becomes unsafe or antiquated, modern methods require a broader roadbed, stronger bridges, lower grades, easier curves, and, above all, larger terminals. To meet these expenses European managements add to their capital, thus placing the burden upon posterity. The practice of American roads is to provide for these expenses on I of current revenue; to charge off each year a fair amount for depreciation; to maintain the properly at its own cost. Nevertheless, if allowance is made for stocks of railroads owned by other railroad companies and held by these railroads against stock in the hands of the public, the total capitalization in the United States is only about \$57,000 per mile. I hope it will not be improper for me to show here what has been done by one railroad system. The lines of the Great Northern Railway cross the backbone of the continent, and have been built with liberal expenditure for permanence and for economical transportation by making grades low and curves easy. It is capitalized to-day at \$38,000 a mile. The following statistics from its records of operation and revenue make condensed history: Revenue tons hauled one mile in 1881 were 93,464,324; in '90' 5>37°<157?882; the average revenue per ton per mile in 1881 was 2.88 cents; in 1907, .769 cents; revenue collected in 1881 was \$2,691,772.5/1.; in 1907, \$41,270,191.54; revenue collected for 1907 on basis of average rate received in 1881 would have been \$154,660,-547.00; the saving to shippers by reduction in rates for the year 1907 was \$113,390,355.46. The total number of revenue tons hauled

one mile from 1881 to 1907 was 46,121,895,103, and revenue collected was \$434,895,442.34; the revenue on basis of the average rate received in 1881 would have been \$1,283,108,166; the saving to shippers by reduction in rates was \$80,341,136.62. In twenty-six years the average freight charge has been reduced by almost three-fourths. It will be seen that in the period covered by these records, the saving to the public from this source alone amounts to the immense total of nearly nine hundred million dollars. The road has prospered by this policy, because it helped the people to prosper. But from the standpoint of the public, a lessening of transportation charges greater than double the total collections for freight is at least a fair divide. This is the record of but one system, and therefore only a fraction of the total saving to the people of the country by rail way development.

The lower capitalization in the United States represents more property and more existing values not subject to depreciation. But the compensation to capital invested in railway enterprises here is actually less than in the three countries with which comparison has been made. The percentage of net earnings available for distribution on the capitalized cost of the railroad systems of England is three and one-half per cent., in France four, in Germany six. The average of these is four and one-half per cent, on a much higher capitalization per mile, amounting in England to over four times as much. The total dividends declared by all the railroads of the United States in 1906 were but four per cent, of the total capital stock outstanding. On over thirty-three per cent, of outstanding stock, no dividends whatever were paid.

Any other business is judged by its average conduct, its average return. The railroad system of this country is not a failure, as has been charged by men who are without knowledge of the facts and whose opinion is consequently of no value. On the contrary, it is, when judged by results, by official records, perhaps the most conspicuous success achieved in the development of the United States. Costing but from one-half to one-fifth as much as the systems of other countries and charging rates from one-half to one-third as great, it carries nearly double the business per mile and pays twice the rates of wages. Few inventions produced by American genius, probably no other industry founded and perfected by American enterprise, can show a comparative record which, in all the essentials of practical value, so distances all comparison. Under conditions most difficult we have created a transportation system at lowest first cost which gives the most efficient service to the public at the lowest charge and pays its employees the highest known scale of wages. The railroad men of this country have a right to be proud of their record, and to resent criticism supported by nothing better

than ignorant declamation. The people should realize that there is a physical limit to the capacity of a railroad. It has been their habit to regard the railway as a means of transportation over which an indefinite business may be done, limited only by the policy or the wishes of its management. The truth, of course, is that neither the desire to serve nor the prospect of gain can get out of the railway work beyond its ability to perform. Common fairness requires the application of the same treatment of railroads as of other property; and the comparisons just made, as to rates, as to efficiency, as to capitalization per mile and as to earning power, place the railway system of the United States far above that of any other country in the world in service, in value and in useful conduct.

A recent analysis by the Railway World of the Interstate Commerce Commission report presents the total distribution of railway income in' such clear and concise terms that I will quote it here: "The amount devoted to building up the surplus of the corporation, some of which will be productive of future revenue, but most of which will merely add to the comfort, safety and convenience of travel and traffic, is \$112,234,761. This leaves \$272,851,567 as dividends for the owners of American railroads, or about twelve per cent, of gross earnings. In other words, for every dollar which the American shipper and passenger paid to the railroads, 8 cents went to the owners, 19.5 cents went to the creditors, 3.2 cents went to the public in the form of taxes, 66 cents were paid out for wages, material and supplier, being immediately returned to the place whence it came, and the balance was applied to improving railway property and making good the deterioration resulting from railway operation. The conclusion is obvious. An industry whose owners are able to secure only one-eighth of its gross earnings as their own profit is, comparatively speaking, the least profitable of any large industry in the United States; and in spite of these enormous revenues which fully correspond to its industrial importance, considered in relation to its profitableness, the return to the proprietors of the American railway industry is reasonable and moderate, fully justified, moreover, by the amount invested in railway property and by the risks which are incident to the holding of railway securities."

It has been made clear, I think, that the capital now invested in railways is well employed, and that the men in charge of the railways of this country have struggled for nearly fifteen years with the greatest problem of our time. Expressed mechanically, it is—how to move a load whose weight increases by from ten to fifteen per cent, a year with an engine whose power increases at the rate of about two and one-half per cent, a year. The limit of safe, speedy and reasonable service with existing facilities has been reached. The measure of prosperity is the ease and certainty with which com-



modities may be moved. The country has experienced some of the misfortunes attendant on congestion of traffic. During the seasons when the grain of the Northwest is being moved to market there has been a yearly blockade at Buffalo to such an extent that the railways between that city and the Atlantic Seaboard have been unable to book shipments for two weeks at a time. The result of this has been to compel grain buyers in the Northwest to make their purchases on the basis of carrying the grain in storage until spring, and the farmers have been compelled to suffer the loss. All business is feeling the blighting touch. There has been a distinct slowing down of industry at the East and South. It is not possible to make contracts involving the delivery of large amounts of freight for great distances except for dates long in advance, and even then there is no certainty that the freight can be delivered on time. The whole situation declares that we must have more new lines, more double tracks, more and greatly enlarged terminal facilities. How are these to be had, and what inducement can we offer to the capital which must be willing to invest before anybody can build them? There is no subject, no right to lie asserted or wrong to be rectified, real or alleged, that can take precedence of an issue so vital; one so nearly concerning the income, the employment, the comfort, happiness and prosperity of every one of our 86,000,000 people.

A year ago T said that it would require \$5,500,000,000, or \$1,100,000,000 a year for five years, to make our railroad facilities equal to the demands upon them. The figures are staggering, but twelve months have confirmed them and enhanced the difficulty of securing such investment. In the last year the railroads have raised in one way or another in the neighborhood of a billion dollars. Much of this has been obtained on short time notes, at a high rate of interest. Most of it has gone into terminals, renewal of old equipment and purchase of new, and other necessary improvements. It has been a forced investment, the funds for which were raised not to make our railways adequate to their task, but simply to keep them at their present working level. It has been used to keep the wheels of industry from slipping backward. But there has been very little new construction. The needs of the moment were too severe for that; and, although substantially the amount of money suggested by me as indispensable has been collected and spent, the railroads have barely held their own and the future remains to be provided for. Not less, but, in the opinion of competent judges, perhaps fifty per cent, more should be spent annually for the five years to come.

It is between the great centers of the country, in territory occupied by trunk lines, that traffic congestion is most severely felt

and here that relief should be first applied. What would be the outlook for another trunk line between Chicago and the seaboard? The cost of right of way and of terminal facilities cannot be estimated. A new line might possibly be built, or, on the other hand, since terminal areas are physically limited, and are mostly fully occupied, it might be an actual impossibility to construct such a line at any reasonable price. Some of these systems have had to raise money at high rates for current needs. If these, not immoderately capitalized, with immensely valuable terminals acquired years ago, and a heavy traffic already assured, cannot pay dividends of seven per cent, on their capital, by what prospectus could new capital be persuaded to engage in a similar and untried enterprise with fewer chances of success? For some of the old systems, that are fully capitalized, that have reached the limit of mortgage indebtedness and can sell no more securities at any fair price, there is but one way of life. They must increase their rates until their revenue is equal to their charges. This, however, casts no light upon the question where additional facilities are to come from and who is to furnish the money to build them.

There are but two reasons; actual scarcity of money and reluctance to invest, which overshadow the outlook. Every great money center in the world has felt during the present year the stress of a demand in excess of supply. Free capital, capital for investment in any enterprise, has been exhausted and everything must wait for its replenishment. The first cause is the great destruction of wealth and the restriction of wealth production incident to the Russo-Japanese and the Boer wars. It is estimated by the London Statist that in these two wars about \$3,500,000,000 were expended. Dig war loans absorbed the surplus of the world's cash box. This money still exists somewhere in the world, but it is not now available for investment. The property destroyed in conflict, the labor subtracted from productive industry and gathered into armies, must be made good. Hence there has been a halting in every market; the prices of the strongest securities, from English consols down, have greatly fallen; promising enterprises can no longer be financed on any basis consistent with present rates and conditions.

A more serious factor than this, perhaps the controlling factor of the situation in this country, is the shock given to confidence in our investments all over the world, and the consequent limitation of credit. Upon credit all modern business is built; and every panic has struck its heaviest blows by destroying the value and shrinking the volume of that medium by means of which more than nine-tenths of all our business is transacted. The destruction of one-third of the stock of actual money in the United States would

1 Like away a billion dollars. Such a contraction would practically destroy business for the time being. Not one billion, but more nearly five billions, measures the shrinkage caused by public distrust in the price of securities alone; and we should have to add probably more than as much more to estimate the total diminution in those business credits which are the essence of trade. Credit is the atmosphere which inflates the lungs of business; and when it is greatly lessened, business must be reduced in proportion or be quietly smothered. For this reason attacks, not on individual transgression, not on dishonest finance, but upon existing business systems, representing the fabric of society itself, may destroy, by impairing credit, what a generation could not rebuild. Political campaigns in many states have been made on the issue of a general assault upon the integrity of railroad property and management. There followed a wild raid in which over one hundred and seventy acts more or less confiscatory of railroad property were enacted by the legislatures of more than a score of states. The consequence to the transportation system, to railroad construction, and through these to the price of farm products and to the success of every form of business, has already made itself felt, and the country shivers under the blow. It would not be surprising or unjust if the same men should be obliged to make the next campaign on the issue of a lack of transportation facilities so pronounced that all industry languishes and looks with doubt and apprehension to its future. It is not material, for knowing where we stand, what may have been the justice or injustice of any particular act or hostile legislation, either accomplished or proposed. The point is that investors have been convinced that it is not a good time to part with their money. If such continues to be the attitude of the public mind, there will presently be no power short of a pledge of the credit of the government itself able to secure the funds necessary to provide more tracks. It behooves every business man to consider in a purely business way this business problem. For it is his problem. He individually will suffer if railroad construction does not keep pace with business growth. This is not a question of private opinion, or of politics, but one that touches directly the welfare of all the people.

Two things more should be remembered. The first is that this shrinkage of credit and of values bears most ruinously upon those of small means. The rich man will not greatly suffer if even a considerable portion of his wealth disappears. The corporation can in some way struggle along under adverse circumstances. If present conditions continue armies of unemployed workmen will be walking the streets and their families will be looking for daily bread. If loss is inflicted in this country upon any one member of our national industries, all will suffer; and usually those most severely who are the least able to stand it. A second considera-

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lion is the unfairness of a discrimination so broad between different forms of investment. In other occupations than railroading, the profit earned by capital is not a cause of reproach. Manufacturing institutions, trading concerns, banks, are allowed to gain what they can. All of you know many of these that declare annually dividends to an amount which no railroad director would dare to announce and which no railroad in this country is now or is ever likely to be in a position to pay. Even the banks, that are strictly accountable to state and national law, and that have been publicly referred to as models to which the railroads might be required to conform, are not censured for earning twenty, fifty or one hundred per cent, on their capital if they can. The law fixes the legal rate of interest and conditions to safeguard credit, and then concerns itself with them no further.

The risks in railroad investments are far greater than in ordinary trading. The failures among railroads in the past exceed those in other kinds of business. Yet in this alone no profit may be enjoyed except such as the courts declare to be reasonable. If a railroad proves unprofitable, the people take the property into their own charge, handle it through receivers whose certificates are a lien prior to that of stock and bond holder?, and either sell it to the highest bidder or return the remnants of the investment after the expense of the proceedings has been paid. But if it is so managed as to be profitable, the company that declares a dividend much exceeding the open market rate for money, or that wisely accumulates a surplus to make improvements or as a safeguard against lean years to come, is ordered to reduce its rates, and this while no profit is guaranteed to it. The investor cannot win more than he would receive by putting his money out at interest, with a choice of security. There is no other employment of capital in the world in which such conditions as these are prescribed.

You can lead capital to an opportunity, but you cannot make it invest, unless it is attracted by the prospect of a fair return proportionate to the business risk. Before we again realize a favoring disposition to invest there must be a different temper, a larger view of justice, a better appreciation of what the railroads of the United States have done and are doing as compared with those of the rest of the world, and a settled policy of fair and reasonably liberal treatment, and protection for the future. The duty of the state toward railroad property, which should have the rights common to other property, must be considered as well as the duty of the railroad to the public.

KATR LAWS NECKSSAKY.

It is necessary 'to this end that the operations of our railroads

e regulated properly by wholesome and fair laws; and quite as necessary that they should not be regulated improperly. Regulative statutes are now in force of such scope and stringency that no one denies their efficacy. It would be easy so to multiply and add to their burdens that the confidence necessary to investment would be entirely destroyed and the development of the country prevented. Whether this is a time for new enactments or for a patient, fair and just enforcement of the laws as they stand may be judged from the records of the past.

Some interesting and suggestive statistics on this subject have recently been published by Mr. Joseph Nimmo, Jr. He shows that of 9,099 complaints entertained by the Interstate Commerce Commission during the first eighteen years of its existence, 9,054 were settled directly, without referring to the courts; while of the remaining 45 cases appealed to the courts, only eight were sustained. All of these involved unjust, discrimination, and not one asserted an exorbitant rate. It is estimated that, during the same period, the total number of freight transactions to which the railroads of the United States were a party amounted to nearly three billions. The showing is phenomenal. With a law in force to protect commerce, with an able tribunal specially commissioned to hear and investigate complaints, with all the courts open and precedence given to railroad cases, those brought before the commission were fewer than one in three hundred thousand. In these billions of transactions and in nearly ten thousand complaints, only eight were found valid by the courts. Are there any other laws in the country, relating either to property or to the person, which the keenest observation and the fiercest criticism prove to be so faithfully obeyed?

Prior to 1893 nearly one-half of the capital represented by railway construction in the United States was drawn from foreign sources. With the rise of the currency issue and uncertainty abroad as to what action our government would take, the inflow of foreign capital practically ceased. We were obliged to furnish most of our own funds; and we should have felt long ago the pinch of distress but for the improvements in operation by which one mile of track has been made to do the work of two. This has been carried practically to the limit. Twenty years ago, with a population about seventy per cent, of what it is now and a business of about thirty per cent, of the present volume, we built twice as many miles of new road as we did in 1906; and that was the banner year in railroad construction since 1888. If the number of post offices and postal routes in the United States conformed to any such rate of progress as railway statistics exhibit—and the figures I have used are taken from the reports of the interstate Commerce Commission

and other official publications by the government—Congress would be called in special session, and appropriations could not be made fast enough or large enough. Yet the need of food for the cities and of access to markets, is more fundamental and more essential to the maintenance of life than is even the dissemination of intelligence. From this time forth the study and the effort of the people should be to induce capital, both domestic and foreign, to enter upon the indispensable undertaking of providing the transportation facilities without which our commerce must languish and our prosperity disappear.

What you and all other business men have to consider—you especially because of the great stake which your central position gives you in an untrammelled commerce—is not alone the interest of the railroads, but that of the whole people, who will all gain together by a wise, or will suffer by a foolish, policy. Build up all the new lines of commerce that link you with the rest of the world, with the whole commonwealth of progressive development, and make their progress paths of prosperity and peace. We have read of a conflict between "righteousness and business." There can be no such conflict unless there is fraud at the business end or hypocrisy and cant at the righteousness end. The eternal conflict in this world is between right and wrong. If any man has done evil, if any corporation is sinning against the law, let him or it be punished under the law. But put an end to wholesale denunciation and wholesale proscription destructive of all credit and repugnant to all sense of justice as well as hostile to every business interest in the land.

It is time for the whole country to sober down and think out the problems before it. They are serious enough to call for its best and most earnest effort. They are vital enough to engage the most generous patriotism. The nations of the world are now, commercially speaking, in closer touch with one another than were the states of this Union at the close of the Civil War. This country has become the most prosperous in the world by cooperation of its entire people and all its forces in our national development. Constructive statesmanship must re-establish and confirm disturbed relations between the activities engaged in the production and exchange of wealth and in the elevation of national character as well. A hearty union of all interests, a broad and genuine understanding and a more cautious, honest and tolerant attitude in all our public acts will most effectively promote success in industry and sanity and permanence in the nation.