

The farmer, the investor, and the railway

This article written by C. Wood Davis was published in volume 3 of The Arena in February 1891. Davis explores the inequities between farmers and the railroads and their investors. He admits that the construction of railroads has benefited the farmers but also argues that railroads have too great an influence over the lives and income of farmers. He provides a number of statistics related to railroads from the 1870s and 1880s. He believes that it is much harder for farmers to organize to work together because of their independent and dispersed nature than it is for the few owners of the nation's railroads. Davis presents the views of the Populists in regard to the railroad industry.

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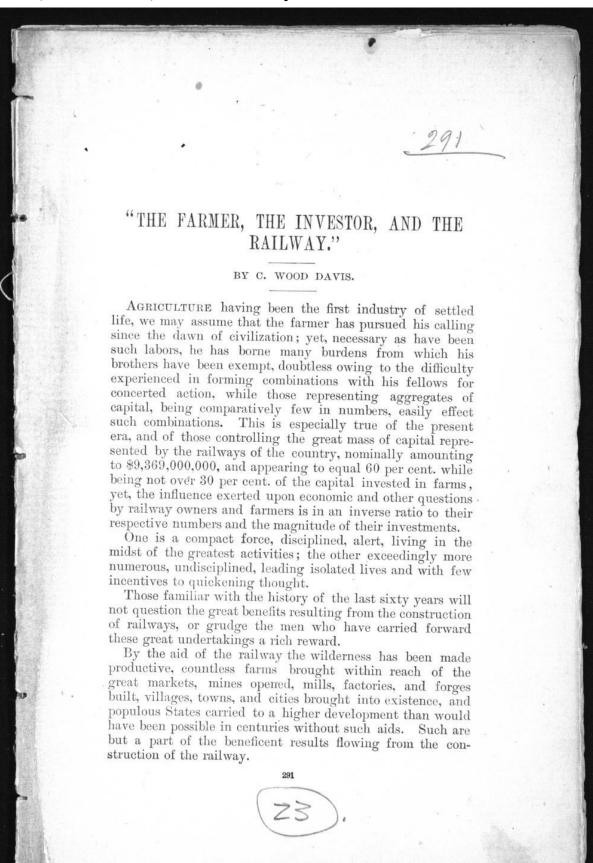
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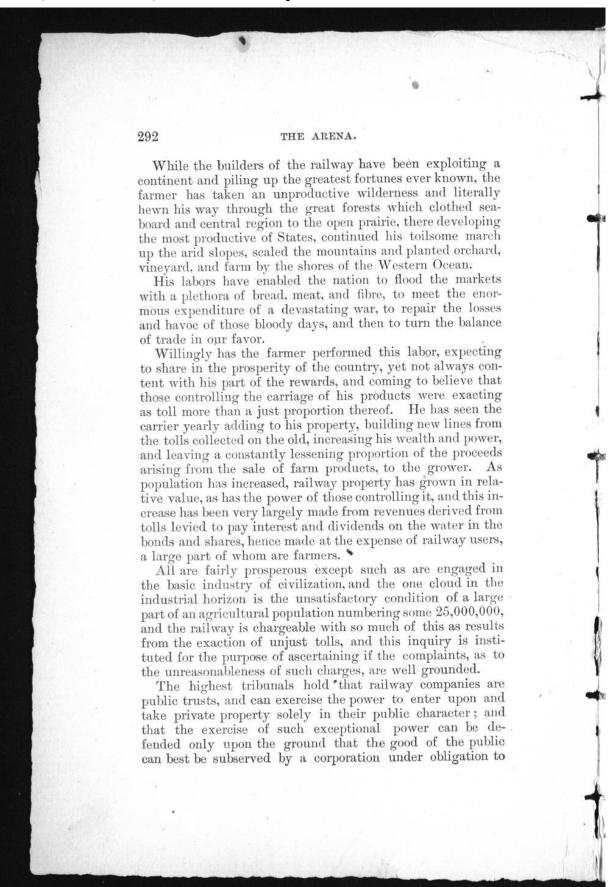
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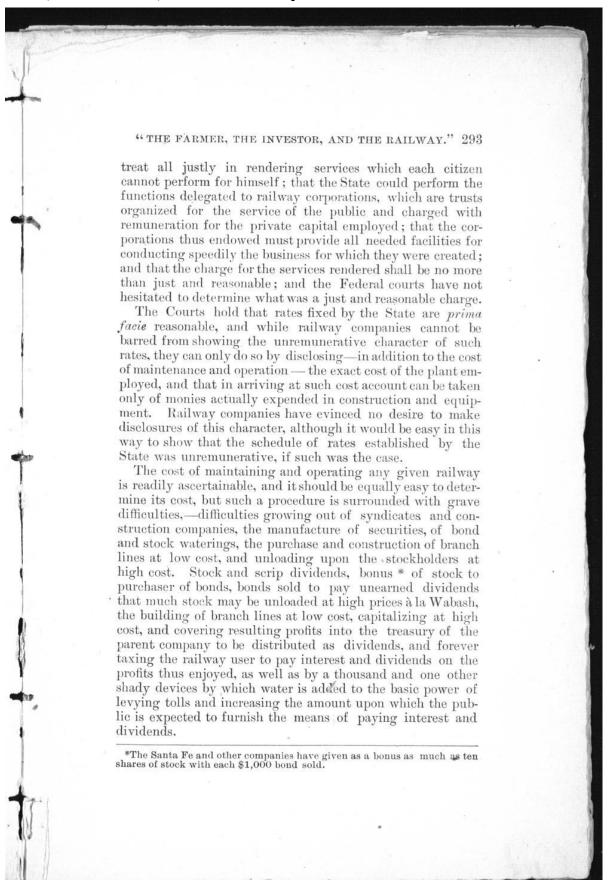














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The cost of the railway is known only to its managers, and rarely to them, as the constructors but seldom retain the management, and railway accounts are manipulated in numberless peculiar ways for the sophistication of investors. For instance, on page 184 of the 1889 report, of the Kansas R. R. Commissioners, there is appended to the statement of bonded indebtedness, made by the Atchison, Topeka & Santa Fé, this note: "The early records of the Company are very incomplete, and it is impossible to tell, with any accuracy, the amount realized from the issue of these bonds," i. e., \$14,061,500 of first mortgage, land grant, and consolidated bonds. Another typical case is that of a railway company in whose service was the writer, and which built a costly line of passenger steamers for lake service; but, by reason of the building of railways north and south of the lake, the operation of the line became unprofitable, the steamers were dismantled, engines sold, and the great sum they represented, dropped from the annual report of the company, without a word of explanation.

Managers dealing thus with stockholders, are not likely to be more frank with the public. Indeed the cost of the railway, and the manipulations of such cost, are of the professional secrets which are employed to defraud railway users and investors, and a case or two in point may not be uninteresting, as showing some of the processes adopted in the manufacture and marketing of stocks and bonds, which are so frequently but evidences of corporate fraud, rather than

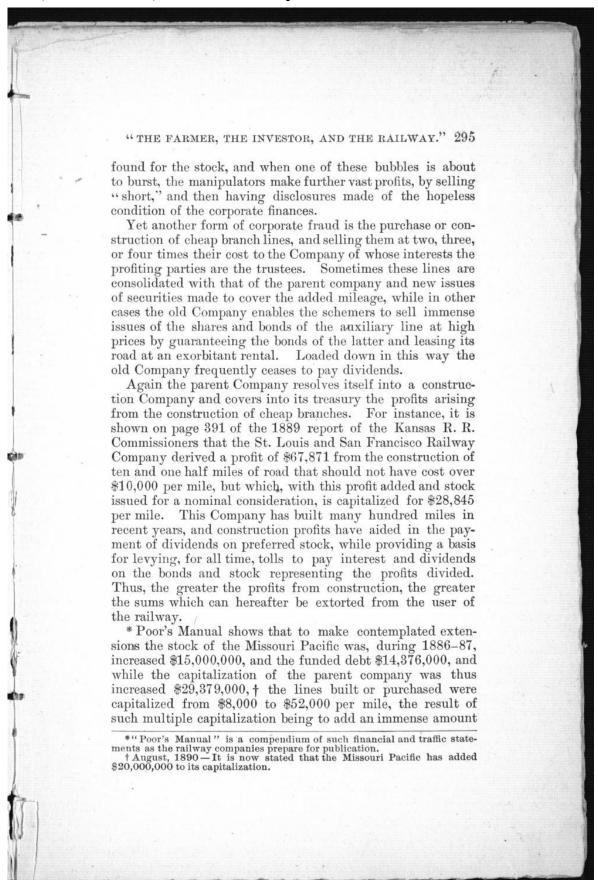
ownership.

An illustration of the ease with which investor and user are alike plundered, is found in the case of a corporation controlling a valuable dividend-paying property, which a second company parallel with expectation of profits only from construction, and by forcing a sale,—eventually effected,—to the older company, the result being the trebling of railway

capital, without an increase of traffic.

Another form of corporate fraud is the payment of unearned dividends from the proceeds of bonds sold, thus adding to the capitalization, and necessitating the collection of unjust tolls to pay interest. These fraudulent payments are often made to enable the management to foist upon the public immense issues of worthless shares, such dividends being continued as long as bonds can be sold, and a market







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of water to old as well as new issues. There are some very instructive phases of the construction of this new mileage. For instance the 310 miles of the auxiliary Fort Scott, Wichita & Western is shown by Mr. Poor to have cost \$4,666,000; the funded debt is shown by Kansas R. R. Commission to be \$5,666,000, and Mr. Poor shows that \$4,666,000 of such bonds are deposited with the Union Trust Company to secure \$4,666,000 of Missouri Pacific trust mortgage bonds issued to provide the \$4,666,000, which the road is said to have cost. Has the user of this railway a right to ask what became of the other \$1,000,000 of mortgage bonds and the \$7,000,000 of capital stock upon which rates are based, and which make up a capitalization of \$8,000,000 in excess of cost, and what was the consideration therefore?

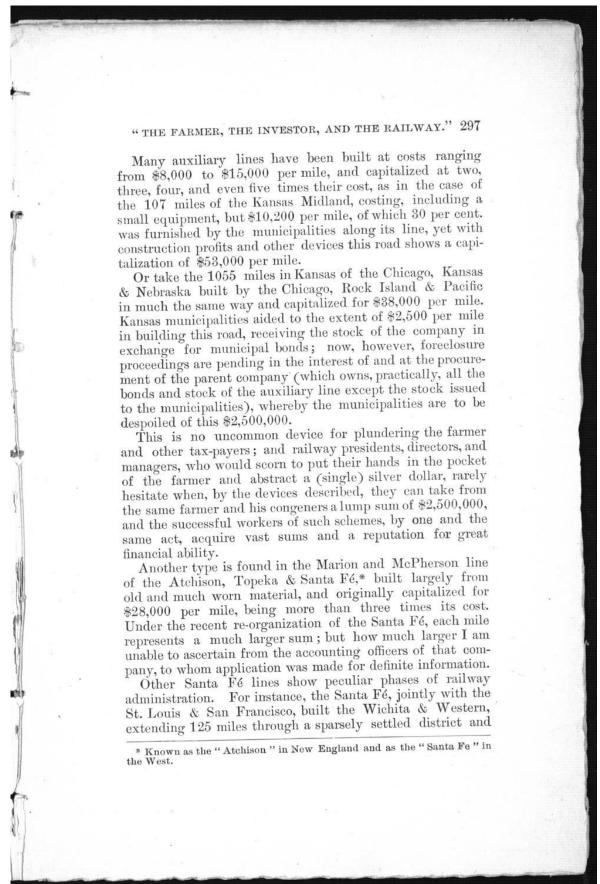
In the case of the 411 miles of the Missouri Pacific's Denver, M. & A. line, Mr. Poor shows the cost to have been \$4,920,000, and Kansas report shows bonded debt to be \$6,561,000, the first mortgage bonds exceeding the cost by \$1,641,000, and the entire capitalization being \$8,202,000 in excess of cost, a large part of which cost was borne by the municipalities along the line. Like conditions obtain with all Missouri Pacific lines built of late years except two short ones not yet mortgaged.

Another mode of collecting excessive tolls and defrauding the public, is that practised by the subsidized Pacific lines in paying \$900,000 per annum to the Pacific Mail Steamship Company to forego competition, and then charging the public two or three times this sum to recoup themselves for such illegal diversion of corporate funds.

A unique case is that of an Ohio corporation, where the men who afterwards became the directors and managers gave their notes to certain bankers for money borrowed for the purpose of buying the shares which were to give them control of the corporation, and, having by this means secured control, applied—in whole or in part—to the payment of such notes, the first mortgage bonds of the company to the amount of \$8,000,000, although such bonds had, in compliance with the requirements of the statutes of Ohio, been issued for the express purpose of equipments, double tracks, and other betterments.*

^{*}See the seventh annual report of the Columbus, Hocking Valley & Toledo Railway Company.







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not paying operating expenses, yet the Santa Fé, although having another and parallel line—the Southern Kansas—less than twenty-four miles south of the Wichita & Western, doubly paralleled itself by building a third line between the two, this third line, for one hundred miles, being eight to four-teen miles from the Wichita & Western on the north, and, for seventy miles, but ten to sixteen from the Southern Kansas on the south.

In this way has money been wasted in construction, the farmer unnecessarily burdened, the parent company loaded with an immense unproductive mileage, and rendered unable to pay fixed charges, and thousands of those investing in its securities reduced to sore straits, the reason for all of which is probably to be found in the profits — private or corporate

- growing out of construction.

Perhaps the Santa Fé affords as fair an illustration as can be found of the ease with which twelve men, sitting in directors' chairs, can issue an edict for the creation of an hundred million or more of fiat property, the only evidence of the existence of which is found in reams of paper, and affording additional evidence of the great and growing utility of printers' ink as an instrument of advanced civilization. By this simple process and without any addition to the property of the corporation, the liabilities of the Santa Fé have been increased more than \$100,000,000, and while rates of interest may have been scaled down, the total of interest and principal have been scaled up. When an individual or firm fails, creditors usually accept large reductions of principal in adjustment; but when a railway company like the Santa Fé fails, they insist on doubling the principal and increasing the total of interest.

Although the earnings of the Santa Fé, in 1888, amounted to \$2,944,529 less than operating expenses and fixed charges, the managers paid an unearned dividend of \$2,625,000, which, with other enormous additions to the liabilities, are to be an endless burden upon railway users and the warrant

for the exaction of unjust tolls.

The Santa Fé's recently acquired control of the St. Louis & San Francisco lines,—which are to be operated as a distinct property—is a remarkable instance of the fiat process of multiplying securities without the addition of one dollar's worth to the world's stock of property.



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The St. Louis & San Francisco controlled 1329* miles of railway, capitalized for the enormous sum of \$70,402,800, being \$52,200 per mile. The Santa Fé acquired control of this property by issuing \$26,285,175 of new Santa Fé stock, not to retire the stock of the "Frisco" but to buy it and place it in the treasury of the Santa Fé and apply† such dividends as may accrue to the payment of current Santa Fé liabilities.

The result to the railway user will be that, whereas the "Frisco" property has been represented by \$70,402,800 of "Frisco" and auxiliary stocks and bonds, it is now represented by that sum plus \$26,285,175 of Santa Fé stock, which is an addition of fictitious capital upon which the user is expected to furnish revenue, and the owners of Santa Fé shares have that amount of water injected into their holdings.

† The Santa Fé holds 741,129½ shares, of the par value of \$74,112,950, of stock of auxiliary lines built wholly from land grants, municipal aid, and proceeds of bonds sold, and for this immense number of shares the only considerationas shown by the Santa Fé ledger—was \$4,029, or a fraction over half of one cent a share. For 663,306½ of these shares, of the par value of \$66,330,650, the only consideration shown is \$15.00, being at the rate of $44\frac{22}{100}$ shares of the par value of \$4,422.00 for one cent. Such is the stuff which passes current as railway securities and on which the railway user is taxed to pay dividends!

The Santa Fé affords a most instructive example of what may be accomplished in the way of multiplying securities by the hoodooing of accounts, by reckless construction, the payment of stock dividends (\$18,000,000), the giving of vast quantities of stock to the purchasers of bonds, the payment of unearned dividends and the creation of \$100,000,000 and

more of fiat securities at one or two sittings.

The seventy miles of the Columbus and Cincinnati Midland, built at a cost of about \$17,000 per mile-of which some \$1,500 per mile was donated by the people along its line—is capitalized at \$57,000 per mile and earns nearly twelve per cent. on the money furnished by its builders, yet

Poor's Manual, 1889, page 723.

Ante, page 5.

^{*}Include such lines as the Kansas Midland, etc., built at costs ranging from \$10,000 to \$15,000 per mile. †Financial chronicle of May 31, 1890.



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appears to earn but three per cent., while in its immense fictitious capital the foundation is laid for further exactions.

The enormous profits accruing from the operation of the construction company, and the unjust tax thereby forever imposed upon the public, is exemplified in the case of the "Credit Mobilier" and other construction devices connected with the building of the various Pacific lines, out of which grew no little corruption of legislators, the ruin, politically, of promising statesmen, and the amassing of so many great fortunes, typified in the case of the four men who built the Central Pacific and whose united worldly possessions in 1860 are said to have been but \$120,000. Now, however, their estates are estimated at more than \$120,000,000.

Mr. Poor states that "the cost per mile of the roads making returns (1888) as measured by the amount of their stocks and indebtedness equalled nearly \$60,732 as against \$58,603 for 1887," being an increase of \$2,129 per mile, and at the price recently prevailing, it would require 135,000,000 bushels of the farmers' corn annually to pay 5 per cent. on the water absorbed by railway securities in one year, and by such waterings yearly it will take but fourteen years to absorb the entire corn crop to provide revenue on the added fluid. How long shall this process be permitted to continue?

Mr. Poor also states that, in the eleven central farming States, railway earnings have in eighteen years increased 175 per cent. and the bushels of wheat and corn grow 160 per cent.; yethe forgets to tell us that such has been the shrinkage in the prices of farm products that the value of the wheat and corn crops in these States increased but 57 per cent., showing conclusively that the railways are taking a constantly increasing proportion of the proceeds arising from the sale of the products of the farm.

This is still more clearly shown on the same page in the statement that in these States railway revenue in 1870 was \$12 for each unit of the population as against \$18 in 1888. Thus the *per capita* transportation tax is shown to have increased 50 per cent.

Mr. Poor says, "With these facts before us, it is difficult to understand the extraordinary antipathy to railroad corporations in the West."

If such antipathy exists, possibly Mr. Poor could understand it if he would but look at these facts, and others herein



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bearing Tha while mile, t mile, t \$5,189 assesse \$52,15 We is shon aid in when comes replace Acc railwa cludin and di of the Ho the fie	in all their nakedness, keeping in view their true gupon the greatest of the nation's industries. It no such antipathy exists is shown by the fact that, the railways of Illinois are capitalized for \$42,450 per hey are assessed for purposes of taxation at \$7,863 per hose of Iowa are capitalized at \$38,069, and assessed at the those of Nebraska are capitalized at \$40,172, and set at \$5,829, and those of Kansas are capitalized at \$5, and assessed at \$6,595 per mile. In a have seen some of the processes by which the investor real and an enormous fictitious capitalization piled up to taxing the farmer and others. Is it any wonder that his wares are selling at starvation prices, the farmer berestive under the burdens thus imposed and seeks to be present ownership by that of the nation? Fording to Mr. Poor, there existed 156,082 miles of y at the close of 1888, showing a capitalization—ing floating debts—of \$9,369,398,954, to pay interest exidends on which a toll is levied on all the industries country. We much of this vast capitalization is real, and how much entitious outgrowth of the practices described? ing to the practices illustrated, it is impossible for rail-ompanies to show the cost of their properties, and we smpelled to reach an approximation by estimating such and thus determining the sum upon which revenue should as
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*That this estimate is more than ample is assured by the statement (in substance) of Mr. H. V. Poor that the capitalization of the roads built from 1880 to 1883 is double the actual investment and, could the fictitious capital be eliminated, railways, as investments, would have no parallel; and in the statement that within five years ending in 1883, "about 40,000 miles of line were constructed at a cash cost of at least \$1,100,000," being \$27,500 per mile; and that "in 1884 only about 4,000 miles of new line were constructed, the cost of which did not exceed \$20,000 per mile and perhaps not over \$15,000 per mile."

For each mile of railway costing more than \$30,000 per mile, ten can be found that have cost from \$8,000 to \$20,000. The eastern two hundred miles of the Kansas Division of the Union Pacific, built in the era of high prices, cost less than \$20,000, although now bearing a capitalization of \$105,000 per mile, but a well known manipulator — who made restitution of millions to the Erie — supervised its reorganization, which may account for the generous volume of water incorporated in the securities.

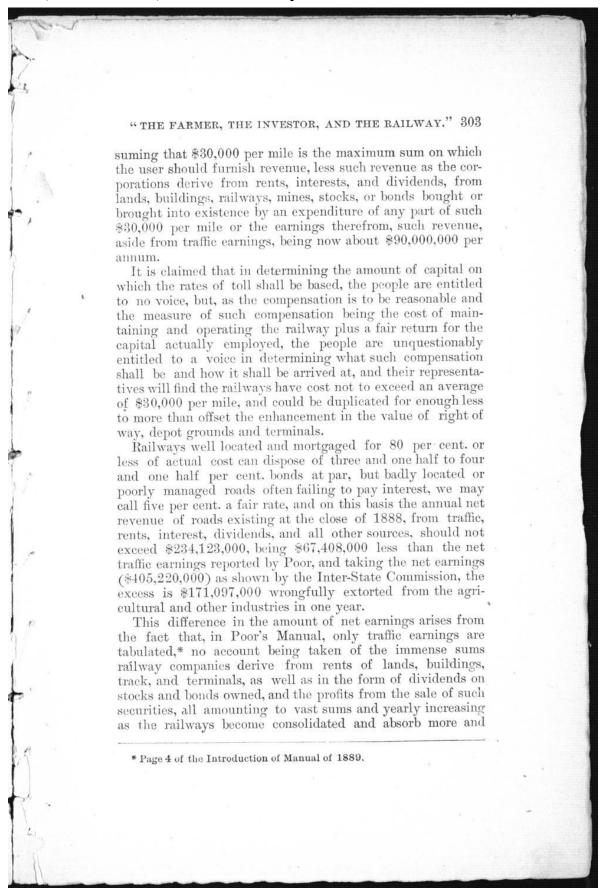
The Missouri Pacific line from Eldorado to McPherson, Kansas, a comparatively expensive prairie road, being located across the line of drainage, cost much less than \$10,000 per mile, as have thousands of miles of other prairie lines.

Possibly \$30,000 per mile is less than it would cost to duplicate the railways, east of Ohio, but the most of the mileage being west of that region where the cost, outside of a few mountain roads, is at a minimum, the estimate, if erroneous, certainly errs in placing the cost too high. Moreover, we have a factor of safety in the fact that the nation, to aid in building railways, has granted 197,000,000 acres of land, a large part of which has passed into the possession of the railway companies, and from which they have realized vast sums, probably more than \$300,000,000, to which should be added State and municipal aid and individual donations to the amount of \$150,000,000 to \$250,000,000.

Taking no account of the sums loaned the Pacific railways, the people have contributed at least \$2,000 per mile towards the cost of existing railways, hence we are warranted in as-

^{*} See Poor's Manual for 1884 and 1885.







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more of existing property; hence Mr. Poor's figures are incomplete and misleading, inasmuch as they fail to convey a correct idea of the total of railway earnings or the amount

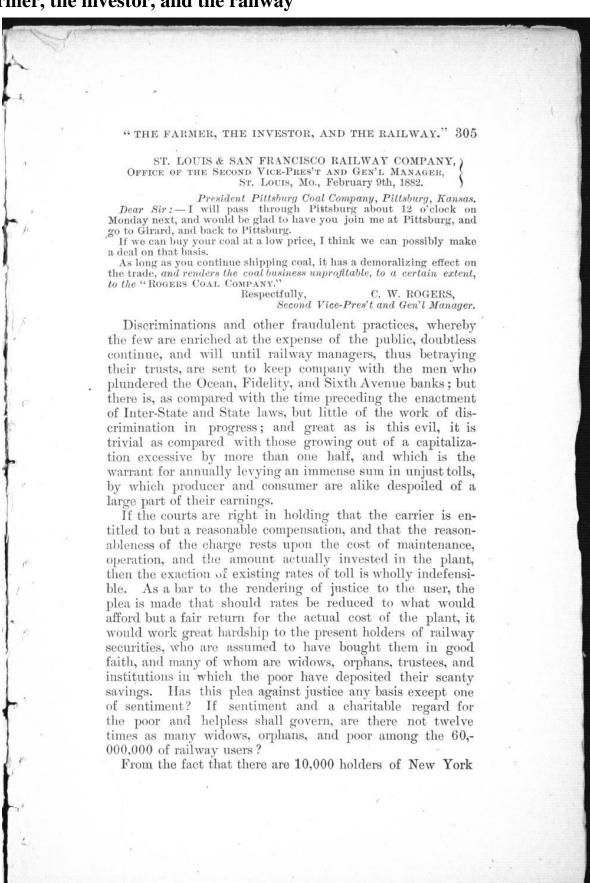
annually extorted from the user.

Of the \$234,123,000 resulting from a five per cent. revenue on \$30,000 per mile, a very large part, as will hereafter be shown, belongs to the user rather than the investor, while many parallel roads, built for construction profits, are needless, and others so badly located that the traffic will be wholly insufficient to provide revenue, and the owners must, like the owners of badly located buildings, suffer the loss entailed by lack of business sagacity. Favorably located roads can collect more than five per cent.; should they be permitted to do so? Each railway company is a distinct organization, each road a separate instrument and specially conditioned, and it is questionable if the compensation for the capital employed should, in any case, be permitted to exceed the rates fixed upon, from time to time, as a just return. As interest rates fall, so should returns from railway investments.

Justice and reason appear to have little part in determining railway rates, the environment being all potent, as in the States where efficient granger laws * have been reinforced by a strong and active commission, rates are much the lowest and highest where either the laws or the commission are inefficient; yet enough has been accomplished to show the beneficent possibilities of governmental control in suppressing some of the multifarious evil practices of railway companies, and while these practices continue they are much less common and not so flagrant as in the past, when the manager of an Inter-State railway, in order to destroy the value of the property of a coal company having no other outlet for its product, could, without a minute's notice, advance the rates on coal shipped by such company 133 per cent. above the rates charged another coal company in which such railway company and its officers were stockholders; nor with the Inter-State law in force are railway officials likely to repeat the indiscretion of such manager in writing the president of a coal company (of whose property he desired to force a sale) the subjoined letter.

^{*&}quot; Granger laws" are the laws enacted in the Agricultural States of the Mississippi Valley for the control of railway rates and methods.







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Central stock, Mr. Poor estimates that there are 1,000,000 investors in railway securities, who, with their dependents, constitute a body of 5,000,000, and it is proposed that rather than this one thirteenth shall surrender, once for all, so much of their power to tax others as is the direct product of fraud,

that they shall continue such unjust taxation.

This is not simply a proposition that one thirteenth of the population shall unjustly tax all others this year, next year, or even the third or fourth year, but that such burden, yearly increasing by the addition of more water, shall be carried by the twelve thirteenths to their graves, that when death relieves them, their children and children's children, for countless generations, shall each in its turn take up the grievous burden and carry it until they also drop into the grave, and so long as these railways exist, this one thirteenth shall possess the power to thus levy an iniquitous impost upon the entire industry of the country. Could anything be more unjust?

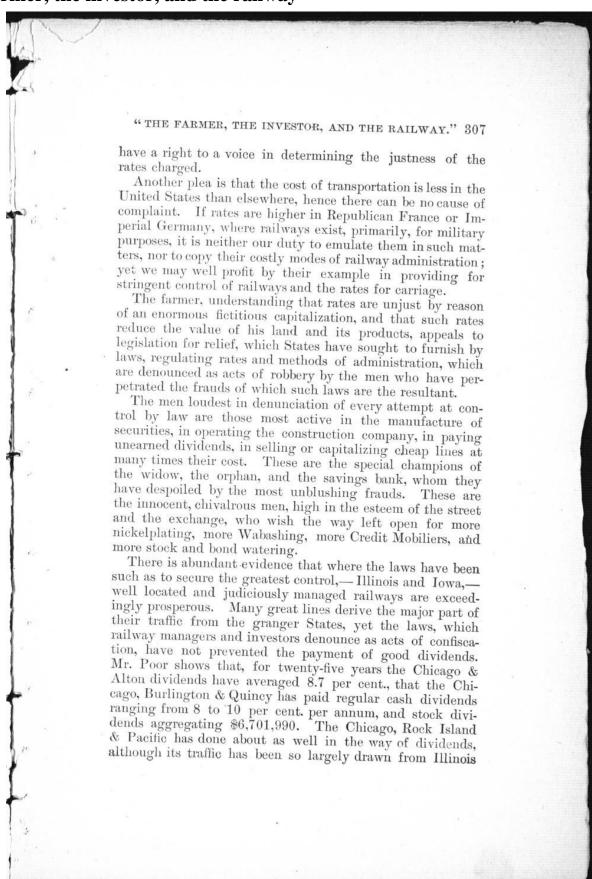
Shall 60,000,000 people and their descendants suffer a great and growing wrong rather than that 5,000,000 shall

surrender a power to which they have no right?

The railway is public rather than private property, and while the stockholder is entitled to the usufruct and its limited control, yet such control is a trust for a specific purpose, such purpose being the service of the public for which the compensation shall be just and reasonable, but the law never contemplated that one party in interest should alone be in possession of the knowledge necessary to a determination of the amount of capital employed, and the reasonableness of the charges made, and so long as such knowledge is withheld, shareholders must expect discontent on the part of the public, and efforts to secure such control as will ensure justice; and it is this discontent which has been one of the most potent factors in bringing into existence the "Farmers' Alliance" and kindred organizations, in which millions of farmers for the first time in history — are united for a common object.

The endowment of the railway company with the exceptional power to enter upon and take private property, and the equally exceptional limitation of the stockholders' liability to the cost of the shares held, implies special duties and obligations to the public; and the people, whose lands have been taken, who furnish the traffic, and provide the revenue,







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and Iowa. Until certain bond and stock operations, the Chicago, Milwaukee & St. Paul paid 7 per cent. dividends, and the Chicago & Northwestern has swelled its capital account by the payment of stock dividends, while paying regular cash dividends of 6 to 8 per cent., and the Illinois Central has, for twenty-six years, paid dividends ranging from 4 to 10 per cent. per annum, and aggregating \$56,989,847.

Notwithstanding these laws and that nearly or quite all these roads carry an undue amount of water, that crops have failed, and panics have prostrated the industries of the country, they have prospered, new lines been added from the tolls collected on the old, the investor received ample returns, and some of the managers enabled, by some occult process, to amass enormous fortunes, all going to show that the granger laws have not been oppressive, and that when railways fail to make fair returns it is due to faulty location, unreasonable rate wars, speculative or incompetent management, or an extraordinary excess of water in capitalization.

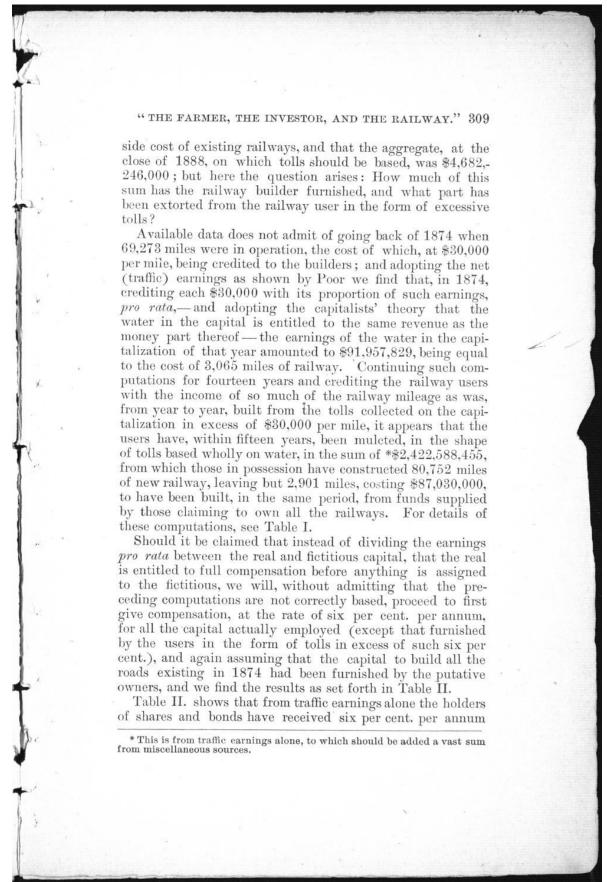
Possibly a flood of light may be thrown on this subject by the experience of the writer when general freight and passenger agent of a new railway. Imbued with the idea that the prosperity of the road would be subserved by encouraging immigration and fostering business, the writer formulated tariffs calculated to further such ends. Imagine his astonishment when told by the general manager they would not answer, and to be informed that the road was not being built to make money out of its operation but out of its construction, and what was required of the traffic department was the greatest present revenue possible and to make the passenger rates just low enough to take the traffic from the stages and the freight rates no lower than necessary to drive the ox teams out of the freight business.

The policy then outlined was pursued until the railway passed through the reorganization thereby made inevitable, and this cheaply-built prairie line, with free right of way and land grant and subsidy equal to its entire cost, is now capitalized for \$105,000 per mile.

On most railways the basic principle underlying tariff and schedule is "All the traffic will bear," and it is to hold in check these "Chevaliers of the road" that granger laws are formulated.

It may be safely assumed that \$30,000 per mile is the out-







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	-do	nile.	s. Per	s per	od to	nings built st of	earnings fictitious	Earnings of fi	1	1	ad built therefrom
Year.	Miles of railway in eration.	eration.	Net traffic earnings.	Net traffic earnings per mile.	Mileage on which i vestors are entitled revenue.	Proportion of earnings per mile on road built by investors at cost of \$30,000 per mile.	Proportion of ear per mile on fict capital.	Earnings each year on ficti- tious capital.	Earnings of road built subsequent to 1874 from rev- enue on fictitious capital.	Total earnings from fictitious capital and from eapital furnished by railway users and road built therefrom.	Miles of railway built in each year from tolls of fictions capital and from tolls or mileage built in preceding years from excessive tolls.
1874 1875 1876 1877 1878 1879 1880 1881 1882 1883 1884 1885 1886 1887	69,273 71,759 73,558 74,112 78,960 79,009 82,146 92,971 110,414 115,672 123,320 125,185 137,028 145,387	\$58,256 61,652 58,562 60,678 59,163 57,730 58,624 60,445 61,393 61,396 61,396 61,396 61,396 61,393 61,098	\$189,570,958 185,506,438 186,452,52 170,976,697 187,575,697 1216,544,959 255,557,555 272,406,787 280,316,696 293,367,255 268,064,496 299,493,313 300,603,564 334,989,119 301,631,051	2,536,50 2,307,00 2,375,57 2,740,76 3,111,01 2,930,02 2,670,42 2,656,07 2,318,32 2,185,32 2,401,27 2,444,67	69,273 68,694 67,140 64,466 66,068 62,516 61,402 66,965 73,131 72,415 70,999 72,390 67,847 72,545	\$1,409.10 1,258.00 1,299.50 1,142.00 1,204.41 1,424.10 1,591.91 1,455.02 1,306.90 1,285.54 1,133.66 1,067.75 1,179.02 1,251.67	\$1,327.47 1,327.13 1,237.00 1,165.00 1,171.16 1,316.66 1,519.10 1,475.00 1,363.52 1,370.53 1,184.66 1,117.57 1,222.25 1,133.00 1,049.75	\$91,967,829 91,165,847 82,196,298 75,074,439 177,344,577 82,276,766 93,224,752 98,733,530 99,678,766 99,209,239,58 84,077,859 80,870,718 82,903,995 86,273,444 86,125,770	\$ 7,923,423 16,152,432 22,308,690 30,689,989 45,277,335 64,617,581 76,277,210 85,098,274 100,999,717 103,628,904 111,357,351 137,748,52 151,174,756	\$91,957,829 99,089,230 98,348,730 97,383,620 108,034,566 127,554,121 157,852,353 134,777,640 240,299,643 187,766,593 192,228,069 220,652,849 244,482,486 237,300,526	3,065 3,303 3,246 3,021 4,252 5,834 6,159 6,674 6,257 6,408 7,335 8,149 7,910
							,	\$1,311,114,877	\$1,111,473,578	\$2,422,588,455	80,752



	LE II. Show	ving revenue	of investors at s from earning	s in excess of six	per cent.	per mile una	
Years.	Miles of Railway in operation.	Mileage on which in- vestor's revenue is computed.	Capital furnished by investors on the basis of cost being \$30,000 per mile.	Revenue of investors on basis of six per cent, on cost of \$30,000 per mile.	Revenue of railways from traffic earnings. Per Poor.	Earnings in excess of six per cent, on \$30,000 per mile, hence belonging to the railway user, but employed in building new roads.	Miles of railway built from tolls in excess of six per cent, on \$30,000 per mile, and to the revenue from which investor has no right.
1874 1875 1876 1877 1878 1879 1880 1881 1882 1883 1884 1885 1886	69,273 71,759 73,568 74,112 78,960 79,069 82,146 92,971 110,414 115,672 123,329 125,185 137,028 145,387	69,273 69,596 69,337 67,853 71,073 69,134 69,201 75,660 83,119 84,205 84,737 88,524 86,722 96,672	\$2,075,120,000 2,037,880,000 2,880,110,000 2,880,110,000 2,035,580,000 2,034,020,000 2,074,020,000 2,076,030,000 2,493,570,000 2,528,150,000 2,528,150,000 2,542,110,000 2,542,110,000 2,542,210,000 2,542,210,000 2,542,210,000 2,542,210,000 2,542,210,000 2,542,210,000	\$124,961,400 125,572,800 124,806,600 124,836,600 127,931,400 124,441,200 124,661,800 135,188,000 149,614,200 151,662,000 152,525,600 153,672,600 154,672,600 154,672,600 154,672,600 155,672,600	\$189,570,958 185,566,438 186,452,752 170,976,697 187,575,167 216,544,999 255,557,555 272,466,787 289,316,696 293,307,285 288,064,496 343,488,119 301,631,051	\$ 64,879,558 60,233,638 62,646,152 48,841,297 59,643,767 92,103,779 130,995,755 130,212,787 130,702,466 141,788,286 141,638,286 144,494,460 164,231,919 127,801,451	2,163 2,008 2,088 1,628 1,628 3,070 4,546 4,541 4,237 4,726 3,851 3,672 4,260
_		7		_	_	\$1,592,280,471	53,076



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for every dollar invested and have, within fifteen years, been enabled, by the watery fiction, to extort from railway users the enormous sum of \$1,592,280,471 (to which should be added about half as much more from miscellaneous earnings), with which has been built 53,076 miles of railway, for the use of which it is proposed to forever tax those who have furnished all the money employed in its construction.

Is it possible that no remedy can be found for such evils? In the National Bank the law has created another form of public trust, but one whose relations to the people are infinitely less intimate and with the services of which the public

could dispense without serious results.

The railway and the bank each perform functions that the State might; yet the bank alone is held to the most rigid discharge of its duties, a maximum fixed for its rates of toll, the amount it shall loan any one party, and the kind of security determined as well as the amount of its reserve fund, its books and assets at all times subject to inspection without notice, no share issued until paid for in full, the payment of unearned dividends made a penal offence, and breaches of trust punished in an exemplary manner.

Can there be any sufficient reason why the railway corporation, with infinitely greater power and privileges, performing functions a thousand times more important, and directly affecting a hundred persons for one affected by bank administration, should not be subjected to control quite as

stringent and quite as far-reaching?

Shares and bonds being the basis of tolls, should a railway company be permitted to issue share or bond until its par value in actual money has been covered into the corporate treasury?

Should the basis of tolls be laid until it has been shown that a proposed line is necessary to public convenience and

will make fair returns on its cost?

Should a railway company be permitted to collect tolls until it has shown the exact cost of the instrument of transportation?

Should it not be a penal offence for a railway official to

pay an unearned dividend?

Should not railway accounts, stock and bond ledgers, and assets be subjected to like inspection as those of national banks?



