

CHAPTER XVI

FREEING THE HIGHWAYS OF THE NATION

I HAVE no doubt but that the wealth of the country would be increased by billions of dollars annually if the railroads were in public hands. The paralysis to our energies from the private ownership of the means of communication cannot be stated in figures. But just as the freeing of credit by the Federal Reserve Act released the productive power of the country, so the freeing of the transportation agencies would have the same effect. We do not know how many coal-mines remain unopened because there are no cars or facilities to transport the fuel; we do not know how much oil and timber would be produced, how many industries would be awakened, how many acres of land would come under cultivation if the country were assured of cheap, adequate, and equal transportation facilities.

No one knows the productive power of an individual or a nation. We have not begun to approach it in any country, least of all in the United States. And when it is considered that tens of thousands of automobiles have been driven on their own power

from Michigan to distant cities, when tens of thousands of miners are standing idle at the mouth of the mine, when whole industries are shut down for lack of fuel, and building projects are suspended because of the breakdown in transportation, we get some suggestion of the terrible waste from the failure, the inevitable failure, of private ownership of the transportation agencies of the nation.

These conditions cannot be corrected by the railroads. There are too many conflicting interests at work to permit of it being done. There are also so many other monopolies interrelated with the railroads that it is frequently to the interest of railway operators and directors to continue these abuses. They can only be ended by public ownership.

Moreover, the railroads hold the key to the high cost of living, of food, fuel, timber, and all of the necessities and comforts of life. For the railroads are interlocked with all of the monopolies which control these products and service. They are interlocked with the refrigerator-car companies, packers, warehousemen, coal-dealers, food exchanges, and cold-storage warehouses; with the coal-mines, the lumber, the iron, steel, oil, and other monopolies. The power of these monopolies would be materially reduced if the railroads were integrated into the life of the nation, and were free from the countless discriminations and abuses which now prevail. Food gambling and speculation would crumble to

the ground if the favoritism, the struggle for long-haul traffic, but most of all if the profits from interlocking industries were ended and the food and industrial wealth of the country were free to move unimpeded from producer to market.

There is a possible alternative to complete government ownership that avoids many of its alleged evils but secures many of its advantages. It offers a simple means of relief to some of the conditions referred to. And that is through the expansion of the parcel-post system into an express and fast-freight service. This involves an act of Congress or an executive order from the postmaster-general, enlarging the limits as to the size and weight of packages and the kind of freight that can be transported, and the extension of authority to the post-office to enter the transportation business.

This proposal could be quickly set in motion. It could be made operative in a few months' time. There exist in the United States a large number of private car companies and fast-freight lines which own about 225,000 cars. They maintain offices, solicit freight, and perform a vast freight business midway between the express companies and the railroads. They have haulage contracts with the railroads similar to those of the express companies. There are thousands of refrigerator-cars owned by the packing-houses, and flat-cars and coal-cars owned by private coal corporations.

Here is a ready-made agency, already working in harmony with the railroads and well known to shippers all over the country, that could be mobilized into a great transportation agency. The government could acquire these cars and merge them into a single company under the control of a transportation director with power to compel their haulage by the railroads, under arrangements similar to those which prevail with the express and fast-freight lines. No great administrative reorganization is involved in such a transfer. A central office in Washington like the Weather Bureau could collect reports as to the transportation needs of different sections and different industries. It could organize its car service as a "flying squadron" to meet these demands. It could use its cars as the refrigerator companies now use their cars, which are utilized to their capacity all the year round by being sent where refrigerator-car service is most urgently needed. It could run its cars on any railroad. It could decide whether the transportation of food, fuel, or other commodities was the most urgent. Quite as important, it could use the cars to their full working capacity. To-day a freight-car moves on an average only thirty miles in twenty-four hours, yet its potential service ought to be from seventy to a hundred miles a day. Undoubtedly the railroads could carry a very much greater tonnage, possibly double their present tonnage, if the motive power

and equipment were mobilized for most effective use, and for use where most needed to meet the nation's emergencies.

There would be great economy in the merging of all these fast-freight and express lines under government control; and a still greater economy in the utilization of cars to their full capacity. A central authority, thinking of all the needs of the nation, could determine what commodity should be moved and what not. It would send its "flying squadron" where most needed. Perishable commodities could be saved. Food shortage could be prevented. Fuel could be placed where it is needed and at rates that industry could stand. Cars could be run full both ways. Transportation could be speeded up. And freight rates could be adjusted on a basis suited to the service performed rather than to the arbitrary classification which now prevails.

The proposal would involve a relatively small expenditure, for cars can be constructed at a cost of less than \$1,000. It would involve little organization, for a single office force of any one of the fast-freight lines could handle all of the lines involved. Rates could be simplified. Instead of a million commodity rates a score would suffice. The rates paid to the railroads for haulage might be the same as those now paid by the fast-freight lines. They might be fixed on a car-mile or a ton-mile basis for haulage, irrespective of the contents of the car.

This would repay the railroads for service rendered, and they could not complain. Moreover, and this is important, it would enable the government to classify freight rates as it saw fit.

Thousands of offices could be closed. Possibly the Post Office Department need only increase its personnel and change the limits now imposed on the parcel-post; for the parcel-post in some countries in Europe will carry a ton of coal or a piano if the shipper desires. But the great gain would not be in these economies, colossal though they would probably be. The great advantage would be in the freeing the nation, in releasing the energies of the manufacturer and the farmer, in making it possible to increase the production of wealth and bring about its proper distribution unimpeded by the conflict which now results from hundreds of roads struggling for their share of the traffic, and for long-haul traffic irrespective of the requirements of the nation as a whole.

Such an experiment, too, would incite the railroads to do their best. It would automatically compel them to effect economies, to develop initiative, just as the building of municipal electric-lighting plants has compelled privately owned plants to reduce rates and improve service to meet the competition which the community offered.

The effect of government competition is seen by the effect of the parcel-post on the express companies.

It is carrying over 400,000,000 parcels a year, although it is less than four years old. It carries a 4-pound package at a profit, whereas the express service loses money on a 20-pound package. And it delivers these packages promptly and at a low cost. These 400,000,000 packages would probably not have been carried at all by the express companies, for their business has not been materially diminished in volume by the competition of the government. The parcel-post has created new business. It has increased the wealth produced and been of incalculable service to the producer and the consumer.

It is probably no exaggeration to say that the wealth of America could be increased materially, possibly by 10 or 20 per cent., if those who produced knew that they had at their command an impartial, prompt, and adequate means of transportation; while the people of America might have the cost of living reduced by a billion dollars a year by the ending of the exclusive private control of the transportation agencies of the nation. We dare not blink this situation. We are kept in ignorance of the actual conditions which prevail. Only the railroads know how bad it is. And they will not let the country know. But the blockade which now exists is only less of a menace to the success of the nation and the Allied cause than the submarine peril. For it not only affects our ability to supply

ourselves and our allies, but our ability to produce freely as well. The circulatory system of a nation must be kept open. And it can only be kept open by the government itself.