

THE OWNERSHIP OF RAILROADS.

The indictments against certain Santa Fe directors brought in by the federal grand jury Friday add extra counts to the general indictment against certain phases of private ownership of railroads in this country.

In reports just made to the German government, and in a circular now being sent around in that country, the bad practices prevalent in the management of American railroads under private ownership are condemned and the effect is to enhance an existing lack of confidence abroad in American railroad securities. Since the government took control of the railroads in the old, conservative monarchy of Austria the benefits to the people have been general. Rates of fare have been reduced one-half, the business of the roads has nearly, if not quite, doubled, life and limb have been safer by reason of the great improvement in the system of operation. The government has also been directly benefited in the way of revenue. Under the system that prevails in Austria there are no construction companies to be paid exorbitant values as in America; there are no rebates, and consequently no discrimination

between shippers; there is no watering of stock whereby the officials of the road swindle the public while they enrich themselves. There are no subsidies, no second and third mortgages; there are no receivers and no federal court injunctions. Best of all, there are no strikes, because employes are fairly and justly treated, as are government employes in all civilized and wisely governed countries.

The virile young republic of America, where the people's proud heritage is the right to govern themselves, may in this instance emulate the example of Austria, which is one of the oldest and most conservative of European monarchies. It is rather surprising that the system of government ownership should not have been inaugurated in this progressive country rather than in a European monarchy where ultra conservatism and traditional practices are supposed to characterize the ruling powers. Since it cannot take the initiative, the next best thing is for the American government to follow a wise example. All comparisons between private ownership and government ownership of railroads show unmistakably the wisdom of the latter policy.