

Traffic Associations.

(From "Textile America.")

The decision of the supreme court in the case of the Trans-Missouri Freight Association went to disturb business confidence because of a lack of understanding as to the nature and effect of such efforts on the part of railway managers. It is not yet perceived that some method of bringing the complex freight and passenger traffic under a common direction is as necessary as was the introduction of the telegraph to the movement of trains. When it was first proposed to run trains by telegraph a deal of opposition was aroused, and numbers of railway men resigned because of it. The attacks on the traffic associations are due to ignorance of their true function, and are certain to disappear through the growing effectiveness of the very machinery that is condemned.

The traffic association in the railway system is of the same nature and function as the clearing house in the system of banking, each being instrumental of self-regulation—the natural outgrowth of new conditions. The New York Clearing House is without so-called legal incorporation, yet it is gradually assuming greater powers as an organ of government, and this without exciting even passing remark. The boards of trade are centers of regulation for the several businesses connected therewith, their purpose being to facilitate transactions and compel integrity therein. As communication, seen as a distinct branch of commerce, reached administrative unity in the postoffice, so now the great business of transportation is struggling for its unity as the means of passing to the highest economy and effectiveness. The common instrument to this end is the derided traffic association.

Happily, the supreme court decision and all other forms of obstruction will go to further self-regulation for the railway. They will aid to clear away misunderstanding, and to teach the necessity of avoiding conflict with wayside opinion by finding the most direct road to the goal that must be reached. The notion is widespread that regulation of "commerce between the States" is only possible through the intervention of congress; the movement of commerce without such interference is thought to be lawless. The opposite of this, that commerce of necessity works out its own regulation, cannot be proved save by actual progress. A showing of fact here on the part of the railway managers would be of value. But any such report would be lacking in point were it not boldly prefaced by the assertion that the traffic associations are themselves of wholesale government; that all the governing is not done from Washington and Albany, however loud the clamor.

It is difficult to see how a clear solution can be gained without defining the issue as one between "the government at Washington" and the railway association as an organ of self-government. The new legality, in fact, is to be seen in the outworking of the transportation system itself under the guidance of its own inherent law. Congress may give registration to this law when determined by the action, but it can

do no more. Commerce is everywhere working toward the highest quality of service at the lowest price, involving the widest distribution. One means to this end is an enlarged publicity. It is fair to say that the true measure of the service of the inter-state commerce commission is its work as an agent of publicity, especially as one effect thereof has been to promote uniform railway accounting.

Railways have to be run by railway experts—there is no other way. The railways of Belgium or Switzerland may be run by a bureau of "the government," or for that matter "owned" by it, but for the sweep of country lying between Maine and California it will have to be done by experts—by science, which is government. Again, it will be done by the individual, who is everywhere the instrument in man's action.

The idea of "government ownership," so far as it has any claim to attention, is simply the dream of the unified transportation system. There is still a widespread fear of unity, which should, however, find correction through observing the postoffice, whose perfect diversity is due to the fact that it is operated as a single system. The railway traffic associations stand for the approaching unity of the transportation interests.

It is easy to lay down the rule that freight rates are to be equal and uniform, but this, like other good things, has to be worked out in practice. The problem is vastly complicated owing to the fact that the railway tariff continues to be based on distance, and, further, that it varies as to classes of goods. Statutes assert that rates shall be uniform, but it so happens that the statutes fail to provide for changes in rates. From the very nature of things, important reductions in freight charges came about in the past through the aggressiveness of individuals, who by offering guarantees of large business or by other means secured for themselves advantages which were not at once given to the whole people. The need is to reach such a stage of organization that successful warfare by individuals for lower rates will take effect an once for all shippers. To get to this the governing intelligence has to be centered in such bodies as the traffic associations; in other words, the railway men have to provide for their own law-making organizations, and this has to be made up by selections from their highest experts.

One source of confusion and error lies in the prevailing belief that the associations have as their end the maintenance of rates at a certain high level, and for this the traffic managers are largely to blame. The end is to regulate and govern rates, and to arbitrate the various questions which are constantly arising in railway administration. It is not possible for any set of managers, however compact the organization, to resist the countless influences which are determining railway freight and passenger charges. To accomplish it they would have to hold down the forces of nature, and put an effective check upon the inventive genius of man. A given traffic association is but the instrument through which the competitive forces are moving, and these forces gain freedom and effectiveness just in proportion to concentration of power—to unity or administration. The locomotive is competing for its place in the round up of commerce, and all possible traffic associations can only facilitate the action.—Franklin Ford.