

The system of pooling for which since years many of the railroads had in vain endeavored to obtain legal sanction was promptly adopted with the natural result of greater simplicity and directness of service and of considerable savings.

The whole theory under which intelligent, effective and systematic co-operation between the different railways had been made impossible formerly, was thrown into the scrap heap.

Incidentally, certain services and conveniences were abolished, of which the railroad managements would never have sought to deprive the public, and the very suggestion of the abrogation of which would have led to indignant and quickly effective protest had it been attempted in the days of private control.

Lest this remark might be misunderstood, let me say that I have no word of criticism against Mr. McAdoo's administration of the railroads, as far as I have been able to observe it.

I think, on the contrary, that he is entitled to great praise and that he has handled the formidable and complex task confided to him with a high degree of ability, fine courage, indefatigable energy, and with the evident determination to keep the running of the railroads clear of politics and to make them above all things effective instruments in our war effort.

#### IV

For a concise statement of the results accomplished elsewhere under government ownership I would recommend you to obtain from the Public Printer, and to read, a short pamphlet entitled "Historical Sketch of Government Ownership of Railroads in Foreign Countries," presented to the Joint Committee of Congress on Interstate Commerce by the great English authority, Mr. W. M. Acworth. It will well repay you the half hour spent in its perusal. You will learn from it that, prior to the war, about fifty per cent. of the railways in Europe were state railways; that in practically every case of the substitution of government for private operation (with the exception, subject to certain reservations, of Germany) the service deteriorated, the discipline and consequently the punctuality and safety of train service diminished, politics came to be a factor in the administration and the cost of operations increased vastly. (The net revenue, for example, of The Western Railway of France in the worst year of private ownership was \$13,750,000, in the fourth year of government operation it fell to \$5,350,000.) He quotes the eminent French economist, Leroy-Beaulieu, as follows:

"One may readily see how dangerous to the liberty of citizens the extension of the industrial regime of the State would be, where the number of functionaries would be indefinitely multiplied... From all points of view the experience of State railways in France is unfavorable as was foreseen by all those who had reflected upon the bad results given by the other industrial undertakings of the State... The State, above all, under an elective government, cannot be a good commercial manager... The experience which we have recently gained has provoked a very lively movement, not only against acquisition of the railways by the State, but against all extension of State industry. I hope ... that not only we, but our neighbors also may profit by the lesson of these facts."

Mr. Acworth mentions as a characteristic indication that after years of sad experience with governmentally owned and operated railways, the Italian Government, just before the war, started on the new departure (or rather returned to the old system) of granting a concession to a private enterprise which was to take over a portion of the existing state railway, build an extension with the aid of state subsidies, and