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And, it seems to me, one of the duties of business men is to inform themselves accurately and carefully on this subject, so as to be ready to take their due and legitimate part in shaping public opinion, and indeed to start on that task now, before public opinion, one-sidedly informed and fed of set purpose with adroitly colored statements of half truths, crystallizes into definite judgment.

My concern is not for the stock and bond holders. They will, I have no doubt, be properly and fairly taken care of in case the Government were definitely to acquire the railroads. Indeed, it may well be, that from the standpoint of their selfish interests, a reasonable guarantee or other fixed compensation by the Government would be preferable to the financial risks and uncertainties under private railroad operation in the new and untried era which we shall enter after the war. I know, indeed, that not a few large holders of railroad securities take this view and therefore have this preference.

Nor do I speak as one who believes that the railroad situation can be restored just as it was before the war. The function, responsibility and obligation of the railroads as a whole are primarily to serve the interests and economic requirements of the nation. The disjointed operation of the railroads, each one considering merely its own system (and being under the law practically prevented from doing otherwise) will, I am sure, not be permitted again.

The relinquishment of certain features of our existing legislation, the addition of others, a more clearly defined and purposeful relationship of the nation to the railroads, involving amongst other things possibly some financial interest of the Government in the results of railroad operations, are certain to come from our experiences under Government operation and from a fresh study of the subject, in case the railroads, as I hope, are returned to private management.

Personally I believe that in its underlying principle, the system gradually evolved in America but never as yet given a fair chance for adequate translation into practical execution, is an almost ideal one. It preserves for the country, in the conduct of its railroads, the inestimable advantage of private initiative, efficiency, resourcefulness and financial responsibility, while at the same time through governmental regulation and supervision it emphasizes the semi-public character and duties of railroads, protects the community's rights and just claims and guards against those evils and excesses of unrestrained individualism which experience has indicated.

It is, I am profoundly convinced, a far better system than government ownership of railroads, which, wherever tested, has proved its inferiority except, to an extent, in the Germany on which the Prussian Junker planted his heel and of which he made a scourge and a horrible example to the world; and the very reasons which have made state railways measurably successful in that Germany are the reasons which would make government ownership and operation in America a menace to our free institutions, a detriment to our racial characteristics and a grave economic disservice.

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PUNITIVE PATERNALISM IN TAXATION

I have spoken of the treatment of our railroads in the past ten years as "punitive paternalism." In some respects this same term may be applied to our existing and proposed war taxation.

Of course, the burden of meeting the cost of the war must be laid according to capacity to bear it. It would be crass selfishness to wish