

**THE TRANS-MISSOURI  
FREIGHT ASSOCIATION  
CASE AND RAILWAY  
POOLING IN THE U.S.**

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The Trans-Missouri freight association case and railway pooling in the U.S. by Albert D. Cooke  
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**ALBERT D. COOKE & WM. E. CHANDLER**

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11 2-10-1897

# The Trans-Missouri Freight Association Case

—AND—

## Railway Pooling in the U. S.

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By  
**ALBERT D. COOKE.**

With an introduction by  
**HON. WM. E. CHANDLER.**

PHRS OF  
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1232 Market Street, Philadelphia, Pa.

**PHILADELPHIA, PA.**  
1897.

## PREFACE.

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In submitting this brief review of a subject of vital importance to the whole country I have earnestly sought to appeal to the reason and judgment of the reader rather than arouse the passions. It is apparent that the opinions expressed will have only such influence as comes from their being in accord with truth, and the known facts of the subject matter—and as the course of action urged shall commend itself to the apprehension of what is right and just on the part of those who may read what follows.

My heartfelt thanks are due to Senator Chandler for the kindness shown a stranger in writing an introduction.

With the hope that the thoughts I thus offer for your consideration may awaken greater interest in the question of public policy discussed herein, and conduce to the general welfare, I am,

Respectfully yours,

THE AUTHOR.



## Introduction.

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In response to a request to write an introduction to Mr. Cooke's discussion of the question of Railroad Pooling, I find nothing more appropriate than the point made on June 3, 1897, by Senators Chilton, Tillman and myself, in a signed paper presented to the Senate Committee on Interstate Commerce (See Appendix), as a reason against attempting to crowd through the Senate at the extra session a bill legalizing pooling.

The point is that competition in trade should not be abolished by a national law in behalf of the ten billions of capital engaged in railroad transportation, while the owners of the other property of the country, amounting to sixty billions, should be forced to efforts to obtain an income from their property against free and unrelenting competition.

The census statistics of the wealth of the United States are fairly reliable. It was sixty-five billions in 1890, including railroad property, valued at eight billions, although its nominal capitalization is about eleven billions. For the pur-



poses of my point I assume that the total wealth of the country is now seventy billions, of which ten billions is invested in the railroads, whose managers are striving to earn eleven hundred millions of dollars annually to pay their expenses and in addition, say 500 millions, as a five per cent. income on their nominal capital.

But the owners of the sixty billions of other property are striving with equal zeal to earn the net amount of three billions of dollars necessary to give them 5 per cent. on their investment.

Can any man give a sensible and just reason why these owners should hustle for three billions of dollars (and all the additional amounts necessary as the cost of reaching that net income) subject all the time to the fierce and ever present competitions of modern commerce; while the railroad owners should be relieved by an express law of Congress from all competition whatever, and virtually allowed to exercise the inexorable taxing power of the Government to raise, first, eleven hundred millions cost of operation, and in addition five hundred millions for income on their investments, this last sum being equal to the whole annual amount exacted by the United States Government by taxation?

No affirmative answer has been given or can be given to this question which does not result in one of two other additional and inevitable con-

clusions. Either (1) the like privilege of exemption from competition must be given to all other great industries besides the railroads, or (2) there must be government ownership of the railroads in order properly to protect the people from exorbitant charges.

To illustrate the first condition I introduced in the Senate on April 5, 1897, a bill framed in the exact language of the railroad pooling bill, but applied to "abolishing competition in trade and production and authorizing combinations to enable merchants, manufacturers and producers of commodities subject to interstate commerce to maintain prices and make profits notwithstanding business depression" (Senate bill 1566, 56th Congress, 1st session). I shall be very glad to learn any excuse any legislator can give for voting for the railroad pooling bill and voting against the bill 1566 as an amendment thereto.

The only reply to the opinion that with pooling must come Government ownership will be that the Interstate Commerce Commission can supervise rates and protect the public. My rejoinder is that the Commission cannot be relied on to do this. The railroads will control the appointments and dominate the Commissioners; and have always successfully opposed all attempts to enlarge the powers of the Commission. On December 14, 1892, Mr. Depew said to the Senate Committee (Senate

Mis. Doc. No. 126, 53d Congress, 2d session): "I appeared here for 20 years before committees of Congress under a retainer whose instructions were to fight the supervision of the railways of the country by public authorities. My own judgment was the other way, but I obeyed my retainer."

Mr Depew, who is a statesman, during 20 years kept his own judgment on a great public question carefully secret in his own breast. The new-born zeal of the railroad managers in favor of the Interstate Commerce Commission and an enlargement of its powers may be regarded with justifiable distrust. The wolf intends to devour the lamb.

Mr. Cooke's expressions in his discussion are entirely his own, and I do not concur in all of them, but I do most assuredly in the spirit of his treatment of the subject.

November, 1897. W. E. CHANDLER.