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## ARGUMENTS FOR AND AGAINST GOVERNMENT OWNERSHIP AND OPERATION OF RAILROADS

BY PROFESSOR EDWIN R. A. SELIGMAN  
COLUMBIA UNIVERSITY, NEW YORK

In approaching the subject, it is important to bear in mind that, taking a broad view of the history of the railroads throughout the world, there have been three stages in the development. Not all countries have gone through all of the three stages, but all have gone through some of the stages, and some have gone through all the stages. At the beginning railways were regarded as the private business of the owners. Especially in England and in this country as well as in Canada, railways were placed under the regime of competition between the private corporations owning the railways. For in these nations, almost every part of the country was so anxious to secure railways that they fairly vied with each other in their efforts to grant inducements to the railways. There was no thought of restriction; there was thought only of persuasion.

After a time, for reasons that are obvious to all to-day, the disadvantages of various forms of competition between these private companies showed themselves and the small lines began to amalgamate and form larger groups, until before long in many countries, instead of private competition between separate railways, a condition supervened more and more approaching a series of private monopolies.

When that second stage developed, the evils of private monopoly began to disclose themselves and the demand for some form of government control became ever more insistent. We, therefore, find during this stage a growing and more drastic regulation of these private monopolies by government. Some countries indeed started out with the second stage, as they never entertained the idea of competition between private railways. In such countries we find from the very outset a system of private monopolies, carefully regulated by the government.