

Among the reasons most frequently operating to cause complaints of rates may be mentioned: The want of steadiness in rates. The disproportion between the charges for long and those for short distances. The great disparity between the charges made for transportation by roads differently circumstanced as to advantages. The extremely low rates which are compelled by competition in some cases, and which may make rates which are not unreasonable seem, on comparison, extremely high. Some others will be mentioned further on.

The want of steadiness in rates is commonly the fault of railroad managers, and may come from want of care in arranging their schedules, or from want of business foresight. But more often perhaps it grows out of disagreements between competing companies, which, when they become serious, may result in wars of rates between them. Wars of rates, when mutual injury is the chief purpose in view, as is sometimes the case, are not only mischievous in their immediate effects upon the parties to them, and upon the business community whose calculations and plans must for a time be disturbed, but they have a permanently injurious influence upon the railroad service because of their effect upon the public mind. When railroad companies determine for themselves what their rates shall be, it is not unnatural for the public to infer that the lowest rates charged at any time are not below what can be afforded at all times, and that when these are advanced, the company is reaching out for extortionate profits.

Now, there are few important lines in the country that have not, at some time in their history, been carrying freight at prices that if long continued would cause bankruptcy. But to a large proportion of the public the fact that the rates were accepted was proof that they were reasonable; and when advanced rates are complained of, the complainants, to demonstrate their unreasonableness, go back to the war prices, and cite them as conclusive proof of what the companies then charging them can afford to accept. Many popular complaints have their origin in the ideas regarding rates which these wars have engendered or fed, and the evils of the controversies do not end when the controversies are over, but may continue to disturb the relations of railroad companies with their patrons for many years afterwards. It may be truly said, also, that while railroad competition is to be protected, wars in railroad rates unrestrained by competitive principles are disturbers in every direction; if the community reaps a temporary advantage, it is one whose benefits are unequally distributed, and these are likely to be more than counterbalanced by the incidental unsettling of prices and interference with safe business calculations. The public authorities at the same time find that the task of regulation has been made more troublesome and difficult through the effect of war rates upon the public mind. These are consequences which result so inevitably from this species of warfare, that it would naturally be expected they would be kept constantly in mind by railroad managers. It is inevitable that the probability that any prescribed rates will be accepted by the public as just shall to some extent be affected by the fact that at some previous time they have been lower; perhaps considerably lower. The disproportion between the rate charged and the distance the property is carried is also important in its effect upon the minds of those who have not the time or perhaps the opportunity to study the subject and understand the reasons. There are grounds on which short-haul traffic may be charged more in proportion to the distance of transportation than long-haul traffic, some of which any one would readily understand and appreciate. Thus, it is seen that a considerable proportion of the carrier's service is the same whether the transportation is for the short or for the long distance; there must be the same loading and unloading, the same number of papers and entries on books, and so on. It is also seen that short-haul traffic is more often taken up and laid down in small quantities, and that for this reason the proportionate train service is much greater.

But when all these considerations are taken into account it will still appear that the long-haul traffic is given an advantage in rates which must be accounted for on grounds which are not so readily apparent. When the reasons are seen it may perhaps appear that there is in fact no wrong either to the shippers, who are apparently discriminated against, or to the general public.

It is not uncommon that in railroad freight-service the rates for the transportation of a particular kind of property, instead of being regularly progressive, shall be found arranged on a system of grouping, whereby the charges to all points within a defined territory shall be the same, though the distances will vary. Thus, at the present time the rates which are made from New York to Chicago are also made from New York to all points within a territory about Chicago, which includes some important towns in western Indiana and western Michigan. A question might be made by such towns whether grouping them with Chicago and making them pay the same rates is just; but the grouping system in general departs so little from the distance proportions that it is seldom the ground of complaint. There are cases, however, in which the distance proportions are purposely disregarded, and the doing so is justified by the managers on the negative ground that no one is wronged by it, and on the affirmative ground that the public is benefited. Cases of the sort may perhaps be found about all our large cities in which the railroads, as to some particular agricultural production needed for daily consumption in the city, have gradually extended the area from which they would receive and transport it at the lowest rates, until they may be found carrying the article at the same price for a hundred miles as for twenty. The low rate for the long distance has extended the area of production and benefited the city; and it is possible to conceive of cases in which the opposite course, of taking distance into the account in all rate making, would have kept production so far restricted in territory that producers near the city could never have been given as low rates as they receive now, when they are charged the same as their more distant competitors. Where such a case appears, the failure to measure the charges from regard to distance could not dogmatically be pronounced unjust, if it appeared that the railroad on the one side and the public on the other was benefited by the course actually adopted. But to increase the rates to the nearer producers, or even to keep them at a point which, though fair in the first place, has in the course of events become unreasonably high, in order to be able to put those at a distance on an equal footing in the market with such nearer producers, would be manifestly unjust. Not even on grounds of general public advantage do we understand that this