

15

"The control of transportation, the control of industrial monopolies, the stability of commerce by the protection of bank deposits, are fundamental economic questions urgently demanding immediate consideration and early settlement."

SPEECH

OF

HON. ROBERT L. OWEN

OF OKLAHOMA

IN THE

SENATE OF THE UNITED STATES

MONDAY, JULY 24, 1911

Supporting the proposal of an immediate program committing the Senate to a suitable act for physical valuation of railroads, for the control of industrial monopolies and security of bank deposits, and lowering the steel and iron schedule.

WASHINGTON
1911

3277-10213



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The Senate having under consideration Senate resolution No. 109, providing for the physical valuation of railroads engaged in interstate commerce, and so forth—

Mr. OWEN said:

Mr. PRESIDENT: I wish to give my approval to the purpose of the resolution of the Senator from Nevada [Mr. NEWLANDS] and to the resolution itself as amended. I go somewhat further than the Senator from Nevada, perhaps, believing, as I do, that the personal convenience of Senators and of the Members of the House of Representatives should not be weighed too heavily in comparison with the duties they have to perform and the services which they might now render to the people of the United States by continuous active work in giving the country relief from monopoly. I should much prefer that there should be no adjournment at all, but that Congress should proceed with the business of legislating for the relief of the people of this country. In order to do that efficiently, I think the Senate ought to lay down a program by which they shall be guided; and the consideration of the questions proposed by the Senator from Nevada is certainly of the first magnitude.

For 40 years this country has been trying to arrive at reasonable freight and passenger rates. For a long period of time the Interstate Commerce Commission, charged with the duty of studying this question, have year after year recommended to Congress the necessity for the physical valuation of railroads as a necessary basis upon which to determine what is a reasonable freight rate and a reasonable charge for passenger service. It has been 5 or 6 years since the honorable Senator from Wisconsin [Mr. LA FOLLETTE], in a magnificent speech, pointed out the sound reasons and urgent need for such legislation as this.

Why is it that the representatives of the people of the United States in the Senate sit still and refuse the most obvious relief necessary to the adjustment of this question? I do not understand why the Senate of the United States not only will not pass legislation which is essential and which has been repeatedly declared over and over again by the Interstate Commerce Commission as necessary in order to arrive at a fair freight rate, but I do not understand why the Senate sits in its place, gives no response, and will not even now, in all human probability, declare in favor of the program of considering the physical valuation of the railroads.

At present the Interstate Commerce Commission are compelled to compare the rates of one road with the rates of another road in order to determine whether the rate in either case is reasonable, although both rates are grossly excessive that are compared with each other; but in no case have they a definite, reliable foundation. You must know what the physical valuation of the property is, what the amount of freight carried is, what the earning power is, in order to determine as a rational proposition what is a fair and just rate; and if you do not give the opportunity for the Interstate Commerce Commission to

determine by the physical valuation and the volume of freight what a fair rate is, in effect you deny the people of this country the relief from the transportation monopolies that have so long dominated not only the commerce but the governing function itself. Their influence upon this body has made it a bulwark of special privilege, and it ought not to be so any longer. The time has come for plain speech, and I hope my speech is not misunderstood on this question. The Senator from Wisconsin seemed to stand alone six years ago, but he has support now.

Here is a proposal from the Senator from Nevada, asking the Senate to consider what it will do—whether it will or whether it will not proceed to the settlement of these most important questions of railway and industrial monopoly. I am heartily in favor of the resolution, and I hope a majority of Senators are in favor of it.

Equally important as the physical valuation of railroad properties, if not more important, is the regulation of industrial monopolies which control all the manufactured goods in this country, whether they be fabrics, whether they be textiles, whether they be woolen goods or cotton goods or silk goods, or whether they be goods of iron and steel and brass and copper, whether they be materials for clothing men or for sheltering men or building materials. All of these things and all manufactured articles and many food products are controlled by industrial monopolies, which are taking from the people of this country a very large and unfair part of the proceeds of their labor by superior commercial craft, by the restraint of competition, by monopoly artfully established throughout this Union. The time has come to consider the termination of these cruel wrongs. Will the Senate agree to it or will they refuse?

The Senator from Nevada proposes that the Senate shall proceed to the consideration of these vital questions and their solution. What are you going to do about it? Nothing. Sit still, let no vote be taken, or vote "no." There ought to be a record vote upon this proposal.

Then there is the consideration of the lowering of the steel schedule proposed by the amendment of the Senator from Texas [Mr. CULBERSON], and provision for the reform of the banking laws, with a view to the security of bank depositors and the prevention of bank panics. That is a matter of easy solution, a matter which several years ago I urged vigorously upon the floor of the Senate. There is no reason why there should not be established a mutual insurance plan for the protection of depositors. It will cost the banks nothing; it will benefit the contributing banks; it will give greater stability to the banking fraternity; it will give a greater volume of credit, and promote the commerce of this country and promote our prosperity. Why should the Senate not consider this question?

The control of transportation, the control of industrial monopoly, the stability of commerce by the protection of bank deposits are fundamental economic questions, and urgently demand immediate consideration and early settlement.

I am in favor of this resolution, and I am in favor of the Senate of the United States staying in continuous session until they have offered the country a satisfactory solution of all of these questions.