7. David and Goliath in Kansas: Cattlemen and Railroads, 1900-1920

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Cattlemen, when their stock was ready for market, encountered large corporate interests—first the railroads, then the stockyards and packers. Cattlemen in the early part of the twentieth century were necessarily dependent on the rail lines, just as they had been during the nineteenth. Driving their cattle to market, of course, was no longer possible, and only during the war years did trucks begin to provide an alternative to rail transport. Even then, only a few stockmen chose this method. Consequently, most producers found the railroads essential, and their only recourse was to change or modify those railroad policies that they disapproved of.

Most of the disputes between shippers and transportation lines that had surfaced during the closing years of the nineteenth century continued into the early twentieth. As far as cattlemen were concerned, forestalling higher shipping rates was by far the most important concern in their dealings with rail lines. After an increase in rates during the early years of the new century, stockmen were generally successful in maintaining stable tariffs until the government took over the lines toward the end of the war.

Kansas cattlemen continued to employ several techniques in their dealings with rail lines. Approaches by individuals and small groups were made, the young KLA became active at times, and the established state agencies that were charged with regulating the carriers were frequently called upon to represent the shipping interests. Regulatory measures at both the national and state levels, which were in part stimulated by the Progressive movement, also affected the relationship of cattlemen and railroads during this period. The new regulations, much to the cattlemen's delight, were all designed to limit what stockmen believed to be the arbitrary power of the carriers. Several
of the state's cattlemen figured prominently in getting legislation that was designed to curtail railroad power.

As the Populist element in Kansas politics faded during the early twentieth century, a new progressive group took up the banner of reform. Operating within the Republican Party—a party that had been dominated by conservative factions that fed, to some extent, on slush funds provided by the offices of the state's treasurer and printer—the reform politicians were led by such men as Walter R. Stubbs, Victor Murdock, Edward W. Hoch, and William Allen White. These reformers engaged in "boss-busting," forced several realignments in political circles, controlled the legislature and the governorship at times, and were responsible for some significant legislation affecting the shippers' continuing fight with the railroads.¹

Walter R. Stubbs, the fighting Quaker contractor from Lawrence, was particularly significant in this progressive movement. After almost a decade of leading the reform group in the Kansas house, where he demonstrated repeatedly that he was skilled in political maneuvering, Stubbs won the gubernatorial race in 1908. He served two consecutive terms as governor, then lost his bid for a United States Senate seat in 1912. Another drive for the same office was turned back in 1920, as were gubernatorial attempts a few years later. Stubbs was also a stockman, active in KLA and other stock associations for many years, but he is most remembered for his political activities.

Stubbs was one of the most colorful politician-cattlemen the state has ever had. Born in 1858, the second son in a brood of twelve children, Stubbs moved with his family to a small Quaker community near Lawrence shortly after the Civil War. There the young, freckle-faced Stubbs, not "a bit handsome" by some accounts, began his meteoric rise to fortune. Displaying great energy and enthusiasm, he advanced from selling hedge plants to trading horses and eventually to farming. He was not yet twenty years old when he bought a grain binder and began custom harvesting, sometimes working far into the night with another person carrying a lantern ahead of his rig.

During the 1890s, Stubbs developed a commissary car business to service construction workers who labored on canals and railroads. From this he moved easily into railroad construction. He also won contracts to build canals and to construct the Republic Steel and Iron mills in Chicago and two additional stories to the Marshall Field & Co. wholesale house in the same city.

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By the time he entered Kansas politics and turned his financial interests more toward farming and ranching, he was already a rich man. That fortune, incidentally, was wiped out in the postwar depression.

Stubbs was an imposing figure, six feet tall and two hundred pounds of dynamic energy, with a mop of unkempt reddish-blond hair that looked as if it was seldom touched by a barber. His speeches were often as entertaining as they were informative. Beginning with the unfashionable broad-brimmed hat of Quaker tradition, Stubbs discarded articles of clothing as fast as he sent barbs toward his political opponents. Continually speaking on the evils of big business and political influence, he sometimes punctuated his addresses by dispensing with his handkerchief, peeling off his coat, and throwing away his shirt cuffs and vest, all timed and calculated to emphasize a particular point. Finally, amid shouts of approval from his audience, Stubbs rolled up his sleeves and revealed a red woolen undershirt, a mark of his humble beginnings. The crowd loved the speaker’s showmanship, if not always the substance of the speech.

Like many progressives of his day, Stubbs was not an advocate of equal rights for women. “No women stenographers for Governor-Elect Stubbs,” a Topeka paper reported. “Their place is at home making salt-rising bread.” The governor, it was said, “won’t have ‘em.” Although women were the foundation of the family and the country, Stubbs believed, their support should be rooted in the home.

Stubbs and his progressive associates committed their maximum effort to reducing the influence of railroads on Kansas politics, which would be to the advantage, they felt, of the state’s shippers. During the nineteenth century, declared the anti-Populist William Allen White, the railroads had meddled in the state’s political affairs in order to “defend their own interests against unscrupulous demagogues.” White generally blessed the railroads’ efforts at this time, although not all agreed with his analysis. It was true, however, that the railroads’ interest in politics was visible well before 1900. When the influence persisted into the next century, a reconstructed White and a number of other state leaders who had opposed populism found the situation intolerable.

The Union Pacific, Missouri Pacific, and Rock Island railroads were most active in political circles, according to White, while the Santa Fe was usually exonerated of any serious transgressions. Free passes were considered the railroads’ major source of influence, a favor that was used to pressure both the delegates to conventions and the members of the state legislature. Influence
over legislators, it was said, enabled the railroads to "steal taxes [and] con-
tinue the inequalities and injustices of rates." Railroads also attempted to
influence the choice of judges, United States senators, and members of state
regulatory agencies. In short, railway lobbyists were a dominant force at this
time in the Grand Old Party in Kansas.

Cattlemen, like the railroads, also worked to influence the state legisla-
ture, but their power was small compared to that of the roads. As a result,
stockmen wanted stronger railroad laws and a direct primary in order to
reduce the power the roads had in state nominating conventions. Two Flint
Hills cattlemen, along with Stubbs, were as effective as any in pushing the
legislature along these lines. George Plumb and C. A. Stannard, respectively
the secretary of KLA and the owner of Sunny Slope farm, were both elected
to the legislature in 1904 and continued to represent the stock interests in one
capacity or another for several years. Joe Mercer and John A. Edwards, both
of whom served about the same time, were also influential stockmen-legis-
lators.

State railroad legislation in Kansas during the early 1900s roughly paral-
leled the Elkins, Hepburn, and Mann-Elkins Acts at the federal level, all of
which were designed to end rebates, regulate freight and passenger rates, and
increase the powers of the regulatory agencies. The first Kansas legislature
of the new century faced immediately the task of establishing a new regulatory
agency, since the state supreme court had declared the Court of Visitation
unconstitutional the previous year. They responded by recreating the old
Kansas Board of Railroad Commissioners with powers to supervise service
and to investigate and fix rates subject to judicial review. The new law pro-
vided that an executive council of the legislature, rather than the governor,
should designate the three commissioners. In general, the board was some-
what stronger than its nineteenth-century counterpart, but it still remained
inadequate from the shippers' point of view. They wanted the board to have
enforceable rate-making powers, and they demanded the right to elect the
commissioners at large.

In 1903 the legislature again attacked unsuccessfully the rate-making
powers of the board, but did establish the popular election of the commis-
sioners. The latter provision was important to stockmen. It led to the election
of James W. Robison, president of KLA, to the board in 1905, establishing
a precedent regarding representation that cattlemen were inclined to press in
subsequent years.

The progressive 1907 legislature, dominated in large part by Stubbs,
accomplished more toward diminishing railroad influence in the state than did any other session during the early years of the twentieth century. Among other things, the legislature provided a fine of $100 a day for any railroad in violation of maximum rates set by the board. More importantly, it established a bill to limit passes and set in motion the move toward two cents per mile passenger fares. George Plumb, along with Stubbs, deserved much credit for the lower fares.⁷

Though rate setting by the board remained a nebulous power, the antipass bill was a major step toward reducing the railroads' use of passes for political purposes. When the prohibition against passes was linked to the law requiring a general primary in Kansas, which Stubbs and the progressives forced through a 1908 special session, White commented, a bit prematurely, that "the oligarchy of politics—like the lords and nobles of feudal times—is passing away under the enlightenment of the people." He also noted that "with the passing of the primary law the title to the governor, to the congressmen and to the two United States senators, passed from the railroads to the people of Kansas forever."⁸ The state legislature in enacting these laws had, in effect, legislated practically the whole Populist program that was so much scorned during the 1890s.

Despite White's early optimism, opinion was divided on the effectiveness of the new regulations. When George Plumb ran successfully for a place on the Kansas Board of Railroad Commissioners, the Emporia editor noted that this agency, "if a good one, can perhaps do more for Kansas than any member of congress or the governor. If a bad board, it can certainly do more harm." A letter to the Gazette and several complaints by shippers to Stubbs while he was governor indicated that supervision of the railroads left much to be desired.⁹

Most difficult was the setting of freight rates, because there was no basis from which to work. In the case of litigation over rates, the courts generally sided with the roads. Shippers agreed that rates should provide a fair return on the actual investment of the railroads, but no one knew exactly how much capital investment was involved. Just prior to World War I the Interstate Commerce Commission was directed to assess the true value of railroad property, but due to the war and the complicated nature of the question, no system of equitable rates based on capital investment resulted from the work of the ICC.¹⁰

Federal and state legislation by World War I had made some progress in regulating the carriers, but problems remained. The railroads' political in-
fluence in Kansas had been curtailed somewhat. General freight rates had not advanced significantly but neither had they been reduced, as most shippers demanded. It may be that added expenses for the railroads justified their refusal to reduce rates. State taxes across the nation per mile of rail line, for example, increased 140 percent between 1900 and 1916, and the total number of workers went up by 50 percent. On the other hand, increased expenses did not mean that the railroads were going broke. The Santa Fe claimed in its annual reports that total taxes advanced roughly parallel to net income during the period and that total expenses, including taxes, rose only from 63 to 66 percent of revenue. Net corporate income for the period more than tripled from $11.0 million in 1900 to $38.1 million in 1916.\textsuperscript{11}

The state regulatory agency had also been strengthened during this period. In fact, when the Public Utilities Commission was created in 1911 to replace the old Board of Railroad Commissioners, state supervision was extended to include stockyards and commission merchants. Rapidly, and often at the urging of railroads, however, the ICC was usurping many of the activities of state agencies that related to freight tariffs, even in relation to intrastate rates. This tendency became more pronounced after World War I.\textsuperscript{12}

In addition to the general legislation affecting railroads that cattlemen and most other shippers called for during the early 1900s, cattlemen continued to battle the roads on other levels. They occasionally used KLA as a tool for prying concessions from the lines, but for the most part the association remained relatively inactive until a real or supposed crisis sparked new interest. This was true until its reorganization in 1913. No record, for example, was discovered of any KLA gathering for the period between the third meeting in 1899 and a Wichita convention of stockmen in September, 1903. But a crisis that developed in 1903 brought the association to life temporarily and sent stockmen scurrying across the state.

Under the sensational headline “Raise in Tariff Means Ruin of Cattle Business,” the Topeka Daily Capital for August 26, 1903, announced new rates that were scheduled to take effect September 1, and reported that many cattlemen were in the capital to protest them. Among those present were sixty members of KLA, with more expected momentarily. George Plumb, still secretary of the association, had initiated a hearing before the railroad commissioners by filing a complaint against the railroads operating in Kansas.
Plumb's action was necessary because the commissioners could act only after there were formal complaints.13

Balie Waggener, a Missouri Pacific attorney, took the lead in presenting the railroads' case. He first argued that the board had no jurisdiction because it had been constituted to review existing rates, not those merely proposed. In addition, he suggested that there was a critical question of whether interstate or intrastate commerce was involved because the Kansas City stockyards and the railroads' business offices were on both sides of the Kansas-Missouri line. After the board rejected Waggener's jurisdictional argument, the railroads' attorneys attempted to justify the rate increase on the basis of the roads' failure to show a profit on stock shipments. The greater chances for costly injuries, the fact that stock cars deadheaded 60 percent of the time, and the increased cost of labor were cited as reasons why stock shipments were not profitable when compared to other freight.

There may have been some justification in the position that stock shipments failed to show as much profit as other freight. Three years after this particular struggle, the Gazette, praising the effectiveness of KLA but without providing statistical support, noted that "to this association the shippers of the state are indebted for the rates on live stock. They are much lower than on any other commodity in the state and are due to the work of the Live Stock Association."14 The railroads claimed that the rates proposed for 1903 tended to equalize the freight charges on cattle with those on lumber and wheat and, in a larger sense, that the new schedule put Kansas rates on a par with those in surrounding states. In retrospect the latter of the dual claims was hardest for the rail lines to justify. Tariff schedules were infrequently published in the board's reports, even though a provision by the 1905 legislature required the roads to submit them; but a study published in 1906 placed Kansas rates consistently above the average tariffs in surrounding states, and Texas, Iowa, and Illinois. Kansas rates beat the average somewhere between .03 cents per hundredweight for a 350-mile haul and 3.12 cents on a 200-mile carry.15

Cattlemen, on the other hand, argued that they could not afford to pay higher rates and that the poor service did not merit an increase. A decline of $2 per hundredweight in cattle prices and rising feed costs were cited in support of the cattlemen's claim of impoverishment. They also pointed out that a raise was unwarranted in view of the added efficiency and the larger carrying trade of the lines. Some purebred stock breeders were also upset with the new rate schedules. They often shipped in small quantities; but due to the rail-
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roads' determination of what constituted a full or partial load, they had to pay what they felt were exceedingly high tariffs. One said that rates were the largest obstacle in his fine stock business.

Cattlemen talked of several alternatives during the several days that the Topeka meeting continued. Some suggested driving cattle to market, while others favored a cooperatively financed packing house that would raise cattle prices to a point where the producer could afford higher rates. There were for the cattleman, however, few alternatives. He could either win the rate case, or, losing this, adjust his operation, possibly by going out of business.16

The hearing was continuing into its second day when suddenly the railroads withdrew their proposed increase. "The giant Goliath on one side," the September 11, 1903, Topeka Daily Capital noted, "and the youthful David with his sling shot on the other" had fought each other and David had won again.

Various explanations were given for the railroads' abrupt decision to withdraw their proposed schedule. Balie Waggener boasted that he had persuaded the lines to withdraw in order to preserve the Kansas cattle industry. The board suggested that the railroads' realization that they had provided poor service, due to the heavy rains and floods during the spring of 1903, was the reason. The Topeka paper implied that the threatened enactment of a Kansas law, similar to the Texas requirement that the roads pay $500 for each day they were in violation of a directive from the railroad commissioner, encouraged the lines to stop their attempt to raise rates. Mercer was probably closest to the truth, however, when he suggested that "David's victory" was something less than the honored Biblical triumph. Writing some ten years after the 1903 dispute, Mercer noted that the cattlemen and the railroads had struck a bargain. The lines would maintain the 1903 level of rates, according to the agreement, if cattlemen ceased agitation to return to the old carload system of charging freight rates that had been eliminated a couple of years before.

Several references were made to a contract that was negotiated between cattlemen and railroads about this time—probably the result of the bargain that Mercer noted—but an extensive search of available records failed to produce a copy. The casual references that were encountered implied that shipping rates, the permanent abandonment of the carload system, and several other requirements affecting railway service to stockmen were part of the contractual obligations. This agreement lasted, according to Mercer, well into the second decade of the twentieth century.17
The struggle in 1903 over rates was larger than the borders of Kansas, encompassing the whole range country and several stock associations in Texas and the Southwest. The incident was also a factor in coalescing several dissi­dient elements into a stronger national association. "Judge" Sam H. Cowan, long-time legal representative of the Cattle Raisers Association of Texas, the national associations, and sometimes KLA, led the cattle interests in this instance on the national level. He was ably assisted by such men as the Scottish manager of the Matador Land and Cattle Company, Murdo Mackenzie, who was later instrumental in turning control of the national association back to the producers. These two men, along with Mercer and several others, trekked to Washington to petition lawmakers for federal relief from the dominance of railroads. Cowan, it was said, eventually helped write the main provisions of the 1906 Hepburn Act, which grew, in part, from the attempt of the roads to raise livestock shipping rates in 1903.

The Hepburn Act, with its provisions that allowed the ICC to set "just and reasonable maximum rates," upon the complaint of a shipper, was a mild victory for stockmen. The American National and the Texas associations filed more than a dozen complaints with ICC within a decade after the passage of the Hepburn Act. However, a provision for broad judicial review of ICC actions, the requirement that complaints had to be originated by shippers, and the failure of the law to modify the railways' power to classify freight modified the stockmen's victory. The triumph in 1903 over increased rates may have been greater than the Hepburn victory, as it demonstrated again that cooperation on the state and national levels in organized protests was one of the cattlemen's most effective weapons.18

After 1903, Kansas cattlemen were not generally aroused over rail tariffs until the roads proposed a general increase of both inter- and intrastate rates in 1910. This stability in tariffs was one reason that KLA was largely inactive during the 1903 to 1910 period. During that time only one meeting of KLA—an Emporia gathering in 1906 devoted to recommending "reasonable, equitable and non-discriminatory freight rates"—was held. In 1910 another KLA convention was held in the same town. By 1910, Robison had died and Plumb had resigned in hopes of obtaining a seat on the Board of Railroad Commissioners. An Osage City stockman, H. B. Miller, became the second president of the organization, and Mercer began his twenty-seven years as secretary.

The real purpose of the Emporia meeting in 1910 was to prepare for a conference of shipping and commercial interests called by Governor Stubbs.
Over 150 delegates representing states from the Great Lakes to the Rocky Mountains were invited to Topeka for the purpose of petitioning ICC to refuse the advance in rates proposed by the railroads. Addresses by the Kansas governor and by Murdo Mackenzie outlined the shippers' favorite arguments. Their lengthy speeches said, in effect, that railroads, in view of their present high profits, did not deserve higher rates, and that about 30 percent of a steer's value was already invested in transportation costs by the time it was carried from the Southwest to Kansas, then to a midwestern feedlot, and eventually to market. Legislation requiring a physical evaluation of railroad property was also urged. After extensive hearings and innumerable petitions from groups like the one Governor Stubbs had organized, ICC refused most of the railroads' requests, keeping the record of success for western cattlemen in this area almost unblemished for the early years of the new century.19

According to some railroad historians, the roads by 1910 deserved higher tariffs. In the face of numerous shippers' associations, like KLA, general freight rates had remained essentially at the seventy-five cents per ton mile level since 1897. Not until 1913 did the ICC allow a "modest 5 percent advance" in all freight rates. This record of stability in rates prior to 1918 compared quite favorably, from the shippers' standpoint, with the massive 28 percent increase that William G. McAdoo instituted in 1918 while the government controlled the roads.20

On the other side, there was also merit in the argument of cattlemen and other shippers that greater efficiency and a rise in business guaranteed railroads a reasonable profit even though operating costs had increased and rates had remained the same. An investigation of western railroads in 1914, for example, revealed that the returns on the "book cost" of the roads—which no one outside the industry knew for sure—fell somewhere between 4.9 and 5.6 percent. Net returns, according to the study, were sufficient to cover interest charges and operating expenses and still pay dividends on capital stock ranging from 10.4 percent in 1911 to 7.0 percent in 1914.21 Nor did the stability of rates as a whole necessarily compensate shippers for short-haul and freight classification inequities that were continued by the lines. An adequate physical evaluation of the railroads and more restriction on classification practices may have helped the contending interests decide the rate issues fairly, but this was not available at the time.

Cattlemen had other complaints during the early years of the twentieth century. Some objected to dirty stock cars, inadequate loading facilities, and
a shortage of cars. The Gazette, ironically at the same time that there were complaints of high freight rates, noted that stockmen “will ‘tip’ the trainmen as high as $10 a car for unordered stock cars” when there was a pressing need. Cattlemen were also critical of delays in service, and some advocated repeal of the federal law that required detraining for feed and rest after twenty-eight hours.22 Although there were other complaints, nothing equaled the cattlemen’s concern over stock tariffs; and, to their credit, they had much success during the years before the First World War in blocking higher rates.

Freight rates and the general relationship of the cattle industry to transportation continued to be important for stockmen and the activities of KLA throughout World War I. Tariffs by 1914 had remained at much the same level for over a decade, except for the modest 5 percent increase in 1913. The lines, of course, continued to be interested in changing this situation. In 1914 cattle-shipping rates in Kansas varied from 24.5 cents per hundred pounds for 450 miles to 7.5 cents for a 50-mile trip. This represented an average of $58.80 per car for the longer and $18.00 for the shorter haul. Rates for shipping hogs from various points in Kansas were consistently 2 to 4.5 cents per hundred pounds higher than cattle rates, and sometimes amounted to as much as $10.00 a car more. The additional charges for hogs resulted not from any additional weight but rather from the larger amount of work required for handling more animals per carload of stock, and because the traffic would bear additional charges. Hog producers were never as well organized as cattlemen.23

On at least two occasions between 1914 and 1917—when the government assumed control of the nation’s rail lines—the roads attempted to raise the published tariffs on livestock. Partly as a result of organized lobbying before the Kansas Public Utilities Commission and ICC, stockmen defeated these increases. Despite this, railroads continued to show large profits even though expenses had gone up. Cattlemen claimed repeatedly throughout the war and during the early 1920s, with little dissent from the rail lines, that the period before the war was one of the most profitable in railroad history. Santa Fe, for instance, reported a $15.8 million increase in net corporate income between 1914 and 1917, or a rise of 71 percent. During the same period, however, the carrying trade for all the western lines rose by only 41 percent. The Santa Fe example may not be typical of all western railroads, but it does suggest that roads did not suffer a decline in profits at least for the first few years of the war.24

There was, then, some justification for the cattlemen’s insistence that
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tariffs remain unchanged, and for the most part they were successful until after the government assumed control of the lines. There were significant increases after that.

Railroads, however, could raise charges for shipping stock without changing the published schedules, if they chose to do so. Livestock tariffs were based to a slight extent on the estimated value of the stock that was carried. By enhancing the estimated value of stock, rates were automatically increased. Cattlemen agreed to this sliding scale for tariffs—actually they probably demanded it—and it became a provision of the elusive uniform contract. Cattlemen agreed to this provision because their reimbursement for stock that died in transit was also based on the estimated value. While a higher evaluation raised rates, it also increased the amount that the lines paid for dead stock. Before the general rise in cattle prices at the beginning of the war, each head of mature cattle was valued at $50.00. With the rise in prices, this figure rose to $75.00. At the time, Mercer told Kansas cattlemen that “under present conditions, a steer valued at $75.00 is shipped under the uniform freight rate now in existence, but if valued over $75.00, the carriers have a right, under the Interstate Commerce order [of August, 1915], to increase their rate 2 per cent on each 50 per cent increase in valuation, or fraction thereof.”

Mercer claimed that the sliding scale was costing some cattlemen as much as $8.00 a car more than the published rates, but it is doubtful that many shippers were actually affected. Most apparently allowed their stock to be moved at the estimated value of $75.00 rather than increase it to a level more representative of actual value. Shippers then enjoyed the standard rate but suffered a loss above $75.00 on any dead stock. The gamble usually paid.

After experiencing this sliding tariff in conjunction with rather sharp fluctuations in cattle prices, stockmen began advocating that the estimated value clause be eliminated from the contract, a provision they were successful in getting in 1917. From then on shippers paid only the published rates, and payments for dead stock were related more to the actual rather than the estimated value. These new provisions probably did not apply to purebred cattle, which were usually shipped under special conditions.25

Another way that railroads might increase shipping charges was through the mutually beneficial practice of disinfecting stock cars after each use. This practice was required by a new federal regulation that came about the time the European war began, and was, no doubt, caused in part by the foot-and-mouth epidemics that had occurred. The lines asked the shippers to pay disinfecting charges of $2.50 a car and $4.00 for double-decked cars, in addition

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to the regular tariffs. When the announcement was made, Mercer asked the Public Utilities Commission to stay this railroad order on intrastate shipments, and he urged the American National to petition ICC for the same privilege on interstate traffic. Cattlemen were not so much opposed to helping defray the cost of disinfecting—they realized that it was primarily for their benefit—as they were to the level of the charges. They felt that disinfecting could be done more cheaply, and wanted a delay to allow time for an investigation. The railroads finally agreed to a six-month trial period so that actual costs might be assessed, but there was no evidence that Kansas cattlemen were ever successful in getting the charges reduced or that they continued their fight for very long. After Mercer’s brief encounter with the roads in 1915, the state’s stockmen were content to allow the American National to continue the battle on the disinfecting issue. 26

The question of free transportation for shippers who accompanied their stock to market was also an issue at this time, and had been a periodic source of disagreement for a long time. Cattlemen claimed that it was not only a well-established tradition but also a requirement of state law that the lines provide free transport for the owner of stock or for his representative. Large shippers rarely had any problems in extracting transportation from the lines, but the various state agencies charged with regulating lines were continually besieged with complaints from small shippers who felt that they were not receiving adequate service. The issue became more complex in 1907, when the legislature enacted an antipass law. Cattlemen favored the antipass restriction, and had helped get it established, but they were careful to see that the provision did not exclude their right to free transportation. The accommodations for these free rides were also subject to regulation. Each caboose attached to a stock train, for example, was “to be equipped with seats and water-closets, and suitable drinking water necessary to accommodate the number of stockmen properly on such train.” Noncompliance with these stipulations was to result in a $20 per day fine for the road. Cattlemen viewed any refusal by the rail lines to provide attendants with transport or adequate facilities as a mere subterfuge for increasing profits.

By the second decade of the twentieth century, the railroads usually accommodated shippers accompanying their cattle, although small shippers still occasionally found it difficult to obtain free transport both to and from the destination of their stock. Generally the lines did not balk at carrying one attendant for each two to five cars of stock or up to three men as the number of carloads for one shipper increased. What the railroads did justifiably object
to was the inordinately large number of “floaters” who inhabited the cabooses, claiming to be caretakers but actually having little or no official relationship to any stock being carried. A representative of the railroads told the 1916 KLA convention that cattlemen were largely responsible for the floaters and that some drastic action might soon be taken. The situation was especially taxing on the lines’ facilities during the busy shipping seasons.

The dispute was finally settled towards the end of the war, at least for a time, by including in the uniform shippers’ contract guaranteed transit privileges that were acceptable to both the shippers and the carriers. A limited number of attendants were assured of transport, but only *bona fide* owners of stock and their employees qualified.27

Mercer and KLA again represented Kansas stockmen in this negotiated settlement with the railroads, but KLA was not the only organization that the state’s stockmen depended upon during this period. In 1915 a group of Kansas cattlemen met in Chicago with other stockmen from across the nation to form the National Livestock Shippers’ Protective League. The purpose of this new organization was to coordinate and extend the activities of state and local associations in the area of freight rates, or, in short, to frustrate any increase in interstate livestock tariffs. The league obtained the necessary finances for its operation by assessing each carload of stock five cents, a fee that was collected by the commission firms at the central markets. It was a voluntary payment, however; and, though local associations urged shippers to contribute, there was often a deficiency of funds.

The league functioned for over seven years, but its success is difficult to assess. There were several notable rate increases after 1918; yet, Mercer—the league’s president for a few years—wrote in the late twenties that it had been notably successful.28 In any event, the league offered stockmen another avenue for organized response to real or imagined injustices on the part of railroads. To some degree it also overshadowed for a time KLA’s work in rate disputes, especially in the area of interstate rates.

The more or less unblemished record of western stockmen in preventing major increases in livestock tariffs was spoiled soon after the federal government assumed control of the rail lines in December, 1917. There had been much speculation early in the war as to what would happen to the railroads in the event that the United States became more actively involved. Even before President Woodrow Wilson sent his war message to Congress, the
increased traffic was becoming difficult for the roads to handle. The lines had tried voluntary cooperation; but with the large increase in freight and a degree of labor unrest, it became impossible to coordinate the schedules of the many individual lines. Delays and monumental traffic jams resulted, while snow and freezing weather towards the end of 1917 aggravated the difficulties.

Wilson's solution was probably necessary and inevitable in view of the circumstances. Under the provisions of the Federal Railroad Control Act, the president established the United States Railway Administration for the purpose of assuming control of the nation's rail lines. The administration was also given absolute rate-making powers. William G. McAdoo, Wilson's overworked and much-harassed secretary of the Treasury Department, was appointed director general of the new government agency. These new duties, not slight by any means, were in addition to those McAdoo continued for a time to have in the Treasury Department. Under the provisions of the government takeover, all antitrust and pooling restrictions were suspended, and the lines were guaranteed an annual profit equal to an average of what they had earned between 1915 and 1917, plus government-financed repairs and improvements. The railroads preferred to eliminate 1915 from consideration of average income, as it was a relatively unprofitable year, but there were no complaints about the last two years, as they had been very rewarding.

One of the first actions taken by McAdoo that affected the vital interests of stockmen was a 25 percent across-the-board increase in freight rates, something the rail lines had been attempting—with only limited success—for almost two decades. All special tariffs, such as the feed-in-transit rates, were eliminated, and passenger fares were returned to 3 cents a mile. On stock shipments the increase was 25 percent on all existing rates below 28 cents per hundred pounds—this included most points in Kansas, Colorado, and Oklahoma—and a flat 7 cent increase on all rates that were at the time above 28 cents a hundred. In Kansas this amounted to a raise from 24.5 to 30.5 cents per hundred—or from $58.80 to $73.20 per carload—for a 450-mile haul, and from 7.5 to 9.5 cents per hundred—$18.00 to $22.00 per car—for a 50-mile run. Tariffs for hog shipments also went up and were usually $8.00 to $12.00 per car more than those on cattle.

The government apparently felt that the war-induced inflation and the generally increased operating costs justified the new schedules. The most convincing argument, however, was the rise in the cost of labor. The Adamson Act had already pushed up labor costs, then the railway administration
increased wages again shortly after the takeover. By 1918 total wages for railway employees were more than 40 percent above what they had been only a few years before.

KLA and the American National, as well as several other associations, protested the new tariffs, maintaining that the railroads were already producing a fair return on the invested capital and that a 5 percent raise would have been adequate for the additional labor expenses. Some stockmen even advocated government subsidies for the lines rather than higher rates. But, in all, there was surprisingly little objection to the government’s action either in assuming control of the lines or setting the new rates. There was probably more protest in Kansas over a proposal that former governor Stubbs had made only three years before in an article published in the *Saturday Evening Post* than there was over Wilson’s action. Stubbs had proposed that the government take over the railroads and operate them as a public utility—in short, much the same thing that happened in 1917.

Comparatively little opposition from stockmen resulted from Wilson’s action, and, indeed, circumstances had changed considerably between the time of the Stubbs proposal and that of the Wilson takeover. The declaration of war was, of course, the major difference; and this was bolstered by an unprecedented propaganda campaign to persuade Americans to support the war effort. Stock prices were also up, which made it at least appear that cattlemen could afford higher rates; and, most importantly, stockmen knew that they had little recourse but to accept the governmental fiat. Many cattlemen were also ready for government control of the industry that they had been confronting for several decades; at least this seemed to be the implication of the Stubbs article. Only after a couple of years of experimenting did the cattlemen decide that they preferred private control of the railroads.

Government involvement with the rail lines during World War I ultimately resulted in more centralization of regulatory powers in the federal government in this area as well as in most other sectors of the economy. State agencies were not as yet ready to admit this, but it became increasingly clear during the early 1920s. Government control, according to the Kansas Public Utilities Commission, lost sight of the agricultural shipper; rates were up and service was down. This no doubt contributed much to the tendency of stockmen to become very critical of government-controlled railroads during the postwar depression. For the nation as a whole, however, many felt that the takeover was successful. It ended car shortages for the most part, and supplied much of the coordination that was necessary in a time of crisis.29
While cattlemen continued to combat the railroads during the war, the amount of energy they expended was decidedly on the wane. Regulation, from the ICC down to the various state agencies, had become more effective, but more important in the cattlemen’s case was the fact that livestock rates did not change significantly for more than a decade. Stability of rates induced a calmer relationship between stockmen and railroad men. When stockmen were hit with a substantial rise in rates toward the end of the war, the circumstances that usually stimulated shipper opposition to rising tariffs had changed, and there was little they could have done to prevent the advance in any event. Some unrest among shippers reappeared around 1920, but even then it was not as intense as it had been in earlier decades. The tendency to get along with transportation lines during these first two decades of the new century did not mean, however, that producers were becoming more satisfied with the big businesses with which they came into contact. Much of the antagonism that cattlemen had formerly reserved for rail lines was transferred to the large meat-packers. While processors had never been exempt from producer criticism, they began to feel its full force during the early decades of the twentieth century, especially after the beginning of the war in Europe.