



## George W Norris, James J Hill, and the Railroad Rate Bill

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Full Citation: Richard Lowitt, "George W Norris, James J Hill, and the Railroad Rate Bill," *Nebraska History* 40 (1959): 137-145

Article Summary: By 1905 the public in Nebraska and throughout the nation was generally in favor of government regulation of railroad rates, something that Republicans had traditionally opposed. That year President Theodore Roosevelt and other Republicans who had never supported regulation vigorously endorsed the 1906 Hepburn Act, which allowed the regulation of railroad rates. Republican Congressman George W Norris wrote a letter, included in the article, explaining how railroad baron James H Hill had influenced attitudes toward rate regulation.

### Cataloging Information:

Names: George W Norris, James J Hill, Charles F Manderson, Joseph Hopkins Millard

Keywords: Hepburn Act; CB&Q; Chicago, Burlington and Quincy Railroad

GEORGE W. NORRIS, JAMES J. HILL,  
AND THE RAILROAD RATE BILL

BY RICHARD LOWITT

WHEN Theodore Roosevelt requested the Congress to grant the Interstate Commerce Commission the power to revise railroad rates and initiate other regulations, he knew that popular sentiment in many quarters throughout the country favored such a move. In Nebraska George W. Norris, serving his second term in the House of Representatives as the member from the Fifth Congressional District, likewise knew that his constituents were in accord with the idea of further railroad regulations. Why, during a period of prosperity, a Republican President and many Republican Congressmen should favor a policy that powerful segments of their party had previously opposed, may appear puzzling, especially when one also considers the close ties between the Republican party and the railroads in the western states where the agitation for reform was most prevalent.

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This was certainly the case in Nebraska where the alliance between the Republican party and the Burlington and Union Pacific railroads had been intimate, almost as long as Nebraska had been a state. Indeed, during the depression period of the nineties when the Populists and their Democratic allies sought to curb railroad power in the western states, George W. Norris, as a promising young lawyer in Beaver City, had been on the payroll of the Burlington Railroad. Norris had always been friendly to the railroad, and Burlington officials, particularly Charles F. Manderson, to whom the letter printed below was addressed, had been friendly and helpful in launching his Congressional career.

Why, then, did Republican politicians and Republican voters, many of whom had never been persuaded by the emotional antirailroad appeals of the Populists and their political predecessors, come to believe that railroads must be regulated?<sup>1</sup> Why did they vigorously endorse the railroad rate bill which finally emerged from the legislative process in June, 1906, as the Hepburn Act? In Nebraska, Norris believed the reason could be explained largely by the policies of one very powerful and extremely able individual, James J. Hill. Ever since the Hill railroad interests, early in the twentieth century, had acquired a controlling interest in the stock of the Chicago, Burlington and Quincy Railroad, changes had occurred in its policies and practices in Nebraska. By the time the Fifty-ninth Congress met in December, 1905, these changes had alienated all segments of the population. Groups that had never been hostile to the Burlington now joined with farmers in demanding that it be curbed. Norris, living in McCook, a division point on the main line of the road between Omaha and Denver, had ample opportunity to investigate many of these charges. He found numerous reasons why his constituents favored national railroad regulation, but by and

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<sup>1</sup> For a discussion of business sentiment in favor of railroad regulation, see Robert H. Wiebe, "Business Disunity and the Progressive Movement, 1901-1914," *Mississippi Valley Historical Review*, XLIV, No. 4 (March, 1958), 673-680.

large they could all be summed up in terms of the policies inaugurated in the "short-grass" country by James J. Hill and his associates in the management of the Chicago, Burlington and Quincy Railroad.

A copy of this letter is located in the vast collection of George W. Norris Papers in the Manuscript Division of the Library of Congress.

George W. Norris to Charles F. Manderson,<sup>2</sup> December 28, 1905.

I have received your letter of December 19th with enclosures as therein stated. I have read with interest the copy of your letter to Senator Millard,<sup>3</sup> dated December 7th. I have noted carefully what you say therein in regard to an announcement made as you say by some of the members of the House, "That the State of Nebraska is practically unanimous in favor of the President's proposition to grant the rate making power to a Commission", and your denial of the truth of such announcement. You say also, "A lot of time servers and unthinking men who have given no thought to this matter are undoubtedly in favor of the President's policy."

There may be some question as to whether the State of Nebraska is unanimous, but in my judgment the question of giving the rate making power to a commission ought to be decided on vastly higher grounds. It is probably but natural that men should desire to be held in high esteem by their fellow men, and that men in public life should be anxious, as a rule, to be in harmony with the sentiment of the country which they represent. While not criticising in any sense this idea, yet, in my own judgment the honest, conscientious member of Congress will do his best to arrive at a just solution of this important question as well as other important questions, and will act in harmony with the dic-

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<sup>2</sup> Charles F. Manderson (1837-1911) was at this time serving as general solicitor of the Burlington system west of the Mississippi River. In 1900 he had been President of the American Bar Association, and from 1883 to 1895 had served as a United States Senator from Nebraska.

<sup>3</sup> Joseph Hopkins Millard (1836-1922) United States Senator from Nebraska from 1901-1907. Previously he had been a prominent Omaha banker and for fifteen years had served as a director of the Union Pacific Railroad Company. After his service in the United States Senate he resumed his position as president and cashier of the Omaha National Bank.



tates of his own conscience. When he has arrived at a solution which within his own heart he believes to be just, he will carry it out even tho it means his political annihilation.<sup>4</sup> While there are those members who will follow public clamor and will be influenced thereby in their vote, without giving the subject any other consideration and thought, yet, it is not fair to say that all those who are in favor of giving to some legal body the power to fix a fair rate in place of one that has been found after due hearing, to be unjust, are influenced to such conclusion simply on account of public clamor and prejudice.

The second quotation above noted, taken from your letter to Senator Millard, taken in a strictly literal sense, may be true, but if it is intended by you that all persons who believe in giving supervision of railroad rates to a Commission or some other body of intelligent and competent men, are included in that class and are as a matter of fact, "time servers and unthinking men", then I must take issue with you. Ever since the beginning of this rate agitation, I have interested myself in the question. I had read volumes—speeches, arguments, resolutions &c., on the subject. I have devoted all the time at my disposal to this subject. I know that I have been conscientious and honest in trying to reach a just conclusion—just to the public and the railroads alike. I would rather be right in my own conscience and satisfied with the righteousness of my position on this question than to retain my present position or secure any other—yes, I would rather resign and be deprived of all chance of future preferment, than to cast my vote in such a way that in my own heart such action would be condemned as wrong.<sup>5</sup>

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<sup>4</sup> This is one of the first statements of a position that later became widely associated with Norris. Actually at this time Norris had the support of his constituents in favoring "the President's proposition" and was in no danger of suffering repudiation for his stand.

<sup>5</sup> In possible justification for these extreme statements, it might be noted that shortly after he wrote this letter Norris broke with the administration by speaking and voting against the Philippine tariff measure that President Theodore Roosevelt favored, and that after his role in the debate against the Armed Ship Bill in February, 1917, Norris offered to resign as Senator from Nebraska and submit to a recall election. (See his speech in the *Congressional Record*: Fifty-Ninth Congress, First Session January 13, 1906, pp. 1044-1048. The text of his 1917 letter to Governor Keith Neville of Nebraska agreeing to submit to a recall election can be conveniently located in Richard L. Neuberger and Stephen B. Kahn, *Integrity: The Life of George W. Norris* [New York, 1937], pp. 97-99.)

I have no desire or intention of going into a discussion of this question within the limits of a letter, but I want to briefly state that after the consideration I have given the subject, which has been with the sole idea of arriving at a just conclusion, I am convinced that some commission should have power to fix a reasonable rate in place of one that after a full hearing, has been found to be unjust—such action to be reviewable under proper restrictions, by a court of competent jurisdiction. I can see no valid objection to this proposition, and it seems to me that it is the fair and logical conclusion after a full consideration of the subject with all the perplexing problems that surround it.<sup>6</sup>

It has often occurred to me during my investigation of this subject and the thought I have given it, that it is very possible that the sentiment now existing in our State in regard to this question has been to a great extent brought about and molded by other conditions arising out of other questions between the Burlington system and the people it serves. I am firmly convinced that the prejudices which now exist against the present management have been brought about by radical changes in the handling of the local freight trains. Prior to what is ordinarily known as the "Hill management", I believe the Burlington came as nearly to meeting and supply [*sic*] the wants of its customers and patrons along its different lines, as any railroad in existence. At that time there was general satisfaction and the people along its lines had exhibited a most kindly feel-

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<sup>6</sup> John Morton Blum, *The Republican Roosevelt* (Cambridge, 1954) Chapter VI entitled, "President, Congress and Control," presents an excellent discussion and analysis of this bill as it worked its way through Congress, especially in the Senate Chamber. Blum's analysis is based in part on the premise that congressmen, particularly senators, who favored railroad regulation were also sympathetic to the idea of tariff reform, while those opposed to regulation were ardent protectionists, and that Roosevelt brilliantly used the threat of tariff revision to obtain railroad regulation. This premise does not hold in the case of George W. Norris who favored railroad regulation and who in his speech against the Philippine tariff bill, considered in the House of Representatives before the Hepburn Bill, revealed himself as a protectionist. (See reference to *Congressional Record* in footnote 4.)

ing toward the road and its managers.<sup>7</sup> Since that time you must admit, there has been a radical change. Merchants and customers in the smaller towns along its lines have, to a great extent at least, become prejudiced against the road and its policies, as I believe, on account of these new methods. There was a time, not many years ago, when a merchant in one of these towns could order goods from Omaha, Lincoln, Kansas City or St. Joseph, knowing with an absolute certainty within an hour or two of the time when that order of goods would reach him. He could order something he had sold to a customer and be able to guarantee a prompt delivery—at least within a day or two. He could order by wire, knowing when he did so exactly when the goods so ordered would be delivered at his home station. Conditions have radically changed. At the present time it is not an uncommon thing for goods to be ordered and not delivered until from twenty to thirty days, when in the ordinary course of business it should not require more than from two to three days to make such delivery, and such was the case in former days.<sup>8</sup> I have lived among these people, associated with them, and have heard their universal complaints and the clamor against the railroads. A part of it is perhaps unfounded, but I know that a great part of it

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<sup>7</sup> Certainly most writers who have examined aspects of the railroad's history have been impressed with its responsible management before it became part of the railroad empire of James J. Hill. See for example: Richard C. Overton, *Burlington West: A Colonization History of the Burlington Railroad* (Cambridge, 1941) and a recent article by the same author, "Charles Elliott Perkins," *The Business History Review*, XXXI (Autumn, 1957), 292-309. See also, Thomas M. Davis, "Building the Burlington Through Nebraska—A Summary View," *Nebraska History*, XXX (December, 1949), 317-343, and his three articles in Vol. XXXI (1950) of this same periodical, "Lines West!—The Story of George W. Holdrege". Holdrege gradually withdrew or was withdrawn from active participation in policy making after the change in management. The favorable articles of C. Clyde Jones pertain particularly to the period after 1900. See for example "A Survey of the Agricultural Development Program of the Chicago, Burlington and Quincy Railroad," *Nebraska History*, XXX (September, 1949), 203-225 and "The Burlington Railroad and Agricultural Policy in the 1920's," *Agricultural History*, XXXI (October, 1957), 67-74. Donald L. McMurtry, *The Great Burlington Strike of 1888: A Case History in Labor Relations* (Cambridge, 1956) points out that before the strike, as well as later, management offered to settle most of the major grievances in dispute and rarely displayed an arbitrary or hostile attitude toward labor.

<sup>8</sup> Norris in the Second Session of the Fifty-Ninth Congress introduced a bill to remedy this grievance. He explained his position in letters to George Williams, December 14, 1906, and A. F. Buechler, February 19, 1907; George W. Norris Papers, Manuscripts Division, Library of Congress.



is true. I have in a very large number of cases, taken the time to make an investigation and ascertain whether or not there was any truth in the reports. There seems to be a lack of desire to accommodate the local shippers. From what I know of the situation, it seems to me that it has come about mainly if not entirely, by the adoption of what is known as the tonnage rule.<sup>9</sup> I have learned from employees that very often freight trains are from twenty-five to forty hours going over one division. Living as I do in a railroad town,<sup>10</sup> I possibly hear more from the railroad men themselves than I otherwise would. In private conversation with railroad men I find a very strong sentiment on their part against the present methods and especially against the tonnage rule. Often in private conversation one can get at the feeling that really exists when as a matter of fact they would not dare, as they express it, to say publicly what they really think. Men who are required to work without rest and sleep from eighteen to thirty hours, become careless and reckless—they do not treat their fellow men with the same degree of respect that they otherwise would, and they are not as careful of human life as they otherwise would be. Without a doubt there has grown up a feeling of dissatisfaction and reckless disregard among the great majority of employees. They are careless and reckless with the Company's property and are inclined to disregard the rights of the patrons on the road. This is [sic] not true under the old management and old methods, and I believe the Burlington had then and still has, as fine a body of men, intellectually and morally, as any railroad in the country. This feeling spreads and finds lodgment in the minds of those who have no direct interest in the matter whatever. The sentiment is there, and it is injurious to both the people and the railroad. It is to be regretted that this lack of confidence has grown up and that honest, upright, thinking men have become dissatisfied and even disgusted with the condition. I could give you instances by the score—some that would doubtless surprise you.

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<sup>9</sup> Tonnage rule—an arrangement whereby trains would be dispatched only when they had acquired a prescribed amount of freight. For a generalized defense of this position see William J. Cunningham, "James J. Hill's Philosophy of Railroad Management," *Bulletin of the Business Historical Society*, XV, No. 5, November 1941, especially pp. 68-70. I am indebted to Professor Richard C. Overton for his generous assistance in helping to obtain a definition of and information about this term.

<sup>10</sup> McCook, as a division point on the main line of the Burlington Route between Omaha and Denver, contained railroad shops and a round house. It had a population of about 4,000 at this time.



Another thing which I believe accounts for some of this sentiment against the road, is the new method introduced on some of the branch lines—which perhaps is indirectly the result of the tonnage rule. I recently had a conversation with one of the old employees of the road who had had occasion to go over the St. Francis branch.<sup>11</sup> He told me confidentially that it was surprising to him that the people along that branch are as quiet as they are. There seemed to be practically no way for passengers to travel, and very poor methods of handling freight. For a long time there was no passenger train on this line. Recent developments have shown that where a passenger train was put on the line and an every other day service given, the accommodations were invariably over-crowded. I think an investigation would show you that there has not been a day on which that passenger train has run that it has not been crowded to the doors—people standing for a long distance, in the aisle, and otherwise traveling in discomfort. Before this passenger train was put on the mixed train, which carried both passengers and the mails, was frequently from twenty to forty hours in making the run from Orleans to St. Francis.<sup>12</sup> People all along the line were greatly dissatisfied on account of the mail service. Dissatisfaction has grown and spread to such an extent that it is not surprising that the sentiment created thereby is against the road and will be against the road under such conditions, without giving to any particular question very deep thought and consideration. The putting on the passenger train with an every other day service, has been taken by everybody along that line as a vindication of their claims that a passenger train would be a source of profit to the railroad company. And the fact that the trains are now crowded to their utmost tends to convince them more than ever before that a passenger train with an every day service would not only be profitable to the railroad company but a reasonable right and privilege of the people living along the line to which they are honestly and fairly entitled.

I realize General<sup>13</sup> that these things have no direct

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<sup>11</sup> This branch line extended from Orleans, Nebraska, to St. Francis, in northwestern Kansas. Beaver City, where Norris formerly lived, was on the St. Francis branch.

<sup>12</sup> A distance of about one hundred and thirty-four miles.

<sup>13</sup> Charles F. Manderson had been brevetted a Brigadier General of Volunteers, United States Army, in March, 1865, "for gallant, long continued, and meritorious services." During the Civil War he commanded the Nineteenth Regiment Ohio Volunteer Infantry.

connection with the matter of rate supervision, but in my judgment they have a great deal to do with the existing sentiment on that question. I have talked with railroad men employed in every department of the service, including men under your own supervision, and they are practically unanimous in agreeing that this feeling against the railroad has been brought about by this new method introduced since the Hill control.

I am not a railroad man and it is not for me to say how the different companies shall manage their property, and I presume I ought not try to go into this matter with you for the same reason that it is really finding fault with another as to how he shall manage his own affairs—at the same time I am convinced from the study I have given the matter, that a great deal of the present dissatisfaction comes about on account of the new method of management.

I would not have written you at so great length had it not been that I have great faith in your good judgment and a strong belief in your absolute honesty—I simply want to offer these suggestions, which to my mind explain to a great extent why the sentiment of the people of our State as a rule is against the railroad and would naturally be against the road on any proposition without going into a very deep consideration of the merits of any particular controversy.