

**POLITICO-RAILWAY
PROBLEMS
AND THEORISTS**

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Politico-railway Problems and Theorists by G. R. Blanchard

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THE mathematical, mechanical and financial phases of the American railway problem having been solved by the engineer and the locomotive, encouraged and supported by the capitalist, the more abstruse negative theorems determining the voluntary and legislative relations of the railways and the public to each other remain largely unsolved; nor can they by their very nature be determined by inflexible rules such as control the surveyor, the contractor and the banker. Yet this seems to be the endeavor of many of the transportation empiricists of the day, whose failure to appreciate the legislative as well as commercial impracticability and injustice of the rigid applications of mathematical laws to statutes regulating railway policy and rates only, while leaving every other compensation for corporate industry free, has caused much of the public prejudice in relation to the railway problem.

If politicians desire public applause, it can be gained never so easily or safely as by inconsiderate assaults upon corporations. If the industries of a locality, a State, or perhaps a nation lag, no accusation is so easy to make as that railway carriers disregard public needs; and the doctrinaire can reach notoriety most quickly by discussing causes which never before touched his calling or experience. To all such, and to the unthinking masses, the sovereign remedy for the disorders which they do much to induce, is inflexible legislation. They would deny to railways that reasonable elasticity of judgment common to the management of all other corporations, and most essential to prompt transportation conclusions, because transportation deals more or less directly with the interests of most business men.

Much of this public misconception has been incited and has escaped correction from the fact, that although the railways

represent the most important industrial and financial interest in the land, they have the scantiest literature, and have written little in self-defence.

Their silence has proceeded from various causes: the exceptionally rapid growth of the national railway system, which constantly modifies the conditions of the problem; the variety of public and railway relations; unequal and diverse rail, lake, river and canal competition; dissimilar and frequently antagonistic legislation by the various States; the absence of national enactments harmonizing State legislation; the magnitude of the problem in a country as vast in extent and activities as our own; and the incessant labor of railway officers—the men best qualified to write upon it because daily engaged in the solutions of its intricacies.

This latter opinion may invite question; but the leading railway managers are men who are constantly dealing with the intelligent iteration of the oral views and written statements of merchants, manufacturers, agriculturalists, mineral workers and lawyers in all parts of the country, as to the influences of railway rates and methods upon local or extended business development, rivalries and rights; until the thoughtful railway manager becomes the most universal merchant and publicist in trade. He possesses more opportunity and more knowledge in each field of trade, than those engaged directly in any such field can have touching the science and practice of railway administration.

This view seems proven by the mere suggestion that, in so vast a territory as ours, the transportation measures proposed in New York may differ in essential particulars from those required in Texas; the question in inland Ohio undeniably has many phases not common to sea-girt California; agricultural Kansas may ask conditions unlike those called for by manufacturing Rhode Island; and Pennsylvania, with its controlling mineral interests, might antagonize, as oppressive, laws that in cattle-grazing Wyoming might be most liberal. It is, therefore, the practice and duty of railway managers on all the through lines to rise above the artificial barriers of State boundaries and local interests, and apply themselves to the solution

of the carrying problem with comprehensive fairness. And it is but justice to them that they should be met with the same degree of liberality. In this broader and higher spirit, no railway officer should demur to any just public discussion that lifts the problem into this fairer issue and clearer light.

With the history of the steam engine and the railway, given in the article on the *The Railway Problem* in this number of the REVIEW, the legislative discussion has little concern. It may, however, be remarked, as an interesting fact, that iron rails were first used at Whitehaven, England, in 1738, and that Mr. Sterne is in error in stating that the first locomotive was tested on the Stockton and Darlington line, in 1821. Trevithick and Vivian patented a high-pressure locomotive in 1802, and built one for the Merthyr-Tydfil Welsh Railway in 1804, which worked well on levels and slight ascents. Another of different pattern was tried in 1811 on a coal railway near Leeds; and Stephenson constructed his own first locomotive in 1814.

These reminiscences are, however, mainly useful to contrast the public joy at the success of these first results—when they were doubtful, and when such rates were authorized and charged by the new railways as would appal the modern transporter—with not only the forgetting of these benefits, but with the inconsiderate attacks of the present day upon rail carriers; and this, too, although our railways have reduced the average transportation charges of the American public by rail far below those current in any country of the world, and lower in New York than in any State of our federation.

Nor can the review of the railway legislation of England be of great value in the United States, in view of the dissimilar conditions and enactments which exist even in different States of our own country, unless parities of fact, cause, effect, circumstance, need, governmental similarity and result, justify the like policies and laws, and their application to us; or unless, indeed, we may learn to avoid the errors, contradictory enactments, and repeals which have occurred in England, and by them be taught the wisdom of legislative

caution. That such parity does not exist may be read even by him who runs.

First.—All charters in England since the first one, given for the Wandsworth and Croydon line in 1801, are granted, regulated and enforced by one supreme Parliament, and convey nearly like and equal powers upon like conditions, varied only by local facts or the wider light diffused by time and experience. In the United States, charters have been granted by all the States upon conditions more various than their number, with the growth of experience and complications; or as party urgency, geographical rivalries, the parallelism of waterways, the laws permitting, limiting or preventing municipal, township or State contributions, encouraged or retarded them, and stimulated private jobbery, or stained or purified legislation.

Our general Government has also chartered and aided Pacific railways, which afford our only likeness to English governmental railway charters. It is also well to recall the large free donations of public lands to land-grant railways like the Illinois Central, and to note the fact that in such gifts our people did not restrict rates except upon the supplies and troops of the Government, yet those were concessions of undeniable public wisdom.

Although the transcontinental lines were built mainly by public monies or credit upon lands given by the people, which in a wider sense is eminent or national and free domain, their charters authorize, and those railways charge, higher rates than any lines built by private capital on rights of way paid for at high valuations under the much-prated power of eminent State domain; but the *Credit Mobilier* and the more recent and continual litigation as to the respective rights and powers of the Government and those corporations, do not encourage further congressional charters. Indeed, in England the items for so-called "parliamentary expenses" equal, in some instances, \$7,345 per mile, and on the Great Northern Railway \$16,000 per mile.

Here, then, is a primal and radical difference between one single conferring and enacting power, regulating all carriers

nearly alike over one entire and homogeneous jurisdiction—and more than forty States, besides the general Government, giving as many original grants, treating the internal improvements of neighboring States with jealousy as often as with coöperation, and giving varied decisions in their courts whenever railway charters or rights require legal determination. In a word, we have over forty governments as independent and powerful upon this subject within their several local jurisdictions as is Parliament over the whole soil of Great Britain; and the national solution of this great problem by the varying legislation of forty States is for that single reason forty times as difficult.

Second.—The United Kingdom, including its adjacent islands, contains 121,115 square miles, with about 17,500 miles of railway, and a population in 1871 of 31,817,108; while the area of the American Union is 3,026,494 square miles, with about 85,000 miles of railway, and a population in 1870 of 38,923,210, and now estimated at 45,000,000. Stated differently, Great Britain has one mile of main railway for every seven square miles of its territory, while the United States has one mile of railway to thirty-five square miles of country, or but one-fifth that of the British Isles.

This comparison farther proves that there are about 1,820 persons in England to each mile of railway; while in the United States there are but 530 persons to support each mile of its railways with their travel and traffic, or less than one-third as many.

It was argued vehemently by Mr. Sterne before the recent State railway investigation, that density of population, *i. e.*, large local business, giving greater volume per mile of travel and tonnage, justified the demand that both should be carried much cheaper than otherwise; and it would, therefore, be presumed that England had the lowest railway transportation rates extant. This brings us to

Third.—In 1877, the average cost per mile of the 74,112 miles of American railways then constructed was represented by a capital and funded debt averaging \$60,700 per mile; while in 1873, the railway capital of the United Kingdom paid

in was equal to \$180,000 per mile for its 16,082 miles of railway then in operation. It is, therefore, clear that the English public was expected and required to pay returns upon a railway capital about three times as great per mile as in the United States; notwithstanding their exceptionally compact and economical traffic conditions. That they did, in fact, pay much higher rates, brings us to our next point of wide dissimilarity:

Fourth.—In 1877, the 74,112 miles of the United States' railways received average gross revenues of \$6,380.94 per mile, and \$2,306.94 per mile net, while in the United Kingdom, its 16,082 miles earned in 1873 nearly \$18,000 per mile gross and \$8,400 per mile net; the net English railway receipts per mile being one third more than the gross receipts per mile in the United States, the English railways working their lines at an average of $52\frac{2}{3}$ per cent. of their receipts, because of their higher rates, while it cost $63\frac{1}{3}$ per cent. upon the far lower charges in the United States.

Fifth.—England has no foreign carriers within or near its borders by railway, river, or canal, competing with its own; and its maritime rights protect all its coast and border in a carrying monopoly of its own citizens. Any railway conditions and rates established by corporate compact or by parliamentary authority can therefore be, and are, maintained without extraneous interference.

The American Union is bordered on the north by foreign and rival soil, over and through which rival railway and water carriers compete with our trunk lines, which are the especial targets for legislative rifle practice, and those foreign transporters constantly seek to divert and carry American products away from our lines, not only upon carrying conditions absolutely free from our enactments, but also exempted even from the laws of its own parent government, which are held up to our imitative admiration. Does any one doubt, if England were separated only by a navigable river from parallel rail carriers in rival-producing Germany, that such a potent fact would have largely shaped English railway legislation? Its insular position is clearly exceptional.

Sixth.—The United Kingdom has not, running through all its limits, free navigable rivers to impose their cheap rates and their checks against exactions, and compel liberal conditions upon parallel railways, as in our country through its entire area of greatest tonnage production and movement; yet our advocates of congressional railway control have never suggested, as even a just or experimental preliminary transportation step, the regulation of rates upon the river, lake and sea-coast courses confessedly under its control, before fixing arbitrary conditions upon the adjacent railways over which their control is questioned.

Seventh.—“English canals are wholly in private hands,” writes Mr. Sterne, and for that excellent reason the English act of 1854 was the “Railway and Canal Traffic Act,” while in New York the anomaly is presented, that its transportation agitators make no suggestion, and the State no effort, to fix, control, or regulate transportation charges upon the canal it owns and built with public monies, but direct all their efforts to limit and adjust carrying rates upon parallel railways, built almost exclusively with private funds, even when the railway rates are largely determined by those of the Erie Canal.

Had the English public built and owned such a controlling canal carrier through its longest central distance and densest population and traffic, does any fair mind doubt its influence in determining just legislation as to railways, built with the monies of its citizens, within sight of passing boats?

Eighth.—The traffic conditions of England differ essentially from our own. We raise, gather, transport, and sell the surplus food it lacks, buys, imports, and distributes. England is the purchaser in the lowest market; America, both the carrier and seller, against the cheapest white labor of the world, in the rival agricultural fields of Russia, which uses far less rail distances. It is Chicago against Odessa. To succeed, we must carry our largest tonnage products over long rail distances, through an average of five States, having diverse and even rival carrying laws; while England distributes the same articles from its ports of receipt, over short hauls, at local rates, through a nation solely under one uniform civil power, uncut by