

# VARIOUS

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**The Arena / Volume 4,**  
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**THE UNITY OF GERMANY**

**BY MME. BLAZE de BURY**

## “The Idea Whence Sprang the Fact.”<sup>1</sup>

Since the Great French Revolution of 1789 and its immediate consequence in the military despotism of Bonaparte, nothing has occurred that has so convulsed the Old World and so altered the conditions of men and things, as the establishment of the United German Empire in 1870. The men of our time are obliged to know how this event came about, or remain in ignorance of all that has happened during the twenty years following it—that is, to ignore their own political status.

Now two records of this enormous change in all our destinies exist; as yet there are but two, and modern men are bound in duty to take cognizance of them. One is the famous “History,” written in Germany by Heinrich von Sybel; the other the work of Prof. Lévy Brühl, published in France. Both must be read.<sup>2</sup>

The remarkable book of M. Lévy Brühl on the reconstruction of the German Empire cannot be read by itself or separated from the scarcely less remarkable one of Heinrich von Sybel, the fifth and latest volume of which has just appeared. The two require to be studied together, for though starting from opposite standpoints, they explain each other and distinctly show

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<sup>1</sup> “L’Allemagne lepnis, Leibniz. Essai sur le Développement de la Conscience Nationale en Allemagne.” By Prof. Lévy Brühl, Paris. 1 vol. Hachette, 1890.

<sup>2</sup> “History of the Creation of United Germany.” 5 vols. Heinrich v. Sybel, Berlin, 1890.

the impartial reader where to recognize the *real raison d' être* of German unity. When Sybel speaks, as he constantly does, of the creation of Germanic unity, after the war of 1870, he, as a matter of fact, adopts the French theory, while the independent French writer exposes from a far more German point of view, what have been and what are the causes underlying the present formation of the various component parts of Germany into a State. The title of either tells sufficiently its own tale. Sybel proclaims at once the:—

“*Begründung des Deutschen Reiches durch Wilhelm!*” whilst Lévy Brühl announces the progress of the “*National Conscience as Developed in a Race.*”

Sybel's is the narrative of a past that is doubly ended, the past of a country and of a political system, the past of Prussia as personified by the Hohenzollerns, and of a military and oligarchical absolutism as represented by Prince Bismarck and Marshal Von Moltke. It is the chronicle of an epoch whose glories, from 1700 to 1870, none can dispute, but whose *real life* was extinct, and whose capacity of future expansion in its original sense was stopped at Sédan, or a few months later, at Versailles. Sybel conceives his history as a thoroughly well-trained functionary must conceive it; he is brought up in traditional conventionalities, and is rather even an official than a “public” servant.

The foreign author, on the contrary, feels what has lurked during long ages in the soul of the innominate throng of the

people, and been expressed in the thoughts and impulses of such men as Hager, Scharnhorst, Gueiseman, and Stein, *Germans*, patriots who taught Prussia to speak, think, act, and embody the inspirations, passions, and instincts of a whole land; arousing the conscience and vindicating the honor of seemingly divided communities whose hearts were already *one*.

No sooner had M. Lévy Brühl's book appeared than the effect was evident; it was felt that it told the *true truth* ("*la verité vraie*") as the French say; that it set forth the real "*raison d'être*" of the astounding achievement that had taken the world by surprise, puzzling the patented politicians on one bank of the Rhine almost as much as those upon the other.<sup>3</sup>

The public of the whole universe will remember that at the time of the Emperor Frederick's death the great question first arose as to who was the initiator (or inventor) of the "United German Empire," and from all sides poured forth the declarations of eye and ear witnesses; this was the moment of the Gessellen-incident, and the outbreak of hostility between Prince Bismarck and Baron de Rozenbach and Gustav Freitag,

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<sup>3</sup> Few events since the deceptions and catastrophes of the war itself ever produced the sudden impression of Lévy Brühl's boldly outspoken, utterly impartial book. Published in the first days of last September (1890), in one week it was famous throughout all France where serious literature does not reap renown quickly. M. M. Lairesse De Vogüé, Bourdeau, Sorel, all welcomed it as a revelation, in the *Débats*, *Revue des Deux Mondes*, and elsewhere, and its real title was awarded it in the *Temps*, by M. Albert Sorel, whose experience and competence as an historical critic has never been denied, and who unhesitatingly proclaimed it, *Le Fuit et l'Idée*, namely, the announcement of the ruling national idea whence the fact of German unity was immediately derived.

the novelist, and the celebrated juriconsult for whose illegal imprisonment the high-handed chancellor had later to atone. But there apparently resulted from all these disputes that, as the glory of “priority of invention” was so eagerly sought for, there must have been an “inventor!” That was in reality the point on which Sybel “spoke,” and he therefore entitled his “history” that of the “*Creation of the German United Empire, by William I.*”

This it was not; but this was at the same time the view it suited the vanity of the French nation to take of it; accordingly, Sybel’s theory was rapidly accepted, and French public opinion did its utmost to cause the unity of Germany, as recognized in 1871, to be regarded as an accident, the creation of one man, promoted, for that matter ungrudgingly, to the rank of the “greatest European statesman,” but whose work, being that of an individual, and therefore accidental, might quite conceivably be eventually undone. Sybel’s theory, being official and Bismarckian, puts forth in truth the French conception, and is, as a matter of fact, the very opposite of the national German one.

The Germans who agreed with Sybel were the men of the old regime, with far less, be it said, of the “cute” chancellor himself, than of Marshal Moltke, the chancellor being far more distant from the materialism of the “Grand Fritz” with his “big battalions” than were the veterans (however glorious) of the drilled and disciplined Prussian army. Bismarck was divided between two creeds: he knew too much psychology to believe

solely in the supremacy of pipeclay, but he was at the same time not averse to the creation of a revived German empire by his own genius.

Hence chiefly the confusion; for men's minds were confused,—in France determinedly, and even in Germany, (owing to the still enduring force of obsolete opinions and antiquated habits of thought and action) uncertain.

When the war had once clearly shown what its end would be, they were few who could appreciate it. In France where were they who had ever heard the truth about "1806 and Jéna"? or who, after the 4th September, '70, were capable of realizing that the just retribution for Jéna was Sédan? All glory was given to one man—to Bismarck. For the six long months, till March, '71, he was the arch-destroyer—nothing else was taken into account; if *he* chose to establish a new holy Roman empire, of course he could do it; but it would be the work of his Titanic will, and nothing on earth could resist—*since France could not!* Thus reasoned French vanity, and if this curious condition of the public mind in France be not understood, the reconstitution of united Germany into a great cohesive state will never be rightly attained as a matter of fact.

France, therefore, continued (and did so until quite lately) to hold to the individual or accidental theory of a military unity achieved by fortuitous victories, to which the constant agitations of a whole people for hundreds of years, were in no sense conducive. Another fact that must also be acknowledged

is, that this theory once firmly established, any remorse for the mysterious crimes of Napoleon I. was diminished if not erased. On the contrary, his conquests, his violent despotism, his wonderful supremacy—unjust in every sense, immoral, tyrannical, equally acquired and forfeited by the Corsican Invader, was regarded as an example; when defeat had to be recognized as undeniable, the national delusion soon came to take the form of retrieval, and the notion gained ground that what *la chance* or the luck of a great statesman had put together, might, from the same cause, be taken to pieces again!

Granted the principle of personal intervention, of the success of either one man or of even a group of two or three leading spirits, who was the original inventor, who the doer of the deed, the framer of the fact that threatened the world with a new master?

This query was not started for eighteen long years; not until the catastrophe that threatened the House of Hohenzollern with the loss of its noblest son, served to recall to the mind of all Europe what a thorough hero and citizen, what a perfect, undeviating German the crown prince had always been.

The first emperor of United Germany, the agent of the illustrious chancellor's will, had gone to his eternal rest when the German mind began to reflect that only a dying man stood between the late ruler and a boy emperor! But was not that dying man the creator (if creator there had been) of the restored Teutonic state? Did not the revived empire spring

from the races in which Prussia was incarnate? was it not in good earnest the Hohenzollern line, the descendant of the Great Elector that answered for the regeneration? Thence the dispute between the partisans of Bismarck and those of Frederick III. Supposing a creation according to both Heinrich von Sybel and the chroniclers of French vain-gloriousness, who was the creator? The answer of history was, "No one." The German nation—or truer still, the thought of all Germany, for long ages, was the genuine source, it was the very soul of the entire people that from the ancient Germania of the Roman, breathed anew in the remnants of its primeval entity and clamored for its old integrity.

But we must not outstrip chronology; the first record of the events of the war of 1870, and of the mighty changes brought on thereby, is that of Sybel, not altogether wrongly entitled an "historical monument." Professor Sybel's five volumes do, assuredly, constitute a *history founded on documentary evidence*, if ever such a one existed, but for that very reason they are, perhaps, somewhat wanting in actual life. They are fashioned after the methods employed and approved of in bygone days, and present rather the character of a register than a record of deeds done by living men. As far as the testimony of hard, dry acts went, it is probably impeachable; but we then come to the question, Is documentary evidence in such a case sufficient to give *all* that is true? Is not truth, where human impulses and irrationalities are concerned, derived from sources lying higher than the regions sacred to "Blue Books"? Whereas it was to the

certificates vouchsafed by state papers, and instruments of such like order, that Sybel's reliability was chiefly due. Once admit the value of these vouchers (and their corroborative weight none can deny), and it becomes difficult to overrate the importance of Sybel's still unconcluded "*Begründung des Deutschen Reiches.*"

The reader who for the first time takes cognizance of the contents of these formidable volumes, is overwhelmed by the amount of attestations they present him with, by his own inability to refute them, or by counter statements substitute a truer appreciation of what did really occur. The dry narrative of mere fact is thus, but the impression it should produce as of a fact lived through is wanting.

This history of Professor Sybel's is a Prussian one; for which it is obvious that such extraordinary materials would not have been furnished him had it not been tacitly understood that his final verdict must be completely favorable to the Emperor Wilhelm I. and his powerful minister.

In the curious and wide-spreading complications, whence eventually resulted the Franco-German war of 1870, there are two distinct parts: the part before hostilities broke out, and the part after the victory of the Germans might be inevitably foreseen: the first period counts in its *dramatis personæ* all the states and all the statesmen of Europe. From the Crimean War to the cession of Venetia to Italy through France, there is not an event that is not a connecting link in a long serpentine chain. At the moment this may have escaped the eye, but,

once fixed in its one perspective of distance, the chain shows unbroken and all is far less than has been supposed,—occasioned by any arts, manœuvres, or intrigues of the chief actors; the vulgar notions of Prince Bismarck’s incessant wiles, or of Louis Napoleon’s base designs against his neighbors may be discarded as relatively subordinate. The incidents that marked the gigantic game of chess played (not in Europe only) from the overthrow of the Orleans dynasty to the death of Friedrich III. and the fall of Bismarck in the winter of last year were neither the outcome of individual Machiavelianism nor entirely attributable to chance; both were all but in equal degree cause and effect. The actors personally in each case replied to the suggestions of circumstances they had but indirectly helped to bring about.

From 1848-50 to 1889-90, observe the rapid succession of so-called “unexpected” events: The rise to the rule of Democracy in France; the restoration to power of the despotic Bonapartist empire, whence issued the revival of the nationalistic theory, leading on one side to revolution, on the other to conservative resistance and the supremacy of a warlike state like Prussia. We need go no further for the determining cause of the two sovereign influences! Cavour and Bismarck, the two men who predominate our half century, spring from a common necessity, and in reality emerge from the conference of 1856, misnamed the “Crimean Race!”

“I was the egg,” the chancellor was wont to say, “whence my royal master foresaw that unity might perhaps be hatched;” and

on Orsini's scaffold the Piedmontese seer knew full well that the Corsican Carbonaro could not elude the fate lying in wait for him, disguised in the freedom of Italy. You can dissever none of these facts one from the other, and we now approach the "one man principle." The protagonists stand face to face, rather than side by side, but both are equally the unconscious promoters of that antagonism between Germany and France which, in fact, has shaped, and still shapes, the whole policy of Europe.

From this single grand outline, all the minor lines either start, or towards it tend, indirectly, in convergent curves.

From the vast system formed by the monster-questions—United Germany, the Latin races, the East, the future of catholicism and the papacy, the strife of liberty against despotism—from all these parent problems you can detach none of the smaller incidents of the age; you are obliged to take count of the little Danish Campaign, which taught Prussia those deficiencies, impelling her directly to the attainment of her future military omnipotence, and which, under the abortive attempts of the Saxon minister, M. de Beust,\* gave a timid reminder to Germany of what her unity had been and might once again be. Each incident, however local or however remote, formed a feature of the whole; between 1854 and 1870, you cannot ignore the would-be secession of the Southern Confederates, which ended in making "all America" the counterpoise to our older world—neither dare you neglect the Indian meeting whence England issued, clad in moral as in political glory, and gave the noblest

sign of the Christian significance of the Victorian Era; all holds together, men and facts succeed each other in quick alternation; the light that fades on one hand shines with dazzling glare on the other. Cavour dies. Greatest of all, and genuine creator, with his disappearance the equilibrium is endangered. Right ceases to reign, force asserts itself, and Bismarck, ironhanded, invincible, holds sway over a scared, unresisting, one may say a *soulless* world.

This is the turning-point. The one man theory apparently endures; but physically and morally, the vision of disintegration rises, threatening all; and whence the "New Order" is to come, above all morally, none divine.

We reach here the close of the preliminary period. Up to the 4th of September, 1870, and for a few years beyond, State policy is the proper name for whatever occurs; we deal to a large extent with mathematical quantities, with impersonal obstructions. Statesmen and statecraft are in their place, and fill it; individuals, however distinguished, are, as it were, sheathed in collective symbols and represented by principles. Documentary evidence suffices now! Treaties, minutes, diplomatic reports, instruments of all descriptions, are really the requisite agents of this inanimate diplomatic narration. State papers are the adequate expression, the exclusive speech of mere states, and of this speech Heinrich v. Sybel is one of the foremost living masters.

It would be next to impossible to find anywhere a loftier,

clearer, or more minutely correct record of what preceded and caused the war of '70, than in the earlier volumes of Sybel's "History"; for up to the reverses of France, and the substitution of German for French predominance, we are still—in all connected with Germany,—in presence of the Prussia of the past, of the Prussia whose social conditions were fixed by Frederick the Great. Men are simply pawns upon the board; their fate has no influence on others—the fate of kings, queens, and high chivalric orders, is alone of any import to the constituted realm. Nations obey and question not. They are represented by mouldy, defunct formulæ, and as yet no living popular voice, save that of the revolution of 1789, has been raised to ask where was the underlying life of the innominate crowd? But the revolution spoke too loudly, and like the tragedy queen in Hamlet, "protested too much."

In external Europe, and mostly in over-drilled Prussia, the *élite* only spoke, and under strict military surveillance, exercised by privilege of birth, the officer's uniform remained the sign of all title to pre-eminence.

For these reasons this history must be accepted as the perfect chronicle of the occurrences which marked the time before and immediately after the fall of Sédan.

When later the dormant life that was underneath awoke, breathed, and became manifest, Sybel's official tone no longer struck the true note; the heart of peoples had begun to beat, and disturbed its vibrations. Humanity was astir everywhere, and

setting the barriers of etiquette at defiance. Not only were dry registers based on blue books insufficient, but the failure of the vital power that engenders other and further life began to be felt. There was no pulse; the current was stagnant, had no onward flow.

When this moment came, the truth of the narrative ceased. Henceforth, it told of only the things of another age, and told them in the dialect of a bygone tongue. It was the official report of what had taken place in Old Russia written involuntarily under the omnipotent but benumbing inspiration of the spirit of caste.

## II

When the volume of M. Lévy Brühl appeared in September of last year, its name was instantaneously found for it by one of the leaders of historical criticism in France. Ere one week had passed, M. Albert Sorel had christened it "*l' Idée elle Fait*,"<sup>4</sup> and the public of Paris had ratified the title by all but universal acclaim.

In those words M. Sorel proclaimed the concrete sense of the book, and no doubt was left as to what was the meaning of the author who had so freely undertaken to investigate the "developments of the German national conscience."

The pith of the whole lies in Professor Brühl's own expression: "In German unity," he says, "the idea precedes everything else, engenders the fact *l'est l'Unité nationale d'abord; Unité l'etat ensuite*," and nowhere in any historical phenomenon has the idea had a larger part to claim. But here you have at once to get rid of what, in Sybel's narrative, rests on mere documentary evidence! All anachronisms have to be set aside. As against the vigor of Lévy Brühl's living men, the make-believe of the past, with its caste-governed puppets, stares you in the face. After the rout at Sedan, after the startling transmutation of long dormant but still live ideas into overwhelming facts, you realize how entirely the mere Prussian chronicle of events in their official garb deals

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<sup>4</sup> "*Le Temps*," 9th September, 1890.

with what is forever extinct. These dead players have lost their significance; they but simulate humanity from the outside,—are simply “embroidered vestments stuffed like dolls with bran,” or like the moth-eaten uniforms of the great Frederick in the gallery at Potsdam.

When Lévy Brühl, alluding to Stein and his searching reforms after the disasters of later years, says: “*Il voulait une nation vivante*” he wanted a living nation! He unchains the great idea from the bondage where it had lain for centuries, and whence the men of 1813 set it loose; he reinstates the past even to its legendary sources, and evokes memories which were those of heroic ages, and which had still power to inspire the present, and re-create what had once so splendidly lived. This life is in truth the German idea in its utmost truth; it was life and power that these men wanted, the life born in them from their earliest hour and kept sacred through all time by their poetry, their song, their native tongue.

It is all this which is German and not Prussian. The Hohenzollerns have nothing to do with all this idealism,—and it is this which constitutes the peculiar and sovereign spirit of German unity to which the modern philosophy of Frederick II. was so long a stranger, and to which the Iron Chancellor became a hearty convert only at the close; the chivalrous element of the great elector is but a link between what had been the Holy Roman Empire and what is to be the national union after Leipsic and the War of Freedom—culminating in its supreme and inevitable

consequence in 1871. The heroes (and they were heroes) of the distant North were as Brandenburgers, “electors,” component parts, be it not forgotten, of a Teutonic whole, “of one great heart,” (as Bunsen wrote long years ago to Lord Houghton),<sup>5</sup> “though we did not know it.”

Perhaps the greatest superiority of Professor Lévy Brühl lies in the unity of description he employs in order to bring home to the reader the unity of the subject he treats. He sees the whole as a whole, as it really is, all being contained in all, and nothing in past or present omitted. This is the truth of the Germanic oneness of species, and the failure to conceive it of most writers of our day is the chief cause of confusion. It is a vast, coherent vision of things taken in by mind and eye from the *Nibelungen Lied* to the wholesale captivity of the French army, in the autumn of 1870, and when not thus conceived, incomplete. To those who lived in and through the period comprised between the war of the Danish Duchies and the re-conquest of Alsace-Lorraine, no item of even prehistoric times can remain absent; the spirit of German unity is everywhere, pervades everything, and those alone who thoroughly master this are capable of painting it to others' senses.

It is very well to take a Leibniz or Frederick the Great for a starting-point, but it all goes immeasurably farther back than that. Luther and his Bible open one large historic gate. The Bible heads all! In 1813, writes General Clausewitz to the so-called

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<sup>5</sup> Life of Monckton Milnes, first Lord Houghton, by Wemyss Reid. 2 vols. London, 1891.

Great Gascon, the prime impetus was a religious one, and his own words are: "If I could only hang a Bible to the equipments of my troopers I could do with them all that Cromwell did with his Ironsides!" Two centuries before, this had been the feeling of Gustavus Adolphus, who fought for Protestant Germany with his Bible at his saddle-bow.

Luther is the one predominant Teuton of the centuries, after the close of the middle ages, and though he ceases to be present in the flesh in 1516, he never dies. The inspiration of the German soul endures and lives in every variety of art or expression. Luther is perpetuated in Handel, and technically, even his "*Feste Burg*" is the first note of the "*Inspirate*" in "*I Know That My Redeemer Liveth!*"

It is only the most inattentive of historical students who can afford to ignore this. No modern æsthetician from the Rhine to the Spree affects to dispute the succession of Teutonic thought, in its various forms of passion, from Beethoven to Goethe, from Schiller, Jean Paul, or Weber, or Ravner, or Kleist, or Immermann, down to the latest high priest of the pre-historic cult—down to Richard Wagner himself! It was precisely this that the Emperor Frederick knew as crown prince, and that the chancellor had to learn. With the crown prince all was present. The farthest past was with him; the leaves of the *uralte* forests had whispered their dream lore in his ears as in those of the *Siegfried* of the Niebelungen; he had seen Otto von Wittelsbach

strike dead his very Kaiser for breach of faith<sup>6</sup> and stood by at the Donnersberg, when mighty Rudolph's son slew Adolf of Napan for his base attempt at usurpation. He knew it all, legend or chronicle; no secret was hidden from him, and the national pulse beat in him with fiery throb from the first hour when the national conscience had been touched. The chancellor was chilled by his own statecraft, and the king, as he then was, had witnessed the Napoleonic wars.

Between the crown prince and Bismarck, however, there existed one point of contact. Each was a *Deutsche Student*, and there, later on, was to be found the true conversion of the chancellor to national ideas.

As in every genuine lover of his country (and that Prince Bismarck is), there lay latent in the famous "White Cuirassier" the same ideal capacity of warlike action and intellectuality that so distinguished Frederick II. No one understood better the complex son of Carlyle's roystering barrack hero, no one knew in reality more deeply that the ideas planted by him in men's minds were those of the majesty of intelligence, of the royalty of humanity's brain power.

Count Bismarck proved his political foresight by the rapidity with which he seized on the Schleswig-Holstein question as being the axis on which turned the entire evolution (if ever it

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<sup>6</sup> The heroic founder of the Bavarian monarchy, Otho of Wittelsbach, was betrayed shamefully by his friend, the Emperor Philip, of Suabia, and slew him for his treachery. This is one of the oldest dramas on the German stage.

should be possible!) of the imperial German unity. About that he hesitated not one moment. He adopted the whole theory of Dahlmann, who alone spoke it out in words in 1848-9, but he feared to plunge at one leap into the vortex of his own threatening conclusions and tried for several years to stave off the "pay day." He was somewhat slower to recognize the identity of feeling through all the Germanic races, to realize the equally strong vibration, the psychologic harmony quivering through heart and soul from North to South, through the mysteriously hidden dramas of fifteen hundred years. He believed himself a narrow Particularist Borussian, a "Pomeranian Giant," and let a score of years go by before clearly making out by touch that the strange change of tonality, of sound, and significance that superposed the patriotism of the South to that of the North was a mere inharmonic change, and that according to the rotation of the two circles, each, in reality, underlay the other in turn.

It would be a fatal mistake to imagine that M. von Bismarck allowed himself to be led into the Danish campaign. He did nothing to bring it about, but the instant it showed itself on the cards he took advantage of it in the most predetermined, authoritative way, leaving his Austrian accomplice and victim no possibility of escape. From the hour when, in 1853, he boarded Count Richberg on the Carlsbad Railroad, and forced his enemy of the *Francfort Bund* to become his humble servant and carry out all his designs, to the hour when, in 1865, he drove Franz Joseph to sign the Condominium on what he knew

was a mere waste paper, he was resolved to turn to account the extraordinary opportunity offered him by the incredible blindness and insensate terror of revolution of his allies. In the Austrians, the dread of what the smaller States, encouraged by Hungary, might attempt, paralyzed every other consideration, and besides that, the abortive little plans of Count Beust, in Saxony, served to point out to him what other Germans were, in a purely German sense, thinking of, and he decided that the grand historic game thrust upon his perceptions and waited for by all around him, should be played by himself alone. Then he played it, not before seeing at once what it must entail, but by no means assured that he could win.

And then, they who watched him nearest and knew him best, know how he played that game, mindful of every event that filled the long history of the past, living over again all the struggles, all the glories and defeats of all the European nations far or near, finding examples both to imitate or avoid, losing sight of nothing, from Gregory VII. to Gutenberg, from papal obscurantism to the Reformation's blaze of light; from Wallenstein's murder to the treaty of Utrecht; from Richelieu to the scaffold of Louis XVI., and while calculating every catastrophe, keeping steadily on his way.

This, the fearful period between the Crimean War, when first Cavour stepped forth to the incident of Ems, when the die was cast, this was the really magnificent passage in the great chancellor's career, for this was the time of possible doubt

when responsibility lay so heavy that to elude it might be called prudence, and which to have survived is already a proof of superiority over common humanity.

And here we assert the true grandeur of the precursor,—of the one whom we have called the inventor, and who undeniably was so—of Cavour! There can be no question that his own intimate familiarity with the details of the Bond of Virtue and the War of Freedom<sup>7</sup> of the glorious epoch when modern Germany headed and achieved the victorious movement against the world's debasement,—brought distinctly to Bismarck's mental vision the splendor of Cavour's impossibly unequal contest for Italian freedom! The situations were essentially much alike, but so much grander for the Italian statesman, Italy's odds being so immeasurably longer! But still the likeness came out, and the future chancellor could in no way aspire to be an initiator. The end was still a gigantic one, and one to which no true, brave patriot dared be false as an ideal,—but how as to the execution? As to the practical means of carrying out conceptions that might daily be doomed to alteration?

There it was again that the figure of Cavour arose supreme; his long, inexhaustible patience, his undying hopes, his sacrifices day by day of the very springs of life for a self-imposed duty,—these were his titles to immortal fame, these constituted his sovereign right to success. But was not the worst probation over when Waterloo was won, and was it not an accepted theory that the

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<sup>7</sup> The celebrated victory of the Great Elector, that made Prussia into a kingdom.

Vienna Congress had settled all the vexed questions of ancient Europe? Any further movement, therefore, might seem merely a disturbance. This, for conservative statesmen above all, was a dilemma.

Germany had liberated not Germany only, but the world in 1813, and had already had her Cavour!

There was no denying it: the Cavour of Germany was Stein. But was the work done? Had the Congress of Vienna settled anything, for was that still left to do without which the independence and well-being of forty millions of Germans was unguaranteed, and the peace of all Europe uninsured? If so, what remained to be achieved? to complete what the German Cavour, the Precursor Stein, had begun, to embody and make real the glorious dreams of which Queen Louise had been the symbol, the Joan of Arc?<sup>8</sup>

That, indeed, brought the Hohenzollerns on the scene, and lent to prosaic history its legend, giving to Frederick's "big battalions" the white-robed heroine who should lead them on.

Whether, through the long years of indecision, during which disorder and revolution seemed the danger to be averted, the future "Chancellor of Iron" matured his plans after the manner of Newton, by "forever thinking of them" is still a question to be adequately answered by himself alone. This much is certain that

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<sup>8</sup> I would recommend every student of history to read attentively the extraordinary article of M. Paleologue in the *Revue des Deux Mondes* entitled "*La Reine Louise de Prusse Comment se Fait une Legende.*" It is a poetic but true suite to Professor Lévy Brühl's magnificent study.

when, in 1863-64, the subject of the Duchies cast its shadow on the path, it revealed its importance to Bismarck, as it had done fourteen years previously to Dahlmann, and stood forth distinctly as the initial syllable of the one mystical word, *Unity*.

*Schleswig-Holstein* was, as a matter of fact, and by all its several complications, the German question; it was its sign and portent, and if action of some sort were not taken thereupon, the door set ajar was closed upon the future, for a generation at least. Palmerston's declaration, than which no unwiser one was ever made, touching the insanity of the man who should seek to understand the enigma of the Danish Duchies, was adopted in England solely from the dense and inconceivable ignorance of the British mind on all German topics, and the equally inexplicable but inborn dislike of all British politicians to grapple with any serious study of them.

It was the problem to which no German of the North could show indifference; and it was the one subject which brought Prussia to the fore, and put her reigning house in the van, forcing the Hohenzollerns into predominance. This was a crucial point, and wondrous to record! the will of Bismarck on that exceedingly curious detail brought the Hapsburgs together with the Hohenzollerns; Frederick with Marie-Therèse, Wallenstein's camp with Rebels, in an unescapable atmosphere of rank Germanism!

But here again the first step of the forthcoming ruler was taken in obedience to an irresistible, though, perhaps, unavowed,

national suggestion. The sense of *all* that the past had given to German history, to the power of German thought, formed a part of Bismarck's very nature, and spite of the timidity of his experienced statecraft, he could not disobey the promptings of the German conscience.

When the quick-witted French public applied to Professor Lévy Brühl's work the title of "The idea whence comes the fact," they awarded it its permanent signification; it is the development of the German conscience that causes the imperial unity of Germany, and no one is more thoroughly aware of that than the famous chancellor.

We feel with whomsoever was a witness of the crowning struggle, that nothing can even paint its gigantic character more aptly than the concluding phrase of the now famous French historian:—

... "Thus was formed the virtual German nation,—the nation that willed to be, and for long years could not be because reality refused to bear out practically all its ideals. It was in truth, *l'ame qui cherche un corps!*"

These words can never be improved upon. The chancellor knows their truth, as the *Kronprinz* knew it, but the years lying between them threw a certainty of glory into one which the other could not attain to,—and Bismarck, too, was a man of old Prussia, of her ancient traditions and formalities, while the crown prince was modern amongst moderns—a soldier, yes! but pre-eminently a man, a citizen; but though each felt his conviction

differently, its strength was one and the same in both.

The unity of Germany was the creation of no individual. German unity and the imperial unity sprang from the whole past of German history and German thought. The State existing now is the outcome of Germany's own self, of the idea, of the soul of Germany.

# **“SHOULD THE NATION OWN THE RAILWAYS?”<sup>9</sup>**

**BY C. WOOD DAVIS**

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<sup>9</sup> The first part of this admirable essay appeared in July Arena.

## **PART II.—The Advantages of National Ownership**

First would be the stability and practical uniformity of rates now impossible, as they are subject to change by hundreds of officials, and are often made for the purpose of enriching such officials. State and federal laws have had the effect of making discriminations less public and less numerous, but it is doubtful if they are less effective in enriching officials and their partners, although it may be necessary to be more careful in covering tracks. That they are continued is within the cognizance of every well-informed shipper, and are made clear by such cases as that of Counselman and Peasley, now before the United States Supreme Court. Counselman and Peasley—one a large shipper and the other a prominent railway official—refused to testify before a United States grand jury upon the plea that to do so might criminate themselves; the federal law making it a criminal offence to make or benefit by discriminating rates. Counselman had been given rates on corn, some five cents less per hundred pounds than others, from Kansas and Nebraska points to Chicago.

The outrageous character of this discrimination will appear when we reflect that five cents per one hundred pounds is an enormous profit on corn that the grower has sold at from eighteen to twenty-two cents per one hundred pounds, and that such a

margin would tend to drive every one but the railway officials and their secret partners out of the trade, as has practically been the case on many western roads. Doubtless such rates are sometimes made in order to take the commodity over a certain line, and there is no divide with the officials; but the effect upon the competitors of the favored shipper and the public is none the less injurious, and such practices would not obtain under national ownership, when railway users would be treated with honesty and impartiality, which the experience of half a century shows to be impossible with corporate ownership.

Referring to the rate question in their last report, the Interstate Commerce Commission says: "If we go no farther than the railroad managers themselves for information, we shall not find that it is claimed that railroad service, as a whole, is conducted without unjust discriminations."

"If rates are secretly cut, or if rebates are given to large shippers, the fact of itself shows the rates which are charged to the general public are unreasonable, for they are necessarily made higher than they ought to be in order to provide for the cut or to pay the rebate."

"If the carrier habitually carries a great number of people free, its regular rates are made the higher to cover the cost; if heavy commissions are paid for obtaining business, the rates are made the higher that the net revenues may not suffer in consequence; if scalpers are directly or indirectly supported by the railroad companies, the general public refunds to the companies what the

support costs.”

The Commission quotes a Chicago railway manager as saying: “Rates are absolutely demoralized and neither shippers, passengers, railways, or the public in general make anything by this state of affairs. Take passenger rates for instance; they are very low; but who benefits by the reduction? No one but the scalpers.... In freight matters the case is just the same. Certain shippers are allowed heavy rebates, while others are made to pay full rates.... The management is dishonest on all sides, and there is not a road in the country that can be accused of living up to the interstate law. Of course when some poor devil comes along and wants a pass to save him from starvation, he has several clauses of the interstate act read to him; but when a rich shipper wants a pass, why he gets it at once.”

From years of ineffectual efforts on the part of State and national legislatures and commissions to regulate the rate business, it would appear that the only remedy is national ownership, which would place the rate-making power in one body with no inducement to act otherwise than fairly and impartially, and this would simplify the whole business and relegate an army of traffic managers, general freight agents, soliciting agents, brokers, scalpers, and hordes of traffic association officials to more useful callings while relieving the honest user of the railway of intolerable burthens.

Under corporate control, railways and their officials have taken possession of the majority of the mines which furnish the

fuel so necessary to domestic and industrial life, and there are but few coalfields where they do not fix the price at which so essential an article shall be sold, and the whole nation is thus forced to pay undue tribute.

Controlling rates and the distribution of cars, railway officials have driven nearly all the mine owners who have not railways or railway officials for partners, to the wall. For instance, in Eastern Kansas, on the line of the St. Louis & San Francisco Railway Company, were two coal companies, whose plants were of about equal capacity, and several individual shippers. The railway company and its officials became interested in one of the coal companies, and such company was, by the rebate and other processes, given rates which averaged but forty per cent. of the rates charged other shippers, the result being that all the other shippers were driven out of the business, a part of them being hopelessly ruined before giving up the struggle. In addition to gross discriminations in rates this railway company practised worse discriminations in the distribution of cars; for instance, during one period of five hundred and sixty-four days, as was proven in court, they delivered to the Pittsburg Coal Company, 2,371 empty cars to be loaded with coal, although such company had sale for, and capacity to produce and load, during the same period, more than 15,000 cars. During the same time this railway company delivered to the Rogers Coal Company, in which the railway company and C. W. Rogers, its vice-president and general manager, were interested, no less than

15,483 coal cars, while four hundred and fifty-six were delivered to individual shippers. In other words, the coal company owned in large part by the railway and its officials was given eighty-two per cent. of all the facilities to get coal to market, although the other shippers had much greater combined capacity than had the Rogers Coal Company.

During the last four months of the period named, and when the Pittsburg Coal Company had the plant, force, and capacity to load thirty cars per day, they received an average of one and a fourth cars per day, resulting, as was intended, in the utter ruin of a prosperous business and the involuntary sale of the property, while the railway coal company, the railway officials, and the accommodating friends who operated the Rogers Coal Company, made vast sums of money; and when all other shippers had thus been driven off the line the price of coal was advanced to the consumer.

On another railway, traversing the same coal-field, the railway or its officials became interested in the Keith & Perry Coal Company—the largest coal company doing business on the line—and here the plan seems to have been, in addition to the manipulation of rates, to starve other mine operators out, and force them to sell their coal to the Keith & Perry Company, by failing to furnish the needed cars to those who did not sell their coal to the Keith & Perry Company at a very low price.

When the Keith & Perry Company had a great demand for coal, such parties as sold the product of their mines to that

company were furnished with cars, but for the other operators cars were not to be had, such cars as were brought to the field being assigned to such parties as were loading to the Keith & Perry Company, because that company furnished the coal consumed by the locomotives of the railway.

One operator, after being for years forced in this way to sell his product to the Keith & Perry Company, or see his several plants stand idle, has, in recent months, been obliged to build some seven miles of railway in order to reach four different roads, and thus have a fighting chance for cars, although all these railways are provided with coal mines owned by the corporations or their officials.

In Arkansas, Jay Gould, or his railway company, own coal mines and the coal is transported to the neighboring town at low rates, and there is an ample supply of cars for such mines; but the owners of an adjoining mine are forced to haul their coal some eighteen miles to the same town in wagons, as the rates charged them over Mr. Gould's railway are so high as to absorb the value of the coal at destination.

Not only are individuals thus oppressed, but for reasons which only the initiated can fathom there are seemingly purposeless discriminations against localities, as shown in the following extract from the *Coal Trade Journal* of March 25, 1891.

“Capt. Thomas H. Bates, before the railroad committee of the Colorado Senate, said: The Grand River Coal & Coke Company mine their coal in Garfield County, about

fifty miles west of Leadville, and all they sell in Denver, Colorado Springs, and Pueblo, has to be hauled through Leadville. At Leadville the individual consumer has to pay \$7.00 per ton for this coal, while in Denver, with an additional haul of 150 miles, the coal from the same mines is delivered to the individual consumer for \$5.50 per ton. The Colorado Coal & Iron Company produce all the anthracite coal sold in Colorado. It is mined at Crested Butte, which is 150 miles nearer Leadville than Denver, yet this coal is sold in Leadville for \$9.00 to the individual consumer, while the same coal is hauled 150 miles farther, and sold to the individual consumer for an advance of twenty-five cents per ton over the Leadville price, and is sold in Denver for \$7.10 per ton in carload lots.”

With the government operating the railways, discriminations would cease, as would individual and local oppression; and we may be sure that an instant and absolute divorce would be decreed between railways and their officials on one side, and commercial enterprises of every name and kind on the other.

There are but three countries of any importance where the railways are operated by corporations permitted to fix rates, as in all others the government is the ultimate rate-making power: these are Great Britain, Canada, and the United States; and while the British government exercises a more effective control than we do, there are many and oppressive discriminations, and complaints are loud and frequent, and English farmers find it necessary to unite for the purpose of securing protection from

corporate oppression, as is shown by the following from the *Liverpool Courier* of January 29, 1891.

## **LANCASHIRE FARMERS AND RAILWAY RATES**

After the counsel given them yesterday by Mr. A. B. Forwood, of Ormskirk, it may be expected that the Liverpool District Farmers' Club will be on the watch for tangible evidence of their grievances against the railway companies.... Under certain circumstances competition operates to the advantage of the public, and rival carriers are constrained to convey goods from place to place at moderate charges; but where a company is not held in check, the tendency is for rates to advance. In many cases, too, special interests of the companies are promoted at the expense of localities, and even individuals are subjected to the wrong of preferential charges. (There are no complaints in Britain that these discriminations are practised for the purpose of enriching the officials.) Hence the necessity for the Railway Commission to regulate the magnates of the iron road, who when left without restraint pay little regard to interests other than those of their shareholders.

Although Mr. Acworth fails to mention this phase of English railway administration, it would appear that the evils of discrimination are common under corporate management in Great Britain, and that they are inherent to and inseparable

from such management; and that the questions of rates, discriminations, and free traffic in fuel can be satisfactorily adjusted only by national ownership, and if for no other reasons such ownership is greatly to be desired.

The failure to furnish equipment to do the business of the tributary country promptly is one of the greater evils of corporate administration, enabling officials to practise most injurious and oppressive forms of discrimination, and is one that neither federal nor State commission pays much attention to. With national ownership a sufficiency of cars would be provided. On many roads the funds that should have been devoted to furnishing the needed equipment, and which the corporations contracted to provide when they accepted their charters, have been divided as construction profits or, as in the case of the Santa Fe, Union Pacific, and many others, diverted to the payment of unearned dividends, while the public suffers from this failure to comply with charter obligations; yet Mr. Dillon informs us that the citizen commits an impertinence when he inquires why contract obligations, which are the express consideration for the exceptional powers granted, are not performed.

Another great advantage which would result from national ownership would be such an adjustment of rates that traffic would take the natural short route, and not, as under corporate management, be sent around by the way of Robin Hood's barn, when it might reach destination by a route but two thirds as long, and thus saving the unnecessary tax to which the industries of the

country are subjected. That traffic can be sent by these round-about routes at the same or less rates than is charged by the shorter ones is *prima facie* evidence that rates are too high. If it costs a given sum to transport a specific amount of merchandise a thousand miles, it is clear that it will cost a greater sum to transport it fifteen hundred; and yet traffic is daily diverted from the thousand mile route to the fifteen hundred one, and carried at the same or lower rates than is charged by the shorter line. It is evident, that if the long route can afford to do the business for the rates charged, that the rates charged by the shorter are excessive in a high degree.

Under government management, traffic would take the direct route, as mail matter now does, and the industries of the country be relieved of the onerous tax imposed by needless hauls. Only those somewhat familiar with the extent of the diversions from direct routes can form any conception of the aggregate saving that would be effected by such change as would result from national ownership, and which may safely be estimated as equal to two and a half per cent. of the entire cost of the railway service, or \$25,000,000 per annum.

With the government operating the railways there would be a great reduction in the number of men employed in towns entered by more than one line. For instance, take a town where there are three or more railways, and we find three (or more) full-fledged staffs, three (or more) expensive up-town freight and ticket offices, three (or more) separate sets of all kinds of

officials and employees, and three (or more) separate depots and yards to be maintained. Under government control these staffs—except in very large cities—would be reduced to one, and all trains would run into one centrally located depot; freight and passengers be transferred without present cost, annoyance, and friction, and public convenience and comfort subserved, and added to in manner and degree almost inconceivable.

Economies which would be affected by such staff reductions, would more than offset any additions to the force likely to be made at the instance of politicians, thus eliminating that objection; such saving may be estimated at \$20,000,000 per annum.

With the nation owning the railways the great number of expensive attorneys now employed, with all the attendant corruption of the fountains of justice, could be dispensed with; and there would be no corporations to take from the bench the best legal minds, by offering three or four times the federal salary; nor would there be occasion for a justice of the Supreme Court of Kansas to render a decision that a corporation chartered by Kansas for the sole purpose of building a railway in that State has the right and power under such charter to guarantee the bonds of corporations building railways in Old or New Mexico, and shortly after writing such decision be carted all over the seaboard States in one of the luxurious private cars of such corporation. Under national ownership such judges would pay their travelling expenses in some other way, and be transported

in the ordinary manner, and not half as many judges would travel on passes. There are many judges whose decisions any number of passes would not affect; but if passes are not to have any effect upon legislation and litigation, why are congressmen, legislators, judges, and other court officials singled out for this kind of martyrdom? If the men who attain these positions remained private citizens, would passes be thrust upon them?

Although the reports of the Victorian Commissioners show, in detail, all the expenditures of railway administration, yet not one dollar is set down for attorneys' salaries or for legal expenses, and it is presumed that the ordinary law officers of the government attend to the little legal business arising, and yet judging from reports made by Kansas roads, the expenditures of the corporate owned railways of the United States for attorneys' salaries and other legal expenses, are at least two per cent. of the entire cost of operating the roads, and yearly aggregate some \$14,000,000, all of which is taken directly from railway users, and is a tax which would be saved under national ownership, as United States district attorneys could attend to such legal business as might arise. This expenditure is incurred in endless controversies between the corporations, in wrecking railways, in plundering the shareholders, in contending against State and federal regulation, in manipulating elections and legislation, and in wearing out such citizens as seek legal redress for some of the many outrageous acts of oppression practised by the corporations. Once the government was in control, these lawyers

would be relegated to some employment where they would do less harm, even if not engaged in a more honorable vocation than that of trying to defeat justice by the use of such questionable means as the control of the vast revenues of the corporations place in their hands.

Is it possible that the railway companies can legitimately use anything like \$14,000,000 yearly in protecting their rights in the courts?

The president of the Union Pacific tells us that: "The courts are open to redress all real grievances of the citizen."

There is probably no man in the United States better aware than is Sidney Dillon that no citizen, unless he has as much wealth as the president of the Union Pacific, can successfully contest a case of any importance in the courts with one of these corporations which make a business, as a warning to other possible plaintiffs, of wearing out the unfortunate plaintiff with the law's costly delays; and failing this do not hesitate to spirit away the plaintiff's witnesses, and to pack and buy juries—retaining a special class of attorneys for this work—the command of great corporate revenues enabling them to accomplish their ends, and to utterly ruin nearly every man having the hardihood to seek Mr. Dillon's lauded legal redress, and when they have accomplished such nefarious object, the entire cost is charged back to the public, and collected in the form of tolls upon traffic. Laws are utterly powerless to restrain the corporations, and Mr. Dillon tells us how easy it is to evade them

by pleading compliance, when there has been no compliance, and then having the expert servants of the corporation swear there has been.

With the government operating the railways, every citizen riding would pay fare adding immensely to the revenues. Few have any conception of the proportion who travel free, and half a century's experience renders it doubtful if the pass evil—so much greater than ever was the franking privilege—can be eliminated otherwise than by national ownership. From the experience of the writer, as an auditor of railway accounts, and as an executive officer issuing passes, he is able to say that fully ten per cent. travel free, the result being that the great mass of railway users are yearly mulcted some \$30,000,000 for the benefit of the favored minority; hence it is evident that if all were required to pay for railway services, as they are for mail services, the rates might be reduced ten per cent. or more, and the corporate revenues be no less, and the operating expenses no more. In no other country—unless it be under the same system in Canada—are nine tenths of the people taxed to pay the travelling expenses of the other tenth. By what right do the corporations tax the public that members of Congress, legislators, judges, and other court officials and their families may ride free? Why is it that when a legislature is in session passes are as plentiful as leaves in the forest in autumn?

The writer, as an executive officer of a railway company having authority to issue passes, has, during a session of the legislature, signed vast numbers of blank passes at the request

of the legislative agents of such company, and under instructions of the president of the corporation to furnish such lobby agents with all the passes they should ask for. No reports of passes issued are made either to State or federal governments, or to confiding shareholders, and should such reports be asked for, by State or nation, in order to measure the extent of this evil, the Sidney Dillons would rush into print and tell us it was a piece of impertinence for any citizen (or the public) to inquire into the extent of or the manner in which the corporations dispensed their favors. The only way to kill this monster is to put the instruments of transportation under such control as only national ownership can give. Laws and agreements between the corporations have been proven, time and again, wholly ineffective even to lessen this great and corrupting evil.

In every conceivable way are the net revenues of the corporations depleted, and needless burthens imposed upon the public, but one of the worst is the system of paying commissions for the diversion of traffic to particular lines, often the least direct. The more common practice is to pay such commissions to agents of connecting lines where it is possible to send the traffic over any one of two or more routes, and the one which may, by the payment of such commission, secure the carrying of the passenger (or merchandise) may be the least desirable, and the one which would never have been taken but for the prevarications of an agent bribed by a commission to make false representations as to the desirableness of the route he selects for the confiding

passenger.

This is but one of many phases of the commission evil, another being that these sums are ultimately paid, not by the corporations, but by the users of the railways, and but for the payment of such commissions the rates might be reduced in like amounts. Aside from commissions paid for diverting passenger traffic great sums are paid for “influencing” and “routing” freight traffic, and these sums, while paid to outsiders, or so-called brokers, are frequently divided with railway officials. When the writer was in charge of the transportation accounts of a railway running east from Chicago, it was a part of his duties to certify to the correctness of the vouchers on which commission payments were made, and he became aware of the fact that one Chicago brokerage firm was being paid a commission of from three to five cents per hundred pounds on nearly all the flour, grain, packing house, and distillery products being shipped out of Chicago over this railway, no matter where such shipments might originate, many of them, in fact, originating on and far west of the Mississippi River; and when he objected to certifying to shipments with which it was clear that the Chicago parties could have had nothing to do, he was told, by the manager, that his duties ended when he had ascertained and certified that such shipments had been made from Chicago station. From investigations instituted by the writer, he soon learned that some one connected with the management was deeply interested in the payment of the largest sums possible as commissions.

The corporations have ineffectually wrestled with the commission evil, and any number of agreements have been entered into to do away with it; but it is so thoroughly entrenched, and so many officials have an interest in its perpetuation, that they are utterly powerless in the presence of a system which imposes great and needless burthens upon their patrons, but which will die the day the government takes possession of the railways, as then there will be no corporations ready to pay for the diversion of traffic. National ownership alone can dispose of an administrative evil that, from such data as is obtainable, appears to cost the public from \$20,000,000 to \$25,000,000 per annum.

<sup>10</sup>Mr. Meany, in his *Sun* article, summarizes six causes for the diminution of railway dividends and remarks: "It is unnecessary to dwell at any great length upon the first five mentioned reasons, but too much could not be said on the sixth. It is now nearly seven years since James McHenry of London (and New York, Pennsylvania & Ohio Railway litigation fame) openly charged railway managers, in an interview published in the *Sun*, with criminal collusion in the matter of securing extraordinary privileges and unapproachable contracts with their several corporations for favored fast freight lines, express routes, bridge companies, etc., etc., in all the benefits of which such managers shared to a very great extent. On that occasion Mr. McHenry was promptly cried down. Would he be cried down to-

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<sup>10</sup> Mr. John P. Meany, editor of Poor's Manual of Railroads, in the New York *Sun* of January 12, 1891.

day?”

As a rule, American railways pay the highest salaries in the world for those engaged in directing business operations, but such salaries are not paid because transcendent talents are necessary to conduct the ordinary operations of railway administration, but for the purpose of checkmating the chicanery of corporate competitors. In other words, these exceptionally high salaries are paid for the purpose, and because their recipients are believed to have the ability to hold up their end in unscrupulous corporate warfare where, as one railway president expressed it, “the greatest liar comes out ahead.” With the government operating the railways, there would be no conflicting interests necessitating the employment of such costly officials whose great diplomatic talents might well be dispensed with, while the running of trains, and the conduct of the real work of operating the roads, could be left to the same officials as at moderate salaries now perform such duties, and consolidation of all the conflicting interests in the hands of the government will enable the public to dispense with the services of the high priced managers now almost exclusively engaged in “keeping even with the other fellow,” as well as with the costly staffs assisting such managers in keeping even, and the savings resulting may be estimated at from \$4,000,000 to \$5,000,000 per year.

Government control will enable railway users to dispense with the services of such high priced umpires as Mr. Aldace F. Walker, as well as of all the other officials of sixty-eight traffic

associations, fruitlessly laboring to prevent each of five hundred corporations from getting the start of its fellows, and trying to prevent each of the five hundred from absorbing an undue share of the traffic. It appears that each of these costly peace-making attachments has an average of seven corporations to watch.

Referring to traffic associations, and their vain endeavors to keep the corporations within sight of commercial ethics, the Interstate Commerce Commission says: "But the most important provisions of the law have not so often been directly violated as they have been nullified through devices, carefully framed with legal assistance,—here is one of the places where the high-priced lawyer gets in his work—with a view to this very end, and in the belief that when brought to legal test the device hit upon would not be held by the courts to be so distinctly opposed to the terms of the law as to be criminally punishable." In this connection, it is well to remember what Mr. Dillon tells us of the ease with which the laws can be evaded.

With national ownership the expenditures involved in the maintenance of traffic associations would be saved, and railway users relieved of a tax that, judging from the reports of a limited number of corporations of their contributions towards the support of such organizations, must annually amount to between four and five million dollars.

Of the six hundred corporations operating railways, probably five hundred maintain costly general offices, where president, treasurer, and secretary pass the time surrounded by an expensive

staff. The majority of such offices are off the lines of the respective corporations, in the larger cities, where high rents are paid, and great expenses entailed, that proper attention may be given to the bolstering or depressing the price of the corporation's shares, as the management may be long or short of the market. So far as the utility of the railways is concerned as instruments of anything but speculation, such offices and officers might as well be located in the moon, and their cost saved to the public. The average yearly cost of such offices (and officers) is more than \$50,000, and the transfer of the railways to the nation would, in this matter alone, effect an annual saving of more than \$25,000,000, as both offices and officials could be dispensed with, and the service be no less efficient.

Moreover, with the nation owning the railways, the indirect but no less onerous tax levied upon the industries of the country, by the thousands of speculators who make day hideous on the stock exchanges, would be abrogated, as then there would be neither railway share nor bond for these harpies to make shuttlecocks of, and this would be another economy due to such ownership.

Railways spend enormous sums in advertising, the most of which national ownership would save, as it would be no more necessary to advertise the advantages of any particular line than it is to advertise the advantages of any given mail route. From reports made by railway corporations to some of the Western States, it appears that something over one per cent. of operating

expenses are absorbed in advertising, aggregating something like \$7,000,000 per year, of which we may assume that but \$5,000,000 would be saved, as it would still be desirable to advertise train departures and arrivals.

A still greater expense is involved in the maintenance of freight and passenger offices off the respective lines, for the purpose of securing a portion of the competitive traffic. In this way vast sums are expended in the payment of rents, and the salaries of hordes of agents, solicitors, clerks, etc., etc. Taking the known expenditures, for this purpose, of a given mileage, it is estimated that the aggregate is not less than \$15,000,000 yearly, all of which is a tax upon the public, that would be saved did the government operate the railways.

Under government control, discriminations against localities would cease, whereas now localities are discriminated against because managers are interested in real estate elsewhere, or are interested in diverting traffic in certain directions; again, under corporate management, it is for the interest of the company to haul a commodity as far as possible over its own lines (with the government owning all the lines this motive will lose its force), and thus traffic is forced into unnatural channels. For instance: much of the grain from Kansas should find its way to foreign markets via the short route to the Gulf, the distance to tide water by this route being less than half what it is to the Atlantic, yet so opposed to this natural route are the interests of the majority of the corporations controlling the traffic associations, which now

dictate to the people what routes their traffic shall take, that the rates to the Gulf are kept so high as to force the traffic to the Lakes and to the Atlantic; and as all the railways leading to the Gulf have lines running eastward, the much lauded corporate competition fails to help out the citizens of Kansas, who are subjected to the domination of the new tyrant denominated a "traffic association." With the nation operating the railways, all this would be changed, and localities favorably located would be able to reap the benefits which such location should give, and should such a condition ever obtain, the farmers of western Iowa will not then ship corn to the drouth-stricken portion of Kansas for fifteen cents per one hundred pounds, while the Kansas corn grower, living within seventy-five miles of the same market, is charged ten cents per one hundred pounds for a haul one eighth as long. By such rates the railways force the hauling of corn from Iowa to western Kansas, and then force the corn grower of central Kansas to send his corn eastward, the result being two long hauls, where one short one would suffice; but then the corporations would have absorbed less of the substance of the people.

Another, and an incalculable benefit, which would result from national ownership, would be the relief of State and national legislation from the pressure and corrupting practices of railway corporations which constitute one of the greatest dangers to which Republican institutions can be subjected. This alone renders the nationalization of the railways most desirable, and at the same time such nationalization would have the effect of

emancipating a large part of the press from a galling thralldom to the corporations.

With the nation operating the railways, we may have some hope that rates will be reduced by some system resembling the Hungarian zone which has had the effect of diminishing local passenger rates about forty per cent., resulting in such an increase of traffic as to greatly increase the revenues of the roads; the average of rates by ordinary third-class trains being about three fourths of a cent per mile, and one and a half cents per mile for first-class express trains.

In Victoria, the parcel or express business is done by the government railways, and the rates are not one half what they are with us when farmed out to a second lot of corporations. Space does not permit the discussion or even the statement of the many salutary phases of government control, as developed in the various countries of Europe, and it is not necessary, as there are abundant reasons to be found in conditions existing at home, for making the proposed change. By far the most menacing feature of continued corporate ownership is the power over the money markets which it places in the hands of unscrupulous men, any half dozen of whom can, at such a time as that following the failure of the Barings, destroy the welfare of millions, and plunge the country into all the horrors of a money panic. Whether it be true or not, there are many who believe that a small coterie, who had information before the public of the condition of Baring Brothers and that a block of many millions of American railway

securities held by that house were being (or soon would be) pressed upon the market, entered into a conspiracy for the purpose of locking up money and thereby depressing prices in order to secure, at low cost, the control of certain coveted railways. The railways were secured, and there is not much doubt that they had been lying in wait for such a critical condition of the money markets to accomplish this purpose, which still further enhances their power for evil. With the railways nationalized, not only would there be no temptation for such nefarious operations, but the power of such men over values would be greatly lessened, if not wholly destroyed, as there would be no railway shares for them to play fast and loose with, and as money, instead of being tied up in loans on chromos representing little but water, would seek investment in bona fide enterprises, their operations would have little influence, and would certainly have no such baleful power over the industries of the country, as their ability to affect the value of railway shares—on which such immense sums are now loaned on call—gives them, they being able by locking up a few millions when the money market is in the condition, which obtained at the time of the Baring collapse, to force the calling of loans and the slaughtering of vast numbers of the shares, carrying the control of the railways they covet. If only for the purpose of divesting “The dangerous wealthy classes” of this frightful power, national ownership would be worth many times its cost, and without such ownership a score of manipulators are soon likely to be complete masters of the republic and all its

industrial interests; hence, the question reverts to the form stated in the opening of this paper: Shall the nation accept as a master a political party that may be dislodged by the use of the ballot, or shall the republic be dominated by a master in the form of a score of unscrupulous Goulds, Vanderbilts, and Huntingtons, who cannot be dislodged, and who never die?

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