

prejudice; but the rising storm— I dunno, that is ridin' more than three horses. Too many people are paying high prices for things that cost little more to produce than they did when Republicans were Democrats in Lincoln's time. Too many are a little hungry. Too many are praying, "If this is Republican plenty, O Lord, let us have a little of the Democratic scarcity of years ago!"

The trouble with Roosevelt is, he is no fighter. He is a blank cartridge. A President with the Attorney General's office at command, who can't lick a meat trust in six years as bad as one Socialist novelist did in two weeks, should take a back seat, sing only with the chorus, and sing very small. That's my sentiment.

UNCLE SAM.

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THE PUBLIC OWNERSHIP OF RAILROADS.

For The Public.
III.

Financial Aspect of Existing Systems.

One of the first questions regarding public ownership of railroads which an American is likely to ask himself is: Will it pay? Can the government conduct railways and make them self-supporting? Will there be any returns adequate to give a "decent" percentage of interest on the capital invested? We can answer these questions only by referring to the experiences of other countries which have applied the principle of public ownership.

We will then, again, first turn our attention to Germany. All considered, extent of system, organization, excellence of service, etc., this country undoubtedly has the most remarkable State railways in existence.

Examining the results obtained, financially, we find that the best paying State system is that of Prussia, being the largest, and embracing as it does more than 20,000 miles of railroad. The average percentage of earnings of the construction and equipment cost of this system is given in Table II for a period covering the past 50 years. For comparison it may be mentioned that the average earning capacity of the private German roads is 3.87 per cent., and that the average earnings of all European roads is 4 per cent. The financial returns in per cent of the actual cost of other State railway systems in Germany are given in Table III. The figures quoted for the Prussian State railways in particular, and for the other systems as well, do not indicate that these government owned systems have been failures financially, at least.

Of course, financial returns imply nothing until we have examined the rates charged for the service rendered. Upon such an examination,

which we will make in another article, we shall see that favorable returns have been obtained in spite of low rates, which points towards high efficiency of management. Before referring to the rates, however, and comparing them with those in force in this country, it should be realized that a direct comparison between Germany and the United States is difficult on account of the varying factors to be considered.

TABLE II.

Financial Returns of Prussian State Railways, in Per Cent of Capital Expended on Construction and Equipment.

Year.	Per cent.	Year.	Per cent.
1855	3.47	1882-83	5.21
1860	4.26	1883-84	4.83
1861	4.98	1884-85	5.11
1862	6.21	1885-86	4.88
1863	6.17	1886-87	5.22
1864	6.68	1887-88	5.77
1865	6.42	1888-89	6.02
1866	7.02	1889-90	6.26
1867	5.83	1890-91	5.26
1868	5.08	1891-92	4.90
1869	5.77	1892-93	5.15
1870	6.25	1893-94	5.68
1871	6.58	1894-95	5.66
1872	5.97	1895-96	6.75
1873	5.35	1896-97	7.15
1874	3.85	1897-98	7.14
1875	4.88	1898-99	7.07
1876	5.14	1899	7.28
1877-78	4.80	1900	7.14
1878-79	4.52	1901	6.14
1879-80	4.30	1902	6.54
1880-81	4.86	1903	7.12
1881-82	5.01	1904	7.17

TABLE III.

Financial Returns of the Various German Government Railway Systems, in Per Cent of Capital Expended on Construction and Equipment.

State railway system.	Length in miles.	Earnings per cent.
Baden	1,053 ¹	2.72 ²
Bavaria	3,772 ¹	3.1 ⁴
Oldenburg	354 ²	3.96 ⁵
Saxony	2,019 ³	5.2 ³
Mecklenburg-Schwerin	719 ¹	4.13 ²
Württemberg	1,171 ²	3.54 ²
Prussian-Hessian system	20,750 ¹	6.19 ⁵
Alsace-Lorraine	1,029 ¹	4.3 ³

¹In 1903.

²In 1901.

³In 1906.

⁴In 1902.

⁵Average earnings since opening of system.

Wages are lower in Germany; but working hours are shorter, employment more secure, holidays with pay more plentiful, and the old age of the employees cared for by a pension system. Thus, while the pay here is apparently higher, it may be, in some cases, at least, relatively as high in Germany.

Construction cost is probably as high in Germany as in this country, for, while the labor employed is cheaper, the permanent way is, as a rule, of a heavier and far more expensive con-

struction than on most American roads, the leading great Eastern systems excepted.

The rolling stock, in general, is more expensive in Germany. At a time when American roads obtained a certain class of locomotives for about \$11,000, the German State railways paid nearly \$14,000 for theirs in Germany. Other European countries have even imported locomotives from America, because they could be had cheaper. This does not agree with what our tariff friends tell us of the pauper labor in Europe, but the facts remain.

The actual cost of construction and equipment of the German State railroads is about \$104,000 per mile, or nearly double the average *capitalization* of American roads per mile. This indicates that European roads are not any cheaper to build. And the difference becomes even more pronounced when we remember that there is a vast gulf, in American railway practice, between *capitalization* and *actual cost*.

We have thus far seen that most of the necessary expenses of German and American roads may be fairly directly compared. We have seen that the German government-owned roads have been financially successful. Now, then, if the German State railways can carry passengers at a rate about one-half of the average American railway rate, carry them more safely, and land them at their destination more accurately as regards time of arrival, what then becomes of our alleged superior private management?

All it has accomplished, in way of superiority, is the creation of railway magnates, many of whom are, in the last analysis, little better than gamblers, and, sometimes worse.

As far as freight rates are concerned we will find on close examination, that, although it is constantly claimed that these are higher in Germany than in the United States, this difference is more apparent than real; and in spite of all the figures quoted to the contrary, a thorough examination of all the conditions connected with this question point, as we shall presently see, without much doubt, to the fact that even freight rates are, at least to the general public, considerably higher in the United States than in Germany.

The foregoing presentation applies not only to the German State railways, but to European government railways in general, so that it will be necessary to give only in outlines the figures relating to financial returns in other countries.

Examining the conditions of railway transportation in Sweden we find that we have here a country where the possibilities of public ownership are exhibited in their best light. For here we deal with a country with a comparatively sparse population, and with business activity and industries as yet not developed like those of Germany or the United States, with a traffic

amounting to only half the European average, with a railway mileage greater in proportion to the population than in any European country, and with service not surpassed, except, perhaps, as regards speed, anywhere. Here, therefore, the "experiment" of public ownership would prove a failure, if it failed anywhere; here, if anywhere, the financial outcome would be, at best, uncertain.

Yet, we find that the Swedish State railroads have always been self-supporting, and that they have returned a reasonable, if not a high, percentage on the capital invested. Table IV gives the figures for a number of years.

TABLE IV.

Average Earnings of Swedish State Railways, in Per Cent of Capital Invested.

Year.	Per cent.	Year.	Per cent.
1866-1870	2.99	1896	3.99
1871-1875	4.25	1897	4.74
1876-1880	3.04	1898	4.40
1881-1885	3.56	1899	3.77
1886-1890	2.63	1900	3.05
1891-1895	2.64		

The national debt of Sweden has all been contracted for the purpose of building government railroads, and the interest on this debt, which is contracted at an average of 3.5 per cent, is nearly always covered by the net proceeds from the railway system. It is a remarkable thing to find a nation whose whole indebtedness is covered by actual tangible assets, the earning powers of which pay the interest.

The remaining European State railway systems do not all show as good returns as the Swedish and German systems, but they are *all paying propositions*, that is, they do not entail a loss to the taxpayers.

The percentage returned on the capital invested was 4.17 in Belgium in 1903. The Austrian State railways in 1901 returned 2.47 per cent. Hungary's State railways in 1900 returned 4.68 per cent; in 1901, 4.42; in 1902, 4.60; in 1903, 4.69; and in 1904, 4.75 per cent. Those of Switzerland returned in 1904 over 3.65 per cent, and those of Roumania 3.40 per cent in 1903-1904.

Turning to the Australian railroads we find the following figures:

New South Wales (1906-07)	4.96
New Zealand (1906-07)	3.45
Queensland (1904)	2.6
South Australia (1904)	3.5
Tasmania (1904)	4.65
Victoria (1904)	3.44
Western Australia (1904-1905)	4.56

Summarizing our previous investigation, we find that public ownership of railways has not proved a failure from the financial point of view. We find that in countries where the State systems have reached a high development by virtue of a strict adherence to the policy of public owner-

ship, as in Germany, the returns have been exceptionally favorable; and that in countries where natural limitations and a sparse population prevent exceptional results, the outcome has still been far from discouraging. Without fear of exaggeration we may therefore say that from the point of view of the State treasury public ownership has, wherever consistently applied, proved a success, sometimes a very decided success.

ERIK OBERG.

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IMMORTAL MARS.

For The Public.

The gods of old are gone, save one,
Of all the twelve who sate
On high Olympus' snowy crest
To ponder deeds of fate.

But one still rears his horrid head
And wields a might untold,
The dread god Mars hath power yet,
E'en as he had of old.

And every year a tribute votes
Unto our war-god grim,
While every nation gives its best
To be the priests for him.

SIMON PURE.

BOOKS

AN APPRECIATION OF ROOSEVELT

Roosevelt and the Public. By John W. Bennett.
Published by the Broadway Publishing Co., 835
Broadway, New York. Price, \$1.50.

Readers of *The Public* who saw Mr. Bennett's frank but fair and able criticism of the American newspaper in its relation to democratic institutions, which appeared in these columns six months ago (vol. x, p. 725), will want to know about, and most of them will doubtless be glad to read, the views of the same writer on the relation of President Roosevelt to the same institutions. Mr. Bennett is especially well qualified for this work, as he was for the other, by extended experiences as a Washington correspondent. Although his picture of Mr. Roosevelt is not altogether that of an attractive public functionary, we fail to find a single instance of deliberate unfairness or any indications of warped judgment.

Inasmuch, however, as the author handles his subject without gloves, he prudently shows in his Introduction how frank Mr. Roosevelt himself has been in characterizing historical persons whose careers he has discussed. The friends of a man who has described Thomas Jefferson as Mr. Roosevelt has, as "constitutionally unable to put a proper value upon truthfulness," who has denounced Thomas Paine as "a filthy little atheist," and Wendell Phillips as "either mischievous or

ridiculous and usually both," and who has regarded men who object to government by injunction as being, "as regards essential principles of our government, in hearty sympathy with their remote skin-clad ancestors who lived in caves, fought one another with stone-headed axes, and ate the mammoth and the woolly rhinoceros"—the friends of such a reckless writer can hardly complain if other writers, without recklessness but with fitting words, characterize their idol as the provable facts warrant.

Mr. Bennett's account of Roosevelt begins with the latter's political alliance with "Joe" Murray, of the old 21st legislative district of New York, where Roosevelt's public career had its roots, and follows him through the New York legislature, where he flourished in the early '80s, and which he left "a wiser man than when he entered, and with fewer and different ideals."

From the New York legislature Mr. Roosevelt stepped into national politics. Here he distinguished himself by fighting valiantly against Blaine by the side of George William Curtis and Carl Schurz, whom he promptly abandoned after the nomination in order to fight by the side of Blaine himself. "As every partisan on occasion must do, he placed partisan regularity above country, above public good, above convictions, above clean ideals, above civic integrity;" and "never a Bogan, a McCarren or a Murphy, or a follower of a Bogan, a McCarren or a Murphy has shown more narrow or hide bound partisanship than did he."

As a civil-service commissioner "he was an efficient officer, despite his bluster and his grandstand posing;" but "aside from the clamor of it his record is in no sense extraordinary." In the Spanish war he did most of the fighting and gave the really important orders at San Juan, but with a "mighty pen" afterwards and "a robust imagination." Incidentally in this connection the author avails himself of the opportunity which Mr. Roosevelt's war record affords, to rescue the reputation of the Seventy-first New York from imputations of cowardice. "It is," he says, "a vile aspersion. With their black powder Springfields, worse than useless, and their inefficient officers, they were put to a test to which no other soldiers even there submitted. They were not cowards who scaled San Juan heights with Rafferty—who kept step with their comrades without firing a shot, for that was the only condition upon which the separated companies and groups were permitted to participate."

Mr. Roosevelt's career as Governor certainly lacks in this book the brilliant beauty in which it appears to "Teddyolators;" but Mr. Bennett sticks to the facts and characterizes with judicial restraint. Regarding Roosevelt's Vice Presidential candidacy, the reader is left to infer whether it was "consciously or unconsciously that he lent