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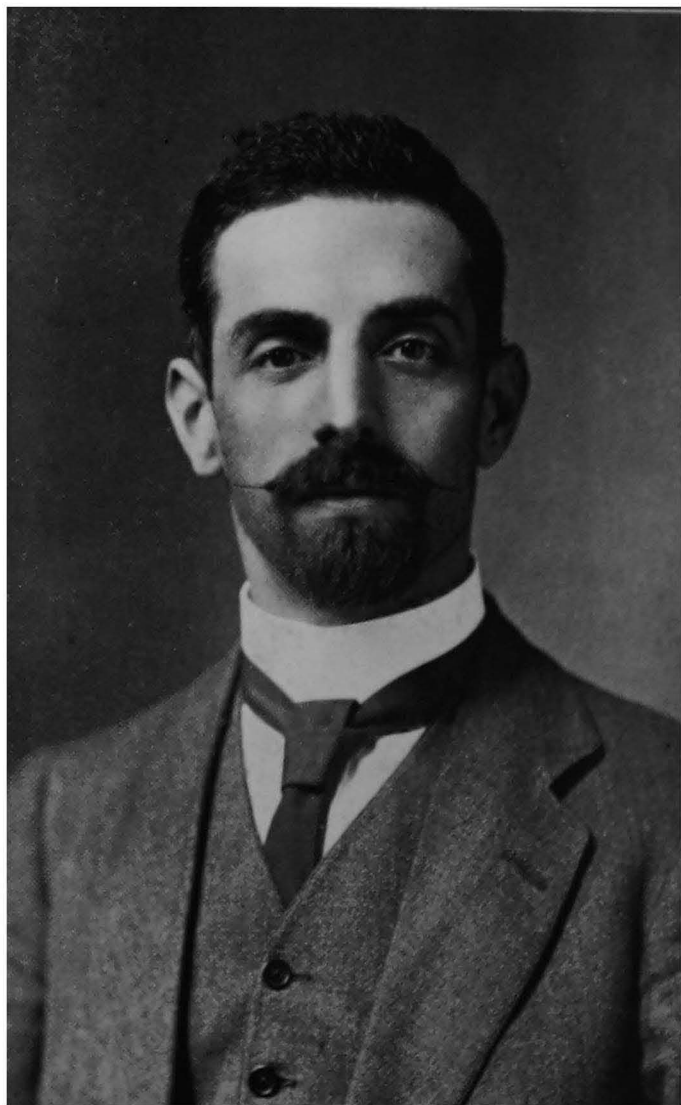
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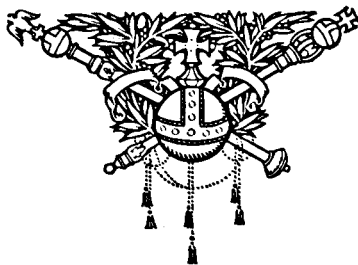


Emil Daverio



THE CASE FOR
RAILWAY
NATIONALISATION

By
EMIL DAVIES



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the fullest and most extensive reports and statistical data, the representatives of the country have every opportunity of investigating any part of the work which does not seem satisfactory. Although the mere idea would horrify our railway managements, it may be mentioned that in these reports details of every important contract are published, which means that any attempt at corruption is much more likely to come out than in the case of large Companies and Corporations withholding all such details. It is unnecessary to pursue this topic any further, but opponents of State-ownership might bear in mind that the very hostility which they bear towards State administration is of itself one of the surest checks against abuses of this sort, for they may be relied upon (and quite rightly too) to search for and ferret out any attempts at corruption, a thing which obviously they are unable to do in the case of all the large contracts which are given out under the present system of Company management.

CHAPTER XI

RAILWAY NATIONALISATION IN OTHER LANDS :
GERMANY — AUSTRIA — BELGIUM — DENMARK
— SWEDEN — NORWAY

THE first railways in Prussia were built by private Companies under concessions from the Government. These concessions were governed by the law of 1838, which confers on the Government the right of purchase after the expiration of thirty years from the

date of the opening of the line, the price being twenty-five times the average annual dividend for the preceding five years. About 1850 it became evident that private enterprise was not keeping pace with the country's needs in the matter of railway construction, and the Government undertook the building of lines—chiefly in those districts in which the building of railways was not likely to be financially remunerative, and where there was consequently little inducement for private enterprise to undertake the work. This state of affairs continued until after the Franco-German War, when German industry and commerce began to go ahead by leaps and bounds, and the existing railway system proved quite inadequate to meet the demands made upon it. The railways, however, benefited greatly from this superabundance of traffic, and their dividends rose accordingly. The profitable nature of investment in railways being made obvious, private capital was quick to respond, and so many applications for concessions were received that a Committee of Investigation was appointed to go into the whole matter. The conclusion arrived at by this Committee was that economic considerations rendered it desirable that all railways should be State-controlled; and in 1878 the Prussian Parliament resolved to take the first step towards nationalisation by rendering the State system sufficiently strong successfully to compete with private Companies, and voted large sums of money for the purpose of acquiring a considerable number of private Companies. The rapid growth of the country's trade, and the utility of a State-controlled system from a military point of view (it should be remembered that the Franco-German War was still very fresh in the memory