

“The Factory Acts’ Extension Act of 1867;” all these elicited considerable discussion, and are alone sufficient to prove the vitality and continued popularity of the Society.

The council sanctioned applications for Barrington Lectures in Londonderry, Newtownlunavady, and Ballymena. In Dublin alone have they to regret an apparent apathy and indifference among the classes whose benefit was especially contemplated in the establishment of these lectures. No application has been made to them nor any room placed at their disposal for their delivery in this city. This is a matter of great regret to your council, for they believe that the clear and truthful exposition of the various questions arising in connection with capital and labour, and the other subjects usually discussed in these Lectures, would materially tend to the formation of more just and dispassionate views on the part of the great operative class in this metropolis.

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III.—*Government Purchase of Railways in Ireland: How can it be accomplished?* By Samuel M. Greer, Esq., Barrister-at-law.

[Read Tuesday, 8th December, 1868.]

FOR the last four years the people of Ireland have had under their consideration the policy of having the Irish railways purchased by the government, and worked in future at the lowest possible tariff for the benefit of the public, instead of for the profit of shareholders. Public meetings have been held during that period in every part of Ireland, north and south, east and west, to promote this object. Every large city and town has declared for this policy with marvellous unanimity. Petitions have been presented to parliament praying for its adoption. Members of parliament, forgetting all party distinctions, have worked cordially together for this common purpose. The press was not slow to support the movement; and the result, for so far, is fully adequate to the unwonted moving power which all these combined forces have applied. Two successive governments, of opposite political principles, have taken up the question with prompt alacrity, and have applied the best machinery they could devise to remove the various difficulties by which the question was surrounded, and to procure such information as would enable them to deal with it effectively.

The Railway Commission of 1865, under the auspices of Mr. Gladstone, elicited a valuable body of evidence regarding the Irish railways, and the various and important social and commercial wants which these lines have hitherto *failed to supply*. But its report shocked the feelings of an expectant public throughout the whole of Ireland, by suggesting no remedy for such a glaring anomaly. The Right Hon. W. Monsell, and Sir Rowland Hill, two of the commissioners, by two masterly and well-considered reports, not only showed that the question had been fully raised before the Commission, but pointed out clearly and convincingly the advantages which could be secured to Ireland, without loss or even risk to the Imperial Ex-

chequer, if government purchased the Irish railway system, in order to lower all railway fares and charges to the lowest figure that would be consistent with the efficiency of the service. The Irish people, by public meetings, and through their parliamentary representatives, remonstrated indignantly against the do-nothing policy of the Railway Commissioners' report, and the Irish press, with rare and significant unanimity, denounced such a mischievous policy, and united in urging the Irish members to treat the question as a national grievance, and to press upon the government the wisdom of dealing at once boldly and generously with a subject on which public feeling in Ireland had been so decidedly manifested.

The Irish members accordingly held several meetings on this subject, in conjunction with the Peers who were connected with Ireland by property or residence, who co-operated actively in this movement, and by their united efforts the government of Lord Derby was induced not only to entertain the question of immediate action, but to take the important practical step of issuing a commission to investigate, by means of the most competent and experienced engineers and accountants, the existing condition, both materially and financially, of all the railways in Ireland. This investigation, to which it is important to observe that no one of the Irish Railway Boards offered the least opposition or obstruction, was carried on with surprising energy, and in the most thorough and searching manner; and the report of the committee, with its multitudinous schedules and matters of detail, was published in June last.

But the question of most immediate practical importance, as to the method by which the government should proceed in dealing with the various Railway Companies, if they should undertake the task assigned them, was not dealt with in this report. It is understood that the commissioners have been requested to consider and report upon the best method of effecting this purchase, and that this very question is now under their consideration.

Under these circumstances, the people of Ireland are naturally anxious that no time should be lost in overcoming the *vis inertiae* of government officials and of public boards, and all the other practical difficulties that stand in the way of a satisfactory solution of this important question. I have therefore taken the liberty of laying before the Statistical Society the foregoing historical statement of the question; and I now propose to advert briefly to one or two practical points of considerable importance, if the wishes of the people of Ireland in this matter are to be carried out by the government and parliament of the United Kingdom.

Before going into these questions, however, I must make one or two remarks to prevent misconception, which is constantly arising; whether through ignorance or some kind of mental obliquity, I will not stop to inquire.

1. It is not then the object, as some people allege, of those who have been active in organizing the movement for what has been characterized, not very happily, as "railway reform," to induce the imperial government to perpetrate a piece of disgraceful jobbery, by

purchasing the Irish railways at an extravagant figure, far beyond their real value, in order to relieve the shareholders of unsuccessful lines from their financial difficulties, and to enrich the holders of really valuable railway stock, at the public expense. Individuals, no doubt, who are large holders of railway stock, have united with those who, on public grounds alone, have advocated the purchase of Irish railways by the state. But they have joined it merely as members of the general public, and have never been permitted to use the agitation for their own special or private ends, if any such they have. Let no imputation, therefore, of unworthy motives be cast on those who seek to benefit the community without injuring any particular class. By all means let the railway shareholder be fairly, or even generously, dealt with by the government; but let us have no lavish or wasteful outlay of the public funds.

2. The next misrepresentation which I wish to expose is that this movement is a censure upon the present railway boards in Ireland, such a censure being wholly undeserved. Now, so far as I know the feelings and opinions of those who are working most earnestly for railway reform, nothing can be farther from their purpose than this. On the contrary, in honesty of purpose, and integrity in carrying out their operations, in general ability and capacity for administration, it is generally admitted that our railway boards contrast most favourably with many of those in England and Scotland. No where in Ireland have we had the disgraceful disclosures, now so frequent in England, of chairmen and directors enriched at the expense of their constituents—of lines sanctioned by parliament merely to be sold to railways that did not want them—of lines formed without either directors or shareholders, for the same purpose—of the share market dishonestly rigged to serve the purpose of speculators, and of the public gulled and defrauded to an unheard-of extent. In Ireland we have had none but *bona fide* speculations, though many of them have been badly planned and expensively constructed, and have, therefore, proved unremunerative. Many of our boards, too, like the English and Scotch, have been too pugnacious, and too frequently at open war with their neighbours, and perhaps all of them have studied too little the accommodation of the public. But I am not aware that it has been usual in the sister countries for individual directors to advance £50,000 or £100,000 to relieve their lines from financial embarrassment, as several of our Irish directors have done. It is not, therefore, because our Irish Railway Boards have been specially blameable that they are now to be superseded, but because the public require greater accommodation, and at lower rates, than they, with their limited resources, can possibly supply, and because the Irish lines, from their limited extent, afford a favourable opportunity of applying at home a principle long since tried with the best results in India and the Colonies.

3. The third and last objection to be noticed is that this scheme of railway reform contemplates the plundering of the Irish public, by means of a tax for the benefit of railway passengers and goods-trafficers, by establishing a scale of charges absurdly low, and then making up for the deficient returns which these will yield by an in-

creased income tax or some other public burden. No doubt it was at first contemplated that some temporary expedient of this kind should be adopted to meet the deficiency, which, as in the case of reduced postage, was expected to arise; but only, as in that case, to disappear in the course of a few years. And in accordance with this view the public meetings held in Dublin and other parts of Ireland expressed, so far as such meetings could express, the willingness of the Irish people to submit to such a tax for a few years, until the lines should have become self-supporting. But this, although not an unreasonable solution of the difficulty to be encountered, is decidedly objected to by many zealous railway reformers, and is by no means, as we shall presently see, an essential part of the scheme. On this head the only thing on which all or nearly all are agreed is, that no attempt should be made on the Imperial Exchequer to provide funds for carrying out the proposed reform, as such a proposal would upset the whole plan, and prevent it from obtaining a fair and impartial hearing in the Imperial Parliament.

And now we come to the great questions, how can the Government purchase the Irish Railway system? and what are the railways worth? From the board of trade returns just published, we learn that the gross receipts for 1867 of the Irish lines, which now extend to 1928 miles, instead of 1838 in '65 and 1900 in '66, amount to £1,872,619; and the expense of working them and replacing rails and rolling stock, and all other charges, amounting to £982,065, or some 53 per cent. of the gross receipts, leaving £890,554 as the amount of nett profit applicable to payment of interest on loans and dividends on preferential and ordinary stock. This is not a favourable report, as it shows on a mileage increased by nearly one hundred miles a smaller nett profit than the year 1865 exhibited. The gross receipts have considerably increased, but the expenses have increased in a still higher ratio, owing probably to extra outlay in repairing the lines. We may therefore adhere to the calculations of value made a year or two ago by the joint committee of Peers and Commons, who, when negotiating with the government of the Earl of Derby to induce it to take up the question, calculated on the basis of statistics then supplied to them, that the marketable value of the Irish lines was then about £17,500,000 sterling; and allowing £2,000,000 extra, equivalent to a bonus of some 12 per cent. on the average, to the owners of railway stock, that £19,500,000 ought to purchase the lines as they then stood. Taking then, in round numbers, £20,000,000 as the outside value of these lines, and assuming that the necessary amount of stock should be issued by government, with the sanction of parliament, to raise that sum by way of purchase money, it was calculated that the payment of dividends on the stock thus created would entail a permanent annual charge upon the Irish Railway system of £634,000 odd, or, in round numbers, say £640,000. This sum being paid out of the £890,554 available last year as nett profits, there would remain a balance of more than a quarter of a million, over and above the large amount absorbed, as we have seen, in working expenses and repairs, to aid in obtaining a reduction of fares. To this would have to be added the amount of direct saving that would

then arise of funds now expended in the salaries of directors, secretaries, engineers, and solicitors, who would not then be required; also of the large sums now wasted in parliamentary expenses, to procure or oppose new bills, to sanction arrangements between different lines, and different classes of shareholders or creditors in the same lines, and in all the modes of offensive and defensive war which take up so much of the time and money of our present boards. All these savings would amount on the whole to, say £150,000 of the £982,000 spent in working, repairs, and other charges. So that if government were prepared, say on the 1st January next, to assume the management of all the Irish lines, having first paid the large compensation above described, they would have a surplus fund of some £400,000, or nearly one-fourth of their gross receipts, to meet any deficiency which they might produce by a wholesale reduction of fares.

Let us suppose that the tariff or scale of charges suggested by Lord Lucan in his evidence before the Railway Commission is adopted, that is to say, one penny per mile for first class passengers, three farthings for second class, and one halfpenny for third class. This would involve a reduction of one half or thereabouts on the present tariff of the different Irish lines. The question then arises, how far would such a wholesale reduction in fares increase the amount of traffic? On some lines it might not add more than one-half or one-third to the gross amount. On others it might double, treble, or even quadruple the traffic. Therefore the amount of increase can only be accurately ascertained when the experiment has been made; and it must be now observed that the reduction in the charge for carrying cattle, coal, goods, and all kinds of merchandize could not safely be carried so far as that for passengers, because the increase in amount of goods traffic would entail much heavier additional charges, terminal and otherwise, and is naturally of slower growth. Let us suppose then that the fares were reduced, say to one-half their present amount, and then that the traffic was doubled in extent. The result for 1869 after this change would just be £1,872,000, the same as in '67, if we are to assume also that this year's returns will tally pretty closely with those of last year. But then we have shown that there would be a saving of £400,000 in the outlay. How much extra cost would there be arising from the extra traffic to set against this? For passengers the extra charge would not be very considerable. Extra carriages and extra trains would be needed in some places; extra ticket clerks, porters, and other staff to some extent. But I apprehend £50,000 or even less would cover all the extra outlay involved in carrying double the present number of passengers. But then, as to goods, it is not to be expected that the traffic could be suddenly increased to such an enormous extent. If it were, however, as I am assuming for argument's sake, the extra outlay involved would probably amount to £100,000. Add this to the estimated extra cost of carrying double the present number of passengers, the whole extra outlay would be only £150,000, and this sum, when deducted from the saving of £400,000 already referred to, would leave a profit of £250,000 still remaining.

The experiment therefore would be a safe one, although the increased traffic should be considerably less than double what it now is. Suppose, however, that one-half, on an average, were to be the measure of the increase on the present traffic, from a reduction of fares such as now suggested, how would the case stand at the end of the year? In that case the gross receipts would be diminished by one fourth. In other words, they would be reduced from £1,872,000, to £1,404,000. How far then would this reduced sum meet all existing charges, including that for the additional traffic? Out of this sum we should have to pay the fixed charge or annuity of £640,000, also £827,065, which we have estimated as the charge for working expenses, repairs, &c when relieved from the present needless machinery and expense. These two items amount to £1,472,619, or nearly £70,000 more than the estimated receipts, without making any allowance for the extra cost of the increased traffic. It would require, therefore, considerably more on the average than one-half to be added to the present traffic to warrant a reduction of fares to the proposed extent.

Let us suppose, however, that the wholesale reduction of fares has been made, and that there is a deficiency of more than £100,000 at the end of the first year of the new tariff, how is this deficiency to be met? The English people we will not ask to aid us. Some of the Irish taxpayers may not like to be taxed for the benefit of railway travellers. How then is the supposed deficiency to be met?

There is a simple expedient by which this may be managed without difficulty or inconvenience. When the purchase money of the railways, say £20,000,000, is being raised, let an additional sum be provided, half a million or a million—sufficient to supplement the deficient railway returns, till the railways shall have become self-sustaining at the reduced tariff; and let the government be authorised to apply this reserve fund, as it may be required, from year to year, in making up the annual deficiencies in the railway returns. And then, after the railways have become self-sustaining, let the balance of profit which will be thenceforward accruing, be applied from year to year in paying off the amount which had thus been provided as a reserve fund. In this way the railways themselves, after they had become more frequented and more prosperous, would be made the agents for clearing off the liabilities incurred while their traffic was as yet undeveloped; and none but those who had used the railways after the reduction of their tariff, and had therefore derived some benefit from that reduction, would be taxed to make good the deficiencies that had occurred in the first instance. And if, in carrying out this arrangement, it should happen, from some miscalculation, that the reserve fund was about to be exhausted before the railways had become self-sustaining, it would be easy then to make such a moderate addition to the fares as would cover the threatened deficiency, before it had actually occurred.

But in what manner is the supposed change to be brought about, if the government are to undertake the work, say in the coming session of parliament? They will have first to deal with the railway companies, and then to devise a system for working the lines.

As to the *first* point, the enterprise of the late government in negotiating the purchase of all the telegraph lines in the kingdom, and obtaining the sanction of parliament for completing that transaction, affords a precedent which should not be overlooked. The telegraph companies were not under any conditions to sell, nor were any of them labouring under the financial embarrassments which affect many of our railway undertakings; so that the government were rather at a disadvantage in negotiating with them. But it would be different with the railway companies. In dealing with the railways I apprehend it will be the soundest policy for Mr. Gladstone to endeavour to effect an amicable arrangement with the different boards, so as to avoid, if possible, any coercive legislation on the subject. From the conduct of the Irish railway boards, without, I believe, a single exception, in submitting their accounts, their stores, their lines, to the closest and most searching scrutiny of the Railway Commission appointed to examine into these particulars, there can be but one opinion—that they deserve to be treated in the most frank, friendly, and liberal spirit by the government; and whatsoever amicable terms may ultimately be arranged for the purchase of the Irish lines, there is no doubt but these will be promptly and willingly ratified and carried out by the Imperial Parliament. Mr. Gladstone has given this subject the most close and constant attention, and will be prepared, I have reason to believe, to introduce without delay any measures that may be needed for effectuating the purchase.

But how is the plan to be practically carried out? Very simply. Let us suppose that the terms of purchase are settled, the money provided by parliament and allocated to the different parties entitled to receive the same, a day is fixed, say the 1st January next, or any other day, on which the government shall take possession of all the railways in Ireland. Before the appointed day all preliminary arrangements must be completed, stores and stock must be taken and checked. Every station-master in Ireland must be furnished with an assortment of tickets for every other station in Ireland, and with timetables showing the fare to every other station for each class of passengers. Officials who are not fully competent for the more complicated duties to be discharged under the new arrangement must be replaced by others more active and efficient. But most of the present railway staff would be quite competent, for a time at least, to undertake the duties in question. Then, on the prescribed day, the new service is undertaken at the reduced charges—half the former fares, or thereabouts. The change will involve no violent commotion or practical inconvenience. The reduced fares will cause much extra travelling—a sort of jubilee in many districts now badly accommodated. Extra trains will need from time to time to be put on, as they may be required. Each railway will be made a feeder for all its neighbours, and perhaps in some cases express trains may be called for at extra speed and extra charges. In this way the wants of the country will gradually come to be known and to be provided for. Goods of various kinds will be carried at fixed charges, without bungling or obstruction of any kind; and a parcel-post, or sys-

tem of uniform or graduated charges of a very moderate kind for small parcels of all descriptions, to and from all parts of the kingdom, will create a traffic now almost unknown, and confer blessings on every family in the country little less in extent than those conferred by the penny postage. In this way four or five, or possibly five or ten years, may be spent in gradually developing the trade and resources of the country, and drawing out the passenger traffic, by such plans and expedients as experience may suggest and local circumstances require.

Then, and not till then, will be the time, if it be so deemed necessary, for the government to give up the management of the railway system, and invite tenders from companies or individuals desirous of undertaking the working of the whole Irish system, or certain specified portions of it, for a fixed term of years, performing certain prescribed services, and then competing with each other in the scale of fares to be charged for these services; the party undertaking to do the work at the lowest rate of charge to obtain the contract, on giving ample security for the punctual and satisfactory performance of the services require

By this time the increase in traffic due to the reduced fares and increased accommodation would have been ascertained; and if it be then deemed inexpedient that the government should undertake permanently the duty of working the railways of the country—a question on which I do not now offer an opinion—the time will have arrived for farming out the lines on the most favourable terms for the public. In a working agreement of this kind, provision could easily be made for increased accommodation or lower charges, according to the gradual increase of traffic. Of course a staff of government inspectors would be required to see that the lines and rolling stock were kept in good condition, and that the stipulated service was punctually and faithfully performed, under severe penalties, strictly exacted, for any failure in the service to be performed. And whether the railway system were managed by a government department or by contractors, every railway traveller would become *ipso facto* an inspector of the service performed, and many would be found nothing loath to denounce the very slightest breach of contract or misconduct in any of the officials employed; so that in any case the public might safely reckon on obtaining the full benefit of such reductions in the tariff as might from time to time be introduced.

In this way it appears to me that the purchase of the Irish railways by the government may be safely and speedily carried into effect. Public opinion in Ireland is ripe for such a change; and nothing but a favourable opportunity in the political world is wanted to carry into effect an arrangement which will do more to develop the resources and advance the position of Ireland, than any legislative measure which has been enacted for a long series of years.