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Railways by E. R. McDermott

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gether upon the seller." Dr. Petritsch has no difficulty in disposing of this proposition; at the same time we are met with the difficulty that whereas a tax on (say) the sale of tea will probably in large measure fall upon the consumer, a tax on the sale of land is in no way analogous, because the value of land is not regulated by cost of production.

The effect of a tax on contracts for future delivery is complicated by the fact of the relation which exists between "future" and "cash" prices; hence such a tax has an effect on all buyers and sellers dealing for cash as well as on those who are dealing in futures. Taxes on transfers hinder the flow of capital, and it may be argued that such taxes, to some extent, fall upon capitalists, though in other respects they resemble taxes on the sale of real property.

The great point about Dr. Petritsch's book is that he appreciates carefully all these complexities, and brings out very clearly the extent to which these taxes resemble each other, and the manner in which they are different. A minute criticism is impossible, because a critic needs to be well acquainted with the exact legal forms of the various taxes; but there is no doubt that this little book will add to the very high reputation which Dr. Petritsch has already acquired by his book on the balance of trade.

C. P. SANGER

Railways. By E. R. McDERMOTT. (London: Methuen and Co., 1904. Sm. 8vo. Pp. vii—196.)

THIS is one of a series of "Books on Business," but as there is neither an introduction to the series nor a preface to the individual work, it is not easy for a reviewer to appreciate the point of view from which business is intended to be approached. Mr. McDermott's book might, indeed, have had as a second title "An Essay in Apologetics," a branch of literature usually associated with theology rather than with mercantile pursuits. But his book may not be typical of the rest of the series. "Considering," writes Mr. McDermott, "the vast changes in social and business methods, and the varied developments of mechanical science, it is somewhat surprising that, during more than half a century now elapsed since the establishment of railway communication, so little alteration has taken place in railway methods generally." The gist of the book is that this surprise, natural though it be, is quite unwarranted. Two consecutive entries in the Table of Contents run as follows: "Very large locomotives

and merchandise wagons not suitable for British railways—The gradual introduction of high capacity mineral wagons : steady advance in recent years in the power of locomotives.” And the text accordingly sets out at length (a) that English locomotives and trucks are, and always have been, quite large enough ; (b) that they are rapidly getting larger ; and (c) that at every stage of the process of development wisdom is justified of all her railway children. For instance : “ there is obviously room for larger wagons in the mineral department, and this fact was equally known to British railway officials long before the recent agitation against British railway methods. For years past the London and North-Western Company have been trying to introduce larger wagons, and some 112 20-ton wagons [out of 76,000] have been working for three years past, while the number of this type is now increased to 143.” It is evident that from so whole-hearted a *laudator temporis*, not only *acti*, but *præsentis*, the business man can hardly expect to learn what one would presume he really wants to know, namely, how English railways can be brought to give simultaneously better service and lower rates to the public, and higher dividends to the shareholders. As for these latter, though “ the statistics compiled by the Board of Trade would seem to show that, in late years, the profit-earning capacity of British railways has passed its zenith, and that declining dividends would have to be faced,” they can at least comfort themselves by learning from the author that no part of the decline is due to any lack of wisdom and foresight on the part of those to whom they have entrusted the management of their affairs.

Business men, even if they do not get much guidance as to practicable reforms, are at least entitled to expect accuracy in statements of fact. But here, too, the author is not above criticism. To quote a few instances from the first two chapters : The Irish gauge is not “ 5ft. 2in.” (p. 4) ; the Hungarian zone system does not give “ a constantly diminishing rate per mile in proportion to the distance travelled ” (p. 12), as, through all the ordinary distances, the zones are of equal length, and the fares rise in uniform arithmetic progression for each zone traversed. On p. 26, Mr. McDermott writes : “ This form of toll and maximum rate clauses has been followed from 1845 to the present time with few amendments and variations.” What he means by this statement it is difficult to understand. He is of course not ignorant of the elaborate legislation on the subject of maximum rates between 1888 and 1893, as indeed shown in the immediately ensuing pages. But if a business man were first to read the

sentence we have quoted, and then to be told—as is the indubitable fact—that the maximum rate clauses in, say, the London and North-Western Railway Act, 1846, have just as much resemblance to the corresponding provisions of the London and North-Western Railway (Rates and Charges) Provisional Order Confirmation Act, 1891, as, say, the Statute *Quia Emptores* or *De Donis Conditionalibus* has to Mr. Wyndham's Irish Land Act, 1903, possibly the business man would be justified in thinking that Mr. McDermott's statement might tend to mislead. On p. 31, the writer states that the Railway and Canal Commission, established by the Act of 1873, was made permanent in the year following the report of the House of Commons' Committee of 1882. The Act by which this was done has unaccountably escaped the notice of the King's printers, and has never got on to the Statute Book. The fact is that the Commission of 1873 never was made permanent; established originally for five years, it was continued, first for five years, and then from year to year, till it was finally allowed to expire, and replaced by a new and quite different Commission, established under the Railway and Canal Traffic Act of 1888.

In the concluding chapter of his book Mr. McDermott puts forward an argument for municipal enterprise, which is so novel and ingenious as to deserve citation. "Railway companies," he writes on p. 191, "should have the less compunction in supporting, or, at least, in not opposing, the municipalisation of tramways, for the reason that private interests concerned in this form of enterprise are far less scrupulous in the matter of competition . . . which is certainly present in an undiluted form when the field is occupied by private enterprise." That in Great Britain tramways are mainly in public, in America wholly in private hands, is an undeniable fact. It is an equally undeniable fact that the tramway competition which railway companies have to face in this country is child's play to that which they encounter across the Atlantic. But whether either railway shareholders, on the one hand, or municipal socialists, on the other, will be grateful to Mr. McDermott for assuming as too clear for argument that *post hoc* is *propter hoc*, is a separate question.

W. M. ACWORTH

British Railways: Their Organisation and Management. By HUGH MUNRO ROSS. (London: Arnold, 1904. Sm. 8vo. Pp. vii—245.)

"THIS little book," says the Preface, "aims at providing for the general non-technical reader an account of the railways of the