TRANSPORTATION AND THE TARIFF.

It is greatly to be hoped that the Western farmers, who are now so much roused against the railroad corporations, and are making such a formidable show of "Grangers," will come to some conclusion before long as to what they want, and put it down on paper in a practicable shape; otherwise the movement will die out like the Know-Nothing movement, some phases of which it already resembles, leaving the corporations stronger and more tyrannical than ever. Thus far, nothing in the shape of a policy worthy the attention of intelligent men has been produced. What the farmers' grievances are we all know; now let us have the remedy in black and white, and in a form which will bear expression in legislation. It is hardly worthy of sensible business men, such as the great body of the Western farmers are, to go on pouring forth vague declamation against "heartless monopolists," like the complaints of a meeting of a trades-union or of a waccan's-revotions convention. Nor is the plan of having "reasonable rates" of freight—no, in other words, the cost of transportation—fixed by a jury or a commission, which has been adopted in Illinois, very creditable to the intelligence of men who like to sell their wheat and cattle at the market rate. We have had enough in all conscience, during the last fifteen years, of attempts to set things to rights by the aid of meddlesome expedients. It is time that we once more began to go forward again, and tried to profit by the experience of past ages instead of copying it.

The farmers' uprising, undoubtedly, whether it be well or ill managed—whether it grow in its present shape into a real political organization, with a policy and platform, or pass through a cloud of rhetoric into something new—is, as we ventured to predict a fortnight ago, "one of the early skirmishes of the impending war, which, unless we greatly err, is destined to produce industrial, social, and, above all, political changes in this country of the most startling description." It is important enough already to make the discussion now raging in some of our Eastern papers, as to what the Republican party or the Democratic party ought to do next, seem almost pacific. But the new movement will not become a real political force until it is based on a calm and rational view of the facts of the situation. First and foremost among those is the difficulty of successfully manning a great railroad. This does not seem, perhaps, very formidable to an excited orator at an anti-monopoly meeting, but it is nevertheless, in the eyes of a rational man, one of the most difficult feats of modern civilization. It is indeed so difficult that the supply of persons equal to the task is, in this or any other country, very small. Cheap transportation might doubtless be obtained by the States at once by an amendment to the Constitution which would enable them to seize on all the railroads, and compel the managers to work them at low rates. But cheap and safe transport—if, indeed, there be any cheap transportation which is not also safe—cannot be permanently secured by either the Government or corporations without good management. Now, what does the good management of a railroad mean? It means, in the first place, the selection of a small army of employees, for a great variety of duties, requiring the utmost honesty, fidelity, exactness, and punctuality; and the maintenance of discipline in this army, by day and by night, in winter and summer, over a line of hundreds of miles, year after year. It means, in the second place, the purchase in the best market of vast quantities of supplies of all kinds for buildings, track, and rolling-stock, and the appropriation of each article to its proper purpose with the least possible amount of misuse or waste. It means, in the third place, the running of hundreds of trains daily and nightly in such manner and with such accuracy and punctuality that there shall be no collisions, and no lagging, and such forthought that no wheel, or rail, or bridge shall prove defective. This great, indeed we might almost say wonderful, work has come, by a sort of process of natural selection, to be committed to the hands of what is perhaps the ablest body of men in the United States. It is among them, and not in Congress or the State legislatures, that our real statesmen, and commanders, and financiers are to be found. They are by no means, in all respects, an admirable body of men; their influence in politics we hold to be bad, and almost wholly bad; but they do their own work, for which they are responsible before the world, admirably well. Their business is to conduct their roads carefully and profitably, and this they do; it is not their business to legislate wisely for the people of the United States, and this they neither do nor make any pretense of doing; and when we hear of their having corrupted a legislature, or bought up a judge, the blame lies not so much with them as with those who provide cheap and nasty legislators and judges. The purity of the legislature and the bench is our affair; the welfare of the "road" is the affair of the manager.

Now, the motive which influences them in giving themselves up to the direction of railroads is simply love of administration and love of money. These are perhaps low motives, but they are the motives by which nearly all the business of the world is done. There is in the present state of human nature no substitute for them. If, therefore, we were to interfere with the management of railroads to such a degree as to deprive their owners of the control of them, and of the power of making money out of them, the first result would be a rapid diversion of the talent and capital now engaged in running them to other pursuits. There is hardly any more doubt about this than about the composition of water. If the state began to meddle much with the cost of transportation and the regulated of traffic, no enterprising man would continue to hold railroad stock, or to work a road under the inspection of boards of politicians. He would sell out and withdraw. If the state then guaranteed a certain rate of interest on capital invested in railroads, a large class of "prudent investors," trustees, widows, spinsters, and elderly men retired from business, would doubtless keep their funds in them, as they do in Federal and State securities and city bonds; but this class does not supply administrative talent. It would probably not produce one man capable of operating a hundredmile road, so that the management of the roads would have to be taken by the State itself; or, in other words, by the dozen eamings-looking gentlemen who meet in seedy black clothes in hotel parlors a few weeks before election, and call themselves "The People." We presume there are but few persons still enthusiastic enough to believe that these persons or their agents, however they might succeed with one road in each State, such as Mr. C. F. Adams, Jr. proposes they should carry on, would be capable of taking charge of the entire railroad system of the United States. Let those who are dissatisfied with Scott's or Vanderbilts railroad service, think of what Tom Murphy's would be. In short, whatever the defect or inconvenience of our present system of having our transportation done by private enterprise, there is no substitute for it possible. A very large proportion of the talent of the country is now engaged in it, and we cannot afford to drive it away by undue state interference. In other words, the state could not provide as cheap and safe carriage as we now have by any process within its reach, or likely to be within its reach, and the extension of state activity would, in the present and probable condition of our politics, be simply an increase of the material out of which our Murphys, Ameses, Caseys, and Butlers are made.

If the Western farmers will look a little more deeply into the matter, they will see that the remedy lies not in more state interference, but in less; that what has most contributed to bring the class of men who are engaged in the conduct of the great industrial enter prises of the community (and with whose services it cannot dispense, into a position of hostility to it) and make them a source of political corruption, is special legislation, or, in other words, legislation bestowing special privileges on particular sets of persons. The system of passing acts giving the control of the market to persons engaged in the production of certain articles, is one which no community in our day has virtue enough to resist. It has, in our case, not only debanched Congressmen and converted them into the hangmen-on or paid agents of the great industrial chiefs, but it has gradually beguiled the industrial chiefs into looking on the country, not
so much as a political organization with laws to be obeyed and rights to be respected, as a field of speculation to be exploited. It has worked, too, a complete and corrupting alliance between the great railroad managers and the great manufacturers, by which money helps money, and every legislature in the country—as might be expected, that of Pennsylvania especially—is filled with the henchmen of the combination, and bound to do their bidding, and made as impervious to public opinion, or indeed any outside influence of an honest sort, as a parcel of plate-layers for ticket agents. If the farmers which they break this combination up, and bring back our great operators into just relations to the community, they must strike at the sources of what is corrupt in their power, and first among these is tariff legislation and all its appendages. In other words, the question of transportation is part and parcel of the tariff question, and cannot be dealt with apart from it. Transportation is made dear by the dearness of supplies; that is to say, the railroads are taxed enormously, and through the railroads the farmers, for the benefit of special industries. There can be no cheap transportation without cheap iron, cheap cars, cheap stations; and, what is more, there can be no markets for American produce abroad so long as the sale of all foreign commodities, except gold, is made as difficult as high duties and vexatious custom-house regulations can make it. Agricultural produce at the West is now a glut; it must become more and more of a glut, if either more railroads are opened or the cost of transportation on the present roads is diminished, as long as new markets are not provided, or, in other words, as long as access to the crowded regions of the Old World is artificially impeded. Of course there may come a time when there will be population enough in the West to eat up all its corn and pork; but, at the present rate of agricultural and railroad development, this will not be witnessed by either the present generation or the next, and the cry of the "Grangers" ought to be for a clearing of the outlets to the Old World in all ways. To secure this, it is not enough to cheapen transportation; we have to offer a market to the foreigner for his commodities in order to get him to take ours.

THE EXTRAORDINARY ELEMENT IN THE CASE OF PHELPS, DODGE & CO.

The case of Phelps, Dodge & Co. is certainly destined to become a case célèbre in our mercantile history; and, if we are not much mistaken, will, by awakening public attention to the character of the laws and the fiscal policy under which the business of the country is transacted, exert an important influence also upon our political future. The statement of their difficulties with the Government, which the firm has recently published, is a document so remarkable, that were it not for the accompanying confirmatory letters of the late United States District Attorney, Hon. Noah Davis, and the Special Treasury Agent, Mr. Jayne, the alleged facts would seem almost incredible; and yet the concurrent circumstances of the case which have not been publicly related, and the deductions which a review of the whole affair legitimately warrants, are of anything still more extraordinary.

During the past summer a contract was being negotiated by the house of Phelps, Dodge & Co. with certain manufacturers in Europe for the purchase of the entire annual product of a specialty of metal fabrication; and as the project, from the amount of capital involved, was one of no little risk and of great importance, the entire discussion and correspondence relative to it were made in the highest degree confidential, and a member of the firm ultimately sent abroad to perfect and complete the arrangements. But the steamer which bore him had hardly taken its departure when the firm was waited upon by a competitor in business, who, after making known his acquaintance with the proposed contract and its conditions, as well as the sealing of the partner referred to, preferred a demand for participation for himself and others in the enterprise, accompanying it at the same time with a threat that unless the terms were accepted "he would burst the whole business." It is only necessary to say that the demand was at once resisted, and its author treated as he deserved. But the revolution that was supposed to be business secrets in the firm had become known, and the further fact that an attempt was subsequently made in Europe to make good the threat uttered led to an investigation; when it was ascertained that for some time previous it had been the practice of several respectable New York metal-brokers and merchants to visit the store of Phelps, Dodge & Co., secretly and at night, for the purpose of inspecting their letter-books and invoices—an admission being given them by dishonest clerks and watchmen, who had been bribed to betray their employers' interests.

An arrest and prosecution of at least one of the principals concerned in this disgraceful transaction immediately followed; but as it was shown that admission to the store was allowed by the agents of the firm, and as it could not be proved that any article had been feloniously removed from the premises, no specific criminal offence, for which punishment might be awarded, could be established. But in the course of the trial it came to light that among the employees who had been guilty, from mercenary motives, of betraying the trust committed to them, was a clerk who, to the sin of dishonesty, added the deeper one of ingratitude. This man, a creole Frenchman or Spaniard, of supposed West India origin, had been given employment in the outset, when not needed, by a member of the firm, simply out of compassion for his utter poverty and friendlessness; and had subsequently been educated, promoted on a liberal salary to the position of assistant invoice clerk, and even retained in position when ill-health had almost entirely incapacitated him for any useful and efficient service. This rascal, for such is the only proper term that can be applied to him—who, by the way, it should be stated, had gained admission to the store at night under the plea of serving his employers by bringing up his arrears of copying—foreseeing as the result of the legal investigation that his own dismissal from employment would be one certain issue, took immediate steps to secure himself against any contingent detriment by assuming the rôle of an informer; and having in his capacity as assistant clerk become acquainted with certain invoices irregularities, in place, as was his duty, of informing his employers, he stole the documents in question, and put himself in communication with the Custom-house officials.

As to the manner in which he operated to make his stolen capital available, it is sufficient to say that men of high standing in the legal profession were only too ready to engage, for a share in the spoils, in the work of hunting down an old and leading firm of New York merchants, and by such the case was worked up and placed in the hands of the Custom-house detectives.

Now, whether the firm of Phelps, Dodge & Co. were or were not engaged in an attempt to defraud the revenue, is a question which we do not here propose to discuss. But we simply draw a picture of the events that preceded their accusation and arrangement, and ask our readers and the public to take a good look at it, and then ask themselves how long a community which tolerates such a dry-rot of all mankind can legitimately profess to be moral or even civilized? Or, in the face of such precepts, what probability is there of New York City speedily becoming the commercial centre of the world's exchanges, the continued recipient of foreign capital, or an entrepôt of the commerce of all nations?

But if the relation of private parties to this case has been most extraordinary, the position of the Government, both in respect to the law and its administration, in this same matter, has been no less singular. And in saying this we do by no means intend to reflect on the course of the minor officers of the revenue, who play the part of prosecuting and detectives. The law under which they act is permissive, if not mandatory; and when the end in view is pecuniary gain, human nature is pretty certain to run in similar channels, whether it be enthroned in the Custom-house, presides over a Chatham-Streeth loan-office," or rides on a red cart in the person of a Yankee tin-peddler. But when we come to deal with Washington and the higher officials who preside over the destinies of the
Copyright of Nation is the property of Nation Company, L. P.. The copyright in an individual article may be maintained by the author in certain cases. Content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.