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Getting There: The Epic Struggle Between Road and Rail in the American Century

By *Stephen B. Goddard*
New York: Harper-Collins; Basic Books, 1994

Around 1969, when the Department of Transportation was new, I attended a meeting organized by Secretary Alan Boyd of 20 to 25 railroad presidents. In fact, everybody in the room was a railroad president except for Alan Boyd (who later became one), Assistant Secretary Paul Cherington, and myself. Suppose, I mused, that Secretary Boyd had said to the group, "Here you are, every railroad president in the country who counts, and the industry has serious problems. What I want you to do is to sit here with me today and work out a program that will solve your problems." Could they have done it? The answer would be no; they collectively hadn't any idea of what to do or even state exactly what the problem was.

Then I thought of Thomas H. MacDonald, the head of the federal highway aid program from 1919 to 1953, little known to most people, but one who, facing the country's road, knew exactly what to do. He found the country sloshing in the mud and left it with a million miles of suitable roads to support 30 million cars and trucks at a cost probably one tenth the cost of World War II.

And you could add the career of Alfred P. Sloan, whose corporation in the same period was pulled out of bankruptcy to a position where it was able to sell at a profit most of the cars and trucks using MacDonald's roads.

My musings at this tedious meeting anticipated the epic theme of Stephen Goddard's book. MacDonald is the main protagonist. Goddard is one of the few transportation writers who fully understand MacDonald's role and the background which produced him, following technological developments going back into the last quarter of the 19th century. Most significant is the account of a consistent program of government-industry relations involving all sectors of motor vehicle production and operation acting not in response

to statute or regulation but to complex and long continued cues.

Goddard then portrays the futilitarian policies of the railroads. First, they alienated the political system despite their earlier involvement in public-private promotion and development. They caught themselves in a regulatory morass during the era of Theodore Roosevelt, the result of which, echoing the writings of Albro Martin, led to a denial of the revenues needed to move the industry into the 20th century. Just then they were faced with World War I. They made such a mess of things that the government took them over. Trying to be helpful, the post-war Congress set up a comprehensive planning process for their welfare. But true to form, they talked this program to death, as they did the Coordinator's program in the New Deal 1930s after most of them declared bankruptcy.

Another war gave them another chance, and this time they did better but still failed to seize their big opportunities. In 1957, they publicly paraded to the White House to start a new public policy process but again they could not agree on what to ask for despite a cooperative Congress that took 3000 pages of testimony. In 1958 the railroads got the "three shall nots" and some piddling loan guarantees.

However, the author describes the onset of a sea change in the epic. The highway mode now faces a crises due to congestion, urban sprawl, and environmental concerns. At the same time there are signs of awakening on the railroad side. There has been a positive administration of Amtrak, with a partial revival of passenger train service, the work of Graham Clayton. Rails have also demonstrated a role in commuter travel. On the freight side, regulatory reform has regained some traffic from the highway; container movements on a larger scale, innovative rates for automobiles, winter vegetables, coal movements, and new technologies for bulk grain movements. Railroads have begun to show profits. Mergers have reduced the number

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of corporate actors and increased the scale and efficiency of operations.

The book is rather inconclusive about the future direction of things and the forces behind them. It mentions shifts in regional economies, changes in the type and quality of industrial output, the looming prospect of the electronic data highways, and the changing position of the United States in the world economy.

These diverse and mighty forces fray the edges of the old highway alliance of private and public organizations. No MacDonald or Alfred Sloan has emerged to unify and lead the new forces that will shape transportation.

Goddard notes and describes the regulatory reform tendency and the development of interstate highways, but rather sketchily and with an inadequate sense of direction that would come from a more thorough consideration. The old systems, which were founded upon public and private bureaucracy, are evaluated very well. The new, more powerful sources of national leadership are not given focused treatment or analyzed.

The role of the Presidency is evident in some of the major changes described in the book. A Presidential message got the Interstate system off and running. Presidential insistence and Cabinet level implementation moved the Interstate from a narrow highway emphasis to a concern with more comprehensive involvement in urban planning, environment, public participation, safety, and intergovernmental relations. The President in 1955 started the regulatory reform movement with the Weeks Report. In 1961 came the Kennedy Message, and in the 1970s and 1980s, the follow-through legislation. Presidential interest has stimulated consideration of the electronic highway. Congressional leadership has escalated consideration of emerging influences on transportation. A national forum on these issues is emerging; witness Ralph Nader and other leaders and commentators.

Several incidental points should be made. The name John Bragdon appears in connection with the presidential mission to broaden the scope of the highway program. He was not, as the book says, with the Council of Economic Advisors but was a White House assistant. Impulsive and autocratic by nature, he made a mess of his assignment and was kicked upstairs to an interim position at the Civil Aeronautics Board which happened to be vacant

at the time. He did scare the highway interest enough to compel some partial reforms.

Goddard also falls into the trap about the 100 mile a day basis for computing train crews' pay. As Ted Fitch explains in his history of the Alaska Railroad, the 100 mile principle does not result in the overcompensation of a trainman; it has come down through the years as a device to take into account the actual amount of work done. If a straight salary or some other device were used, the compensation would be about the same. Considering the responsibilities of the job, the annual earnings of a railroad engineer and other crew members are not out of line, but far less, for example, than a ship's captain or airline pilot.

The author also states that under regulation all railroad rates must be approved by the ICC before they are effective. A railroad can publish any rate it wants and the rates, and the Commission only disallows rates that are investigated or protested for some reason such as unreasonableness or discrimination based on a legal or regulatory principle. Nevertheless, the presence of this regulatory machinery does have a dampening effect on competitive innovation.

A point that should receive more emphasis is the conflict that exists in regulation between the use of regulation to keep rates up and service down, a position favoring the carriers facing competition; and the forcing of rates down and increasing available service to please the public and users of transportation including large corporate shippers. This reviewer has participated in three programs to liberalize regulation, and in all cases the most vigorous opposition came from carriers who feared the lower rates and increased competition that might happen. They were far from eager to get the government off their backs.

But these points should not detract from Goddard's achievement in setting forth the great transportation struggle of our era and getting us introduced to the era that is now well advanced. It can be used as a reference work by anyone doing research in modern transportation. I hope that there will in time be a second edition to provide a stronger yet and more useful analysis of transportation prospects for the forthcoming century.

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