minor irritations, simply ignore a ringing phone, hour after hour. . . .

Another stratagem is the disruption of train schedules. . . . Suppose you wish to travel overnight by train from Washington to Memphis. There is no through service, but the Southern Railway has a Birmingham Special that arrives in Chattanooga at 8:10 A.M. or ten minutes *after* the train to Memphis has left. The Southern Pacific's Sunset Limited has been so rescheduled that, eastbound, it no longer connects at New Orleans with the Gulf Wind . . . , westbound, the Sunset leaves stranded in New Orleans for about fifteen hours those passengers coming from the east on the L and N's Crescent or the Southern Railway's Southerner.[5]

While freight traffic is not so cavalierly treated, many small communities have lost their agents, and many kinds of package freight do not appear to be much wanted.

Not all railroads have been so disdainful even to their passenger customers. But even those who have continued to serve long distance and commuter passengers well often say that they are losing money. Lately, a considerable movement has been mounted for governments to subsidize passenger trains, and some of this is already being done.

[5] Peter Lyon, *To Hell in a Day Coach* (Philadelphia: Lippincott, 1968), pp. 267-68.

A Puzzling Performance

There are two enigmas here. In the first place, it is not usual for businesses to discourage customers and treat them as if they were not wanted. Private enterprise succeeds by serving customers and by gaining and keeping their good will. Even losses may be sustained to provide certain kinds of service in order to gain profitable custom. When businesses behave otherwise, this behavior requires explanation. The second enigma is why any good or service that is widely needed and wanted cannot be profitably provided. Commuter trains, for example, may be filled to overflowing during rush hours, but many railroads no longer wish to operate them. Transportation is not the only area where the provision of vital goods and services has sometimes become unprofitable (others would include food provided by farmers and rental housing), but it is certainly a crucial one today. This is, to say the least, enigmatic.

There is, of course, an explanation. To get at it, it is necessary to look into the history of the railroads. Even the most casual student of American history will recall certain facts related to railroad history. Even the most general history of the United States will probably mention land grants to railroads, the Railway Strike of

1877, the Interstate Commerce Act, the Pullman Strike, the Northern Securities Case, the government take-over of the railroads in World War I, and the Transportation Act of 1920. In short, what the casual student may discern with a little reflection is that there is a long history of government involvement with and intervention in the affairs of the railroads. Deeper examination will show the impact of this on the railroads and provide explanations for the strange situations that have developed.

A Vital Service in Decline Plagued by Intervention

There are three fundamental reasons, then, why anyone undertaking to write an anti-utopian novel about the United States, as Ayn Rand did, might well focus on the railroads; and they are reasons why a historical study of the railroads is warranted. First, the railroads were crucial in providing a means for commercially uniting the states, and are a still vital part of the transportation network of this country. Second, they have been in trouble for a considerable while and have suffered a long-term decline. This has brought in its wake a host of other problems already alluded to. And third, there is a long history of government intervention in rail transport with all its ramifying effects.

Indeed, the railroads are the classic example in American history of the impact of government intervention on a business. They have had the longest history of intervention by the Federal government of any modern business. Theirs was one of the earliest instances of extensive subsidies to more or less private undertakings. The first strike to have an impact on a goodly portion of the country was against the railroads – the Railway Strike of 1877. The first general act to regulate interstate commerce and the first national regulatory commission was aimed at the railroads – the Interstate Commerce Act and the Interstate Commerce Commission. One of the earliest applications of the Sherman Antitrust Act by the Supreme Court against a portion of an industry was made against the railroads in the Northern Securities Case. The railroads were the first private industry to be taken over and run by the Federal government for a time – during and after World War I. In short, except for banking and the delivery of the mails, the railroads have probably the longest history of intervention of any major business in the United States. Nor is there any better place to study the debilitating effects of this.