

**RAILWAY REGULATION; AN
ANALYSIS OF THE UNDERLYING
PROBLEMS IN RAILWAY
ECONOMICS FROM THE STANDPOINT
OF GOVERNMENT REGULATION**

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Railway regulation; an analysis of the underlying problems in railway economics from the standpoint of government regulation by I. Leo Sharfman

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I. LEO SHARFMAN

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RAILWAY REGULATION

AN ANALYSIS OF THE UNDERLYING PROBLEMS
IN RAILWAY ECONOMICS FROM THE
STANDPOINT OF GOVERNMENT
REGULATION

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PREFACE

In the following pages an attempt is made to present an analysis of the leading problems in railway economics from the standpoint of government regulation in the United States. While it has been my purpose to vitalize the discussion by the liberal use of concrete illustrative material, the emphasis throughout has been placed upon the discovery of underlying causes and the consideration of fundamental principles.

The historical development of railway transportation has been traced only in so far as early conditions and past events have been shown to throw light upon the meaning and significance of current practices and present-day problems. The various stages in the growth of the American system of public control, state and national, have been given careful and detailed consideration because the principles and methods of railway regulation, as applied in the United States today, are the result of a gradual development. Both legislative enactment and judicial decision have slowly accommodated themselves to the irresistible pressure of our changing social and political ideals and our expanding commercial and industrial needs.

The vital and inseparable relationship, in railway transportation, between legal rules and business welfare, between railway economics and railway regulation, has served as the source and foundation of the entire analysis

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and discussion. The ideal of railway regulation is to harmonize, as far as possible, the natural functioning of railway enterprise with the principles and practices of public control.

The various sources, primary and secondary, upon which chief reliance has been placed in the preparation of this text are indicated in detail in the course of the pages that follow. Special acknowledgement must here be made to Professor William Z. Ripley, of Harvard University, for his help and influence both as teacher and writer, and to the late Professor Harrison S. Smalley, of the University of Michigan, whose volume on *Transportation in the United States*, published by the LaSalle Extension University, was placed freely at my disposal. I am also indebted to Mr. Asa Colton for reading both manuscript and proof and making many helpful suggestions.

I. L. S.

Ann Arbor, Michigan,
August, 1915.

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