

**OUTLINES OF
AMERICAN RAILWAY
TRANSPORTATION**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649384952

Outlines of American railway transportation by Ralph H. Hess & Heiskell B. Whaling

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RALPH H. HESS & HEISKELL B. WHALING

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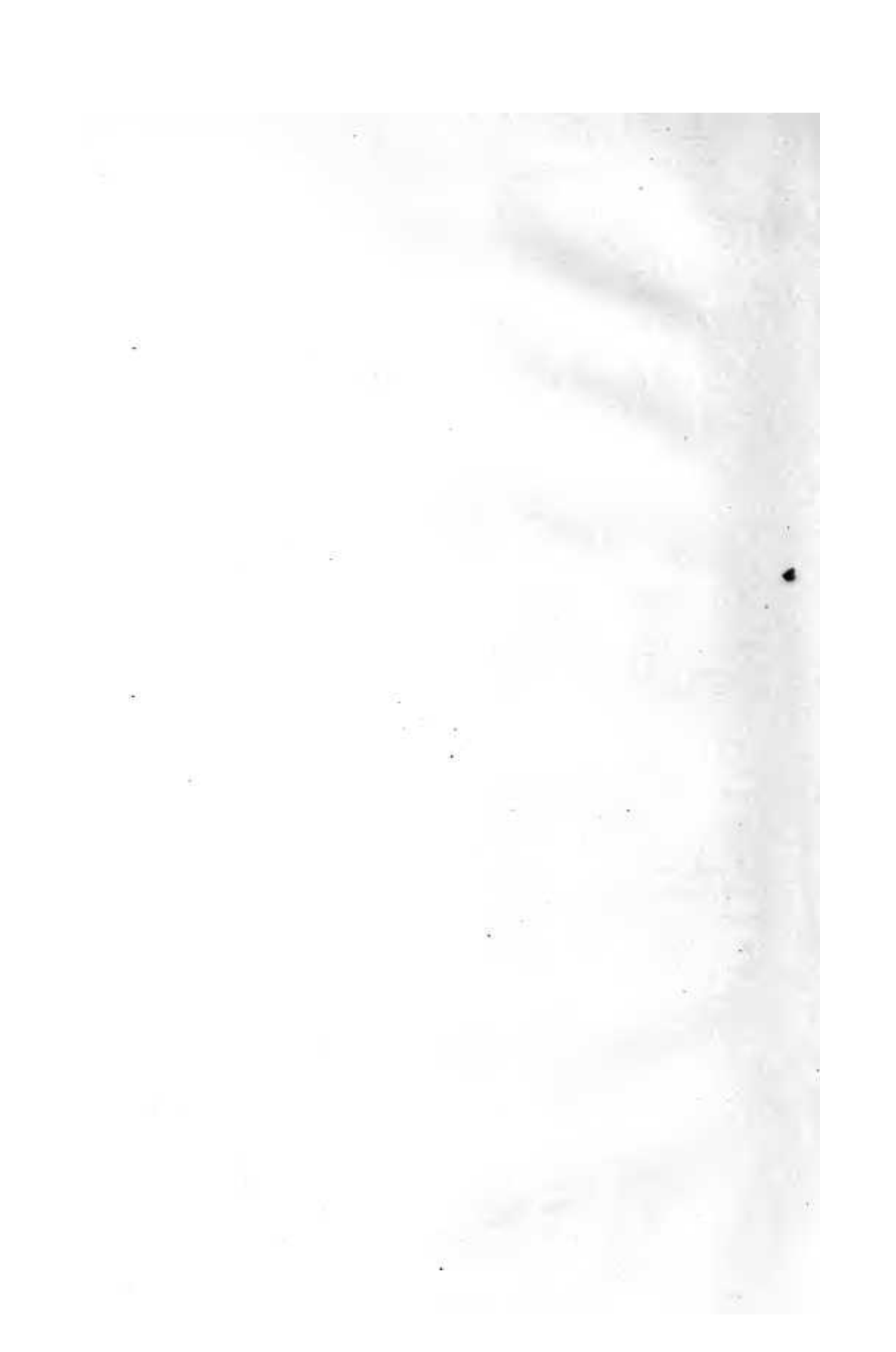
By Ralph H. Hess

HE 2741
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80 Vial
4/10/1913

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INTRODUCTION

A comprehensive study of transportation would include a survey of the transmission of goods, persons, and ideas by means of all known vehicles of the land, water, and air.

The course of study here outlined is confined to an examination of the economic and social aspects of the transportation of goods, persons, and mails upon railways, and with special reference to conditions in the United States.

In this study, matters of first importance concern the relation of the railway business to other businesses and to the nation as a social unit.

The theory and technique of railway organization and management, especially as regards finances, are treated in certain general aspects as are also some phases of water transportation.

Certain principles which are here developed pertaining to public policy in matters of transportation and to the functions and powers of railway corporations are generally significant in the wider field of public utility enterprise. Students should be careful to note and offer for discussion such generalizations as may appear to apply with like emphasis in the consideration of other public service activities.

For the sake of brevity, references to the following books are indicated by names of authors.

- Beale and Wyman, *Railroad Rate Regulation*.
Goodnow, *Municipal Government*.
Hadley, *Railroad Transportation*.
Haines, *Railway Corporations as Public Servants*.
Haney, *Business Organization*.
Johnson, *American Railway Transportation*.
Johnson and Huebner, *Railroad Traffic and Rates*.
King, *Regulation of Municipal Utilities*.
LaSalle Extension University Series, *Business Organization, Transportation*.
McPherson, *Railroad Freight Rates*.
Meyer, *Railway Legislation in the United States*.
Merritt, *Federal Regulation of Railway Rates*.
Morris, *Railroad Administration*.
Noyes, *American Railroad Rates*.
Pratt, *Inland Transportation and Communication in England*.
Raper, *Railway Transportation*.
Ripley, *Railroads: Rates and Regulation*.
Sakolski, *American Railroad Economics*.
Whitten, *Valuation of Public Service Corporations*.
Wood, *Modern Business Corporations*.

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CHAPTER I

THE FUNCTIONS OF RAILWAYS

(a) *Availability* is an essential attribute of actual value. In broad terms, the function of railways is the creation of availability or "place utility."

1. The bringing together of labor, capital, and natural resources is an essential preliminary to the creation of "form utilities" by the industrial processes of agriculture and manufacture.

Railways have been the chief agency in promoting the settlement of continental interiors and geographical specialization in production—(mutual availability of the economic factors of production).

2. Specialized production necessitates the exchange of goods among districts yielding different forms of natural and labor products.

Ready means of exchange generates competition in production among districts of like products.

Railways and ocean vessels have most extensively served mankind in this respect—(availability of goods).

3. Social intercourse, an essential attribute of civilization and a criterion of progress, has been many times multiplied in the last half century by railways—(social availability).

Pratt, *Inland Transportation and Communication in England* pp. 385-388, 397-399, 400. *Annals American Academy*, Vol. 5, pp. 905-908. Meyer, *Railway Legislation in the United States*, pp. 3-6. Johnson, *American Railway Transportation*, pp. 3-4. Taussig, *Principles of Economics*, Vol. 1, pp. 43-48. McPherson, *Workings of the Railroads*, pp. 13-14.