



**ABOVE:** Local streetcar service in Los Angeles lasted until 1963, and in fact outlived the final remnant of the Pacific Electric interurban by two years. Mainstays of the narrow-gauge transit fleet at the end were modern PCCs, such as 3165, seen here in 1957 on the J line right-of-way.

## The Conspiracy Revisited

Van Wilkins

**Every so often allegations appear about a plot contrived by the motor vehicle industry designed to annihilate the urban electric railway in the U.S. Having done exhaustive research on the subject, Senior Contributing Editor Van Wilkins offers this guide and score-card.**

**F**ROM TIME TO TIME THERE APPEARS a letter in the editor's mail box asking about a conspiracy to destroy the streetcar in the United States. More recently, two books have appeared which credit this cabal with the disappearance of the beloved trolley. The intrigue has even been the subject of a segment on CBS's investigative news program *60 Minutes*.

Much of what has appeared in the media has been based on 1974 Congressional hearings, and a great deal of this has been inaccurate. The expert in the field, Bradford

Snell (a Senate staffer active in the aforementioned investigation), has been working on a book to be published later in 1995 which will provide a detailed examination of the subject, but in the interim a brief review may be useful.

### Defining the Terms

There was indeed a conspiracy among certain bus builders, oil companies, tire manufacturers and others involved in the motor vehicle industry. The scheme was proved to the satisfaction of a court and upheld on



**ABOVE:** Toronto was one of the few cities to operate an all-PCC fleet, acquiring used cars from U.S. systems at bargain prices. Although National City Lines had no influence in Canada, abandonments there paralleled those in the United States. Toronto was the sole exception, and even there citizen pressure was necessary to preserve some lines over the opposition of a hostile transit commission.

appeal, although penalties were minimal. But, and this is a very large "but," no one was ever convicted of plotting to destroy the street railway industry. Rather, punishment was handed down for violating anti-trust laws by conspiring to monopolize the sale of buses, tires, and gasoline.

To understand what happened, one must look at the condition of the industry as it entered the 1930s. Total ridership had peaked in the mid-1920s and went sharply downhill from there—the result of a combination of factors. These included the proliferation of two-auto families, construction of better roads beyond city limits (encouraging urban sprawl), the Great Depression, lack of adequate funds to modernize aging street railways, and actions by Federal, state and local governments. There was an increase in ridership during World War II, but with the end of the conflict the downward slide resumed.

The primary cause for the decline in transit usage was the automobile, which was proliferating wildly. While prone to breakdown, the car provided a more comfortable ride than did a streetcar built in many cases early in the century and running on worn-out track. Most streetcars were noisy;

wooden or hard rattan seats were the norm. For many street railways there was little money to rebuild track or buy new cars.

### "We're from the Government"

The Great Depression led to money from Washington for road building as a method of providing employment, but federal policy discouraged funding for the paving of streets or roads which contained streetcar tracks. Local governments pressured companies to substitute buses for streetcars, even in cases where the firm wished to continue to operate streetcars.

In 1935 Congress passed the Public Utilities Holding Company Act. One effect of what came to be called the "Death Sentence Act" was to cause power companies to sell off street-railway subsidiaries. Streetcars thus lost a major source of monetary support. Even before the legislation was enacted, the utilities were seeking buyers for failing operations in smaller cities.

### The Disinvestment Begins

In 1933 San Antonio became the first major city in the U.S. to depend entirely on the motor bus for public transit. The city had offered financial inducements to abandon.

Larger systems were not immune. In Manhattan, New York Railways had been placed in the hands of a receiver at the end of World War I. The last purchase of new equipment for its 1500-car fleet was in 1914. The company came under the control of bus interests, and with the encouragement of city officials streetcars were abandoned in the mid-1930s. The same officials also forced the conversion of the other two major systems (one with PCCs) in the city.

Some systems in large cities bought PCCs in an effort to retain rail operations. In the pre-World War II era, however, only a few companies could fund more than relatively small purchases. In all but the largest cities, the money was not there. Only three U.S. and Canadian cities were able to re-equip entirely with PCCs, though some routes were abandoned in the process. Toronto did so by buying used PCCs at bargain prices.

### A Marketing Opportunity

The motor vehicle manufacturers were not stupid; they saw opportunities to sell buses and aggressively pursued them. At smaller systems—some of which were already in bankruptcy or with revoked franchises—the sales pitches fell on receptive ears.

Such systems were acquired by General Motors and several independent groups. In some cases the buyer continued to operate the system. In others, the bus operation was sold and the money used to buy other systems on the verge of abandonment. GM at first directly financed such activities.

In 1936 the auto and truck giant and others began assisting one of these groups—National City Lines—in its efforts to expand operations. Agreement to purchase buses, tires, and fuel only from the participating companies was required. This is the conspiracy that has now passed into American folklore as the agency that destroyed the trolley. In fact it did not.

### NCL's Alleged Culpability

Over its corporate life National City Lines and related companies controlled a total of perhaps sixty systems. It has been asserted that NCL destroyed five rail systems in these cities, but in fact in a number of cases rail

service had disappeared before the takeover. In others the decision to abandon had already been taken and the process was well advanced. NCL acquisitions in the 1930s were in cities of less than 100,000, ranging down to a low of 17,000. The single exception was Tulsa, where the local operator was already in very serious trouble.

The 1940s saw NCL acquisition of some larger systems. Related Pacific City Lines bought the Salt Lake City system in 1944. There, a handful of cars were still running on a remnant of a single route abandoned

in 1941 but restored to service as the result of a wartime edict. The decision to abandon all rail operations in favor of buses had been made in the early 1930s.

#### NCL's "Big Five"

Major NCL-influenced systems included Baltimore, St. Louis, the Los Angeles Railway, and the Key System at Oakland. Philadelphia was acquired in 1954, after the

conspiracy trial. For these five a case could be made that major rail lines should have been preserved. There is of course no question that NCL planned to abandon all rail service eventually, but these five are worth a brief look. They illustrate how more than a conspiracy was involved.

In Baltimore the city brought in Henry Barnes, fresh from Denver where he oversaw the conversion of Denver Tramways to

Senior Contributing Editor **Van Wilkins** is also a regular contributor to *Passenger Train Journal*, *Bus World* and other transportation-oriented publications.



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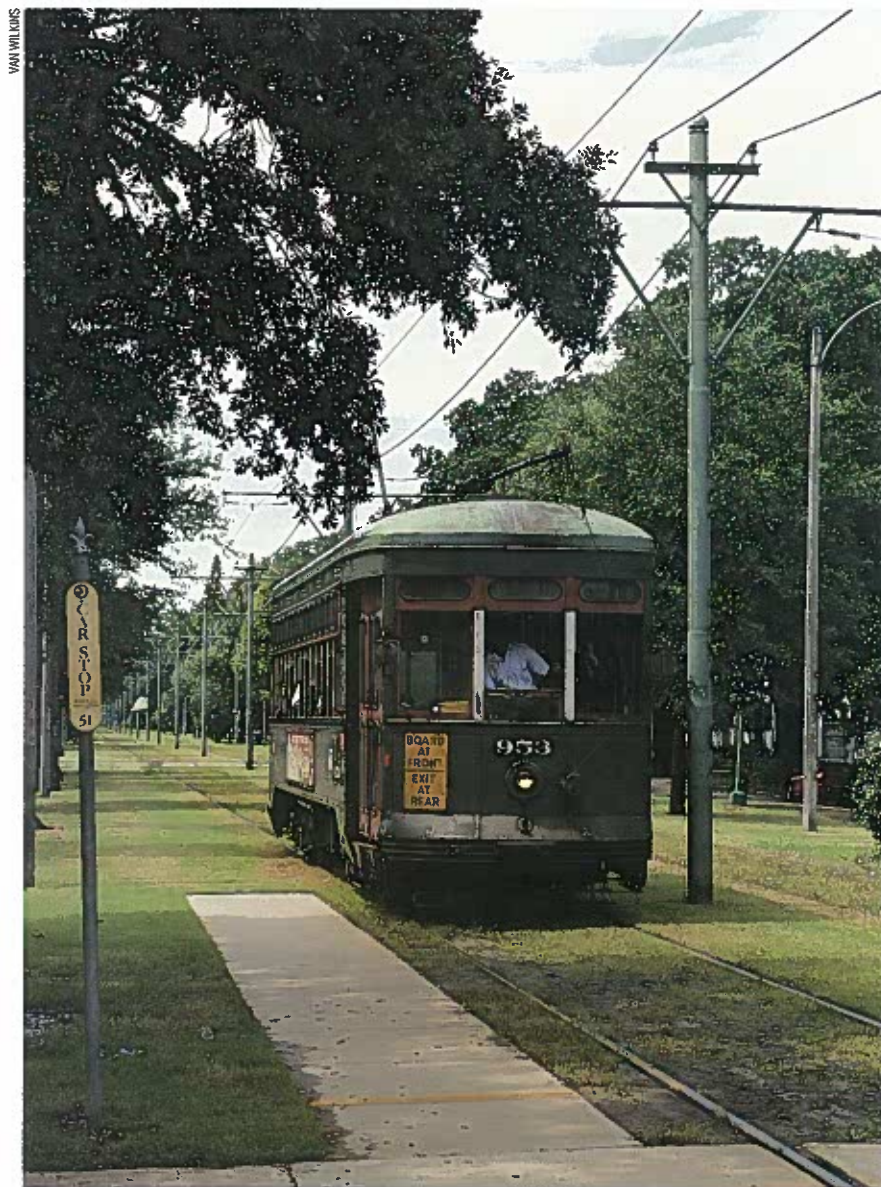
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**ABOVE:** The wide "neutral ground" which separated forty percent of the tracks of New Orleans Public Service from automobiles was seen as potential traffic lanes by planners and city officials in the 1950s and 1960s. Only the historic line on St. Charles survived, and that was a near thing.

bus and trolley coach. Baltimore wanted the streetcars off its narrow downtown streets to improve traffic flow. In St. Louis a combination of freeway construction, paving projects and municipal pressure caused abandonment of much of the system. But, in both cities the last cars ran into the early sixties, long after they had been abandoned in most non-NCL cities.

In Oakland, state authorities wanted Key System trains off the Bay Bridge to provide

more traffic lanes. Los Angeles Railway had decided before World War II that retention of just three lines could be justified; NCL continued to operate five. And in Philadelphia streetcars run today because of NCL ineptness in dealing with city authorities.

### The non-NCL Cities

What is perhaps more significant, however, is a listing of major cities where no NCL role has been documented. Aggressive bus sales-

men, yes; city officials wanting rail-free streets, yes; transit companies wanting out of rail operations, yes; financial shenanigans, yes: a conspiracy, no. Such locales include Boston, northern New Jersey, Washington, Atlanta, Birmingham, Miami, New Orleans, Chicago, Cleveland, Louisville, Cincinnati, Pittsburgh, Indianapolis, Detroit, Milwaukee, Minneapolis, Memphis, Kansas City, Denver, Dallas, Houston, San Francisco, Portland, and Seattle. In a few cases some rail survived, usually because of a tunnel, a subway, or some political factor. In Canada, the pattern is the same, and there was no NCL influence there.

Too often, writers have confused Los Angeles Railway with Pacific Electric, where NCL had no role, although former NCL executives did become involved after the abandonment of almost all of the system. The California Railroad Commission had studied PE in the 1930s and recommended modernization of some lines and abandonment of the rest. There is some evidence that PE was interested in rail operations in the medians of freeways, but owner Southern Pacific could not or would not provide the money. As a result, the system disappeared, with the last line done in by a public transit authority.

It has been said abandonment in non-NCL cities was influenced by officials who had come from NCL operations. It has also been asserted that while there was a "smoking gun" in the NCL cities, other systems were abandoned because of a larger, undocumented conspiracy by auto manufacturers to substitute buses on the premise that they were inferior to streetcars and would drive more riders to the automobile. This would imply that universities turning out traffic engineers and urban planners preaching that rail was obsolete, along with politicians across the country, were also part of the conspiracy.

The idea of a conspiracy provides a simple and comfortable explanation for what was the result of a very complex set of circumstances. We have yet to grasp all the implications, and we repeat the errors of the past by continuing to pander to the automobile.