



Dismantling Public Transportation

A Brief History in the U.S.

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PRE-READING:

- Learn the following vocabulary:
dismantle = to take apart
consortium = a group of
conspiring = join with others to do something unlawful or harmful
vice versa = a Latin phrase meaning “the other way around”
- Look at the pictures and read the text in the boxes and the headings. What do you think this article will be about?

Introduction

In 2009, *National Geographic* ranked mass transit ridership in the United States as the worst in the world compared to other industrialized countries.¹



Cars parked in Omaha, Nebraska. Photo, by John Vachon, is in the public domain. Above: electric streetcars awaiting demolition. Photo in the public domain.

Ever wonder why there are so many private automobiles and so few public transportation systems throughout the United States? The move away from public transportation in favor of private automobiles was the result of a multi-corporate effort to replace public trolleys and streetcars with buses and automobiles.

Trolleys were King

During the 1920s, only 10% of the U.S. population owned a car and most people who lived in cities traveled by rail.² For more than 25 years, electrified bus, street cars, and trolleys constituted the main form of public transportation in urban areas. In towns across the United States, the center of many roads was embedded with steel rails and reserved for streetcars. Trolleys and street cars using electric motors operated in most large cities. They were efficient, smooth, and comfortable. By 1946, the highest use of U.S. public transit ridership was recorded – a record-breaking

GM led a national campaign to control or buy-out local public transportation systems in order to increase sales of private automobiles.

23.5 billion trips. During that time, 88% of the U.S. urban population approved of expanding electric rail-based systems.³

Cars Become King

But all that changed as General Motors (GM) led a national campaign to control or buy-out local public transportation systems throughout the country in order to increase sales of private automobiles, commercial buses, and related supplies. After World War II, and on the heels of the Great Depression, GM aggressively pursued cities and towns to sell their streetcars and trolleys. After buying these public transportation systems, GM

dismantled them and shut them down.

General Motors, with help from several large companies including Firestone Tire, Standard Oil of

California, Mack Truck, and Phillips Petroleum, created a consortium of companies to buy and take control of public transportation systems throughout the United States. In the following years, GM systematically eliminated trolleys and dismantled tracks in order to advance company profits: Now

“If we can eliminate the rail alternatives, we will create a new market for our cars.”

Economics Terms

A monopoly is when a company controls *all* the supply of a product or a service.

An antitrust violation. A “trust” is when two or more companies cooperate to fix prices and control the market. In the late 1800s, corporations had massive “trusts” or monopolies in transportation, banking, and other industries. The Sherman Act of 1890 was an antitrust law. It made it illegal for companies to join together to prevent competition in the market.

Good for General Motors?



“What is good for the country is good for General Motors—and vice versa.”

— *Charlie Wilson, former CEO of General Motors and Secretary of Defense under Eisenhower*

people had to buy gasoline through Standard Oil in order to run cars and buses manufactured by GM while driving on tires purchased from Firestone.

General Motors and its partner companies targeted over 100 U.S. cities. By the 1940s, they owned or controlled 46 public transportation systems in 80 cities in 20 states.⁴

In 1932, GM’s consortium of corporations also created the National Highway Users Conference, a powerful lobbying group that influenced lawmakers to craft national highway legislation. During this same time, GM began selling the idea that the automobile was America’s preferred mode of transport. By the mid-1950s, only a few public rail-based systems remained. Alfred P. Sloan, who directed GM operations between 1923 and 1946, was quoted as saying at the time, “If we can eliminate the rail alternatives, we will create a new market for our cars.... We’ve got 90% of the market out there that we can...turn into automobile users.”⁵

GM Breaks the Law, Receives Slap on Wrist, CEO Becomes Secretary of Defense

Their efforts to dismantle U.S. public transportation systems did not go unnoticed. In 1947 and 1948, officials from GM’s consortium were indicted on charges of conspiring to acquire control



A General Motors ad from the 1950s

of a number of transit companies in California and Illinois, and of forming a transportation monopoly for the purpose of monopolizing sales of buses and supplies.

In 1949, General Motors, Standard Oil of California, Firestone, and other companies plus several executives were convicted of criminal anti-trust violations and conspiring to monopolize the sale of buses and related products. The convictions were upheld on appeal in 1951. The corporations were fined \$5,000 and their executives \$1 each.⁶ Historians speculate that the Truman administration did not pursue tougher monetary sanctions because, at the time, the United States needed the assistance of GM and other companies to support war efforts in Korea and the Cold War with the former Soviet Union.

Charles Wilson (another former GM President; see box on previous page) continued to advance the GM agenda of private automobiles when he became U.S. Secretary of Defense. In 1953, he spearheaded the \$25 billion dollar Federal-Aid Highway Act of 1956, creating one of the largest public works project in U.S. history and initiating our current network of federally-funded coast-to-coast highways.⁷

Public Transportation in the Future

There is good news on the horizon. Use of public transportation in the United States is on the rise. Mass transit ridership has grown 21% since 1995—



Passengers in a streetcar

faster than vehicle and airline passenger miles logged for the same period. From 1995 to 2013, public transportation ridership grew 37%, nearly double the population growth (20%) for the same period of time.⁸

In 2013, people made over 10.7 billion trips via public transportation systems throughout the United States—the highest use of mass transit since 1956.⁹ This is a trend that is expected to continue as Americans look for cost-effective, environment-friendly ways to travel.

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List of sources (all retrieved 4-23-16): 1. <www.globalmasstransit.net/archive_main.php?id=22>. 2. <www.railsandtrails.com/AutoFacts>. 3. <www.apta.com/mediacenter/ptbenefits/Pages/Public-Transportation-Use-is-Growing.aspx>. 4. <en.wikipedia.org/wiki/General_Motors_streetcar_conspiracy>. 5. <environment.about.com/od/fossilfuels/a/streetcars.htm>. 6. Mann, Robert, *Streetcars of Florida's First Coast*, available on <books.google.com/books>. 7. <www.bilderberg.org/socal.htm>. 8. <www.apta.com/mediacenter/ptbenefits/Pages/Public-Transportation-Use-is-Growing.aspx>

AFTER YOU READ:

1) The author argues that the move from public streetcars to private automobiles was not an accident. He says it happened as a result of actions taken by corporations and by the government. List some of these actions. This is a controversial perspective. Research it and develop your own opinion.

2) Think further about monopolies and trusts. Why would the government make antitrust laws?