CLOSE-UP

ROBERT R. YOUNG

The "gadfly of the rails," who is trying to control the New York Central, crusades for the passengers and yells bloody murder about "dambankers"

by JOHN CHAMBERLAIN

YOU may have seen pictures of the dream trains of the future—shiny arrows of light alloy steel that will go hurtling across the landscape at 100 miles an hour or better. According to the prospectuses, they will come equipped with children's nurseries complete with Mickey Mouse decorations and diaper service, and even the common or proletarian coaches will have chaise-longue reclining seats, individual bull's-eye reading lamps and soft radios that will croon to you and you alone as you keep your ear glued to the back of your chair. The vestibule doors of the dream trains will open at the approach of the traveler. There will be bar cars and nightclub cars for the thirsty, and every evening after dinner there will be movies in the dining car. The days of curtained sleeping space and Iron Maiden upper berths will have disappeared forever before the onslaught of roomette and "buddgette" and lightweight family coach, and sightseers will view mountains and the backyard dumps of cities from glass-enclosed vista domes rising out of the train roofs.

To the extent that our straitened and monopoly-throttled builders of de luxe trains can turn them out, the dream trains will undoubtedly come true; even before the war the future was apparent in the Sante Fe's Chief, the New York Central's Midwestern Mercury and the streamlined wonders of the Burlington. But even the preview publicity, to say nothing of the trains themselves, might have lagged into 1951 if it had not been for that self-constituted goad and gadfly of the railroads, Robert R. Young of the Chesapeake & Ohio railway system.

The white-haired Mr. Young, who takes only $7,500 per year as chairman of the board of the C & O where his predecessor got $60,000, is all out for every possible railroad improvement, and he may have a few wild impossibles or dismal flopperoos on his capacious list as well. From legible timetables (the suggestion of former Governor Ellis Arnall of Georgia) to electronically cooked foods for day-coach tray service, from new air springs and gas-turbine locomotives to train-to-shore telephones, the 135-pound bundle of banty-rooster nervous energy that is Bob Young has been busy pushing them all.

He is also busily engaged at the moment in trying to push his way into New York Central; the C & O has some 5% of Central common stock and Young is girding himself for a proxy fight to wrest control of Central away from the Vanderbilts and the Morgan interests. While it will undoubtedly take some maneuvering (plus Interstate Commerce Commission blessing) to get the Central, the 50-year-old Mr. Young is a tough baby in a proxy war. "That man Young," said an old-line railroad man the other day, "operates on a shoestring. But, boy, he sure can make a shoestring look like a cable."

The art of spinning shoestrings into cables rests in part upon an evangelistic approach; at one time Young even had the pastors along his C & O line preaching sermons about the superiority of Young's railroad ideas. But Young's showmanship often diverts attention from more solid attributes. As a matter of fact his main appeal to security holders is a cold-blooded ability to produce dividends. When he took hold of the Pere Marquette and the Nickel Plate roads back in 1937 their bonds were selling well below the bonds of the New York Central. Today an opposite situation prevails. As for shoestrings, Young argues that he and his partners and his friends have more of an investment in Central. than any of the "banking" interests who control the board.

Using the Central in the east, the Missouri Pacific in the granger-state belt and trackage rights in the Far West, Young hopes eventually to create a streamlined coast-to-coast system of travel under one management. But the battle for Central has more than railroad significance. In its essence it may denote a vast glacial shift in the U.S. capitalist economy from Wall Street to the Midwest. The traditional control of the Central has resided with the east in general and with Morgan interests in particular. But if Young gets control all that may be changed. For Young's investment bankers and friends—Harry Stuart of Chicago, Cyrus Eaton of Cleveland—are hard-scrabble Midwesterners who won't be satisfied until they have beaten the proprietors of the Wall Street investment market to a pulp. They are mavericks in their profession; to the striped-pants oldtimers they seem diabolical in their willingness to shade the price for their services in floating railroad bonds.

As part of his war on Wall Street, Young will announce the formation on Feb. 24 of his Federation for Railway Progress, with Ed Stettinius as chairman of his advisory group. The new federation will invite stockholders, railway labor unions, equipment manufacturers and passengers to join its ranks in a battle to crack the lordly Association of American Railroads, which Young insists is a "broken-down lobby" for Morgan and Kuhn, Loeb "monopoly" interests and a "menace to honest politics" in virtually every state in the union.

A Texan, Young says "dambanker" or "goddambanker" the way other Texans say "damyankee." His vituperations about the "Morgan crowd" and Wall Street are piquant in the light of his own stock-market past. For Young was a broker when he strayed almost inadvertently into railroading. He was an adventurer among "broken-down securities" when he got control in 1937 of the Alleghany Corp., a derelict holding company which had both sound railroad properties and some very unsound Cleveland real estate, for a mere $254,295 of his own money. With the help of Allan P. Kirby, heir to a Woolworth five-and-ten fortune who put up $3,000,000, Young bought Alleghany from George Ball, the fruit-jar manufacturer of Muncie, Ind., who had previously got it from the two Van Sweringen brothers of Cleveland. Since J. P. Morgan had backed the Van Sweringens in their attempt to put together a railroad empire, Young soon discovered that he was expected to call on Thomas W. Lamont at the Morgan bank to explain his plans. The Lamont attitude seemed to be unduly proprietary toward the railroads, and Young went away from the Morgan bank at 23 Wall St. feeling that he had been spanked. With no vested interest to uphold and with a conviction of righteousness that was just as strong as Lamont's, Young proceeded immediately to turn the ancient railroad financing habit on its head. He had

A Hog Can Cross the Country Without Changing Trains—But YOU Can't!

The Chesapeake & Ohio Railway and the Nickel Plate Road are again proposing to give human beings a break!

It's hard to believe, but it's true.

If you want to ship a hog from coast to coast, he can make the entire trip without changing cars. You can't. It is impossible for you to pass through Chicago, St. Louis, or New Orleans without breaking your trip!

There is an invisible barrier down the middle of the United States which you cannot cross without inconvenience, lost time, and trouble.

560,000 Victims in 1945!

If you want to board a sleeper on one coast and ride through to the other, you must make double Pullman reservations, pack and transfer your baggage, often change stations, and wait around for connections.

It's the same sad story if you make a relatively short trip. You can't cross that mysterious line! To go from Fort Wayne to Milwaukee or from Cleveland to Des Moines, you must also stop and change trains.

Last year alone, more than 560,000 people were forced to make annoying, time-wasting stopovers at the phantom Chinese wall which splits America in half!

End the Secrecy!

Why should travel be less convenient for people than it is for pigs? Why should Americans be denied the benefits of through train service? No one has yet been able to explain it.

Canada has this service . . . with a choice of two routes. Canada isn't split down the middle. Why should we be? No reasonable answer has yet been given. Passengers still have to stop off at Chicago, St. Louis, and New Orleans—although they can ride right through other important rail centers.

It's time to pry the lid off this mystery. It's time for action to end this inconvenience to the travelling public . . . NOW!

Many railroads could cooperate to provide this needed through service. To date, the Chesapeake & Ohio and the Nickel Plate ALONE have made a public offer to do so.

How about it!

Once more we would like to go on record with this specific proposal:

The Chesapeake & Ohio, whose western passenger terminus is Cincinnati, stands ready now to join with any combination of other railroads to set up connecting transcontinental and intermediate service through Chicago and St. Louis, on practical schedules and routes.

The Nickel Plate Road, which runs to Chicago and St. Louis, also stands ready now to join with any combination of roads to set up the same kind of connecting service through these two cities.

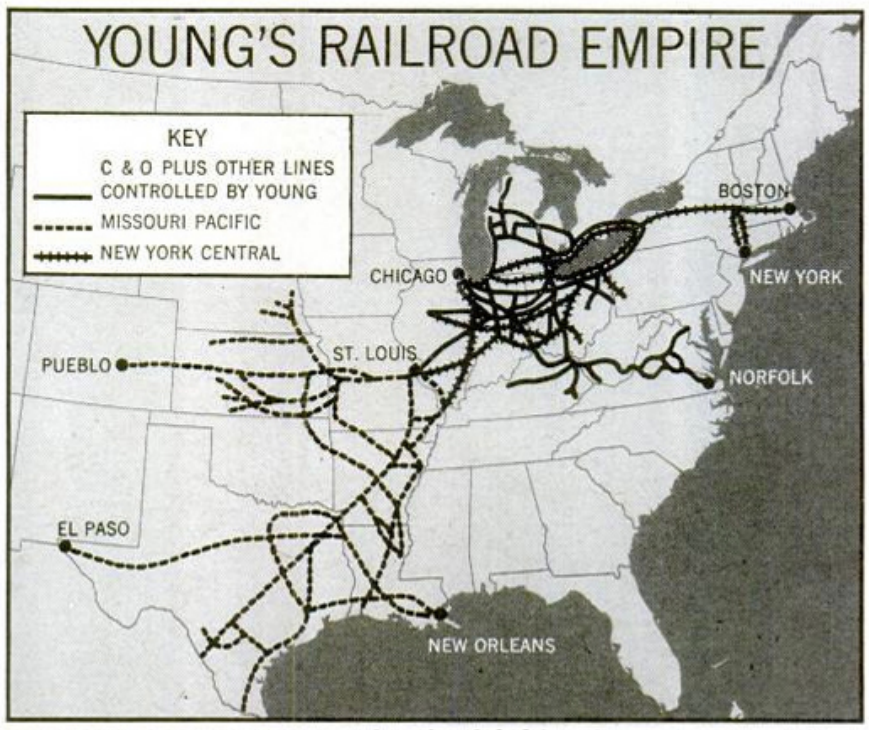
Through railroad service can't be blocked forever. The public wants it. It's bound to come. Again, we invite the support of the public, of railroad people and railroad investors—for this vitally needed improvement in rail transportation!

Chesapeake & Ohio Railway · Nickel Plate Road

Terminal Tower, Cleveland 1, Ohio

THE HOG AD, written by R. R. Young himself, won its author a plug in *Advertising Age* as the advertising man of 1946. It is widely credited by experts with having forced the establishment of through transcontinental service at Chicago.

YOUNG RELAXES in the library of his Fairholme estate at Newport, R.I. where he likes to live handsomely among the rich whom he curses roundly for reactionary business philosophy. Fairholme was built for John R. Drexel in the '90s for $190,000; Young got it for $38,000 in 1942. It is only a short step along the Newport cliffs to The Breakers, owned by one of the Vanderbilts, whose New York Central Railroad Young hopes to capture. The photographs on the mantelpiece are of Young's daughter, Eleanor Jane.



YOUNG'S AMBITION, to round out his C & O kingdom, is to gain control of the New York Central, Missouri Pacific and trackage rights to the West Coast.

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plenty of scope for humpty-dumpty tactics, for in 1937 Alleghany controlled seven railroads possessing $2 billion in railroad assets. Receiverships have long since sheared three of the old Alleghany roads away, but he still has a fair-sized kingdom in the four roads he has left, and he hopes some day to get the Missouri Pacific back.

The centerpiece of the Alleghany system of railroads is the rich Chesapeake & Ohio, which makes most of its money carrying bituminous coal from the West Virginia mountains to Newport News on the Atlantic and to Toledo on Lake Erie. The other Alleghany roads—the Nickel Plate, the Pere Marquette, the Wheeling and Lake Erie—are also great carriers of freight. Even when the Alleghany Corp. was losing money on its shaky real estate it made a profit on its railroads. With such a sure-fire thing as the C & O coal revenue coming into the till every month, most men would have been content to leave well enough alone. But Young, with characteristic insight into popular moods, decided that railroads are judged by the public not according to their freight-carrying potential but on the quality of their passenger service. To head off a slump that might mean a demand for nationalization—and, incidentally, to save his Alleghany stockholders—Young considers it his mission to bring all the relief he can to those impressionable members of the traveling public who are tired of trying to wriggle into girdles or trousers in upper berths. On his first trip as board chairman over the Chesapeake & Ohio, Young decided that not even the famous Chessie cat could sleep on mountain grades in the standard equipment available for passengers. Unable to kill the cat in the face of protests from his advertising department, Young insists that someday he will make an honest kitten of Chessie.

Young's innovations

EVER since 1937 Young has been hammering away at old-line railroad men and at the bankers he sees lurking behind them. His famous hog ad—"A Hog Can Cross the Country Without Changing Trains—But YOU Can't!"—was the prime mover in forcing the railroads to establish through transcontinental service at Chicago and St. Louis. Another Young ad campaign wiped out a black market in Pullman space. When Young's Pere Marquette put two new maize-and-blue streamliners on its Detroit–Grand Rapids run last August, the traffic visibly jumped; people forsook automobiles and took to riding the Pere Marquette just for the fun of it. Tipping was abolished on the new Pere Marquettes. Patrons were permitted to phone in advance for day-coach space and pay for their tickets on the train, which effectively put an end to ticket-window annoyances. Young is now permitting passengers to travel on credit cards, and on Jan. 7 of this year he began to show moving pictures in the dining cars of C & O trains. Many of the Young innovations have an airline atmosphere. And though Young professes to believe that the automobile will remain the great continuing threat to rail travel, when he talks about what railroads *might* do to speed their runs it is air competition that gives edge to his words.

Young does not care what he says about the top-dog railway systems such as the Pennsylvania, and he began publicly castigating the New York Central for what he considers poor management long before the C & O had 5% of the stock. Naturally his criticisms do not endear him to the policy-making officers of the Pennsylvania and the Central. But as Young himself says, he thrives on enemies, and he has sought battle impartially with the manufacturers of boxcars, the proponents of heavy-weight equipment, the regulatory moguls of the Interstate Commerce Commission, the directors of the Pullman Company, the Association of American Railroads and the Cabinet officers of Mr. Truman. His opinion of politicians is summed up in his remark about the G.O.P.: "The Republicans have been less principled than the Democrats, because the Democrats have been at least consistently unprincipled." While he puts primary blame on the "dambankers" for what he deems to be universally poor railroad service, he is almost as contemptuous of operating and traffic men. The operating railroaders in turn look upon Young with a mixture of malevolence and amusement. They profess to disdain this "hot-air artist," but when Bob Young began claiming a score of "firsts" for his railroads, old-line railroaders like the Pennsylvania's Mr. Clement soon broke down and consented to be interviewed about *their* notions of the future.

The youthful savage

BECAUSE of his "R.R." initials, Young was prophetically called "Railroad" when he was a skinny youth on the west Texas plains. But the more familiar nickname was "Punk," a shortened version of the "Pumpkin Head" that derived from his wide, badly sunburned forehead, his red face and his yellow hair. As Young remembers his days in the Panhandle, where he was born in the town of Canadian on Feb. 14, 1897, he was a raw savage who loved to kill anything that could run, fly or swim. His father, David John Young, was a country banker who had been a cowpuncher. His mother, Mary Arabella Moody Young, had grown up among buffalo hunters and Indian fighters.

To this day Young loves open spaces and hates cities; his Newport and Palm Beach homes face the Atlantic, and he seldom goes out for a walk without taking his binoculars with him. Aside from his work his amusements are few: a swim before breakfast, a round of golf, an evening with a biography or a social tête-à-tête with the Duke and Duchess of Windsor, who are currently visiting him at Palm Beach. When he has nothing else to do he works on an autobiography which he started to write as a sort of votive offering to his daughter Eleanor Jane, who was killed in 1941 in a private-plane crash. At least 30 pictures of the vivacious, brown-eyed Eleanor Jane decorate his hallway and drawing room in Palm Beach, and it is only recently that Young has shaken off the effect of her death.

Young's weekends at Newport last for four days, and he tries to spend three months of the winter in Florida. His preference for spending his time by the sea is directly related to his work; as he says, when he goes to New York or Cleveland he finds himself "doing the other fellow's job." A believer in "extrasensory perception," Young can become almost mystical about getting off by himself and "feeling a truth." But solitude, if not mysticism, pays, for by taking long weekends and a long winter "vacation," Young has discovered that he can think "a jump ahead" of those businessmen who befog themselves with gregariousness. Most of his financial coups have been planned while looking at the sea; his decision that the Alleghany Corp. shares had great "leverage" possibilities was made when he was ostensibly living in retirement in Florida.

In his solitude Young takes equal joy in playing with words and

CARTOON from another of Young's ads makes his often reiterated point that railroad equipment needs a vast amount of redesigning and replacement.

MOVIES in the dining car is one of the most recent Young innovations on the C & O. Tables are folded back to the walls to make room for 60 spectators.

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figures; he writes his own articles and ads, and his poems, though they often falter in meter and rhyme, have both imagistic quality and epigrammatic flourish. Usually Young prefers to write about such things as tropical pelicans, but he has also made poetry of his boardroom experiences of the early '30s. One, about the stock ticker, reads:

The squat dwarf, inky lipped,
Has coiled you in his grip . . .

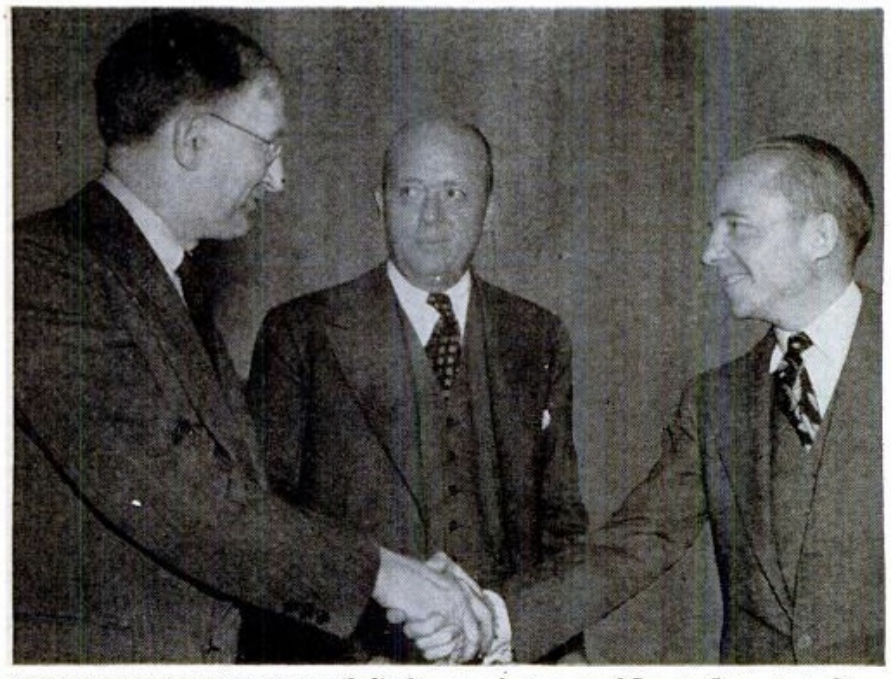
The double focus of Young's interests first became apparent at Culver Military Academy, where he took honors in both mathematics and English and was graduated as valedictorian. He did not do so well at the University of Virginia. There, as he smilingly acknowledges, most of his writing and figuring took the form of making out checks for poker and crapshooting losses, and at the end of his freshman year he quit school. At the age of 19 he married Anita O'Keeffe, a sister of Georgia O'Keeffe, the famous modernist painter. Not wishing to settle with his bride back in Texas, where a disapproving father and a new stepmother bemoaned the prodigal son's bad freshman record, Young got himself a job cutting powder at the Carneys Point, N. J. mill of du Pont Co. for 28¢ an hour. After six months as a powder monkey he got into clerical work, then into the treasurer's office across the Delaware at the du Pont Co.'s Wilmington headquarters.

When Young's grandfather's estate came to be settled, he found himself in possession of several thousand dollars. Moving to New York, he lost $5,000 in a food-dehydrating venture which proved to be ahead of its time. The remainder of his inheritance he put into the market, promising a short-sale delivery of Mexican Petroleum at $98. Mexican Petroleum promptly rose to $200, and Young quit the market flat broke.

Young decides to know

AFTER this humiliating experience Young decided that never again would he do business without *knowing*. By 1922 he had a $100-a-week job as a General Motors statistician. He spent the '20s rising in the GM organization to the post of assistant treasurer at a salary-and-bonus stipend of $35,000 a year. His "play" consisted of acting as nursemaid to his daughter in Riverside Park, where he stared at the Hudson and planned his own personal market deals. But each weekend he fed his market intuitions by a long study of Babson, Moody and other investment literature. At one time during these years he could give capitalization and earnings figures from memory of every important stock listed on the Big Board. Quitting the formal employ of GM in 1928, he became John J. Raskob's financial specialist, but Raskob, the congenital optimist, could not go along with Young's predictions of disaster in 1929. So, playing his own "extrasensory perceptions" and solid statistical analyses for himself, Young sold short throughout the 1929 debacle and thereafter.

In no year since 1920 had Young failed to make a personal investment profit, but after 1929 his killings reached into the hundreds of thousands. He went to Florida in the first days of the New Deal, thinking to "retire" on the riches he had wrested from the depression he had foreseen. Unknown to the general public, he could have sunk out of sight, devoting his life to his daughter, to his poetry and to his wife's hobby of arranging flowers. Instead he



EX-SENATOR WHEELER (*left*), former chairman of Senate Interstate Commerce Committee, thought Young was a stock jobber until he heard Young's plans for his railroads. Before Young began his testimony at a Senate hearing, Wheeler shook his hand. Allan Kirby, Young's backer (*center*), approves.

ROBERT R. YOUNG CONTINUED

was on the threshhold of notoriety, fame, squabbles and a final grand opportunity to save the railroads.

Since Young had done enough work to last a lifetime during the bear-market days of 1931, it was against his wife's better judgment that he started eyeing Alleghany with a view to buying control of seven railroads for a shoestring. Normally Young defers to his wife, but in this instance he went against her at the very moment when everybody from Morgan partner to office boy was predicting bankruptcy for the fantastic holding-company contraption. Within a few years he had paid off Alleghany's $78,000,000 bonded debt at par. After innumerable skirmishes and proxy battles with the "dambankers"—*i.e.*, representatives of J. P. Morgan and the Guaranty Trust Co. on the Alleghany and C & O boards—he and Kirby finally achieved uncontested control of a network of rails that reached from Newport News on the Virginia coast to Petoskey in northern Michigan and from Buffalo, N.Y. to St. Louis, Mo.

The story of Young's running five-year battle with the "dambankers" for permanent control of the Chesapeake & Ohio is a long one, but a single thread runs through it. For behind all the fights was Young's insistence that C & O bonds should be marketed by whatever underwriter was ready to come forward with the most advantageous competitive bid. This insistence horrified the dignified bond flotation houses of Morgan Stanley (the Morgan investment offshoot) and Kuhn, Loeb, who had shared much important railroad financing on their own terms for a generation. Knowing in 1938 that Senator Burton K. Wheeler's powerful Committee on Interstate Commerce had its eye on holding-company domination of railroads, Young decided that Alleghany must have no part in the perpetuation of the noncompetitive bidding which was then standard practice. Accordingly, he overrode the Morgan Stanley influence on his own board and offered a 1938, C & O $30,000,000 bond issue to the highest bidder. A Midwestern syndicate headed by Halsey, Stuart & Co. of Chicago and Cyrus Eaton's Otis & Co. of Cleveland paid the C & O $1,350,000 more for the bonds than the best offer by Morgan Stanley and Kuhn, Loeb—and thus a cycle in U.S. railroad financing came virtually to an end.

Young's methods win

A FEW years later the Interstate Commerce Commission joined the small stockholders of the C&O in blessing the Young methods: no longer is it legal for a railroad to award its financing gravy to anybody without first getting competitive bids. Young insists that his fight for competitive bidding betokens no hatred of debt as such, but he says with a hard gleam in his blue eyes that he sure does hate to see debt sell at a discount.

The competitive bidding fight, which took most of Young's energy during his first years as a railroad man, may turn out to be his greatest contribution to railroading. In the midst of the competitive bidding squabbles, however, Young developed a gloomy impatience: he wanted to get on with some of his operating ideas, and here the "dambankers" were continually hampering him.

YOUNG HOME IN NEWPORT, R. I. IS A 40-ROOM TUDOR VILLA

ROBERT R. YOUNG CONTINUED

The horrors of wartime railroad travel were bad enough to cause Young to think long and hard about what he termed "the advanced state of decay" of the 7,000 "rolling tenements" of the Pullman fleet. Accordingly, when a federal court ordered the Pullman Company to comply with the antitrust laws and divest itself of either its manufacturing or its operating business, Young consulted his Cleveland banking friend Cyrus Eaton and came up in 1945 with a $43,000,000 bid for the Pullman operating pool. Balked in his attempt to buy the Pullman car pool by a Philadelphia court, which in effect awarded the Pullman fleet to a "buying group" composed of the big railroads, Young came back with a charge that the same "dambankers" who dominated the Central and other railroads also dominated the Pullman Company. He proposed to take the fight on up to the Supreme Court, which is scheduled to pass on its merits this session.

Young's idea is that if the American railroads would replace their Pullman and coach equipment every seven years the resulting mass manufacturing orders would make the U.S. economy depression-proof. In a lyrical flight in testimony before the Interstate Commerce Commission, Young argued that railroad merchandising practices were antiquated beyond belief: the entire advertising budget of a $30 billion industry was only $5,000,000 a year, which was just about what "a good-sized toothpaste company" spent on advertising. If the railroads would only follow the promotional practices of Coca-Cola, Young said, they would soon get the traffic to justify replacing their equipment every seven years.

Young is always saying that he never gets an original idea from anyone who has grown up in the railroad business, although he makes an exception of Bob Bowman, his C & O and Pere Marquette president. For years railroad men argued that through transcontinental service to the Pacific Coast was impractical for the seemingly very simple reason that it was easier to assemble passengers from Boston, New York, Baltimore, Virginia and the Carolinas at some central converging point in the Middle West. But when senators and movie tycoons griped to Young about the waste of time in Chicago, Young evolved the ad about the hog who didn't have to change trains. His experience in the fight for through transcontinental traffic led him to believe that fustiness lurked everywhere in standard railroad practice.

There was the matter of car technology, for example. When Young decided to buy two new streamliners for the C & O and two for the Chicago-Grand Rapids-Petoskey run of the Pere Marquette, he was struck with the limited capacity of the de luxe car-building

THE TOWERS, Young home in Palm Beach, was once owned by Radio Manufacturer A. Atwater Kent. Utility Tycoon Harrison Williams lives next door.

DUKE AND DUCHESS OF WINDSOR are entertained by Mr. and Mrs. Young at Newport. Windsors are current Palm Beach guests of the Youngs.

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industry. Young's subsequent decision to replace every bit of passenger equipment on the C&O involved waiting for months for delivery. He even had to fight the established engineers for obvious technological improvements on his new trains. For years Timken Roller Bearing had been urging freight-car purchasers to do away with their wasteful practice of ordering cars with friction bearings. But no railroad was willing to make the first break with tradition. There was reason for this, for freight cars spend a good deal of their lives on railroads belonging to the other fellow, and no single railroad wanted to spend money to help its neighbor until the neighbor was ready to reciprocate. But Young decided to break the impasse and is ordering freight cars with roller bearings for the C&O. His president, Bob Bowman, has assured him that the new bearings will increase the coal-carrying capacity of a coal car from 50 to 70 tons, which will result in a 40% increase in the total tonnage of each C&O coal train.

Young's young men

WHEN Young began house-cleaning in the C & O he was amazed to discover that it had no personnel records and no system of orderly retirement. Septuagenarians and even octogenarians held onto their jobs, and nobody knew where to find young men of talent to replace them. Insofar as he has been able to do it without ruining the morale of old hands, Young has been infiltrating the C&O system with young men, preferably of war service and aviation backgrounds. His director of research, Ken Browne, has an aviation-engineering past. His Cleveland public-relations man, H. L. Porterfield, is a 32-year-old Texan out of the Air Transport Command; his New York legal aide, 33-year-old William MacMillen, is also from the Air Forces. His general public-relations man, 36-year-old Tom Deegan, formerly worked for American Airlines. His new traffic vice president, 37-year-old Arthur Genet, comes out of a background of banking and general selling. His Washington economic adviser is 34-year-old Joe Borkin, fresh out of a trust-busting career in the Department of Justice. And his personnel man, 32-year-old Charles Hook Jr., comes from the steel industry. Incidentally, Hook is undertaking a study of how to stabilize employment in the railroad business. His plans are for the C&O to build up a fund out of profit-sharing in good times to take care of the men during bad times, which is a combination of profit-sharing and the annual wage. This "countercyclical planning" appeals to Young, who is also proposing a countercyclical maintenance-of-way budget that will permit the C&O to do its track repairs during periods when Lewis is striking the coal mines.

Since railroads run on strict schedules and precise traffic controls, the business breeds a literal-mindedness that finds Young's more imaginative flights hard to take. The famous hog ad caused utter consternation among trainmen for the simple reason that a hog *can't* cross the country without changing trains. (According to ICC regulations, a hog has to be detrained every 28 hours and fed and rested for five hours.) Older trainmen also resent Young's ability to grab the headlines as an "originator" for things in which his role is at best that of a skillful midwife. They argue that the railroads' general-passenger association was circulating three dif-

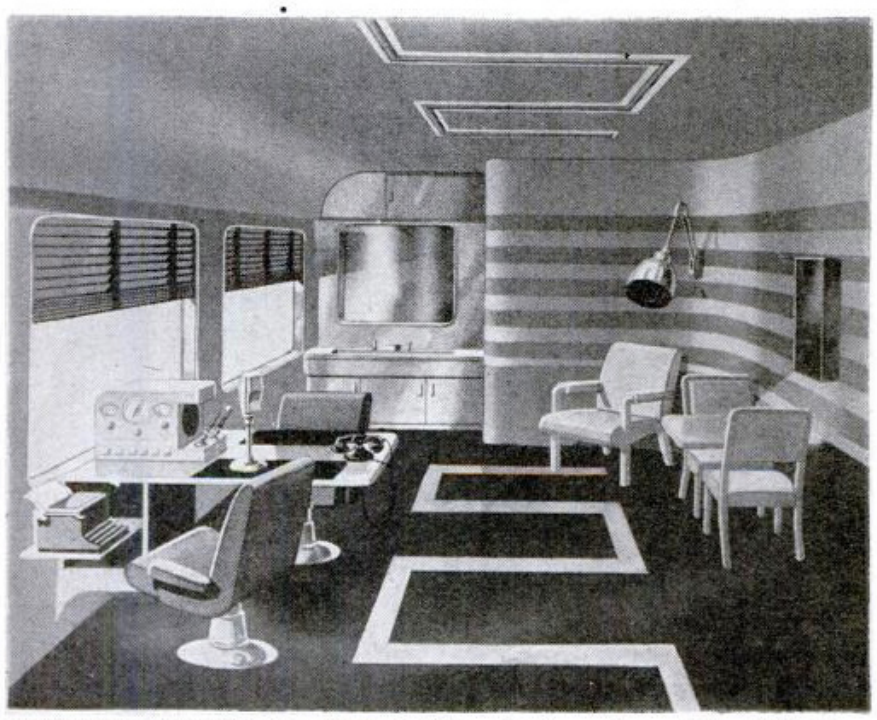
ferent credit plans at the very time Young announced his own credit-card idea. As for the notion of showing movies on trains, they point to the Atlantic Coast Line's experiments with recreation-car movies before the war. Moreover, they say that the pay-on-train idea, while it may work in Michigan where passenger loads run as high as 150 on a good day, could not possibly succeed where the traffic density runs up to 700 or 800 people per train. Mr. Young's answer to this is that any number of people could be accommodated if the ticket agents were taken out of the stations and put on the cars.

But even though Young may grab a headline or two for something that has been pioneered in silence by the Atlantic Coast Line or the Burlington, railroad men would do well to listen to their goad and gadfly. Ever since the day of land grants and rebates, the railroads of America have been a symbol of "monopoly," whether deservedly or not. And the fact that only 15 years ago the western railroads, including Averell Harriman's otherwise progressive Union Pacific, were party to an agreement *not* to install air-conditioning without first consulting each other does not look very good in the record.

Anyway, the true measure of Young's value is not his "originality." The greatness of American industry has been its discovery of the "American system" of mass manufacture at progressively lower unit cost. Young has been scoffed at as a "Wall Street man," which indeed he was. But more to the point is his experience as an automobile man; he grew up in the General Motors organization during the years in which the Chevrolet, by radical changes in design and aggressive mass manufacture, actually took the play away from the Ford. Young has competition in his bones, and competitive aggressiveness is what the railroads most need as the airlines and motor highways spread.

Besides, as Young says, it is not only the iron horse but the whole competitive system that is on trial. No New Dealer, Young talks like a Liberty Leaguer when he is denouncing the boondoggling of the '30s. But unlike a Liberty Leaguer, he goes on to denounce his fellow industrialists for permitting the capitalist system to break down. Since the business system had to pay for the boondoggling out of taxes and inflation, Young argues that it might better have spent the money directly on its own projects. "Why," he asks, "put patronage and gratitude into the hands of politicians when business can keep them for itself if it only uses some imagination?"

The question may seem less rhetorical in 1947 than it would have seemed in 1932. But if it's true what they say about the virtues of free enterprise, the time to begin practicing it is now, before the ha'nts of "recession" begin to scare us into paralysis. "What I hate most in the world is a hypocrite," says Young. This marks him as a revolutionist among the lip-service votaries of competition. But if Young is a revolutionist, he is strictly in the American tradition of Ford, Carnegie, *et al.* He even has ideas about—and investments in—the movies; one of his Pathé Industries, Inc. companies acts as U.S. agent for Britain's Arthur Rank. Before Young takes on Hollywood, however, he wants to finish his job in railroading; he wants to be known as the man who put all America *comfortably* on wheels.



FUTURE DESIGNS, stimulated by Young's pioneering spirit, will feature phone and stenographic service, like this American Car and Foundry model.