

William H. Vanderbilt and the "Railroad Problem"

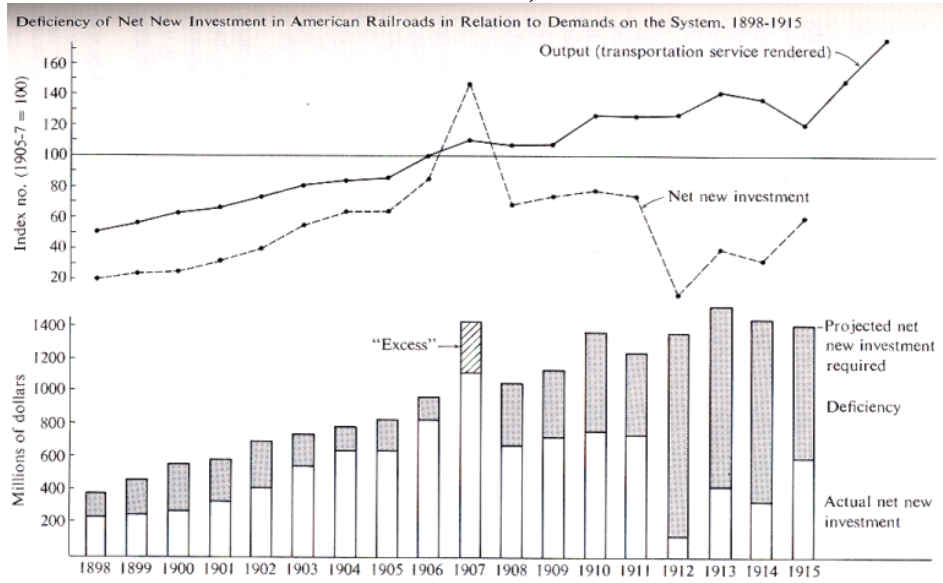
Cartoon inspired by Vanderbilt's cynical remark, "The public be damned." The press strongly condemned this attitude of "scornful contentment" from one who had "received everything that he owns from society."



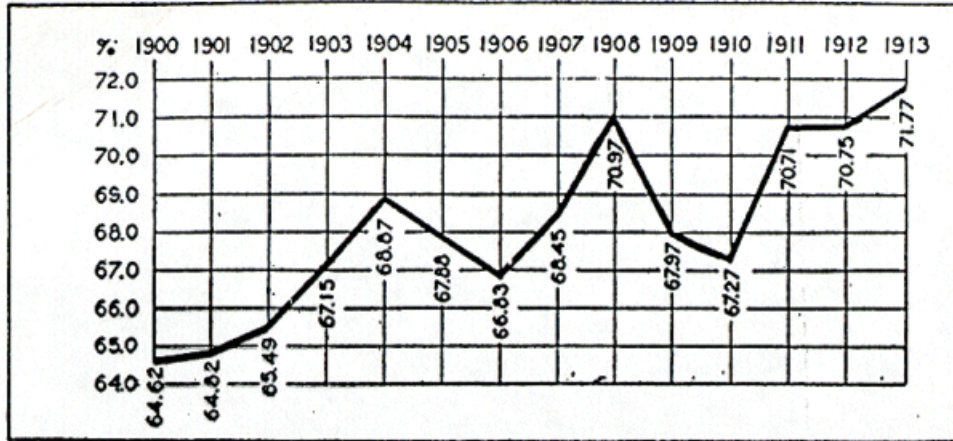
William H. Vanderbilt (8 May 1821 – 8 December 1885)



Investment by American Railroads (From *Enterprise Denied*, by Albro Martin)



Average Railroad Operating Ratio (Operating Expenses/Operating Revenue)



Operating Ratio, 1900-'13.

70.35. The operating ratio for typical railroads in 1911 is shown by the following figures.

OPERATING RATIO, 1911

Carolina, Clinchfield & Ohio (coal) (1913)	17	Norfolk & Western.....	64
Virginian Railway (coal)(1913) .	23	Southern Railway.....	68
Duluth & Iron Range (ore)...	42	Chicago & Northwestern...	70
Pittsburg & Lake Erie (ore, steel).....	49	Pennsylvania	72
Union Pacific.....	53	Wabash.....	74
Southern Pacific.....	57	Boston & Maine.....	78
Central of New Jersey.....	57	Colorado Midland.....	87
Great Northern.....	61	Missouri Pacific.....	94
Atchison, etc.....	63	Kansas City, Mex. & Orient	97.6
		Père Marquette (1913).....	106

From: "Changes in Industry and the State of Knowledge as Determinants of Industrial Invention," by Jacob Schmookler. In *The Rate and Direction of Inventive Activity*.

Railroad Stock Prices, Capital Formation, and Patents

