

*American Automobile Manufacturers: The First Forty Years.* By John B. Rae. (Philadelphia: Chilton Co., 1959. Pp. xii, 223. Illustrations, notes, bibliography, index. \$6.00.)

John Bell Rae, now associate professor of history at the Massachusetts Institute of Technology, has written a book that will be received with mixed feelings by historians, economists, and students of business history. The book is obviously a labor of love. It is well written and, within the obvious limits of its objective, fulfills a need. Those of us in middle age or later will feel many a nostalgic twinge as we discover what happened to the Overland, Marmon, Moon, Essex, Stutz, and all the other wonderful cars we knew as children.

Professor Rae has spun out his story of the first forty years of the automobile industry with grace and style, putting it together in such a way that the reader will make his way through this relatively short book with a gratifying sense of *remembering* what happened. The author has a firm, comfortable grasp of his materials and handles exquisitely the details of growth and change in the many companies of the early industry.

In the very word "detail," however, the economic and business historian will find a key to the one indisputable defect of this book. The author simply does not impose on his facts a theory of industrial concentration that enables the reader to see why the automobile industry acquired its present oligopoly structure. To be sure, he speaks of "the inevitability of bigness in American automobile manufacturing" (p. 198), and here and there we have statements attributing ultimate big-three domination to lower costs, greater staying power in depression, and readier adaptability of the large firm. But of course anyone can make these inferences without any reference to history. It is the job of the historian to tell us, after a look at the records, how and why the large firm gained its ascendancy over the small. Specifically, from a study like this we should learn what forces determine the optimum size of the firm. For example, is E. A. G. Robinson's classification of technological, managerial, financial, marketing, and risk forces a useful one? Does the change in the number of firms from hundreds at the beginning of the twentieth century to more than a hundred in the early 1920's to five in the late 1950's demonstrate the usefulness of the "planning curve" as a concept of economic theory? Does the change in structure of the automobile industry from one approaching the norm of competition to that of an oligopoly so demonstrate the inevitability of bigness that enforcement of the antitrust laws is meaningless? It is to questions such as these that someone must ultimately address himself; indeed, Professor Rae may intend to do so in another volume.

But perhaps this criticism is not fair. After all, the title of the book is *American Automobile Manufacturers*. Men, not economic forces, are presumably the author's concern, and for his treatment of men we must give him high marks. Most readers will be helped by the skillful way in which the founders of the industry are brought to life, and Hoosier readers in particular will be engrossed by Rae's treatment of the middle westerners and their roles in the early industry. Professor Rae's handling of the reasons for geographical concentration of the industry in the Great Lakes region is persuasive, though it is still not altogether clear why Detroit and its environs should become the great

center of automobile manufacturing unless we are willing to admit that pure chance often determines the course of events. Certainly the fire that caused R. E. Olds to recoup his losses by producing nothing but the curved-dash runabout, the first "merry Oldsmobile" and the first car to sell in quantity, was fortuitous. It was likewise fortuitous that Detroit should be the home of Henry Ford, who insisted that a light car could be made to run on America's abominable roads and who "put Detroit finally and unchallengeably ahead of any competitor" (p. 60).

Mr. Rae's book will do for all of us what a good history book should do. It outlines a way to work through complex and turgid detail, and it furnishes a small encyclopedia for handy reference. More than this, the book gives us in its necessary abstraction from reality an intelligent and perceptive look at what happened, a look that will help a good many of us to understand better this great episode in American economic history.

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## Review Notices

*Indiana's Abandoned Railroads. Part I, Abandoned Railroads of Bedford.* By Elmer G. Sulzer. (Indianapolis: Council for Local History, 1959. Pp. 48. Illustrations, maps, charts, lists of sources. Paperbound, \$2.50.) This work gives its emphasis to abandoned steam railroads of the Bedford area, especially the line from Dark Hollow, near Bedford, to Switz City. The seven lines here discussed were all associated with the growth of the limestone business. Sulzer offers numerous details regarding their incorporation, construction, maintenance, finance, and operation, as well as their abandonment. Pictures of trains, stations, bridges, and right-of-ways, along with the reproduction of various schedules, add information both useful and interesting. The author has apparently devoted much study to lines discussed, and doubtless he knows more about his subject than does any other person. Nevertheless, the value of his work would be more adequately safeguarded through the years if his sources were more precisely pinpointed. Moreover, Sulzer should have winnowed his evidence more thoroughly than he has to make very clear to readers which part of his account is history and which part is story and legend. The subtitle of this volume indicates that the author plans to publish subsequent studies of abandoned steam railroads in Indiana.

*Electric Railroads of Indiana.* By Jerry Marlette. (Indianapolis: Council for Local History, 1959. Pp. 158. Illustrations, map, appendix, bibliography. Paperbound, \$4.00.) Jerry Marlette offers an *overview* of electric railroads in Indiana with emphasis on the period from 1900, when the first such line entered Indianapolis, through the 1940's, the decade which marked the virtual disappearance of electric lines from the Hoosier scene. Observing that street railways in this state began during the Civil War when mule power was used to propel them, he notes that the first successful electric street railway line commenced at South Bend in 1885. Within a decade such lines replaced most of the mule- or horse-drawn railways. The expansion from urban railways to "interurbans" evolved in the 1890's, several such lines having