

Railways in Britain and the United States, 1830–1940. By *Geoffrey Channon*. Aldershot, U.K.: Ashgate, 2001. xi + 341 pp. Index, notes, bibliography, illustrations, maps, tables. Cloth, \$84.95. ISBN 1-840-14253-7.

Reviewed by John K. Brown

This book by a British economic historian deserves the attention of any scholar interested in the railway as a business institution, even though its considerable merits are sometimes clouded by faults, large and small. In comparing British and American business practices, Geoffrey Channon draws well and wisely from the high-quality analytic historiography on British railways, but he does not extend the same degree of consideration to the American carriers. Channon looks primarily to Alfred Chandler's *The Visible Hand* (1977) for his analytic framework, missing some relevant foundations in the work of Maury Klein, Thomas Hughes, and others. Most of the book originated as focused articles on a range of topics. Channon has ably revised those divergent pieces into a larger whole, although it falls short of an overarching coherence. Building from extensive use of secondary sources and his own primary research on three railways—the Midland and Great Western (GWR) railways in Britain and the Pennsylvania Railroad (PRR) in the United States—Channon concentrates on particular areas of inquiry: an analysis of capital sources in building the GWR; a case study of strategic decision-making on the Midland; considerations of pooling and merger policies among British railways; an investigation of the social origins and business roles of the board of directors at the Great Western; an examination of labor policies on the Pennsylvania; and a comparison of British and American handling of the perennial choice confronting railways: whether to build or to buy their locomotive power.

This list represents the broad range of topics. However, many of the chapters are drawn toward one purpose: to test, implicitly or explicitly, the Chandlerian interpretation that placed the professional managerial staffs of American railroads circa 1850 to 1880 at the fountainhead of modern management practice. Channon's opening chapter summarizes both Chandler's claims for railroad managers and critiques of *The Visible Hand*. His second chapter challenges many of Chandler's ideas in the light of British

railway history. Britain had larger railways (measured by employment or capital) earlier than America. While British lines were shorter, they demonstrated higher capital needs, comparatively sophisticated engineering, far denser traffic flows, and earlier efforts in intercompany coordination. In sum, Channon makes it clear that modern managers cannot date their origins to a moment of passion (or a cool calculation of transaction costs) on a sleeping car traveling a New York-to-Chicago trunk line circa 1860. But the accomplishments of Britain's managerial pathfinders on the railways had limited impact, because, in Channon's view, that nation's manufacturers had few incentives to build upon their example.

The second chapter foreshadows the approach followed throughout the book. Each chapter raises an interesting issue drawn from business and railway historiography: sources of capital, the role of the state, the locus of decision-making, the powers of directors, the nature of labor management, or the shifting boundaries of the firm. After a thorough review of the historiography, Channon offers a narrative (based on original sources) that gently critiques some aspect of our received wisdom. Generally, the result is a useful corrective. His account of strategic decision-making on the Midland undermines any simplistic *ex ante* theories that managers made their strategic choices solely either to lower transaction costs or to maximize profits. His review of the extensive Parliamentary powers over railways reminds us that American railways also operated within the constraints and opportunities that arose from America's multilayered system of federal governance. And his examination of the management of railway labor points to a salient omission in Chandler's accounts.

Despite these virtues, the final outcome is too often disappointing. The chapters' diverse origins as articles limit the book's impact. Channon is too polite and reserved to be a stinging gadfly. Yet he generally declines to provide his own broad, original interpretations, seeking instead to qualify or challenge the work of others. Most unfortunate for a book that lists at \$84.95, the publisher (Ashgate) apparently provided no copyediting. Given the quantity of basic spelling errors under its imprint here, the price is unethical.

The Visible Hand was published over twenty-five years ago, an eon as measured against the common historiographic service life. Geoffrey Channon does a fine job in

exploring some of the weak points in Chandler's interpretations. He points out promising avenues for new inquiries in railway history. If he would synthesize those threads in a future work, we could look forward to a novel and interesting departure for a field that needs new life today, precisely because railways exerted such a dominant influence in the nineteenth-century economy.

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