

# The Great American Streetcar Scandal

## How General Motors Derailed Public Transportation to Sell More Cars

By [Larry West](#), About.com

**Dear EarthTalk: Did the car companies really conspire to kill the trolleys and streetcars of bygone days to force us to become dependent on automobiles instead? -- Taylor Howe, San Francisco, CA**

Indeed, in the 1920s automaker General Motors (GM) began a covert campaign to undermine the popular rail-based public transit systems that were ubiquitous in and around the country's bustling urban areas. At the time, only one in 10 Americans owned cars and most people traveled by trolley and streetcar.

Within three decades, GM, with help from Standard Oil, Firestone Tire, Mack Truck and Phillips Petroleum, succeeded in decimating the nation's trolley systems, while seeing to the creation of the federal highway system and the ensuing dominance of the automobile as America's preferred mode of transport.

### **GM Bought and Dismantled Streetcar Lines Nationwide**

GM began by funding a company called National City Lines (NCL), which by 1946 controlled streetcar operations in 80 American cities.

"Despite public opinion polls that showed 88 percent of the public favoring expansion of the rail lines after World War II, NCL systematically closed its streetcars down until, by 1955, only a few remained," writes author Jim Motavalli in his 2001 book, *Forward Drive*.

### **Buses Were First Step to Ending Streetcar System**

GM first replaced trolleys with free-roaming buses, eliminating the need for tracks embedded in the street and clearing the way for cars. As dramatized in a 1996 PBS docudrama, *Taken for a Ride*, Alfred P. Sloan, GM's president at the time, said, "We've got 90 percent of the market out there that we can...turn into automobile users. If we can eliminate the rail alternatives, we will create a new market for our cars." And they did just that, with the help of GM subsidiaries Yellow Coach and Greyhound Bus. Sloan predicted that the jolting rides of buses would soon lead people to not want them and to buy GM's cars instead.

### **Automaker Used Political Clout to Build Roads for Cars**

GM was later instrumental in the creation of the National Highway Users Conference, which became the most powerful lobby in Washington. Highway lobbyists worked directly with lawmakers to craft highway-friendly legislation, and GM's promotional films were showcasing America's burgeoning interstate highway system as the realization of the so-called "American dream of freedom on wheels."

When GM President Charles Wilson became Secretary of Defense in 1953, he worked with Congress to craft the \$25 billion Federal-Aid Highway Act of 1956. Referred to at the time as the "greatest public works project in the history of the world," the federally funded race to build roads from coast-to-coast was on.

### **Public Transportation is Regaining Popularity**

Today, many eco-advocates and urban planners alike yearn for a rebirth of public transit. In the face of nightmarish traffic tie-ups nationwide, widespread urban sprawl, loss of open space, and the global warming we owe largely to automobiles, will we ever see a return to mass transit as the dominant mode for moving people? According to the Public Transportation Partnership for Tomorrow (PT2), mass transit ridership has grown 21 percent since 1995—faster than both vehicle and airline passenger miles logged over the same period.

"Public transportation is a...means of helping our environment and conserving energy," says the PT2 website. "If one in 10 Americans used public transportation regularly, U.S. reliance on foreign oil could be cut by more than 40 percent--the amount we import from Saudi Arabia each year."