It would do well for every undergraduate who expects to do analytical and interpretative essays and papers in American history to read this volume; indeed, its reading would profit a number of graduate students. It is an excellent introduction for those individuals who are untrained in historical methodology and techniques but who are interested and fascinated by the past that surrounds them.

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This latest contribution to the growing literature on the collapse of the Penn Central Railroad is based on the papers of David Bevan who was the chief financial officer of the Pennsylvania Railroad and later of the Penn Central. At the time of the railroad’s bankruptcy, Bevan was singled out by government investigators as the principal villain for allegedly having misappropriated funds, for allegedly disguising the railroad’s true financial state from investors, and for allegedly having diverted scarce railroad funds to more profitable outside investments. There were charges of gross misjudgment, of trading on inside information, and even of wild sprees in Las Vegas with female companions. Bevan was indicted, tried for conspiracy, and acquitted in 1977 after a long ordeal. Believing he had been singled out as the scapegoat for the failures of others, Bevan let historian Stephen Salsbury go through his papers in the hopes of getting out the “true” story. These papers included minute diaries that Bevan began keeping from the time, long before the Penn Central merger, when he believed the railroad was being run incompetently; when his boss, Chairman Stuart Saunders, first began to urge him to falsify accounting data; and when he knew that, sooner or later, someone was going to be in serious legal trouble.

Salsbury wastes little time retracing the story of the deteriorating situation of eastern railroads in the 1950s and 1960s and of the protracted negotiating that led to the merger of the Pennsylvania and New York Central railroads in 1968. He gets quickly to the new light the Bevan papers shed on that story. This new information confirms,
for example, what was long suspected but never known, that former PRR chairman James Symes and Walter Tuohy, his counterpart at the Chesapeake and Ohio, did in fact agree to split the other eastern railroads between them into two rival systems, and that all the maneuverings of others to shape systems that made better geographical sense, or to save themselves, were doomed by the conspiracy of the juggernauts. He confirms that Stuart Saunders was brought to the Pennsylvania Railroad by Symes at the time of Symes’s retirement because he was perceived solely as the man who could get the merger with the Central through. Saunders was a smooth talker with good political connections, particularly to the Democrats, and true to his promise, pursued the merger with single-minded tenacity.

The Bevan papers portray Saunders as a bumbling incompetent who knew or cared little of railroads, and who was ignorant of modern accounting techniques. The papers also indicate that, contrary to allegations by populist congressmen (notably Senator Vance Hartke of Indiana and Representative Wright Patman of Texas), the Pennsylvania Railroad’s outside investments had not drained capital from the railroad. In fact, they had subsidized railroad operations that had been marginal since at least the 1940s. They indicate that, contrary to press reports about the superior condition of the New York Central at the time of the merger, it was the Pennsylvania that was in fact the stronger of the two. It alone had developed, under Bevan, modern accounting tools that could project future situations and pinpoint trouble. The New York Central, in contrast, clung to the hidebound “ICC formula” and could not make computers work even for the routine billing of customers. He confirms the often-made charges that the merged Penn Central was poisoned by the personal incompatibility of the officers of the two former companies. He also reveals that long before the merger took place, the Pennsylvania Railroad was itself poisoned by the rivalries of its executives, who divided chiefly between those who appreciated Saunders’s gadfly style of management and those who did not.

Elsewhere, Bevan attempts to set straight the record of allegations that were made against him personally, including the $4 million that had apparently vanished from the company’s treasury, the Penphil investment club in which Bevan was alleged to have profited from inside information regarding the railroad, and the wild parties he was said to have attended with the swinging crowd at subsidiary Executive Jet Aviation. In all these charges, he insisted, he was pinned with circumstantial evidence, despite the lurid headlines in the Phila-
delphia papers: "Beauty denies she caused Penn Central to go bust," for example.

It must be remembered that David Bevan has axes to grind, and his word is not likely to be the last. But he was an important and credible witness to much that went on.

Salsbury has compiled an important and revealing book. It is not the book with which to start an inquiry into Penn Central. Both Robert Sobel's *The Fallen Colossus* (1977) and my own *The Railroad Mergers and the Coming of Conrail* (1978) lay out more of the basic story. But this is important reading for anyone who wants to explore the depths and the nuances.

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