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Editorial Notes

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Notes

STATE CONTROL OVER CONTRACT MOTOR CARRIERS

The overlapping of transportation facilities in the United States has long been one of the classic illustrations of the waste incident to the operation of individualistic competitive industry. Duplication of service has been the consequence of speculative overdevelopment, with results harmful to the efficiency of the service itself and disastrous to the interest of the investor in transportation securities. Destructive competition between parallel railroads serving virtually the same territory, as well as between railroads and shippers by water routes, has long been deplored by those familiar with the carriage situation. In comparatively recent years, however, this condition has been further disordered by the emergence of a new giant in the struggle, motor transportation. Enjoying competitive advantages of elasticity of operation and cheapness of cost, highway carriers have diverted a great volume of business from established railroad interests, until those interests have, with some justification, placed upon this new competitor much of the responsibility for their own financial collapse.

It is recognized that in the field of transportation the ultimate goal of regulation is a working coordination of the several transportation agencies.¹ It is with the end in view of coordinating motor transportation facilities into some comprehensive scheme that state legislatures have for some time experimented with plans of regulation of the motor carrier. With one phase of this regulation this note concerns itself.

Obviously there was little difficulty, even at the outset, in formulating a system of control for motor common carriers.

¹ Regulation of the Contract Motor Carrier under the Constitution, LaRue Brown and Stuart N. Scott (1931) 44 Harvard Law Review 530. "The question of economics which is posed is how to work out the relationship of these—and other—competing forms of transportation so as to provide the maximum of public service at the least cost to shipper and consumer and with fair compensation to the labor and capital employed."