Economics C 23-1
Lecture 7

I. The Transportation Revolution

A. The Contours of Change: Travel Times

B. The Economics of Transport Costs

   circle of radius $\frac{1}{2}(P/t)$ — > market land values

C. Modes of transportation

   water: role of steamships
   rail

D. Effects

   costs & prices: welfare
   patterns of inter-regional trade
II. The Railroads Again

The issue (some historiography)

The measure: “social savings”

The problems

The bottom line
Rates of Travel, 1800

New York
1 day
2
3
4
5
6 days
1 week
2 wks.
3 wks.
4 wks.
5 wks.
6 wks.

[Map showing travel times from New York to other cities in 1800]
The Effect of Transportation Improvements upon Prices Paid by Consumers and Received by Producers

Transportation Improvements and Land Values
Railroad Mileage in the United States, 1830–1909


Measuring the Social Savings of the Railroad