



Railway Replacement & Dow Theory

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<http://www.ck-wong.ca/Technologies/railway%20replacement%2020060210.pdf>

Introduction

Railway was the change agent that accelerated the industrial revolution in the Nineteenth Century. The railway system was the state of art at that time which stimulated the research in multiple disciplines. In Twenty-First Century, railway's function is slowly and quietly replace. What is it?

When railway is not a railway?

The original function of railway was to offer cargo and people transportation. To improve its efficiency, a very complicated railway management system was built by a very large number of supporting technology. The high utilization of the rail kept on pushing the metallurgy to new alloys to reduce the replacement of the rail. The operating research and communication system had to continuously develop new methodology to allow verbal, visual, local and remote communication.

Other than technology, railway had a direct impact on the economic development. Town died when the train did not visit. Town was raised when the train and the maintenance shop was built. The land appropriation generated unexpected wealth. The windfall stimulated economic and industrial development when the money was re-invested. Because the railway company was almost a guaranteed investment, many landlords demand the land transaction in railway company stock rather than real money which was gold. This created a parallel to the fiat money created by American Fed. At the end, many of these railway companies collapsed and those share followed the fate of fiat money which value reduces to zero.

A railway was not just a transportation system. It boosted the growth of the supplier industry and stimulated the secondary industry.

Telegraph

With the high pressure to ensure the high data communication demand to manage the railway system, it was the early adopter of the telegraph technology. Many railway companies also operate the train. Telegraph industry also relied on the railway to grow because it depended on the cable reach from town to town. The cost to develop its own route would be much higher than piggy back on railway. The symbiosis of railway and telegraph had been a very long relationship.

Money Transfer

The railway also contributed to one of the most important function in monetary system: money transfer. The telegraph helped the paperless money transfer system but the money

(gold or silver) had to be moved from one city to another. The famous mail robbery in 1960's in UK shocked the world.

Entertainment

Railway did not provide entertainment. But many large circus at the beginning of the Twentieth Century owned their engine and cars for the people, equipment and animal. Rather than the Gypsy wagon which was small entrepreneur when compared with these circus, these circuses visited city to city. There is also a vital factor that tied the circus to train. Train visit highly populated area. So it was smart to follow the money.

New Railway System – Telecom

Contemporary railway system still carries cargoes and people. Some of its services was taken over by telecom. With the highly developed electronic monetary system, we pay and receive money through electronic system and no need to rely on the mail train.

The train brought entertainment to town. Telecommunication system now bring TV to home; cable, satellite or telephone line.

Railway developers appropriated land. Telecommunication system acquires frequency licenses. Only this time government also shares the profit.

Like railway, compatibility between telecommunication systems is also a major issue. You would need standard to allow the interoperability of these systems.

Dow Jones Transportation Index

DJT is one of the two pillars of the Dow Theory. It is components included transportation companies for air, land and sea as well as logistic companies. The business of these companies reflected the consumption of manufactured goods. In the modern world, there is hard good that manufactured in the factory. There is also soft good that manufactured at the studio and news room. Looking forward, including movies, will be delivered via the standard data communication network. It would only be logical to include the telecom giant in the DJT.