

China's Central Planners and the History of the Interstate

In 1996, a delegation from the State Planning Commission of the People's Republic of China visited Stanford University in California for a course on the development of market economies. The approximately 20 participants represented a variety of areas within the commission, with expertise in finance, economics, planning, and engineering.

The Chinese economy at the time was emerging from decades of a powerful central planning approach to governance. The Stanford program included lectures on the development of two of America's major infrastructure systems, the electric power system and the Interstate Highway System.

Chauncey Starr, the founder of the Electric Power Research Institute, lectured first on the development of the U.S. electric power system. Asked afterwards about the lecture, he commented, "They just didn't get it. All morning they kept asking, 'Where was the plan? Where was the plan?' 'There was no plan,' I told them. 'The system developed from the bottom up. Only later did it grow into today's integrated national system.' But they wouldn't accept that there wasn't a plan."

The next lecture on the development of the Interstate sys-

tem met with a different response. The lecture described the development of the primary highway system beginning in the 1920s, when the Bureau of Public Roads provided a 50 percent match of funds for highways on the federal-aid system. The delegates' questions immediately turned to the concerns of central planners: "How was the mileage allocated among the states?" "How was financing allocated?" "What controls were in place over design and construction?"

The lecture next described the development of the Interstate, starting with the plans of the 1930s and the creation of the Highway Trust Fund in 1956, which provided 90 percent of the financing for the construction of Interstate highways. Again, their questions focused on the concerns of central planners: "How were mileage and funds allocated?" "How were design and construction monitored and controlled?" "How were location decisions made?"

What was the difference between the electric power system and the Interstate system? One was centrally planned, and the other was not. To the delegates of the world's then-largest planned economy, that distinction made all the difference.

—Jonathan Gifford