

**BETTER
TIMES
AHEAD**

OUR 55TH YEAR OF PUBLICATION

APRIL 1959

•The President's Page

THE other day I read a letter that one of our employes wrote to a local newspaper. In it he asked some very pertinent questions. He wanted to know, "Are the railroads dying?", "Is there any hope for recovery?" and "What is the future for the railroads?" These are good questions and very much to the point.

I began to wonder what would be the best way to answer these questions when there came to my desk a reprint of a statement made by Senator Olin D. Johnston of South Carolina on the floor of the United States Senate. It appeared in the Congressional Record of March 5th. He did such a good job of summing up the present situation, that I have requested the editor to publish Senator Johnston's statement in full in this issue of the magazine.

I am sure that after you have read it you will have renewed confidence in the importance and future of the railroads. As a true railroader you will feel a sense of pride that you are associated with an industry that means so much to the progress and well being of our nation. If you find others who may be showing signs of discouragement about the railroads, pass the article along to them with the suggestion that they read it, too.

A handwritten signature in dark ink, reading "H. W. Van Weller". The signature is written in a cursive style with a small dot above the 'i' in "Weller".



Oldest Employee Magazine in Railroad Industry... Our 55th Year of Publication

Contents

President's Page	Page 2
Business Indicator	Page 4
Better Times Ahead	Page 5
Erie System Bowling Tournament	Page 11
Toward Perfect Shipping	Page 12
Senator Hails Railroads	Page 15
Erie Family Album	Page 16
Erie Veterans News	Page 16
Retirements	Page 17
Erie Family News	Page 20

OUR OBJECTIVE

Primarily the Erie Railroad Magazine is published for Erie employes and their families secondarily for Erie shippers, suppliers, shareholders and others interested in the railroad. The editors try to tell objectively and completely about the progress of the Erie by discussing management's policies, day-by-day practices, problems and plans for the future. Just as important is the human side of the news. Emphasizing contributions to better citizenship and a better Erie, part of each issue is devoted to individual aspirations and achievements of Erie employes on and off the job.

April, 1959

Vol. 55, No. 2

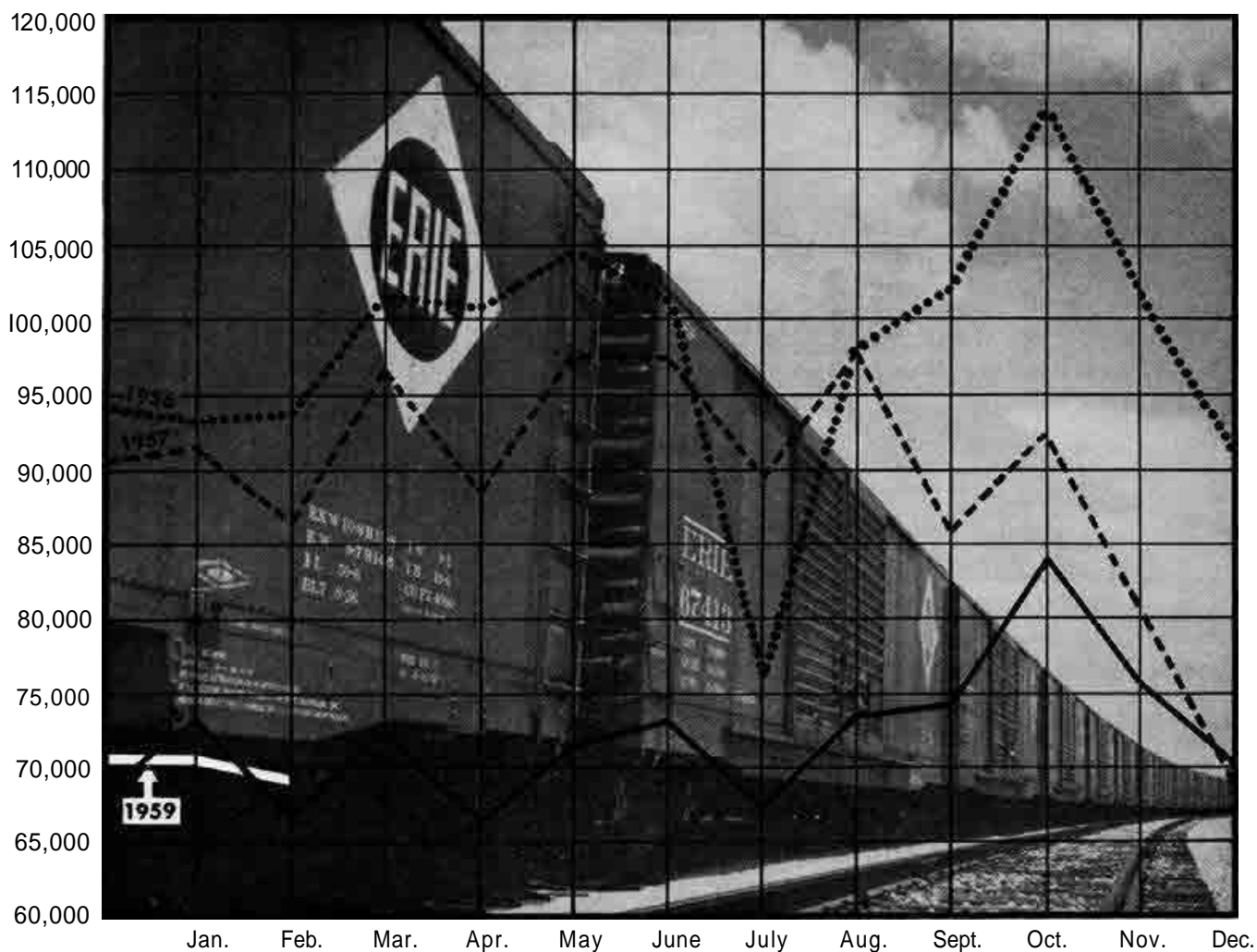
THE COVER:

The sides of its four-unit Diesel shining in the sun, a west-bound Erie freight train runs toward Canisteo through the beautiful countryside of the Southern Tier of New York. Just as this train is heading into the sunlight, so the railroad today is headed for better times. See page 5.

George C. Frank Asst. to President
 Talbot Harding Associate Editor
 Muriel Poole Secretary
 John F. Long .. Photographer-Reporter

Distributed free of charge to Erie Railroad employes. To others, \$1.50 a year. Single copies, 15 cents. Material and photographs should be sent to the editorial and business offices. 1327 Midland Building. Cleveland 15, Ohio.

Business Indicator



Freight Cars Loaded on the Erie and Received from Connecting Railroads

Dollar Figures at a Glance

	Amounts Received	Amounts Spent	Net Income (or Loss)
Month of February,			
1959	\$ 12,283,540	\$ 12,936,413	(\$ 652,873)
1958	11,668,161	13,075,273	(1,407,112)
Two Months Ended Feb. 28,			
1959	\$ 24,593,855	\$ 26,152,511	(\$1,558,656)
1958	24,424,911	26,719,159	(2,294,248)
() Denotes Loss			

Better Times Ahead Predicted for Erie

Mr. Von Wilier Sees Recovery in 1959

AN UPWARD TREND in carloadings and revenues in the closing months of 1958 signal better times ahead for the nation's economy and for the Erie Railroad, Harry W. Von Willer, president, told shareowners in the company's annual report, distributed on March 11.

This prediction, made early in February, is being borne out by the improvement in carloadings for the first 21 days of March which were 10% better than a year ago.

"Our property is basically sound and the territory we serve abounds in opportunities for greater industrial expansion," Mr. Von Willer wrote. "The current year promises to be one of recovery. On the basis of our present forecasts, we expect to return to a profitable operation in 1959."

The loss in 1958 amounted to \$3,-668,879, equivalent to \$1.75 a share of common stock. Of necessity, the directors voted not to pay any dividends on the common stock, a decision that Mr. Von Willer reports was taken with considerable regret, especially in view of the 16-year record of consecutive dividends.

The Erie was not the only railroad that felt the depressed state of business. Not since the great depression of the '30s have railroad earnings been so low.

Promising Developments

However, during the year some promising developments occurred. Congress recognized the unfair position in which over-regulation and unequal competition have placed the railroads, passed the Transportation Act of 1958, and arranged for a further study of the railroad situation.

April, 1959

PAYROLL COST PER EMPLOYEE



TOTAL PAYROLL COSTS

\$88,964,920

\$92,358,246

SHARP RISES IN WAGES and employee benefits have caused the payroll cost to grow rapidly in recent years.

Along with other railroads which operate in the highly industrialized northeastern section of the United States, the Erie's freight traffic in 1958 reflected the reduced industrial production of the industries served. Practically all commodities moved in lesser quantities than in the previous year. The decline in tonnage which Erie handled was particularly pronounced in the heavy goods industries such as iron and steel, automobiles and other manufactured goods.

The revenues from the movement of these products constituted

the largest part of Erie's total business. For instance, in 1958 the steel industry produced only 85 million tons of steel compared with 113 million tons in 1957, and the automobile industry turned out only 5.1 million cars, trucks and buses compared with 7.2 million in the previous year.

The effects of these reduced activities extended to other industries including coal and resulted in lower revenues for the railroads that depend on this production for much of their tonnage.

(Please turn the page)

Annual Report

(Story begins on page 5)

Indicative of the reduced revenues accruing to the Erie in 1958 compared to 1957 were: iron and steel off 35.4%; automotive vehicles and parts off 19.8%; other miscellaneous manufactures off 11.8%; coal and coke off 21.1%. Our freight revenues in 1958 totaled \$132,954,327 compared with \$154,665,802 in 1957, a reduction of \$21,711,475 or 14%.

The decline in traffic began in September, 1957. It continued into 1958 at the rate of about 20% below the previous year until the end of August when the gap began to narrow.

Fourth Quarter Increase

Fourth quarter revenue ton miles increased 9% over the third quarter but was still 4% below the fourth quarter of 1957. For the full year revenue ton miles were 15.5% below the previous year. The decline in revenues was somewhat less severe because of a slightly higher level of rates in effect in 1958.

For 1959 President Von Willer anticipates that Erie's revenue ton miles will show a recovery of approximately 10%. With the economies that have been made in operation expenses despite increased labor costs, any increase in revenue will quickly reflect itself in net in-

come as a great deal more traffic can be handled with only a nominal increase in cost.

Aggressive action is being taken to attract more tonnage to the railroad. In addition to directing our efforts toward obtaining a larger share of both freight and passenger traffic by energetic selling and better service, many new concepts of railroad pricing are also being studied and tested.

New Approach to Rates

The areas under consideration include such things as volume rates, incentive rates, agreed charges, piggy-back rates and other pricing methods that are helping railroads create competition instead of just meeting it.

The establishment of such rates, however, will depend on the I. C. C. interpretation of the so-called "rate making" provision of the Transportation Act of 1958.

This new approach involves precise market research to determine patterns of distribution, net revenues to be derived from handling certain commodities and the potential net revenue effect on different levels of pricing--all keyed toward a realistic pricing of good rail service that will move traffic to the mutual economic advantage of shippers and the railroad.

The marriage of rail and highway service on the Erie in 1954,

in the form of piggy-back, provided a new service whose growth is exciting and proving of great interest to shippers. These operations continued to expand in 1958.

Piggy-Back Prospects

While the revenue from this service constitutes only about one percent of Erie's total operating revenue, there is encouragement in the fact that there was a 72% increase over the previous year. This is a healthy increase in view of the decline in rail carload business.

Studies indicate that this traffic is profitable and most of it is newly created traffic that would not have moved our way if we did not offer piggy-back service. It is expected this business will increase as more and more refinements are added and as shippers find it more economical to use the service.

Special Cars

The constant search by shippers to reduce distribution costs has brought an increasing demand on the railroads for specially designed and equipped freight cars.

The Erie is in a position to furnish a variety of such cars. Construction costs are higher than standard freight equipment. However, where revenues are sufficient to pay their way the initial investment is justified because they keep business on the rails and help to reduce loss and damage claims.

Passenger traffic in 1958 held up well in the face of the recession. In fact, a comparison with other eastern railroads indicates that while all showed a decline, only one railroad recorded a smaller percentage decrease than the Erie.

Passenger Revenues

Much of this result is due to the energetic efforts of Erie's passenger representatives in stimulating traffic through special group tours and other organized travel inducements. The revenue received from carrying passengers amounted to \$6,708,437 which was \$297,116 or 4.2% below 1957.

Mail revenues in 1958 were \$5,243,725, an increase of \$2,258,892 or 75.7%, due principally to retroactive mail pay and increased rates as a result of a claim filed with the Post Office Department in 1956.

	1958	1957	1956
Operating Revenues.....	\$152,745,896	\$173,160,296	\$175,899,859
Operating Expenses.....	\$127,623,042	\$141,081,738	\$137,693,502
Ratio of expenses to revenues.....	83.55%	81.47%	78.28%
Taxes (Federal, State and Local)	\$13,161,131	\$12,278,457	\$13,965,956
Taxes per share (if Common Stock).....	\$5.37	\$5.01	\$5.70
Income available for fixed charges.....	\$4,676,197	\$12,071,769	\$16,420,490
Fixed charge	\$4,999,321	\$5,125,369	\$4,917,366
Times fixed charges earned	94	2.36	3.34
Contingent interest.....	\$3,345,755	\$3,345,800	\$3,332,615
Net income.....	(\$3,668,879)	\$3,600,600	\$8,170,509
Dividends per share of Preferred Stock.....	\$5.00	\$5.00	\$5.00
Total dividends on Preferred Stock....	\$625,900	\$625,900	\$625,900
Earnings per share of Common Stock..	(81.75)	\$1.21	\$3.08
Dividends per share of Common Stock.....	None	\$1.00	\$1.50
Total dividends on Common Stock....	None	\$2,450,242	\$3,675,376
Book value per share of Common Stock	\$69.07	\$72.16	\$72.32
Number of shareowners.....	20,545	22,224	21,693
Average number of employees	15,021	17,245	18,135
Miles of railroad operated	2,201	2,207	2,207

() -Denotes red figure

HERE, IN CAPSULE FORM, are the highlights of the year's business.



TODAY THE ERIE, LIKE THIS ENGINEER, is prepared for the signal to start toward better times.

Express revenues were \$1,596,859, a decrease of \$30,332 or 1.9%, and miscellaneous revenues, which include many items such as switching charges, storage of freight, dining car receipts, etc., were \$6,242,548, a decrease of \$634,369 or 9.2%.

Other Income

Other income received, such as rent, interest, dividends and from other sources, was \$2,268,846 compared with \$1,388,966 or 63.4% more than the previous year. The increase is principally explained by a change in the accounting regulations effective January 1, 1958, under which profits on the sale of property, etc., are handled through income whereas prior to 1958 items of this character were credited to

retained income-unappropriated.

A continued capital improvement program is not merely a desirable thing--it is an essential element in the strength and future prosperity of a railroad. Fortunately, our equipment and facilities are in good physical condition as a result of the \$171 million that has been invested in additions and betterments in the ten years prior to 1958.

This program involved the complete replacement of all steam locomotives with diesels. Since 1954, as employees know, the Erie has been a fully diesel-powered railroad, including the tug boats that operate in New York Harbor.

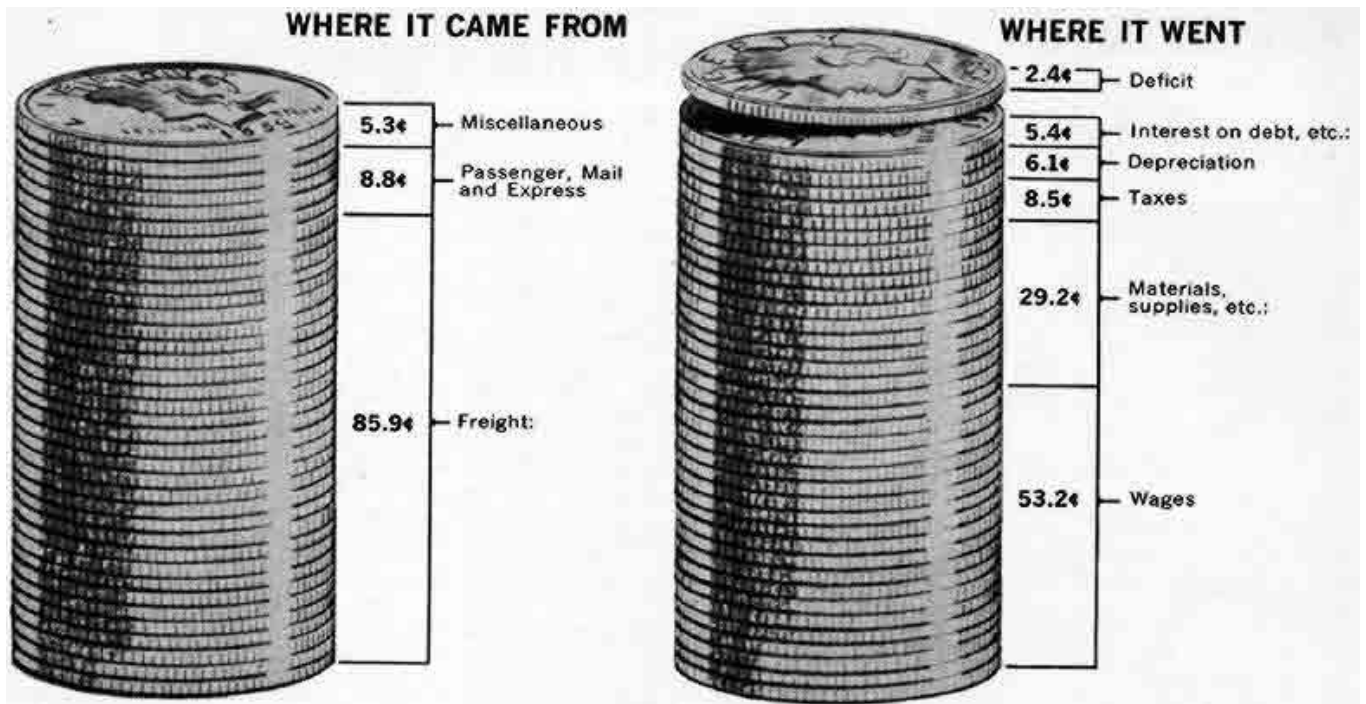
New Car Shop

Because of poor earnings Erie's capital improvement program for

1958 was curtailed, and many major projects had to be postponed. A total of \$2,853,000 was spent for this purpose which was far below the average of the past ten years. However, some progress was made on essential items and others were completed that had been started in previous years.

In this latter category was the new ultra-modern car repair shop at Meadville, Pa., which began operation in September. Approximately 100 men have been recalled to work upgrading box cars and gondola cars in anticipation of increased traffic requirements.

Incidentally, Erie's purchases of new freight cars in recent years have brought the average age of our cars down to 16 years, which
(Please turn the page)



OVER HALF OF EVERY DOLLAR the Erie took in during 1958 was paid out again in wages; materials

and supplies took nearly thirty cents of every dollar received.

Average Wage is \$5,695

During this period, employee wage rates were increased each year in accordance with a three-year national labor agreement. Under the terms of that contract, wage rates have increased 37c an hour of which 13c represents automatic "cost of living" adjustments.

The average annual earnings per employee now total \$5,695, in addition to which the railroad pays taxes for railroad retirement, unemployment insurance and health and welfare benefits averaging \$454 per employee annually.

The need for economies necessitated a sharp curtailment in the program for maintaining track and equipment. As Erie has consistently followed a policy over the past several years of keeping the property at a high standard of maintenance, it was possible to temporarily cut back without incurring too much deferred maintenance.

Maintenance Costs

The cost of maintaining the track, roadway, bridges and other structures was \$16,593,617 which was \$3,442,800 or 17.2% less than a year ago. Contributing to this reduced expense was the fact that

the Erie was one of the pioneers in the use of mechanized equipment for repairing and maintaining tracks. Since 1955, the work of ballasting, cleaning and surfacing tracks has been progressively mechanized by this process.

Also in the area of track work the Erie has adopted the practice of grinding rail as a part of its maintenance program. Electronically controlled equipment has been developed that permits grinding a rail accurately, efficiently and economically. Such grinding can prolong the useful life of rail by six years or more.

Maintaining cars and locomotives required \$23,832,559, a decrease of \$3,118,119 or 11.6% compared with the previous year. The Erie currently owns 484 diesel locomotive units all of which are in serviceable condition and ready to handle any increase in traffic. The method of "progressive maintenance" has been followed in keeping Erie locomotives in good working order at the two major diesel shops at Marion, O., and Hornell, N. Y.

Transportation expenses, which include all station, yard and train operation costs, amounted to \$73,819,541, a decrease of \$6,048,870 or 7.6%. The relatively high ratio

of these expenses to our total revenue continues to be a challenge.

A large portion of Erie's traffic terminates in the New York area which involves high freight station costs and expensive floating operations to move freight across the Hudson River to destination.

Merger Study Progress

Satisfactory progress has been made on the exploratory merger study undertaken in cooperation with the Delaware, Lackawanna & Western Railroad and the Delaware & Hudson Railroad as previously announced. A great deal of technical data has been prepared which indicates that definite economic and financial advantages would accrue to shareowners, shippers, communities served and the general public if the properties of the three railroads were merged.

All of this information is being analyzed by a twelve-man merger committee consisting of four directors from each company. It is expected that this committee will be in a position to make definite recommendations to their respective boards of directors within the next few months.

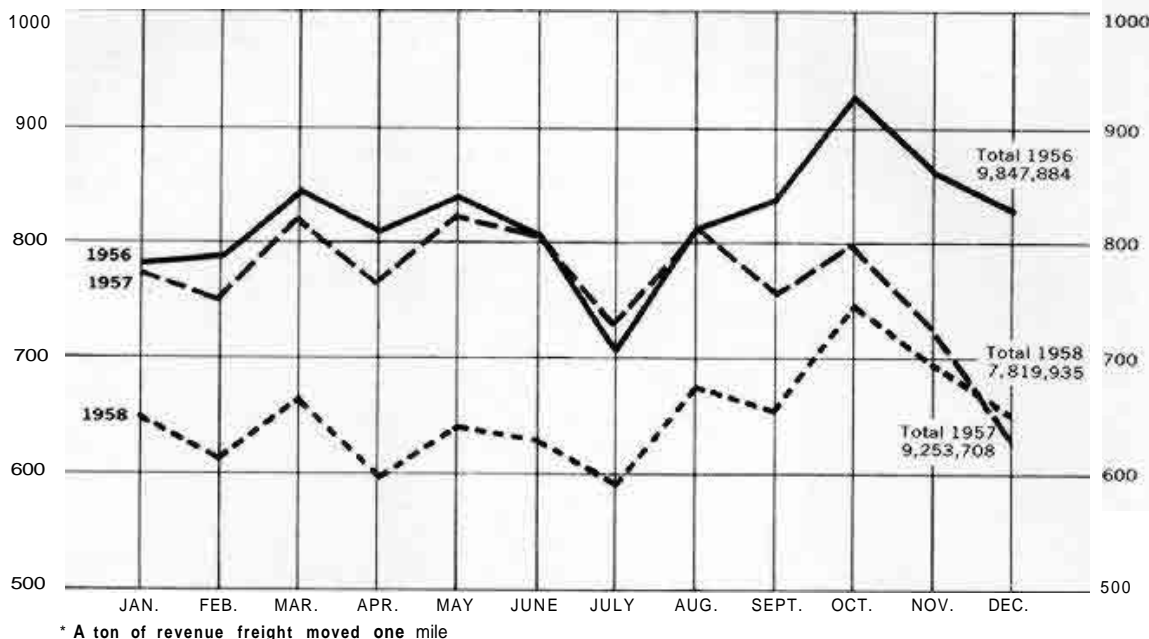
The directors will then review the committee's recommendations (Please turn the page)

Annual Report

(Story begins on page 5)

revenue ton miles

(In Thousands)



STANDARD BAROMETER OF FREIGHT BUSINESS is the record of revenue ton miles.

and if adopted, it will be necessary to submit the proposal to the shareowners. Approval of at least two-thirds of the stock of each company will be required, as well as approval by the Interstate Commerce Commission, before the three companies can be combined.

Co-ordination and Savings

Such a combined system would comprise approximately 4,000 miles of railroad in seven states and the Canadian province of Quebec. It would rank as the fifth largest railroad in the East from the standpoint of assets, revenues, employment and mileage.

Irrespective of the outcome of the Erie DL&W--D&H merger study coordination projects are going ahead wherever savings can be made by combining duplicate facilities. As Erie employees know, the Jersey City passenger terminal operation has been combined with the DL&W at Hoboken, including dining car operations.

The reductions in Erie's operating expenses, by reason of this coordination, are currently running about \$500,000 a year. The discontinuance on December 12, 1958 of the Jersey City-Chambers St. ferry, which was part of the

original project, will produce additional savings of about \$185,000 a year.

Joint Track Use

Another coordination project offering opportunities for savings of about \$500,000 a year to Erie is the joint use of Erie tracks by the DL&W for about 75 miles between Binghamton and Corning, N. Y. where both railroads parallel each other. Construction work was started in November by the installation of a new track connection at Binghamton. It is expected the plan will be in operation by September 1959.

In the past several years the Erie has combined its perishable terminal and auction facilities with the Pennsylvania Railroad in New York City and freight house operations with the DL&W at Binghamton and Elmira.

Approval of the ICC has been obtained to acquire trackage rights over the Baltimore & Ohio Railroad between Limestone, N. Y. and Mt. Jewett, Pa. which will permit abandonment of a portion of our Bradford Division. This arrangement will be utilized within the next few months.

Commuter Problems

Never before in the history of the railroads has greater public attention been focused on the difficulties involved in providing suburban train service in metropolitan areas. The situation is becoming more critical each year. Many studies have been made by individual agencies and many plans have been proposed, but to date no constructive action has been taken by local authorities to preserve this essential public service.

Experience has demonstrated that this type of service cannot be operated at a profit under present-day conditions. As commuter trains are concentrated in a short period during morning and evening rush hours, operating costs are extremely high and even if compensatory fares could be charged, they would be so prohibitive that passengers could not afford them and would be forced to seek other means of travel or make other plans.

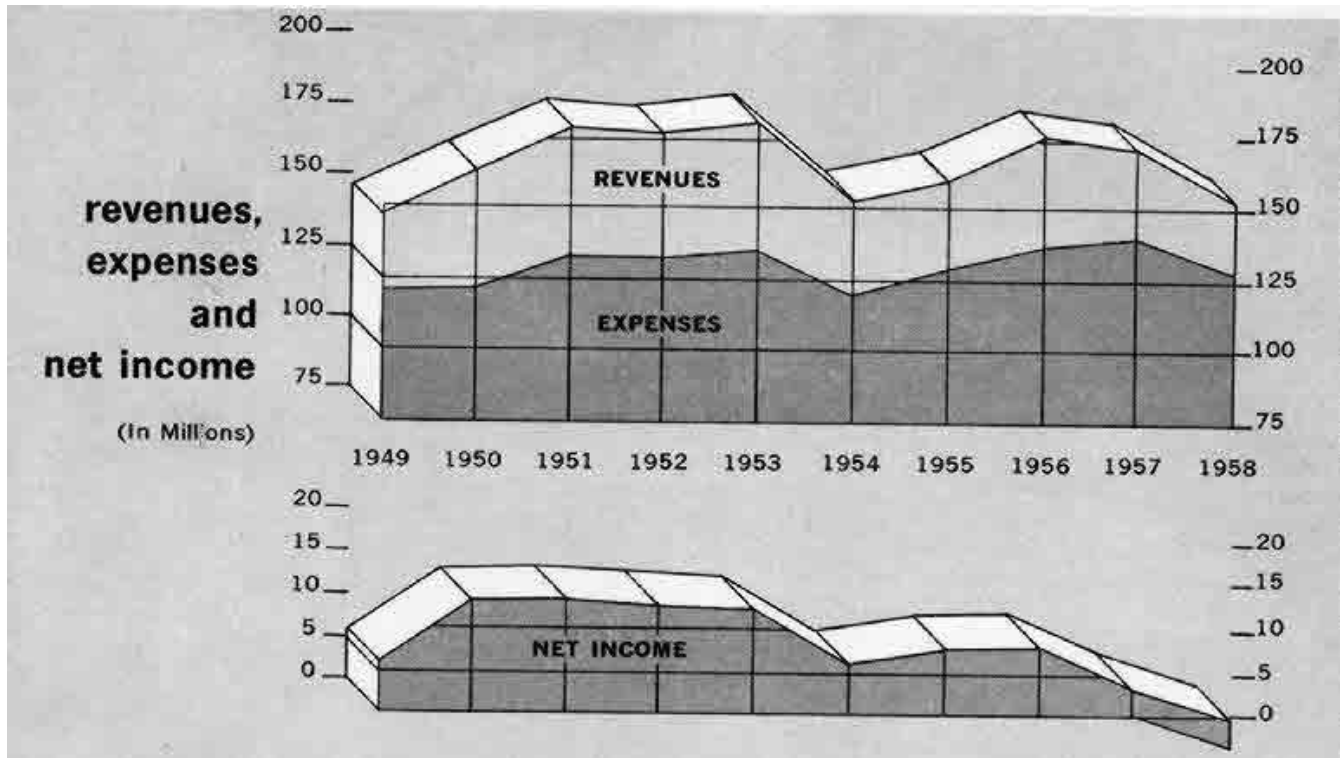
The problem is particularly acute in the New Jersey area where taxes on railroad property are exorbitantly high, adding to the costs, and where publicly-provided bridges, tunnels, highways and ter-

(Please turn to page 25)

Erie Railroad Magazine

Annual Report

(Story begins on page 5)



DESPITE ECONOMIES, the costs of doing business remained high during 1958, and the general business

level remained low, so that net income declined into loss figures.

is well below the national average of 20 years for all railroads. In March an order was placed for 200 new box cars to cost about \$2,600,000.

In the past year seven heavy-duty flat cars were built principally for hauling large electrical transformers for shippers located on our line. Purchases were also made of a variety of highway vehicles for use in transporting maintenance-of-way material and personnel to outlying work areas. Many miscellaneous track machines and other maintenance equipment were installed to increase efficiency and improve employe working conditions.

Communications and Track

Several years ago an overall plan was developed to convert some double track to single track and install Centralized Traffic Control on certain segments of the territory extending from Marion, Ohio, to Hammond, Ind. This electronic train signalling device provides greater flexibility of train movements and better utilization of fewer tracks.

Two segments of this program have been completed and a third is authorized for 1959. Additional sections will be converted as rail and tie renewal programs become due, thus avoiding the need of purchasing new rail and ties. The Erie has 377 miles of C.T.C. now in service and studies are continuing for possible future installations.

The Erie has the distinction of being the first railroad to have complete train radio communication over the entire main line and in yard service. Over the years, this installation has proven highly satisfactory in expediting trains and improving on-time performance. During the past three years, we have also been equipping our police department automobiles with two-way radios tuned to the same frequency used by the train radio.

Wage Costs Rise

The events of the past year called for careful planning and the greatest possible control over expenses. "Economy" became the watchword in all departments. Every effort was directed toward

greater proficiency through improved operating methods. Operations not absolutely essential to the performance of a safe and dependable service were eliminated. This belt-tightening produced impressive savings in view of the continually increasing costs of both wages and materials.

Wages took 53.2 cents of every dollar received by the railroad, and retirement taxes and other benefits brought the entire wage cost to 60 cents of every dollar. This was naturally the area that presented the greatest opportunity for reducing expenses. The elimination of jobs is never a pleasant task; nevertheless reducing expenses was a duty with no other choice.

Accordingly, Erie's work force was reduced to an average of 15,021 employes during the year compared with 17,245 in 1957 and 18,135 in 1956. If management had failed to meet this obligation and the same number of employes were now on the payroll as in 1956, the Erie's wage bill would now be running over \$19 million more per year than at present.

Erie Bowlers Roll Up Prizes of \$1,463 in Annual Event

Youngstown Site of Tourney 14th Time

NEARLY 300 men--299 to be exact--from all departments of the Erie Railroad, including many from off-line agencies, bowled in the \$1,463 14th annual system-wide bowling tournament at Youngstown.

Top team honors went to a group from the freight claim department in Cleveland, who rolled up a total of 3,078 for fifteen lines. Two teams from Kent, followed by one from Akron and another from Salamanca were close behind.

Members of the winning team were: Andrew Bacenko, Marvin Buchwald, James Green, Robert Petonic and Norman Klimack.

Wins Singles

High scorer in the singles was Jerry Mickunas of Akron, with a score of 693; Roy Kramer and William Gill of Akron won the doubles with a score of 1,306. High man in the all-events totals was Robert A. Maglio, Hoboken.

Team, doubles and singles scores were based on three lines bowled by each man; the all-events scores represented the nine lines rolled in the three regular events.



THIS TEAM FROM THE FREIGHT CLAIM department in Cleveland won the Woodruff Trophy for the top score (3,078) in the tournament. Left to right: James Green, Norman Klimack, Robert Petonic, Marvin Buchwald, Andrew Bacenko.

High single line score was rolled by G. Stanislaw, Brier Hill, who achieved 244 out of a possible 300; Robert A. Maglio, Hoboken, had the highest three line total, 644; and Herbert F. Leonard, Cleveland, rolled a triplicate, three lines with the same score, 175.

The prizes totaled \$528 for the five-man teams; \$428 for doubles; \$482 for singles and \$75 for doubles.

Prize money in the doubles was

paid to those with scores of 1,183 and above; in the singles to those (Please turn to page 30)



ALL EVENTS HIGH MAN was Robert A. Maglio, Hoboken, with 1,989.



JERRY MICKUNAS, Akron, rolled 693 to take the singles title.



BOWLING IS A PIPE for Roy E. Kramer of Meadville. He and his partner, William Gill, took the doubles with 1,306.

PERFECT SHIPPING

Erie Men in Cleveland Freight House and Yard Strive for 100% Record

EVERY month is perfect shipping month on the Erie, for all Erie men and women know that the railroad's ability to compete rests upon the quality of service to its customers. These men at Cleveland's HD Yard and Scranton Road freight house have definite opinions on how their jobs should be performed: and both yard and freight house stand high by all measures of efficiency in safe and sure handling of shipments. Their words are worth reading.

TRUCKER STEPHEN BONAS and Checker **Arthur Ecker**: "See that there are proper notations on all waybills."



JOHN W. FOGARTY, general freighthouse foreman: "See that all shipments are item checked, and not merely piece checked or counted."



EDWARD W. KRAFT, stowman and checker: "Watch flaps on cartons, watch markings to see that everything is stowed right side up. Put heavy cartons on bottom, light on top."



HAROLD HILL, checker: "Handle freight carefully and properly when loading and unloading."



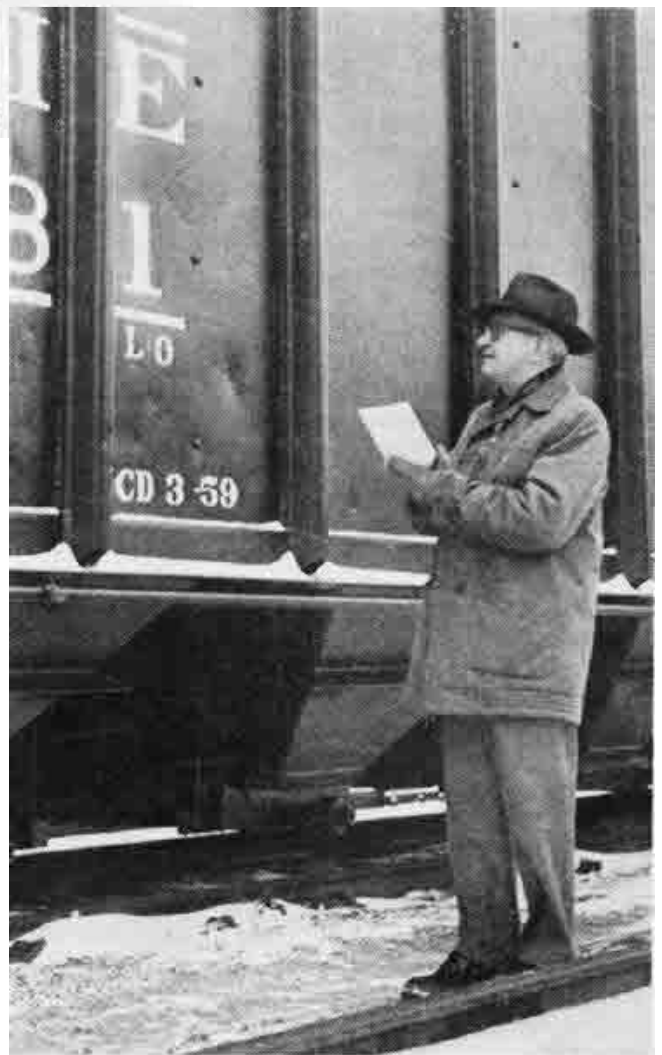
**YARD CONDUCTOR Thomas Ca-
lonni:** "Take weather into account
on all moves."



EUGENE A. FRENCH, engineer:
"Keep men on the ground in sight
at all times and don't move too
fast."



BRAKEMAN DAVID E. TAYLOR: "Watch grades
and their effects on car speeds."



BERNARD F. KRAMER, chief clerk: "Be sure to
tell crew what contents are and warn them to han-
dle cars accordingly."

Industry Warned of Avoidable Shipping Waste

UNLESS American industry as a whole ends wasteful shipping practices, all industry will fall by the wayside, David C. Mitchell, Erie's superintendent of station services and freight claim prevention, told a meeting of the Mansfield Chapter of Delta Nu Alpha.

Delta Nu Alpha, national transportation fraternity, had invited Mitchell to address them on the subject of careful shipping, always a foremost thought in the railroad industry, but especially stressed every April.

Among those attending were industrial traffic members, and men from rail, motor, air and steamship transportation companies.

Education as Weapon

"Education is our chief weapon against the truly staggering losses that industry, and the nation as a whole, suffers when goods are damaged in transit," he said.

Among the causes of the tremendous losses, he pointed out, is the continual refinement of product.

"A generation ago not much could happen to a cast iron kitchen range in transit," he told his hearers, "but today's kitchen range is a wholly different item. It is made of porcelain."

Long Question Period

He kept his talk general, not pointing to the problems of any one branch of industry or transport, and stressed the need for an orderly approach to the solution of the problem. His twenty-minute talk was followed by an educational film "In Your Hands," dealing with the special problems of rail transport, and was followed by a more than two-hour question and answer period.

Elsewhere in this month's magazine are pictures and opinions of men who have been successful in limiting damage on the Erie. At Cleveland's HD yard impact recorders have shown continuing improvement in car handling.

• • •



Two Transport Studies Set in Washington

A new transportation study, being undertaken by the Department of Commerce at the direction of President Eisenhower, began in early February with a meeting of government officials and industry leaders who are to participate.

The study was announced by President Eisenhower in his budget message to Congress for 1960. The message said: "The secretary of commerce, at my request, is undertaking a comprehensive study of national transportation to identify emerging problems, redefine the appropriate federal role, and recommend any legislation or administrative actions needed to assure the balanced development of our transportation system."

Another transportation study, authorized in 1958 under Senate Resolution 303, but not yet begun, is to be made by the Senate Committee on Interstate and Foreign Commerce. Under Senate Resolution 29, introduced in January by Senator Magnuson for himself and for Senator Smathers, the time for completion of this study would be extended to January 31, 1960.

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As of January 1, 1959, the Class I railroads owned 1,800,770 freight cars of all kinds, including 75,047 railroad owned and controlled private refrigerator cars.

Entries Pour In for Systemwide Golf Tourney

ENTRIES for the fourth annual Erie System Golf Tournament, to be held at Meadville on Saturday and Sunday, July 25 and 26, are coming in at a great rate, according to Walter Loper and Ralph Costa, Meadville members of the committee.

Blanks for those who wish to play are available at all principal ticket offices, off-line agencies and superintendent's offices. They must be returned by July 1.

Hailwood Golf Course, where the event will be played, is a 68-par twice-around links, with the tees for the second nine holes set back from those for the first round. This separation accounts for a difference in yardage between the first and the second nines. The course is 2,872 yards out and 2,880 yards in, for a total of 5,752.

Winter Rules, Calloway

Winter rules will be played, so that golfers may improve lies on the fairway under course rules. Handicapping will be by means of the Calloway System.

The Calloway System is an "automatic" method for equalizing the chances of golfers from different clubs, and depends upon the score achieved on the day of play.

Anyone who plays the course in par or under has no handicap; a man who plays 1 over par to 75 is assigned a handicap amounting to half the number of strokes on his worst hole; a player turning in a score of 75 to 80 is given a handicap amounting to the score of his worst hole.

The handicap continues to rise by five-stroke brackets. Thus, should a player turn in a score of 141 to 145, his handicap amounts to the number of strokes of his seven worst holes, plus one-half the score of his next worst; and anyone playing between 146 and 150 gets a handicap of his eight worst holes.

• • •

Healthy Rail Industry Vital to Nation, Senator Declares

Senate Hears of Dangers of Neglect;
Extract from the Official



SIGNS are many that both the people of the United States and the men and women who represent them and make the country's laws are becoming increasingly alarmed by the situation in which the railroads have been placed by over-regulation and unequal competition.

Senator Olin D. Johnston (D., S. Car.) recently addressed the United States Senate on the importance of a healthy railroad industry to the nation. Here is the text of his speech:

Mr. President, sometimes we are prone to forget and to neglect a word of tribute or praise to an industry--and to the men who are engaged in it--which plays so important a role in the lives of every one of us and which is so essentially a fundamental part of our progress and development as a Nation.

We are fortunate in the great and diversified types of our American industry.

Our past development has been possible because of the progress these industries have made through their growth and expansion. We owe them much for that.

Railroads Called Vital

Our future progress may well depend upon the preservation and continued healthy existence of these vital industries. Too many of our citizens have their private funds invested in them for that investment to be neglected.

Too many workers depend upon their continued employment in all our industries for us to allow any one to be the object of discriminatory practices or policies.

In my opinion, one of the most vital of our industries today is our railroads.

To neglect this segment of our economic system would indeed have dire and far-reaching consequences. Thousands of workers



Senator Olin D. Johnston

depend upon our great railway system for their employment--track-workers, repairmen, engineers, brakemen, conductors, station agents, office workers, and executives.

So we must not overlook any of them when such a vital industry requires our thoughtful consideration for its future well-being.

I have prepared a brief statement relative to this great industry, and I desire to have my statement incorporated in the Record. Later, I shall expand my remarks, for this vital and ingenious American enterprise deserves our most careful consideration.

For the past few years, I have become increasingly concerned

about the physical and financial condition of our great American railroad industry.

I followed with much interest the hearings which were held last winter under the able leadership of our colleague, the Senator from Florida [Mr. Smathers].

I was much encouraged, of course, when the Congress, in August, enacted the Transportation Act of 1958, and removed the onerous 3 percent excise tax on freight shipments.

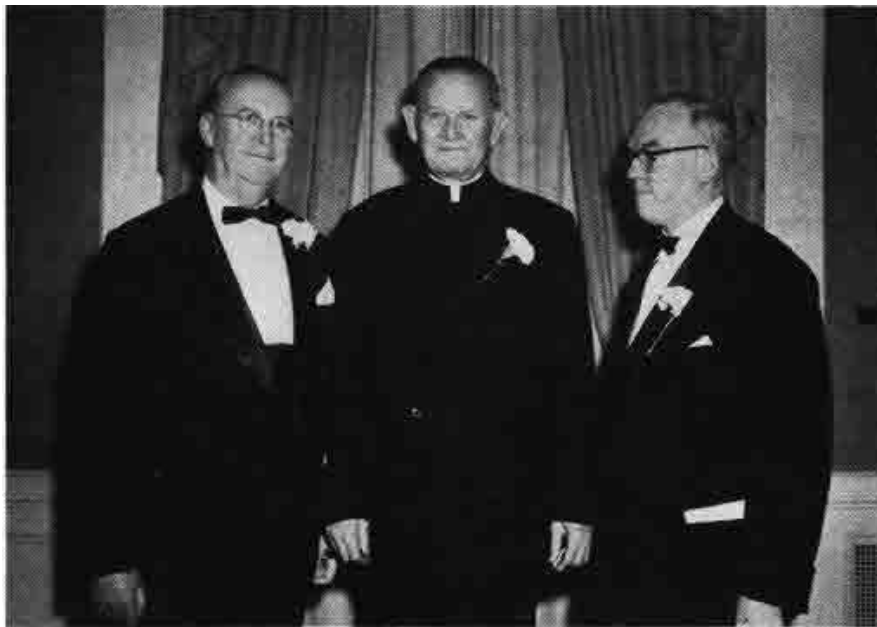
\$35 Billion Investment

These two pieces of legislation were, of course, very helpful, and, in my opinion, constituted a good beginning. We must, however, continue to look for a complete solution to the still present problems of discriminatory regulation, subsidization, and excessive taxation--all of which still plague this great industry.

The ultimate solution of these problems can be accomplished only when the Congress acts to take into account the railroads' essentiality and importance to the economy of this country.

More than \$35 billion of private capital has been invested in an immense railroad plant of shops, signals, communications, and rolling stock.

More than 2 million freight and passenger cars weave in and out
(Please turn to page 27)



WHEN MR. VON WILLER spoke at the annual dinner of the New York Traffic Club it was by way of being an all-Erie affair. Left above is Eugene J. Dean, president of the club and assistant vice-president of the Erie; the Most Rev. William R. Arnold, D. D., auxiliary bishop of New York, and Mr. Von Wilier, president of the Erie. Bishop Arnold's service with the Erie was in Chicago, where he was a switchlight boy.

Erie Veterans News

Fellow Veterans,

Along with the winds of March, as Mrs. Kelly says, another big wind bursts forth. Since writing my last letter to you, we have visited both Buffalo and Dunmore Chapters and at both locations have been more than royally received and entertained. At both locations the spirit of Veteranism is really running high and it begins to look as though we are in for a banner year. I do know that my own chapter in Huntington has obtained quite a number of new members already this year and are looking forward to a large increase in their membership.

In regard to the membership drive already in progress, I know that quite a few non~who are eligible to join the Association read this page as do those who wear the Erie diamond on their lapel. It is to those employees

Erie Family Album



RAPHA P. STEEN, commonly known as Ralph, has retired as superintendent of police and fire protection. His souvenirs include a letter of good wishes from J. Edgar Hoover. Chief Steen entered the Erie's employ as a patrolman in 1921.

WHEN RUSSELL E. TWIST retired as chief clerk after 50 years of service with the Erie, his old friends gave him a dinner. Here some say goodbye (left to right): Bolick J. Shadrake, assistant engineer of structures; Twist; William Clark, draftsman; Cedric A. Roberts, engineer of structures.



that I would like to address a few words. If you have the necessary service that is, twenty consecutive or aggregate years of service, with five or more years of consecutive service prior to the date of application for membership--won't you please contact the local chairman or secretary of your chapter and fill out an ap-

plication? If you don't know who these officers are or to what chapter you should belong, drop me a line at 608 First Street, Huntington, Indiana, and I will be only too glad to advise by return mail whom to contact.

Just one more word, and this to the ladies whose husbands have not yet joined. In the cities where

there are auxiliaries you no doubt have heard of the good times these ladies have at their meetings and social activities; in cities where no auxiliary exists good times are enjoyed by all at the various parties throughout the year. Don't you wish you could attend these wonderful events? You can, by simply having your husband sign one of the numerous application blanks that are being carried by the various active members.

Fraternally yours,
H. A. Kelly
President

Marion

By Lucile Osmun

The regular monthly meeting of the Erie Veterans and Ladies' Auxiliary, preceded by a dinner, was held in Grotto Hall Thursday evening. It was attended by approximately 65 members.

At this meeting, excerpts from minutes of the 33rd Annual Meeting of the Executive Board at Hotel LaFontaine, Huntington, Ind., were read and discussed.

Those serving on the dinner committee were: **Mrs. Edward J. Robisch, Mrs. Donald J. Schoonmaker** and **Mrs. Frank Townsend.**



"He was hiding in the shrubbery beside the ball park and jumped on as I went by."



NAME	POSITION	LOCATION	DATE	YEARS SERVICE
George A. Baird	Carman Helper	Hornell, N. Y.	2-17-59	21
Jesse E. Baker	Port Captain	Jersey City, N.J.	3-31-59	30
Philip J. Barnes	Trackman	Conewango, N.Y.	2-10-59	21
Charles J. Benson	Engineer	Hornell, N. Y.	1-29-59	43
Earl W. Bentley	Crane Engineer	Hornell, N.Y.	2-12-59	26
Joseph A. Capozzi	Section Foreman	Salamanca, N.Y.	3-31-59	47
John W. Crabbe	Agent-Operator	Canfield, O.	2- 9-59	38
Clarence F. Delaney	Engineer	Hoboken, N.J.	1-28-59	44
Eugene L. Diebold	Commercial Agent	Buffalo, N.Y.	3-31-59	47
Martin M. Duffy	Plumber	Marion, O.	1-20-59	44
Otto J. Engel	Conductor	Dunmore, Pa.	2-12-59	35
Erse Fossati	Electrician Helper	Brier Hill, O.	2-21-59	33
Joseph Freitas	Crossing Watchman	Elmira Heights, N.Y.	2- 5-59	40
Donald E. Gilliland	Diesel Shop Foreman	Meadville, Pa.	3-21-59	37
Edward W. Gleason	Shop Hostler	Paterson, N.J.	2-17-59	51
Jesse Gover	Designer	Cleveland, O.	3-31-59	31
Charles E. Gump	Passenger Conductor	Huntington, Ind.	2-13-59	53
Frank A. Harris	Patrolman	Hammond, Ind.	2-13-59	33
Albert Hess	Engineer	Cleveland, O.	2-24-59	37
Gillette A. Johnson	Section Foreman	Lakewood, N.Y.	2- 5-59	43
Waino M. Joki	Trackman	Callicoon, N.Y.	1-22-59	22
Robert W. Karges	Binding Machine Opr.	Cleveland, O.	3-31-59	38
Leigh Keene	Leading Carpenter	Honesdale, Pa.	2- 9-59	24
Thomas W. Kirkpatrick	Clerk	Cleveland, O.	3-31-59	72
Ralph Knickerbocker	Car Inspector	Meadville, Pa.	12-16-58	36
Angle T. Kramer	Claim Investigator	Cleveland, O.	2-28-59	28
David A. Kuder	Carman Helper	Meadville, Pa.	2- 5-59	31
Joseph C. Kuhn	Passenger Conductor	Cleveland, O.	1-30-59	45
Thomas V. Lynch	Percent Revision Clerk	Cleveland, O.	2-28-59	41
Dwight N. Moore	Engineer	Kent, O.	2-17-59	47
Dean B. Newcomb	Signalman	Huntington, Ind.	2-12-59	45
Joseph Nicholson	Clerk	Cleveland, O.	2-27-59	43
Edward Nowicke	Switchtender	Croxtton, N.J.	11-18-58	39
Salvatore Oliva	Watchman	Susquehanna, Pa.	2-12-59	37
Herbert A. Plunkett	Operator	Bradford, Pa.	2-18-59	21
August Postilli	Asst. Section Foreman	Hornell, N.Y.	2- 4-59	35
William F. Purcell	Yard Conductor	Croxtton, N.J.	3-16-59	42
Otis Raynor	Crossing Watchman	Middletown, N.Y.	1-30-59	37
Waiter Richey	Engineer	Youngstown, O.	2-13-59	30
Joseph Sala	Marine Fireman	Jersey City, N.J.	2- 5-59	40
Howard M. Shepard	Asst. Chief Engineer	Cleveland, O.	3-31-59	46
Edward Smith	Engineer	Dunmore, Pa.	1-28-59	36
Rapha P. Steen	Supt. Police and Fire Prevention	Youngstown, O.	3-31-59	38
Walter W. Stinehelfer	Trackman	Gallon, O.	2- 2-59	22
Joseph Telesca	Passenger Carman	Susquehanna, Pa.	1-31-59	42
William B. Von Stein	Bookkeeper	Cleveland, O.	2-28-59	39
James Ward	R&D Clerk	New York, N.Y.	12-23-58	25
Henry J. Whalen	Passenger Carman	Susquehanna, Pa.	2-17-59	25
Thomas H. Williams	Sheet Metal Worker	Susquehanna, Pa.	1-31-59	49
William H. Wolters	Supervisory Clerk	Croxtton, N.J.	2-18-59	32
Clarence E. Yoakam	Carpenter	Marion, O.	2-12-59	28
C. Young	Conductor	Hornell, N. Y.	2-27-59	44



AMONG GLENN E. ALLEN's well-wishers when he retired were George W. Thompson (left), auditor of disbursements and Harry C. Rath, assistant auditor of revenues. Allen, who came to work for the Erie in 1917, was assistant auditor of revenues at retirement.

Buffalo-Rochester

By Jan Bender

The annual installation dinner dance held in Turner's Hall was a socko affair. Toastmaster "Big Jim" McFadden, our superintendent, sparked the evening with a million dollar smile and some good natured joshing.

System President Hubert Kelly, installing officer, caught the ball and continued in a most entertaining and able style. Chapter Chairman George Adams saluted the various departments that were represented.

The music, following the installation, had everybody stepping. Frank Switalski's daughter accompanied the accordionist and beat out the rhythm on her drums.

Now we are looking forward to our April party which will be held in the Harugari Temple on the 18th. Henry J. Schultz, committee chairman, and his assistant, Herbert Moyer, say there will be dancing, refreshments and smorgasbord.

Esther and George Adams are off to Florida to see how the Erieties are doing down there.

Michael Redding pinch-hit for United Veterans Association President Robert P. Haislit at their meeting in New York.

Jersey City

By E. Mastriani

Chairman William Brazel and Mrs. William Brazel, president of the Ladies' Auxiliary, are presently vacationing in Sunny Florida. Vice Chairman Dave Tice was in charge of the March 4 meeting and he did a very commendable job.

We were happy to greet a number of members who have been absent from our meetings because of illness and hope that they will continue to favor us with their presence in the future.

Our attendance is improving monthly and possibly we can give credit to the chairman and chair-lady of the house committee, George Sisco and Mrs. Celest Mastriani.

There were ten new members admitted at our March meeting and our report for the first three months of 1959 is very gratifying. Special mention goes to Ben Leah, for his efforts in securing new members. Keep up the good work, Ben.

Chairman of the membership committee, Jack Hazzard, also thanks all the other members of the committee for their efforts. He said that while there are specific members listed on the committee we should all consider ourselves

members and endeavor to secure at least one new or reinstated member so that President Kelly's ambition can be attained of turning over to Mr. Travis a 6,000-member chapter.

On February 28, forty-one chapter and auxiliary members journeyed to Scranton to attend the installation dinner and dance of the Dunmore-Avoca Chapter. Everyone attending praised the Dunmore Chapter members for the wonderful dinner and reception.

Returns from collectors and mail contacts have been very gratifying to date. May we request that you continue the good work and get your remittances in promptly so that all members can receive their ballots to vote in the coming election?

Our social director and Past President, Frank P. Belling, favored us with a very interesting and enlightening talk on the various bills now before Congress which are beneficial to the retired members and to the transportation industry in general. He also dwelled on some of the highlights of the annual meeting at Huntington.

Past President A. B. Cohen made the trip from West Caldwell and spoke of items of interest to the chapter and the system organization. He also called attention to the annual spring dinner dance of the New York Division Welfare Association to be held at the Old Plantation Inn, Teaneck Road, Teaneck, N. J., April 25.

The Welfare Association cordially invites all Veterans, their wives and all Erie employes and their friends to this gala occasion. They feel that your attendance will be well rewarded as the cuisine, dancing, entertainment and getting together with old friends are worth all of the time and \$3.50 per ticket you will spend to attend. May we see you on April 25th?

Youngstown

By S. D. Bean

Welcome to B. R. Perfect, retired track supervisor, Greenville, Pa., who recently transferred to our chapter from Stroudsburg, Pa.

At latest reports Joe and Betty Kaden were enjoying the climate

and scenery at St. Petersburg, Fla.

L. T. McMahan is back from a few weeks in Miami. We are unable to find out whether "Ribs" got to Hialeah on this trip.

Retired Veteran **Raymond F. Heckmer** must have attended the New Orleans Mardi Gras, for he sent us a big bundle of clippings from the States and Item newspaper. These were very much enjoyed by the boys at our March meeting.

Very thoughtful of you, Ray, and thanks. His address: 3108 Annette St., New Orleans 22, La.

Don't forget regular meeting night the first Wednesday in the month, K.C. Hall. So far, attendance has been better than average, and we hope it continues. Our new officers need our support.

A special word of praise is due the members from Sharon territory, who are coming in greater numbers. We know it is a bit difficult to make it over here this time of year.

This has been an old fashioned winter, boys, but cheer up. It is only a few weeks until our annual family picnic in Idora Park, next June.

Susquehanna

By **H. Harold Perry**

THE regular monthly meeting of Susquehanna Chapter, Erie R. R. veterans was held in the main office building, March 3 with a large number of members present. "**Bill**" **Yivinski**, president and chairman conducted the meeting.

At this meeting your correspondent was acting secretary in place of **Arnold McIntosh** and read the names of 10 new members gained so far this year. In keeping with the request for new members by president **Hubert A. Kelly**, congratulations were extended to brother **Paul Plutino** for the members. Susquehanna Chapter is growing all the time.

Following are the names of new brothers admitted to the chapter, March 3: **Charlton Williams**, councilman; **Richard "Dickie" Moore**. **William D. Edwards**, **Albert M. Soam**, **Robert J. Prophet**, **Edward F. Werner**, **Fredrick Staerker Jr.**, **Joseph Holodnok**, **Louis J. De**

Angelis, **H. J. Burrows** and **Frank Napolitano**, track foremen.

President Iwinski gave a report of the convention at Huntington, Indiana.

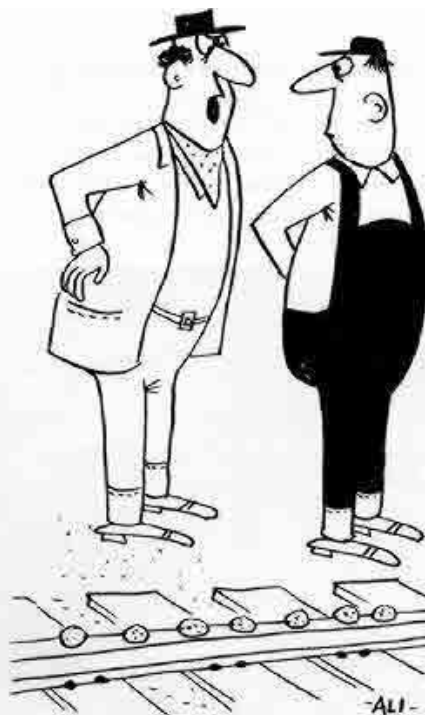
It was officially planned to hold a smoker on April 11th at the Erie Hose Co. rooms and invite a guest speaker.

Many thanks to **Eddie Waddy** for the nice new American flag and standard presented to the local chapter to have on display at all meetings.

In the last issue of the Erie Magazine you will note the retirement of your scribe **Henry H. Perry**, better known to all as "Humorist" Harold. The members have extended their wishes for a long life on his railroad retirement and government veterans pensions.

Let every member be a committee in himself and get a member in 1959.

God bless you all and keep 'em smiling. If you're a veteran railroad Erie employe, you belong in the Erie Veterans Association.



"Look, **McGhurnaghan**, we don't operate this railroad to crack your walnuts for you. That's an unauthorized use of company property for your own convenience, and it'll stop right now."

Hails Capacity and Economy of Railroads

It is common knowledge that the railroads of the United States are essential to its economy in peace as well as in war. Perhaps few have given thought to the possibility that if they are not kept at a high peak of efficiency, the deficiency might be responsible for the loss of victory in the event of World War HI.

Experience has shown that shortages of most all vital materials, as well as manpower, are to be expected in such emergencies. With that in mind, a comparison of the various means of transportation, with regard to their requirements in man-power and fuel, to perform identical tasks is of vital interest.

The railroads use 832,000 gallons of fuel to move 100,000 tons of freight from New York to San Francisco; trucks, 3,366,300 gallons, or 4 times as much; airplanes, 20,801,200 gallons, or 25 times as much as the railroads.

In manpower, too, the railroads are the most efficient. To move the same 100,000 tons from New York to San Francisco, the railroads would use 3,220 man-days; the truckers, 43,416, or 13.5 times as many; the airlines, 36,708 man-days, or 11.4 times as many as the railroads.

Water transport, too, makes a poor showing compared to rail economy. The same amount shipped by water between the same two points would require the expenditure of 4,346,100 gallons of fuel, and 11,137 man-days, or 5.2 times as much fuel and 3.5 times as many man-days as the railroads need to perform the same job.

Rails Began in 1830's

The year 1830 marked the real beginning of the railroad era in the New World--and by 1835 more than 200 railroad charters had been granted in 11 states, and more than a thousand miles of railroad had been opened for operation.

Latest Chatter About All the Erie Family

New York Division WEEHAWKEN DOCKS AND LOCAL

By Violet Schmitt

Miss Minogue, timekeeper, Miss Marotta, telephone operator, Mrs. Hayes, employment clerk, and Mrs. Schmitt, stenographer, attended the installation dinner of the B. of R.C. in New York City where they met many of their Erie friends. They wish to thank all concerned for a most enjoyable evening.

Congratulations are extended to **Robert Pelletreau**, dock laborer, and wife on their joining the Property Owners' Association.

From recent observations, we nominate **John Mahon**, checker, as "Waltz King" of Weehawken, although we hear that **Bud Reed**, demurrage clerk, also has quite a reputation along that line.

William O'Donnell, twenty-year-old son of Mr. and Mrs. **Harry O'Donnell**, trucker, after a brief furlough at home, returned to the U.S.S. **Northampton** at Norfolk, Va., from which point his ship will embark for Mediterranean waters.

He has been taking advantage of his world traveling with the U. S. Navy, but is patiently awaiting the day when he can return to home and his position at a bank in New York City.

Best wishes for a happy birthday are extended to **Marie Hayes**, employment clerk, who unfortunately couldn't celebrate the day with us due to illness. Perhaps next year we can make it up to her.

Donna P. O'Donnell, daughter of Mr. and Mrs. **Thomas O'Donnell**, is home from St. Mary's Hospital where she underwent an appendectomy. Her main concern at the present time is to get back to Weehawken High School where the fifteen-year-old is a sophomore and member of the Flag Twirlers.

Our bowling team is very non-committal these days, which can only mean one thing--nothing to brag about.

Gil Forte, manifest clerk, and **James Murphy**, cost clerk, had a

most enjoyable helicopter trip over New York Harbor from the Statue of Liberty to points north.

R. Street, extra trucker, is planning matrimony. **Betty Wasyle** of Jersey City will be the happy bride at St. Michael's Church on April 11th. The best man for the occasion will be our **Bob Pelletreau**, dock laborer.

We are all looking forward to spring but especially **Frank Manzi**, trucker, because he is anxious to get those tulips, hyacinths and other plants in his garden.

Arthur Viaud, claim clerk is also getting ready for the warmer weather--he has dusted off the welcome mat for his summer visitors.

B. S. Reed, demurrage clerk, and **G. C. Kalle**, assistant agent, traveled to Scranton, Pa., over the past week end to attend the installation and dinner of the Dunmore-Avoca Chapter of the Erie Railroad Veterans. Weatherwise, foodwise and entertainment-wise the occasion was a success.

Anyone looking for a soap ad might contact **Vince Horan**, Crane Shop, for a photo of his **Judy**, age one-plus.

SUPERINTENDENT'S OFFICE, HOBOKEN

By MARY A. D. MEYER

Recent visitors to the superintendent's office have been **Ed Bunnell**, **Erwin Copple**, **John Klop-**

man, **Harry Bookstaver**, **Ralph Riccardi** and **Houston Mead**. **Houston** is train dispatcher on the NYSW at Paterson.

We were glad to find greetings in our mail from a couple of retired friends, **Ed Bunnell** and **Bill Fitzgibbons**.

George De Puy has chosen to be our good will ambassador. He makes regular rounds of our sick and shut-in friends.

Congratulations to **Mrs. Mary Liddell** on the birth of a boy at St. Mary's Hospital, Passaic, Feb. 16. Folks around here will remember her as the former **Mary O'Dea**.

Congratulations to **Mrs. Patricia Blum** on the birth of a boy at Valley Hospital, Ridgewood, Feb. 24. She was **Patricia McCarroll** before her marriage.

On the social side, we want to remind everyone of the New York Division Welfare Association's spring dinner-dance at The Old Plantation, Teaneck, N. J. From what we've heard, it promises to be a most enjoyable get-together.

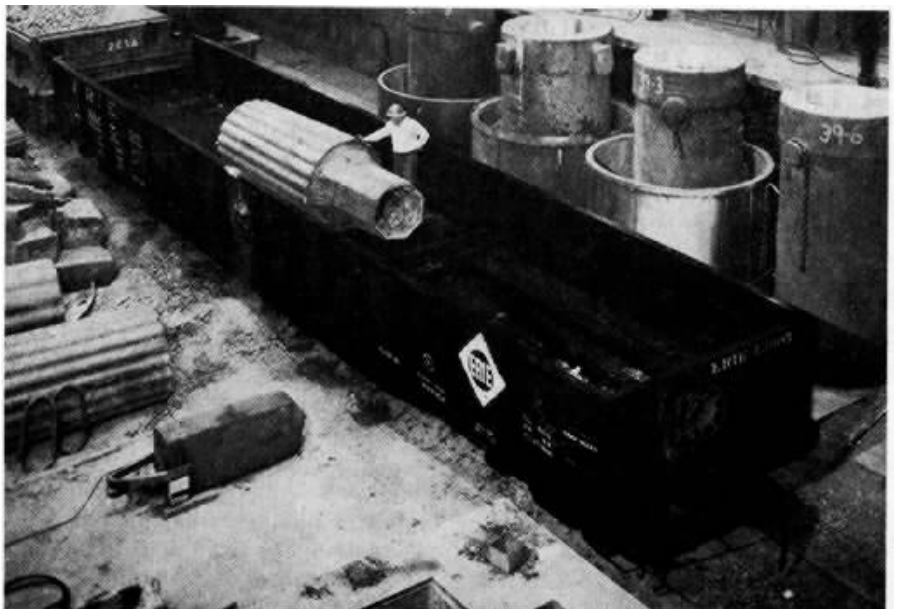
Accommodations are limited, so order your tickets early.

BLOOMFIELD FREIGHT

By M. N. Cook

Congratulations to **Chester Vol-ski**, rate clerk who recently became a grandfather for the second time.

"**Willie**" **Smith**, car clerk and quartermaster for the "Colonials",



THIS SPECIAL CAR, built to carry steel alloy ingots, is shown being loaded in the Sharon Steel Corp.'s plant.

Morristown's American Legion Drum Corps, reports only a few open dates for 1959.

John DeFillipis and **James McCreath**, freight checkers, took part in the Youngstown bowling tournament.

"**Pete**" **Leverton**, retired patrolman was a recent visitor to our office. He's looking fine and says he is really enjoying retirement.

Susquehanna Division

HORNELL BACK SHOP AND DIESEL SHOP

By **R. L. Hammond**

Stanley Hall, pipefitter, and his wife have returned from a vacation in Mexico.

Carl Weber, machinist, spent a vacation in Texas recently.

B. P. Casey, shop nurse, was in Texas recently too. She and her husband visited her brother there.

James Price, machinist apprentice, has returned to Buffalo Diesel shop.

We welcome **Mrs. Rolin Gams**, who replaces **Mrs. Casey** as shop nurse.

Mr. and Mrs. E. J. Rayburg recently attended the Mummers Pageant in Philadelphia.

Paul Dodge, electrician, displayed boats at the Hornell Auto Show.

Mr. and Mrs. Matthew Colamio recently made news with twin boys. She was formerly shop nurse.

Congratulations to new grandfather **Antonio Colamio**, machinist helper.

Buffalo Division

ROAD FOREMAN'S OFFICE, BUFFALO

By **Norman C. Schiller**

Retired Engineer **J. J. Wisnet** and wife are vacationing in Florida. They are visiting retired Engineer **G. A. Fetzer** and wife of Zephyrhills.

Other Florida vacationers are retired Engineers **J. A. Loretan** and **L. E. Rausch** and wives, spending their time in St. Petersburg.

Engineer **H. C. Stitzinger** flew to Florida to spend some time with his old fishing partner, retired Engineer **Pete Julias** of St. Petersburg.

Lighterage

NEW YORK CITY

By **Regina F. Frey**

Bertha Trefry and her husband, **George**, have been made very happy by the return of their son, **Edwin**, from Alaska, where he has been stationed for the last three years on naval duty.

They're especially proud of their new little grand-daughter whom they saw for the first time.

Congratulations to **Emil Skupin**, chief clerk, who celebrated his birthday on March 15th.

Caesar Seville is keeping us girls well nourished with pastry made by his daughter **Eileen**. Thanks a lot, **Eileen**!

We are happy to hear that **Mr. and Mrs. Sportelly**, parents of Asst. Supt. **Frank Sportelly**, recently celebrated their 70th wedding anniversary.

We were glad to see some of our old buddies at the recent Brotherhood dinner: **Alice Norton**, **Frances King**, **Julia Towey** and **Charles McGowan**.

We are happy to welcome **John Regan** to our forces as stenographer.

Kent Division

AKRON

By **Besse Westbrook**

R. G. Johns, retired capt. of police, and wife spent a few weeks vacation in St. Petersburg, Fla.

Joe Blunar, extra clerk, and wife are announcing the arrival of a 7 lb. boy, **David Jeffery**. **Don A. Cea**, general clerk, and wife have an 8 lb. boy, **Donald Anthony Cea, jr.** Congratulations, **Joe** and **Don**.

Adele Sproat, typist, is spending her vacation with her son and family in Miami, Fla. and her daughter and family and her sisters in Coral Gables, Fla.

MARION

By **Lucile Osmun**

Congratulations to **Richard L. McLain**, operator, and wife on the arrival of daughter, **Kathleen**, February 15.

Congratulations to **Herbert E. Phillians**, extra operator, whose marriage to **Janet Bisbee** took place

in the Church of Christ at Findlay, Ohio, February 15. They are now "at home" at 196 South High Street, Marion.

Congratulations to **Denny Murphy**, retired Western Union lineman, who celebrated his 79th birthday, Feb. 19.

Congratulations to **Bernice B. Hill**, agent, at North Lewisburg, Ohio, who acquired a new son-in-law when his daughter **Shirley Lee** was married February 14.

Allegheny-Meadville

GENERAL FOREMAN & WRECKMASTER, SALAMANCA

Steve Dulanski has been elected commander of the local World War I Veterans Organization.

Jack Rice and **Tom Huckabone** and families took off for Florida to spend a two weeks vacation.

We welcome **Gene Yehl** and **Don Budzinski**, who have started work at the car shop as apprentices.

Larry Quigley was down and out for several days with the mumps.

Tom Benton has bought a home and moved to Olean.

Mahoning Division

CLEVELAND FREIGHT

By **R. M. O'Connor**

Mr. and Mrs. C. H. Schlegel are vacationing in Florida this month. They stopped off first in New York to visit their children.

Katherine Wood, unclaimed freight clerk, spent the Washington's Birthday weekend at the Greenbrier, White Sulphur Springs, W. Va., with the R.B.W.A.

Bob Hildebrand, o.s.&d, clerk, has realized his dream of a bachelor apartment at the Park Fulton Oval. Visitors to it say an interior decorator couldn't have furnished it more tastefully.

Ray Martley, demurrage clerk, and **C. H. Schlegel** are both driving new cars.

POLICE DEPARTMENT

By **J. O. Sheets**

Patrolman **A. Herrick's** son, **Robert A.**, age 11, is planning to travel to Washington, D. C., with a YMCA group from Cleveland.

Patrolman **R. E. Hamilton's** son, **Robert L.**, age 13, has been named to the All-Star basketball team at his school in Ashland.

W. L. Dutton, patrolman, has moved to Lakewood, O. His son, **Thomas**, age 15, will transfer to Lakewood High School.

D. Downie, lieutenant, was made president for the coming year of the Youth Protective Council of Greater Cleveland. The appointment was made at a meeting of the group's trustees, Feb. 5.

E. Matanin, patrolman, and his wife spent a few days in Pittsburgh recently, where they visited relatives.

D. H. Kerr, patrolman, and his son Duane are laying in supplies for their annual camping trip.

S. J. Tarajcak, patrolman, will take his family across the border for a Canadian vacation this summer.

Car Accountant

CLEVELAND

By Lou Landers

Our best wishes for a happy future go to **Mr. Joseph Nicholson**, sr., who retired from the car record office March 1st after 43 years' service.

At a luncheon in his honor, held at Higbee's Vista Room, a cash gift from his fellow employes was presented him by **H. G. Strom**, car accountant.

Mr. J. H. Michel flew to St. Petersburg, Fla., with his two daughters, **Helen** and "**Buddy**," for a week's winter vacation.

Welcome home to **Al Scheck** who has returned after four years' Air Force service, some of which was spent in the Far East. Al was married while in the service and has two lovely children, **Carrie** and **Glenn**.

'Twas a great day for the Irish when **Carol Kilbane** marched in the St. Patrick's Day Parade with the West Side Irish-American Club drill team.

Accounting

AUDITOR OF REVENUES

By Ray Stevens

Jim Szucs proudly announced to the office staff on January 27th that his wife **Therese** had given birth to their first, a daughter. **Kathleen Marie** is her name and she weighed in at 6 pounds, 15 ounces.

Marion Palmer picked February for her vacation flight to Florida. Ft. Lauderdale and Miami Beach were two of the cities she visited.

Pfc. Bob Buck, formerly of the passenger department, is stationed in Kaiserslautern, Germany and is the battalion finance clerk. A fringe benefit of the job is a jeep which has been assigned to him.

Paul Kovary and his wife spent the Washington's Birthday weekend in the windy city of Chicago.

A new organization has been formed in our midst. The girls have their Birthday Club, so the fellows inaugurated the Sportsmen's Club. The group, which incidentally is an all male unit, was the brainchild of **Howie Brown**.

For their first outing they took in one of the Barons hockey games. Complaints were heard on both the calibre of the home team's tactics and also the meal that was consumed before the game.

Officers elected were **Bob Botts**, president, and **John Graham**, treasurer. The three-man entertainment committee that was elected includes **Ben Cosenza**, **Bill Maurer** and **Jack Sherman**.

Jim Feeney, **Joe McManus** and **Paul Steinmetz** are all skiing enthusiasts but the snow wouldn't co-operate. Each time they traveled to Pennsylvania the white stuff had completely disappeared from the slopes.

Mary Lou Hnatt, **Alice Holleran**, **Ann Marshall**, **Shirley Ranft** and **Mary Lou Raynak** traveled to New York over the Washington's Birthday weekend.

Betty Krych received twelve valentines on the lovers' holiday, but the catch is that they were all from the same person.

While going through one of my history books, I came upon the names of Generals **George West** and **R. Williams** who fought for the Blue in the Civil War. Inquiries, however, made of the men from the office staff who bear those names failed to provide any answer as to relationship.

The softball season will be starting soon and it will be interesting to note the competition for the various positions.

The pitching staff is intact what with aces **Bill Lash** and **Marty**

Marcellino returning to the mound.

Nell Crann is the only catcher returning as **John Peterson** has departed for the insurance business. A recurring back ailment may keep **Nell** on the sidelines, however.

First base finds the most valuable player of last season, **John Senyitko**, returning. This slot and the shortstop position with **Jim Petonic** are virtually set, but second and third base are up for grabs. Other infield candidates are **Phil Emery**, **Bill Donahue**, **George Joseph**, **Bill Broestl** and **Chuck Von Duhn**.

The outfielders are many and their talents are varied, so the regulars won't be determined 'til a later date. **Frank Tracy**, the veteran of the squad returns for his twelfth season. Frank has been playing ball for quite some time, but still manages to cover center field like a youngster.

Another returnee who could be a starter is **Bob Betts**, who led the team in hitting last season with a fantastic .462 mark.

Big **Don Miskinis**, who was in the army last year, should be a welcome addition to the garden group.

Other returning outfielders are **Ben Cosenza**, **Jay Murray** and **Chuck Hatcher**.

The managerial situation was still unsolved at press time, but all sources seemed to point to **Steve Miko**.

Earle Buck, formerly of this office and now a captain in the United States Army, spent some unhappy days in February recuperating from an illness in the hospital at Fort Bliss, Texas.

Howard and **Joyce Snyder** announced on February 15 the birth of a 7 pound, 5 ounce daughter, whom they've christened **Diane Arlene**. **Joyce** is remembered as a member of the passenger department.

Besides being the month of Presidents, February appeared to be a month of retirements for the auditor of revenues.

Nina Hart of the machine bureau left after 16 years with the organization.

Ed Doyle, traveling auditor, and **Bill Von Stein**, bookkeeper in the

agency bureau, retired. Each had put in 38 years of loyal and faithful service to the company.

Tom Lynch of the percent revision bureau topped them all in seniority with 40 years to his credit. These four, known by all, will be missed by all.

Harold Brown flew to Portland, Maine to spend the February 22rid holiday with friends and relatives.

Dave Baranyai, Lynda Owen, Betty Scheibel, Jean Verdone and Carole Dercole returned to the office staff after leaves of absence.

Joe Stazzone left the Erie for other pursuits in February.

Oscar Bender has reason to be proud of his brilliant son **Harvey Young**. Mr. Bender attained his doctor's degree from Northwestern University and was one of the youngest to achieve this distinction. He is now engaged in research work for the government on the West Coast.

Nona Meier has reason to dislike the cold weather. She slipped and fell off a bus and ended up with some nasty bruises.

W. O. Feisman succeeded **Chris Strauss** as assistant chief clerk in the outbound interline bureau. Good Luck, Bill.

The Bloodmobile made one of its regular stops and ten members of the auditor of revenues department responded. **Howie Brown** tops us all as he is now working on his third gallon. The others were **Grace Banks, Columbia Lucarelli, Kathleen Nolan, Joe Braunlich, Bill Donahue, Tom Edwards, Al Fitch, Paul Jurcisin and Tom Nicolay.**

January 30th was the day that **Bob Bozoti** picked to be united in marriage with **Jean Moseley**. A short honeymoon in downstate Ohio followed the nuptials.

George Pfeifer was incapacitated for a spell by an operation on his arm.

Joe Alico is staying home more often now due to the acquisition of a hi-fi.

Two former Erieites visited in February. **Marge Csuhran** and **Marge Pizzillo** are the pair.

Mr. and Mrs. John Prentice, Jerry Gribek and Steve Miko were among those who managed to attend nearly all of the Barons' home games.

The girls' bowling league has quite a thrilling race going for top honors. As of February 17, the Sparettes, led by **Gloria Lash** with a 126 average, had eased the Frameups, captained by **Irene Haborak** with a 133 mark, out of second place.

Pat Von Duhn, 125, and Betty Krych, 123, are the only other girls among the top ten bowlers.

As of February 19 the interline team had blossomed out with a six-game bulge in the men's bowling league.

Marty Marcellino was the star of the month in fashioning twelve strikes in a row. This usually means a 300 game but they were accumulated over two games and Marty had to settle for a 268 game.

Some high averages at this time were **Jim Petonic and Frank Buck** at 175, **Marty Marcellino and Charlie Von Duhn, sr., 172, Bill Lash and Chuck Von Duhn, jr., 170, and Jim Laggan, 169.**

CENTRALIZED MACHINE BUREAU

By **Bernice Batcha and
Denney Kish**

Gladys Reed enjoyed a weekend visit to Peoria, Ill. **Alma Kliem** was off to Kitchener, Ontario for a visit.

A good time was had by **Mary Falasco, Alfreda Jasinski, Jennie Sakarozok and Adeline Stelmack,** who enjoyed the sights of our nation's capital. **Eddie Courtwright** went East for a visit.

Irene and Bill Canterbury enjoy an old American dance, the square dance.

Sounds like she's preparing for a duel rather than enjoying a hobby. With archery and fencing under her belt, **Ann Craney** reports plans to study judo and pistols.

Ella Carpenter and Kay McNamara were at the Greenbrier on a weekend visit.

Ice Follies have a new star but don't know it. **Helen Trojahn** is competition for **Donna Atwood** with her figure skating.

Helen Martonicz has been taking golf lessons and will be ready to really swing out when the season opens. Her golf activities got

her picture in the paper for her a short while back.

Norma Simmons is zinging along in pursuit of the bull's-eye as she continues her archery practice during the winter months.

Lucille and John Babli ought to be in a professional quartet--that's what people say who have heard the two sing with an amateur group in Akron.

Cupid sure went to work Valentine's Day on **Jean Tomasello** and **Frank Meserini**: they will wed in June. Jean, an expert seamstress, will make her bridesmaids' gowns.

Marge Kutina and Jean Brady will be attending the Met during opera week this April.

Here's one that deserves an exclamation point (or more): **Janet Young** has had four flat tires in the last month!

Rosalie Mencke and Shirley Walker pace the floor together during serious operations on their dogs, Misty and Heidi.

R. C. Clark has a dog that should use a little more discretion in choosing its playmates. It seems Mr. Clark failed to explain to his dog the difference between a house cat and a small, cat-like animal with a white stripe down its back. Need we say more?

Smiling **Joe Nicholson, jr.,** resigned March 1. We wish you a lot of luck, Joe.

AUDITOR OF DISBURSEMENTS By **Jim Hough & Don Keister**

Recently proving their abilities to bowl "for keeps" were **Rita Mazur, Jim Hough** and **Nelson Case**, who took 3rd place honors recently in the Erie "triples" bowling tournament.

F. W. Kelly picks the Yanks, as usual, to win the American League pennant and then beat the Cardinals in the World Series.

Admiring the qualities of their new home furnishings are **Marilyn Haely**, with a complete bedroom set, and **Rita Mazur** with a stereophonic hi-fi.

When **Dorothy Hanley** was asked for any news this month for our column, she just smiled and said, "The wedding is still on."

Fred and Martha Talbot are about to enjoy their future motor-

ing. in the good looking car they just purchased.

Bob Peterson washed his car recently and found out that it is green--two-tone at that!

Don Bundy turned "florist" temporarily when he had a hand in setting up the annual Home and Flower Show at Cleveland Public Hall.

Henry Beck just became a proud grandpa again when his son BOB and his wife announced the arrival of little **Melinda Sue Beck**.

HORNELL ACCOUNTING BUREAU

By Dick Crowley

About this time of year our fellow workers with the green thumbs are beginning to think about their gardens and flower beds. Good luck to them on this year's planting.

Seems as though **Ruth Hunt** likes to keep her car running while she is working.

Bill Pawling visited the office recently.

Nancy Woolever has left us for a while to assume her duties as a new mother.

Harvey Miller has returned from Florida with a nice sun tan.

Bob Burdette and **Frank Bottomley** have been getting in some ice fishing this season.

Tunny Vet and **Ronnie Benson** will soon have a drive-in bank in their neighborhood.

Mozzie and Pauline Piacenti, **George Hussong** and **Ronnie Benson** are sporting different cars this month.

Bill Barnett has taken a train trip to California.

Karleen Russell recently took a trip to Indiana. **Harold Stephens** drove to Rochester.

Harvey Schneegas went to Auburn to pick up his daughter who is attending school.

Tom and Dick Halloran, **Heinz Muhleisen**, **Fred Peterson** and **Angelo Petrillo** plan to attend the bowling tournament which is to be held at Youngstown on March twenty-first. Good luck to them.

Plans for the Annual Brotherhood of Railway Clerks party are getting into full swing this month. It has been decided to have the party at the Hornell Moose Club on April 18, with dancing after dinner.

Committees are as follows:

General committee: **Fred Peterson**, **Don Clark**, **Bob Argentieri**, **Heinz Muhleisen** and **Jerry Curran**.

Tickets: **Lynn Lamb**, **Don Matthews**, **Neil Crandall**, **Watson Walden** and **Bob Ward**.

Decorations: **Ernie Dungan**, **Dorothy Marks** and **Eleanor Trowbridge**.

Entertainment: **Dick Tyson**, **Ruth Hoyt**, **Mary Jones** and **Angelo Petrillo**.

Happy Birthday to **Joyce Smith**, **Dick Wheeler**, **John Kelley**, **Paul Smith**, **Helen Huff**, **Mary Kinnerney**, **Jack Burlingame**, **Jack Starr**, **Fred Besser** and **Dick Matthews**.

Marion Division

TRANSPORTATION DEPARTMENT & MAINTENANCE OF WAY DEPARTMENT

By C. R. Swank

After living in Bippus, Ind., for 58 years of their 69 years of married life, former Section Foreman **Willis Foraker** and wife are breaking up housekeeping to move to the Methodist Memorial Home at Warren, Ind.

Mr. Foraker is 91 years of age and **Mrs. Foraker** is 90, and both are quite active in community affairs. We wish them many more years of happiness.

Mr. Foraker retired in 1938 after 42 years of service. The Forakers have six children living, 12

grandchildren and 15 great-grandchildren. They are looking forward to celebrating their 70th wedding anniversary in October.

Best wishes go to **C. E. Gump**, passenger conductor, who has retired after 53 years of Erie service.

Don Petrucelle, relief operator, has recovered nicely after an appendectomy.

Mr. and Mrs. G. T. Sheets celebrated their golden wedding anniversary with an open house at their home. Their sons-in-law and daughters, **Mr. and Mrs. P. S. McIlravy** and **Mr. and Mrs. H. J. Felber**, were hosts for the reception.

Mr. Sheets retired in May, 1956 from employment with the Erie Railroad after 44 years of continuous service as engineer on the Marion division and road foreman of engines on the New York division.

Best wishes go to **R. S. Overholt**, section foreman on Marion division who has retired after 35 years of service.

Best wishes are with **D. B. Newcomb**, signalman at Huntington, who has retired after 46 years of service.

CHICAGO POLICE

By J. S. Steen

Welcome back to **B. R. McKay**, patrolman. And welcome to new Patrolmen **R. R. Oliver** and **M. T. Rusnak**.

F. A. Harris, patrolman, has retired and we wish him a long and happy life of ease.

HAMMOND CONSOLIDATED

By Grace Connole

Operator **Jack Wilson** and wife visited with Jack's brother and family in Tucson, Ariz. They also made trips to Nogales and Tijuana, Mexico. "Lovely country," says Jack.

Frank Harris, patrolman, retired February 12 after 33 years of faithful service. Frank intends to stay on in Hammond for a time and then will travel to Florida where he is thinking of making his permanent home.

We will miss him but wish him health and happiness in his retirement. **Roy Davis**, relief patrolman, has taken over Frank's duties as day patrolman.

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to absorb vertical and lateral forces

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to absorb horizontal forces

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Lloyd Fischer, communications maintainer, Decatur, did some of his expert maintaining on Hammond teletypes recently. We don't like to see the teletypes out of order but we do like seeing Snif Fischer once in a while.

W. M. Wiarda, asst. superintendent, is back on the job after having breathed heavenly, clean, pure, perfect, flawless, unadulterated, undefiled Jersey air for one week.

Congratulations to **George Berg**, relief clerk, who was appointed yard master, second trick, January 9.

The very best of valentines arrived for the **D. Campbelis**, fireman, in the person of tiny **Cynthia Sue**, 8 lbs. 13 oz. at St. Margaret's Hospital, 4:30 a.m., Feb. 14. Cynthia Sue has a sister **Gail**, age 6, and a brother **Danny**, age 3, waiting to welcome her.

14TH STREET STATION, CHICAGO

By Chris Hardt

John J. Brynda, general foreman, proudly announces that **Walter Anderson**, billing department, and **Chris Hardt**, revision clerk, are two of the new members of Chapter Number 1, Order of St. Christopher for Catholic Railroad Men. **Mr. Brynda** is president of the organization.

Donna Major, rate desk, enjoyed a trip via helicopter from Chicago's Midway Airport to O'Hare Airport, Park Ridge, Ill., where she boarded a plane bound for an early spring vacation at the home of her parents at Fort Lauderdale, Fla.

We compliment and congratulate **Joan Blaul**, rate desk, and husband **George Blaul**. George was one of our former rate clerks and left the Erie to work for the Wabash Railroad. He was recently promoted to chief rate clerk of the Wabash.

We have never known a grandfather as happy and proud as **Blase Zera**, owner-proprietor of the 14th Street Erie lunch canteen, on the birth of his granddaughter **Debra Jean** on February 16th. She is the daughter of **Donald** and **Arlene Zera**, very happy parents indeed.

Annual Report

(Story begins on page 5)

minals have diverted much of the traffic from rail to rubber.

Yet the New Jersey Board of Public Utility Commissioners requires the railroads to operate many poorly patronized and non-paying trains which the railroads sought to discontinue, and the taxing authorities have shown no inclination to grant tax relief. As a result, the Erie is losing in excess of \$2 million annually on an out-of-pocket basis from its suburban passenger operations. This, of course, decreases the income available for dividends, improvements and other purposes.

The Erie is directing constant effort toward finding ways of reducing these continuing deficits. Some significant reductions in expenses have been made in recent years, but with steadily rising wage costs the losses still remain high.

\$13,161,131 in Taxes

Railway tax accruals for the Erie in 1958 amounted to \$13,161,131 an increase of \$882,674 over 1957. Taxes were divided as follows:

	1958
Federal Income taxes	
State, Local and miscellaneous taxes	\$ 7,726,127
Payroll taxes (employee retirement and unemployment)	5,435,004
Total	\$13,161,131

No accrual was made of federal income taxes in 1958 due to net loss sustained for tax purposes. This loss will be available as an offset against future taxable income.

During 1958 the company elected to discontinue its practice of claiming accelerated amortization for Federal Income tax purposes on Certificates of Necessity in view of the operating loss.

There was a net decrease of \$5,817,788 in long-term debt during the year. This was accomplished by the retirement of \$6,150,288 of equipment obligations and other debt of the company and the issuance of \$332,500 of new debt under a conditional sale agreement to cover new equipment purchased.

The company on October 29, 1958, sold 36,073 or 50% of its ownership shares of capital stock of U. S. Truck Lines, Inc., of Delaware, and all of its stock of National Carloading Corporation was sold on January 26, 1959.

Vast Potential

There is a vast industrial potential in the area served by the Erie Railroad which is called "The Heart of Industrial America". To add to the railroad's traffic sources the Erie's staff of industrial development specialists is constantly in touch with industries that are looking for new plant sites. This department offers every assistance to these companies and furnishes detailed information as to water supply, access to raw materials, tax rates, labor supply and other technical data to point up the advantages of locating on our line.

Last year 59 new concerns located on our railroad and 13 expanded their present facilities. The potential annual increase in the Erie's revenue from these concerns is estimated at \$1,600,000 when they are in full production.

Research and Sales

Sales and cost analyses, as well as traffic and revenue forecasting are among the many functions of our research department.

The proper pricing of rail services to meet competition effectively has been a growing problem, and the need to know the cost of handling (Please turn the page)

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WANAEQUE BOROUGH and WESTMILLFORD
New Jersey
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Annual Report

(Story begins on page 5)

ding particular traffic is necessary to any solution. This need has resulted in a growing demand for cost studies for different types of rates and on a variety of commodities.

Numerous operating cost studies were also made, including cost of suburban passenger service and ferry operation, for use in connection with applications before Federal and State bodies for discontinuance and timetable changes. Supporting testimony and exhibits were also prepared.

This department also represented the railroads operating in Ohio in submitting statistical and financial data in support of their application for increased freight rates within the state. Substantial assistance also was given to the Eastern Railroads-Traffic Executive Association throughout the year in connection with their Commercial Research Group, as well as assisting in the efforts to secure increased division of rates on traffic to and from Transcontinental territory.

Employee Training

Automation brings with it the need for training employees in the effective use of new machines. This was particularly true in the formation of a Centralized Office Machine Bureau in Cleveland which consolidated the accounting work of many departments and involved the installation of one of the latest types of electronic computing machines.

Further studies are being made to develop new methods and procedures in anticipation of increased use of electronic data processing.

Other employee training programs included sessions with sales and rate personnel to help them analyze and satisfy customer needs from the standpoint of service and rates; freight station forces and train crews in the best methods of handling shipments to prevent damage; shop employees in the proper use of modern machinery, and group meetings with employees engaged in passenger service on the importance of performing a friendly and courteous service for the public.

Safety Record Improves

As safety is one of the cardinal principles in all railroad operations, constant educational work is conducted among supervisors and employees to prevent injuries. Through meetings and other methods, opportunity is presented to discuss safety measures and exchange ideas and experiences.

Erie's employee safety record continued to improve in 1958. There was a reduction of 15 per cent per million manhours in the more serious injuries involving three or more days of lost time. Furthermore, Erie trains were involved in 20 per cent fewer grade crossing accidents and highway

crossing casualties were reduced by 6 per cent during 1958 as compared with 1957.

Employee Health

The Medical Department keeps a constant check on the health of employees which is a necessary part of safe performance. Complete physical examinations are given periodically to insure the physical fitness of employees, particularly those in train and engine service. Experience has shown that healthy and safety-minded employees are a great asset in the performance and efficiency of a railroad.

The Erie and Its Publics

A railroad has many "publics". In one way or another thousands of contacts are made with people every day which result in many impressions being formed about our railroad. It is important that these impressions be favorable because to make progress as a successful organization, the railroad must earn the public's approval of its policies and actions. This responsibility rests primarily with management, but is shared in some degree by every employee who works for the company.

The importance of gaining public understanding and good will was never more evident than during the past year, when Congress was considering legislation affecting the railroads. An overwhelming outpouring of public expression was voiced by many people who urged their representatives in Congress to give favorable consideration to the railroads' cause. The support would not have been forthcoming if the railroads did not have the good will and understanding of these people.

Accordingly, the Erie's public relations activities are designed to present factual information to employees and to the public so they will know more about the progress of our railroad and its essential role in the economic life of the communities it serves.

Reports Available on Request

Any employee who would like a copy of the report may have one by writing the Erie Magazine, 1327 Midland Building, Cleveland 15, Ohio.

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Senator

(Story begins on page 15)

across the 220,000-mile network of rails, and carry almost half of the Nation's intercity freight traffic and nearly one-third of its commercial passenger load.

The accomplishments of the railroads are staggering. In just a 60-minute period, more than 1,000 freight and passenger trains start on scheduled runs all over the Nation, and the same number pull into terminals.

3½ Million Tons an Hour

More than 3½ million tons of goods will move some 20 miles during the same hour.

On the passenger side, trains will perform transportation equivalent to carrying 3 million people 1 mile.

Yet, even in the light of these facts, some persons think that the railroads are dying.

Human Side of Railroading

Let me say a word about the human side of railroading. At the end of 1956, more than 1 million persons were regularly employed in our railroad industry.

Today, because of the problems which are still hanging around the necks of the railroads, and because of the recession, railroad employment has dropped to about 825,000 people, who receive about \$5 billion a year in wages.

Another half-million people work for companies which are directly dependent upon the \$3 billion the railroad industry spends in an average year for materials, supplies, new plants, and equipment.

Billion a Year in Taxes

Still more people---a million, in fact---have invested their savings in railroad stocks and bonds.

What about the financial support the railroads give to local and State governments and to the Federal Government?

More than \$1 billion is paid by the industry in a normal year in the form of taxes which help the States build and maintain our schools and other important projects.

Money for Airports

All of this makes America a better place in which to live. Some of

the railroads' tax money even finds its way into the construction of highways, waterways, airways, and airports. This is a remarkable benefit to competing carriers.

So this is a vital industry which reaches into Hometown, U.S.A. Hundreds of thousands of men and women provide essential services, bread and butter payrolls for railroaders and suppliers, a flow of investment returns, and a veritable torrent of tax payments--all of which contribute to bringing progress and prosperity to our country.

America Needs Railroads

I am certain that you will agree with me, Mr. President, that America needs and will continue to need its railroads. I cannot possibly see how this need can diminish in the future.

If we are to believe the Census Bureau forecasts of a 60 million increase in our population by 1975, accompanied by a possible doubling of our output of goods and services, we shall need an even greater railroad system than we have today.

More people mean more production--which will certainly increase the demand for volume transportation.

Ability to Expand

And in this area the railroads can concentrate a fantastic amount of transportation in a limited space, and can turn out a maxi-

mum of transportation with a minimum of manpower, fuel, and materials.

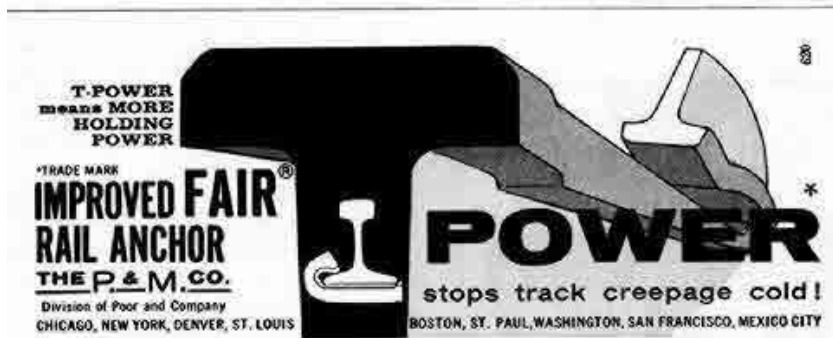
The ability to expand capacity rapidly is another feature which
(Please turn the page)



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IRON ORE UNLOADING DOCKS

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Senator

(Story begins on page 15)

is characteristic of the railroads.

During World War II, for example, using their same basic plant, the railroads doubled their freight traffic load over previous years, and carried more than four times as many passengers.

Discrimination Against Rails

So here we have a very efficient type of transportation---one which can expand tremendously, one whose capacity is huge, one that feeds the economy of the country with a \$5 billion annual payroll, and, finally, a form of transportation that, in spite of all I have told Senators, earns far less on its net investment than does any other large industry in America--not even 3 per cent.

One might well ask at this point: Why, with all their virtues and capabilities, are the railroads in such serious trouble today?

The answer is fairly simple--grossly discriminatory governmental policies and practices.

Disastrous Consequences

Let me point out the disastrous consequences these governmental practices and policies have brought the railroad industry. Carloadings dropped from 35½ million in 1957 to about 30 million in 1958---or a decrease of 15 per cent.

Net income declined in 1958 by 20 per cent under the previous year. Gross capital expenditures on



"HE WORKS WITH wheel sets all day long, and figures there's nothing in the rules against his method."

property and equipment dropped from \$1,383 million in 1957 to \$740 million last year--a whopping 46½ per cent.

This reduction in purchasing not only impairs the physical condition of the railroads, but it seriously affects the supply industry, along with its hundreds of thousands of employees.

Cure Needed

Because of the serious decline in railroad employment, increased benefits to the unemployed have placed a serious burden upon the unemployment compensation fund. This is not a pretty picture, is it?

The financial illness of the railroads did not spring up overnight. It is in the form of creeping paralysis which has been coming on for years.

If we do not begin immediately to try to cure it, the defense of America will be in serious jeopardy.

Rails and Defense

In any new national emergency, our country would again find itself short of trucks, gasoline, rubber tires, and necessary automotive parts.

Our biggest and fastest airplanes, particularly the jets, would be diverted to military spots throughout the world.

The railroads, as in World War II, would then be called upon to

carry both our military personnel and the vast numbers of civilians diverted from the highways and airways.

Defense Department View

The Department of the Army recently told the Interstate Commerce Commission that the ability of the railroads to provide passenger service has declined to the point where further reductions would endanger our national defense.

Department of Defense officials have told the railroads that their freight car fleet is inadequate to meet the demands of full mobilization. Perhaps it is; I do not know. I do know, however, that there were only about 28,000 new freight cars on order as of last December 1.

But how can we expect the railroads to repair its old cars and buy new ones as long as the industry, hamstrung by adverse public policies, is prevented from earning any more than 3 per cent?

Nationalization Not Answer

This country of ours must have a healthy and prepared railroad industry that will have the capacity to exceed even the great job it did in World War II, when our railroads hauled 90 per cent of all domestic military freight and 97 per cent of all organized troop movements.

What is the answer--nationalization? Nationalization in any vital industry accomplishes little.

The possibilities of permanent harm is always present when Government attempts to do what private industry can do better. Furthermore, nationalization of any industry is contrary to our American concepts of free enterprise.

World War I Record

No; I do not believe that nationalization is the answer, and I think Senators will agree with me after I tell Senators what happened 40 years ago.

Most Senators will remember that the Government took over the railroads in 1918 and operated them for 26 months during the First World War.

A comparison between the performance of the railroads under



public and private operation is astounding and frightening.

Taxes, Not Deficits

With one-fourth fewer employees, one-third fewer locomotives, one-fourth fewer freight cars, and one-third less passenger cars than we had in 1918, the railroads moved almost twice as much freight and more than twice as many passengers in World War II when they were privately operated.

Deficits resulting from Federal operations cost the taxpayers nearly \$2 million a day during World War I, while the railroads during World War II paid taxes to our Government averaging \$3½ million a day. And that is not the whole story.

Effect Upon Government

Serious as is the effect of Government ownership upon the railroads, its effect upon Government itself is equally serious.

The most immediate effect if the railroads were nationalized today would be the addition of nearly a million employees to Government payrolls.

A second effect upon our Government would be an increase of its public debt as a result of having to pay billions of dollars to the present owners of the railroads.

Frightening Prospect

All of us know what a time we are having with the country's debt ceiling today.

We can imagine the impact of the loss of tax money on our States and thousands of our communities across the United States if the railroads were Government-owned and tax free. Such a thought is indeed frightening.

Effect on Other Transport

But what about the effect of Government ownership upon the related economic systems?

At present, railroad service is supplied by hundreds of private companies, each one independent with its own operations and its own services, yet working with others to create a unified national transportation service.

In addition, of course, thousands of trucking firms and hundreds of water carriers, airlines, pipelines,

and such are furnishing transportation.

Socialism and Communism

All of these companies are in competition not only between and among the several forms of transportation but also with each other.

If we ever come to Government-operated railroads, we would thus produce competition between private and public enterprise at least until the other forms of transportation came under the aegis of Government.

After this nationalization, then what? Steel, coal--but why go on?

We cannot let this come to pass. Nationalization would result ultimately in socialism in full bloom. Socialism, as we know it, is only one step removed from communism.

What Can Be Done ?

If Senators agree with me, and I am sure they do, that nationalization is out of the question, what can be done to restore the railroads to a healthy competitive position so that they can earn enough to attract additional capital to maintain their plants adequately and to expand to meet the needs which might well come tomorrow from a national emergency and which certainly will come from peacetime growth?

Frankly, I do not have the answer today. I ask, however, if and when transportation legislation comes before the Congress, that all of us consider such legislation in the light of the railroads' far-reaching essentiality and great importance to the economy of our country. Our railroads are indispensable. America cannot afford to let this vital industry wither on the vine.

U. S. Debt to Rails

If I were asked to what industry America owes more than to any other for its expansion and development, I would in all candor be bound to say that our debt is to the railroad industry. Consequently, we owe to it, the past, and to our future, that we preserve this great industry--so vital and so needed for further peace and prosperity--and so indispensable for us in case of a national emergency.

• • •

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Losses in the Erie Family

NAME	OCCUPATION	LOCATION	DATE OF DEATH
*Baran, Stephen	Carman	Port Jervis Car Dept.	12-17-58
*Barretta, Salvatore	Laborer	Meadville Shop	1-29-59
*Beck, Carl John	Machinist	Cleveland Loco. Dept.	2- 8-59
Beeching, Arthur Kenneth	Electrician	Akron	2-10-59
*Bessner, John	Pipefitter	Cleveland Loco. Dept.	11-26-58
*Bongiovanni, Luigi	Trackman	N. Y. Term. Div.	12-12-58
Brown, Edward James	Trackman	Allegany Div.	1-26-59
"Burke, Edmund Dolan	Chief Caller	Hornell. Susq. Div.	1- 3-59
*Carroll, George James	Ex. Watchman	Duane St. Stn., N. Y. City	2- 5-59
*Chapman, Arthur Orr	Machinist	Huntington Shop	11-19-58
*Connor, Charles Leo	Track Supervisor	Rochester Div.	12- 8-58
*Cullen, John James	Boilermaker Helper	Marine Dept.	2- 9-59
*Davis, Stewart Robert	Welder	Dunmore Car Shop	2- 1-59
*Decker, James Ross	Switchtender	New York Div.	12- 3-58
"Demo, Andrew	Car Inspector	Cleveland	2- 7-59
*Eaton, William Leonard	Shop Hostler	Port Jervis Loco. Dept.	1-14-59
"Esposito, Giovanni Ciro	Machinist	Dunmore Car Shop	1-30-59
Felter, DeForest	Machinist	Marion Shop	2-8-59
*Fessenden, Franklin Jay	Pass. Car Painter	Susquehanna Coach Shop	2- 3-59
*Gallagher, Michael Joseph	Operator	Deposit	1- 1-59
*Glass, John	Trucker	Jersey City Docks	1-17-59
*Gleason, James Peter	Brakeman	Allegany Div.	12- 7-59
*Gordon, Joseph	Plumber	N.Y. Term. Div.	2-14-59
*Hillygus, LeRoy Benjamin	Rd. Frt. Conductor	Susquehanna Div.	1- 2-59
*Jackson, Floyd Alonzo	Trackman	Kent Division	2-10-59
*Kiehl, William	Engineer	Kent Division	1-29-59
*Kline, Albert Henry	Flag Clerk	Kent Division	1-27-59
*Lawyer, James George	Frt. Conductor	Marion Division	1-26-59
Lowery, James Patrick	Yd. Brakeman	Hornell. Susq. Dry.	1-22-59
*Marshall, Clarence Edward	Yd. Conductor	Youngstown. Mahoning Div.	1- 1-59
*Mazekewich, Michael	Car Inspector	Susquehanna	1-29-59
*O'Neill, William Oscar	Boilermaker	Hornell Shop	2- 2-59
*Pollock, Henry Cline	Car Inspector	Marion Car Dept.	12- 4-58
*Price, Clarence Lorenzo	Machinist	Marion Shop	11-20-58
*Ramph, Herman Charles	Electrician	Cleveland Diesel Shop	1-24-59
*Reust, Joseph	Car Repairer	Huntington	10-24-58
*Seamon, Merlin Lawrence	Box Packer	Susquehanna Frt. Car Dept.	12-20-58
*Stone, Royal Carrothers	Operator	Kent Division	2-10-59
*Sweeney, Edward Alexander	Car Inspector	Chicago	9-13-58
*Turck, Spencer	Boilermaker Helper	Hornell Back Shop	2- 9-59
*Walsh, John Ambrose	Conductor	Wyoming Division	10-18-58
*Warren, John Edwin	Fireman	Delaware Division	1-27-59
Webb, George Sadler	Janitor	28th St. Stn., N. Y. City	1-25-59
*Retired Employees.			

Bowlers

(Story begins on page 11)

with scores of 611 or above.

Top placings in the events, as announced by the committee, follow:

Five Man Team

1st, Freight Claim, Cleveland, 3078, \$110; 2nd, Sunny Brook Golf, Kent (Bernard Kale, Bob Dohme, Dave Steel, Ed Kale, Joe Kappela), 3011, \$80; 3rd, Wreckers, Kent (Jerry Newton, John Ellis, Jim De Leone, Joseph Long, Robert Culbertson), 3008, \$70; 4th, Freight, Akron (A. Paukov, Jack Bruke, Howard Richard, Gene Kiefer, Charles Johns), 3002, \$60; 5th, Trainmen, Salamanca (Ned Gayford, Vernon Gordon, Richard Gayford, Leon Bean), 2947, \$50.

Doubles

1st, Kramer, Gill, Meadville, 1306, \$65; 2nd, Maglio, Morgan, Hoboken, \$55; 3rd, Kiefer, Johns, Akron, 1273, \$50; 4th, Richards, Kent, Akron, 1255, \$45; 5th, Nick Tep-sick, Stanislow, Brier Hill, 1241, \$40.

Singles

1st, Jerry Mickunas, Akron, 693, \$50; 2nd, Joseph La Guardia, Youngstown, 687, \$40; 3rd, James Fretloose, Brier Hill, 675, \$35; 4th, Eugene Elick, Huntington, 673, \$32.50; Robert Culbertson, Kent, 672, \$30.

All Events

1st, Maglio, Hoboken, 1989, \$25; 2nd, James Fretloose, Youngstown, 1939, \$20; Austin Cannon, Cleveland, 1936, \$15; Culbertson, Kent, 1895, \$10; Clarence Gats, Kent, 1889, \$5.

Presidential Medals of Honor are awarded by the United States Government to persons who risk their own lives to save other lives in connection with train and other railway operations. Since the act of Congress providing for these awards was passed in 1905, a total of seventy medals of honor have been awarded. Of these, sixty-one have been to railway employees.



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THE ROOKERY

CHICAGO

Our nation's economy and defense efforts are intimately linked with a sound railroad system. But are the railroads as sound or strong as they could be?

NOTES FOR THE CONGRESSIONAL CALENDAR

Certainly the transportation legislation enacted by Congress last year was a helpful step in the right direction.

But still further legislative action is needed if the railroads are to solve the problems that plague them.

Of the many vital objectives which should be considered, here are several which demand prompt attention:

1. Removal of obstacles to transport diversification-

Railroad taxes help to pay for airports and airways, waterways, and highways. But railroads are not permitted to use these facilities to provide customer services on the same basis as their competitors. *Shouldn't the railroads have this right?*

2. Repeal of the excise tax on passenger travel-

Enacted to discourage travelers during World War II from using overburdened public carriers, the tax-now 10%-is still hindering travel by rail and other for-hire carriers. *Shouldn't it be abolished?*

3. Repeal of agricultural commodities exemption or extension of the exemption to include railroads and other non-motor carriers-

Congress has exempted motor vehicles from regulation when hauling agricultural commodities, but has subjected all other carriers to regulation when they are moving the same commodities. *Shouldn't all...or none...be regulated?*

4. Realistic revision of tax depreciation policies-

Tax policies on depreciation of railroad plant and equipment are a drag on railroad modernization efforts. *Shouldn't these outdated tax policies be changed?*

5. Imposition of adequate charges for the use of transportation facilities provided at public expense-

Railroads support themselves and pay taxes. Yet they have to compete with other forms of transportation that use facilities provided, maintained, and operated by Government with money supplied largely by taxpayers, including the railroads. *Shouldn't these users pay their own costs of doing business?*

Legislative action in these and other areas is necessary if the railroads are to be given the equality of opportunity upon which their future health depends.

Financially sound, progressive, and strong railroads are essential to a dynamic American economy and to our national defense.

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