RAILROAD HEARING

FEBRUARY 1958

OUR 53RD YEAR OF PUBLICATION

ERIE

The President's Page

THE RAILROAD INDUSTRY was given a wonderful opportunity last month to present its views before a Senate Subcommittee on what has been called "The Deteriorating Railroad Situation."

The 25 railroad executives who appeared did a splendid job of bringing to the attention of this important committee, and to the nation as a whole, the many inequities that exist in transportation today. They made suggestions and offered concrete solutions to correct these inequities which are depriving the nation of the most efficient and economical service it is capable of having.

This recognition on the part of the government that a reappraisal of our national transportation policy is necessary in the light of present conditions, is most encouraging. It offers hope that some needed constructive action will be taken soon so as to avoid the consequences that a weakened railroad industry would have on our nation's economy.

The outcome of these hearings will have an important bearing on the future of the railroads and the people who work for them. The attitude of the Senators and Representatives in Congress will be influenced by your thinking and the thinking of your friends and acquaintances.

The pertinent facts are presented in this issue of the magazine. Be sure you understand them. Then give them the widest circulation possible. To get results, an informed and concerned public is an absolute necessity.

H W. Non Willer



Oldest Employe Magazine in Railroad Industry ... Our 53rd Year of Publication

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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.

February, 1958

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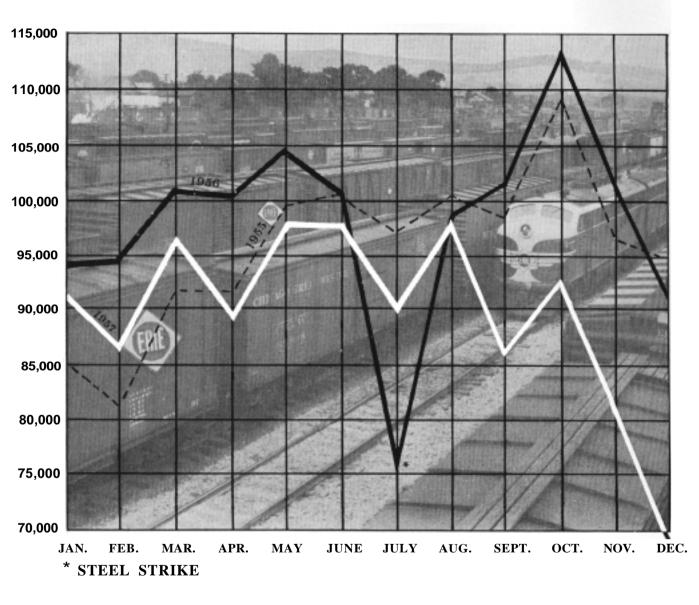
THE COVER:

The Capitol is the scene of a crucial part of the battle the railroads are fighting for the right to Stay in business. Forbidden to diversify, plagued by regulations and burdened by taxes, the greatest privately Owned, unsubsidized, transportation industry in the world is fighting for its life. See pages 12 and 13.

George C. Frank	Asst. to President
Talbot Harding	Associate Editor
Mabel I. Ross	Secretarv
John F. Long	Photographer-Reporter

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Business Indicator



Freight Cars Loaded on the Erie and Received from Connecting Railroads

Mabel I. Ross Retires from Erie Magazine

Gentle Spirit Spent over 41 Years on Staff

A VERY fine, very gentle spirit will leave the Erie Railroad Magazine at the end of this month.

Mabel I. Ross came to work for the Erie on Jan. 3, 1916 in the stores department at New York and transferred to the magazine a little over a year later to avoid being separated from her family when the stores department was moved to Meadville.

Since that time she has carried much of the load—unofficial advertising department, circulation department, accountant, librarian, proofreader and general information department.

More than that, she has made a place for herself in the hearts of all Erie employes.

"How's Miss Ross?"

"How's Miss **Ross?"** is the first question every editor has had to answer when he travels along the railroad. And "Ask Miss Ross," has been sure advice for any editor who wants to know just what someone's middle initial is, or what his job title is.

And Miss Ross has always supplied the right answer. If she didn't know—and she usually didshe knew just where to find out and found out fast.

And the finding out was always done accurately. Only once was there a slip-up, and that wasn't her fault. Somewhere, sometime, someone had made an error in spelling a man's first name. Only when the magazine appeared, and the man protested, was it discovered that among the official files of the road an a had replaced an e in the man's name.

The records, not Miss Ross, stood corrected.



MABEL IRENE ROSS has what is probably the shortest entry on any Erie Railroad service record card. It reads: "Jan. 3, 1916 to May 1, 1917, typist, stores department; May 1, 1917, to clerk, magazine department." Here she is at her desk in Cleveland.

She was a terrifically loyal employe, not only to the railroad, but to her immediate superiors.

At the same time she was modest and unassuming and gentle. Those characteristics, and her tiny, neat figure, sometimes led misguided people to believe they could ride roughshod over her. That they might be able to do—but not if it involved her boss' business in any way.

Her figure, incidentally, has stayed the same over the years since she first came to the Erie from Kanesholm, Pa., where she was born on Feb. 25, 1893. "I remember her when she first came to work for the Erie, a tiny little brown-haired girl with grayblue eyes," is the way veteran Erie employes describe her, often with a sigh.

Few Call Her Mabel

To most of them she was always Miss Ross, but a chosen few **do** ask after her, and speak of her as Mabel. She has always made friends easily, but her quiet reserve is such that many close **asso**ciates refer to her as Miss Ross after years of working with one another.

(Please turn to page 29)

Erie Baggageman Draws Own Plan of Retirement



STILL GEORGE TO MRS. PRICE, but Rube when he signs his name, Price finds the criticism of Mrs. Price and his daughter, Mary Jane, invaluable.



NATURALLY RUBE PRICE'S cartoons reflect George Price's life-long interest in railroading and the Erie. Here's his impression of what the extension of piggy-back from freight to passenger operations would mean.

Cartoons Promise to Keep Days Worthwhile

R ETIREMENT, five y e a r s hence, for baggageman George **R**. Price, sr., holds no fears.

For he has done what all authorities in the field say every man scheduled for retirement should do —developed an outside interest that will keep him busy thinking, doing. and one that will bring its own reward above and beyond any money it might bring in. His interest is cartooning.

An Erie employe since 1916, Price is now **60**. His free time is already taken up with creative activity, and his interest is such that it is not unusual for him to get up in the middle of the night to jot down cartoon ideas.

Too, cartooning lets him draw on his experiences on the railroad.

Draws Two Ways

And he also draws those experiences.

Price's cartooning is not merely a hobby—he hopes to make it pay, and has spent two years studying cartooning with the International Correspondence Schools. All this adds up to fun, and a deep interest for him, and is encouraging news for railroad magazine editors.

Strangely en o u g h, his old friends, once he begins selling cartoons widely—the cartoon published in this month's Erie magazine is his first commercial jobmany of his friends may not recognize his signature. For he can't sign himself "George Price." One of the top-flight established cartoonists in the country signs his work with that name.

Rube, Not George

"I'm going to call myself Rube Price," he says. "After all, my middle name is Reuben, and 'Rube' is an easily remembered name. Most people know it already, and (Next page, please)

Erie Railroad Magazine

it goes well with my one-syllable last name."

Price's run as baggageman begins at Hornell and ends at Hoboken. Like most well-adjusted men, he finds his job interesting, and likes his work.

"If I had my life to live over again I wouldn't change a thing," he says, "and I'd like things to go just the way they have gone."

"Traveling as I do I get to see a lot of things that lead to cartoon ideas," Price says. "Things the people who work on and around railroads and things passengers do sometimes give me themes for cartoons."

Lesson Not in Book

He is already learning some of the things about cartooning that aren't in the books—things about people's reactions to cartoons.

On one occasion he drew a safety cartoon for posting on a bulletin board at Hornell. The idea behind that cartoon, he admits, was based on an occurrence at Hornell.

"The cartoon was drawn and posted to warn others who might make the same mistake," Price says. "But do you know, the man who had made the error in safe procedure doesn't speak to me any more."

An Erie Family

He has been married for **38** years to the former Anna Rowley of Hornell. There are plenty of Erie employes in the family. Two of Mrs. Price's brothers, Lee, and the late Hugh, Rowley worked for tho Erie, and George Price, jr., is clerk to Milton H. Ferry, master carpenter at Hornell.

Another son, John Francis Price, is a first lieutenant in the Air Force. A graduate of the school of industrial design of the University of Syracuse, John plans a career in industrial designing upon his release from service.

A daughter, Mary Jane, is an X-ray technician for a Hornell doctor, and lives with her parents in the gray house at 335 Canisteo Street, where her father, when he is home from his run, divides his time between cartooning and gardening, with cartooning taking; more and more of his time.

. .



GEORGE R. PRICE takes pride in his job as baggageman on trains between Hornell and Hoboken. Here he gets set for the day's work.



NAME

Axel G. Arentsen James E. Aher Claude T. Adams Jesse C. Baird Carl Berner Ralph A. Berrier Fred D. Bott Giuseppe D'Angelo Llewellyn H. Edwards John L. Elder Charles Flad Bernard J. Flanagan William T. Gallagher Frank J. Hogan Charles J. Holden Earl Horn Clifford I. House Wallace M. Jaggers William J. Keane Charles W. King John H. Kline Dennis J. McCarthy Michael McDonnell James McGrath Burney L. Morrow Floyd E. Newell MaX E. Norton John J. O'Connor Harry R. Orton Edmond Parsloe Andrew A. Rogotski Joseph Rulli Cornelius J. Rymer James S. Scanlon Thomas G. Swogger Lonnie E. Wygle

	POSITION	LOCATION	DATE	YEARS SERVICE
	Tugboat Captain Carman Helper Yard Brakeman Engineer Conductor Yard Brakeman	Jersey City Port Jervis Meadville Marion Hoboken Youngstown	12- 2-57 12-19-57 12-25-57 11-27-57 11-18-57 12- 2-57	
8	Chief Clerk Trackman Office Engineer Hostler Air Brake Test Rackman Carman	Akron Jersey City Jersey City Salamanca Susquehanna Avoca	11- 2-57 12- 6-57 1 31-58 12- 6-57 12- 2-57 11-21-57	32 42
	Machinist Welder Yard Brakeman File Clerk Road Conductor Chief Requisition Clerk Engineer	Hornell East Buffalo Hornell Buffalo Hornell Hoboken	12-17-57 12-23-57 12-17-57 12-20-57 1-31-58 11- 7-57	43 35 43 41
	Tariff Compiler Chief Boat Dispatcher Machinist Crossing Watchman Barge Captain Extra Watchman	New York New Pork Marion Hornell Jersey City New York	12-31-57 12-31-57 9- 5-57 11-20-57 12- 9-57 1-22-58	52 41 46 36
	Yard Conductor Machinist Passenger Carman General Yardmaster Trackman Signal Maintainer	Akron Hornell Susquehanna Hammond Rush Creek Port Jervis	11-30-57 12-4-57 12-11-57 1-31-58 12-12-57 12-3-57	45 43 44 28
	Mate Track Foreman Cashier Trackman OS&D Inspector Car Inspector	Jersey City Newburgh Rutherf crd Waverly Youngstown Marion	12-12-57 12-31-57 11-29-57 12-10-57 1-31-58 12-23-57	50 35 23 36
				7

Christmas Eve Test Met by Erie at Milepost 83.60



SOME WATERS OF THE UNNAMED STREAM found their way past the debris of the fallen roof, but most were dammed by it.



THE ERIE'S MAINTENANCE forces responded quickly. Here is the general scene at the once-in-a-century culvert collapse.

Once-in-a-Century Washout Finds Road Ready

THE TEST of a man is his reaction to adversity, and the test of a railroad is its reaction to the unexpected.

The Erie team met and passed such a test on Christmas Eve, at milepost **83.60**, where a once-in-acentury washout occurred, only to find the men who help make the Erie prepared for the unexpected.

The night before and early that morning a heavy rain had fallen in the mountains of the New York division just east of Port Jervis, turning dry stream beds into rushing brooks, and swelling quiet mountain streams to roaring torrents.

Unnamed Stream

Among the tiny rivulets that suddenly changed from quiet threads **of** water to roaring, gushing, churning cataracts was one usually so inconsequential that it bears no name.

In ordinary times the stream is remarkable only for the steep gradient of its bed—and in the mountains there are many streams just as steep. At the point where it passes under the Erie's right of way this little brook falls about **17** feet in every hundred feet of its course.

To men of Erie's maintenance of way department it is known only as stream 83.60, because the railroad crosses it just **83.60** miles out of Jersey City.

For over a century the stream had not disturbed the railroad. First culverted in **1847** by men working for contractor Thomas King, who built a stone culvert to carry the embankment topped by the Erie's broad gauge tracks. Later, when the Erie converted from broad to standard gauge, the culvert was lengthened to the north, and more stone piled on top **of it**.

> (Next page, please) Erie Railroad

Sometime after **1900** and before **1918** the culvert was lengthened again so that the embankment could be broadened to carry a third track. This culvert, like the first two, was built of stone. With this addition, the culvert was 102 feet long; at its south end it supported **21** feet of embankment; at its north end **38** feet of earth and stone.

During its hundred and ten years the King culvert had stood the weight of the embankment above it, the increasing weight of trains, and the attacks of ice and sudden floods. Inspections had shown that it was good for a century more.

But as engineers know, streams seem possessed of a destructive spirit. And the little nameless stream had found a weak point in the series of culverts at **83.60**, at the point where the Twentieth Century stones joined those laid early in the Nineteenth.

Earth Washed Away

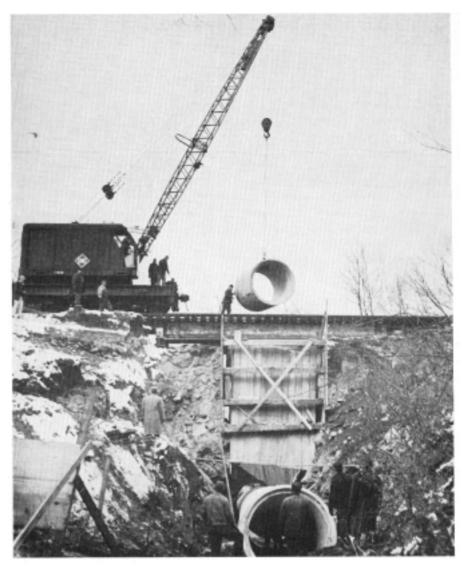
And on the morning of Christmas Eve the little stream was no longer small. The rains had swollen it to the point where it could boast of thousands of horsepower, millions of gallons of water, rushing down a slope that was nearly 1 in 5.

The once tiny stream began its attack, nearly **38** feet under the surface **of** the rails, first seeping, then trickling, then running and finally rushing through the space between the stones. And with every increase in strength it washed away more of the earth held back by the walls of the **1847** culvert.

The designers of the culvert had made use **of** the old, old engineering principle first put into words by Isaac Newton: for every action there is an equal and opposite reaction. While the culvert walls held back the earth, the earth pressed against the walls, the culvert was stable.

Culvert Roof Falls

Even with much of the earth washed away, the wall still stood. But finally the lack of anything to press against, and the thrust from the stone roof and the tons of embankment above it, were too much, and the wall bulged out,



THE NEW **CULVERT** is of reinforced concrete pipe. Note the board lining of the shaft, here exposed, and the steel bridge span.

and the stone roof of the culvert fell, after standing for more than a, century.

Unexpected, yes. But not unprovided for. For every foot of the road is under inspection all the time. And at 8:50 in the morning on Christmas Eve, alerted by the storm, a track foreman was making his rounds. With him were members of his working gang.

Far above the culvert he found a depression in the ballast under the eastbound track. To the south of the right of way the little stream was trying to become a lake, using the embankment as a dam; to the north a disturbed stream gushed out of the culvert, but with far less than the volume the culvert could normally carry.

From that moment on the reaction of the railroad to the damage followed a regular course, as regular and predictable in its resultcomplete repair—as the stream's action in undermining the embankment had been.

The foreman sent men out on either side of the damaged point to prevent train movement until the dispatcher had been informed and had acted; other men were posted to watch the development of the hole under the tracks.

From the nearest telephone the foreman reported the washout to the dispatcher at Jersey City. Then he informed the division engineer for the New York division, and returned to milepost **83.60.**

There he climbed down the embankment's north face and looked into the culvert. Far inside he could see an obstruction.

(Please turn to page 34)

Stickers Get Big Welcome on the Erie

O RDERS for the stickers designed to make the public aware of the importance of the railroad industry to the nation as a whole, and to keep the mails on the rails, poured into the magazine office after the distribution of last month's magazine.

In case you missed seeing the news about the stickers, here's the plan for their use:

The stickers are prepared in books of 200, printed on white paper in blue and black. They may be attached to letterheads, envelopes or checks, or used in other ways to promote the railroads.

Mail by Rail

On envelopes they let the post office know how many people want their mail to go by rail, and not by truck or air; on letterheads they underscore the promotional effort of the railroad industry.

On personal checks they let those. who bill you know where the money came from — the railroads- with which you are paying your bills. That might well make the difference in haw the goods you buy across the counter reach that counter.

If you pay utility bills in cash at your bank, you may use the stickers on the part of the bill that goes to the utility company, and keep the coal riding the rails.

Perhaps some friend or supplier of yours might like to use the stickers too. If you'd like some, write to the Erie Railroad Magazine, 1327 Midland Building, Cleveland 15, Ohio.



STICKERS LIKE THIS, printed in blue, black and white, are helping the railroads. Are you using them?



1958, New York Handd Toleans Inc.

Johnston Named to Head Savings Bond Program

Greater Cleveland is going to buy more United States Savings Bonds than ever before.

That might seem a strange statement, coming out of the blue, until you learn that Paul W. Johnston, chairman of the board of the Erie Railroad, has been appointed chairman of the Cleveland drive on a volunteer basis.

After his appointment, and a conference in Washington with Vice President Richard M. Nixon and Secretary of the Treasury Robert **B**.Anderson, Johnston predicted a 5% rise in the amount of bonds that Cleveland would absorb.

That will bring the Cleveland figure to **\$80,000,000** a year in what is often called the most stable investment on earth.

Ask Teachers to Send Papers, Kindler Urges

Since the announcement in the December magazine of how to apply for the five Erie Railroad Scholarship Awards worth \$4,000 apiece. applications have mounted close to the 200 mark, Paul J. Kindler, secretary of the Scholarship Awards Committee, has announced.

Rut Kindler, assistant to the president, reports that some of the supporting pepers are slow in reaching his office.

"There are certain papers that have to be filled out by teachers and others that are always slow in coming in," he **said.** "Now is the time for every applicant to **ask** his teachers if they have filled out and sent in the forms."

The New York Times Asks: Can Railroads Be Saved?

THE Senate subcommittee hearing in Washington on problems of the railroads, held under the chairmanship of Senator Smathers of Florida, has produced some gloomy testimony from road presidents. The condition is "precarious"; "bankruptcy" is around the corner; the roads are being "nibbled to death" by overregulation. Subsidized competition, declining freight traffic, heavy loss on passenger service, bargain rates to the Government for carrying mail, increasing labor costs, restriction of mergers—these are among the bases of complaint by a sick industry.

The day has long passed when the railroads could be regarded as a sinister, malevolent monopoly. Trucks, buses, pipelines, airplanes, the private automobile have changed that. Government, by building streets, highways, limited-access superhighways, bridges, tunnels, airports, terminals, and by providing other forms of tax subsidy or favored treatment, has put the railroads in their place, which is now the bottom of the heap.

Can the railroads be saved at all? Are they today's anachronism, surviving as a vestigial tail of transportation? The answer must depend largely on railroad management and ownership itself. But if it seems to the Smathers committee, as it seems to us, that public interest absolutely requires the healthy survival of the railroads, then government must give the railroads a chance to fight on even terms for their lives.

It might begin with a reduction of regulation, a drastic reduction. There is, now, a double or triple jeopardy, costly, frustrating and time-consuming. It starts with the Interstate Commerce Commission,

trickles down through state regulatory bodies and finally into local government. Prices are fixed, in peace as in war. Government would not presume to tell a retail merchant that he could not close a branch store that was failing to produce profit, or diversify into other forms of business. Government has no hesitation to insist on continuation of highly unproductive railroad service or restrict diversification and merger.

Certain tax relief is possible. While the railroads, on a national basis, emphasize the end of subsidy to competitors rather than subsidy for themselves, cities and metropolitan areas—pondering what dire consequences would follow abandonment of local railroad commuter services—will have to face up to subsidy or, at the very least, a generous curtailment of taxation exacted of railroads. This process has begun; it is merely an extension, which seems somewhat novel because the railroads are privately owned, of what New York City does with its own "railroad," the subway system. Here the taxpayer carries the whole load of capital construction and equipment purchase.

We have a curious situation. The public interest demands that the railroads not go out of business. Yet government, representing the public, fails year after year, hearing after hearing, to advance a positive program; it continues a policy of negation through regulation. If the railroads are really doomed by "progress," then why not try letting them, for once in their long history, have their own way, their last chance to compete as they will in a free enterprise system? If this took them along the road to suicide, then at least government would not be to blame.

This editorial from The New York Times of Jan. 16 discusses the situation of the railroads revealed by a Senate subcommittee hearing. Full details on following pages.

Senate Hears Rail Executives Tell of Industry's Problems



Sen. George A. Smathers



Sen. Frank J. Lausche



Sen. Ralph W. Yarborough

Subcommittee Looks Toward Relied from Pressures, Restrictions

COMMITTEE of the United States Senate, concerned with the plight of the railroads, has begun hearings looking toward relief of at least some of the pressures and restrictions that threaten to strangle the railroad industry.

Last month 25 railroad executives presented the industry's side **cf** the case to five senators of the Surface Transportation Subcommittee of the Senate Committee on Interstate and Foreign Commerce.

Their testimony was so impressive that when it had been concluded the subcommittee's chairman, Sen. George A. Smathers of Florida, said :

"... It has been a most profitable experience to listen to the testimony of the men who have appeared. Their high caliber, their ability and their sincerity is inspiring to those of us who have heard them.

"It is obvious that they know what they are talking about, and they possess the rare ability to express themselves with coherence, precision and persuasiveness. I only wish all the members of the Senate could have heard them."

Unregulated Carriers

Members of the subcommittee, Senators Frank J. Lausche (Ohio), Ralph W. Yarborough (Texas), Andrew F. Schoeppel (Kansas), and William A. Purtell (Connecticut), frequently found that members of the parent committee joined them, so interesting was the testimony. Among those who appeared to question the witnesses was Sen. John W. Bricker (Ohio).

In their testimony the railroad executives described the jungle of regulations that has grown up around the railroads over the years, threatening to strangle the industry as vines can kill a tree.

They also told of the effects of unregulated and subsidized compe-

THE FIVE SENATORS whose pictures appear on these pages have been appointed to look into the railroads' problems. tition on the strength of the railroads, who not only build and maintain all their facilities, but pay taxes on them as well.

Not Railroads' Fault

Subcommittee members heard of the many danger signals flying for the industry — freight carloadings for the last week of December, 1957 at the lowest point they had been since the same week in 1932; the falling revenues and the rising costs of the industry; and the decline of net working capital to **\$576** million dollars at the end of last October.

(As Senator Smathers pointed out, net working capital stood at \$880 million in September, 1955, and experts consider \$600 million the minimum safe figure.)

That the railroads are not in this position through their own fault was made evident.

(Next page, please)



Sen. Andrew F. Schoeppel Erie Railroad Magazine

Witnesses told of the **\$13.5** billion the railroads had spent on modernization since the end of World War **II**; of the high level of operating efficiency they had reached as a result of those betterments, which have carried efficiency to record or near-record levels by every standard of measurement.

On the other side of the ledger they heard **of** the root difficulties that only Congress can solve.

Rate Adjustment Troubles

For at every level, witnesses pointed out, the railroads find that governmental regulations — some the result of federal statutes, others the result of executive actions, court decisions, state or local enactments — affect the industry adversely.

The committee learned of many conflicts among the various governmental levels of regulation, of the difficulties of operating railroads under strict regulation, but subject to cutthroat competition by completely unregulated segments of the transport industry.

They heard how railroads have been denied the right to cut freight rates when they could, lest other, less economical, forms of transportation be adversely affected; yet at the same time how needed increases in other freight rates have been denied or delayed.

They heard how federal taxes on common carrier freight were making private carriage of goods more attractive to large shippers, (Please turn to page 29)



Sen. William A. Purtell February, 1958

Need for New Laws Is Seen by Witnesses

You Can Help Your Industry Survive by Writing to Your Senators

Here are the principal points made by most witnesses before the Senate Subcommittee on Surface Transportation:

If the railroads are to survive, Congress must:

- 1. Repeal federal excise taxes on transportation
- 2. Allow railroads to depreciate propertv on 20-vear basis.
- Permit railroads to maintain adequate construction reserves.
- 4. Give railroads greater freedom in rate making.
- 5 Permit railroads to diversify.
- 6. Plug private carriage loopholes.
- 7. End "exempt" trucking.
- 8. Give ICC full authority on train and station consolidations.
- 9. Establish user charges for publicly provided facilities.

If you agree with one or more, or all of the points above, you can help to strengthen the railroad industry by writing to your senator about them.

Three bills currently before the Senate are of great importance. These are S. 2553 and S. 1689 which deal with "exempt trucking," and S. 1677, which redefines private carriage.

Your senators are:

New York The Honorable Irving M. Ives United States Senate 360 Senate Office Bldg. Washington, D. C.

The Honorable Jacob K Javits United States Senate 353 Senate Office Bldg. Washington, D. C.

New Jersey The Honorable H. Alexander Smith United States Senate 227 Senate Office Bldg. Washington, D. C.

The Honorable Clifford P. Case United States Senate 341 Senate Office Bldg. Washington, D. C.

Pennsylvania The Honorable Edward Martin United States Senate 260 Senate Office Bldg. Washington, D. C.

The Honorable Joseph S. Clark United States Senate 455 Senate Office Bldg. Washington, D. C. Ohio The Honorable John W. Bricker United States Senate 124 Senate Office Bldg. Washington, D. C.

The Honorable Frank J. Lausche United States Senate 462 Senate Office Bldg. Washington, D. C.

Indiana The Honorable Homer C. Capehart United States Senate 241 Senate Office Bldg. Washington, D. C.

The Honorable William E Jenner United States Senate 121 Senate Office Bldg. Washington, D. C.

Illinois The Honorable Paul H. Douglas United States Senate 109 Senate Office Bldg. Washington, D. C.

The Honorable Everett M. Dirksen United States Senate 204 Senate Office Bldg. Washington, D. C.

Personal, individualized letters are best. You may wish to stress one point more than another. The correct form of salutation is "Dear Senator Jones:"

Challenge Facing Railroads Described by AAR Officials



WILLIAM T. FARICY (left), chairman, and Daniel P. Loomis, president of the Association of American Railroads, give their views.

As the year began Railway Progress magazine published an interview with William T. Faricy, chairman of the board of the Association Of American Railroads and Daniel P. Loomis, president of the association. Here is a condensed version Of that interview in question and answer form.

Mr. Faricy, what do you consider the foremost challenge facing the railroads in 1958?

Mr. Faricy: The problem of somehow raising our net income well beyond the low figures it has been running in recent months.

What is behind this problem?

Mr. Faricy: Well, this problem arises first from the fact that, with a very distinct letdown in business so that there is less of the country's traffic to be moved, the railroads are being hard hit. Now the railroads are hit particularly hard because this decline comes after a decade where, though we have had remarkably high levels of business generally, the railroads have had earnings averaging a rate of return on depreciated investment of only **3-3/4%**. So exactly what we have been telling the country would happen, has happened.

Mr. Loomis, what do you see as the foremost railroad challenge in 1958?

Mr. Loomis: Well, I think Mr. Faricy has named the major challenge. As a part of that challenge comes the job of making our service so attractive that we will retain traffic and regain much that has gone to other forms of transportation.

Mr. Faricy, how seriously do you view the present low level of freight traffic?

Mr. Faricy: Well, for the railroads it is very serious. When you get a drop-off such as we have been running in recent weeks—as much as 15% in some weeks under the comparable weeks of the year before—that hits very hard because so much of our expense goes right on whether we are running ten trains or twenty trains.

Is this a temporary problem or is it a part of a long-range decline affecting the railroads?

Mr. Faricy: Well, it's a little of both. Of course, immediately it's short range. **As** soon as there is a resurgence of traffic, the pinch will ease—and there will be a resurgence someday. Yet, long range, something has to be done to give the railroads a better competitive break than they are getting now. This calls for conditions that are more nearly equal with their competitors, all **of** whom, except the pipelines, are subsidized in some way.

When do you expect to see a pick-up in railroad traffic?

Mr. Loomis: I think the latter part of 1958 is about as good **a** guess as anyone can make.

> (Next page, please) Erie Railroad Magazine

In the light of Senator Smathers' hearings on "the deteriorating railroad situation," do you believe Congress will take early action to equalize this imbalance?

Mr. Faricy: I think Congress will take action this year that will ease the present situation. Of course, I am not looking for any miracles to take place in a period of eight or nine months; but I believe there is very definitely an awakening on the part of the leaders of Congress, just as among the leaders of the Administration and the leaders of business, too, as to the acute difficulties confronting the railroads. And I think that the Congress will really try to do something about it.

Mr. Loomis, what congressional action would you consider most important to the industry?

Mr. Loomis: There are several fields of important action. One thing that is hurting the railroads very badly (and it affects all common carriers) is the excise taxes that were levied as a World War II measure but which are still in effect. These drive large shippers in particular to resort to private

ERIEGRAM

T h e only way you can be a leader is to have a following.

carriage. That **3%** on a large freight bill can mean a lot of money—just as the **10%** levy on passenger tickets can make a lot of difference in how peopel travel.

Is there any chance of Congress lifting these taxes on public carriers?

Mr. Loomis: Yes, definitely. I think Congress has an increasing realization that the problem of maintaining sound common carriage is becoming more and more acute, and that the common carrier industry has to be put back in a better competitive condition **as** compared with private hauling.

this additional thought: when a freight shipper pays that 3% tax, it becomes a part of his cost of doing business. Therefore it tends to reduce the taxable income upon which he pays a 52% corporation income tax. Now, with the elimination of that 3% tax, what happens? The shipper's net income is that much bigger and there's a 52% take on the part of the government. So as a matter of fact. it is doubtful that the government would lose much, if anything, if these taxes were removed-not only because of this 52% factor but because of other factors such as the stimulation it would give to increased investment by the carriers.

Mr. Faricy: I would like to add

Mr. Loomis, are the railroads still seeking greater freedom to set freight rates?

Mr. Loomis: Yes. We feel such freedom would enable the rail-roads to bid for traffic which they could haul economically.

Would this enable the railroads to cut freight rates?

Mr. Faricy: Of course. You see, railroad carriage is essentially a volume business; and when you get volume, you have a greater number of units among which to divide your fixed costs. You can afford to have a much lower rate structure with a high traffic volume than with a lesser volume.

Mr. Loomis, there has been a great deal of talk recently about "integrated" transportation. Do you think Congress will eventually give a carrier the right to own and operate all forms of transportation ?

Mr. Loomis: I think it *should*. I think the day is coming when you will have common carrier transportation systems not confined to any one mode of transport. The carrier will then be able to give you a complete service, using whichever facility may do the job best—whether it is a freight car, a truck, a barge, an airplane or whatever. What has been the principal barrier to the realization of this?

Mr. Loomis: The principal barrier seems to have been a fear that it might produce monopoly, which certainly in these days is without any foundation whatever. I find it impossible to see in the present state of the entire carrier industry where any one form or any one system could have a monopoly that would be harmful to the public interest.

ERIEGRAM

H u m a n beings are bound to make mistakes, but it's foolish to make the same mistakes you made last year. Then the only th,ing left is to think up some new ones.

Is the outlook favorable for an expansion of piggy-backing and other coordinated services?

Mr. Faricy: I think it is. In its modern version piggy-backing started only about five or six years ago and it has grown so fast that today we see whole trainloads of trucks on flatcars leaving every night in each direction between New York and Chicago. I believe it is a logical development to have trucks pick up freight at terminals and then put the trucks on the railroad to take them off the highways on these long hauls between cities. I think there is quite a future to this.

Mr. Loomis, do government subsidies affect the competitive positions of the various forms of transportation?

Mr. Loomis: Government subsidies affect the competitive position to a very marked degree, particularly in inflationary times such as we have been going through. With the railroads having such high costs for their fixed right of way and paying all of that cost themselves, as well as paying taxes on it, any increase in the cost of wages or the cost of materials and supplies bears much more heavily on the railroads than it

(Please turn to page 30)



SOMETHING SAID BY President Harry W. Von Willer draws an appreciative smile from Mayor Carl Sanford of Jamestown.

A LITTLE MUTUAL foot-rubbing went on between dances. Among those who indulged were Mrs. Carl McKnight and Mrs. Glenn Shander, both of the Youngstown chapter.





NEWLY INSTALLED OFFICERS lost no time before they conferred. Left to right: Hubert A. Kelly, first vice president; Lloyd **E.** Rodgers, president, and Harry C. Travis, second vice president.

Veterans Hear Von Willer at Annual Winter Banquet

Get Detailed View of Erie's Plans for Year

THREE HUNDRED and fifty members of the Erie Railroad Veterans Association heard Harry W. Von Willer, president of the road, speak, and watched the installation of officers for the coming year at the association's annual winter banquet and dance at Jamestown.

Mr. Von Willer gave members of the group a detailed view of the present condition of the railroad industry, especially as it affects the Erie, and told how the **Erie** is concentrating on self-help through expansion of piggy-back traffic, elimination of unnecessary serv*ices*, continued on-schedule performance, and additional sales efforts.

He spoke briefly about the hearings before the Smathers committee in Washington, which is **look**ing into the whole subject of transportation regulation.

In this connection, Mr. Von Willer emphasized the need for railroads, now practically forbidden (Please turn to page 28)

CASPAR C. GAETANO (left) and Harold Schmidt, both of the Dunmore-Avoca chapter, sang a few songs.





HOSTESSES AT THE PARTY pause on the stair to have their picture taken. Along banister at left, top to bottom: Miss Ingrid Johnson, Mrs. John V. Lindner, Mrs. Richard B. Gardner, Mrs. William H. O'Neill, Mrs. Charles K. Scott. Right banister: Mrs. Harry M. Bunker, Mrs. Paul W. Scribner, Mrs. Lawrence J. Risch, Mrs. Samuel J. Hewitt, Mrs. Sidney Snow and Mrs. Louis lannelli. Mrs. Charles E. Stein is in the middle at the top of the stair, and Miss Joan Lindner is below her.

February, 1958



HARVEY SCHNEEGAS Assistant Chief Timekeeper





All Working on the Erie at Hornell Accounting



ROBERT GREGORY Timekeeper



FREDERICK SCHMIDT Timekeeper



MARY JONES Key Punch Operator



OLGA NAZAR Timekeeper



HAROLD STEPHENS Accounting Machine Operator

Erie Railroad Magazine



J. CHESTER HEYBERGER Chief Timekeeper

LILLIAN KARL Clerk





ELEANOR TROWBRIDGE Key Punch Operator



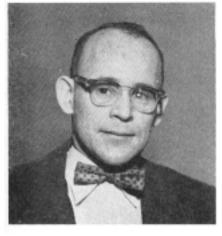
FRANCIS CROOK, jr. Timekeeper

MARY RHODES Key Punch Operator





ROBERT HILLMAN Sorter Machine Operator



EDWARD B. LEFERINK Chief Payroll Clerk

HOWARD PASCOE Timekeeper





ERNEST DUNGAN, jr. Timekeeper

Praise Earned by Erie Men, Women at Work

Sir:

I have been thinking everything under the sun about the railroad crossings at Avenue B in Endwell and at Hayes Avenue in Endicott.

Now I want to tell you how pleasant it is to drive across Avenue B in Endwell since they fixed it. I have thought several times of billing the Erie Railroad for loss of my teeth when I went over these crossings. Now they have made the crossing on Avenue B so smooth that I just want to congratulate the Erie Railroad on the nice job they have done.

They are also working an the crossing at Hayes Avenue, and I hope that when they finish with that, it will be just as pleasant to drive over as the one is on Avenue B.

> C. A. Murray, Treas. Endicott Forging & Mfg. Co. Endicott, N. Y.

Sir:

You had confidence enough in Theodore DeGroff, the agent at 149th Street station (New York) to assign him to conduct a class an a tour around the yards. Little did you know of his teaching ability. The class came back inspired, interested and instructed. It was a rich experience for the pupils.

May we call upon Mr. DeGroff, the teacher, again?

Paul J. Winkopp Principal, School 18 Bronx **51** N. Y.

Sir:

... I intend this letter as a compliment for what I think was unusual service to a passenger on one of your trains.

I have just arrived from California via the Santa Fe and Erie railroads to Akron, Ohio. Upon boarding the Erie at Chicago I was most pleased with the train crew's attitude and service in general.

Upon arriving at Akron on train **No.** 6 Nov. **27**, about 6 p. m., I

was to be met by my son. However, due to unavoidable traffic, he was detained a few minutes in meeting No. 6.

I am a woman of **80** years of age and because the trip was long and tiresome, I was to some extent upset by not being met by someone.

Conductor Charles Frye, however, took exceptional care and even went, I thought, so far as to neglect his own duty to company rules to escort me safely and courteously, and did not hurry me in any way, to the waiting room of the station to await the arrival of my son.

I did not at the time have time to thank Conductor Frye and all the employes of the station, even the porter, for being so extra nice. Therefore, please convey my personal thanks to Conductor Frye and all the employes at the Akron station **for** what I think was the most exceptional service I received on the entire trip. Again thanks to the Erie Railroad for making my long trip complete with this kind of service, by being so nice to one elderly pas-

senger.

Mrs. M. C. Allen Montebello, Cal.

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Sir:

On Saturday Dec. 21 I attempted to catch the **1:30** p. m. train from Hoboken for Suffern. The ferry was several minutes late . . . the train did not wait, so I missed it.

It was urgent that I get to my home half way between Suffern and Spring Valley as quickly as possible. Seeing a Spring Valley train on the next track, scheduled to leave at 1:33, I boarded it.

Then there was the problem of notifying my wife not to meet me in Suffern since I would arrive in Spring Valley. I discussed this with H. P. Wyckoff, the conductor. . He was most courteous and helpful. He offered to send a message for me from the Essex Street station in Hackensack, the only one he thought might be open.

He provided me with paper to write a short message to my wife, (Next page, please)



"Hear that? And they try to tell me they never couple over four miles an hour!"

got off the train himself at Essex Street and asked the agent to phone it to my-wife, collect. The agent phoned so promptly that when I arrived home from Spring Valley my wife was there instead of still waiting for me at the Suffern station.

This may seem trivial to you, but there was a special urgency about my getting home promptly. I feel that Mr. Wyckoff was outstandingly thoughtful and helpful. I thank him from the bottom of my heart and I feel that he brings the greatest credit to the railroad that employs him.

> George D. Freeman Hotel George Washington New York 10, N. Y.

Sir:

Every year during the time when the beet sugar mills are in operation in Michigan and Ontario points, we are faced with a very serious problem in transporting enough molasses from the sugar mills into our storage at Buffalo, to take care of a barge program prior to the close of navigation on the Erie Canal.

This year we were forced to bring in about **15,000** tons of beet molasses and had only a minimum of tank cars to work with, therefore the emphasis was directly placed on railroad service.

I wish to take this opportunity, on behalf of myself personally and my company, to thank Al Bender [yardmaster] and his entire staff at your Black Rock station for the magnificent cooperation that they gave us during this period.

We brought in approximately **300** cars in a six-week period. It is only through the efforts of Al Bender and his crew, with additional switches, in the face of a shortage of manpower and mobilepower, that enabled us to fulfill our schedule.

All the railroads have to offer is service, and in the case of your Black Rock station, they did a splendid job for us, and I am sure, in no small way, contributes to the overall success of the Erie Railroad.

J. Colquhoun, Gen. Traffic Mgr. Industrial Molasses Corp. Buffalo 7, N. Y.

Here's a Chance to Test Your Railroad Knowledge

How Well Do You Know the Erie?

T'S ALWAYS a lot of fun to find out how much you know about railroading and related subjects, whether you've been railroading for **50** years or more, or just for two weeks.

Of course, it's more fun if no one else knows if you make an error on a test. Here's a multiple choice form of exam, so you can test your own knowledge, and maybe try them on your friends.

To make the test a fair one for old railroad hands and recent employes, the questions are based on material in **1957** numbers **of** the Erie Railroad Magazine. In some cases more than one answer is correct. The answers will be found on this page.

Here are the questions:

1. Safety education (a) is the invention of civilized man (b) began in 1917 (c) was practiced among American Indians (d) began in 1889.

2. Federal excise taxes on transportation (a) were imposed as a World War II measure (b) affect both passengers and freight traffic (c) have not been repealed (e) must be collected by the carriers and paid to the government.

3. Erie Railroad piggy-back service is offered (a) between only two points (b) to 100 points (c) 300 points (d) over 1,000 points.

4. According to the Encyclopedia Britannica, the flange on the railroad car wheel was invented by (a) Benjamin Loder (b) George Stephenson (c) James Watt (d) William Jessop.

5. The flange was invented in (a) 1660 (b) 1789 (c) 1812 (d) 1831.

6. The Erie Railroad reached Goshen in (a) **1831** (b) 1841 (c) **1851** (d) **1854.**

7. The first safety rules on the Erie Railroad were issued (a) in **1856** (b) **1870** (c) **1890** (d) **1900.**

8. The Erie's free polio inoculation program is offered to (a) all

employes (b) operating department employes only (c) accountants only (d) maintenance of way employes only.

9. The Erie Railroad delivers shipments aboard lighters from the railroad to ship side or dock side in New York harbor. Of the total exports handled by railroads in the harbor, the Erie does about (a) 10% (b) 20% (c) 50% (d) 95% of the business.

10. The export business handled by the lighterage department amounts to about (a) **1,500** (b) 15,000 (c) **30,000** (d) 47,000 carloads a year.

11. Of every dollar the Erie takes in, about (a) 20 cents (b) 30 cents (c) 40 cents (d) 50 cents is paid out in wages.

12. Loss and damage claims paid by the Erie mount to about (a) \$30,000 (b) \$300,000 (c) \$1,000,-000 (d) **\$3,000,000** a year.

13. The Erie's "farm" at Weehawken (a) produces milk for the diners (b) is used to experiment in new ways to raise grain (c) can store 850 carloads of freight on the ground (d) is used to train future farmers.

Quiz Answers

How did you do on the quiz? Here are the correct answers so you may score yourself.

1. (c); **2.** (a), (b), (c) and (d); **3.** (d); **4.** (d); **5.** (b); **6.** (b); 7. (a, ; **8.** (a); **9.** (b); **10.** (d); **11.** (d); **12.** (d); **13.** (c).

Erie Veterans News

Fellow Veterans:

I can't recall a single year, during my association with the veteran movement, which was launched on a more confident and harmonious note than **1958**, at the annual meeting held at Jamestown.

However, as President Von Willer so aptly outlined the situation, we cannot afford to "pat **our** heads in the sand." Now is the time for that little extra effort.

Some very good suggestions along this line were discussed at the executive board meeting, and I am confident that several of them will produce noticeable results during the current year.

We are all aware of the changing conditions on **our** railroad. Some locations which were employment centers 32 years **ago**, have now become less centralized. On the other hand, some on-line locations which were not so active then, have since become more important.

Possibly it is not too early for us to consider some of them **Gor** chapter membership. I believe that a plan can be worked out which will not materially affect the status **of** existing chapters, and would serve to reach out to a potential membership which is apparently not available under present conditions.

Then, too, with the passing years the veterans have accumulated a substantial colony of Florida-bound members. Our chapter and system activities are entirely out of reach for these brothers. We certainly do not want to lose sight of the tremendous contributions they have made to veteranism on the Erie Railroad.

Possibly we can take the initiative in organizing an annual gettogether for them at some central location **in** Florida.

These are some of the ideas that we are kicking around. Let us

know what you think about them. And why not kick in with a few of your own?

Everyone has them, so let's bring them into the open in **1958**.

Fraternally yours, L. E. Rodgers President

Jersey City

By G. C. Kalle

Frank P. Belling installed the new officers and asked that all members get behind them and make **1958** a banner year for the association. This can be accomplished by contacting the collectors, or mailing dues **to** the secretary.

Another avenue of progress for the chapter and association is the employe who reaches his or her 20th year of service with the railroad. When contacting prospective candidates, be sure you have application blanks and receipts with you.

The third way is to talk with the former member who has dropped out **for** one reason **or** another. An invitation to rejoin will, in many cases, be met with a favorable response.

A number of our members journeyed to Jamestown to attend the 32nd annual installation dinner and dance. Reports indicate that a good time was had by all. **Our** congratulations to the new system president, **L. E.** Rodgers.

Past Chairman G. E. Sisco spent a well-earned rest in the Sunshine State with his wife Jean. She is past president of the Ladies Auxiliary.

Charles W. King, a fifty-year man, retired Dec. 31. We wish him a long, healthful retirement.



"My wife is keeping a budget. We're going broke scientifically."

Hornell

By Stanley Stone

Our January meeting was well attended. After dinner and the business session, there was round and square dancing.

Seventeen from this chapter attended the system installation ceremonies at Jamestown Jan. 18. At that time Harry Travis, from Hornell, was installed as second vice president.

Local veterans are looking **for**ward to the time when Brother Travis will be installed as system president at ceremonies in Hornell.

Dues cards for 1958 are in the hands of Chester Cole, secretary.

Let's all try to get some new members for our chapter.

Latest Promotions

Name	Location	Promotion	Date Started With Erie
E. J. Kelley	Part Jervis	General Foreman (M.of W.)	5-21-42
M. E. Condon	Jersey City	Office Engineer (Engr. M. of W.)	6- 2-31
J. H. Smith	Jersey City	General Foreman (M. of W.)	4- 1-46
J. M. Letro. jr.	Hornell	General Foreman (M. & W.)	2-19-44
George Jess	Dunmore	General Foreman (M. ⊄ W.)	10-26-48

Erie Railroad Magazine

Buffalo-Rochester

Birthday greetings to Mrs. William Stratton and M. A. Redding.

We wish many healthful years for **Herbert Childs** and **Frank Hogan** who have retired.

The auxiliary board meeting and luncheon at McDoel's restaurant in December was festive and well attended. **Mrs Fred Kern** provided table decorations and napkins.

After a gift exchange, the meeting was called to order. Mrs. Henry Schultz presided.

Plans were made for a cooking demonstration and card party at the Iroquois Gas Co.

Our Christmas party was Dec. 7 at the Buffalo Masonic banquet hall with **110** members and friends attending. Each received a gift. There was dancing before and after the luncheon.

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Youngstown Auxiliary

By Mrs. F. T. England

The annual Christmas party was Dec. 17 at Raver's restaurant, at tables decorated attractively with silver Christmas trees. Gifts were exchanged and there were several door prizes.

Mrs. William L. Halliday gave a reading of "The Husband of Mary."

Officers for 1958 were installed by Mrs. Rex Reebel, a past president. They are: Mrs. Fay Hill, president; Mrs. Thomas Gibbons, vice president; Mrs. James W. Bowser, secretary; Mrs. Carolyn Fuller, treasurer; Mrs. Glenn Shander, chaplain; Mrs. J. E. Bair, inner guard.

A gift was presented to Mrs, T. H. Fay, outgoing president, and corsages to other 1957 officers.

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Dunmore-Avoca

By M. A. Leshanski

Our annual Christmas party was held at the Deitrick in Scranton.

Regular meetings are held on the first Tuesday of the month (8 p.m.) at the VFW building in Dunmore. Our drive for new members now is on. All chapter and auxiliary officers were re-elected for 1958. They are: Michael A. Leshanski, chairman; James Summa, vice chairman; Daniel Sabatelle, secretary; Frank Laughney, Salvatore Sabia and Raymond Kerber, trustees;

Mrs. Raymond Kerber, president; Mrs. Patrick Dunnigan, vice president; Mrs. Casper Gaitano, treasurer; Mrs. Fred Cerra, social secretary; Mrs. Michael A. Leshanski, recording secretary; Mrs. Joseph Hobbs, conductor; Mrs. J. S. Tigue, chaplain; Mrs. Vito Pennella, marshal; Mrs. Arthur Perry, publicity; Mrs. Arthur Gregory, Mrs. Daniel Sabatelle and Mrs. Frank Laughney, trustees.

350,217 Miles of Track

At the beginning of **1956** the Class I railroads of the United States embraced **350,217** miles of all track, broken down as follows: first main tracks **212,250** miles; main tracks other than first-main tracks **32,370** miles; yard tracks, waysidings and passing tracks **105,597.**



Prudential insurance can help you plan ahead by protecting your family through their growing up years ... and providing for your own retirement. Prudential calls it Two-Way Protection.

See your Prudential Agent.



Latest Chatter About All the Erie Family

Mahoning Division M. OF W., YOUNGSTOWN

By Catherine Holzbach

L. H. Ramer, plumber foreman, was hospitalized, due to a heart condition. He is recuperating at home now and we wish him speedy recovery.

Office associates and friends of C. L. Castor, former supervisor of communications and signals, entertained in his honor Dec. 12 at Schuster's Casino in Sharon and presented a gift. Mr. Castor's retirement plans include traveling and gardening.

Best wishes to Bernice Kulesa, secretary, on her engagement. A June wedding is planned.

POLICE DEPARTMENT

Patrolman A. Herrick visited friends in Detroit recently.

Patrolman R. **E.** Hamilton, in his spare time, is teaching his son, Robert L., 12, the fine points of basketball.

Patrolman J. M. Buda had very good luck on his last hunting trip.

Patrolman J. F. Gilson shot a six-point buck while hunting near Cambridge Springs.

Tommy Pageler, **13, son** of Lieut. C. H. Pageler, fell and broke his leg.

Patrolman **E.** J. Conricote and wife have a new baby girl.

. . .

Car Accountant CLEVELAND

By Ella Carpenter

Sheila **Kiser** is wearing a beautiful diamond which was presented to her by Tony Sulver during the holiday season. No date has been set for the wedding.

Rosalie Wofner reports the purchase of a home in Sheffield Lake, in preparation for the nuptials which have been planned for some time in July.

Mabel Goss is the happy and proud grandmother of a baby boy, **born** on Christmas Day to her daughter, Mrs. William Havens (Michael William).

Kathleen Branch drove to Parkersburg, W. Va. and spent the holidays with friends and relatives.

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Accounting AUDITOR OF DISBURSEMENTS

By Denny Kish & Dorothy Buday

The Edward T. Draneys and the Fergie Smalls visited relatives and friends in Wellsville, N. Y. and Paterson, N. J.

Frank Kelly spent the holidays in New York City and vicinity. We suspect that already he was scouting the New York Yankees on their pennant possibilities.

John **Quinn** visited his sister in Orange, N. J.

Mary McCarthy has returned to her job after two weeks on jury 'duty.

We wish speedy recovery to **W. E.** Kane who has been ill for some time.

Bob Peterson's and Don Bundy's latest hobby is growing mushrooms. The only report on it so €ar is that their hopes are much higher than their mushrooms.

HORNELL ACCOUNTING BUREAU

By Lynn Lamb

Fred Peterson was elected president of Lodge **486** of the Railway Clerks; Robert Argentieri, vice president: Gerald **Curran**, secretary-treasurer; Frank BottomIey, sergeant at arms; Richard Tyson, inner guard; Jack Burlingame, outer guard; Roy Smith, chaplain.

A Christmas party was held at the American Legion home. Leo **Harkins** acted as St. Nick and passed out the gifts.

Charles Slaght has resigned and left to live in Florida.

Christmas cards were received from Jim Neff and Joe LaChiusa, former employes.

Ted Tannler and Gideon Woodruff are sporting new cars.

Clifford Smith is back at work after a brief illness.

Welcome to our new typist, Jeanne Obrochta.

Fred Schmitt must have been working for the chamber of com-

merce while vacationing in Florida due to the number of temperature reports the transportation department received.

Francis Cassidy received a Christmas card and letter from Clair **Kunz**, former employe, now living in Dayton, Oregon.

Coots Congelli was given a surprise birthday party by members of the payroll department.

Mr. and Mrs. Leo Rixford spent their vacation in New Orleans and Florida.

Harvey Schneegas received a surprise box of two Japanese chickens and a rooster.

Mr. Winters received a special card for Christmas, which was also his birthday.

Harvey Miller and the Mrs. are vacationing in Florida.

Paul Henry, retired, was a welcome visitor to the bureau.

Ed Leferink has been touring the side roads, back roads and parks of the area.

Al Morris spent the holidays in Jersey.

Watson Walden again sold Christmas trees for Clarence Buck.

. . .

Allegany Division SALAMANCA

By S. Minneci

Three sons of Mr. and Mrs. Arthur Bailey, train dispatcher and monitor, respectively, were home from school for the holidays. Robert attends Jamestown Community College, David, Rochester Institute of Technology, and Arthur, **jr.**, University of Buffalo law school.

John J. Malone, retired general yardmaster, and Mrs. Malone celebrated their 50th wedding anniversary Dec. 22. Mrs. Harry Bunker and Mrs. C. D. Cull helped the couple's grandchildren serve punch to about 125 guests.

Yard Conductor Frank J. Ballard spent his vacation at home in Bucktooth Run, resting and watching television.

Division Engineer L. Rossman and wife spent a vacation in Gulfport, Miss., and, at Christmas, with their son and five grandchildren at Fort McClellan, Ala.

(Next page, please)

Erie Railroad Magazine

Chief Caller Ernest G. Abers and wife spent Christmas week with their daughter and family, Mr. and Mrs. Hubert Duhan, in Ebenezer, N. Y., and also stopped to see Mr. and Mrs. Clayton Corbin, Orchard Park, N. Y.

Robert E. Pawk, second trick caller, visited with his sister and family at Norwood, Ohio, during the holidays. It was his second train ride.

Nick Reach, former section foreman, whose retirement party was Dec. 13, left shortly thereafter for San Diego, Cal., with Mrs. Reach, to visit their daughter and son-inlaw, Mr. and Mrs. George Miller, and grandchildren.

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Employment JERSEY CITY

By V. T. Bustard

Jack Hazzard and his family are proud owners of a new station wagon.

A. J. Schilling rested at home during his Christmas week vacation.

Blake Rhodes spent his holiday vacation at home in Port Jervis.

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buffalo Division BUFFALO MACHINE SHOP

By Frank Halbleib

Edward Bayer, gang foreman, is a daddy again. Cigars were passed around by the proud father.



"I've got-the fare all right. I just can't remember where the secret compartment is."



OUTSTANDING SAFETY RECORD of the Erie Railroad in Cleveland has been recognized by the Greater Cleveland Safety Council. Harry Felber (left), trainmaster-road foreman of engines, Cleveland and Thomas J. Kilbane (right), general yardmaster, received the plaque from William E. Billings, executive vice president of the council.

Marion Division TRANSPORTATION

By C. R. Swank

Helen Myers, stenographer in the superintendent's office, and Mrs. M. V. Wells, wife of the agent at Huntington, spent a weekend in New York City.

N. G. Dillon, ticket clerk at Huntington, and family spent their vacation touring in Florida.

L. J. Carter, trainmaster at Meadville, stopped by while in town over the holidays.

W. J. Huffman, engineer, spent his vacation traveling in the South-

F. S. Hart, retired conductor, and wife are spending the winter in Florida,

M. G. Newman and F. L. Shuster, operators, stopped at the dispatcher's office in Huntington while on their vacations.

MAINTENANCE OF WAY

By Maralene Trainer

A girl was born to Signalman Jerry Souers and wife of Huntington.' Maternal grandparents of Rose Marie are Plumber P. E.Buzzard and wife.

Former Track Supervisor A. N.

Burgett and wife are recovering at their home in Huntington **from** injuries suffered in an automobile accident while on their way to Florida to spend the winter.

Former Plumber J. C. Reeb called at the office and renewed acquaintances. Chris is enjoying his retirement and helps Mrs. Reeb a lot since she has been ill.

(Turn the page, please)

NEED MONEY? For Quick Action phone GRegory 3-5600 PASSAIC-CLIFTON



Passaic Office: Corner Main Ave. & Broadway Clifton Office: Cor. Main & Union Avenues Allwood Office: Cor. Market Street & Lyall Rd. Athenia Office: Cor. Van Houten & Lisbon St.

AUTO BANKA PLAZA: Broadway & Gregory

MEMBER FEDERAL RESERVE SYSTEM MEMBER FEDERAL DEPOSIT INSURANCE CORP.



WHEN HARRY W. FRANK, chief file clerk, operating department, got his 50-year pass, it was given him by his old friend, John J. Straut (left), assistant to vice president, operations. The Erie Veterans Association gave him a 50-year pin the same day.

HAMMOND CONSOLIDATED

By Grace Connole

Members of Local **494** of the clerks' union gathered at the home of Robert W. Thomas, relief clerk, Saturday evening, Dec. 21, for their annual Christmas party. About 15 members and their families attended. Everyone thoroughly enjoyed a pot-luck luncheon and grab bag.

Rate Clerk **H.** L. Kinzie and IBM Operator Marie Soley enjoyed vacations at Christmas. Mr. Kinzie and his mother, of Bremen, Ind., traveled to various cities in California to visit his four children. Marie got so engrossed in the Christmas preparations at home that her vacation was over before she knew it.

Paul Smith, janitor, spent his Christmas vacation delivering mail for Uncle Sam.

General Yardmaster J. J. O'Connor, who underwent major surgery, called on us during the holidays. He **and** his wife are planning an extended visit with one of their daughters in California.

E. W. Brady, assistant chief yard clerk, who underwent an operation in November, is recuperating nicely. He called on us during the holidays and said he expected to return to work in February.

At quitting time on Nov. **30**, Ben Govert's (car inspector) co-work-

ers got together and presented him with three boxes of cigars. He retired Dec. 1 after 32 years with the Erie.

Mr, Govert is a widower and makes his home with his only daughter. He **was** planning a visit with his brother in Wisconsin on retirement.

Patrolman Frank Harris has made three admirable New Year resolutions. We'll let you know in January, **1959** how well he kept them. Bets are now being taken at the correspondent's desk.

Emma Keen's (relief clerk) young son, Raylon, is an observing young man. After watching his daddy shave, he can do a good job on himself, even to twisting his nose aside for the non-existent whiskers. He can barricade himself in a room, with the help of a silver knife, so successfully that it takes the combined efforts of the whole family to liberate him.

Elmer King, conductor, went hunting in Illinois while on vacation in December, and some **50** rabbits will never join the Easter parade.

14th STREET, CHICAGO

By Chris Hardt

Our bulletin board was heavily adorned with Christmas and New Year cards from past and present office associates and friends.

J. J. Brynda, general foreman, and family were happy at Christmas when daughter Adrienne, a teacher at St. Clements School in Sheboygan, Wis., came to visit. She is Sister Mary Jan, of the Dominican Order, and teaches a third grade class of 52.

Kent Division MARION

By Lucile Osmun

The Erie Trowel Club met Dec. 7 and installed officers for **1958**. They are Paul Herrington, president; Richard Kester, vice president; **H. C.** Smith, secretary-treasurer, and Walter Lyon, chaplain.

Chsrlie Sidenstricker, assistant chief clerk, division engineer's office, and wife, Geneva, have moved into their new home. She is file clerk in the superintendent's office.

ASHLAND

By E. E. Woodford

Congratulations to Ralph R. Russell, foreman, and wife who have celebrated their 32nd wedding anniversary.

The correspondent visited with friends in New York and New Jersey recently, and also spent a weekend with relatives in Virginia.

W. F. Flerron, delivery clerk, vacationed in Tennessee.

Walter Baney (**M.** of W.) is a proud father. **A** girl arrived Dec. **9** weighing **8** pounds **13** ounces.

H. D. Adams, agent, enjoyed a two-week vacation in December.

Ralph M. Keller reported for military duty on Jan. **13.**

A. D. Mumaw, cashier, was operated on last month. We wish him complete and early recovery.

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DAYTON

By Hannah E. Conley

Thomas **W.** Mundy, retired yard conductor, and Harry **A.** Moore, retired chief clerk, visited here recently.

The correspondent spent a vacation with friends in Hermosa Beach, Cal.

C. F. Lucas, yard conductor, vacationed in Indiana.

Roscoe Brown's daughter has recovered from the measles.

. . .

New York Division SUPERINTENDENT'S OFFICE JERSEY CITY

Ry Mary A. D. Meyer

Holiday greeting cards arrived from retired friends, Bill Sutherland, Al Padien, Bill Fitzgibbon, Abe Cohen, Dan Sutherland, Charlie Pnnlison, Charles Weissert, Ed Bunnell, Ruth Hopper Ruffing, Ann Meehan, Myron Hendricks, Harry Coleman, Eleanor Salley, H. A. Bookstaver, Joe McGirr and Art Bellis.

It's good to see John Campbell, **Floyd** Conklin and Fred Dana back at work after illnesses.

Good luck wishes to Teddy **Tee**han who has been transferred to the floatbridge.

Mr. and Mrs. Harry Close spent Christmas in Scranton.

(Next page, please)

Erie Railroad Magazine

Our thanks to Anna Celenza and Bat McCarroll who trimmed our office Christmas tree.

Laura Coleman, Antoinette Geerinrk, John McBride, and Barbara Coan finished their vacations over the holidays. Neil Fulton went hunting in Maine.

We wish speedy recovery for Tom **Kelly**, main line dispatcher, who is ill.

While in Los Angeles on vacation, the correspondent was entertained at the home of Mr. and Mrs. Al Majack. Mrs. Majack is the former Catherine Gurney, M. of W. stenographer. Stops were also made at San Francisco, San Diego, and in Old Mexico.

PASSAIC

Birthday greetings to John Sees and Charles Dalrzell. Ice cream and cake were served to all.

Dick Fitzgerald, d e m u **r** r a g e clerk, is recuperating after an operation.

John Sees spent the remaining week of his vacation at home, making repairs.

Good luck to Wesley L. Hall, now relief baggageman.

A1 Stoebe played Santa Claus at the Legion Post party for children in Fairlawn.

WEEHAWKEN DOCKS 6 LOCAL

By Violet Schmitt

Joe Vollinger, who retired four months ago as railroad and steamship stowage representative for General Motors, has settled at Belle Vista Beach, St. Petersburg, Fla., and sends best wishes to Erie friends here.

Mr. and Mrs. George McMahon (foreman) have announced the engagement of their daughter, Margaret Ann, to Michael Stellace. A dinner for 90 friends and relatives was held at Frank's.

Agent **H. H.** Brown and **Mrs. Brown** spent a few days with son Charles and family in Columbus, O. Their granddaughter, Janette, now is nine months old.

"I'll be home for Christmas" came true for Bertlan Horvath, son of the Louis Horvaths (checker). He was on a months leave from the USS Munson, which is being decommissioned, and will be reassigned to a ship at Norfolk.

Assistant Agent G. C. Kalle concluded his year-end vacation resting at home and becoming better acquainted with grandson Bruce. Arthur Viaud, claim clerk, spent his time learning to repair window shades, and **J. Krauss,** dock laborer, took in the sights along Broadway.

Best wishes for speedy recovery are extended to doe Hayes, husband of Marie Hayes, general clerk, who is home from the hospital; to **Ace** Mitchell, checker, still confined to the hospital; to Mark Robertson, David Deas and **W**. Thomas, truckers still on the sick list. We are glad to see Dave Stratton, checker, back at work looking well.

Eugene Duffy, checker, has two new grandsons, Mark Duffy and JamesPatrick Dampsey, making a total of 10 grandchildren.

• • •

Susquehanna Division HORNELL DIESEL SHOP

By R. L. Hammond

Electricians George D. Wandell and Lester Campbell have returned to work after extended illnesses.

William J. Gallagher, machinist, and Floyd Newell, back shop machinist, retired in December.

Frank Wolfanger, machinist, took over the office of mayor of Hornell on Jan. 1.

Victory Lodge **723**, Brotherhood of Railway Clerks, held their annual Christmas party at the Moose Club on Dec. 14.

Supervision and clerks of the general master mechanic's office held their Christmas dinner at the Country Club on Dec. 21.

The mechanical department supervision gave a dinner Dec. 12 for Foreman George Busteed, Midvale, N. J., who retired Dec. 1. T. F. Maloney, general foreman at Jersey City. was toastmaster. W. G. Carlson, assistant superintendent, motive power, Cleveland, presented a retirement certificate, and C. F. Schmartz, general master mechanic at Jersey City, made the gift presentation.

Out of town guests included **R.** J. Lares, Cleveland, chief clerk to superintendent motive power;



AIRMAN THIRD CLASS Frank G. Reichardt, son of Frank J. Reichardt of the Erie's police department at Jersey City, is attending the medical technician school at Lackland Air Force Base in Texas.

A.J. Dillon, Jersey City, chief clerk to general master mechanic; L. Gebhardt, Secaucus, general foreman; R. T. Noblit, Port Jervis, general foreman; F. E. Donnelly, Buffalo, special inspector; J. A. Richardson, Elmira general foreman: N. C. Stanton, Corning, foreman; C. R. Benson, Salamanca, foreman, and Paul White, New York, representing the New York Air Brake Co.

(Turn the page, please)



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Marine

By Jesse E. Baker

Among the correspondent's 178 Christmas cards was one from John Hermansen who lives in Oslo, Norway. John sent best wishes to all his friends here.

A number of old-timers visited the office over the holidays. Among them were Fritz Gampers, Henry Whitter, Harold Wright, Walter Wright, John DeVore, Sam Edwards and John Ellison, all engineers. From top side were Ed Grace, **jr.**, Fred Decker, Charlie Schmidt, **Al** Wilson, Emil Tronci, Tony Catanzaro. The marine yard was represented by Frank Gruen, former machinist.

We were sorry to hear that the mother of Claude Turse, ferrymaster, fell and broke her hip. She is improving satisfactorily.

The 1958 vacation season is off to a good start—seven at a time. Harold Hasbrouck spent January in Florida.

Ben Benvenuto, Fort Pierce, Fla., wants to be remembered to all his friends.

Does history repeat itself? On Dec. 26,1947, in New York Harbor, we had a 25.8-inch snowfall in less than 24 hours. On Dec. 26, 1957, we had a rainstorm. According to authorities, had it been colder, we would have exceeded the 1947 snowfall and made the 20.9 inches of March 12-14, 1888, look like a piker.

For marine department men in Florida: At 7 a. m. on Jan. 4 it was 11" above zero on the end of Dock 4, Jersey City.



Veterans

(Story begins on page 17) to offer anything but rail transport, to be permitted to diversify their transportation services to tailor them to the needs of individual customers.

New Officers Installed

The new officers, a slate headed by Lloyd E. Rodgers of Salamanca, were installed by Frank J. Troyano, general office chapter. John J. Collins, Jersey City chapter, was master of ceremonies.

Among the guests who watched Rodgers installed as systemwide president of the 4,800-member organization were his mother, his wife, children and grandchildren.

Installed with him were Hubert A. Kelly, Marion chapter, first vice president; Harry C. Travis, Hornell chapter, second vice president; Leslie H. Arold, general office



MANY **JUST** VISITED. Edward McCue (Youngstown chapter) and Mr. and Mrs. Michael **J**. Ricciardi (Port Jervis) were among those that did.

chapter, financial secretary; Rex P. Reebel, Youngstown chapter, recording secretary; Leonard P. Johnson, Salamanca chapter, treasurer, and Francis P. Belling, Jersey City chapter, director of social activities.

Nomination Made

Earlier in the day Charles J. R. Taylor, general office chapter, and John J. Mickulas, Chicago-Hammond chapter, had been nominated for second vice president. Voting will be by mail, and announcement made of the result at the annual picnic at Conneaut Lake Park.

Other business included setting the date for this year's picnic, Aug. 9, and the date and place of next year's installation ceremony, which will be held at Hotel LaFontaine, Huntington, on Jan. 17, where Kelly will be installed **as** president, and Travis as **first** Vice president.

One Locked In

After the installation ceremonies, which were opened by a welcoming speech by Donald A. Logan, superintendent at Salamanca, the veterans adjourned to the dance floor and to hold informal reunions **with** old friends from all parts of the system.

While the vast majority of those attending had time only for the banquet, association duties had brought others to Jamestown early. On Friday evening there was a blue room party for early arrivals, with hillbilly music and community singing with Troyano at the piano, and, after the Saturday morning business session, a community luncheon attended by **118** members.

It was on Friday that Frank Belling found himself locked in a hotel room, from which he had to be rescued by other veterans and the hotel staff—and he nearly missed the hillbillies as a result.

Besides Mr. Von Willer, the following officers of the railroad attended the banquet: Milton G. McInnes, executive vice president; Garret C. White, vice president, operations; George W. Oakley, comptroller, and J. Philip Allison, general manager at Youngstown.



A harp and a halo Are reserved for the guys, Who cross over the tracks Without using their eyes!

Senate Hearing

(Story begins on page 12)

and hurting smaller shippers as well as penalizing all carriers.

Too, witnesses described means some highway carriers use to give their operations the appearance of private carriage by "owning" the goods they transport—for as long as the goods are aboard the trucks.

Diversification Needed

The effect of court decisions In liberalizing the agricultural exemption clause in the Interstate Commerce Act—originally written to allow farmers to haul their own produce to the nearest market without regulation—to the point that dried egg powder, dried milk and even peat moss are now among the commodities that can be hauled by trucks exempt from any regulation of rates.

Witnesses described the passenger situation, and the bewildering maze of regulations surrounding changes in such services—a story all too familiar to all railroad men, with local, state and federal bodies all involved, and, oftener than not, working at **cross** purposes.

Bookkeeping Hobbles

Too, the need for the railroads to be permitted to offer transportation as such, the kind of transportation the customer needs, instead of pure rail transport, was stressed.

The effect of certain government-imposed bookkeeping methods was described. Some of these regulations, in a time when **box**cars that cost **\$2,500** are having to be replaced with cars that cost **\$8,500**, are crippling. For they have denied the railroads the opportunity to establish adequate depreciation reserves.

Certain classes of railway property are depreciated, according to regulation, assuming lives of **35** years—while trucks are fully depreciated at the end of eight, and buses seven, years.

. . .

The average weight of rail in Class I railway track at the beginning of **1957** was **10495** pounds per yard.

(Story begins on page 5)

She had, and has, many attributes that endear her to those with whom she works. She almost never makes an error, but if she fears she has made one, she lets those around her know, before it can affect their own work. There are few "surprises" in an office that has **Miss** Ross working in it.

One of the wonderful things about her, self-effacing **as** she is, is the fact that she has adapted herself time and again to the different personalities and working methods of the men of the staff.

During her years on the magazine she has worked for the following men: William **F**. Hooker, H. H. Pratt, Frank America, Charles E. Coe, Thomas B. Pickering, James Alan Ross and the present editor. And all of them have had different ways of approaching similar problems. But Miss Ross never interfered. She did it the boss' way.

Good Effect of War

All this good service to the Erie can be described as one of the good things that can arise from evil ones. For it was because of World War I that Miss Ross came to work for the Erie.

The demands of the war in Europe were changing the economy of the United States. Male manpower was lacking. The board of directors of the Erie, hard-pressed for workers, and foreseeing, perhaps, that America would be drawn into the war, decided to open many clerical jobs to women.

One of Miss Ross' uncles, the late E. Glenn Jolls, was working in the valuation department in New York when the call went forth for women to help man the Erie.

Four Ross Girls

He wrote to his nieces, and Mabel was one of four Ross girls who came to work for the Erie. The other three, two of whom married men they met at the Erie, are no longer with the road.

They are Elsie, wife of Carl E. Christenson, chief clerk, **communi**cations and signals; Irma, wife of Raymond **J. Vaning**, a former Erie telegraph operator; and Marie, who is married to Frederick C. Corzilius.

Both Elsie and Irma worked **on** telephone switchboards, Elsie as chief telephone operator in the general office; Marie was in the freight claim department.

"What Will I Do?"

Their parents were Perrin and Hannah McQuown **Ross**, and the girls grew up in the Pennsylvania oil fields where their father was in charge **of** drilling operations for an oil company.

The magazine will go on without Miss Ross, it is true. But it won't go on so smoothly.

When faced by a new situation, Miss Ross used to stand at her desk, put out her hands, and say: "What will I do?"

Faced by the loss of Miss Ross the rest of the staff can only put out their hands and say: "What *will* we do?."

The Class I railroads of the United States normally install about **25,000,000** crossties a year.



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Rails Seen As Bread, Butter & Six Million

How many people in the United States are dependent upon the railroad industry for their well-being? This is a difficult question to answer, because the railroad iadustry with its nationwide services in the transportation of passengers, freight, express and mail touches every industry and every community directly or indirectly.

The more than 1,000,000men and women who are engaged in the operation of the railroads have in the neighborhood of 2,000,000 dependents, all of whom rely directly upon the railroad payroll for their support.

Then there are large numbers of men and women who are engaged in industries which produce locomotives, cars, signal equipment, materials, supplies, fuel, power, and other products and services for the railroads.

It is estimated that there are in the neighborhood of 1,000,000 people employed by such industries. When their dependents, estimated at around 2,000,000 people, are added, we have a total of around **6,000,000** people who are dependent, directly or indirectly, on the railroad industry for their livelihood.

Railroads are among the largest buyers and customers in America. Their shopping list includes more than 100,000 distinct items, ranging from lead pencils to locomotives, from toothpicks to telephone poles, from box cars to diesel oil.

. . .

At the beginning of **1957** there were 148,216 miles of main-line rail-road equipped with rails weighing 100 pounds or more per yard.

AAR Officials

(Story begins on page 14)

does on truckers or airplanes or barge-lines whose fixed right of way is provided almost free.

How do subsidies affect the competitive pricing of various carriers' services?

Mr. Loomis: Well, the simplest example I can think of in that connection is this: railroad expenditures for right of way alone, not including office buildings or stations or rolling stock, carry charges of approximately \$2.5 billion a year. Apply that to a total freight revenue of around \$8 billion and it's a very substantial part of the expense and pricing system.

And other carriers escape such costs?

Mr. Loomis: By and large, other carriers escape the right of way costs. They are thereby able to charge lower rates than if they paid full user charges—and to capture traffic they would otherwise never be able to handle.

Is there any chance for adoption of user charges to compensate for these subsidies?

Mr. Faricy: I think there is a very real move in that direction. The director of the Bureau of the Budget has asked every department of the government to initiate programs looking towards the recovery through user charges of the costs of furnishing services which benefit groups above and beyond what the general public obtains.

Now, the director, with the authority of the President, has not only requested that these charges be initiated, but he has requested further that in all cases where existing legislation stands in the way of assessing these charges, that the departments recommend legislation that would remove those barriers. Now, that's a very important development

It's not a new policy because President Roosevelt and President Truman recommended it and President Eisenhower, in several messages during the last two or three years, has stressed that very thing. But here is a concrete, definite effort to implement that policy. It is a directive with a deadline of Feb. 1, 1958.

Time to Get Action

Do you think there is a favorable chance of Congress following through on this Administration proposal?

Mr. Faricy: Ultimately, yes. Again we must not expect any miracles. It takes time to get such action. Where you want somebody to start paying for something that he has been getting for nothing for a long time, you can put it down that he is going to be in there opposing. And when you're affecting powerful vested interests, it takes time to overcome their opposition. But I think it will be overcome.

Then, to equalize the competitive position of the railroads, you would prefer to have other carriers pay for their government benefits rather than have subsidies given to the railroads themselves?

Mr. Faricy: That has been the historical position of the railroad industry, and it is still a sound position.

Mr. Loomis, is a new wave of railroad mergers shaping up?

Mr. Loomis: I wouldn't say I see a wave of mergers ahead. There probably will be increasing consideration of mergers on a carefully planned basis, but that is a long-term pull because it requires considerable study as to the economies that can be realized and (Next page, please)

Erie Railroad Magazine



AAR Officials

(Story begins on page 14) as to the services to be furnished. You have some outstanding examples of studies being made now.

The New York Central and Pennsylvania just recently embarked on one. Great Northern, Northern Pacific, Burlington and Spokane, Portland and Seattle have been engaged in a study for several months. The Delaware and Hudson, the Lackawanna and the Erie have been pushing studies for a considerable period of time; and the Missouri Pacific and Texas and Pacific have announced they are also studying the possibilities.

Does the present low-earnings level of the railroads indicate any real threat of nationalization?

Mr. Loomis: I don't think so. The pinch would have to get much worse and be of longer duration. You would have to have an almost complete breakdown in the ability of the railroads to furnish service before government ownership became a serious threat.

Government Experiment

What is the real advantage to the public in having railroads privately owned, as contrasted with having them owned by the government?

Mr. Faricy: Fortunately for the country those advantages have been highlighted by the contrasting experience of two world wars. In World War I, railroad transportation was handled by government operation; whereas it was handled in World War II by private operation. So we have what you might call a perfect laboratory experiment. We have tried it both ways.

And what were the results? Taking first the matter of cost, in World War I, when the government kept the revenues and paid the expenses, deficits ran about \$2,000,000 a day, averaged out over the life of government operation. In World War II the privately owned and privately operated railroads paid their own way, there was no deficit, and the railroads paid an average of \$3,-000,000 a day in federal taxes for the World War II period. Now, there you start with a difference of \$5,000,000 a day.

On the matter of rates, in World War I, when the government took over the railroads, it proceeded to raise freight rates. It couldn't get by any other way. In World War II, the privately owned railroads came out of the war with a freight rate structure no higher than that with which they entered the war. Now, one may say that, in wartime, isn't service the thing that you'd look at more than you would cost?

Comparative Records

And here are the comparative service records: the privately operated railroads in World War II with one-fourth fewer employes, with one-fourth fewer passenger cars, with one-fourth fewer freight cars and one-third fewer locomotives, actually handled a volume of freight traffic **74%** greater than the World War I freight volume. And they handled twice as much passenger traffic as in World War I.

So when you look at that picture, you see that we have the best of all tests as to which is the better way of running the railroads. We have the answer of experience. And that is why I don't have any fear that an enlightened America is going to go for nationalization of its railroads.

If the United States faced a major defense emergency in the near future, would the railroads be able to cope again with big traffic increases?

Mr. Faricy: Well, let me separate my answer between freight on the one hand and passengers on the other. As to the handling of freight, there is no question in my mind but that the railroads could handle it as successfully as they did in World War 11. I say that notwithstanding I wish we had more freight cars. But we would see heavier loading orders, we'd see a longer work week, we'd see a speedup in the handling of traffic.

Now, on the passenger side, the railroads would do very well with what they have, but it should be borne in mind that the policies of government since the end of World War II have been operating to diminish the use of railroad passenger service.

Mail Diversion.

And beginning with 1953, that process has been accelerated by a diversion of the United States mails away from railroads to other forms of transport. This has meant that a lot of passenger trains have been discontinued and, as the equipment is worn out, it is not replaced.

Therefore, in the event of an emergency, we'd be hard put to handle a great volume of passenger traffic. I would expect it would be necessary for the government immediately to build troop sleepers and special passenger-carrying equipment, as was done towards the end of World War **II**

And I would think also that, since the military movements would have to come first, you'd see a drastic curtailment of civilian transportation, simply because there wouldn't be enough passenger equipment with which to do the job.

Do you foresee a sharp drop in railroad investment in all facilities?

Mr. Faricy: Oh, I think while business is down you are going to see a very severe drop. And with the railroads as hard up for cash as they are, I think you're going to see this capital improvement program cut back, I'd say, (Turn the page, please)

Meadville's Friendly Bank serving the folks of Crawford County since March 9,1865 NAL BANK & Member F.D.I.C. **Cstablished** 1865 Pennsylvania Meadville

AAR Officials

(Story begins on page 14) by about 30%. Now, that is assuming that the business pickup doesn't come faster than, say next Labor Day. Of course, if it happens earlier, and the railroads make money, they will spend money.

Regulation and Car Supply

Mr. Faricy, do you believe Washington regulation has impaired the ability of the railroads to give adequate service?

Mr. Faricy: If we are speaking now of the freight car situation, I think the one thing that has prevented the freight car supply from expanding has been the fact that railroad earnings have been so low that there just hasn't been enough money to finance the kind of program that we ought to have. The way we got this 75,000 cars a year for the last two years was that we got orders in before the five-year tax amortization privilege was taken away: that was a terrific incentive to place orders. Now, that's not there anymore.

I sometimes wonder how the railroads have done **as** well as they have in keeping **up** the car supply in the face of their very low earnings. So, to the extent that public policies have held down railroad earnings—and they certainly have —then public policies have been responsible for the fact that we don't have enough freight carsthat is, for the long pull.

We have more freight cars than we need right now. But we are going to see a resurgence of traffic one of these days and we are going to have the same demand for more freight cars that we always have, so we must continue to build up the supply.

The airlines feel a **12%** return on their investment is essential to attract capital. What would



"Since I'm making the trip with you this time, I think I'll try that \$15 dinner you always put on your expense account."

• • •

the railroads like to be able to earn?

Mr. Faricy: Well, we'd like to have 12%, too. And if we did, we certainly could do a wonderful job. But I believe if we could even get a rate of return of 6% and get it steadily, averaged out over a period of years so it wouldn't just be 6% in the best of twenty years, I think the railroads could do such a **job** of improving their physical facilities that in a few years you'd hardly recognize them. You'd see grades reduced, and curves taken out. You'd see more automation, an adequate freight car supply, pushbutton yards, and far better passenger service.

Mr. **Loomis**, what hope do you see in railroad research **as** an answer to low earnings?

The "ERIE BANK" in Kent THE KENT NATIONAL BANK KENT, OHIO

Mr. Loomis: There are substantial possibilities in railroad research. There are, of course, a large number of things being done that are not sensational, such as improved rails, rail joints, improved methods of inspection of freight cars. But there is also nuclear research, one of the possibilities being irradiation of foods and perishables that would do away with the present method of icing refrigerator cars. The development of nuclear lamps is another. The use of nuclear power as locomotion is probably some time away, but it's a field being actively explored.

Do you foresee any development that would yield major economies—as the Diesel locomotive did?

Mr. Loomis: I don't see any single thing that would produce as sensational an impact as the Diesel did in a comparatively short time. I think it's more likely to be a combination of many things that will produce greater efficiency and more economical operation over a broad front.

Out of this research will certainly come better service to the public. And with the additional traffic that could be attracted, we could also hope for lower cost to the public.

Then you feel that the railroads' prime need is not for rate and fare increases but for traffic volume?

Mr. Loomis: To a degree, yes, but all three considerations are important. We get volume by a better competitive deal. If the man who ships over facilities partly paid for by the taxpayer ever reaches the point where he pays for all of these costs in transportation charges, then the carrier that's really the low-cost carrier gets his fair shake at the business. And that's the railroads.

Mr. Faricy, do you foresee railroad passenger b \mathbf{u} sin ess dwindling away until it becomes a thing of the past?

Mr. Faricy: It won't become a thing of the past at all. It will be a changed service from that which we see now in some respects. I believe that the day of the branch line passenger train is pretty well (Next page, please)

Erie Railroad Magazine

AAR Officials

(Story begins on page 14) over. I think you will see future passenger service concentrated largely in three areas.

The first area is commuter service in large centers of population. There just isn't going to be any way for people to get to and from work in big places like Chicago, New York, Boston, Philadelphia and San Francisco without having even more railroad commuter service than there is now. There simply won't be enough places to park automobiles nor enough highways.

The other area is where people want to get from one city to another and can do it overnight; for example, between Washington and Chicago.

I can also see where there will be a good deal of passenger service between large centers of population where the run can be made in anywhere up to five hours' time-for example, between Boston or Washington and New York. By the time you get out to and from the airports, you really haven't saved much time by air.

Taxes and Commuters

Do you feel heavy taxes on railroad rights of way in big urban centers are a deterrent to adequate commuter service?

Mr. Fancy: I certainly do. If the railroads are to have any hope of making this commuter service pay its way, they have simply got to be relieved from these large tax payments on big terminals. It's going to be tough enough, even without those taxes, to make commuter business break even.

You've got **a** concentration of business early in the morning and late at night, with those dead hours in the middle of the day. The result is an inherently expensive service. Now, if on top of this you are going to have to pay staggering taxes on terminals, the situation is hopeless. Therefore, they will either have to get away from those taxes or adopt some kind of governmental authority that will be responsible and hire the railroads to furnish the service perhaps on a cost-plus basis.

NAME

*Brewster, Frank Clarence Brokaw, Ivan Daniel Bryant, Jetson Bryk, John Stanley *Bujnowski, John Cacho, Ramon 'Campbell, Edward Charles *Casey, Peter Phillip *Clark, Alexander C. *Delbene, Onofrio *Dembia, Daniel *Downing, Alonzo Curtis *Euliano, Patsy *Ewerz, Frank William *Fachko, Michael *Findlay, James Reynolds Forbes, Raymond Francis *Frost, James E. *Frye. Olus Freeman *Graham, Clarence Junniett *Guglielmo, Ordunino *Hallock, Emmett Leon *Haverly, Floyd Swellson *Helm, Peter *Hermanns, Ira Joseph *Izzo, Joseph *Keefe, John Andrew *Kelley, James Morgan *Koenig, Louis *Manning, George Carson Mayers, Clifford Henry McKiernan, James Daniel 'Morgan, Charles Philip *Mullins, Daniel Francis *Munger, Ruth Nise O'Neill, Paul Joseph *Owen, William Howard *Pellecchia, Modestino Poe, Thomas Wendell Poux, Adrien Joseph *Quick, Chester *Roscoe, Moley *Sibbald, David *Sipple, Louis Valentine Taylor, Henry *Wagner, Rodney Dewitt *Wallace, Fred Everett Weiser. James Joseph *Retired Employes

OCCUPATION

Losses in the Erie Family

Engineer Conductor Trackman Car Inspector Sand Dryer Trackman Machinist Helper Machinist Chief Clerk, Signal Engr. Laborer Car Repairer Engineer Boilermaker Agent Machinist Helper Chief Clerk Locomotive Engineer Locomotive Engineer Road Conductor Janitor Trackman Conductor Engineer Stationary Engineer Car Inspector Trackman Crossing Watchman Chief Dispatcher Machinist Asst. Vice President Operator Chief Clerk Leading Stockkeeper Laborer Chief Telephone Opr. Stevedore Clerk Machinist Helper Crossing Watchman Boilermaker Helper Rlf. Trainyd. Foreman Barge Captain Second Cook Foreman Track Supervisor Dockbuilder Machinist Helper Telegraph Operator Car Repairer Helper

LOCATION

DATE

OF DEATH Susquehanna Division 10- 4-57 Allegany Division 11-26-57 Buffalo Division 11-29-57 Buffalo Car 12-22-57 Jersey City Shop 10-29-57 Marion Division 11-10-57 Hornell Shop 12- 4-57 Hornell Shop 10-15-57 Cleveland 10-20-57 Brier Hill Shop 10-21-57 Jersey City Passgr. Car 10-31-57 Marine Department 12- 7-57 Meadville Shop 12- 8-57 Monroe 11-30-57 Buffalo Shop 11-26-57 Marine Department 11-23-57 Meadville Division 11-29-57 **Buffalo** Division 1-18-58 Kent Division 11-29-57 Chicago 10-17-57 Delaware Division 10-18-57 Bradford Division 12- 4-57 Susquehanna Division 11- 5-57 Buffalo 10-12-57 Jersey City Car Shop 11- 5-57 Mahoning Division 10-29-57 Marion Division 11- 5-57 12-10-57 Youngstown Buffalo Shop 9-11-57 New York (Traffic) 2- 1-58 B. & S. W. Division 12-13-57 Jersey City Passgr. Car 12-12-57 Avoca Stores 11-15-57 Hornell Roundhouse 12-11-57 1-17-58 Buffalo Lighterage Department 11-10-57 Hornell Roundhouse 12-10-57 10-30-57 New York Division Hornell Shop 9- 6-57 Meadville Car Shop 12- 3-57 10- 8-57 Marine Department 11- 1-57 Dining Car Department 9-10-57 New York Division 10-28-57 **Buffalo** Division New York Terminal Div. 11-26-57 12-15-57 Hornell Roundhouse 10- 4-57 Mahoning Division Port Jervis Car 11-29-57



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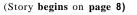
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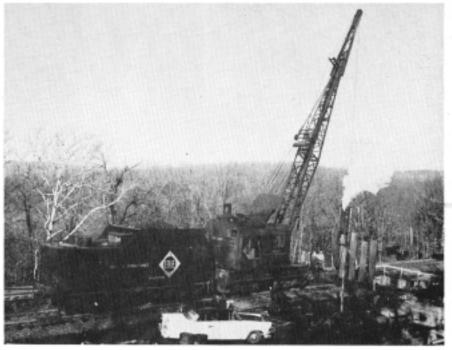
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PILES ARE DRIVEN TO SUPPORT the temporary bridge at 83.60.

Meanwhile a close watch was kept on the hole and on the westbound track.

Traffic proceeded, under a slow order, over the westbound track, which was, fortunately, already signalled in such a way that it could be used immediately for both east and west bound movements.

And all up and down the railroad machines and materials began moving toward the culvert at **83.60**.

Among the things that were needed before the job was done was one complete bridge; one piledriver; one on-track crane; two off-track cranes; three bulldozers; thousands of board feet of lumber; a six-inch centrifugal pump; and "small tools" that included portable light plants, track machinery, and the indispensable picks and shovels upon which engineering jobs have depended throughout history.

Too, a whole new culvert was needed, one that would never be subject to the ills that had ended the life of the first one, and that could carry the stream at **83.60** under the Erie for centuries to come in safety and do it economically.

In the next few days, despite the holidays that intervened, a woodlined shaft, 20 feet by 12 feet in cross-section, was sunk from the top of the embankment to the culvert; a bridge was built for the eastbound track; the westbound track was removed; traffic diverted to the east-bound track, and the entire embankment was cut away above the culvert.

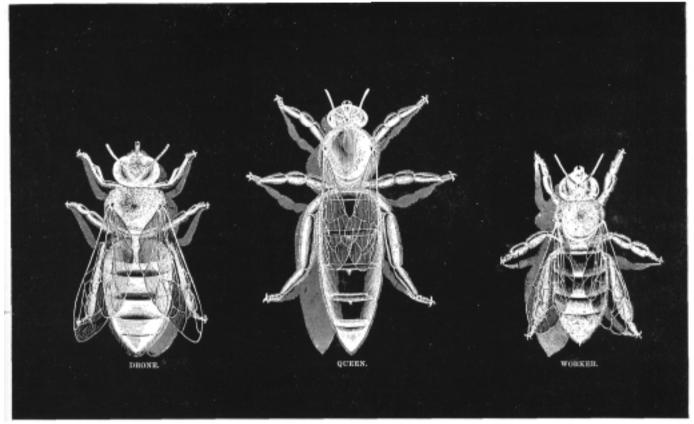
Then the old culvert was removed, and a new one, made of reinforced concrete pipe **72** inches in diameter, was installed; the embankment was replaced, and the west-bound track restored. The new culvert, made of eight-foot sections of pipe with tongue and groove joints, is 120 feet long.

And meanwhile traffic was maintained, first over the west-bound track, and then over the east-bound track on the temporary bridge.

That bridge was no small job in itself. Its center, built of steel, was **34** feet long; and on either side **of** the steel span were wooden spans, each **24** feet long. After the culvert had been installed, the embankment was filled in again under the bridge, and the bridge left in place. It will be removed when weather permits.

And the whole job was completed by Jan. 17—proof again that the men who help make !he Erie are ready for any emergency that may arise.

DOES A HONEYBEE HAVE AN ANSWER TO CANCER?



Mouse and man, worm and wasp, pig and protozoathese are some of the twenty-eight living things used in the American Cancer Society's nation-wide research program.

Scientists rely most - in 189 projects - on man; next comes the mouse - in 139 studies - and there is even a honeybee helping one scientist in his search for facts that may save the quarter of a million Americans now dying each year of cancer.

Many organisms. Many laboratories. Many hundreds of scientists. Together they make up a balanced program of research with freedom and flexibility, reaching across the country and across scientific disciplines, to tap the best minds and the best ideas.

From these twenty-eight organisms science is getting facts that may save more lives tomorrow. But what of today? What of you?

With early diagnosis, half of those with cancer can now be cured if treated promptly. If you have cancer, you may well be saved — but only if you give your doctor a chance. Go to him for an annual health checkup ... not because you feel ill, but because you feel good and want to stay that way.

The worm and the wasp, the pig and the protozoa will provide the answers for tomorrow: for today, see your family doctor.



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that has more and more shippers saying, "Route it Erie".



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