

ROADS FILE RATE INCREASE BRIEF

A 15 PER CENT increase in all freight rates and charges is the "proper course" for the Interstate Commerce Commission to follow in providing necessary additional revenues for the country's railroads, according to a general brief filed September 18 with the Commission. Contending that the financial needs of the railroads have been clearly established, the brief states that if the Commission does not agree with this method of providing additional revenues "the matter does not end there." It is then the duty of the Commission, under the law, to decide on a different method, the carriers maintain.

The filing of the brief, through a special committee of counsel representing the eastern, western and southern rail groups, marks the final chapter in the railways' revenue case which has been before the Commission since July 17. Oral arguments are scheduled to start on September 21, 1931.

"The carriers come before the Commission and the country with a record of achievement in their service," says the brief, "of contribution to the economic progress of the nation and of moderation in the assertion of their rights which more than justifies the award of relief they seek. The conditions under which the railroads were returned from Federal control are well known. The difficulties were increased in the years immediately following by the business depression and the strikes of the shopmen and the coal miners.

"In the year 1923, coinciding with the beginning of the revival of business which led into the great industrial prosperity of the subsequent years, the railroads co-operated in formulating a plan of improvement in railway operation and extension of railway facilities. A meeting of member roads of the American Railway Association was held in New York City on April 5 and 6, 1923, in connection with the adoption of their program." At this meeting, it was explained, the railroads adopted a resolution stating that they were raising their additional capital "largely through borrowed money on the abiding faith in the fairness of the American people." The brief continues:

"Pursuing consistently throughout the subsequent years the program

Sixty Page Document to I. C. C. Emphasizes Carriers' Right to Increased Revenues

then adopted, the railroads, from 1923 to and including 1930, made additions and betterments, which, in gross, amounted to \$6,742,000,000, and subtracting retirements, amounted, in net, to \$5,046,000,000. There can be no doubt that this constructive program of the carriers helped greatly to initiate the unprecedented industrial prosperity which followed and that these extensive additions and improvements in railway facilities contributed in a high degree to maintain that prosperity.

Right to Relief Established

"As stated in the resolution, the policy was pursued in 'reliance on the continuance of the policy announced in the Transportation Act of 1920, as a measure of reasonable protection to investment in railroad property.' It is respectfully submitted that after having made these expenditures, the carriers are justified in expecting the Government to keep faith with them.

"Upon the curtailment of business which set in during the latter part of 1929, despite cogent reasons for pursuing an opposite course, the carriers decided to continue, as far as possible, a normal program of expenditures. They adhered to this program as long as it could be justified from the standpoint of the trust reposed by the railroad security holders in the managements of the carriers who were administering property which, though devoted to public use, is nevertheless private property.

"During the present year the carriers have met, as far as possible, the exigencies of the present situation by drastic curtailment of capital and operating expenditures. They finally reached the point where they could no longer disregard the fact that their existing rate structure had become inadequate to support their service and their obligations to their investors.

"They have accordingly applied to this Commission to grant the only form of relief which has ever been deemed by the Commission appropriate when the revenue infirm-

ity of a general schedule of rates had been demonstrated. The right to the relief sought has been established on the record. We submit that the Commission should recognize the right and grant the relief sought and that it will discharge its full duty in doing so."

The brief argues at length the duty of the Commission under Section 15a of the Transportation Act. "What is this duty?" says the brief. "It is to 'initiate, modify, establish or adjust such rates so that carriers as a whole (or as a whole in each of such rate groups or territories as the Commission may from time to time designate) will, under honest, efficient and economical management and reasonable expenditures for maintenance of way, structures, and equipment, earn an aggregate annual net railway operating income equal as nearly as may be, to a fair return.' We call particular attention to the objective that the 'carriers as a whole (or as a whole in each of such rate groups)' shall achieve this return."

A decision of the United States Supreme Court is quoted in this connection as follows:

"Rates which as a body enable all the railroads necessary to do the business of a rate territory or section, to enjoy not more than a fair net operating income on the aggregate value of their properties therein economically and efficiently operated, are reasonable from the standpoint of the individual shipper in that section." The brief goes on:

"The Court (Supreme Court) further says that the shipper may 'properly be required in the rates he pays to share with all other shippers of the same section the burden of maintaining an adequate railway capacity to do their business.' It is clear that the language 'in the exercise of its power to prescribe just and reasonable rates' does not mean that the revenue result is the incidental outcome of its exercise. On the contrary, the language means that the Commission shall so exercise the power to prescribe just and reasonable rates as to attain this result."

Citing numerous additional cases involving the interpretation of Section 15a, the brief emphasizes that all of these decisions "clearly establish the governing character of financial considerations in the determination of the reasonableness of a gen-

eral increase or decrease in schedules of rates." It continues:

"Having upon the authority both of the Commission and of the Supreme Court demonstrated the paramount character of financial considerations in the determination of the propriety of general increases or decreases in rates, we come to a consideration of the financial factors whose resultant determines whether, and if so to what extent, a general increase in freight rates may at this time be permitted to become effective. These factors are (a) the actual return under existing schedules of rates, (b) the prospective return under the schedules of rates proposed to be made effective, (c) the value of the railway property held for and used in the service of transportation, and (d) the rate of return thereon. . . .

"During the year 1930 the freight revenues of the Class I carriers of the United States amounted to \$4,083,241,555, and the net railway operating income to \$868,878,792, or 3.54 per cent of the value of the property ascertained by adding to the aggregate value established by the Commission in Increased Rates, 1920, the net cost of additions and betterments made subsequent to that date.

"The freight revenues for the first six months of 1931 were 18.0 per cent below the corresponding period of the year 1930. Assuming the continued application of this percentage during the balance of the year, the freight revenues of the carriers for the entire year 1931 will, if no increase is made in the present rates, and assuming no reductions to have been made which would become currently applicable, amount to \$3,348,000,000.

"The passenger revenues during the year 1930 were \$729,471,409. During the first six months of 1931 the decrease in those revenues was \$88,619,884 under the corresponding period of the year 1930. The percentage of decrease was 23.3. The similar percentages of decrease in other revenues were: mail 5.4, express 24.2, miscellaneous 18.8.

"Operating expenses in the first six months of 1931 declined 17.2 per cent under the corresponding period of 1930. Assuming the continued operation of all the foregoing percentages, both of revenues and expenses, during the remainder of the year and estimating the freight revenues for the year as we have done, it is found that the net railway operating income of the carriers for the year 1931 will amount to \$553,000,000, producing a return on the basis employed of 2.25 per cent.

AN IMPORTANT BRIEF

Every Frisco employe should read the accompanying article which is a condensation of the cardinal points brought out in the railroads' brief filed with the Interstate Commerce Commission asking for a fifteen per cent rate increase. Many persons on railroads and shipping and traveling over them, do not understand fully, the wide range of reasons why this increase should be granted. By familiarizing themselves with the points brought out in this article, Frisco employes will arm themselves with facts which they may find occasion to use. If additional information is needed, a copy of the general brief, which is a document of sixty pages, will be sent free upon written request. Address your letter to the Committee on Public Relations of the Eastern Railroads, 143 Liberty street, New York, N. Y.

"If the freight revenue for 1931 under existing rates arrived at in the manner we have stated be increased 15 per cent, and if there be deducted from the net railway operating income thereby produced the additional taxes which would become applicable, it is found that the net railway operating income would become \$985,000,000, produced by the net railway operating income under existing rates of \$553,000,000 and the prospective increase in net railway operating income under the proposed rates of \$432,000,000. The return will be 4.01 per cent, as contrasted with an estimate of 3.91 per cent based on the four months' figures available at the time the application was filed."

Concerning the valuation of railway property, the brief points out that "on any conceivable basis of valuation it is manifest from the record that the carriers are falling so far short of earning the fair return contemplated by the law as to make the question of the actual aggregate values of the properties devoted to common carrier purposes unnecessary to determine in this case."

Various alternative suggestions made by different witnesses during the course of the hearings as to how the railroads' financial emergency should be met were dismissed by the brief as impracticable.

One plan, offered by certain opposing witnesses, comprehended the use of railway surplus in order to provide returns for investors. This would mean the distribution of "uncapitalized assets," a procedure which would be entirely unworkable, according to the brief, which goes on

to explain: "Surplus is, of course, from an accounting standpoint, an item on the liability side of the balance sheet. It counterpoises the uncapitalized assets which are included, either in cost of road and equipment or other assets, as the case may be. These assets, generally speaking, are property employed by the owning carrier in its own business. . . . It follows, therefore, that for the carriers to distribute these assets in the form of interest or dividend payments would require the issuance of additional capital obligations to represent the uncapitalized assets whose value would be distributed."

The railroads likewise rejected the suggestion, made by certain shippers, that a "pooling arrangement" might be utilized at the present time. The brief says on this point:

"It is sought by the suggestion of some so-called pooling arrangement to bring this subject within the scope of Section 5 of the Interstate Commerce Act. We are unable to see that it can be brought there because any pool, whether it be 'the pooling of freights' or the division of 'the aggregate or net proceeds of the earnings of such railroads' contemplates that each carrier participating in the agreement shall contribute something to the pool and receive some division from it.

"The mathematics of the suggestion now made, as we understand them, would produce the result that some carriers making contributions could not possibly receive anything and other carriers necessarily failing to make any contribution would receive something." Such a proposal is essentially "the negation of all property rights," says the brief in dismissing the plan.

The brief alludes also to "a suggestion that instead of a percentage increase in all freight rates, a uniform specific charge per 100 pounds, per ton or per car on all traffic should be imposed. This suggestion presents the illusion of equality of treatment, but lacks its substance. It would be impossible on traffic of low value to impose the same amount of increase as on traffic of high value. Raw silk, worth tens of thousands of dollars per carload, would take the same amount of increase as slag, worth a few hundred dollars per carload."

The brief states that an effect of this suggestion would be to lighten the additional charge on long haul traffic and to increase that on short haul traffic, which might be diverted to motor truck transportation, thereby avoiding a substantial part of the proposed increase.

ON TIME WATCHES RUN ON TIME TRAINS

Watches of 4,245 Frisco Employes Inspected Each Month by Ball Co.

TIME is one of the most important factors in the life of every human being. We rise, eat, work, play and live each moment of the day with that element of time, perhaps not foremost in our mind, but always in the background—a goal by which we plan each day, crowding work and play into specified hours.

The first step in starting a railroad is the filing of a time table, and one of the requisites of that railroad is that its men, directly connected with the operation of trains, have perfectly running timepieces. Trains must be met at sidings at the exact second and minute; trains must leave a terminal at the appointed hour, and a railroad's schedule would indeed be in a sorry plight if the trainmaster's watch, or the clock by which he routed trains over the road was five minutes in variance with that of the watch carried in the pocket of the engineer.

Need for precise, accurate timepieces began in 1867. The story of its inception was told to a reporter for this Magazine by O. J. Poupney, assistant general time inspector of the Ball Railroad Time Service Co., whose contract with Frisco Lines to keep the watches of Frisco trainmen and men of the operating department perfectly accurate, was made May 28, 1928. Prior to this time Frisco Lines held a contract for the same work with the Official Bureau of Railroad Time Service, May, 1923. This Bureau, however, was renamed the Ball Railroad Time Service Company on the latter date.

One of the eastern roads had a disastrous wreck in 1867, and on investigating the accident, Webb C. Ball, a jeweler in Cleveland, who was at that time interested in building a watch for railroad service, was called in by the president of that road to sit in at the investigation. The matter of accurate, dependable time was a matter of serious consideration, and from that investigation, time service, or watch inspection, had its inception.

Although it is difficult for the later railroad employes to believe, the old timers will remember that in the old days, prior to 1867, it was a common practice to have the fireman see that the stack of the engine emitted an enormous amount of black smoke, so that trains coming from the opposite direction would know of the approaching train.

It was also common practice for an engineer to carry anything from a hall clock to an alarm clock. But those old methods have been supplanted by what Amos and Andy would term as a "check and double check" system, and today one may bank on the watch of any railroad man in the operating department and in the smaller communities, when the citizens wish to know the correct time, they phone the agent.

There are now six manufacturers building watches which are considered proper timepieces for railroad service. Those consist of 19, 21 and 23 jewel, 5 position, 16 sized watches, manufactured by Hamilton, Illinois, Waltham, Elgin, Howard and Ball companies. However there are still in service today a number of 18 sized watches of 17 jewels and better, that are found in such shape as to be considered safe for use on our railroads.

Time, as we all know, is the essence of all things. The earth revolves on its axis, making a revolution of 360 degrees each 24 hours, therefore the sun is in the same perpendicular position in the same spot once every 24 hours. Taking that spot as a standard point, in calling it 12 o'clock noon, in the city of New York, or the 75 degrees meridian west of Greenwich, then working west each 15 degrees of longitude, we find exactly one hour of time change.

Inasmuch as the earth's travel each 24 hours is 360 degrees, 360 divided by 24 gives us the 15 degrees of change in which the sun would be in a perpendicular position as compared to the earth. It can readily be seen then that it is necessary to adopt a change of time. Therefore, with a change of time in New York City, it would be 12 noon; west of Toledo, Ohio, 11 o'clock; slightly west of Dodge City, Kansas, 10 o'clock; and west of Salt Lake City, Utah, 9 o'clock. If there were no time changes the sun in those different localities would not be in the same relative position as at New York and people in Los Angeles would be arising from their sleep when New Yorkers were eating luncheon, but both having the same time, hence, the necessity for time change by longitudes can readily be seen.

The United States adopted standard

time in 1883, on the initiative of the American Railway Association, and at noon of November 18th, 1883, the telegraphic time signals sent daily from the Naval Observatory at Washington were changed to the new system, according to which the meridians of 75 degrees, 90 degrees, 105 degrees and 120 degrees west from Greenwich became the time meridians of Eastern, Central, Mountain and Pacific standard time, respectively.

By Act of Congress, approved March 19th, 1918, standard time is made the legal time throughout the United States. In addition to the four time meridians already mentioned, the meridian 150 degrees west from Greenwich is established the time meridian of standard Alaska time. Authority to readjust the boundary line between the time zones is lodged with the Interstate Commerce Commission.

In May, 1928, the Commission made a readjustment so as to bring the limits of the zones as nearly half-way between the Standard meridians as the junction and division points of common carriers would permit.

United States Standard Eastern time is used from the Atlantic Ocean to a line through Toledo, Ohio; Norton, Va.; Johnson City, Tenn.; Asheville, N. C.; Atlanta and Macon, Ga., and Apalachicola, Fla.

United States Central time is used from this first line to a line through Mandan, N. D.; Pierre, S. D.; McCook, Nebr.; Dodge City, Kans., and along west line of Oklahoma and Texas.

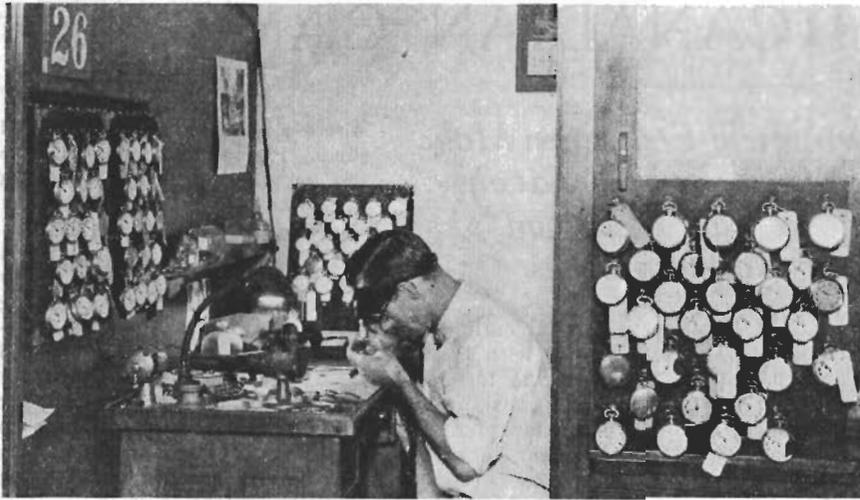
Standard Mountain time is used from the second line to a line that forms the western boundary of Montana, thence follows the Salmon River westward, the western boundary of Idaho southward, the southern boundary of Idaho eastward, and thence passes southward through Ogden and Salt Lake City, Utah; Parker and Yuma, Arizona.

United States Standard Pacific time is used from the third line to the Pacific Ocean.

Almost all countries throughout the world use standard time that differs from Greenwich time by a whole number of hours or half hours; a few countries, however, use standard time based on the longitude of their national observatories.

But so much for the history.

Now let us look at the operation of this time service company. Those employes whose watches must receive



A. J. Perry, watchmaker for the R. P. Wiggins Jewelry Company of 123 No. 18th Street, St. Louis, at work at his desk. The Wiggins' Company is one of the companies handling watch inspection on Frisco Lines. They handle approximately 250 watches a month in their shop, and many of the timepieces seen above are owned by Frisco employes who have left them for inspection.

inspection at set intervals, include roadmasters, division engineers, trainmasters, dispatchers, assistant superintendents, road foremen of equipment, road foremen, bridge and building foremen, water service foremen, bridge inspectors, engineers, firemen (including hostlers), conductors, brakemen, switchmen, yardmasters, assistant yardmasters, train porters and section foremen. In the month of May, 1931, a total of 4,245 employes on Frisco Lines were required to have their watches inspected each two weeks.

To those not familiar with watches, it is interesting to know that there are between 150 and 225 parts in a modern watch and about one-third of this number are screws, of many sizes, some of them not visible without a magnifying glass. Each one is a perfectly machined screw with a cleanly slotted head and an evenly turned thread. There are also other parts of a watch which must be measured to a hair's thickness or less.

Where does the railroad get its time, someone asks? This time comes from the observatory at Arlington, Va., each day at 11:00 o'clock and is used throughout the entire country as standard time. Should you be near a telegraph key at three minutes to 11:00 in the morning, you would hear this service sent over the wires. The service starts at three minutes before 11:00, ticking each second up to and including 28 seconds, then stopping and starting again at exactly thirty seconds, continuing to and including fifty-five seconds. The sounder then stops and does not strike again until exactly two minutes to 11:00. This

same process is repeated for the second minute on up to one minute of 11:00 and the last minute is handled in like manner, except that the sounder stops at 50 seconds, and then ticks exactly at 11:00. This allows the operator three minutes in which to correct his clock, or watch.

The Time Service Company secures a list from each superintendent of the men whose watches require inspection. This list is sent to a jeweler appointed by the company, and as the men come in for watch inspection, proper record is made of their visit. Those who do not come for the inspection each week are delinquent, and names are sent to the superintendent who notifies the men, returning the list to the Ball Time Service Company. Demerit marks are often given by the superintendent for failure to adhere to these rules. Watches of these men are also cleaned and oiled each 18 months.

The Ball Time Service Company has 94 inspectors on the entire line, including the Texas Lines, and in speaking of the records kept on the various railroads, Mr. Popeney stated that the time service performance on the Frisco had been more consistently maintained at a high average, than practically any other road. This record was made possible through the interest which the men have taken.

The Ball Railroad Time Service Company is a large institution, handling 135,000 miles of railroad and in their St. Louis office alone are watch inspection records of 100,000 men. Other offices of this company are located in Chicago, Cleveland, Boston, Winnepeg, Houston and Omaha.

KEY-POUNDING BROTHERS

Telegraphing "Runs in the Family" on Frisco Lines

RAILROADING seems to run in the family, and there have been numerous cases recorded in the *Frisco Magazine* of two, three and five brothers, all of whom served the Frisco at one time, or are now serving. The records of the general chairman of the telegraphers, M. T. Fullington of Springfield, Mo., show that there are more brothers in that service than in any other on Frisco Lines.

Records show that the Singleton family have all identified themselves with this department, G. J. Singleton, agent-telegrapher at Westville, Okla.; H. M. Singleton, agent-telegrapher at Southwest City, Mo.; E. L. Singleton, agent-telegrapher at Gravette, Ark., and O. A. Singleton, agent at Wister, Okla. Their service records indicate 32, 29, 25 and 19 years respectively, or a total of 105 years.

The Carlock brothers are located on the River division, A. B., agent-telegrapher located at Gravois; F. W., ticket agent-telegrapher, Blytheville, and F. M., telegrapher, Hayti, whose service records total 49 years, and Mrs. P. E. Pender, wife of the agent-telegrapher at Steele, Mo., is a sister of these brothers.

Clay and Clarence Smith, twin brothers, are telegraphers at Cape Girardeau Tower and agent at Risco, Mo., respectively, with service records totaling 37 years.

The Zimmer brothers, E. H., agent-telegrapher at Advance, Mo., and W. Zimmer, agent-telegrapher at Matthews, Mo., have service records of 26 and 14 years respectively.

The agencies at Barnhart and Mingo, Mo., are held by the Norrid brothers, J. C., the agent-telegrapher at Barnhart and W. R., the agent at Mingo, with combined service of 33 years.

The Boyd brothers are located at Commerce and Perryville Junction, Mo., where they are agent-telegrapher and agent, respectively, and their service records total 35 years.

W. J. Ludwig, agent-telegrapher at Pocahontas, Ark., with a service record of 8 years is the father of F. R. Ludwig, agent-telegrapher at Biggers, Ark., the latter having been with the Frisco since December 22, 1920.

The song of the telegraph key proved to be irresistible to these men, and proved to be a career for each.

Is record of the number of brothers employed in the telegraph department without equal in any other department?

BATTLE WITH CANADIAN GAME FISH

NOTHING eases a fellow's nerves like a little fishing trip, so most railroad men will tell you, and if there is any universally loved sport among the "rails", it is fishing. Just try to locate one of them on Sunday—ask several of them where they spent the Labor Day holiday, or if fishing has a prominent place in the memoirs of a vacation trip, and an affirmative answer will always be given. The boys in the shops zealously guard records of catching four-pound bass, and if a fellow employe catches a five pound one, the finny tribe are harassed in an effort to break or equal the records made.

There is one Frisco employe in Springfield, Mo., however, who would not be interested if a group of his fellow workers proposed a trip to White River. He's a fisherman of the first order, but he's been spoiled. When you've landed a forty-five pound muskellunge, after a battle lasting an hour and twenty-five minutes, the sport of pulling out a hungry little bass which might weigh three pounds doesn't produce a thrill.

This fisherman, W. P. Gustin, general yardmaster for Frisco Lines at the North Springfield yards takes an annual pilgrimage into the wilds of Canada each summer on his vacation, and he has just returned from one of the best trips he has ever made. Considering that fishing is the universal sport of railroad men, the story of his vacation trip will no doubt be of interest to all true lovers of the sport of pulling in a member of the finny tribe.

On June 30, with fishing tackle

Springfield Fishermen Make Remarkable Catch in Two Weeks on Northern Lakes

oiled, and bags packed with outing clothes, Mr. Gustin, together with H. E. Fitch, and A. Lamb, engine foremen; and C. C. Thompson, assistant yardmaster, all of Frisco Lines left by train from Springfield for Fort Francis, Ontario. There they were met by Drs. U. F. Kerr and T. S. Bruton, physicians of Springfield and Dr. P. C. Hopkins, dentist of that city, and his father, E. J. Hopkins, train baggageman and expressman for the Frisco, who had left several days in advance.

On arrival at Fort Francis the party went to Bruce Lloyd's General Store where a complete outfit, including food, bedding, guides, etc., were supplied them, all of which had been arranged in advance by Mr. Gustin. The guides, four stalwart Indians who knew the country as these men knew their railroad, proved invaluable.

When the outfits had been gathered together, the party drove about a mile

where a 45 H. P. launch awaited them. Placing four canoes on top the launch they left the landing in Rainey Lake for Northwest Bay, thirty-five miles distant.

This country is not inhabited, the only means of travel is by water, and the canoes and bedding had to be portaged a distance of approximately twelve miles between lakes. The country is replete with lakes, and the Indian guides, familiar with the country, knew exactly in what part of each lake the fish awaited them, and also knew the kind of fish to be caught in each.

From Northwest Bay the party went into Footprint Lake where they camped the first night. The Indian guides unrolled the bedding and after erecting tents, laid hemlock boughs inside upon which they spread the bedding. The cool night air, the fragrant hemlock and the sport in which this party indulged, brought on appetites which were amply satisfied by the cooking of the guides.

En route to the first campsite, the party fished while the several portages were being made and caught something like twenty pounds of Wall Eyed Pike, which were fit for a King's critical taste when cooked over the open fire.

Dawn breaks at 4:00 a. m. in this country and darkness does not come until 9:00 p. m. The party arose at 4:00 a. m. and after a breakfast of ham and eggs, fish, potatoes, coffee, tea and raspberry jam they broke camp and started into Jack Fish Lake, where in twenty minutes they caught four Northern Pike weighing thirty-five

The Gustin fishing party seated before a day's catch. Reading from left to right, top row, Alex Morrison (guide), C. C. Thompson, W. P. Gustin, Dr. U. F. Kerr, Fred Mainville (guide), Archie Lamb (standing) and Johnnie Jordon, guide (standing). The four men seated in the bottom row, E. J. Hopkins, Alfred Morrison (guide), Dr. T. S. Bruton and H. E. Fitch.

