

Now add to the \$300,000,000 as the annual cash cost of railroad regulation the \$700,000,000 that should have been invested in railroads but was not, as indicated in the foregoing, and you have the round billion dollars named at the outset as the annual cost of regulation.

But this is only a part of the story. As a matter of fact, the railroads have not even held their own, but have actually been on the decline for the ten years since regulation really became effective. This is shown in a number of ways, any one of which is conclusive.

For instance, gross earnings last December showed the unprecedented increase of \$20,778,954 over the corresponding month of 1914; and yet this was an increase of only \$298,220 compared with December, 1906—surely an insignificant growth for ten years. Actually, it shows a loss of ten years' growth.

In the year ending June 30, 1914, the railroads carried 51,708,500,000 more tons one mile than in 1907, and carried 7,539,943,479 more passengers one mile. To be able to handle this increased traffic the railroads expended \$4,500,000,000 in new capital for additional facilities; yet the increased income was only \$8,550,000 above that of 1907 before the money was spent. After increasing investment by 25 per cent and increasing service by 20 per cent, the increase of income to the railroads was only 1 per cent, the increase upon the new money being a trifle more than one-tenth of one per cent.

Built Only 933 Miles of New Line in 1915.

There is no way to compel people to invest their money in railroad securities. When left to themselves they generally prefer to invest where they will obtain the largest returns, due consideration being given to safety of the investment.

This will explain why for the last ten years there has been a steady decline in new railroad construction. In 1906, 5,263 miles of new railroad were built; for the decade ending December 31, 1915, the

average annual construction was 3,324 miles; in 1915 the new mileage had shrunk to 933 miles.

On the other hand, Canada, with eight millions population to our hundred millions, and with a great war on her hands, built 718 miles of new railroad in 1915 as compared with our 933. If we had kept up to our 1906 record throughout the decade we should have 22,982 miles more railroad than we now have; and if we had kept up for the last fifteen years the 1902 rate of railroad-building we should have 31,876 miles more than we now have.

The shrinkage in new equipment has kept pace with the decline in new mileage. The number of new cars built in 1915 was only 76,061 as compared with 289,645 in 1907, and an annual average of 152,053 for the decade. Of new locomotives, we built last year 2,085 as compared with 7,362 in 1907, and an annual average of 4,239 for the decade.

Less New Equipment, Too.

If we had maintained the 1907 rate of construction for the ten years ending with 1915, we should now have 1,375,919 more cars and 31,225 more locomotives than we now have. At a rough computation, the building of this equipment that we haven't got would have added \$1,200,000,000 to our national income in wages and material, which in the last analysis turns out to be chiefly wages, too.

If you do not think this new equipment and additional mileage is needed, just ask some of the shippers whose freight has been tied up and whose business has been hampered for weeks by the embargoes the railroads have been forced to lay to prevent their lines from being blocked. Ask the steel men in the middle West who live in daily expectancy of being forced to shut down their mills owing to the inability of the blast-furnaces to get coke to keep up the supply of pig-iron.

For the rest of the country has been growing, if the railroads haven't, until it has at last reached the uttermost limit of

transportation capacity. That limit having been reached, other business must perforce halt until the railroads advance. For how is the farmer to get his produce to market without the railroads? And how is the manufacturer to obtain fuel and materials or ship his finished products to market without the railroads?

More Traffic Than the Lines Can Haul.

As Howard Elliott, president of the New Haven, said in a recent statement, "There comes a time when the volume of business that is being done by a man, a steel-mill, a hotel, or a railroad is more than the physical ability of the man or the enterprise to carry on successfully." He ought to know; for when his road was swamped with traffic last fall he tried to borrow locomotives of every railroad east of the Mississippi and north of the Ohio, and could muster but twenty-three.

The only reason for the present state of affairs that has been advanced by any competent authority is the fact that regulation by law has forced revenues down and expenses up until railroads cannot obtain additional capital for necessary expansion of facilities.

In the last ten years railroad wages have advanced 43 per cent, taxes 140 per cent, yet rates have steadily declined. Average freight-rates have dropped from 7.8 mills per ton per mile in 1904 to 7.63 mills in 1909 and 7.33 mills in 1914, while passenger rates have declined from 2.006 cents a mile in 1904 to 1.982 cents in 1914.

The result was that in 1915 twelve railroads, aggregating 20,143 miles, with a total capitalization of \$1,070,808,000, were placed in the hands of receivers. This is by far the greatest mileage and capitalization to undergo receiverships since the panic year of 1893. The total mileage in the hands of the courts in 1915 was 41,988, the capitalization of which was \$2,264,000,000.

Another result was that only 64.39 per cent of the railroads were able to pay any dividends whatever in 1914, as compared

with 67.65 per cent in 1911. The average rate for those that did pay was 7.97 per cent, as compared with 8.03 per cent in 1911.

Yet another result was that 55 of the leading railroads employed 33,039 fewer men in 1915 than they did the year before, and paid \$21,971,695 less in wages.

Bills That Will Cost Hundreds of Millions.

And the end is not yet. Various legislatures are still considering clearance bills; Congress has before it a similar measure. If enacted, it will cost the railroads \$400,000,000. Another bill before Congress proposes to compel all railroads to install block signals within three years, costing probably \$400,000,000 more. All-steel equipment, if rigidly enforced, will cost another \$600,000,000.

Both block signals and steel cars are being provided as rapidly as the railroads can afford it; but if the movement be accelerated by law the cost will be greater, and may even bankrupt some of the weaker roads. Valuation of the railroads is being carried out at a cost of \$50,000,000 in ten years. The valuation will be valueless when it is completed, for railroads are completely reconstructed every twenty to twenty-five years. Data for 1916 will not be applicable in 1926.

While regulation by law is forcing railroad money into unproductive channels and discouraging the investment of new capital as has been shown, the future development of the country demands billions for legitimate improvements. To provide the whole country with railroads, on the New Jersey basis of 30.78 miles of railroad per 100 square miles of territory, will require the building of 679,388 miles of new main line. Even on the Kansas basis of 11.32 miles of railroad to each 100 square miles of territory would require the building of 90,392 miles of main line. And Kansas is not oversupplied with railroads.

In England 60 per cent of the railroads are double-tracked; in the United States 10 per cent. To increase second-tracking

to the English basis would require the building of 126,115 miles more of second track. Add station accommodations, sidings, signal plants, and equipment and existing lines could easily spend a billion dollars a year for the next ten years without adding a mile of new lines.

If the law forbids railroad investments to earn an attractive return, where will the money for railroad development come from?

And if the money doesn't come, how can the country continue to grow?

J. H. Hirsch & Co., 205 W. Monroe St., Chicago, Ills., Manufacturers of caps and uniforms, announced July 28, that a representative of the company was starting for a trip over the Frisco for the purpose of taking measurements for winter uniforms.

There is an Arabian proverb which says, "There are four things which come not back; the spoken word, the spent arrow, the past life and the neglected opportunity."



A demonstration of how employes in all branches of service, who are interested in the road's success, can aid in bringing before the public the attractiveness of the resorts to be found all along the Frisco, has recently come to the attention of The Frisco-Man.

J. D. Trotter, switchman, St. Louis, is president of the Roch Shoal Hunting and Fishing Club, and on more than one occasion, has succeeded in inducing his club to visit points on the Frisco for a day's outing.

On July 20, 1916, the Club made a trip to Richland, Mo., on the Gasconade River, and The Frisco-Man has been advised that the day's catch resulted in more than 200 pounds of fish.

The reproduction herewith, showing a portion of the party boating on the Gasconade, is an evidence, it is believed, that the club made no mistake in choosing an inviting picnic grounds.

The Frisco men in the party were: J. D. Trotter, switchman; Alpha Johnson, brakeman, Eastern Division, and Gilbert Johnson of the B. & B. Department.

FREIGHT CLAIM PREVENTION.

ST. LOUIS TERMINALS.

The first meeting of the new St. Louis Terminal Freight Claim Preventive Committee opened at the Seventh Street Station, promptly at 9.00 A. M., Wednesday morning, July 12, with the following members in attendance:

P. W. Conley, superintendent terminals, chairman; H. M. Robinson, agent, Seventh Street Station; M. H. Rudolph, agent, Broadway Station; R. L. Klein, platform foreman, Seventh Street Station; J. A. Maroney, general yard master, Chouteau Avenue; H. Skelton, day switchman, Chouteau Avenue; Albert Sandoe, night switchman, Chouteau Avenue; T. W. Morris, day engine foreman, Chouteau Avenue; W. T. Dougherty, special agent, Tower Grove; William Kelly, chief yard clerk, Compton Avenue; J. S. McGuigan, division roadmaster, St. Louis; J. B. Gilliam, general foreman car department.

In opening the session Superintendent Conley explained to the committeemen the purpose of separating the joint organizations. He made it clear to the members that no disciplinary action will be taken against any one account of matters reported on postals, citing that this practice has been in effect for two years over the entire lines. During that period 35,971 postal cards were handled and there has not been one case where disciplinary action played a part.

Mr. Conley explained it was the desire of the management that every man appointed a member of the committee attend the meetings, and in case it is impossible for him to do so, he is expected to notify the chairman in ample time, in order that a substitute may be arranged for.

During the reading of the postals the matter of handling tank cars was brought up and quite a discussion resulted.

Several cases have been noted recently where cars received from connections are accompanied with proper billing showing them to be empties—and they are handled as such through the terminals, but upon arrival at their billed destinations it has been discovered that they still contain the original loads and in returning these cars charges are assessed, both ways, and

in every case so far, the consignees (where located within the switching limits of East St. Louis) have tried on technicalities to refuse payment, claiming cars were pulled away from their plant by the switching line, and afterwards they were called upon to furnish billing on the car as an empty.

In order to avoid any erroneous handling in future it was decided that instructions be issued to industries located on the railroad that they furnish a signed switch list for the movement of such empties, in addition to furnishing the proper billing on which to move the cars.

At 11:45 a general meeting was held in the bill office of the Seventh Street Station. Eighty employes were present and were much interested in the addresses made by G. E. Whitelam, superintendent freight loss and damage claims and Superintendent P. W. Conley.

At 10.30 the committee adjourned to the Broadway Station where a successful meeting was held. More than 165 employes were in attendance.

The Committee was instructed to report at Tower Grove at 3.00 P. M. for a meeting in office of superintendent of terminals. At this session the claim prevention circulars issued recently were thoroughly gone into and commented upon by the committeemen.

At the conclusion of the meeting the committeemen went direct to the yardmaster's office, Chouteau Avenue, where interesting speeches were made by H. M. Robinson, agent, Seventh Street and Switchmen Morris and Skelton.

Among those who reported improper conditions and made valuable suggestions were:

W. T. Dougherty, sergeant special officers, H. Wiese, yard clerk, Ewing Avenue; Leo Werner, car repairer; J. P. Reither, clerk, Seventh Street Station; Thomas Francis, car repairer; C. F. Meyer, yard clerk, Chouteau Avenue; E. J. Slattery, yard clerk, Seventh Street Station; A. Gutzman, chief bill clerk, Chouteau Avenue; J. Mitchell, yard clerk

SPRINGFIELD TERMINAL.

The Springfield Terminal Freight Claim Preventive Committee met in regular session Tuesday, July 25, in office of L. N. Bassett, superintendent terminals. J. R. Dritt acted as temporary chairman in the absence of Mr. Bassett who was away on a vacation. The following members were present:

W. P. Gustin, general yard master; J. R. Dritt, agent; B. F. Edmonds, freight car inspector; W. A. Drago, switchman; B. F. Tate, fireman; C. H. Huss, chief yard clerk; J. P. Long, general foreman; J. L. Boyd, platform foreman; F. M. Hall, switchman; R. R. Hogue, engineer; G. C. Donica, check clerk.

The morning session was called to order promptly at 9.00 a. m. and was devoted entirely to outlining the new plan of procedure and a discussion of the statistics and reports received from Mr. Whitlam's office.

It was suggested by one of the committeemen that on any empty coop which appeared to be unfit for use a tag be applied so consignee would understand that it would not be accepted for shipment. This to save the receiving agent from embarrassment in having to turn down the shipment after it had been loaded in the coop by the consignor.

The following paper entitled "Prevent Loss and Damage to Freight," was read by B. F. Edmonds:

To prevent claims it is necessary to have the co-operation of all employes

First: All cars should be inspected and carded for the commodity with which they are to be loaded and should be checked to ascertain each item that is indicated on the bill of lading.

Second: All freight should be properly stowed in cars.

Third: To handle cars with moderation at all times.

If this practice is observed you will find that all freight will reach the platform in first class shape.

The following paper was then read by B. F. Tate:

The value of freight claim prevention cannot be too strongly emphasized. Recalling the old adage, "waste makes want," let us remember that what is wasted in freight claims is wanted in other things. The greater reduction we make in these claims the greater amount of good we will receive in other things badly needed. Of course, to some extent, claims cannot be avoided, as in wrecks, but

this could only be covered under the subject of Safety First. The greatest aid to freight claim prevention is close observation. This part falls mainly to the man that does the loading or unloading. If he sees that a shipment is damaged or about to become so through improper packing or crating the same should be reported or attended to at once.

In switching, the whole crew is responsible. Let every member work in perfect harmony to secure the best results. Let one member become impatient and everything goes wrong—they bump the cars together, jostling things until fastenings become loosened and perhaps breakage results.

Let us avoid this condition just as much as possible. There are other items too numerous to mention, but let us remember at all times harmony, good will and a perfect frankness outweigh at any time discord, selfishness and an unruly temper. Let us all work together to make this the greatest year the Frisco has ever had in the way of "Freight Claim Prevention."

At the meeting at the freight house at 8.00 p. m. the following committeemen made short talks: R. P. Hogue, B. F. Tate, J. F. Long, C. H. Huss, W. A. Drago, F. M. Hall, C. C. Donica and J. W. Boyd.

L. C. McCutcheon, assistant superintendent freight loss and damage claims, followed with a brief but interesting address upon the manner of handling claims, how they are brought about and the prevention of same. A. D. Mills, chief clerk at the freight house also made a short talk.

Among those who reported improper conditions and made valuable suggestions were:

B. F. Edmonds, Karl B. Baxter, J. F. Freeman, J. W. McKee, P. E. Hopkins, J. M. Boyd.

WESTERN DIVISION MEETING.

At the first meeting of the Western Division Freight Claim Preventive meeting, City Hall, Enid, Okla., July 20, the following were in attendance:

A. D. Lightner, assistant superintendent; W. G. Oldham, assistant superintendent; F. A. McArthur, master mechanic; F. E. Bates, assistant superintendent locomotive performance; F. Hinkle, roadmaster; D. C. King, roadmaster; T. F. Jones, acting roadmaster; L. R. Pinix, general yard master; W. H. Dennis, special agent; J. A. Snyder, brakeman; Perry Skinner, switchman; F. W. Morey, conductor; E. E. Penfield, agent, Frederick, Okla.; P. P. Palmer, engineer; Earl Keffler, warehouse foreman.