Industry’s Swift Rise
Finds Railroads Prepared

Years of Progress in Transportation Art
Gird Them to Meet Nation’s Call

IN THE late summer and fall of this year American industry scored one of the sharpest upturns in history. Railroad carloadings soared as never before. For the first time in a decade it seemed possible that the volume of freight seeking transportation might again equal or even exceed the heaviest of the past.

Just prior to the opening of summer the railroads had estimated that, with cars and locomotives then in use, they could handle 25% more business and, by conditioning equipment in reserve, a 50% increase. Actually they did handle a 45% advance, rising from an average of about 600,000 carloadings
per week and culminating in an autumn peak of over 860,000.

Never before were the railroads so abruptly faced with swiftly mounting calls for service. Never have they so decisively established their capacity to meet successfully and completely any demands, present or future, that traffic may make upon them.

That this is so has not happened by chance. It is the result of many years of continuously and progressively developing and improving the art and implements of rail transportation.

Typical of the nation generally is the Pennsylvania Railroad. What this railroad has been doing since the World War, and especially in the last ten years, illustrates what all have been doing. In the latter period, this railroad has made its greatest forward strides in facilities, in operating methods, in quality of service and in capacity to move freight and passengers swiftly, dependably and economically.

In freight handling, this decade has seen a virtual revolution of technique. Over the longer distances whole days have been cut from the time taken to move a shipment. Proportionate savings
have been scored on the shorter hauls. Overnight handling of merchandise has been pushed out to 400 miles or more. “Pick-up and delivery” has provided door-to-door transportation. The average loading per merchandise car has been doubled.

Average freight train speed has been, and is being, progressively stepped up. Even more important, in measuring ability to handle expanding traffic, the transportation work done for each hour of freight train operation—the “gross ton miles per train hour”—has been going ahead still faster.

As service and facilities have been more and more perfected, costs to the public have trended, not upward, but down, and freight rates today average substantially less than in 1929.

Side by side with the advances in freight, progress has marked every feature of this railroad’s passenger service. Many of these improvements, including some of those most warmly applauded by the public, are for the purpose of adding still more comfort and luxury to travel and of increasing the
convenience and beauty of passenger cars and their appointments. At the same time, widespread quickening of passenger schedules over the entire railroad, together with greatly increased ability to maintain regularity and safety of operation, are outstanding contributions to the utilitarian side of the service.

Pullman cars embodying the newest features for comfort and enjoyment of travel, and providing strikingly new forms of private room accommodations for overnight trips, have been assigned to the trains of this railroad’s “blue-ribbon” fleet.

Luxury coach trains on long-distance runs provide, for the thrifty-minded, greatly enhanced convenience and pleasure in riding, in addition to the inducement of largest economy.

Over the entire system, both coaches and Pullmans in all principal trains are completely air-conditioned.

In the same era in which the public has been accorded the advantage of all these forward steps in service and equipment, fares have been drastically reduced.
Over the last ten years this railroad has spent $660,000,000 on additions, improvements and betterments to its facilities for serving the public, including such purposes as the following:

1. Electrification in the densely populated eastern seaboard territory, resulting in quickening and regularizing train movements over the entire railroad and with connections;

2. Enlargement and re-arrangement of many important yards for the prompter and more efficient assembling, classifying and forwarding of trains;

3. Installation of heavier rail, stronger roadbed and improved signaling and safety devices for higher speeds, smoother riding and other outstanding betterments of service;

4. Increased capacity freight cars to permit heavier and more efficient loadings per car and per train;

5. Improvements in design and power of locomotives to get heavy trains, both passenger and freight, over the road faster and more regularly;

6. Adoption of many refinements and improvements in passenger train equipment and operations.

Railroads of America successfully handle the swiftest rise in freight traffic ever recorded in transportation history. Black line, 1939 carloadings; while line, 1938.
The Pennsylvania Railroad System owns and operates 238,000 freight cars, or more than 13% of the total number available to serve shippers at the nation.

In the ten years ending with 1938, this railroad put in service 297 new locomotives, 33,417 freight cars and 684 passenger train cars of advanced design and construction, replacing others of less modern and efficient types. Approximately 38 more new locomotives, 2,500 freight cars and 33 passenger train cars will have been received by the close of the present year, or have been placed on order since the opening of the year. In addition, several hundred other passenger train cars have been, or are being, remodeled into advanced types.

The management believes that this entire record of progress since 1929 assumes added significance from two accompanying circumstances. The first is that it has been achieved during the most severe business depression in history. The second is that it has been carried out in the face of constantly growing competition of other forms of service, which in many ways are subsidized and
otherwise encouraged by government. Representative of the spirit animating the railroads generally, what this railroad has been doing symbolizes the determination of the industry as a whole to uphold its record of unfa\ring advance.

As is generally realized, the volume of traffic since 1929 has not been sufficient to require the active use of all facilities, and part of the railroad plant has remained in reserve. However, the entire property of this railroad has been carefully maintained in such condition that its full capacity can be made promptly available whenever required.

Even in eras of light business, upkeep and repairs on a large railroad consume enormous sums. In the last 10 years, current maintenance alone, on the Pennsylvania Railroad, has cost $1,380,000,000-$475,000,000 on roadway and structures and $905,000,000 on cars and locomotives—\make{to make good wear and tear under use and the effects of time and the elements.}
During the first ten months of the present year, maintenance costs of this railroad have totalled $106,000,000, an increase of 32% over the corresponding period of 1938. In the closing four months of the year, an accelerated program of special repair and conditioning work has been under way which involves the expenditure of $10,500,000 above ordinary maintenance requirements. It includes placing in fully serviceable condition, in advance of actual demand, many additional cars and locomotives, together with similar work on wharves, docks and other facilities at various points on the system lines.

To make good wear and tear, and keep fully abreast of progress, on a large railroad, costs great sums of money. Left, the Pennsylvania's expenditures, over 10 years, in repairing and maintaining its track, roadway, bridges, cars, locomotives and other facilities of service. Right, the outlays for new structures and equipment and other additions and betterments to the railroad plant.
Strongly supporting the confidence of management in the capacity of the railroads to meet any demands which may be placed upon them are the following observations:

1. Throughout the entire era since the World War of 21 years ago, the national supply of freight cars and other facilities has been consistently in excess of needs.

2. Contrary to what may be a general impression, the heaviest demands upon American railroads did not develop during the World War but after it. The carloadings in nine peace years—1920, and 1923-1930, inclusive—were greater than in any war year and averaged much in excess of the entire war period.

3. The railroads and their facilities proved fully equal to handling promptly and expeditiously this heaviest traffic of all transportation experience.

Even the well remembered difficulties with freight during the latter part of the World War were not due to lack of enough cars to move it. The real trouble was the fact that hundreds of thousands of cars were taken and kept out of service by being used for the storage of freight in the Atlantic seaboard territory because they could not be unloaded on arrival. This, in turn, was because the owners of the freight had failed or were unable to obtain vessel space to ship it overseas and could not take it off the railroads’ hands.

As a result, yards and tracks, not only at the ports themselves but for hundreds of miles inland, were choked with loaded cars. Congestion of trackage and terminals aggravated the difficulties resulting from loss of use of the cars.

The situation which ensued was not within the power or province of the railroads to correct. Carefully thought-out precautions against its repetition, however, have been taken.

Prominent among them has been the establishment of a broad “permit” system, set up by agreement between the railroads and industry, under which, in time of unusually heavy freight movement, all commercial traffic will be under complete control and
the flow of cars to terminals will be timed with the arrangements of receivers to unload promptly. War and Navy Department plans, coordinated through the Army and Navy Munitions Board, now provide that government freight, as well as commercial, will not be loaded into cars until provisions are made for prompt unloading on arrival. These safeguards, it is felt, will insure return of all cars to normal service without delay.

Another factor upon which great reliance is placed is the aid of the thirteen regional Shippers’ Advisory Boards. Established in 1923 to provide more complete cooperation between industry and the railroads in the smooth handling of the heavy freight movement of that time, they proved their value at once. Their work has been actively continued and their thorough organization and long experience greatly strengthen the assurance of ability to cope with any traffic flow that may develop.

Among the rail carriers themselves, the organization of the Association of American Railroads in 1934 has been a most important development. It now provides the industry with the means for united action through a single agency, and so affords
a far more effective channel than ever before existed for the railroads to cooperate with one another or with their patrons in meeting transportation problems of any kind.

In addition, by reason of the improvements in physical facilities and methods of operation over the last 10 years, it is estimated that the railroads could handle today the peak freight traffic of 1929 with 350,000 fewer cars than were needed in that year. As a matter of fact, in 1929 they did handle, without interruption or delay, 19% more carloads than in the peak World War year of 1918, with no increase in the number of cars.

Since 1918, the capacity of the average freight car has been increased eight tons, the average locomotive has 43% more pulling power, freight trains move 64% faster and the hourly output of transportation of each freight train—the “gross ton miles per train hour”—has been considerably more than doubled.

Conviction that the railroads will prove equal to what may be asked of them does not mean that their problems have been solved. It does mean that they are doing a good job in meeting today’s needs for service and will do a good job with whatever tommorrow may require. But that does not lessen the fact that they could do a still better job, present and future, if the shackles of subsidized competition were struck from them by the adoption of a sound national transportation policy to end the chaotic and wasteful conditions which are chiefly due to the lack of such a policy.
Measures are now before Congress intended to accomplish these ends. They will need further careful consideration and refinement before being ready for final action.

Business and industrial production have given the unmistakable signal that they are ready to go ahead again on a broad scale. Transportation should now be in position to function most effectively, and this will be best assured by terminating subsidies and favors, on the one hand, and removing hindrances on the other, to the end that every form of transport service, in free and equal competition with every other form, may, by natural process of selection, find the sphere in which it best serves the public need. This is all that is meant by the "square deal" in transportation for which the railroads have been asking.

To these considerations is now added the question of national defense. For the country to be secure, a strong and vigorously functioning system of railroads is recognized by the highest military and naval authorities as indispensable. In that view, the pending railroad bills take on an aspect broader than economic reform alone, however sorely needed. In equal degree they constitute vital defense and security measures.

From either viewpoint, the time was never more opportune for Congress to remove the handicaps against the railroads, so that they may give their full strength and unimpeded capacity for progress to the service and safety of the nation.

"A fair field and no favor" for all forms of transportation is railroads' only plea.