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operation, but he has told the President and Congress that he is unwilling to recommend it under present conditions. He is uncertain what the future of the industry will be, and doubts that anyone can even approximate the fair value of its property. He apprehends, however, that if the Government were to take over the lines now the courts would fix a price on them which future earnings would not justify. Hence, he counsels patience for the present, "reserving," he adds, "the right to change my mind."

"In the surveys thus far conducted by Eastman's staff and the carrier committees working under his supervision, particular attention has been devoted to the following problems:

1. Consolidation and unification of shops and terminals to eliminate unnecessary facilities.
2. Installation of lighter and more economical passenger equipment on short runs to compete with busses.
3. Gradual replacement of present freight cars with modernized types of equipment calculated to lower operating costs, offer stiffer competition to trucks and vans, and thereby recapture lost traffic.
4. Pooling of equipment to reduce the hauling of "empties."

Mr. Eastman was asked to describe the possibilities of more economical equipment and replied as follows:

"It is comparatively simple to determine what is needed," he said. "How to pay for it is another matter. To compete with the busses for passenger traffic on short runs, the railroads need short, light, comfortable trains, employing economical motive power. They should supplement this with their own bus service - as some have done already. Within a month I shall have a complete report on passenger traffic covering the entire country.

"The problem of freight traffic is even more pressing. We have the spectacle of 50-ton freight cars rolling across the continent with three or four tons of freight, and returning empty. To move a net ton of freight, the railroads now move two and a half gross tons. The cost of handling the free load is actually greater than that of handling the pay load.

"Another expensive peculiarity which distinguishes American railroads from those of other countries is the huge size of the trains. Since a chain is no stronger than its weakest link, a freight car must be strong enough to drag a load 450 times its own weight. It is imperative that the freight car of the future must weigh less than one-fifth of its maximum load, instead of one-half."

Again quoting Mr. Anderson:

"J.R. Turney, former St. Louisan, who was vice-president of the Cotton Belt route until Eastman made him head of his section

W.L.M. King Papers, Memoranda and Notes, 1933-1939
(M.P. 26, J 4, volume 220, pages C149883-C150385)

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