

annual expense of materials and labor for tending an oil lamp.

Thus it is evident that there are several ways of eliminating oil switch lamps, depending on local conditions and the requirements of the service. The savings in operating expenses certainly justify immediate investigation of the problem on many roads.

COMPETITION

Government Subsidies Give Unfair Advantage

TO EVERY railway employee, the critical situation now confronting the railroads is of very direct concern. Many have been laid off; not a few have had their salaries or wages reduced; and others are working part time. Yet with all these measures and with many drastic cuts and, in not a few instances, the complete elimination of returns to stockholders, the net return of many of the roads is still so small as to jeopardize the continued approval of their securities as legal investments for banks and trust funds. The effect of this situation is so far reaching that it becomes the concern of every railway employee to so fully inform himself regarding the causes contributing to this situation that he can, in turn, acquaint those with whom he comes in contact with the facts.

Government Aids Competitors

Not the least important influence that is contributing adversely to the welfare of the railways is the support that is being given by the government to competing agencies of transportation—a policy that is gaining momentum and is becoming increasingly menacing to the railways. Take the Panama Canal as an illustration. Built by the government of the United States with public funds, it opened a new route for the movement of traffic between the eastern and western seaboard, which has been utilized for the transportation of vast tonnages of freight that formerly moved by rail over the trans-continental lines. Faced with the loss of this traffic to the competing route made possible by government aid, the railways have long endeavored to put into operation rates between these coast points sufficiently low to retain for themselves a large part of this traffic. They have, however, been met at every step by the refusal of the Interstate Commerce Commission—another agency of the government—to permit such reductions unless they at the same time reduce the rates to interior points proportionately. This stipulation would result in such a drastic reconstruction of the entire rate structure and in such a drastic reduction in the income of the roads, that they cannot accept it and long remain solvent. As a result they have been forced by one agency of the government to allow much needed traffic to be diverted to another route, made possible by still another agency of the government—and built at public expense.

Government Competition

Still more unfair is the present movement for the extension of our inland waterway system with the chan-

nels built and maintained at the expense of the taxpayer. The government has itself engaged in transportation by the operation of a barge line on the Mississippi and Warrior rivers in direct competition with the railways at rates which do not even pay the direct cost of operation alone, even though no taxes are levied, while the right of way and, in a large measure, the terminals as well, are provided without charge, and the salaries of some of its executive officers are charged to still other accounts. Hence the public, through taxation, pays not only the deficits incurred in the operation of the government barge lines, but likewise the cost of channel and terminal maintenance, etc., in order that the traffic of a few favorably located shippers may be moved at a cost below that of rail transportation.

Equally menacing and unfair are the public contributions which are made in such large sums for highway construction today, to provide rights of way over which buses and trucks may operate in largely unregulated competition with the railways. These highways, built at public expense, are at once available for use by such common carrier buses and trucks, enabling them thereby to compete actively with the railways for both passenger and freight business. The railways must not only provide their rights of way, tracks and structures, but must also maintain them and make good the wear and tear—all out of earnings. The highway vehicle, on the other hand, makes no investment in roadway and pays a grossly inadequate sum for its upkeep. In support of this statement one need only call attention to the fact that in 1929, \$1,646,030,433 was expended on rural roads, of which less than 42 per cent was met by special motor vehicle and gasoline taxes, leaving a burden of \$958,300,081 to be paid by the general taxpayer. Here again the public is contributing to the support of an agency that is competing with and taking traffic away from the railways and thereby depriving railway employees unfairly of their source of livelihood.

Basis of Complaint

No one can complain rightfully of competition, providing it is on a comparable and equitable basis. It is only when the competitor is given an unfair advantage that there is ground for criticism. The railways are not contending for the elimination of competition by water and highway, but are only demanding that the agencies using these facilities pay a proper proportion of the costs of the right of way and terminal facilities provided for them and that they be subjected to comparable regulation as to character and reliability of service, stability of rates, etc. If and when such measures are taken and the railways are then unable to retain their traffic, they have no recourse. Until competition is placed on such a basis, they and their employees, are subjected to unjust discrimination to their detriment.

With a government organized as ours is, and with representatives chosen to act for the best interests of their constituents, it behooves railway employees to work individually and collectively for the education of the public at large, in order that they may select those representatives who have a fair appreciation of the position in which the railways and those that depend upon them for their livelihood, have been placed.