W. E. Kennedy Named Building Manager

Docks Manager W. E. Kennedy assumed the additional duties of Building Manager during the month.

The job of looking after management of the General Office Building in Mobile formerly fell upon Treasurer G. M. White, whose present illness prompted the decision to shift the position to Mr. Kennedy.

Mr. Kennedy, incidentally, celebrated his 74th birthday on June 12, and for more than 55 of those 74 years he has been a railroad man.

Blackie Meets Rebels Looking for Sailor Master...

"Blackie" is on hand just about every time one of our streamlineds rolls into the Trendley Avenue East St. Louis station, wagging his tail in a friendly greeting or perking up his ears as though he were meeting someone.

The persons who work at the station say that Blackie came there last November, following a group of sailors who entrained on The Rebel. The story goes that Blackie bade the boys goodbye and decided to wait until they return — the supposition is, of course, that one of the sailors was his master.

But whether that be the case or not, one thing is sure — Blackie is a greeting committee of one for dogdom. He's a pretty black-haired animal, mostly Chow, and has built up an enthusiastic following at Trendley. He helps Assistant Special Agent Check patrol the area at night, and in the daytime between train arrivals is busy keeping his friendship with everybody at the freight and passenger stations in good shape.
Trains That Are Power Plants Ready For War Use...

An electric power plant in the form of a train, for use in the Invasion territory where the Germans apply the scorched earth policy to power stations while in retreat, has been built in the United States and is to be sent overseas, according to the Associated Press. The fantastic eight-car train has a production capacity of 5000 kilowatts of electric power, enough for a city of 10,000 persons. It was built by Westinghouse Electric and Manufacturing Company, which has nine other such trains in production. Besides, 24 three-car trains are being constructed for use in reconquered areas, it was said.

The Rebel Route representatives down in Jacksonville, Fla., are in new offices, moving four stories down in the Lynhe Building, from 1208 to 508.

'What Hath God wrought!'

The past month was a significant one in the history of railroading. May 24th marked the 100th anniversary of the first practical application of the telegraph. It was on May 24, 1844, that Samuel Finley Morse, an American artist of note who knew comparatively little about things mechanical and electrical, saw his fondest dream come true when he sent the now historic first telegram—'What Hath God wrought!'

Not for Storage...

Freight cars are made for movement and not for storage. That is the reason they are on wheels. To waste the time or any part of the capacity of a car to carry a load in wartime is not merely a mistake, nor simply a sin, nor a minor misdemeanor; it is a crime.

—Col. C. D. O'Neal, Transportation Officer, Quartermaster's Depot, United States Army.

President Tigrett Addresses Mobile Rotary Club

President Tigrett delivered an address before members and guests of the Mobile Rotary Club during the month (May 25.)

In a somewhat humorous vein, Mr. Tigrett traced his career as a railroad man, and commented briefly upon world conditions. His talk was well received by the audience, and he was presented by Willard H. Jernigan, President of the Club.

Coincidentally, a guest at the same luncheon was President James B. Hill of the Louisville and Nashville Railroad. A number of officers and employees of GM&O were guests at the meeting also.

In his early days as a railroad president, Mr. Tigrett said he observed the unusual abilities of a young man then in the employ of the NC & St.L. Railroad. He offered this young man a job, but the offer was turned down. That young man was President Hill of the L&N!

Tributes Paid in Death of A. F. Saunders at Mobile

A. F. Saunders, who began his railroad career at 15 years of age 24 years ago, died during the month (May 27th) following a short illness. He held the position of Clerk at GM&O's Mobile Freight Agency at the time.

Mr. Saunders, a native Mobilian, was known for his devotion to duty. Fellow employees, joining in expressions of sympathy, offered a funeral wreath fashioned into the GM&O winged emblem, with white flowers on a red flowered background.

"The loss to our organization in Mr. Saunders' death," said Agent Clem Lang, "was a great one and felt deeply by all of us. He was always smiling, and working."

Burial services were held May 30, with interment in Pine Crest cemetery. Surviving Mr. Saunders are his widow and two children, Arthur, Jr., and Richard.

Dawson In New Job

Manager of Purchases and Stores H. E. Warren announces that D. E. Dawson has been appointed Acting General Storekeeper during the illness of General Storekeeper G. H. Therrell. Mr. Therrell's many friends in the Mobile General Office and along the line are hoping for him an early return.
Taking Rock from the Earth Is Big Business on Our Line

The largest rock quarry in Southern Illinois is located on our line at Columbia, Ill.

Last year it produced more than a million tons of rock, 75 per cent of which went for war purposes.

For the past 40 years, it has been yielding tons of rock each day which is crushed into various sizes for use in construction work, road building, railroad ballast, and for agricultural purposes.

Surrounded by wheat fields and picturesquely situated in a basin among beautiful Illinois hills, the Columbia Quarry Company employs some 150 men, operates its own little railroad within the plant and has a modern stone crushing plant powered by electricity generated on the grounds.

GM&O hauls trainloads of the rock out of the quarry to various points along the Railroad. Tons upon tons of agstone (rock crushed fine into agricultural limestone) move to farms in the South for use as a soil builder.

The Columbia quarry is headed by E. J. Krause, President of the Company who maintains an office in St. Louis. Other officers include Vice-President and Treasurer W. E. Schmidt, Vice-President (Sales) H. C. Krause, and Secretary A. J. Elliott.

The men on the scene at Columbia responsible for the plant's day-to-day operation are Superintendent E. A. Heise, Billing Clerk Ray Heise (brothers), Timekeeper Ray Schmiede, and Quarry Superintendent P. Giana.

Mandeville Agent Dies. Daughter Succeeds Him

Agent Sidney J. Thibodaux of Mandeville, La., who had represented our Railroad at that post for 32 years, died May 16 at the age of 73.

Mr. Thibodaux was a native of Bœuf, La. He had been ill for several months. Funeral services were held at the residence and Our Lady of the Lake church in Mandeville, with burial in Mandeville cemetery. Survivors include his widow, a daughter, three brothers and a sister.

The daughter, Mrs. P. Esquinaces, has been named Agent to succeed her late father.

LAND OF ROCK!

Top photo shows an overall view of the Columbia Quarry Company, with crews drilling away at the rock cliffs in the distance. Next picture is that of loading a gondola for a GM &O rock train, after the stone has been put through the huge crusher which resembles a grain elevator. The trio of men are Plant Buck, E. A. Heise, Timekeeper Ray Schmiede and Billing Clerk Ray Heise. At bottom is GM&O's Agent T. K. Krause of Columbia, shown as he bills a solid trainload of rock.

The Fred B. Smith of Ripley, Miss., who was keynoter of the Democratic convention for Mississippi is none other than our Counsel at Ripley.

Telegrapher T. B. Smith of Murphysboro, Ill., died recently following a lengthy illness at the Missouri Pacific Hospital in St. Louis. Mr. Smith had been stationed at Murphysboro for many years.

Dispatcher Mathes Nielsen Walker of Jackson, Tenn., who began railroading back in 1888 and that's 56 years ago—retired on June 1.

Butera Now Commercial Agent

In announcing a number of Traffic Department promotions last month, we inadvertently overlooked that of F. J. Butera of Chicago. Mr. Butera was promoted from Freight Traffic Agent to Commercial Agent, as announced by Assistant Traffic Manager I. H. Wente. His raise in rank was effective on May 1. We extend our belated congratulations.

— Buy More War Bonds —

They Bowl 'Em Over

GM&O's entry in the St. Louis Women's Traffic Club Bowling league capped first place and a handsome trophy which is on display in our offices in the Chemical building there.

Fighting an uphill battle in the campaign, the GM&O women nosed into first place on the 23rd week of a 35 week campaign, and held it until the windup recently. There were eight teams in the league. And in addition to first place honors in the standings our entry won a number of individual honors.
'Dad' Giddens, Veteran Conductor. Retires After 35 Years

When ‘Dad’ Giddens reached the retirement age of 65 last December 4, he decided he’d carry on until war’s end despite the fact that he had 35 years service.

He was making good on his promise and the first four months of 1944 found him taking his regular runs on The Rebel as Conductor between Jackson, Miss. and New Orleans, where he is well known in each town along the way. However, his physical condition led him to go to the Missouri-Pacific Hospital in St. Louis early last month, and doctors there advised him to retire.

Dad was rather mournful about the matter as he lay on his hospital bed in St. Louis, thinking of leaving his friends and associates on the Railroad. But on May 9th—the day he actually asked to be retired from active service—the mail brought a cheering package from those persons who have known and worked with Dad so long.

‘An otherwise sad day was turned into a happy one,’ commended Conductor Giddens after he received a handsome present—a billfold with a drawing of The Rebel engraved on the outside, his service record engraved on the inside, and a photograph of his young grandson also on the inside. Attached was a message from those who love him so much.

A number of his friends, including crew members, who knew he had gone to the hospital for a rest got together and sent him the present, with details being handled by Dad’s contemporary on the trains, Conductor M. A. Tate. So well liked is Dad that passengers

(Continued on Page 5)
C & O's STREAMLINERS, FIRST FOR THE SOUTH, BEING RECONDITIONED AT BOGALUSA SHOPS...

With a view toward maintaining our passenger service at its usual level, the trio of streamlined Relebs that run between New Orleans and St. Louis are being given a general overhauling at the Bogalusa Shops.

Under the direction of Master Mechanics J. K. Rogers, the Relebs are being repaired and repainted, and in some cases redecorated. When they take to the rails as they are completed, they'll look like new trains. Air-conditioning units, Diesel motors and all other moving parts are being set in perfect order, with experts of our Bogalusa shops and from Mobile and Jackson, Tenn., contributing their part.

The photos above represent only some of the people who are taking part in repainting the South's first streamlined trains.


2. INSIDE BUFFET CAR—Car Foreman Frank W. Reagan and Car Clerk George N. Wolfowetz inspect the interior of one of the cars after it has been refinished.

3. TOUCHING UP THE MOTOR—Machinist Helper J. W. Jenkins cleans up the Diesel engine.


5. CHECKING LIGHTS—Electrician N. R. Yarbrough installs a new fluorescent lamp in coach.

6. REPAINTING THE TRAIN—Painters Luther S. Crew and John J. Sullivan touching up the observation car, Ole Man River. (Painting was done mostly by sproxyn, however.)

7. RELETTERING EXTERIOR—Painter Crew, with a steady hand, repaints the streamlined's name on observation car.


9. GRINDING NEW WHEELS—Machinist John W. Suton watches the wheels as they are ground down to fit the rails.

10. CHECKING UP ELECTRICALLY—Electrician Samuel P. Conwell and H. P. Stevens on the job.

Former Employee Wins Award for Ingenuity

The Mobile Air Service Command (Brookley Field) has honored one of our former employees for his ingenuity in making a device to aid the war effort.

He is Paul Scott, who was employed by our Railroad for 19 years prior to joining the Mobile Air Service Command. He was presented an Award of Merit and $50 by Brigadier General James A. Mollison, Brookley Field commanding officer, for devising a gadget to test bearings for inlay in the bombsight bearing test gig. This device is now in use at the field.

The award to Mr. Scott was one of seven in which a total of $810 was presented to civilian employees at the field.

Mrs. Diehl Passes

The many friends of W. J. Diehl, our Purchasing Agent, learned with sincere regret of the death of his wife, on May 23. Mrs. Diehl died after a short illness. Funeral services were held May 25, with interment in Fairhope. A daughter, Mrs. James Coil, and a son, Master Sergeant Robert Diehl of the Army, survive Mrs. Diehl, in addition to Mr. Diehl. The Rebel Route News extends sympathy.

'Dad' Giddens Retires

(Continued from Page 4)

who heard that he was ill asked to be allowed to contribute to purchasing the gift.

Conductor Giddens is the oldest conductor on the Louisiana Division of our Railroad, both in point of years and service. He is one of the pioneers of the New Orleans Great Northern Railroad, which was built in the early part of the century as a logging line, and which became a part of our system some 15 years ago.

The name of Giddens, so long familiar on the southern end of the line, won't be missing, however. Dad's son, Wiley, is a Brakeman following in his father's footsteps. He has three other sons, one in the Navy, and two daughters. Mr. and Mrs. Giddens make their home at 317 Wacaster Street, Jackson, Miss.
GM&O-er Was in Jap Hornet's Nest — And Didn’t Know It

GM&O boys are fighting the enemy all over the world these days. One of the best evidences of this is the story from the South Pacific concerning Sergeant Ovied L. McMillan, Jr., a former Clerk and son of O. L. McMillan of our Mobile Accounting office.

Ovied was literally sitting in a hornet’s nest one day and didn’t know it. But let him tell it in his own words:

"I was at an advance airfield checking over my P-38 Lightning. The field on which I had been was shelled sporadically by the Japs for some days, but the Nips were far from my thoughts as I climbed into the cockpit and started warming up the engines.

"I was inside the cockpit for about five minutes with my head bent low checking over the different instruments. When I finally glanced out there wasn’t a man in sight. I remember wondering at the time what happened to all the ground crewmen who’d been around just a few minutes earlier. ‘They must have all gone to eat at the same time’ I thought.

"There was a column of smoke at the far end of the runway and in a nearby foxhole I spotted the tops of a helmet. There were tools laying on the ground near some of the planes.

"Nobody needed to tell me what had happened then. The Japs had been shelling the strip while I was in the plane. The boys in the foxholes sure must have thought I was brave... or foolish."

Orville Snow, formerly of the Transportation Dept. but more recently of Uncle Sam’s Army, writes from England to his old friend Sam Shelby in the local Freight Traffic office that “I will try to bring you something from the battlefield if I get there.”

Giving Leisure Time to Uncle Sam

—These three members of our Mobile Accounting Dept. are serving their country in after office hours duty with the U. S. Coast Guard, in the Volunteer Port Security Force which patrols the waterfront docks and other facilities. Left to right, they are W. H. Duffee, Seaman 1st Class, C. L. Schneidell, Boatswain’s Mate, and F. T. Jones, Boatswain’s Mate.

Lauten’s Son In Service

Ensign William Robert Lauten, son of Assistant to the Vice-President Ray Lauten, is serving somewhere in the Pacific with our Navy. Ensign Lauten won his commission last August at the Northwestern University Men’s University Midshipmen’s school, and saw service at Miami, Key West and San Francisco before heading for the South Pacific. He was graduated from Spring Hill College in April of 1943.

D-Day has passed. How long it is until V-Day depends upon how well all of us do our daily tasks and to what extent we buy bonds.

Sergeant Robert W. Frazier, Jr., former Gulf Transport Truck Operator, has recently been promoted from corporal. Robert, son of the Cashier of our Meridian agency, is stationed at Pope Field, Fort Bragg, N. C. His wife and child reside in Meridian.

Ranger Smith Reported Prisoner of War In Italy

Private Clyde E. Smith, a member of the rough-and-ready U. S. Rangers who was reported as missing in action about two months ago, is a prisoner of war, according to information received by his parents.

Ranger Smith, formerly of our Mobile Accounting Dept., saw action in Italy, and when captured was engaged in action on an advance post of the Italian front. He is said to be working on a farm and in good health at present, according to the information released by the German government.

First Sergeant E. N. Norris of the Air Forces, son of Morris of our Accounting Dept., and himself a former employe, has been enjoying the gulf breezes at home again.

Larry Engel, son of Commercial Agent A. J. Engel of Atlanta, was graduated from junior high school with honors recently, being one of three with perfect grades for three years... and, too, he won an American Legion medal for the best essay in the school on a patriotic subject... quite a feat when you consider there are about 2000 students in the school.

Charles Lombard, in the Coast Guard since last summer, writes that he’s attending radio school in Atlantic City, N. J. Charlie was in the Passenger Dept. before joining the service.

Pvt. P. A. Joulian, formerly of the mail room and now an MP in the Army in England, writes that he is the father of a boy... His wife and son are in Detroit.

Cadet Capt. Paul Brock, the son of our Vice-President, and Gen. Mgr., shown in the photograph leading his company in a competitive drill among University Military School cadets, was graduated with honors on Thursday, June 1, and left Mobile the following Sunday to enter college at Auburn, Ala. Besides winning a diploma, young Brock won many awards including: American Legion medal, Julius Tutwiler Wright scholarship medal, and the Lyons memorial for best all around boy in the high school.
Public Relations Defined!

Whenever we are asked what the words "public relations" mean and to what extent employees should go in pleasing customers, we are reminded of one of Mr. Tigrett's early railroad experiences along these lines.

Just named president of GM&N (now GM&O) he was making a trip over the system emphasizing the necessity for politeness on the part of the personnel, when one veteran conductor asked him, "Look here, Mr. Tigrett. How far do you want us to go with this courtesy and politeness business? One day last week an old lady and a little child got on my train and when I went around to take up their tickets, the child was bawling. Remembering your suggestion about making friends with the public, I gave the child a piece of chewing gum and I said to the old lady, 'Madam, won't you have a piece?' 'Well, I don't care if I do,' she answered, 'but I don't have no teeth and you'll have to start it for me.'"

Mr. and Mrs. Proud Parents of the month are the E. A. Chapmans . . . E. A., Jr., made his debut on May 12 at Providence Infirmary in Mobile while Papa Ernest (our New Orleans Division Passenger Agent) was enroute from the Crescent City.

Friends and associates of L. R. Bryan of the Tariff Bureau joined in condolences recently on the death of Mrs. Bryan, who had been ill for some time. We add our expression of sympathy.

†

SERVICE HONOR ROLL

MAY, 1944

OPERATING DEPARTMENT:

Mary E. New, Caretaker, Leaf, Miss.

Miss L. Brown, Clerk, Louisville, Miss.

Felix M. Ainsworth, Brakeman, Bogalusa

Richard Edgar Owens, Picker, E. Louis

Willie L. Warner, Yard Clerk, Bogalusa

RICHARD LEWIS, CHARLES JONES, FIREMAN, BOGALUSA

ROADWAY DEPARTMENT:

Eugene Parker, Sec. Lab., Lauderdale, Miss.

Wm. A. Triplett, Sec. Lab., Murphysboro

JEROEM LEWIS, SEC. LAB., BRENT, ALA.

MECHANICAL DEPARTMENT:

Charlie G. Delamus, Mach. Appr., Tuscaloosa

John R. East, JR., Mach. Appr., Meridian

J. P. Eddle, Pipefitter Hpr., Jackson, Tenn.

Walter C. Hill, Mach. Appr., Louisville, Miss.

Oscar W. Hemmer, Car Oiler & Packer,

Tolson, Ill.

Victor C. Pinson, Car Oiler, Union, Miss.

GULF TRANSPORT COMPANY

James Burrag, Water and Grease Boy,

Louisville, Miss.

As Engineer McKeeough Ended

46 Years of Railroading

When Engineer C. H. McKeeough of the Montgomery District made his final run before retiring recently, he was met by a number of persons, including Mrs. McKeeough, who offered congratulations. Left to right in the photo, made at Tuscaloosa, are: Engineer C. H. Villar, Road Foreman of Engines J. H. Sanders, Engineer L. G. Wallis, Engineer M. H. Hayas, Mrs. McKeeough, Mr. McKeeough, Engineer J. H. Watson and Engineer F. S. Cone. Mr. McKeeough rounded out 46 years of railroading, most of which was on the GM&O and M&D. He now resides at Theodore, Ala., where he enjoys good health.

Telephone time is precious . . .

Some of us are guilty of needlessly prolonging conversations, both local and long distance.

If we edit our thoughts before we place a call that is, think over what we’re going to say, we may be able to save a lot of time and trouble.

Traffic on the company’s carrier or “radio” system phones has been especially heavy, and since this medium is dependent upon to transmit a lot of interdepartmental business, we should take especial care to be brief.

Where information is asked for that will require some time to obtain, make it a point not to hold the line, but have your party to call back.

Yes, telephone time is precious.

Our Motto

One for all and all for America

Let this our motto be:

We’ll strive to keep it to the end
In all we do or say

In work, in play, in all we do
Our motto still holds true:
It’s one for all and all for one
In all we do or say

To friend of man, or foe of man
We’ll be brave and true;
And keep our motto to the end.
In all we do or say.

—Miss Mary Anna Johnson,
Editor’s Note: Miss Johnson is the daughter of Roadmaster W. M. Johnson at Union, Miss. She is employed in Jackson, Miss.

THE MAIL TRAIN

Pleasant Trip

Dear Mr. Chapman:

Many thanks for your very kind co-operation yesterday. I had a most pleasant trip to New Albany in Lower 7; the assistance you gave me was truly appreciated. It is just such personal service as you gave yesterday that will continue to make friends for your Company and they will be remembered long after the war, when service will again be the keynote of all those who wish to succeed.

Yours very truly,

W. L. Crull, Jr.,
Motion Picture Advertising Service Co.,
Jackson, Miss.

Service Our Best Advertising . . .

Sirs:

A very good friend of mine from Portland went to Columbus, Miss., to see his son receive his wings. He missed his connections at Chicago and through your Mr. Barnard at St. Louis was treated royally and given good accommodations the next day. He was most enthusiastic about the extreme courtesy which was extended to him by everybody on your railroad and particularly the hostesses, who made his trip exceedingly pleasant by some little attentions which

were out of the ordinary.

(Editors Note: The above is an excerpt from a letter received by Mr. Tigrett from a Chicago friend.)

Here’s Proof That Courtesy

On Trains Is Appreciated . . .

My dear Mr. Tigrett:

It is with great pleasure that I write you about one of your valued employees—Mr. Tate, conductor on the "Rebel."

I have been traveling on this train ever since I have lived in Mississippi—going to New Orleans. Through the years Mr. Tate’s kindness and courtesies have been outstanding. Now when travel is so burden-some and crowded, Mr. Tate has remained the same kind, pleasant, cheerful person—always glad to see you and always a friendly greeting. You know that really means something.

I think, personally, he deserves special commendation from your friends—so I, for one, am expressing to you my appreciation. You see, to me, he symbolizes the Railroad he represents.

Thanks for Mr. Tate and the "Rebel."

Very sincerely,

Gladice M. Westfall,
(Mrs. Paul C.),
Prentiss, Miss.
POST-WAR PAYROLLS

One day last week we were in Starkville. Downtown streets were crowded and stores were filled with shoppers. Long lines awaited their turn at the savings windows of the banks.

It was payday for one of the big creameries in the territory and a striking example of what a regular payroll will do for a community of moderate size.

Approximately $180,000 had been paid to farmers for milk and Industrial Agent Robison likened the scene of activity to “circuit day,” remarking, however, that there the similarity ended... for one brought the money in and the other took it out.

The same day we stopped by Prairie, site of the big Proctor and Gamble munitions factory. Here we saw some three or four thousand young men and women, skilled in all types of work from intricate machine jobs to clerical ones, busily engaged.

The two scenes suggest great post-war possibilities. There will be many more skilled workers when the boys who have been maintaining our planes, tanks and ships come home.

Now is the time to do something about these things. The Railroad’s Industrial Department, headed by T. T. Martin, is active and is receiving a wonderful response from Line communities.

Let’s all work, talk and think in terms of post-war payrolls.

TRACKSIDE FIRES CAN BE REDUCED BY MORE CAREFUL ANTI-FIRE CHECKS

As railroad workers we should be doubly interested in preventing forest fires. First because forestry products account for a large percentage of our revenue—$6,226,622 in 1943—and secondly because fires starting along the right-of-way cost the company heavily in claims—$5,000 the past year.

There are many ways in which we can combat this despoiler of timberland, which is said to be more potent than the ax. Locomotives are, of course, the greatest offender, causing 14 out of last year’s 68 fires for which claims were filed. All engine crews should be careful to check on spark arresters.

Puseses are another common cause and especially so in dry weather. Transportation men are urged to see that they do not fall where they can cause fires.

Section crews can also do their part in preventing fires. When burning old crossties and other debris care should be taken to see that the flames do not spread.

Many of the large lumber companies are taking an active interest in fire prevention and are working with our roadmasters and section foremen. Roadmaster Nichols of the Montgomery Division and Roadmaster Smith of the Louisiana division have especially commendable anti-fire records.

Let’s everyone get fire conscious. Less fires mean more money.

Switch Foreman Tony Cella of Cairo has been ill and confined to the hospital in St. Louis... We wish him a speedy return.

Miss Berry Appointed Chief Hostess On Rebel Route...

Miss Merle Berry, who was made Chief Hostess during the past month, is shown above being congratulated by Conductor W. H. Christman as the two completed a run recently at our East St. Louis Trendley Avenue Station.

With trains crowded and almost all passengers traveling under unusual emotional stress due to the war, Rebel Route representatives have additional obligations to the public. As chief hostess, Miss Berry will direct the activities of nine regular hostesses who will continue to see that war passengers and their families travel comfortably and without delay. Though she will make occasional runs, Miss Berry will have an office in St. Louis, which is headquarters for the hostesses.

Railroad Net Earnings Going Down But Extension of ICC Rate Increase Suspension Not Being Opposed

Despite the downward trend in railroad net earnings which started nearly a year ago and still continues, the railroads of the United States will not oppose the extension for a further period of six months of the Interstate Commerce Commission’s order suspending the increased freight rates which were in effect in 1942. John J. Pelley, President, Association of American Railroads, announced recently.

Because of increases in wage rates and in the prices of materials and supplies, operating expenses of the railroads in 1944 are running some 535 million dollars a year higher than in 1943. Of this increase, approximately 135 million dollars is due to increased prices, and 400 million dollars to higher wages and payroll taxes. As a result of these rising operating expenses, together with higher tax rates, railroad net earnings began to decline in June, 1943, shortly after the increased rates were suspended, and have been going down ever since.

In their return to the Commission’s order to show cause why the suspension should not be extended for the remainder of this year, the railroads point out that constantly increasing operating expenses and declining net income may make it necessary for them to apply for an increase in general rate levels prior to January 1, 1945.

In addition to the uncertainties as to trends of traffic and expenses, the railroads have to consider also the special uncertainties as to the future level of rates on the vast government traffic on which reduced charges are now made on account of land grants. Action of Congress on the Boren bill to terminate these deductions, the passage of which was recommended last week by the Interstate Commerce Committee of the House of Representatives, will materially affect future decisions as to the general level of rates necessary to maintain efficient and adequate railroad service.