President Tigrett’s Condition Improved

Although he was able at times to be on the job, President Tigrett’s illness, continuing since June, finally resulted in the necessity of a major operation. It was performed at the Missouri Pacific Hospital at St. Louis on September 25.

He has suffered considerably but the latest report is that he is progressing satisfactorily. Barring complications, he will move the latter part of this month to his home in Jackson, Tennessee for a recuperation period of two or three weeks before returning to the office.

He has this message for the NEWS: “No matter how long and hard I may try I am sure I cannot adequately show my gratitude for the interest and the many kindnesses which have been manifested in my behalf, both by the fine lot of men and women who work with me and those other friends who are not connected with the GM&O.”

Gulf Transport Awards Four Safety Emblems

Vice-President J. I. Gilliken of the Gulf Transport Company announces the following safety awards have been presented during the month of September.

2-year award—Truck Operator C. M. Poe.
3-year award—Truck Operators M. B. Easley and H. B. Stanford.
7-year award—Bus Operator Paul Brantley.

Rebeliners Initiate New Jackson, Miss. Service

On October 15, the first cream-and-green Rebeliners entered Jackson, Miss., marking the beginning of through service from New Albany, Miss., and Beaumont, Miss.

The service, which was approved by the Circuit Court of Hinds county following an appeal from another carrier of a previous approval by the Mississippi Public Service Commission, affords Gulf Transport intrastate rights into the capital, with closed doors between Newton and Jackson.

On its first run, the service received the enthusiastic approval of patrons along the route. In Forest, members of the high school band met the inaugural bus, and the Rebeliner was welcomed by Agent C. R. Shuttleworth.

The new schedules depart from Beaumont at 9:53 AM, arriving in Jackson at 1:40 PM and from New Albany at 7:05 AM, arriving in Jackson at 1:30 PM. Return schedules depart from Jackson at 4:20 PM (northbound) and 5:10 PM (southbound), arriving at New Albany and Beaumont at 10:10 PM and 9:10 PM respectively.

Two of GM&O’s newly-delivered freight units on the turntable at Venice, Ill. These two units are part of a 20-unit order now being delivered, which will bring the year’s total of units to 36.

In addition to fourteen freight units, six 1500 h. p. road switchers make up the total of the present 20-unit order.
Gulf Transport Moves
To New Office Building

Members of Gulf Transport’s general office moved into their new brick-tile office building on October 1. The new offices are occupied by the Gulf Operating, Passenger Traffic, Accounting and Maintenance Departments.

The building, which is located at 505 S. Conception St., Mobile, is of modern design with iron grill-work around the door. Wide picture windows overlook the street and the carefully landscaped yard.

Six offices are included in the building, in addition to a reception room and a large general office.

The new building is adjacent to the garage and parking lot, thus consolidating the facilities of the highway subsidiary, affording greater economy and convenience of operation.

Cecil Garey Named Manager
Of National Biscuit Office

Mr. Cecil Garey has been named manager of the Mobile office of the National Biscuit Company, replacing Mr. L. P. Bulderson who retired. Mr. Garey was formerly with Nabisco’s Memphis office.

W. B. Hahn Completes
25th Year Of Service

Division Freight Traffic Manager W. B. Hahn, Jackson, Tenn., completed his twenty-fifth year with the GM&O on October 1. Mr. Hahn, who has been in Jackson since May 1, 1944, began his rail career as a Rate Clerk in 1924. Prior to his transfer to Jackson, he served as Commercial Agent at Montgomery.

Newspaper Praises
Rail Industrial Service

Many persons regard the railroads merely as a means of transportation and, primarily, that is just what they are. But they also are forceful community workers, striving unceasingly for the betterment of the communities they serve.

(Continued on Page 4)

Who Has A Stake
In The Railroads?

Who owns the railroads of the United States—and who has a stake in their welfare and solvency? The answer is: Practically everybody.

That’s a big statement, but it is easy to prove. First of all, some 2,000,000 people own railroad stocks and bonds.

But that’s only the beginning. More than half of all railroad securities are held by insurance companies, banks, and educational institutions and foundations. Thus, every person with a saving bank account or an insurance policy has indirect ownership in the railroads. And the income from railroad securities is an important factor in keeping many of our most distinguished universities going.

Naturally, the public interest in the railroads is not limited to such financial considerations as these. Every farmer and every business depends upon swift, efficient and reasonably priced railroad service to move crops and goods to market. Every consumer is served daily by the railroads, whether he realizes it or not.

Every unit of government shares in the billion a year tax bill the rails pay.

The railroads are a national asset we couldn’t do without—an asset in which all of use share in one fashion or another.

—From the Jackson (Tenn.) Sun.
Two New Industries Locate
In GM&O Territory

Two new industries, one in Meridian and the other in Tuscaloosa, have begun operation in the GM&O territory.

Division Freight Traffic Manager Leslie Farrell joined with other business leaders in Meridian to welcome the General Box Company, which recently located in the city. This plant occupies approximately 164,000 square feet of floor space.

Newest industry in Tuscaloosa is the Logan Long Roofing Company, manufacturers of asphalt shingles. The new plant is the company’s first in the south. Its headquarters are located in Chicago.

New Playing Cards, Calendars
To Be Made Available

New playing cards and 1959 calendars are now in production and will be available to employees and patrons of the GM&O in the next few weeks.

The playing cards, which will be sold on dining cars and ticket offices along the system, are of the popular bridge size.

The cards are available in two colors, one red and the other blue, the cards are gilt-edged and trimmed in gold. The GM&O insignia is imprinted on the back. The decks are individually packaged in attractive red suede box bearing the GM&O insignia and the company name.

The calendar cards, which will be available for distribution in December, feature GM&O freight and passenger trains and carry the slogan, “A good idea for 1959, as always—Ship and Go, GM&O.”

Macoupin Editor Praises
GM&O Courtesy, Service

“We came down from Chicago on the GM&O’s Ann Rutledge, and I couldn’t help but remark at the courtesy and friendliness of everyone on that train from the porter who helped us on with our bags and helped us find our seats, to the conductor and hostess who stopped to inquire about our destination and to ask if we were comfortable... Perhaps Bus Howard and the crew on the Ann Rutledge have spoiled me, but I do resent it when a utility employee or public official assumes to use tactics similar to those common to cattle herders.” — MACOUPIN COUNTY ENQUIRER, Carlinville, Illinois.

Railway Age Of 1877
Located By George Bennett

A bound file of copies of Railway Age for the year 1877 was located recently by George Bennett, evaluation department, when he was revising the old M&O files.

Among the many interesting and unusual articles and advertisements is a description of the “Enos Self-coupling Draw-bar”, which is heralded as the latest development in car construction, and an advertisement for a new passenger car ventilator, manufactured by the Winchell car ventilator company.

This latter development is described as “an air chamber in the roof of the car, extending from one end to the other with a hood or opening at each end covered with wire gauze, preventing the admission of smoke, dust or cinders through the open window.”

A short story reports the release of a prominent “scalper” who had been indicted for the “scalping” of Chicago & Alton tickets, while another issue outlines the plan of the same railroad to extend its line from Mexico, Mo., to Kansas City. Officials of the road decided to “commence the work this season and finish it next year.”

New Commercial Agent
Named For Mobile

Eugene B. Kelly has been named Commercial Agent in Mobile, according to a recent announcement. Prior to joining the GM&O, Mr. Kelly was Traffic Manager for A. A. Corte & Sons, Loxley, Ala., and is a veteran of 13 years railroad ing prior to that time. He served in the freight and passenger department of another railroad in both New York and Mobile.

Retired Engineer Dies
After Long Illness

Retired engineer Wesley C. Nelson, Bloomington, died after two years illness. He was born September 7, 1864, and had been railroading from 1885 to the time of his retirement in 1937. He is survived by his wife, four sons and two brothers. During his active service, Mr. Nelson served on the Abraham Lincoln between Chicago and Bloomington.
Louisiana Passenger Compliments Rebel

Dear Sir:

Sept. 25th and 26th my wife and I were passengers on your train No. 1, St. Louis to New Orleans, La.

We cannot refrain from commenting on the fine service on this train.

As I was just out of the hospital with both legs broken and unable to handle myself well, I looked forward to the trip with anything but pleasure.

But the kindness of your conductor and porter began with the beginning of the trip and continued throughout the journey. We were made comfortable in every way, riding, eating and sleeping and arrived New Orleans feeling fine.

We enjoyed every mile of the trip and we appreciate the courtesy and interest shown in our welfare.

Yours truly,

A. P. Colvin,
Tioga, La.

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Joliet Writer Praises GM&O Commuter Service

(The following article is an extract from the column “Commuters’ Commentary,” by Rosan Trizna, in the Joliet Spectator.)

One day last week we rode home from Chicago to Joliet on the Alton, which, incidentally, leaves Chicago from the Union Station. It was hard to believe . . . that this was also a commuter train. The seats on the Alton are upholstered, there are double windows with inner windows that open, double doors to eliminate drafts, clean toilets, clean window sills, luggage racks overhead with coat hooks, wide comfortable seats that permit the rider to stretch out and clean aisles.

Edward “Whitey” Benning is one conductor on the Alton who has captured the hearts of all the commuters. One ride with him and you know why. He has been known to share his sandwiches with travelers. Whitey is an all around friend to all of the commuters and Alton riders who come under his wing.

Brakeman Jim McConnell from Joliet is another Alton employee who is well liked by the commuters.

“And from Mr. X, our Lockport informer, we received the statement, ‘Commuters sleep sounder on the Alton.’ That’s as good a commercial as any we’ve ever heard.”

Newspaper Praises Rail Industrial Service

(Continued from Page 2)

There is one phase of railroad service which is little known to the public. The railroads spend great amounts of money annually to promote industrial development of cities and towns within their orbit. Yet, their accomplishments are seldom trumpeted.

The roads’ industrial agents work quietly, and behind the scenes, to attract new industries, and when they have succeeded they usually step into the background and allow the municipal officials and civic leaders to take credit for the achievement. The purpose is to build up potential freight business but in so doing it is building the community and the state.

This is just another example of the importance of the service rendered by all the railroads to the state and nation and, therefore, to you.

—Galveston (Tex.) Tribune.

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In connection with GM&O’s modernization program, the last of an order of 500 new gondolas are delivered. Shown above is part of the shipment which was made earlier. Of the order, 478 have already been delivered.
A Salute to The GM&O
(To the Tune of Oklahoma)
Welcome to you, and we hope that
you'll enjoy the ride.
We have planned and worked, and
never shirked.
To bring you closer to our side.
Smile away your blues and let us
take it from there.
And we promise you a pleasant trip.
If you place yourself in our care
Oh, our Railroad is tough, so are we
and loyal we always will be.
And so we say, come and ride our
trains today.
We're only saying, we're in the
know, fellow.
Travelers ride the GM&O.
Patricia Vachon
Chicago Telephone Operator.

Bolivar Bulletin Outlines
Falkner, GM&O History

W. M. Matthews, Bolivar, Tenn., is the
author of a recent article describing
the life of Colonel William C. Falkner, found-
er of the predecessor of the GM&O, and
tracing the history of the present system.
The beginning of the GM&O in North
Mississippi, according to Mr. Matthews,
began in 1872 with the construction of
the Ripley, Ship Island & Kentucky, be-
tween Ripley and Middleton, Tenn. Short-
ly thereafter, the line was extended to
New Albany and Pontotoc and the name
changed to the Gulf & Chicago.
At the time its was surveyed in 1872,
the right-of-way was 100 feet wide and
operated only five miles into Tennessee.
In 1905, the narrow gauge line between
New Albany and Middleton was widened
to standard gauge. It was in this year
that the first through passenger trains
were run from Louisville to Middleton.
In 1906 the line was entered into Mobile.

"After World War I," Mr. Matthews
writes, "the road was returned to private
ownership and under the able leadership
of J. B. Tigrett, who became president in
1920, the road was destined to grow into
one of the strongest of the nation's car-
riers."

It was in 1947 that the line consolidated
with the Alton, and the three thousand
mile trunk line system extended from
the Great Lakes to the Gulf of Mexico.
Thus, "the modest little railroad from
Middleton to Ripley became the part of
the great system. Falkner's dream had
been fulfilled beyond his wildest hopes.

"It was chiefly through the foresight
of President Tigrett and his friends that
the feat was accomplished."

In comparing the two men who created
the system, Mr. Matthews says, "When
Continued on Page 6"

Market Experts Tour
Deep South Markets

In an effort to develop a greater inter-
change of farm produce between Illinois
and the deep South markets, and to de-
termine southern consumer preferences
for midwestern farm products, two represen-
tatives of the Illinois agriculturists
toured the principal southern markets last
month with General Agricultural Agent
A. F. Stephens.

As good-will tokens, the two represen-
tatives brought samples of Illinois apples,
which are currently being harvested in
that state. Other products, not in season
at the present time, include corn and other
summer vegetables.

Milton C. Guether, of the Division of
Markets of the Illinois Department of Ag-
riculture and R. A. Kelly, fruit and veg-
etable marketing expert of the University
of Illinois, talked to jobbers and brokers
in New Orleans, Montgomery, Mobile, and
Birmingham, in an effort to determine
consumer preferences. Illinois produces
such varieties as Delicious, Jonathon, Gol-
den Delicious, Roman Beauty and Wine-
sap. Principal apple producing counties
in Illinois are Calhoun and Union, both
located on the GM&O.

Highlight of the tour was a visit to the
office of Alabama Governor James E. Fol-
som, where the group presented a basket
of apples to the Alabama Chief Executive
on behalf of Illinois Governor Aldai Stev-
enson. In Mr. Folsom's absence, the gift
was accepted in his behalf by Executive
Secretary O. H. Finney.

For each pound of fuel used in freight
service, Class I railroads moved an aver-
age of 8 tons of freight and equipment
one mile in 1940, or an increase of 12.5
per cent compared with 20 years ago.

Illinois Starking apples are presented to the Alabama Gov-
ernor by the two "Apple Ambassadors." Shown left to right, are
State Senator Joseph Langan, Mobile; GM&O General Agricul-
tural Agent A. F. Stephens; Illinois Division of Markets Repre-
sentative Milton Guether; Executive Secretary O. H. Finney; Ala-
bama Director of Marketing Arthur Heustess, and Illinois Mar-
How Well Do You Know Your GM&O?

Do you recognize the yard scene pictured above? The photograph shows one of the GM&O's fastest-growing industrial centers, and one of the most important terminals on the system. The community has a population of approximately 50,000 and is the site of a foundry, chemical plants, paper mills, and numerous other industries.

This view, looking to the south, shows the yards as they appear from a highway bridge approximately one-half mile from the center of the yards. If you are unable to identify the community, turn this page upside down for the answer.

GM&O, Gulf Transport Passes Extended To December 31, 1950

GM&O annual passes issued for the period 1948-1949 will be honored to and including December 31, 1950, according to an announcement by Vice President and General Manager G. P. Brock. Term passes showing expiration date prior to December 31, 1949, will not be honored after the date shown on such passes.

Annual passes for the years 1946-1949, issued by Gulf Transport Company have similarly been extended, announces Gulf President C. B. Whitlow.

Both officials have requested the return of passes in the possession of persons who are no longer entitled to use them, so that they may be cancelled.

School Principal
Compliments GM&O Service

(The following letter was written by Professor Laurence C. Jones, principal of the Piney Woods Country Life School located at Piney Woods, Miss. The school, which was started by Professor Jones to bring practical education and opportunity to the southern Negro, is famous throughout the south. An article which appeared in Reader's Digest estimates that the facilities of the school reach 15,000 Negroes annually, through extension courses and regular classes.)

Dear Mr. Tigrett:

On August 23rd I had the pleasure of leaving Meridian and going to Chicago on your lovely train departing Meridian at 7:00 p.m. I say lovely not only because of its being such a nice looking train outside and inside but also because of the nicely arrayed car for my people.

The conductors and porters all seemed to be solicitous of the welfare of the colored as well as the white passengers.

I especially noticed the efficiency of the young lady stewardesses whom I learned is a grand daughter of my late friend, who was editor of the Jackson, Mississippi, Clarion-Ledger—Col. R. H. Henry.

She seemed very kind to the colored women and their children and solicitous of the welfare of every body.

When she learned that I was founder and principal of Piney Woods school, she told the stewardess at St. Louis that I was on the Chicago train and to do anything to make my journey pleasant.

If she is that thoughtful concerning a minor character like myself, she must be a wonderful asset to your major passengers.

Most respectfully yours,
Laurence C. Jones,
Piney Woods, Miss.
Motorists' Interest In Railroads Described By Railroad Hour

The following commercial message was introduced on the railroads' 53rd radio program which presented Jerome Kern's SHOWBOAT and was broadcast from Hollywood on October 3, 1949:

Of all the people in the United States, few have a greater stake in the continued successful operation of railroads than the owners and operators of the 7½ million trucks and the 33 million automobiles in this country.

To begin with, America could not have built, and could not now maintain and operate, its motor vehicles if it were not for the basic low cost mass transportation of raw materials and finished products provided by the railroads.

Moreover, the great American network of highways could not have been built, and could not be maintained today, without this same underlying transportation service.

But railroads play an even more intimate day by day part in the satisfactory use of motor vehicles in America's fine system of highways. They do this by moving freight on their own special highways of steel rails, 645 billion tons of freight service— that is, transportation equivalent to carrying 645 billion tons one mile. In the same year, intercity motor trucks performed only one-eighth as much transportation service. With the already overcrowded conditions on our highways, just imagine what the motorist would be up against if any considerable part of the traffic which moves by rail had to be carried by highway transport.

Well that's one way to look at what railroads mean to motorists. And that's why it is so true that the more the nation's freight is moved on the special steel highways of the railroads, the less will be the wear and damage to the public highways, the lower will be the cost of building and maintaining those highways, and the greater will be the satisfaction and safety with which motorists can make use of them.

Hostesses, Train Crews Establish Tradition Of Railroad Hospitality

Hostesses and train personnel on the GM&O have long since become accustomed to seeing children waving from the right-of-way, and from the inauguration of the REBEL, the sight of youngsters rushing to greet one of the streamliners has become commonplace.

However, the eager faces of the youngsters gave Hostess Mary Henry an idea. To demonstrate her friendliness, she began to distribute candy to the children who met her train when she passed through Boostertrum, Miss., where the largest group of children met the train. As a result of her one-woman campaign to build good will for the GM&O, today the REBEL usually finds a large audience of youngsters standing by the tracks in the Mississippi community.

Youngster Greets Train

In Macon, Miss., engineers usually receive a highball from a small boy, now about eight years old. It started about three or four years ago, when the youngster's parents presented him with a lantern. Now, each evening, the small figure, accompanied by one of his parents, trudges out to greet the crew of the Rebel as the train makes its way northward.

Generous Crews

Nearly everyone is familiar with the story of Gracyn Perelson, the girl from Lovejoy, Ga., who was presented with a trust fund of more than $4,000 for artificial arms to replace those which she had never had, and to assure her an education in the future. A railroad engineer, Henry R. Lee, collected money from his fellow workers to build this fund.

Other examples of the generosity of railroad personnel often is unreported. In one case, a small girl's pet cat was killed by a train. A few days later, a crack passenger train stopped, and the engineer climbed down to present her with a new black Persian cat.

At Antisah, Ill., firemen were fighting a losing battle with a blaze which was raging in one of the churches. Just at the crucial moment, the well ran dry. A rush call was made to the nearest railroad, which dispatched a locomotive tender to the scene, where the fire was quickly quenched with 3,000 gallons of water from its tender.

Well-Known Charity

One well-known charity of the railroads is the Hobo Basket. It is an ordinary wooden type of basket, but it has done some big things. Like its namesake, it "bums" around the country collecting money for the "March of Dimes" campaign to fight infantile paralysis. Last year it traveled more than 10,000 miles on 18 different railroads, visiting 20 states and the District of Columbia and collected a total of $11,494 from railroad men.

Mobile Press Features Home of C. M. House

A recent issue of the Mobile Press featured a page of pictures showing the interior of the home of General Superintendent of Motive & Car Equipment C. M. House. Completely furnished in the modern decor, the home is referred to as one of the most modern in the city.

Railroads move daily ten tons of freight one mile for every man, woman and child in the United States.

Approximately 1,200 freight and passenger trains start their runs from all over the United States every hour of the day and night.

When District Freight Agent R. N. Sinclair visited California on his vacation, he and his son toured the 20th Century Fox Studios in Hollywood, resulting in the picture above, which was made on one of the sets. In commenting on the picture, Mr. Sinclair said, "You see, I can't stay away from railroad stations, even on a vacation." "Big Squaw" the railroad station in the background, was built for the picture "Fancy Pants."
Independence, Missouri — Engineer M. Stanley Hall was the first man ever given a Masonic degree by the now President Harry S. Truman. This was back in 1913 when Mr. Truman conferred all of the Blue Lodge Degrees on Mr. Hall.

Mobile, Alabama — Assistant to Controller L. A. DeOrnellas and Mrs. DeOrnellas are the parents of a baby girl born on September 21, 1949. They have named the baby Anna Kathryn.

Jackson, Mississippi — Wilson E. Barnes, former brakeman on the Alabama Division has moved to England, the home of his wife's family. While in the army, he married an English girl, and they decided to return to her home due to illness in the family. Superintendent Currie described Mr. Barnes services for the GM&O as "entirely satisfactory."

Memphis, Tennessee — Mr. Norman R. Nelson in the Memphis office was married to Miss Norma J. Nichols of Memphis, on September 6, 1949.

Mobile, Alabama — A girl, Martha Jane, was born on September 16, 1949 to Mr. and Mrs. J. G. Cassidy, Jr. Mrs. Cassidy formerly worked in the Disbursements Department, and Mr. Cassidy is a revision clerk in the receipts department.

Mobile, Alabama — Mr. and Mrs. Blandina V. Patterson are the parents of a girl, Nancy Claire, born September 24, 1949. Mr. Patterson is a revision clerk in the receipts department, and Mrs. Patterson was former secretary to Mr. Yost, auditor of disbursements.

Mobile, Alabama — Mr. Alton A. Anderson, clerk in the disbursements department, and Miss Edith Thornton were married on August 20, 1949 at the First Baptist Church at Prichard, Alabama.

Tuscaloosa, Alabama — Mr. William L. Bush, a GM&O employee, has been appointed a member of the Tuscaloosa City Civil Service Board. The new member fills a vacancy caused by the resignation of another GM&O employee, Mr. Charles McGill, who was transferred to Meridian, Mississippi.

Mobile, Alabama — Mr. William J. Thorough, clerk in the disbursements department, is the father of a girl, Patricia Gray, born September 16, 1949.

Mobile, Alabama — Mr. Howard Cummings, clerk in the passenger receipts department, was married to Miss Grace Lucas of Greenwood, Mississippi on October 8, 1949.

**Holiday Passenger Praises Gulf Transport Service**

Following Labor Day trip from St. Louis to Chester and return, Miss Mary Louise Brown, Springfield, Ill., wrote President C. B. Whitlow praising the courtesy of two Bus Operators. Her letter said in part:

"I refer particularly to Mr. Niehaus, driver of the bus from St. Louis to Chester on September 2. It was the usual holiday crowd, impatient and thoughtless, but his patience and kindness were marked indeed.

"On the return trip, Mr. Baebler was likewise very courteous. Your company is to be complimented on its choice of such persons as part of your personnel."

**Conductors**

Conductor E. M. Hasselle, Engineer R. C. Beasley and Fireman J. A. Woodrich, pose in front of the Rebel.

**Commendations**

Conductor H. DeLong, Slater, Missouri, is commended by Superintendent J. R. Conerly for alertness in discovering a brake beam down and notifying the crew of the train so that the train could be stopped for temporary repairs. Mr. Conerly commended Conductor DeLong for this efficiency displayed in making the close inspection of a passing train.

Conductor H. Roe and Brakeman H. Allen of Roodhouse, Illinois were thanked by Superintendent B. V. Bodie for service rendered in connection with the recirling of an engine at Carrolton, Illinois. Conductor Roe and Brakeman Allen were sent to relieve the crew of the derailed engine, and were of considerable assistance to these carmen.

Engineer H. S. Craig and Fireman Shelton Bates of Bloomington, Illinois were complimented by Superintendent B. V. Bodie for their alertness in discovering an automobile wheel and tire on the track in time to bring their engine to a stop without mishap. Messrs. Craig and Bates removed the wheel and took it to Bloomington with them, where it was turned over to the Special Agent. Superintendent Bodie commended this fine example of railroadmen among his employees.

Conductor S. Sneed of Roodhouse, Illinois was thanked by Superintendent B. V. Bodie for discovering a broken rail and calling it to the attention of the sectionmen for prompt repairs.

Operator O. B. Elam of Rives, Tennessee was written by Superintendent W. H. Forlines that on several occasions he had had occasion to commend the watchfulness of Operator Elam for his watchfulness of freight trains passing Rives. On September 7, Mr. Elam again earned approval for observing two hot boxes and notifying the conductor in passing. The train was stopped and necessary repairs were made as a result of Operator Elam's alert action.

Operator C. M. Gaither of Atlanta, Illinois was thanked by Superintendent B. V. Bodie for close attention and prompt handling in connection with Mr. Gaither's discovering of a brake beam down and signalling the train crew to stop. The brake beam was removed from the car and the train proceeded without mishap as a result of Operator Gaither's thorough inspection.
Retired From Active Service

Superintendent B. V. Bodie advises that Freight Agent M. Millard of Bloomington, Illinois, retired from service with the GM &O on September 30, 1949. Mr. Millard entered service of the former Chicago and Alton Railroad during 1910 at East St. Louis, Illinois. He held various positions in the Accounting Department and Operating Department until he was appointed Freight Agent at Bloomington on October 1, 1941. Mr. Millard is sixty-five years old.

Effective October 3, 1949, Switchman E. D. Terry, Jackson, Tennessee, retired from active service with the line. Mr. Terry entered our service on June 11, 1967. He has two children, Edward D., Jr., who is vice-president and cashier of the First National Bank at Jackson, and Elizabeth Anne Terry of Thomasville, Ga. On commenting on Mr. Terry’s retirement, Superintendent Forlines said, “He was an outstanding employee, sincere in his duties at all times, and popular with his coworkers.”

Superintendent J. R. Conery advises that Mr. J. W. Yost, Laddonia, Missouri, retired from GM&O service effective October 15. Mr. Yost entered the service of the former Alton Railroad on September 11, 1916 as Agent-Telegrapher. He reached the age of 70 on August 31, 1949. Although expressing the regrets of the Company on losing a good employee, Superintendent Conery congratulated Mr. Yost on taking a well earned rest.

Trucker John White, Freight House, Corinth, Mississippi, retired effective October 1, 1949. Trucker White was born January 1, 1863, and entered GM&O service in October 1912.

DECEASED

Engineer Roy James Campbell, 311 N. 15th St., Murphysboro, Illinois, October 1, 1949. Engineer Campbell entered GM&O service on April 1, 1903 when he was employed as a fireman on the Murphysboro District. He was promoted to Engineer on July 22, 1917 and became qualified for passenger service on March 12, 1945. He was sixty-five years old.

Conductor Fulton L. Cherry, at the Missouri Pacific Hospital in St. Louis on Oct. 2, 1949. Mr. Cherry entered the service as a brakeman on October 1, 1920 and was promoted to conductor on August 9, 1941. He was born on December 2, 1896 and is survived by his wife Mrs. S. L. Cherry, Benson, Arizona.

Retired Conductor S. A. Jones at New Albany, Mississippi on September 12, 1949. Mr. Jones entered the service as a brake-}

Engine Foreman’s Daughter Discovers Profitable Hobby

Marilyn Jean Berres, 17-year-old daughter of General Enginehouse Foreman R. P. Berres, Venice, has found a profitable outlet for her talent as an artist—hand painted neckties.

Miss Berres, who is pursuing her studies at art school in St. Louis, painted her first tie nearly two years ago. Although her more recent ties depict landscapes, floral arrangements and similar designs, for her first tie she chose a GM&O motif. The design features a GM&O diesel loco-
Actual Costs Of Government Water Transportation Revealed

Dean Russell, a member of the staff of the Foundation of Economic Education, has written an interesting report on TVA since its beginning. He says that the study has been made because “future government actions should be guided by a critical analysis of past government actions.”

The following is a chapter from the article on TVA’s NAVIGATION PROGRAM and should be of interest to every taxpayer and especially to users of transportation and transportation employees. It shows the actual cost of TVA “free” transportation on the Tennessee River.

Copies of the entire report can be had by writing:
THE FOUNDATION FOR ECONOMIC EDUCATION, INC.
IRVING-ON-HUDSON, NEW YORK

Single copies are 75c, (twenty-five copies $16.25) and larger amounts at proportionate costs.

So far, the total construction cost that TVA has allocated to its navigation program is $149 million. The operating expense charged to navigation in 1947 was almost $3 million. This does not include the yearly War Department, Coast Guard and dredging expenses for operating and maintaining the TVA locks and related services. In 1947, this additional cost was about $900,000.

Are these the proper amounts that should be charged to navigation? TVA claims that they are. But TVA decides how much cost it wishes to allocate to what.

One method of arriving at the true cost of TVA navigation is to use the test of alternatives. That is, how much would it cost to build a complete navigation system all by itself? It would seem that the portion of total cost which TVA now allocates to navigation should be less than the cost of a separate navigation project.

Fortunately, for purposes of rough comparison, the Army Engineers made an estimate of the cost of a separate navigation project for the Tennessee River in 1930. This report to Congress concerned a contemplated project to do navigation on the Tennessee River just what TVA later did. The estimate for the total project was $75 million. Yet, in a period of much lower construction costs, TVA allocated $149 million for the project. This correspondingly reduces the costs charged to power production, permits lower electricity rates to TVA customers, and puts a larger share of the load on the taxpayers.

TVA is exceedingly proud of the many new river terminals it has built or helped pay for along its 3-foot deep, 650-mile long water-road. But the main selling point used by TVA to induce shippers to use the Tennessee River water-road is the claim that it is “free.” The fact that the cost of operating this water-road is paid by the taxpayers is not so well advertised.

The total cost of maintaining navigation on the Tennessee in 1944 was about $7 million. In 1947 it was about $83.5 million. This includes the actual annual maintenance expenditures by TVA and the Army—plus the estimated interest on both maintenance expenditures and capital investment. Using these figures for total costs, let us see how this works out as a cost per ton-mile of freight actually handled on the river. The following table shows this cost. It also shows the average cost of freight handled by the railroads in that area.

<table>
<thead>
<tr>
<th>Ton-miles of freight on Tennessee River</th>
<th>Estimated cost per ton-mile</th>
<th>Average rate per ton-mile on railroads in the Southern region</th>
</tr>
</thead>
<tbody>
<tr>
<td>1944 159,405,634</td>
<td>4.37 cents</td>
<td>0.976 cents</td>
</tr>
<tr>
<td>1945 258,465,193</td>
<td>2.38 cents</td>
<td>0.953 cents</td>
</tr>
<tr>
<td>1946 192,005,241</td>
<td>4.13 cents</td>
<td>1.000 cents</td>
</tr>
<tr>
<td>1947 350,000,000</td>
<td>2.45 cents</td>
<td>1.094 cents</td>
</tr>
</tbody>
</table>

According to these figures, it would have cost shippers about one cent per ton-mile to ship by rail. Therefore, from 1944 to 1947 it cost taxpayers from 2.45 cents to 4.37 cents per ton-mile to make a gift of one cent per ton-mile to shippers using the TVA water-road.

TVA states that its “savings”—in reality, subsidies—to shippers on grain shipments “average $1.75 per ton, as measured by the difference between charges for barge-rail and alternative all-rail movements.” But how much did it cost the taxpayers to give this “saving” to the shippers? On this point, one thorough study concludes with these words: “And it cost $149 million—plus some $400 in expenses in 1946 for every dollar of estimated savings, plus some terminals that covered ‘out-of-pocket expenses of operation’ except for a loss of $1.50 on every ton of freight handled, exclusive of depreciation, plus whatever it costs to maintain the illusion that the region is greatly benefited by the improvements of navigation on the Tennessee.”

In its 1949 report to Congress—after conducting a thorough study of the “savings” produced by the TVA navigation project—the United States General Accounting Office states: “On the basis of the foregoing determination, the benefits are not sufficient to cover the out-of-pocket expenses.”

Admittedly, these TVA navigation improvements and services do give a few merchants and barge owners lower shipping costs than they could get in a free market. But these “savings” could have been provided at about one-third the present cost to the taxpayers merely by paying the full freight cost to these favored merchants for shipping by rail instead of by the “free” TVA water-road.

If these merchants wish to use the Tennessee River water-road, why shouldn’t they pay the cost themselves? Why should the taxpayers’ money be taken and used to subsidize an automobile dealer or a grain merchant in Tennessee? TVA has an answer for that. It says that the automobile dealer—and all other merchants who save on shipping charges by using the tax-supported TVA water-road—should pass that saving along to the consumers. But why should the taxpayers be forced to subsidize the consumers any more than the shippers?

If the shippers had been willing to pay the cost, they could have—and would have—had these navigation improvements long before TVA stopped in with government funds. But if the shippers don’t consider the improved service to be worth its full cost, why should other people be forced to bear the burden of giving it to them at a fraction of its cost?

If the shippers or carriers using the Tennessee River had to pay the cost of the navigation improvements, there would be little, if any, freight left on the Tennessee.

Even with rates at a fraction of the cost, the tonnage of freight on the Tennessee was greater three years before TVA began its navigation project than it was after 13 years of TVA improvements. A TVA chart shows 2.5 million tons of freight on the Tennessee in 1930. The same chart shows 2.2 million tons in 1940—a decrease of 300,000 tons after TVA had poured millions of our tax dollars into its super waterway.

In 1938 TVA estimated: “It is reasonable to base the present computations on an assumed movement of 8 million tons, a figure which should be reached in 1946. . . .” In 1946 the amount of freight was 2.4 million tons. This was less freight than in 1938 when TVA navigation was still a dream instead of a government project to “increase the amount of freight on the Tennessee.”

Suppose that such a mistake had been made by a privately owned business? What would happen in a free economy if a large transportation company missed its estimated volume of business by almost three-fourths? The owners of that company would lose their capital and go out of business. In a free market, they would automatically be replaced by persons capable of supplying the consumers with the goods and services they want at a price they are willing to pay. But when TVA makes a bad estimate or mistake, the government merely collects additional amounts of tax money from the private railroads, electric companies and the general taxpayers. This money is then turned over to TVA to continue its mistake indefinitely.