

Byram to Succeed Earling as Head of St. Paul

His Will Be Great Task of Securing Hoped for Results From Pacific Coast Extension and Electrification

HARRY E. BYRAM, vice-president in charge of operation of the Chicago, Burlington & Quincy, will be elected president of the Chicago, Milwaukee & St. Paul at a meeting of the board of directors of that company the latter part of this month.

Mr. Byram will then have risen in eight years from the office of general superintendent of the Burlington lines West of the Missouri river to the position of chief executive officer of a great transcontinental system operating over 10,000 miles of line, and earning over \$100,000,000 a year.

While his rise has been rapid, there has been nothing adventitious about it. It has been partly due to the particular training and experience he has had, and partly to the ability and energy of the man himself. It was this combination which made him just the man that the controlling interests of the St. Paul road felt they needed when they decided that some change in management was desirable.

Mr. Byram's training and experience have been secured mainly on railways on which the policies and methods originated chiefly by James J. Hill have prevailed. Mr. Byram became a clerk in the office of the general manager of the Great Northern in 1898, and served in the operating department of that road until 1902, during which time he had risen to a superintendency. After spending two years on the Rock Island he went to the Burlington, which had then become a Hill property, and served first as general superintendent, and then as assistant to Daniel Willard, who was then vice-president in charge of operation. It was during this period that Mr. Hill was carrying out the reorganization and improvement of the Burlington system which was needed to enable it to operate in accordance with his ideas as to the way a railway should be operated.

Mr. Byram, since he became vice-president in charge of operation in 1910, has shown himself a worthy pupil of Mr. Hill and a fitting successor to Mr. Willard. Between 1901 and 1910 the Burlington's revenue ton miles had increased 92 per cent, while its average train load had been increased so much that its freight train mileage had increased but 1 per cent. Between 1910 and 1916 the average train load was increased from 381 tons to 575 tons, or over 50 per cent. In the same period the average tonnage per car was increased from 17 tons to 20.53 tons, or 21 per cent; and during the last year further large increases in carloads and trainloads have been achieved. In 1910, the ratio of operating expenses to earnings was 72 per cent. It has never reached that figure since, and in 1916 was only

60 per cent. The conducting transportation ratio in 1910 was 32 per cent; in 1916, only 29 per cent. The percentage earned on the common stock increased meantime from 13 per cent to 27 per cent; and surplus earnings in 1916 were almost three times as great as had ever been known before, being almost \$15,000,000. The showing made thus far in 1917 is even better than that for 1916.

These great advances in operating efficiency have been made possible by the exercise of great foresight in the development of the property and by the application of sound principles in its general management by the two presidents under whom Mr. Byram has served since he has been vice-president — Darius Miller and Hale Holden. But they would not and could not have obtained without a strong man such as Mr. Byram at the head of the operating department. In fact, Mr. Byram has made himself recognized by the railroad fraternity during recent years as one of the most consummate masters of the entire art of railroad operation that the country has produced. His knowledge of the technique of railway operation is complete, and his ability to grasp and assimilate all the innumerable details of the business is extraordinary. He is physically strong, he takes good care of himself, and in consequence he is able to, and does, give to his work an amount of industry and energy that few men are capable of putting forth. An intense worker himself, he expects and receives somewhat similar work from his subordinates all along the line. While Mr. Byram is so skilled as an operating man, he has taken a very keen and broad interest in all matters affecting railway management and the railway situation in general.

Mr. Byram not only knows how to operate a railway, but he has the vision and imagination necessary to see how a property should be developed in order that it may be successfully operated. In order to secure the good operating results which have been achieved on the Burlington, there was requisite not only careful supervision of carloading and trainloading, but even more reductions of grades, the construction of cut-offs, the development of sidetracks and terminal facilities, the acquisition of larger cars and more powerful locomotives, the maintenance of roadbed and equipment to high standards; and it has been largely due to the attention given to these matters that the Burlington has made a showing better than that made by the St. Paul, for example.

Meantime, Mr. Byram has taken great interest in all matters pertaining to the public relations of the railways.



H. E. Byram

He is a strong believer in giving the public good service at reasonable rates, and then tactfully but vigorously resisting all the attacks that are made upon them and answering all the misrepresentations that appear about them. While he has a great reputation as an operating officer, only those who have come into intimate contact with him realize the breadth of his knowledge of and interest in railway affairs of all kinds and also public affairs in general.

Mr. Byram is sometimes characterized as "cold," but the impression that he is so, insofar as it prevails, evidently is due to the fact that in his business relations he seems to act uniformly upon the principle that he is a trustee for his railroad, and that his main duty is to get the best bargains and the best results he can for its stockholders, consistent with fair treatment of others. As a matter of fact, he is personally extremely democratic, warm-hearted and companionable, and in consequence is very popular among the people who know him well.

The combination of training, experience, ability, energy, public spirit and personality which Mr. Byram possesses seems peculiarly to equip him for the presidency of the St. Paul at this time. The road offers him a great opportunity, and developments on it under his management will be watched with much interest. A man with his training, experience, and temperament is pretty sure to apply Hill methods of railroading and that seems to be what the St. Paul needs.

There is nothing fundamentally wrong with the road, with the strategic lines along which it has been developed, or with its operating organization. In fact, it has in its organization many very strong men. It does apparently need the application of certain principles and methods of development and operation which have been less in evidence in the St. Paul than on most of the more efficiently operated railroads in the territory; and Mr. Byram is the man to apply them.

Mr. Byram was born at Galesburg, Ill., on November 28, 1865, and entered railway service in 1881 as a call boy on the Chicago, Burlington & Quincy in the same city. He was later stenographer in the general superintendent's office and chief clerk to the superintendent of terminals of the same road at Chicago, Ill. From 1889 to 1894, he was out of railway service. From the latter date until March, 1898, he was with the Great Northern as clerk in the general manager's office and chief clerk in the vice-president's office at St. Paul, Minn., following which he was assistant general superintendent of the Montana Central at Great Falls, Mont., and from October, 1899, to October, 1902, superintendent of the Cascade division of the Great Northern at Everett, Wash. From Everett he went to Chicago to enter the service of the Rock Island. From October, 1902, to February, 1904, he was assistant to the first and fourth vice-presidents, of that road at Chicago, and from the latter date until July, 1904, was general superintendent of the southwestern district, with headquarters at Topeka, Kansas. He left the

Rock Island to become general superintendent of the Nebraska district of the Burlington, which position he held until May, 1909, when he was made assistant to the vice-president of operation. Since February, 1910, he has been vice-president.

ALBERT J. EARLING

Albert J. Earling, chief executive of the Chicago, Milwaukee & St. Paul for the past 18 years, who will retire from the presidency at a meeting of the directors of the road the latter part of this month, will be elected chairman of the board. Mr. Earling's entire railroad career of 51 years has been with the St. Paul—a record of continuous service with one road seldom equalled by American railroad executives. Beginning as a telegraph operator on the Milwaukee & St. Paul in 1866, he passed through practically every position in the operating department, becoming vice-president in charge of operation in December, 1895. His rise was steady but not rapid.

The fact that his entire railroad career has been with the St. Paul and that he became familiar, by virtue of experience, with the duties of each office in the operating department from the ground up, has proved of great advantage to him, giving him an unusually thorough knowledge of the property, the affairs of which he so long directed and a comprehensive grasp of the details of its operation. There is no department in which he has not taken a direct interest and there are few subordinate officers with whom he has not kept in close personal touch. He has pursued a policy of personal supervision seldom attempted by the president of so large a property.

The Milwaukee & St. Paul, as it was then known, was organized only three years before Mr. Earling entered the service. When it assumed its present name in

1874 it had about 1,400 miles of line. When Mr. Earling became president in 1899, it had 6,337 miles of line; and it now operates 10,510 miles.

Mr. Earling has launched two daring moves for the property since he has been president. The first, the construction of the Pacific coast extension, was undertaken in 1905 toward the end of a period of prosperity for the carriers and at a time when the epidemic of repressive railway regulation had not yet assumed appreciable proportions. The project was financed before the panic of 1907, and an ensuing period of low prices and low wages proved a favorable circumstance in carrying on the construction work.

The most spectacular undertaking of Mr. Earling's career probably has been the electrification of a large portion of the Puget Sound extension. This was begun in November, 1914, and although other roads had electrified small portions of their lines before that time, none had attempted a venture of such great magnitude. The first unit of 440 miles in the mountain country from Harlowton, Mont., to Avery, Idaho, was completed in February, 1917, and another unit is now in



A. J. Earling

progress of construction from Othello, Wash., to Seattle and Tacoma. It is unfortunate that most of the electrification work has been done in a period of rising prices, increasing wages and soaring interest rates.

When the Pacific coast extension was undertaken, trade in the Northwest was booming and an increasing business was being built up with the Orient and Alaska. The high expectations of traffic from these sources, entertained at that time, have not been realized. The extent to which readjustments in currents of trade at the conclusion of the world war will affect the situation is, of course, an uncertain matter; but while the result of the extension was the opening up of considerable areas of new territory for development, the long period of depression in the Pacific Northwest, which continued until recently, has had an unfavorable effect upon the St. Paul's results.

When Mr. Earling became president of the road in 1899 it was paying, and had been paying for nine years its fixed charges, dividends on its preferred stock, 5 per cent on its common and earning a good surplus. Its financial results so improved under his management that in 1901 the dividend on the common was advanced to 6 per cent, and in 1902 to 7 per cent. This rate was maintained to 1912. In the year 1906 and again in 1907, the surplus after dividends exceeded \$5,500,000.

From this time, however, it began to decline. In 1911 it had dropped to the negligible sum of \$127,000, and in 1912 there was a deficit after dividends of over \$5,000,000. In that year the dividend on common stock was reduced to 5 per cent, and it has been on that basis since. In 1913 a surplus exceeding \$4,000,000 was shown, and in 1914 there was a fair surplus, but again in 1915 there was a deficit after dividends of almost \$2,000,000. In 1916 the surplus exceeded \$3,300,000, but in the first six months of the calendar year 1917 the road's net operating income showed a decline compared with the same months of last year of almost \$1,400,000.

The increasingly unsatisfactory financial results have been due partly to conditions special to the St. Paul, partly to conditions affecting all railways in its territory. The increase in the road's fixed charges, due to the construction of its Pacific coast extension, to its investment in electrification, to grade revisions, and so on, has been large, the annual interest on its funded debt having advanced from \$5,800,000 in 1909 to \$8,500,000 in 1912 and to \$15,600,000 in 1916. While there has been a large increase, meantime, in total earnings, the advances in operating expenses and taxes have been so large that net operating income has not increased enough to offset the increase in fixed charges. The ratio of operating expenses to earnings in 1909 was 65 per cent. In 1912 it had increased to 75 per cent. In 1916, with the large earnings of that year, it was 65.43 per cent.

These general developments have given rise to increasing criticism of the St. Paul's management under Mr. Earling. The road's results have been compared unfavorably with those of other roads in its general territory, especially those of the Burlington. For example, in 1902 the average revenue trainload of the Burlington was 200 tons, that of the St. Paul, 237 tons. In 1915, however, the figure for the Burlington was 492 tons; that for the St. Paul, only 390; in 1916, Burlington, 558 tons; St. Paul, 425 tons. Transportation expenses of the St. Paul for the year were 36 per cent of its total earnings; for the Burlington, only 29 per cent. The total operating ratio of the St. Paul was 65.43; of the Burlington, only 60. The Burlington spent \$1,283 per mile for maintenance of way; the St. Paul, only \$1,133; the latter being a figure considerably below the average for the large granger roads.

The showing of the road and the criticisms it evoked caused the development of a sentiment among some of the strong interests in it, notably that represented by J. Ogden

Armour, that the road was not being satisfactorily managed. There was some question as to whether all the large investment made by it in improvements in recent years had been well adapted to securing the best operating and financial results, and there was a feeling that Mr. Earling ought to retire from the active administration of the property and give place to a younger and more energetic man, preferably one experienced and skilled in the Hill methods of railroad operation. Mr. Earling himself accepted this view, the result being the selection of H. E. Byram to succeed him.

The retiring president transformed a granger road of 6,000 miles into a transcontinental system of 10,000 miles; it is the task of his successor to develop the great possibilities of that system.

Mr. Earling was born at Richfield, Wis., on January 19, 1848, and entered railway service with the Milwaukee & St. Paul, now the C. M. & St. P., in 1866. For six years he was a telegraph operator, following which he was a train despatcher for five years, and assistant superintendent four years. From 1882 to 1884 he was division superintendent, and from the latter date until 1888 assistant general superintendent. During the ensuing two years he served as general superintendent and in 1890 he was promoted to general manager. He held this position for nine years and in December, 1895, was also made second vice-president. From September 23, 1899, until the present time he has been president.

WAR RECORD OF C. P. R. MEN.—In spite of the fact that the trains of the Canadian Pacific Railway, have been occupied in the transportation of soldiers and war materials, and that the huge workshops of the company have been turning out vast supplies of munitions of war instead of engines and rolling stock, no fewer than 8,000 men in the service of the company have gone to the front. In every theatre of war they are to be found—in France, Italy, Russia, the Balkans, Mesopotamia, Africa. Of these 8,000 men (apart from 100 who are serving in the Navy) 1,309 have been killed or wounded, among the killed being Capt. the Hon. A. T. Shaughnessy, son of Lord Shaughnessy, president of the C. P. R. The C. P. R. and Dominion Express staffs in Great Britain before the war numbered 213, of whom 179 were of military age, and of those 179 no fewer than 158 have joined the colors.

MIXED GAGES AT THE FRONT.—An interesting despatch, recently sent from the western front by H. Warner Allen, a British war correspondent, throws additional light on the German system of strategic railways close to the firing line. The underlying idea was the elimination of great accumulations of material in the immediate neighborhood of the lines, where they are exposed to the risk of bombardment, and it has been found possible to work on this principle as the result of utilizing an enormous amount of prisoners, mostly Russian. An adequate labor supply is essential, because such a system requires a very considerable labor force for transshipping in case of a sudden demand for a change from a standard to the narrow gage lines. Material is first brought up on standard gage lines, then transshipped to meter gage lines, and finally run on to the 60-cm. tracks (1 ft. 11 $\frac{5}{8}$ in.) which feed the trenches. Huge junction stations have been laid out at centers where the different gages meet, and the finest of these is said to be at Ham, where there are two separate systems of standard and meter gage lines, capable of transshipping 3,000 tons a day. The Germans have made the greatest use of existing meter gage light railways, and to link these railway lines up with the standard gage main lines, mixed gage tracks have been provided. These are of two kinds; either a third rail has been laid on the standard gage lines or a meter track has been placed on the old roadbed.