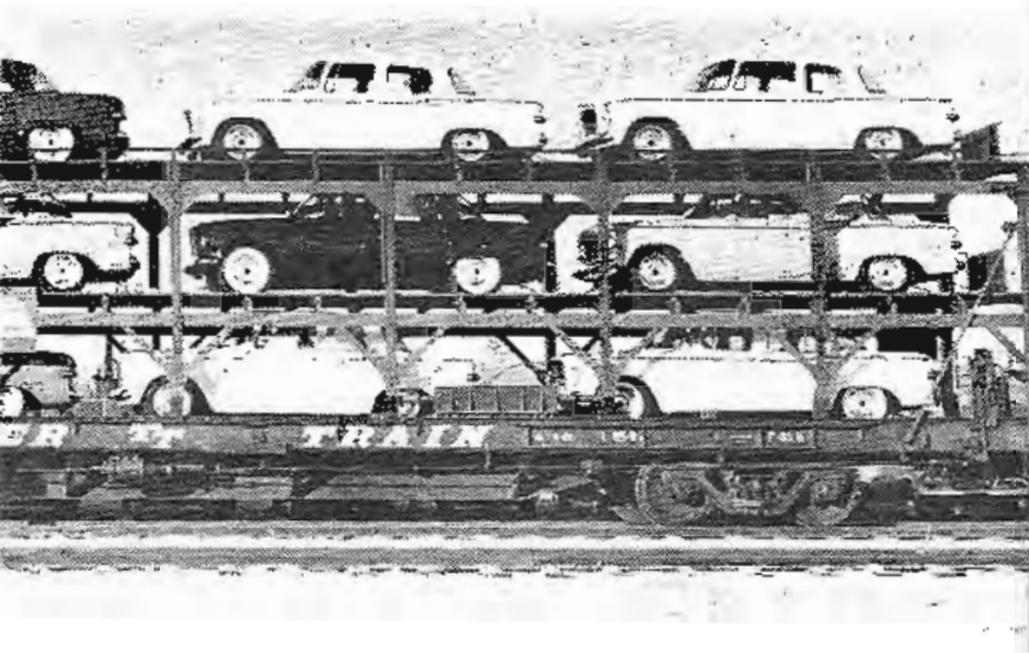


YOUR JOB IS IN JEOPARDY

RAIL PROGRESS THREATENED

**TEAMSTERS WANT CONGRESS
TO HALT GROWING PIGGYBACK**



A statement by

CLAIR M. RODDEWIG

President

Association of Western Railways

Union Station

Chicago 6, Illinois

RAIL UNION LEADERS COMMENT:

"Obviously the railroads are merely showing once again that they are the backbone of our nation's transportation service and that the awesome efficiency of the steel wheel on steel rail is unbeatable. But along comes the Teamsters Union and some trucking companies with a massive attack on this modern rail service.

"Many, many thousands of rail jobs have already been eliminated by the growth of truck lines. Rather than appeal for legislative action which would force the Interstate Commerce Commission to discriminate against the railroads once again, the Teamsters should assist in publicizing the need for a public solution to the problems of automation and technological change.

"The railroads already suffer from burdensome regulation which prevents them, in many cases, from enjoying their inherent advantages. Certainly that error in public policy would be compounded by adopting the procedures the Teamsters suggest."

—ROY E. DAVIDSON
Grand Chief Engineer
Brotherhood of Locomotive Engineers



"Piggyback is a symbol of a new type of management and operation, an aggressive effort to enable railroad workers to do their superb job of providing efficient and economical transportation under management that seeks new business under competitive conditions.

"There is much yet to be done before piggyback can measure up fully to its glowing promise. In this both railroad labor and management share responsibilities and opportunities."

—W. P. KENNEDY, President
Brotherhood of Railroad Trainmen



"The railroads must and do install and maintain their own right of ways. Why, then, should not the railroads be allowed to compete for their fair share of the transportation business without being subjected to unfair attacks by the teamsters and biased regulatory agencies who permit their competitors to invade the field of transportation unfairly and to tear up our public highways, which the railroad tax dollar must help to maintain."

—JESSE CLARK, President
Brotherhood of Railroad Signalmen

HOG-TIE PIGGYBACK TEAMSTERS URGE CONGRESS

James Hoffa, General President of the Teamsters, has declared war on all forms of piggyback.

Piggyback is the picturesque name that was originally applied to the transportation of truck trailers on railroad flat cars. This basic idea of transporting truck trailers and other containers on flat cars has expanded in a variety of ways, particularly in the last few years.

Today the term is often used to include the transportation by railroad of freight shipments in truck trailers without chassis and vans without wheels; freight in metal containers of various sizes, some as long as trailers; and the shipment of new trucks and automobiles. As many as 12 large automobiles, or 15 compact cars, are now being shipped piggyback on tri-level flat cars.

When you see a procession of truck trailers breezing through the countryside on a railroad train—instead of each vehicle being driven over the highways by a teamster driver—you will understand what the Teamsters are so concerned about. They think there ought to be a law against it.

Propagandists Put to Work

Their propagandists have been assigned to the task of convincing members of Congress that legislation is needed to thwart this alleged menace to Teamster members who are employed in intercity trucking.

They already have turned out a number of pamphlets on what they represent as the Perils of Piggyback, but their output so far looks like they are having a rather difficult time putting together a convincing recital of how the public interest will be better served by keeping the truck trailers on the highways instead of allowing them to ride over the railroads' rights-of-way.

Also, it's a bit tricky to demonstrate why the job security of Mr. Hoffa's over-the-road teamsters is of more importance to the nation than the job security of railroad workers.

Too, it takes some fairly artistic double-talk to justify Mr. Hoffa's indignation about the injustices to his teamsters who, for the past thirty years, have benefited from government regulatory policies that have restrained the railroads from competing effectively with the booming cross-country trucking business, which has, in its turn, shrunk the job opportunities of thousands of railroad employees.

And it takes the burning of a lot of midnight oil to dream up any kind of an explanation as to how shippers are being injured by piggyback, when it is the shippers'

acceptance and patronage of piggyback that has resulted in the explosive growth of this combination of truck and rail transportation in the last few years.

Railroads and ICC Picked as Arch Villains

So all in all, it is not surprising that the Teamsters' propaganda is an amazing conglomeration of arguments that don't make much sense—and more frequently than not wind up in head-on collisions with each other.

For example, the railroads are given a pat on the back for the improvements and the economies in the transportation of freight, which they have been able to effect through the development of piggyback—but a kick in the pants for sharing the resulting savings with the users of the new services, because it is attracting business and reducing the job opportunities for the over-the-road teamsters.

On a couple of points, however, there is no inconsistency in the Teamsters' propaganda. And that is when it comes to putting the finger on the railroads and the Interstate Commerce Commission, which they have co-starred as the villains.

The ICC is portrayed as being under the thumb of the railroads. But in charging that the Commission is unduly disposed to favor the railroads, no attempt is made to explain why, if this were the case, the railroads' troubles have been steadily worsening during the last thirty years, while their competitors by air, water, and highway now account for the greater portion of the nation's tremendously expanded freight and passenger business.

Teamsters Flex Their Muscles

While looking to Congress to put a crimp in piggyback, Mr. Hoffa is again flexing his own quite considerable muscles.

In the earlier stages of modern piggyback, he forced intercity motor carriers to agree to restrict their use of piggyback. This strategy slowed down, but did not halt the development of this new means of transportation.

More recently, Mr. Hoffa has been negotiating new contracts with trucking companies in the midwestern states. At first he demanded that these companies pay into the Teamsters' Welfare Fund one cent a mile for every trailer moved by railroad. Later he changed this to a flat charge of \$5 per trailer.

The new contract with trucking companies operating in the midwest includes the \$5-per-trailer provision, and this provision is to become effective February 1, 1962, unless some other mutually agreed arrangement is worked out.

Obviously, if a levy of \$5 per trailer fails to discourage the trucking companies from having the cross-country portion of their hauling performed by rail instead of by highway, there is nothing to prevent the Teamsters from increasing the penalty to whatever figure is necessary to achieve that purpose.

Explosive Growth of Piggyback

The story of piggyback is a fascinating one. Its beginnings reach back more than a century. Its history is still being made. Even today it is no more than a healthy infant.

It was less than ten years ago that the various components necessary for the creation of this new and vital transportation service began to jell—and from that time on piggyback has been growing by leaps and bounds.

Today it holds the hopes of common carriers by both rail and highway for supplying services that will be more attractive to shippers, and thus minimize the advantages great numbers of them have been finding in operating their own transportation. This "do-it-yourself" or private transportation, as it is usually called, has been developing into an extremely serious threat to both the regulated railroads and the regulated motor carriers.

Piggyback holds also the hopes of the railroads for attracting the traffic they can handle most satisfactorily and economically. In the same measure, it holds the hopes of railroad workers for more job opportunities and for greater job security.

Piggyback Combines Advantages Of Trains and Trucks

The future for piggyback transportation is assured because it combines the advantages of both railroad and motor vehicle transportation into new services that meet the varying requirements of shippers.

Basically, piggyback is combining the economy, speed, and dependability of line-haul by railroad with the flexibility of the truck in loading at the doors of shippers, and delivering at the doors of those to whom the shipments are consigned, usually without any breaking up of loads, or other handling between the points of origin and destination.

As the new services shake down into more definite patterns, and experiments with various types of equipment determine which are superior, there inevitably will be standardization along lines that will provide the most economical and satisfactory services.

As this goal looms closer, piggyback doubtless will become interchangeable between most if not all railroads, and will serve many more points than it does at its present stage of development.

Aside from the necessity of designing, building and experimenting with new equipment, and new facilities for loading and unloading, along with the necessity of reducing line-haul costs and speeding up train schedules—matters which, generally speaking, are under the control of the railroads and railroad workers themselves—it also has been necessary to overcome another formidable barrier before piggyback service could be made attractive to shippers. This is the barrier made

up of obsolete regulatory policies which are under the control of Congress and the Interstate Commerce Commission.

From its infancy, transportation by motor vehicle has been encouraged by the expenditure of billions of dollars on public highways by the federal and state governments. This has relieved motor carriers from the necessity of making any capital investment whatever in the greater part of the facilities they require to perform their services.

Because their rights-of-way are publicly owned, they are not taxed as are railroad rights-of-way. Their users, consequently, are not required to pay any taxes on these rights-of-way for the support of education, police and fire protection, welfare and similar services of state and local governments, as must the railroads on their rights-of-way.

Regulation Blocks Comeback Trail

But in addition to these and other advantages enjoyed by highway transportation since its beginning, the new industry was protected from railroad competition by rigid regulatory restraints. So while railroads were held under the heavy thumb of regulation that was designed for different times and conditions, their competitors were encouraged to help themselves to all the business they could get—any that, naturally enough, was the most profitable business.

The railroad rate structure, too, had become untouchable. It had been developed during the years when the railroads were, for all practicable purposes, the only form of surface transportation along lines that were designed to encourage settlement and production in the newly-developing areas in the United States.

Bulky and heavy products of relatively low value were required to be carried to distant markets at rates that often did little more than repay the out-of-pocket costs of the railroads, while manufactured goods of greater value were brought into these areas at higher rates.

Rate Structure Formidable Obstacle

A rate structure built up along these lines over a long period of time, and all molded to conform with state and federal regulations, laws and court decisions, left the railroads as vulnerable as sitting ducks when highways were improved and motor trucks came upon the scene.

The motor carriers took over all of the high-rated manufactured products they could get, and left the railroads with the less profitable traffic.

The railroads were helpless, and even to this day they have not been completely successful in extricating themselves from some of these harrassing heritages of the past.

Efforts to make the necessary adjustments to stem the loss of the more profitable traffic were generally frustrated by the Interstate Commerce Commission

which construed or misconstrued the law—depending on one's point of view—as requiring the Commission to shelter the motor carriers from the competitive rates which the railroads sought repeatedly but futilely to establish.

However, it is important to bear in mind that not all of the traffic the railroads lost to the motor carriers was the result of regulatory restraints. There were other factors, and one of the most important of these was, of course, the service advantages which truck transportation made available to shippers—advantages which are now incorporated in the new piggyback services.

Congress Enacts New Rate-Making Rule

The overall result of the regulatory policies that tied the railroads' hands in competing with the newer form of transportation, together with the other considerations mentioned, has been a precipitous decline since 1930 in the portion of the nation's freight business handled by the railroads. In 1930 they moved 74 per cent of all intercity freight, calculated by ton-miles. In 1960 they transported only 45 per cent of the intercity business.

By the early '50s the railroads' financial situation, which had been worsening since the early '30s, began to cause really grave concern. This prompted a series of exhaustive studies by Congress and various government agencies, and these were the forerunners of the Transportation Act of 1958.

Railroads Gain Right to Compete

One of the most important provisions of the 1958 Act was its clarification of the rate-making provision of the existing law.

The amendment provided that: "In a proceeding involving competition between carriers of different modes of transportation subject to this Act, the Commission, in determining whether a rate is lower than a reasonable maximum rate, shall consider the facts and circumstances attending the movement of the traffic by the carrier or carriers to which the rate is applicable. Rates of a carrier shall not be held to a particular level to protect the traffic of any other mode of transportation, giving due consideration to the objectives of the national transportation policy declared in this Act."

While the Interstate Commerce Commission has been slow in establishing precedents based on the 1958 Act, and some of its decisions will have to be passed on by the courts, nevertheless the shackles on the railroads have been loosened considerably.

Railroads Move into New Era

The railroads are now exercising their recently established right to compete, as Congress clearly expected them to do. They are trying to bring about an orderly

adjustment of the rate structure more nearly to reflect transportation costs, rather than leave the rate structure rigidly tied to philosophies which have been unrealistic for many years.

The railroads are co-operating with shippers in developing means of providing more satisfactory transportation services, and means of reducing transportation costs. They are sharing the resulting savings with the shippers.

All of this is producing more business for the railroads. And in no area of transportation have the results been more spectacular than in the explosive growth of piggyback.

Teamsters Attack ICC

These, then, are the happenings that have led to the Teamsters taking the warpath against the railroads and the Interstate Commerce Commission.

The Commission, Mr. Hoffa declares in a letter addressed to his members, "has openly and completely favored the railroads instead of the trucking field, thereby rendering direct harm to the jobs of Teamster drivers." The implication here that the Commission is somehow obligated to favor "the trucking field" is interesting, if not convincing.

Mr. Hoffa then goes on to explain that: "When piggyback operations began in earnest several years ago many persons questioned its usefulness . . . However, the striking phenomenon of the current piggyback boom, which makes it entirely different from earlier piggyback attempts, is its overwhelming growth . . . Today, following a series of favorable ICC decisions, piggyback is attaining almost fantastic proportions."

Mr. Hoffa finds it convenient to avoid any mention of the effect the Transportation Act of 1958 may have had on the Commission's decisions. The only apparent explanation for this rather conspicuous omission is that he feels that the fiction of a strictly railroad-ICC conspiracy will best serve his purposes.

"The chief danger of piggyback," Mr. Hoffa continues, "is that scores of Teamsters are already losing their jobs," which is, understandably enough, more important to Mr. Hoffa than the fact that the people who are paying the freight bills of the country are the ones who are making possible what he calls "the fantastic and soaring growth of piggyback."

Hog-Tie Railroads, Teamsters Urge Congress

"Piggyback and the question of containerization are not local problems," Mr. Hoffa emphasizes. "They are national in scope. Every teamster should make it his duty to contact his Senator, his Congressman, and state or local governmental officials and inform them about the economic dangers of piggyback. We ourselves will do everything possible to get national action on this problem."

Teamsters also are being urged to write to the mem-

bers of the House and Senate Committees on Interstate and Foreign Commerce.

Most railroad workers—especially those employed in train and engine service—have been unhappy witnesses of the growth of freighting on the highways paralleling railroad tracks almost everywhere; they are familiar with the unfortunate fact that the railroads have been falling steadily behind in the portion of the nation's intercity freight they handle; and they have seen the effect of this upon their own job opportunities and job security.

Without the RIGHT TO COMPETE—spelled out by Congress in the Transportation Act of 1958—the future of railroad transportation in the United States would be bleak indeed.

Railroads' Future Hinges on Right to Compete

Now that the pendulum is swinging in the other direction, railroad workers will want to do everything they properly can to assure that its movement is not reversed, or impeded, by the political pressures of the powerful interests that benefited by the kind of regulation which denied the railroads the RIGHT TO COMPETE.

And there are interests other than the Teamsters who are determined to turn back the calendar on the last couple of years. The spectacular demonstration of the possibilities of railroad transportation when it is free to compete, which piggyback has afforded, must not blind us to the fact that there are many other important areas where the railroads can and are beginning to make their competition felt.

Right to Compete Depends on Public Support

But, with the RIGHT TO COMPETE once securely established in the business of transportation—as it exists in every other phase of the American economy—railroad management and railroad workers can meet the challenge of the future with confidence.

The immediate need is to meet the challenge of those interests which seek to restore the competitive shackles on railroad transportation.

At the moment the way in which railroad workers can most effectively meet this challenge is to let their Senators and Representatives in Congress know their opinions and views—and particularly those Senators and Representatives who are members of the House and Senate Committees on Interstate and Foreign Commerce whose names and how they may be addressed are shown on following pages.

Of longer range importance is the need to tell the story of piggyback and the importance of the RIGHT TO COMPETE to all public officials; members of state legislatures; and to friends and acquaintances—all of whom help to make up that tremendous force which eventually prevails in a democracy—Public Opinion.

**WRITE TO YOUR CONGRESSMAN
AND SENATORS . . .**

You have a stake in this problem. Write to your Congressman and Senators in Washington, D. C. Tell them what you think. Let them know that your job is in jeopardy.

Also write to members of the Senate and House Interstate and Foreign Commerce Committees. These are the committees which are concerned with the Interstate Commerce Commission.

Your Senator's address is: Senate Office Building, Washington 25, D. C.

Your Congressman's address is: House Office Building, Washington 25, D. C.



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Strom Thurmond, South Carolina
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R. Vance Hartke, Indiana
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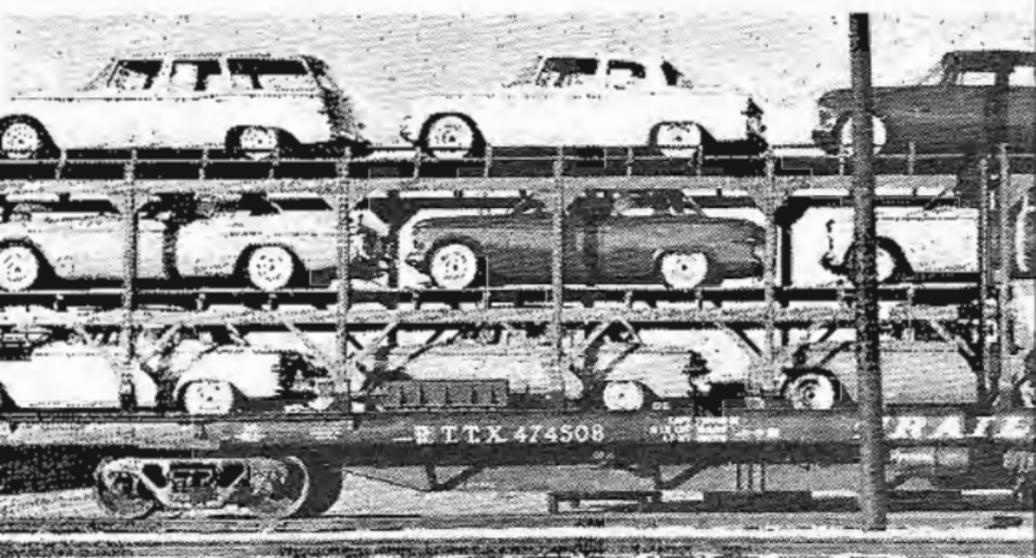
13 Republicans

John B. Bennett, Michigan
William L. Springer, Illinois
Paul F. Schenck, Ohio
J. Arthur Younger, California
William H. Avery, Kansas
Harold R. Collier, Illinois
Milton W. Glenn, New Jersey
Samuel L. Devine, Ohio
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Hastings Keith, Massachusetts
Willard S. Curtin, Pennsylvania
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Vernon W. Thomson, Wisconsin

RAIL UNION LEADER COMMENTS:

"The number one job to be done for transportation in our country today is for Congress to look at the situation and make the adjustments necessary to permit the industry to operate in a healthier and more profitable way. Competition . . . is the mainspring. It drives us on—unleashing our energy to think and develop and to do a better job."

—*GEORGE M. HARRISON, Grand President
Brotherhood of Railway and Steamship Clerks*



The Milwaukee (Wis.) JOURNAL, in an editorial said:

"Wherever railroads can move automobiles or other goods more economically and efficiently than trucks do on public highways, and at satisfactory speed, they should be given every opportunity and encouragement to do so. The trucking industry and drivers have no right to demand government assistance for themselves or restrictions on the railroads in handling such traffic."