

proved true. The Santa Fe could not stand still. It has not stood still; it has advanced.

This has not been easy to do, nor has it been accomplished without sacrifice. Its common shareholders have gone without the dividends to which under ordinary circumstances normally they would be entitled. The credit of the company has been used for equipment purchases, a departure from the practice of the past. Maintenance expenditures have been distributed carefully in the direction of the most pressing need, though not to a degree involving hazard to plant or service; in short every reasonable expedient available, however unwelcome, has been utilized for economy when consistent with continued or increased operating efficiency.

So far the Santa Fe has survived, and we have no expectation or intention that it shall do other than continue to survive. But it is still true that traffic and revenues are down and irreducible expenditures are up; and all who share in railroad management or look to railroads for employment or depend on railroads for transportation service may well inquire seriously how long it will be necessary to find and apply extraordinary expedients to meet this condition.

This is not an occasion appropriate for argument of railroad complaints, and I do not intend so to impose upon you, but I do ask your forbearance while I state—and I speak not of the Santa Fe alone but of all the railroads of Kansas, and for that matter substantially all the railroads of the United States—that the remedy for most present-day railroad ills must be found in increased volume of traffic; for largely they are problems of revenue.

Of course the depression has reduced the quantity produced of many commodities which move by rail, but the depression is only partly to blame. There would be very substantial relief if railroads could now enjoy the same percentage of available traffic as they enjoyed when the depression commenced. While they suffer because there is less produced and therefore less to be moved, they suffer also, and perhaps even more, because other means of transportation are handling a larger and larger percentage of what there is. I quote the following from a statement published a few weeks ago by the Interstate Commerce Commission:

*"It may be said that the freight traffic position of the railways relative to total business has declined over one-fifth since 1928 and this is in addition to the decline in freight traffic from the general recession in business activity since 1928."*

and the Commission's bulletin indicates that the reduction is even greater if measured in revenue dollars rather than in tons.

Some of the reasons for this may be obscure or debatable, but some are clear enough. Conspicuous among the latter are governmental aid to forms of transportation competing with the railroads, and inequality of governmental regulation. Discussion of these, and of what should be done about them, and of what is being attempted, must be left for some more appropriate occasion; I only mention them now as distinctive features of the picture of today before which we pause for a moment as we come toward the end of a stroll through the gallery of the past.

In the quietest day of peace the railroads are indispensable, of course; but in this day of immediate and pressing need for the betterment of provision for national defense their importance is tremendously emphasized. The European continent is on fire. The Far East seems stricken with that madness which leads to destruction. Only of late have we been told what this nation must do if it is to be prepared to protect those things on which our happiness and freedom depend. National security depends on how well each of us succeeds, by conscious effort, in handling with broad vision of the general good his own affairs and the affairs of others entrusted to him. The railroads of the United States are well aware of this, and they will, they must, be ready for any contingency which may arise in peace or in war. This statement can be made with more and more confidence as the people of the United States, including those in official position, come more and more to an understanding of what the railroads face, and to a disposition to give sensible consideration to their need for fair treatment.

Mr. Chairman, in behalf of the Santa Fe, and in my own behalf, let me again thank you and the people of Atchison and all Kansas for this great celebration, and for your cordiality, hospitality and friendliness. It is good to be here, because Atchison is our birthplace and Kansas is our home.

