

**SOUTH'S RAILWAY PROSPECTS**

Address of President L. E. Johnson, of Norfolk & Western Railway Before Recent Session of Commercial Congress.

Mr. Chairman, Ladies and Gentlemen:

It is not unnatural, when we speak of "Railway Prospects in the South" that our minds should hark back to the beginnings of railway development and ascertain if the lessons of the past may not give us something upon which we may predicate the future. For the purpose of studying railway accomplishments and railway progress and prospects, I know of no environment more suited to the purpose than within the borders of this great capital of the "Empire State" of the South, reared as it has been by Southern men who typify the very best in American industry and culture. Atlanta itself sets at naught all the traditions of the more remote past and brings to our minds the knowledge that the introduction and development of railroads has meant the establishment of a new industrial force in the progress of this country and his demonstrated that great industrial centers may exist and thrive away from locations which were formerly considered necessary to substantial commercial progress.

If any one, during the first half of the last century, had been called upon to predict what would be the location of Georgia's greatest city during the years which should mark the opening of the present century, he would hardly have selected the location which marks the gathering place at this moment of this great commercial center.

Men who had studied the past and gathered together the experience of former ages would have sought at the water's edge the location of Georgia's future commercial and industrial center. Probably at some ample harbor upon the seacoast, or at least upon the banks of some navigable stream. No one in that day and generation would have had the temerity to predict that, far removed from water transportation, there should be builded up this great metropolis of industrial traffic, whose influence would pervade the entire South, and rival its greatest seaports. That Atlanta exists as a dominating factor in the commerce of the

South, indicates that some new principle has become a part of our economic development.

Before undertaking to say a word or two in regard to the present "Railway Prospects," which is the subject which has been assigned to me, it will doubtless be profitable to reflect a moment on the manner in which railway construction was begun in the South and throughout our country generally. It was in the South that the operation of railroads with steam as the sole motive power was first undertaken, and this action adopted by the Charleston & Hamburg Railroad Company on January 14th, 1830, marks an epoch in the transportation development of this country. It was this year that the railroad company just mentioned, in pursuance of the conclusions reached by its board of directors, issued an order for the construction of a locomotive which had been designed by a citizen of Charleston, and which was built at the West Point Foundry in the State of New York. The name borne by this locomotive, the first used in regular service, was "The Best Friend of Charleston," and it is needless to say that the name so adopted was a fitting title for the instrument of commerce then put into use and which has become so large a factor in the civilization of our country.

The construction of railroads in the early history of the South possessed but few attractions to those who had money to invest in business enterprises. The experiment was considered doubtful and the undertaking highly speculative; and, although the necessity and advantage of more adequate transportation facilities were recognized, and appreciated as being important in the development of the country, yet so indifferent was private capital to venture upon an undertaking both costly and uncertain, that very few of the roads of the South in its early history were constructed purely through individual contribution. As a matter of fact, the promotion and construction of most of the earlier built roads was the result of the co-operation of the State with individuals, to which was generally added the aid of communities and cities whose interest it was thought would be particularly advanced by such construction. In other words, government ownership of railroads is, for practical purposes, not a new thing in this country, but, as a matter of fact, it is an experiment which has already been tried and while, during its existence, much was accomplished which under other auspices would have been difficult, yet the theory has long since

been abandoned as unsuited to the conditions existing in our country, and not in harmony with our form of government.

However valuable and necessary the aid of the State was in the beginning of railroad construction in this country, it soon became apparent that railroad operation under the influence and control of governmental authority was unsatisfactory and unremunerative. The States soon ascertained that the properties they were undertaking to operate were generally conducted at an annual deficit, and even if profitable the State was put in an embarrassing position of operating property for the peculiar benefit of one portion of its people and one of its sections at the expense of the other sections, and the conclusion was forced upon the people that it was no part of the function of the government to make money out of its own citizens or to benefit one at the cost of another. Many causes co-operated to bring about the final abandonment by the States of their control and interest in their railroads, but chiefly was this policy of abandonment due to the conviction on the part of the people that the operation of railroads, involving the employment of vast numbers of men and the inauguration of competition between sections and cities equally entitled to protection and consideration from the State, made it impossible for the State wisely and efficiently to carry on these complicated and hazardous undertakings.

While these policies were being inaugurated and tried out in the various States and communities of the South, the Civil War came on, the result of which was the annihilation of much of the work which had been done in railroad construction and, for many years thereafter, every energy of the people of the South was devoted to the reconstruction, consolidation and operation of these avenues of commerce. The States did not undertake to rehabilitate the roads, but usually turned them over to companies financed by individuals and, for all practical purposes, we may say that the growth of railroads in the South since the year 1865 has been the result of individual enterprise and corporate energy.

Before we can say what is the "Railway Prospect" in the South, I take it that it is necessary to see what has been accomplished during these years in which the companies have been working out their part of the problems of development, for I take it that if the railroads of the South have been lagging in the race of progress,

or have so conducted their affairs that there is in the minds of the people a lack of confidence in their integrity, then they have failed to do their part in the rebuilding of the country, and have been lacking in patriotic sacrifice for the common benefit when sacrifice has been necessary. If these are facts, then in my judgment the prospect for the future cannot be encouraging.

The roads have had a fair opportunity to do the work that has been committed to them, and if they have failed to live up to the responsibilities imposed, and the duties assumed, then I take it they may reasonably expect the same reward that was accorded in the Scripture to the unfaithful servant: "And there shall be taken from him even that which he hath."

As one who has devoted a lifetime to the construction and operation of railroads in this country, and whose maturer years have been spent in earnest work in the development of railroad transportation in the South; and who, as the result of these later years of work, has become reasonably well acquainted with the problems that have heretofore been met and handled by those who have had to meet the transportation problems of the South, I wish to bear emphatic and earnest testimony that no just or intelligent criticism can be properly made against the manner in which your people have handled a problem which has been surrounded with most appalling difficulties. Indeed, the progress that has been made during these years in railroad development cannot fail to excite the wonder and admiration of those who are familiar enough with the situation to realize the difficulties which have been overcome. Those railroads which existed at the close of the war represented, as many of you well know, but little else than a franchise and a right of way, and the work of the years that had gone before had been to a large extent annihilated as the result of four years of enforced neglect, and I defy any one to name another kind of property that deteriorates as rapidly as a railroad, resulting from lack of repair. Eternal vigilance, and no small amount of money, is the price that must be paid for the maintenance and continued existence of a railroad, yet these roads have been reconstructed and new lines have been built to an extent that has been marvelous, considering the difficulties that had to be overcome. Although a vast amount of mileage is yet to be constructed in order that the transportation facilities of the South shall be equal to many other sections

of our country, still the work that has been accomplished makes the problems of this generation easier and the way is open, if other conditions shall be favorable, for this great work to go forward to its complete development.

Statistics of railroad accomplishment are not easily available, except during the past twenty years. If we had the statistics of the work done during the quarter of a century succeeding the closing of the war, the percentages of comparison, year by year, would be extremely interesting and would in every instance, I believe, show an amount of progress, even under the depressing conditions that existed during much of that time; that would reflect tremendous credit upon those who were fighting the industrial battles of that day.

I invite your attention, however, to a few simple statistics of the past twenty years, believing that they ought to be sufficient to satisfy the most critical, that the railroads of the South have not been negligent of the possibilities resting upon them, but in trust and in fact, have been diligent in providing facilities for the development of the common interests. The result of the activity and energy of your people who undertook to rehabilitate the railroads of the South, showed as the result of their achievement up to the year 1890, the existence of 24,535 miles of single track, 30 miles of second track, and 3,265 miles of yard track and sidings, in the section south of the Potomac and Ohio rivers, and east of the Mississippi. After that year, the development was not so marked in the extension of new lines of road, although the construction of such new lines was very substantial, but was shown in the construction of facilities for the handling of the business which the earlier railroad construction had made possible. In 1909, the amount of single track had increased to 41,273 miles, second track to 1,656 miles, and yard track and sidings had increased to 11,247 miles. These figures would seem to indicate that the railroads of the South have been keeping pace with the industrial development and providing facilities to meet its needs. The increase of rolling stock in both quality and quantity during this period was as marked as the improvement and increase in roadbed and new track. In 1890, the report of the Interstate Commerce Commission show that there were in this section 3,310 locomotives and 109,669 cars, while in 1909, the number of locomotives had increased to 7,772, and the cars to 308,807. During this period,

there was a distinct tendency—especially during the later years—towards the enlargement of locomotives and cars, and hence the numerical figures given above only represent in part the growth of your railroads in their rolling stock intended for the use of the public in these communities. This increase in the various elements which go to make up the efficiency of the railroads of the South has been largely in excess of the increase in population during the time mentioned. For while, from 1890 to 1909, the single track mileage had increased 68.22 per cent., and second track 54.23 per cent., yard track and sidings 244.47 per cent., locomotives 134.50 per cent., and cars 181.58 per cent., the population of the territory served by the railroads increased from 1890 to 1910, from 13,845,801 to 18,776,059, or 35.61 per cent.

Again let us look for a moment at the capitalization and investment in railroad property in the South during the same period, and the figures on this line show the same progressive development. In 1890, the capitalization of the railroads in the territory above mentioned, which capitalization includes the outstanding stock and funded debt of those roads, was \$1,153,374,401. This capitalization in 1909 had increased to \$2,265,101,150. I have no means at hand for ascertaining how much of this capitalization has been contributed by the people of the South, but I think that it is safe to say that a very small portion has been secured from that source and I take it that, from that reason, much credit is due to the people—mostly your own citizens—who have had the character and ability so to impress themselves upon the investing public of the world whereby such large sums of money have been entrusted to their care and placed at the service of your communities, to be primarily benefited by the construction and upbuilding of these railroads. This money has been secured, and expended for the benefit of this territory, although the return thereon has, in most cases, been very meager, and the average return much less than reasonable. Interest on bonds and dividends on stock which have been received on account of railroad investments in the South from 1891 to 1909, both inclusive, represent a rate of interest upon this capitalization ranging from 2.54 per cent. to 3.60 per cent.

I am quite well aware that, whenever the singularly slight return upon railroad investments in the South is commented upon, the answer of those who are critical of railroads usually

**FOR TRAINING THE YOUTH**

Southeastern Division Public High Schools Contest, Goldsboro, May 10, 1911—Big Educational Event Then.

The committee appointed at the Wilmington meeting of the Southeastern Division of Public High Schools to arrange high school contests for the said Division, including the following counties and public high schools: Bladen—Abbotsburg, Bladenboro, White Oak; Brunswick—(no public high school); Carteret—Atlantic; Columbus—Chadboro, Whiteville; Craven—Dover, Vanceboro; Cumberland—Godwin, Hope Mills, Stedman; Duplin—Tchacher, Warsaw; Green—Hookerton; Harnett—Angier, Lillington; Johnston—Benson, Kenly, Wilson's Mills; Le-noir—LaGrange; New Hanover—(no public high school); Onslow—Richlands; Pender—Atkinson, Burgaw; Robeson—Lumber Bridge, Orrum, Philadelphus, Rowland; Sampson—Clinton, Newton, Grove; Scotland—Gibson; Jones—Pollocksville; Wayne—Halling Creek, Pikeville, Seven Springs; Wilson—Lucama, Rock Ridge; met in Goldsboro, Saturday, January 28th, and adopted the following plan to be submitted to the principals of the various public high schools:

First. That we hold an Inter-county high school meet on or about the 10th of May, at some central point.

Second. That only State high schools can enter the various contests.

Third. That pupils entering the contests shall be bona fide students, but that there shall be no age limit.

Fourth. That we have both literary and athletic contests.

Fifth. The literary contests shall consist of debating, oratory, essays, declamations, music—vocal and instrumental.

Sixth. The literary contests shall be controlled by the following regulations, viz: In the debate each school may furnish one representative. The speech must be the boy's own production. He shall receive no help, save that of grammatical and rhetorical correction. (Continued on Page Ten.)

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