

# Railroads on Track for Big Profits

**I**N ONE week last month three unusual methods were used to stop trains.

A cowboy in Arizona shot out the air brakes on a runaway locomotive to stop it. A woman passenger used a hairpin to jimmy the lock on a driverless Washington subway train and bring it to a halt.

The most drastic stoppage occurred when the Supreme Court authorized Amtrak to terminate three money-losing passenger trains, including all service in Oklahoma.

It was the building of railroads across this nation that made possible settlements of a continent in less than a century.

Now railroads have written off passenger service as a bad deal, and are cutting back on freight service wherever they can.

In a recent speech, Richard E. Briggs, executive vice president of the Association of American Railroads, declared the aim is to concentrate on "doing what we do best," making long hauls of big freight between major trading cen-

ters.

The nation's railroads set all-time records for traffic and revenues in 1978, moving 35 percent of the freight. \*

Briggs declared "railroads are the most energy-efficient form of transportation for hauling most large volumes of freight," but said they earned a "miniscule 1.5 percent on net investment."

How much should they earn? The Interstate Commerce Commission says 10.6 percent; the Department of Transportation 11.6 percent; rail economists say 12.5 percent in order to have enough profits to finance needed improvements.

Railroads are demanding less regulation from government. "Railroads would like the same freedom other businesses, including many of our competitors, have to raise and lower prices without notice," Briggs said. They also want to eliminate additional trackage and service.

No doubt regulations are an expensive problem for railroads, as they are for all businesses, but cor-

petent management should enable an energy-efficient business to compete profitably.

Nationalization or government operation won't do it. Amtrak trains have run behind schedule and behind budget all the way. Conrail lost \$385 million last year on freight revenues of \$3.5 billion.

Abandonment of the rundown Rock Island lines that slowly moved freight for Oklahoma agriculture and industry is imminent. Santa Fe boasts of its modernized "piggy back" facilities for hauling semi-trailers and of new yards in Oklahoma City, but says nothing about better service for small businesses or restoring needed passenger service.

With the gasoline crunch railroads are badly needed and some people have hoped service might be improved to take advantage of the claimed efficiencies. Don't count on it.

Railroads are concentrating on long freight hauls for big shippers, because that is where they visualize bigger profits.