

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date February 5, 1938.To Chairman EcclesSubject: Luncheon with Eastman andFrom Lauchlin CurrieLatimer*LBC*

I should like to offer a couple of suggestions in connection with your luncheon with Eastman and Latimer:

1. As you will only have a limited time (Eastman has to return to the Hearings at two o'clock) and Eastman is familiar and sympathetic with all the arguments against a freight rate increase, I suggest you spend little time on this. Moreover, I have some question whether it would be very appropriate to make this the main topic, although there is no reason why it shouldn't come up incidentally.

2. I should try both men out on the feasibility of the specific proposals.

3. I should discuss with them the best means of having it worked up and sponsored. Eastman's men who wrote the Report on Car Pooling when he was Federal Coordinator may still be available. Or Wright in the R. F. C. was a practical railroad man. I can't do much more with it without spending a lot of time just getting a nodding acquaintance with the railroad field. As I have reached a point of diminishing returns and have a lot of other things to work on, I should like to see an expert assigned to it, provided, of course, the main idea is feasible. Then there is the question of broaching the matter to the railroads: Pelley is now President of the Association of American Railroads. They should be consulted at a fairly early date. I notice that people always react better to a proposal in a conversation over a luncheon table than they do in reading about it in the paper!

P. S. I wanted you to meet Murray Latimer, Chairman of the Railroad Retirement Board, not only because of his extensive knowledge of railroading and the attitude of rail unions, but also because he is one of the best informed men in the country on the whole problem of Social Security, which I am also working on.

RAILROAD EQUIPMENT BUYING 1936-37

	Freight Cars			Locomotives		
	<u>Shipments</u>	<u>New orders</u>	<u>Unfilled orders</u>	<u>Shipments</u>	<u>New orders</u>	<u>Unfilled orders</u>
January 1936	746 <u>1/</u>	1,050 <u>2/</u>	11,315 <u>1/</u>	0 <u>1/</u>	18 <u>2/</u>	40 <u>1/</u>
February	430	7,236	12,629	1	46	86
March	186	627	13,478	1	13	97
April	2,066	3,650	15,683	7	15	106
May	2,299	9,677	22,964	9	10	112
June	2,056	4,320	25,311	13	24	128
July	1,924	4,469	24,373	20	9	118
August	3,804	3,225	20,530	25	3	111
September	4,963	3,100	18,434	13	24	114
October	5,205	1,310	13,291	9	22	130
November	3,799	1,550	16,579	13	174	333
December	3,483	17,230	22,421	28	88	380
January 1937	2,766	10,881	33,608	24	46	398
February	2,615	10,532	39,729	10	33	429
March	5,520	6,200	44,708	34	29	429
April	6,711	13,046	46,197	48	84	418
May	6,030	3,903	44,397	53	14	376
June	5,705	528	41,895	49	22	362
July	6,397	1,030	37,411	48	3	333
August	6,383	1,490	31,123	37	39	321
September	6,143	1,195	24,225	40	8	279
October	6,434	21	18,231	61	0	214
November						
December						

1/ Domestic

2/ Includes Foreign

	Index of Freight-Car Loadings	Railroad Capital Expenditures (Millions of dollars)	Railroad Maintenance Expenditures (Millions of dollars)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
1921	78	480	1,856
1922	85	430	1,817
1923	100	1,059	2,079
1924	98	875	1,851
1925	103	748	1,859
1926	107	885	1,925
1927	104	772	1,855
1928	104	676	1,769
1929	107	853	1,805
1930	92	872	1,488
1931	74	362	1,127
1932	55	167	760
1933	58	103	721
1934	62	213	810
1935	64	188	883
1936	75	299	1,041
1937 (Prel.)	78	475	1,100

	Electric Power Production (millions of kilowatt hours)	Electric Utility Capital Expenditures (millions of dollars)	Utility Maintenance Expenditures (Millions of dollars)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
1919	-	-	-
1920	-	-	-
1921	3,415	310	75
1922	3,971	439	80
1923	4,639	794	85
1924	4,918	908	91
1925	5,489	846	98
1926	6,149	772	103
1927	6,684	794	109
1928	7,321	754	113
1929	8,113	853	111
1930	7,995	919	117
1931	7,644	597	103
1932	6,929	285	90
1933	7,117	129	85
1934	7,596	148	90
1935	8,283	193	95
1936	9,460	297	101
1937 (Prel.)	10,051	460	105

		<u>Mining and Manufacturing</u>	
	<u>Index of Production</u>	<u>Capital Expenditures (Millions of dollars)</u>	<u>Maintenance Expenditures (Millions of dollars)</u>
1919	83	2,831	1,590
1920	87	3,540	1,836
1921	67	1,945	1,252
1922	85	2,097	1,467
1923	101	2,818	1,891
1924	95	2,535	1,834
1925	104	2,815	2,007
1926	108	3,220	2,104
1927	106	2,918	2,090
1928	111	3,254	2,202
1929	119	3,990	2,400
1930	96	2,827	1,898
1931	81	1,665	1,530
1932	64	826	999
1933	76	866	1,272
1934	79	1,436	1,522
1935	90	1,712	1,793
1936	105	2,342	2,164
1937 (Prel.)	110	3,200	2,450