



The Quarterly Newsletter of the

The Railway & Locomotive Historical Society

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Steel mill and furnace in Birmingham. Smithsonian photo.

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Mission Statement

The mission of the Railway & Locomotive Historical Society, Inc., is to collect, interpret, preserve and disseminate information relating to railroad history. The Society's mission will be achieved by:

1. Publishing Railroad History and maintaining its status as the premier publication in the field.
2. Recognizing and encouraging scholarship in railroad history and other endeavors, such as the Society awards program.
3. Preserving historic documents, photographs and other materials, and providing access through national and chapter activities.
4. Maintaining communication among members of the Society through printed and/or electronic means.
5. Providing fellowship, education, and effective governance of the Society through the annual convention and membership meeting.
6. Furthering knowledge of railroad history by publication of significant historical studies and reference works.
7. Encouraging appreciation of railroad history, and providing social enrichment opportunities through chapters and special interest groups.
8. Encouraging members to actively participate in the process of researching, recording, and disseminating railroad history by providing research guidance.
9. Promoting the significance of railroad history in schools and related organizations such as historical societies.

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President's Message

Our Heritage and Our Future

By Robert Holzweiss, President

Those of us who lived in the northeastern United States during the 1970s remember a time when the public viewed railroads as anachronistic and financially troubled companies, characterized by poor service, obsolete equipment, and an outdated business model better suited to the nineteenth century. However, after 1980 and especially during the first decade of the twenty-first century, the public perception of the industry evolved as the railroads consolidated routes, invested in infrastructure, adopted new technologies, and developed a new business model. These changes paid off both in terms of profitability and their public image. Today, railroads are generally viewed as a vital component of our national transportation system.

The railroad industry deserves much of the credit for the changes in public perception. In addition to their investment in new technologies, equipment, and infrastructure; the railroads invested in their public image. Railroad marketing programs are noteworthy because the positive public image also benefits the railroad history/railroad enthusiast community. The industry's use of "nostalgia" for their marketing campaigns is especially beneficial for the R&LHS as we are a reliable source of historical information. Our contribution makes us a gateway to railroad history for the next generation of railfans/scholars who are curious about "the rest of the story" after they attend a special event hosted by a railroad, or watch special trains and unusually-painted equipment pass through their town.

Although many railroads actively market their history, several stand out for the success of their campaign beyond the railroad history/railroad enthusiast community. In one notable example, Union Pacific, a railroad not known for special paint schemes, created a "Heritage Fleet" commemorating the six railroads merged into UP after 1980. Each locomotive features a stylized version of a predecessor road's paint scheme that includes the fallen flag's colors, logo, and lettering applied with some artistic license. More recently, Norfolk Southern announced plans for its own heritage fleet featuring eighteen locomotives (later expanded to twenty) commemorating most of the fallen flags that are now a part of Norfolk Southern. Unlike the Union Pacific, NS will, with slight modifications, faithfully recreate the painting and lettering arrangements of the predecessor roads. Will BNSF and CSX be next?

In addition to its heritage fleet, Union Pacific continues to feature the 844 and 3985 in its mainline steam program. As fans of the railroad industry, we applaud UP's continued operation of mainline steam but at the same time we should remember that the steam program is targeted to an audience well beyond railfans. At each stop hundreds, if not thousands, of curious citizens connect with the past to learn about the Union Pacific railroad of today.

More recently, Norfolk Southern resumed steam excursions using a locomotive borrowed from the Tennessee Valley Railroad Museum. While it is unlikely the 1218 or 611—the locomotives featured in the original Norfolk Southern steam program—will run again, we should be grateful that NS included main line steam in their corporate marketing program.

Outside the railroad industry, railroad suppliers are partnering with railroads to market new technology that builds on the railroad industry's environmentally friendly public image. In a recent television advertisement, General Electric, a company usually associated with consumer products, followed the construction of a new locomotive for BNSF at GE's Erie, Pennsylvania facility. The ad concludes with the smiling GE employees standing trackside as their handiwork rolls past pulling an endless string of containers. Although the railroad is not the focal point of the ad, the viewer is left with an image of BNSF as a profitable and environmentally-conscious corporation. Again, such positive imagery can do nothing but help the railroad history community expand its reach to the casual observer who checks the Internet for more information about the BNSF and lands on the R&LHS web page.

A few railroad companies are also helping the railroad history community by thawing the occasionally chilly relationship between the railroads and their fans. The BNSF Citizens for Rail Security program was the first effort to ask the railfan community to identify security and safety issues before they become hazards to railroad employees and the public at large. While BNSF expressly forbids fans from taking action against individuals and strictly prohibits trespassing on railroad property; the program is a strong indication that the railroad and its fans can both benefit from a more formal relationship. It is not unreasonable to assume that railfans who participate in the BNSF program will become better acquainted with the railroad they document and their curiosity may lead them to the R&LHS, NRHS or another railroad specific historical society to find further information. When they find us, we will be ready to introduce them to America's leading source for railroad history.



The Birmingham Steel Industry & Pittsburgh Plus

{Editor's Note:

"Q-What was the Pittsburgh Plus Pricing System in 1880's?

"A - The Pittsburgh Plus Pricing System was designed by steel lords (like Carnegie and Morgan) in the North to keep the South at an economic disadvantage in the steel industry. The southern coal and iron ore deposits were close to where they could be processed, which would give the South an advantage since they would have to pay less money for shipping. The steel lords put pressure on the railroads to charge the goods with a fictional fee as if they had been shipped from Pittsburgh. It was also, in an indirect way, punishment of the South during the reconstruction after the Civil War."

The above quotation from Answers.com reflects the view widely held, particularly in the South. Our member John Stewart, of Birmingham, provides another view.}

Most of us know that we have been through a significant economic event in the last several years. Some say it is second only to the Great Depression of the 1930's. And many wonder what the impacts and long term effects may be.

We actually suffer fairly significant economic setbacks every few years. Remember the "dot com" bubble, the "savings and loan crisis", and the double digit inflation of the 1970's? In the old days these reversals were called "financial panics". In those days we didn't have the regulatory systems in place that we do today. Popular wisdom in our generation was "we can't have another great depression" because the systems that we have in place today "won't allow it to happen."

Yet, it seems painfully clear to many of us that we do have periodic reversals in our economic system. Henry Ford is quoted as saying "history is bunk". Someone else said "those who ignore the lessons of history are doomed to repeat them". I tend to support the latter and not the former. As members of an historical society, one might think that you readers would agree. Birmingham's story raises many interesting questions that relate in particular to the Panic of 1907.

Birmingham was born as a land development scheme which in turn was based on a vision for great industrial activity born of the extraordinary natural resources of north central Alabama. In particular, the three ingredients needed to make iron are found here in closer proximity than anywhere else in North America if not the world.

Birmingham didn't exist during the Civil War, although the vision of industry did exist, and certainly the awareness of the natural resources was in the minds of a number of people. But without a transportation system to move the resources and support the development of industry these visions simply could not be realized.

The South, after the civil war, was economically devastated. The banking system had broken down and what industry there was lay in ruins. In fact, the North, in the final spring of the War, had sent strategic cavalry raiding parties to destroy the fledgling iron furnaces that did exist across the south. Not unlike the strategic bombing

of German ball bearing plants in WWII.

Into this troubled time after the Civil War was born the town that was to become Birmingham, the Magic City, and the Pittsburgh of the South. A New South city, Birmingham was founded not upon a river but upon the junction of two railroads. But that is another story.

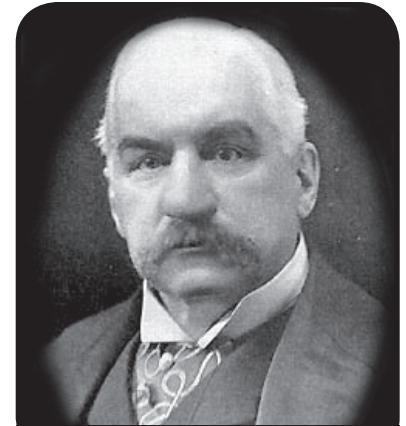
Suffice it to say that "financial panics" were very much a part of Birmingham's history. And that is the basis of the tale we are telling today. The City was

founded in 1871, but there was a financial "panic" in 1873. Coke was produced from local coal in 1878 to make "coke iron" rather than "charcoal iron". Based on that success, the "magic" of industrial development finally began about 1886, with the development of industry, but there was a financial panic in 1893. Steel was first made from local iron in 1888, but commercial production had to wait until after the Panic of 1893. Steel was commercially produced in 1900-1901, but there were great forces afoot in the national economy.

In Pittsburg, in the 1880's Andrew Carnegie formed the Carnegie Steel Company, assembling component industries and forming a vertically integrated production giant that was unequaled. In 1900, Carnegie Steel was purchased by a "syndicate" of investors to form "The Steel Corporation". The syndicate was led by no less than J. P. Morgan. Some say J. P. Morgan was the source of the cartoon character General Bullmoose, of L'il Abner fame - "what's good for General Bullmoose is good for the USA!"

At the time of the purchase of Carnegie Steel, the United States' annual federal budget was \$350 million. Carnegie Steel was purchased for \$480 million. It is said that some years later, Carnegie and Morgan met on a transatlantic crossing. Carnegie is said to have wondered aloud to Morgan, "I hear that I might have asked for another \$100 million for my company." To which Morgan is said to have replied, "Yes, and if you had, I would have paid it."

Such were the times. Steel was the biggest industry ever seen, in a world that was building and manufacturing at a pace never experienced. And where there is economic activity there is speculation and manipulation. Such were the times indeed.



Morgan's interests ranged far beyond railroads, steel, and even banking. His International Mercantile Marine Company acquired the White Star Line in 1902. White Star was the owner of the Titanic.



Andrew Carnegie saying farewell to Pittsburgh in 1914, on his last visit to the city.

At this time there were almost no federal regulatory controls and virtually no regulatory agencies. Teddy Roosevelt was known as the “trust busting” President. The public had become aware of the railroad “robber barons” of the late 19th century, and the railroads barons gave way to the steel magnates. Journalists and authors known as “muckrakers” were alerting the public to the very real dangers of the food industry. Big business was running amok.

The financing of these steel industry maneuvers was done on Wall Street, and steel stocks and bonds were traded and re-traded. Those who controlled the financial arrangements would literally control the companies they financed, or they would seat the managers that ran the companies day to day.

So, after the formation of The Steel Corporation, today known as United States Steel or USS, there was a strong wave of secondary manipulation as others sought to make the fortunes made by Carnegie and assembled by Morgan’s syndicates.

The situation was ripe for another Panic, and this one was a doozy. It began to form in 1905 when the Gates syndicate among others sought to get control of Republic Steel as well as Tennessee Coal and Iron Company (TCI). TCI was a company that had its roots in the hills of Tennessee, but through mergers, acquisitions and manipulation had moved its headquarters to Chattanooga and then to Birmingham. Locally, TCI was the manifestation of the “vision of industry” dreamed for Birmingham and built by dreamers, schemers and of course railroads. It was the largest of the local four, TCI, Sloss, Republic, and Woodward.

Remember that Birmingham had the natural resources to make iron, and subsequently steel, and that these resources

were found in closer proximity than anywhere else. And remember that Carnegie and subsequently US Steel had built empires that included “vertical integration” of supply and logistics. So, transportation costs were a key part of the cost of making and managing profits for a material that weighs 490 pounds per cubic foot. Anything that heavy depended on rail transportation, and transportation costs couldn’t be ignored in pricing of finished material.

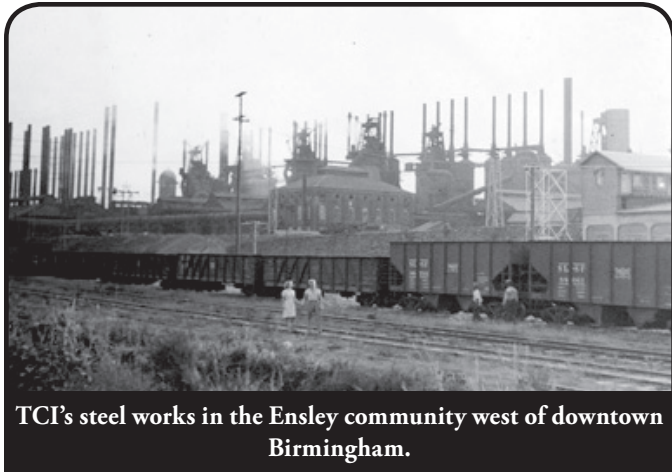
The Financial Panic of 1907 continued to develop during 1906, and by the early part of 1907 things were thought to be (barely) under control. And the control, such as it was, was being administered primarily by J. P. Morgan. Not just the investment banking company, but literally the man. His financial power, access to capital and his power as a banker were legend. There was no Federal Reserve Bank in the United States. The closest thing that we had was J. P. Morgan.

The manipulation of stocks and bonds related to the steel industry was excessive, and there were banking houses and individuals who were overextended. Collateral was being used and reused until the economy was like a house of cards. In the spring of 1907, the house of cards rested on a banking house named Moore and Schley, and they in turn were heavily invested in TCI stock related to the Gates Syndicates efforts to make another steel fortune. As the crisis grew, it was determined that if Moore and Schley failed the economical house of cards would collapse. Even the house of Morgan was in danger – and they were somewhat like the Federal Reserve. (Remember that Andrew Jackson did away with the “Federal Reserve” in the 1830’s although it had a different name.) Today, we might say “too big to fail” but the house of Morgan was the finger in a very weak dike with water starting to pour over the top.

In 1907, Tennessee Coal and Iron (TCI), in Birmingham, was successfully making steel. But the company was not particularly healthy. Built as it was on a large family tree of mergers and acquisitions, and born of a time when the South’s banking system was very weak, the company did not have strong finances, nor was its physical



TCI Tin Plate Mills at Fairfield, near Birmingham



plant sound. And its fortunes rested in the hands of outside investors and manipulators. Furthermore, the labor pool in the south was not strong nor was it particularly skilled. Turnover in some sectors was said to be 400% per year. But, TCI made steel and generally made it as cheaply as anyone in the United States. And it had tremendous natural resource reserves so close that they could be seen from the tops of the blast furnaces.

The TCI stock that was held by Moore and Schley was likely overvalued, and it was judged to be the thread by which the economic fabric of the United States could unravel.

What was to be done? J. P. Morgan and the financial community of Wall Street were meeting round the clock, and each step that was taken to avert crisis was taken with baited breath. The final focus came to be on Moore and Schley and the TCI stock.

Morgan believed that “his” Steel Corporation had the resources to save the day, but it would mean buying up the overvalued stock of TCI to save Moore and Schley. “Trust Busting” President Teddy Roosevelt’s fledgling Justice Department might call the acquisition of TCI by US Steel a monopolistic position in the steel market. So, Morgan called the President and told him to have a meeting. The crisis was that grave, and Morgan was that strong.

Morgan directed Judge Gary, who “led” US Steel, to hold a meeting with Roosevelt at the White House and to determine whether the Justice Department would likely try to stop the acquisition or step aside. In preparing for this meeting, the Board of the Steel Corporation repeated its position that TCI was of no interest to it. TCI was held to be a distant and small competitor in a part of the country that didn’t have tremendous growth – not New York nor Chicago, but Birmingham. That was the story and they were sticking to it. But was it the real story?

The emergency meeting with President Roosevelt was held and Roosevelt advised the Justice Department that the President of the United States did not think that the acquisition by US Steel of the TCI

interests represented a monopoly – and Justice concurred. Those were the days.

With the news from the White House and the financial crisis at the brink, Morgan orchestrated the purchase of the TCI stock by US Steel. Moore and Schley was saved and the crisis averted. The strength and position of the Steel Corporation was such that this finally got things calmed down.

Did US Steel really not care about the relatively small company in Birmingham that was reported to make steel more cheaply than anyone in the country?

Was the TCI Company really overvalued? Was the physical plant really in need of major renovation? What was TCI really worth, anyway? Did US Steel pay a fair price or did they “steal” the company?

While these might have been the questions being discussed in private, the Birmingham newspapers of the day were full of optimism and basically stated that this was the greatest thing that ever happened in Birmingham. And that opinion held for a time.

However, within a very few years, Congress called for investigations of the deal, and some accused Morgan of manipulating the entire stock market in steel to create the financial panic so that he could in turn “solve the crisis” with the acquisition of TCI.

In fact, it was noted that as soon as US Steel took over, they slapped a tariff, called Pittsburgh Plus on all products made in Birmingham so that Pittsburgh steel wouldn’t be threatened by Birmingham being able to make the product more cheaply than anyone.

And some would come to say that US Steel only bought TCI to take them out of the game, and that the subsequent years of control would relegate TCI to a second class manufacturing facility.

What is the true story?

One of the strongest conspiracy theories has to do with the Pittsburgh Plus tariff. Many say that it was a penalty placed on TCI to hold it back. One “internet wiki” source even says that Pittsburgh Plus was “enacted to penalize the South for the Civil War”.

It appears that the conspiracy is a figment of fertile imaginations, and it is a fact! That is, Pittsburgh Plus was very real, but it didn’t apply only to Birmingham’s steel products.

And it wasn’t enacted in the 1880’s to penalize the South for the Civil War, but it was apparently enacted by Carnegie’s companies in the 1880’s when Pittsburgh was the center of the steel production for the United States. It was enacted to account for the transportation costs of shipping steel from Pittsburgh (from whence cometh most all steel) to any other market in the United States.

The Birmingham Steel Industry & Pittsburgh Plus

In fact when the Pittsburgh Plus tariff became the focus of the Interstate Commerce Commission in the early 1920's, the loudest complaints were coming from Chicago, rather than Birmingham. At that time, Chicago was on a building boom, with (US) steel produced in Gary, outside Chicago, yet contractors were paying "Pittsburgh Plus" prices on steel made at Gary, Indiana.

The theory of Pittsburgh Plus makes some sense. Whatever it costs to make steel in Pittsburgh is the price to pay for steel anywhere, PLUS the cost of freight to ship the steel to the point of use. Many products were priced this way: sugar for example, was priced as its port of entry (from Cuba) plus transportation to the point of sale. It made some sense when nearly all steel was made at or near Pittsburgh. But what about steel made in Gary and sold in Chicago, or made in Birmingham and sold in Atlanta, eventually called the "Birmingham Differential"? The Interstate Commerce Commission eventually did away with Pittsburgh Plus pricing. And it turns out that Birmingham steel really was not that much cheaper than Pittsburgh steel.

What of the theory of putting Birmingham under the thumb of Pittsburgh?

While it is true that TCI became a Division of US Steel in 1907 it didn't lose its name until the 1950's. And it is true that all key financial decisions relating to Birmingham had to be blessed in the Corporation's headquarters in Pittsburgh, which was no different than other USS subsidiaries around the country, such as Gary, Indiana.

And it is also true that TCI was not a strong company when its stock was acquired by USS in 1907. Financial resources had been so weak, generally, that the overall infrastructure for the steel plant in Birmingham was very weak. For example, steel making requires vast amounts of water for the manufacturing process. One of the first things that was done by US Steel after 1907 was to build a proper water supply system by creating Bayview Lake, as it was found that in the summer and fall, it was very hard to maintain water supplies for production.

While it was said that US Steel leadership was vested in Pittsburgh, the man selected to run the TCI Division was George Gordon Crawford, who had a long and successful career as a resident of Birmingham, although he was not a native.

Crawford's regime was marked by systematic and thoughtful improvements to physical plant, such as the water supply, and strong leadership to improve the life of the steel worker and his family. Crawford believed that the company must reduce turnover to be more profitable, and that improving the welfare of the labor pool would be a "win-win" for both labor and management.

Also under the Crawford regime, TIC embarked on an expansion of plant and product lines based on the investment of \$10's of millions starting immediately after 1907 and continuing until the onset of the Great Depression. The original iron and steel works at Ensley were upgraded and then subsequent plant expansions and new

production lines were built by USS at Fairfield, which still operates today as a fully integrated steel mill – from raw materials "in" to finished product "out".

Granted, many of these improvements and expansions were done to support the efforts of WWI and later after the Depression, to support WWII. But the expansions were real, the jobs were real and the invested dollars were real. TCI and affiliates produced rail, steel shapes, tin plate, railroad cars, ship building, wire, plate pipe and other products. After the Depression, Birmingham was booming.

This also goes to the question of whether TCI stock was undervalued when acquired by USS. On the one hand, the physical plant was not in good shape, nor was the overall production system robust. On the other hand, the mineral resource reserves in iron, coal and limestone were extraordinary. So, the "value" likely lay in the determination of the true extent of the reserves and their true value. One thing is for sure – iron ore reserves were exploited continuously from 1907 until the early 1960's, a period of over 50 years, 24 hours per day, 7 days per week, and 365 days per week. After that time, and today, iron ore products come to Birmingham from South America and they are of higher quality than Birmingham ores likely ever were.

So, it seems that TCI was not "put under the thumb" of USS and held to the ranks of second class industrial concerns. Yet, corporate decisions were made at corporate headquarters, which one might expect.

Was Birmingham an industrial city whose fortunes rose and fell to large extent with the fortunes of heavy industry? Certainly, it was. And so were Pittsburgh, and Cleveland and many others.

Did management bear down on labor in Birmingham? Were the working conditions rough and dangerous? Yes, sometimes they were, in Birmingham and elsewhere.

But in spite of these concerns, it seems that the industrial climate in Birmingham was not much different than it was in other industrial centers such as Pittsburgh. And the expansion of TCI after 1907 was led by investment from USS in ways that had not been done in the 20 years prior to the takeover. And the fact that 8 "trunk line" railroads, one regional and some 5 industrial railroads served Birmingham bears witness to the strength of the industrial activity here.

In fact it is hard to believe that only some 20 years passed from the early "boom" of the mid-1880's to the takeover of TCI in the Financial Panic of 1907. And it is hard to believe that it was only 25 years from the 1907 takeover, to the depths of the Great Depression in 1932.

And today, the #8 blast furnace at Fairfield, built in the late 1970's, makes more iron for steel than all the other USS blast furnaces of past years combined.

Maybe Henry Ford missed the point. Maybe we can learn from History.

A.J. Russell & Railroad Photography During the Civil War

By John Gruber

The U.S. Civil War, 1861-64, was one of the defining episodes of American history, and observations of its sesquicentennial are well underway. The Civil War era was also a defining period in the history of American photography, both technically and commercially, and that circumstance, too, is receiving attention. During the war, both the North and the South documented battlegrounds photographically for the first time. Both used photographs for propaganda purposes. And photographers on both sides produced portraits of hundreds of thousands of soldiers—the first mass marketing effort in the history of photography. Battlefield views of the tragic outcomes of the conflict brought the war into parlors around the country, both in the form of woodcuts made from the photographs and in the form of stereographic prints from actual photographic negatives. After the war, photographers documented the ever-expanding construction of the nation's railroad network, especially in the West. Among these photographers was Andrew J. Russell, whose work appears in "The Great West Illustrated: Celebrating 150 Years of the Union Pacific Railroad," June 30 to September 17 at the Joslyn Art Museum in Omaha.

Andrew J. Russell achieved permanence in the pantheon of America's photographic notables for his famous view of the golden spike ceremony at Promontory, Utah, in 1869. He acquired his skills courtesy of the U.S. Army during the Civil War, having been named the army's first official photographer.

Russell (1829-1902) grew up in Nunda, New York, southwest of the westernmost Finger Lake, Conesus Lake. His grandfather, Jeduthan Russell, had fought in the Revolutionary War. Andrew Russell gained experience as an artist, painting landscapes and portraits, and eventually opening a studio in New York City. At Hornellsville, New York, he painted a diorama, "Panorama of the War for the Union," in December 1861. He also recruited a company of soldiers in the same community and on August 19, 1862, at the age of 34, enlisted at Elmira, New York, as captain of Company F, 141st New York Volunteers. He stayed with the company until February 1863, when he was assigned to Brig. General Herman Haupt, who as chief of the United States Military Railroads had created a photography position that he awarded to Russell. His first task was to learn the wet-plate process. His teacher was Egbert G. Fowx (1819-1889), an independent civilian photographer who later made photos for the army.

Russell took his position as official photographer on March 1, 1863, and only four days later distributed his first photographs. Throughout the war, he provided photos to benefit the military railroad. Eighty-two of the images appear in an album of salted paper prints published for the U.S. Military Railway Department by a Boston printer, Wright & Potter, in 1863 under the title *Photographs Illustrative of Operations and Construction*. At least two of the albums survive, one in the Library of Congress and one in the National Archives.

Russell made hundreds of images of construction, destruction, and reconstruction of railroads and bridges. In a letter of April 27, 1863, he wrote about his "pleasing task to transform from the world of Nature to the Pictured world" and described two favorite photos, the first "a scene chaste and beautiful" of Potomac creek and bridge, and the second, the bridge from the valley, "a scene worthy of Poets attention or painters touch."

His official position allowed him to get close to battlefield action. On May 3, 1863, at the second battle of Fredericksburg, he was on the site within twenty minutes of the end of fighting.

Haupt (1817-1905) left the military in September 1863. James Ward, in the biography *That Man Haupt* (1973), writes that Haupt "brought organization and leadership where there had been chaos and he stepped on official toes, but when the Union armies went into battle they were well supplied by his railroads." Russell continued as a military photographer until 1865.



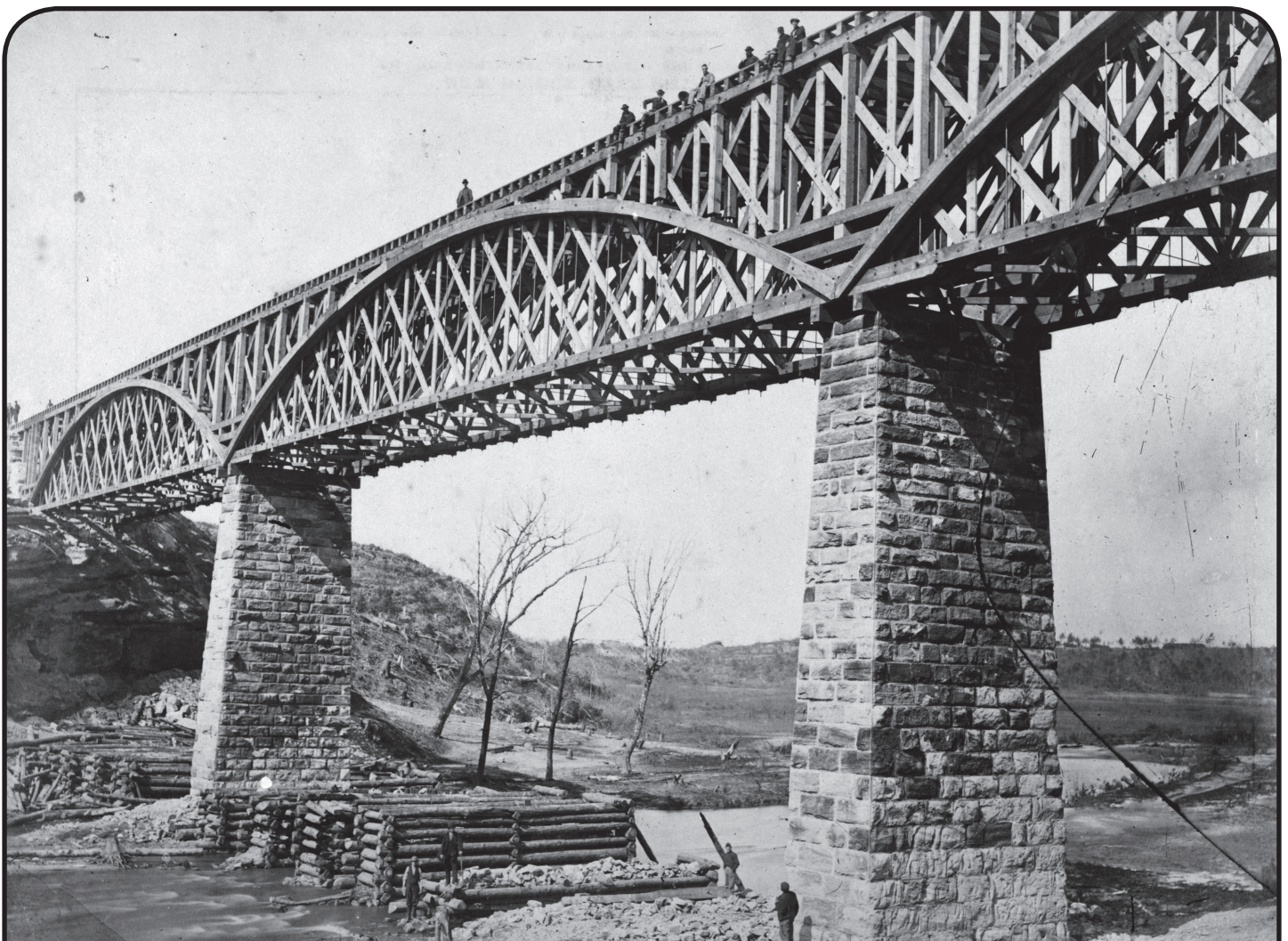
Photographer Andrew J. Russell stands on the steps of photographic department headquarters in Alexandria, Virginia, with his uniform open. His teacher, Egbert G. Fowx, leans against the porch post, and his two assistants sit on the steps. Russell family collection

John H. Devereaux (1832-86), who succeeded Haupt as superintendent of the military railroads, wrote in a nine-page report in 1864 that Russell's photographs would be "invaluable as time [progressed], carrying mementoes of strength and pride to the present generation, and sublime in their lessons and worth to those who [were] to come after." (Quoted from Bob Zeller, *The Blue and Gray in Black and White, a History of Civil War Photography*, 2005).

After his beginnings as a photographer during the Civil War, Russell went on to make his famous construction photographs of the Union Pacific. He returned to New York City and joined Leslie's as a full-time staff photographer in 1870. He wrote about his war

experience in Anthony's *Photographic Bulletin* in 1882. Russell continued at Leslie's until 1891 when he applied for a disability pension from the military, retired, and moved to Brooklyn. His most important work came first, in the Civil War and the West.

Russell's family continues to admire his work. *Life* magazine ignored his great-great-granddaughter, Sara Homberg, when she asked for a correction in 1957 for a photo misattributed to Mathew Brady. But Susan E. Williams set the record straight in the *Virginia Magazine of History and Biography* in 2002.



Andrew J. Russell made this photo of the Potomac Creek Bridge of the Aquia Creek & Fredericksburgh Railroad on April 12, 1863. This could be a view Russell described in a letter to Devereaux, superintendent of the U.S.M.R.R.
Library of Congress, LC-DIG-ppmsca-11688

Announcements

From the Dispatchers' Office

By Alden Dreyer, Back Issue Manager

Again in 2011, your society enjoyed a record number of new members. So, as we did last year with reasonable success, we are repeating a special offer directed at our new members, but, of course, any member may participate, perhaps as a gift for a young person. If you now have no more than seven in-print editions of *Railroad History*, in exchange for a \$250 check or money order, payable to Alden Dreyer, we will send you 50 editions of *Railroad History*, plus a complimentary Tabor Index and an R&LHS Bulletin of my choice. There are currently 48 in-print editions, including the Millennium Special, so we shall make up the difference with up to 9 out-of-print editions that normally sell at \$10 each. Just tell me, by number, which editions you already own. Be aware that issues 127-191 are digest-sized, and some of the out-of-print editions show mailing marks and signs of careful handling. Early birds get the best selection and the offer ends on 30 September 2012. USA mailing is free, others pay the differential. Help yourself to a fine library of timeless rail history, help the R&LHS treasury to produce even better publications, help me by reducing the number of cartons I need to handle to fill orders, and help future members by moving more back issues into better storage facilities as the number on hand is reduced. See the Back Issue Store ad for contact information.

Center for Railway Tourism Announced

Davis & Elkins College, in Elkins, West Virginia, has announced the launch of the Center for Railway Tourism in Fall 2012. In remarks to the Randolph County Chamber of Commerce on March 14, 2012, the new Director of the Center - and R&LHS member - James D. Porterfield said the initiative will create a "first-class educational and support center dedicated to developing and sharing the knowledge and human resources needed to insure the future success of the railway tourism industry."

Endorsing the Center, Davis & Elkins College President G.T. 'Buck' Smith noted that it represents a new opportunity for the College's Business program, specifically within its Hospitality and Tourism major. Smith commented: "Railway tourism is growing quickly throughout the West Virginia Highlands. Through his entrepreneurial ideas, John Smith (of the Durbin & Greenbrier Valley Railroad) is building a previously unimagined rail network with a potential economic impact of \$50 million. Our students, particularly our Highland Scholars, will be able to prepare for the possibilities that growth will bring, cultivating the knowledge and business skills to pursue their own entrepreneurial ideas."

Dr. Carol Carter, Chair of the College's Department of Business Administration, Economics, Hospitality and Tourism Management, added that D&E's program will also offer "a wide range of educational and entertaining programs for those with an interest in railway heritage and preservation, such as film festivals, art and literature events, and topic-specific annual conferences."

Porterfield added that, "the Center will also tackle key issues facing the railway heritage and preservation community. Specialized

courses, internships and mentoring will acquaint undergraduate students here and elsewhere with railway heritage tourism as an attractive career opportunity and prepare them for success in the field. Professional conferences and workshops will address such issues as increasing volunteerism, using evolving electronic media in marketing planning and content development, and establishing benchmarking and data collection to aid decision making." Through a planned Sponsors Program, Porterfield added, "the Center will pursue a timely commitment to serving the evolving needs of the railway heritage community. Nationwide, for the long term, and with a focus on bottom-line results."

Porterfield notes that placing the Center at D&E was a direct outgrowth of the 2011 R&LHS annual meeting being held in Elkins. "The community is vibrant and stable," he said, noting that both a college and the Randolph County seat anchor its economy. "D&E already has a Recreation and Tourism Management major. West Virginia has designated railroad heritage as one of three focuses for tourism in the state (the other two are natural resources and outdoor recreation). And railroad heritage is a focus of the community as well. Elkins is headquarters for the Durbin & Greenbrier Valley Railroad, a trailhead on the lengthening Allegheny Highlands rail trail, and the likely location of the West Virginia Railroad Museum. These factors contributed to immediate and strong support for the concept of a Center from the College and community alike."

For more information, contact Jim Porterfield at jamesdporterfield@mac.com or 814/574-5586.

Statement of Revenues & Expenses

Fiscal Year January 1 to December 31, 2011

Revenues

National Dues all levels	\$83,226.00
Chapter Dues/Donations paid through National.....	8,760.00
Donations	5,810.00
Friends	100.00
Earnings on Reserve Accounts	7,661.00
RRH/Sales Advertising.....	12,061.00
Archives Services	286.00
Meeting Proceeds (Elkins, West Virginia)	315.00
Refund of Attorneys' fees and other income	2,075.00
Income from estate distributions	73,782.54
Total Revenues	\$194,076.54

Expenses

RRH #204/#205 staff/print/mail	\$63,104.00
Quarterly Newsletters – 4 issues	10,121.00
Chapter Dues/Donations Disbursements	8,760.00
Archives: Storage Rental	1,800.00
Advertising (does not include donated advertising).....	3,898.00
Membership Development/Processing.....	3,423.00
Awards Program	1,328.00
Insurance (Director's liability)	1,027.00
Business Office Aug – December, 2010 (Colorado Springs).....	3,000.00
Legal Fees – NMRA & Alexander Saunders	1,500.00
CPA Fees (IRS 1099 preparation).....	80.00
Other Expenses	345.00

Total Expenses **\$98,386.00**

Excess Revenues over Expenses **\$ 95,690.54**

Reserve (Investment) Account Balance as of 12/31 **\$507,354.00**

R&LHS Membership Report

Fiscal Year January 1 to December 31, 2011

National Memberships

New members ...Number ... Dues Paid...Donations... Friends

US.....	340.....	\$11,282.00	\$65.00.....	0
Canadian.....	5.....	\$195.00	0	0
International	3.....	\$150.00	\$10.00.....	0

Renewals

US.....	1706.....	\$65,119.00 ...	\$4,931.00 ...	\$100.00
Canadian.....	23.....	\$897.00	\$94.00.....	0
International	22.....	\$1,100.00	\$102.00.....	0
Institutional	69.....	\$4,483.00	n/a.....	0

Life members

US.....	103.....	n/a	\$82.00.....	0
Canadian.....	4.....	n/a	0	0
International	2.....	n/a	\$200.00.....	0

TOTALS **2277** **\$83,226.00 ...** **\$5,810.00 ...** **\$100.00**

TOTAL REVENUE (Dues, Donation, & Friends) **\$89,136.00**

From the Membership Desk

Membership Renewal Update . . .

For those of you who have forgotten to renew (and I know who you are!), it is not too late. You can (1) find the renewal form and self-addressed envelope which was placed inside the cover of Railroad History 205 and mail it in; (2) type in <https://www.ribbonrail.com/RLHS> in your browser to link directly to the online renewal form; (3) type in http://rlhs.org/Membership/Forms/membership_form%20.pdf to download the mail-in form, or (4) if all else fails, call me at (719) 339-2794 and I'll fill out a form for you and record your credit card payment information. Congratulations to our International Members— all 2011 members have renewed for 2012!!!

Electronic Quarterly Newsletter . . .

Did you know you can sign up to receive your Quarterly Newsletter as a digital file (PDF)? There are several advantages: (1) you'll receive your copy before your friends' mailed copies arrive; (2) you can share your QNL with friends and relatives either for discussion purposes or to persuade them to join the R&LHS; and (3) you can save trees, ink, postage...and R&LHS costs.

Life Members who are chapter members...

Please check with your chapter(s) to confirm that you are currently a member or may need to pay your chapter dues. We are trying to refine the chapter renewal process for Life members since changing to renewal notices enclosed with the last issue of Railroad History.

Thanks for updating your mailing addresses, phone numbers, and emails!!!

Treasurer's Two Bits

Robert Wilfley, an accountant specializing in nonprofit tax preparation and consulting, sent me the following IRS Tax Tip issue. Bob will be assisting me in the preparation of the IRS Form 990, which I will submit by May 15, 2012. I hope this answers numerous questions about this subject.

IRS Tax Tips dated March 23, 2012, IRS Tax Tip 2012-57

This issue lists eight essential tips to help ensure your contributions pay off on your tax return, all of which are listed below. The R&LHS is a 501(c)(3) nonprofit corporation.

1. If your goal is a legitimate tax deduction, then you must be giving to a qualified organization. Also, you cannot deduct contributions made to specific individuals, political organizations or candidates. See IRS Publication 526, Charitable Contributions, for rules on what constitutes a qualified organization.
2. To deduct a charitable contribution, you must file Form 1040 and itemize deductions on Schedule A. If your total deduction for all noncash contributions for the year is more than \$500, you must complete and attach IRS Form 8283, Noncash Charitable Contributions, to your return.
3. If you receive a benefit because of your contribution such as merchandise, tickets to a ball game or other goods and services, then you can deduct only the amount that exceeds the fair market value of the benefit received.
4. Donations of stock or other non-cash property are usually valued at the fair market value of the property. Clothing and household items must

generally be in good used condition or better to be deductible. Special rules apply to vehicle donations.

5. Fair market value is generally the price at which property would change hands between a willing buyer and a willing seller, neither having to buy or sell, and both having reasonable knowledge of all the relevant facts.

6. Regardless of the amount, to deduct a contribution of cash, check, or other monetary gift, you must maintain a bank record, payroll deduction records or a written communication from the organization containing the name of the organization and the date and amount of the contribution. For text message donations, a telephone bill meets the record-keeping requirement if it shows the name of the receiving organization, the date of the contribution and the amount given.

7. To claim a deduction for contributions of cash or property equaling \$250 or more, you must have a bank record, payroll deduction records or a written acknowledgment from the qualified organization showing the amount of the cash, a description of any property contributed, and whether the organization provided any goods or services in exchange for the gift. One document may satisfy both the written communication requirement for monetary gifts and the written acknowledgement requirement for all contributions of \$250 or more.

8. Taxpayers donating an item or a group of similar items valued at more than \$5,000 must also complete Section B of Form 8283, which generally requires an appraisal by a qualified appraiser.

Railfanning the Birmingham Area

For those who will be attending the Birmingham Convention (or anyone else who chases contemporary trains), there is an excellent article, *Birmingham's Southern Sizzle*, on page 60 of the May issue of *Trains*. Author Drew Halverson has included area and detail maps, scanner frequencies, and tips on the best spots for train watching. Some are near our hotel!

Dates to Remember

June 15, 2012 – Date when summary of annual board meeting is scheduled to be published in the Quarterly Newsletter

September 15, 2012 – Date of Quarterly Newsletter in which you will find information about renewing your membership for the next year

December 15, 2012 – Target date for printing next year's annual meeting information and sign-up forms

Our QR Code!

Member Howard (Cork) Hayden of Pueblo West, Colorado, has created a QR code for smart phones which will link you directly to the R&LHS web site. If you don't know how to use a QR code, don't worry – you can still get there the old-fashioned way – just type RLHS.org.



In addition to creating our QR code, Cork has helped man the R&LHS table at several rail shows in his area. We appreciate the efforts of Cork, and of all of our volunteers!

Membership Development

Paul Gibson, Chief Operating Officer • paul@railpub.com • 508/397-1828

February started with a bang for R&LHS recruiting, as members of the Golden Spike Chapter, along with Mike and Sigi Walker, signed up nine new members during the World's Greatest Hobby show in Salt Lake City. Through late March of this year, the combined efforts of our recruiting teams have added 54 new members.

Below are the details:

<u>Location</u>	<u>Event</u>	<u>Recruiting Team</u>	<u>New Members</u>
Salt Lake City, Utah	World's Greatest Hobby on Tour	Gold Spike Chapter/Mike Walker	9
Jacksonville, Florida	Annual Rail Fair/Prime Osborn Center	Bill Howes, Jim Smith, Art Towson, Carl Corsi	1
Estes Park, Colorado	Estes Valley Division NMRA	Mike & Sigi Walker	5
Ogden, Utah	Hostler's Model Railroad Festival	Golden Spike Chapter/Mike Walker	2
Denver, Colorado	TCA Spring Training	Tom Van Wormer, Steve Mason, Dave Rodd, Sigi Walker	5
Colorado Springs, Colorado	TECO Show	Tom Van Wormer, Dale Quam, Mike & Sigi Walker	2

Here's a list of upcoming shows scheduled over the next few months, or shows for which we hope to have a team of R&LHS recruiters. All of these events are great opportunities for you to help spread the word about R&LHS and have some fun meeting other railroad history enthusiasts.

<u>Date</u>	<u>Location</u>	<u>Show</u>	<u>Recruiting Team</u>
April 7	Divide, Colorado	Midland (Railroad) Days	Mike & Sigi Walker
April 14-15	North Platte, Nebraska	Nebraska-WCD Annual Train Show	Mike & Sigi Walker
May 12	Colorado Springs, Colorado	Pikes Peak Div./NMRA	Mike & Sigi Walker
May 19	Albuquerque, New Mexico	Albuquerque Railroad Fair	Albuquerque Crew/Sigi Walker
May 19-20	Cheyenne, Wyoming	Cheyenne Depot Days	Mike & Sigi Walker
June 20-24	Temple, Texas	Santa Fe Historical & Modeling Society Annual Meeting	Bob Holzweiss, John & Linda Fike

And finally, here are a few more opportunities coming up this Spring and early Summer. Can you help out with any of these? Please contact me, or any of the team leaders listed, to find out more.

<u>Dates</u>	<u>Location</u>	<u>Show</u>
May 5	Elkhart, Indiana	NYCSHS Annual Meeting/Train Show
May 11-12	Strasburg, Pennsylvania	Conrail Days – Pennsylvania State Railroad Museum
June 3	St Charles, Illinois	St Charles Railroadiana Show/Golden Spike
June 23	Charlotte	North Carolina Train/Railroad Artifact Show
July 6-8	Strasburg, Pennsylvania	Reading Railroad Days – Pennsylvania State Railroad Museum

Paul Gibson
Membership Development

Summary Chapter Dues Disbursement Report

2011 Chapter Dues Paid to National & Reimbursed to Chapters in 2011

Chapter	Chapter Dues	Chapter Donations
Chicago	\$ 1,005.00	\$ 210.00
Golden Spike	\$ 420.00	\$ 71.00
Lackawanna	\$ 1,425.00	\$ 75.00
Mid-South	\$ 500.00	\$ 80.00
New York	\$ 1,700.00	\$ 152.00
Pacific Coast	\$ 900.00	\$ 239.00
South Central States	\$ 296.00	\$ 35.00
Southeast	\$ 885.00	\$ 291.00
Southwest	\$ 248.00	\$ 68.00
Southern California	\$ 160.00	0
TOTALS	\$ 7,539.00	\$1,221.00

Fred Springer Receives R&LHS Senior Achievement Award

By Vern Glover

I recently journeyed from Albuquerque to the Eldorado area of Santa Fe for a ceremony presenting Fred Springer with the Senior Achievement Award of the Railway & Locomotive Historical Society. Attendees included John Gruber (Center for Railroad Photography and Art), Mark Entrop (R&LHS Awards Chair), George Werner, and Polly Rose, as well as members of Fred's family.

Fred was resplendent in a Pullman Conductor's hat and uniform jacket. Despite his speech handicap he was cheery and quite vocal, with notes written on a 5x8 legal pad. Coffee and refreshments were served, and numerous conversations and information exchanges took place over the two hours of our meeting. This was an important event in Fred's life, and the award says a lot about Fred and his days and ways.

{Editor's Note: Fred has received numerous awards in recognition of his efforts in preserving the history of railroads. The park adjacent to the Temple, Texas Santa Fe depot (now the Temple Railroad and Heritage Museum) is named for Fred. He received a Certificate of Recognition for the R&LHS award from the Santa Fe County Board of Commissioners the day before he died (April 18). The text of the award will be published in the next issue of Railroad History.}

Trading Post

Note: Trading Post listings are published at no charge for members in good standing. Please e-mail desired copy to the editor at j-fike@tamu.edu by the following dates: January 1, April 1, July 1, or October 1. Listings are not automatically repeated, and are subject to space availability. If you wish your listing to be repeated, please send the copy as above for each repetition. If the copy is unchanged from the previous listing, please so note. Publication of Trading Post listings is subject to availability of space, but we make every effort to run them in the upcoming issue. Be sure to include your complete address (USPS and e-mail); telephone number if you wish.

FOR SALE:

Pennsylvania Railroad/Transcontinental Air Transport commemorative heavy brass paperweight. Duplicates the 1929 PRR calendar illustration in bas relief, showing PRR K4 5460 at Port Columbus with TAT Trimotor overhead and adjacent to track as well. Route of train-plane service also shown in relief at bottom of paperweight. A beauty. \$300.00 plus shipping and insurance. Robert T. Hess, 295 Bunters Road, Gore, VA 22637-3006.

R&LHS Back Issues Store

The archival-quality journal of the R&LHS has been published twice a year since 1921. Known for many years as *The R&LHS Bulletin*, the publication is numbered, with occasional named extra editions. With *Bulletin No. 127, dated October 1972*, the name was changed to *Railroad History*, continuing the same size and general content as that of the *Bulletin*. The size was changed to a larger format in the spring of 2005, effective with issue No. 192.

R&LHS Bulletin

As of April 10, 2012, the following editions of the Bulletin are available (R = reprint):

Numbers: 1R, 44, 46, 50, 55, 56, 57R, 58, 58A, 58ARSC&HC, 61A, 62, 66, 67A to 126

All of the above are out-of-print and individually priced. Prices for R&LHS members, range from \$10-\$60 each based upon scarcity, demand, and condition. An all-time index, together with a brief description of contents and prices for all out-of-print editions, may be found at www.rlhs.org. Members receive a 20% discount from the out-of-print edition prices shown on the web site. Web prices are for the issue in best condition (when more than one copy is available). Inquire if interested in cosmetically damaged copies, which are, further discounted when available.

Member pricing for the following Bulletins is \$10 each: Nos. 73, 104, 105, 107, 109, 118, 124, and 125.

\$12 each: Nos. 1R, 78, 81, 87, 90, 91, 95, 97, 99, 102, 103, 106, 108, 112-117, 119, 122, 123.

Railroad History

With the exception of No. 201, all editions of Railroad History are available. These are divided into two classes:

- In-print editions are usually those remaining in storage from the day of printing, unless purchased as part of collections.
- Out-of-print issues are those that have been purchased to maintain inventory. As of April 10, 2012, the following editions are out-of-print, (but still available from us – see below):

Numbers: 127–138, 140, 143, 145–148, 150, 152, 153, 155, 156, 159, 162, 164, 174, 180, 182, 192, 201, 202

Member pricing for the above varies, and is as follows: Nos. 129, 130, 132, 134, 135, 137, 138, 145, 146, 150, 155, 162, 180, 182 are \$10 each.

Nos. 127, 128, 143R, 147, 148, 153, 156, 164, 174, RRH in Photos, 192, 202 are \$12 each. Nos. 131, 133, 140, 159 are \$16 each.

Nos. 136, 143, 152 are \$20 each.

All other issues of Railroad History (Numbers 139–205) are in-print and priced as follows for R&LHS members:

Order Size = Cost per Copy

1–6 = \$7.50 ea. • 7–12 = \$7.00 ea. • 13–24 = \$6.50 ea. • 25–48 = \$6.00 ea. • 49–72 = \$5.50 ea. • 73–99 = \$5.00 ea.

SHIPPING — We ship via USPS Media Mail, at no additional charge, to addresses within the USA. Others pay the differential only. Depending on length, 3 to 7 issues can fit in a USPS Priority Mail flat rate envelop. Shipping is available for about \$14 to anywhere in the world that accepts Priority Mail.

PAYMENT — Check or money order payable to Alden Dreyer, in U.S. currency at sender's risk, or PayPal to email address below.

CONTACT — Email works best for placing an order. If using the postal service, please include a telephone number and e-mail address if available.

Alden Dreyer

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A less-seen view of the celebration at Promontory Summit, May 10, 1869. A.J. Russell photo.