The B & M makes a comeback
Once mighty railroad is...

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NORTH BILLERICA — The Boston and Maine Railroad, which in March, 1990, filed for bankruptcy, recently reported a net increase for the month of August and said this was the second month in succession the firm had increased its earnings.

While the figures for the month of September will not be fullycertained until late in October, Alan G. Dustin, the B and M’s new president this week said “we are quite optimistic the trend will continue.” If it does, the railroad will have passed a milestone. It will have increased its net earnings for three successive months, a feat it has not been able to accomplish since it filed for bankruptcy.

What has happened to our once-mighty railroads? How does it happen that a large corporation finds itself on the verge of bankruptcy? How does it happen that a large industry like the Boston and Maine railroad, which knew nothing but progress and growth for an entire century, all of a sudden finds itself slowly deteriorating and in deep, deep trouble? And, how does a railroad pick up the pieces?

THE PROBLEMS which have beset the Boston and Maine Railroad only serve to mirror what has happened to most of the nation’s railroads, not once, but twice in this century.

While the railroads as we know them first originated in England in the 18th Century, and the first American railroad, ironically as it may be, was started in Quincy, Mass., it was a horse-drawn tramway used to carry the granite with which the Bunker Hill monument was built. The year was 1713.

It was little more than two decades later when the original Boston and Maine Railroad came on line. It was an outgrowth of the old Andover and Wilmington Railroad, chartered in 1831. The Boston and Maine was chartered in the state of New Hampshire, on June 27, 1835. This was only eight years after the Baltimore and Ohio Railroad became the first railroad in America to be chartered as a common carrier of freight and passengers. On Christmas Day, 1839, the South Carolina Canal and Railroad Company became the first in the United States to start scheduled passenger operations using a steam locomotive.

Reports would indicate it was during this decade (the 1830’s) that many railway systems (and the five-foot gauge line) cropped up. Many of them became the nucleus of the so-called giants of the rail industry.

BY 1850 there were 1,500 miles of track in the United States, and the nation was apparently poised for what was to be a great era of railroad construction. And, amazingly enough, that era of expansion and wonder was to continue for more than 100 years.

The railroads had pushed west from Chicago. They were to help “civilize” the Western frontier. The building growth of the railroads was in full swing, and while it was reported the Civil War slowed progress, it did not stop it. In fact, four years after the Civil War, America was to witness the first transcontinental. Twelve years later, in 1864, the Atchison, Topeka and Santa Fe joined rails with the Southern Pacific in New Mexico to launch the second transcontinental. The railroads did have some problems during the so-called post-Civil War era. A number of lines were forced to ask for government aid in the form of land grants, and loans. If anybody had any doubts about whether or not the railroads made any money in those days, there are government figures which indicate that six pioneer Western railroads, which had borrowed $65 million from the government (most of it used to push across prairie and through the mountains) paid back a total of $167 million in principal and interest.

There were also rate wars during that era and since the railroads did enjoy a monopoly over domestic transportation, the government finally decided it was necessary to regulate the railroads. While at first regulated by some of the state governments, the federal government, as the result of public sentiment finally passed the Interstate Commerce Act of 1887.

The railroad networks had just about reached their fullest extent by the turn of the century. In those days, the B and M’s chief design engineer, the Boston and Maine track mileage at that time was 2,500 as compared with today’s 1,497.

IN 1913, WHEN the B and M first came to Billerica, the town was quite
...finally making money again

small "so the railroad had to be self sufficient," said Boyd. He talked about the B and M's own fire protection, its own sanitary sewer system "including the filter beds," and the fact that in those days there was no commercial power available.

Alan MacMillan, another engineer explained "if there was any commercial power, there certainly was not enough available to serve the needs of the entire yard." The A and M yards, marked for their long since been sold or leased, once measured 600 acres.

The B and M had installed its own power plant. All of the Ward's had to be pumped by steam and all of the buildings were heated by the recirculation of hot water. Maybe someone had dreamed of the problems the B and M would have with the federal government's Environmental Protection Agency in the 70's and of the multi-million dollar project this would entail. The fact is, at that time (in 1913), the power plant constructed by the B and M was the most modern available.

While the railroad building in the United States had slowed in the early years of the 20th Century, the railroads did not stop in their effort to improve service and equipment. Then it happened. A new era for the United States. The economic depression was upon us. And while the depression dealt the railroads a real disheartening blow, part of the problem, or problem was that the railroads were still 19th century. The railroads were unable to handle the demands of the automobile which started the big change. In any event, the railroad company's rolling stock. The electric alternator which produced electric power in the early 1900's required an engine, which furnished the heat. It was also causing environmental problems. The result is three new 600 horse power low pressure (liquid pound per square inch or less) automatic Cleverbrook boilers.

COMPANY OFFICIALS have also recently acquired 12 new locomotives, at a cost of $250,000 each. In addition, says Mrs. Gloria Stone, who is a company spokesman, the B and M now has 700 new boxcars (the old ones "money-making little devils") which in one month averaged earnings of $276.88 for each car, or a total monthly income of $190,816.

Hot box detector

Brooks Cardwell, chief train dispatcher for the B & M RR, checks tape which automatically records overheated axles at various points in the system, giving advance warning of situations which can be corrected. Dispatcher Robert Martin controls a portion of the New England network in background, at Billerica headquarters.

ed to $2.5 million and at the same time "fixed charges of interest paid during that period consumed its depreciation and caused it to cannibalize its properties." In consequence, its capital expenditures for equipment and maintenance were said to be inadequate. Prior to this time, its last heavy expenditures for equipment were made in 1900. The usual tie-laying and track-replacement programs were neglected.

In addition, the B and M's first mortgage bonds fell due in July, 1900. The firm was unable to refinance them. In fact, the B and M, as explained in its own pre-bankruptcy history, "was considered as teetering on the verge of bankruptcy in 1900." Five years before the bankruptcy proceedings got underway. At that point, it became the second of six major railroads in the eastern United States to file for bankruptcy. During the next two years the other four followed suit.

The trustees of the railroad were optimistic that it could be reorganized with what they termed "a comprehensive action program." They stressed the need for abandonment, new capital investment, tax abatements and some subsidies.

At the B and M yards, the firm sold or leased much of the original 600 acres of land. The railroad is now housed in two major buildings including most of the executive offices which at one time were located in Boston. Also housed in the executive office building is several consist type control panels which is a miniature layout of the tracks maintained by the B and M. Operators on duty 24 hours a day can monitor the movement of any of the company's rolling stock. The electric control panels now do the job once accomplished by the telegraph, which started back in 1837 (in the United States it was 1851) and the telephone, which was first tested in 1877.

One of the most recent major expenditures (a multi-million dollar project) by the B and M occurred in 1971, when, according to company officials, it was found necessary to make "some radical changes in our boiler system."

The old system, which in 1913, was the most up to date to that time, was causing a drastic reduction of the company's potential to pump water and supply heat. It was also causing environmental problems.

The rail is a three new 600 horsepower low pressure (15 pound per square inch or less) automatic Cleverbrook boilers.

BOSTON & MAINE ADMINISTRATIVE OFFICES IN OLD CAR SHOPS

...since being relocated from Boston to North Billerica

Trains can't go anywhere without safe tracks

Phil Corder, welding supervisor, controls a rail-welding apparatus, left, while bottom right, Charlie Clark grinds weld. Upper right, 30 flatbed cars are used to haul these 1326-foot long welded rails.

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Another money-maker (or at least that is the way it is planned) is the establishment of an automobile unloading facility in Ayer.

Another major expenditure is the B and M’s continuing track upgrading program. While there have been a large number of reports of train derailments recently, the B and M has taken numerous actions to reduce its high accident rate. The management, working with the trustees, has provided for regular safety inspections. Train speeds have been reduced as have the number of cars per train.

In addition, the tracks have been upgraded, observed Mrs. Stone. She noted the latest reports on the number of railroad and train cars installed. She referred to the reports for the month of August and compared them with August of 1972. There were 8,300 railroad cars installed in August this year. In 1972, the number was 10,630. The figure on the rails was 30,791 feet as compared with 70,733 feet in August 1973. In August this year, she said 227,400 miles of railroad track was surfaced and lined. In August last year, it was 126,601 miles. There were also 82,600 tons of ballast (gravel tanked under the ties) dumped in August this year. In 1972 the August figure was 48,000 tons.

Almost anticipating the next question, Mrs. Stone looked at the shortage of materials this year, as compared to last year. Most building contractors are also finding it difficult to come up with some of the materials, especially steel.

The trustees, as a part of their action program, began what they like to refer to as a “sales blitz,” which with improved weather, is expected to provide a large increase in freight revenue. A telephone service on the B and M has also been valuable.

Looking over new power plant

B & M vice president Wallace H. Chaplin, president Alan G. Dustin and chief engineer Vincent R. Terrill check out three 600-hp low-pressure boilers.