

MEMORANDUM

April 18, 1972

TO: Senator  
FROM: Dan and Bob  
SUBJ: Altoona

*Sent*

1. UNEMPLOYMENT

Altoona has lost over 2,100 jobs since February 1971. That means that unemployment in the Altoona area stands at about 4,100 persons or 7.5 percent.

There have been cutbacks in construction, retail trade and transportation.

2,500 persons are presently receiving unemployment compensation.

2. EARNINGS

Average weekly earnings are \$120.43 -- down \$10 from the national average.

Take-home pay would be about \$105.00 a week -- hardly enough to buy food, rent and clothing.

### 3. RAILROADS

Altoona has long been a railroad repair, engine repair, and general railroad overhaul center.

Altoona has declined -- with merger of the Penn Central and ensuing bankruptcy of that line.

Jobs have been cutback; the entire economy of the area has been affected.

Two points you should make:

(1) You are not about to let railroads die. We need them. We cannot move the nation without them.

At the same time, insist that railroads give service to as many areas of the nation as feasible. No community should be cut off, its transportation links cut, and industries without a way to get goods to the market.

(2) You will introduce legislation that would provide railroaders with the option of retiring after 30 years of service and attaining 55 years of age.

This measure is sponsored in the House by Chairman Harley Staggers and supported by the railroad unions. It would:

(a) Open up new jobs for younger workers -- giving them solid hope of upward mobility.

(b) provide railroaders with a chance to start a new career.

Your proposal would also affect the payroll tax for railroad retirement that railroad workers now pay because it would shift the burden of the tax to the employer.

Currently, railroad employees pay a heavy tax -- 10.5 percent on \$750 a month or an \$81 maximum a month for retirement benefits.

But the problem is that the entire railroad fund is going broke -- there are more beneficiaries than there are current workers: 1 million recipients to 750,000 workers.

Your method of payment is only one suggested way to put railroad retirement back on the right track.

Another way could be general revenue financing --

You should express your hope that the commission currently studying the entire question of railroad retirement would consider both of these alternatives. The commission is scheduled to report July 1.

#### 4. YOUTH

You ought to say that you want opportunity for youth right here in Altoona. And, that it can happen.

There are signs that there can be life in Altoona.

--Penn State has a branch campus there.

--Recreation and tourism is big in that area.



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