

fleets and other regulated carriers. We don't like that, but it's a fact of life. The freight carried by these owner-operators shows up as regulated freight ton-miles, and the Fed knows it," replies the industry spokesman.

"And railroads don't carry what is hauled by regulated carriers. Automobiles, auto parts, dishwashers, household goods—isn't that what the recovery is supposed to be all about? We are still the core of the trucking industry. Where are the goods if our carriers aren't hauling them?"

Disinvestment

The Fed and Commerce Department point to figures that show a dramatic doubling in trucking company profitability and after-tax income in the past year. But where do these so-called profits come from?

According to the ATA, overall investment in the industry has been *negative* since 1980. Between 1980 and 1982, industry disinvestment is put at more than \$500 million. As a result, older, often inefficient and unsafe trucks are being pushed to the point of collapse. Breakdowns of plant and equipment are increasing. And when something finally goes over the edge, it is discarded rather than replaced.

The wage bill has been lowered over the last two years, primarily through mass layoffs of Teamsters, now numbering close to 300,000, and through contract givebacks. For all practical purposes, the Teamsters' Master Freight Agreement (MFA) is a dead letter, violated at will by companies putting the bankruptcy gun to the heads of union members.

No one—not the industry, not union officials—expects a rehiring of laid-off workers. "How can they be rehired?" said a union spokesman. "There is no recovery." Widespread awareness of that fact was behind the Teamster members' overwhelming rejection of a giveback contract rider on the Master Freight Agreement in September.

To make matters worse, the Interstate Commerce Commission is proceeding apace with actions designed to further deregulate the industry. Both the Teamsters and trucking industry spokesman have appealed to the ICC and Congress to reverse the process. For the most part, they have run into a stone wall.

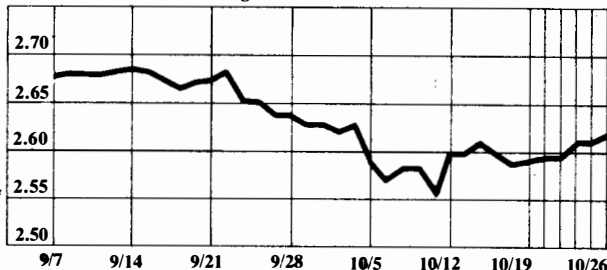
Earlier this year, it was hoped that the presidential election campaign might serve to brake some of these deregulatory moves. The thinking was that the Reagan White House would do nothing to make matters worse while courting the support of the still-powerful Teamsters. But an industry source now comments, "The ICC is a rogue agency gone crazy with deregulation. I don't know if even Reagan himself could stop the process if he wanted, and I am not so sure that he wants to. It's that goddamn free-market ideology he believes in."

Wage-gouging and rationalization mean that the industry is suffering from long-term disinvestment in both capital and labor. Even if deregulation were slowed or actually reversed, "it is too little, too late for most of the trucking industry," said this source. "The only thing that will help is a real recovery."

Currency Rates

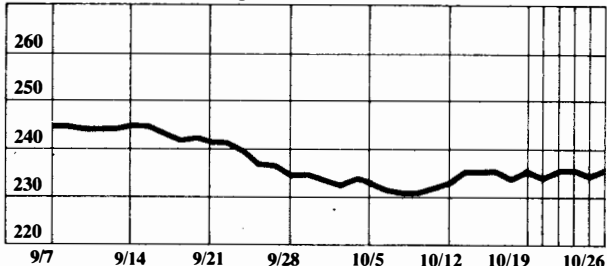
The dollar in deutschemarks

New York late afternoon fixing



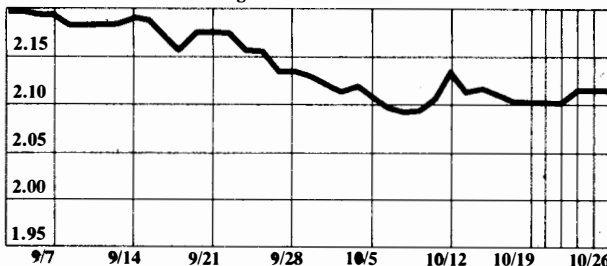
The dollar in yen

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing

