

Railfax

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CHAIRMAN OF THE BOARD: - Clark Hungerford has been named Chairman of the Frisco Board of Directors, succeeding Frank A. Thompson who died on February 7. Mr. Hungerford will continue also as president.

LOAN GUARANTEE BILL SPONSORED: - Senator Smathers of Florida has introduced in the Senate, a bill guaranteeing private loans to railroads and other regulated common carriers for capital expenditures. The bill is similar to one introduced in the House by Representative Harris of Arkansas. Under the proposals the ICC would administer the program under which financial institutions would be given up to 90 per cent of a loan made for additions and betterments.

RETIREMENTS COMING FAST: - Retirement of railroad employees show a marked increase during the past several months. The Railroad Retirement Board reported that in January it paid out the six-billionth dollar in retirement and survival benefits. Illustrating the rapid growth of the system, the Board said the last billion dollars was paid in a period of only 17 months, compared with over 9 years for the first billion.

Benefit payments in January came to \$59,700,000 or \$3,200,000 more than in the same month a year ago. The Board also reported that nearly 5,700 applications for retirement annuities were received during the month, this being the largest number for any single month since September 1937. It was also the largest number ever filed in January in 22 years.

NATIONAL TRANSPORTATION WEEK: - Plans are underway for nationwide observance of Transportation Week, May 11 through 17. E. F. Hamm, Jr., publisher of Traffic World, is general chairman of the observance.

Many traffic clubs in Frisco territory are planning special programs during the week.

PUBLIC OFTEN LOSES: - The Senate Subcommittee on Surface Transportation, headed by Senator Smathers, has been informed that the public is "most often the loser" when lower freight rates are denied by the ICC on the basis that they might injure competing forms of transportation.

John R. Staley, vice president of the Quaker Oats Company, appearing before the Committee as a representative of the U. S. Chamber of Commerce, declared that such a plan, when applied as a general rule, ignores the varied characteristics of the several modes of transport. He pointed out that one form of transportation may be able to handle a given shipment at a lower cost than does another, while it is possible that the reverse would be true in a slightly different situation.

"The important point is," he said, "that transportation costs differ, not only among the different modes but in different situations. It raises the question of who is better able to judge which services are compensatory---the transportation manager who has his livelihood invested---or the regulator in Washington. We believe that the transportation manager should be given maximum latitude as long as the public interest is secure. In this way, the shipping public will realize the maximum benefits possible from our great transportation systems."

Benjamin Fairless, who said he was appearing as a private citizen, told the Committee that "three of the principal reasons for the present plight of the railroads is that they"....are being taxed to death, inflated to death, and regulated to death!"

NEW MECHANICAL RESEARCH DIRECTOR NAMED: - Garfield H. Newcomer, of Philadelphia, has been appointed director of the mechanical research of the AAR. He formerly was assistant mechanical engineer of the Pennsylvania Railroad. He succeeds William M. Keller who became vice president-research of the AAR in January.

CARLOADINGS DECLINE SEEN: - A decrease of 10.6 per cent in carloadings in the second quarter of 1958 has been estimated by 13 regional Shippers Advisory Boards. On the basis of the estimate, carloadings of 32 principal commodities will be approximately 6,505,353 cars in the second quarter, compared to 7,278,355 cars in the corresponding period of 1957.

Each of the 13 Boards forecast a decline in carloadings in its respective territory for the period. The largest predicted decline was in the northwest region, which estimated loadings at 22.4 per cent below those of last year. The T-M-K Board area estimated the lowest decrease, placing the drop at 1.7 per cent.

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The Railroads' Plight

What, if anything, does Congress propose to do about America's railroads?

A couple of months ago, in a Senate subcommittee hearing, at least a score of railroad presidents testified that their companies were and had been operating in the red. It was also brought out that even those railroads which had managed to stay out of deficit spending were barely holding their noses above economic deep waters.

Railroads are in an unenviable position: The American public demands that they keep operating, yet it does little or nothing to insure that they can operate—nor does Congress, the people's representatives.

Historically, public reaction has been gauged to its old fear of the railroad monopolies that dominated the scene a half-century ago. Then there was cause for fear, but today that cause is gone.

The railroads are forced to play their game for life with a deck stacked against them. Buses, airlines and the privately-owned automobile have cut their passenger revenues to tattered ruins. Trucks, pipelines, superhighways and even airlines have gulped much of their freight traffic.

And with all that, outmoded laws still regulate the railroads almost past endurance, in the control of rates and in refusing to let them abandon lines and services that actually put them further in the red.

There have been many actual cases where railroads have demonstrated that they could carry cheaper than their competitors if permitted to cut rates and go after the business. But Uncle Sam hasn't permitted that. There have been thousands of cases in which railroads have been forbidden by Uncle Sam to abandon losing branch runs, close down revenue-losing stations.

True, in the war years, railroads came back financially. But it was only a temporary bonanza created by a transportation emergency; they haven't been able to hold those gains.

We are fast approaching the time when we must face this problem realistically. We must decide if we want railroads or if we should abandon them as anachronisms. It would be unthinkable to give them up, of course.

And so, if we are to keep them, we have alternate choices: Either strike off their blinding shackles and permit them to consolidate, economize, compete within their possibilities, perhaps even subsidize as we do their competitors, or we must put them under government ownership.

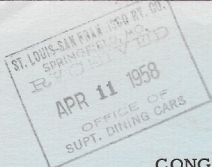
Which is the cheaper? A silly question to ask. Which is better? Again a rhetorical absurdity. We know the answers in both cases. That being so, why doesn't Congress act?

MOBILIZATION PLAN ISSUED: - The interstate Commerce Commission has issued 12 transport mobilization orders which would become effective in the United States if a state of civil defense emergency is ever declared by the President.

The orders ranged from priorities in the handling of freight to the disposition of shipments of food and medical supplies requisitioned by the Government.

JOB WELL DONE: - William T. Faricy retired April 1 as chairman of the board and chief executive officer, after 11 years at the helm of the AAR.

Mr. Faricy was president of the Association until July 26 of last year, when he was named chairman of the board under a new plan of organization for the Association. At that time Daniel P. Loomis was named president. With Mr. Faricy's retirement, Mr. Loomis now becomes a chief executive officer and ex-officio chairman of the board and of the executive committee, as well as president of the Association.



CONGRATULATIONS: - Delbert Fields, assistant general passenger agent, was elected president of the St. Louis Chapter of the Skat Club of North America. The organization is composed of representatives of rail, air, bus transportation companies and tour bureaus.

PERSONNEL CHANGES: - The following changes in Frisco personnel, effective April 1, have been announced:

Retirements: - G. E. Kirkmen, assistant auditor-disbursements, after 36 years of Frisco service.

C. B. Bonner, roadmaster, 31st Track Division, after more than 51 years of service with the Frisco.

Appointments: - J. M. Crites, district manager-sales, headquarters, Cincinnati.

Howel M. McAfee, district manager-sales, headquarters, Greenville, S. C.

W. D. Jones, assistant auditor-disbursements, headquarters, St. Louis.

C. H. Carl, general traveling auditor, headquarters, St. Louis.

H. C. Grupe, assistant to auditor-disbursements, headquarters, St. Louis.

H. L. Bird, assistant to general auditor, headquarters, St. Louis.

E.C. Smith, roadmaster, 31st Track Division, headquarters, Tulsa.

B. J. Bishop, roadmaster, 72nd Track Division, headquarters, Chaffee.

D. F. Holt, roadmaster, 35th Track Division, headquarters, Ft. Worth.

C. L. Holdaway, roadmaster, 71st Track Division, headquarters, Chaffee.

FRISCO LOADINGS: - For period March 22 to March 28, 1958, inclusive, Frisco revenue freight loaded on-line and received from connections totaled 13,329, compared with 13,319 for the previous 7-day period and a total of 15,063 for the corresponding period last year.