

Railfax



ISSUED BY THE PUBLIC RELATIONS DEPT., ROOM 339 FRISCO BLDG., ST. LOUIS 1, MO.

No. 380

June 20, 1960

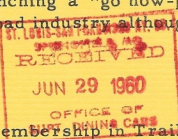
CONTINUATION OF TAX APPROVED: - On June 8 the House passed and sent to the Senate H. R. 12381, a bill continuing at the present level the transportation and certain other war-born taxes for another year. The 10 per cent transportation tax, under a bill passed by the last Congress, was to have been reduced to 5 per cent on July 1 next.

TRAINS THE SAFEST: - Rail travel safety has recorded such gains that people are now safer on trains than at home or almost anywhere else, Daniel P. Loomis, president of the Association of American Railroads, declared on June 7, in addressing a meeting of the Association's Safety Section in Quebec, Canada. He said final figures for 1959 show that railroads set an all-time passenger safety record last year, achieving a performance nearly four times better than travel by bus, 13 times that by domestic airlines, and 45 times that by automobile.

Mr. Loomis pointed out that the 1959 record included only one fatality in a train accident out of a total of 350 million train riders. While 11 other fatalities occurred in train-service accidents, those arising primarily from passenger negligence, the 12 rail fatalities from all causes were in sharp contrast to the 100 passenger deaths in buses, 198 in domestic airplanes, and 24,800 in automobiles.

"GO NOW--PAY LATER": - The Santa Fe is launching a "go now-pay later" plan to woo more passengers. It is the first in the railroad industry although deferred payment plans are used by airlines.

TRAILER TRAIN MEMBERSHIP INCREASED: - Membership in Trailer Train Company, national piggyback car-leasing pool, grew to 26 railroads and one freight forwarder with the enrollment in TTX of the Great Northern Railway and the Northern Pacific Railroad. In its announcement, Trailer Train also said that an additional 500 85-foot flat cars have been ordered from three manufacturers to add to the Company's fleet.



"BUS-BACK": - The Railway Express Agency has inaugurated movement of shipments in 1 1/2-ton semi-trailers towed by regular intercity buses between Joplin, Mo., and Harrison, Ark. The "bus-back" operation provides for local service at points of origin and destination by use of REA's regular tractors or local express trucks, and for movements between the two points behind regularly scheduled passenger buses.

* * * * *

MONEY NEEDED TO IMPROVE AIR SAFETY RECORD: - Harry F. Guggenheim, chairman of the Cornell-Guggenheim Aviation Safety Center, asserted there is a direct connection between commercial aviation's poor safety record over the last year and the airlines' money troubles. If Congress doesn't come up with money to relieve the "financial plight" of the airlines, he said, it will have to take the responsibility for future airline crashes.

* * * * *

RAIL REVENUES AND EXPENSES: - Class I railroads in April 1960 had a net income of approximately \$48 million compared with \$62 million in April 1959 and \$17 million in April 1958, the AAR announced on June 6. In the first four months of 1960, net income approximated \$147 million compared with \$162 million in the first four months of 1959 and \$48 million in the first four months of 1958.

Net railway operating income of Class I railroads in April 1960 was \$65 million compared with \$82 million in April 1959 and \$37 million in April 1958. For the first four months of 1960, net railway operating income totaled \$212 million compared with \$237 million for the same period of 1959 and \$122 million for the 1958 period.

* * * * *

RAILROAD PLANS TO BUILD PIPELINE: - The Great Northern disclosed it is planning to build a 110-mile pipeline for crude oil in North Dakota. The road filed an application with the North Dakota Service Commission seeking permission to construct the pipeline at a cost of \$3.5 million, to carry crude oil from the Lignite and Newburg fields to the main line near Minot, where it would be loaded in tankcars for the Twin Cities and Duluth-Superior areas.

* * * * *

N&W BOARD OKAYS MERGER WITH NICKEL PLATE: - Directors of the Norfolk & Western Railway, at a special meeting June 11, voted to approve merger of the road and the New York, Chicago & St. Louis Railroad (Nickel Plate). Proposed terms of the merger include: Exchange of stock (one-for-one basis for N&W shareholders, 0.45-for-one for NKP stockholders); successful completion of a track connection between the two roads, which do not connect at present; stockholder approval, and Interstate Commerce Commission approval.

LOAN TO AID FOREIGN RAIL SYSTEM AUTHORIZED: - The Board of Directors of the Development Loan Fund Corporation, an agency of the U. S. State Department, has authorized the establishment of a loan of \$9.7 million through the International Co-operation Administration, for financing and modernization of the railway system of Vietnam. The modernization program contemplates dieselization and replacement of obsolete locomotives and railroad cars, and establishment of necessary repair and maintenance facilities.

Inserted in the conditions of the loan is a proviso requiring that "all items financed under the loan shall have their origin in and shall be procured from the United States."

* * * * *

NYC ASKS ICC TO DELAY MERGERS: - In what many observers regarded as a surprise move, the New York Central Railroad, on June 11, petitioned the ICC to conduct a study aimed at considering the "public interest" in formation by mergers of a new pattern of rail service for the East, and asked them to delay any merger applications while the study is underway. Central's petition was filed shortly after announcement of Norfolk & Western's vote to merge with Nickel Plate.

In its petition, NYC said that the ICC's present case-by-case approach fails to consider either proper interest for the railroads in the East or the "public interest." The railroad said that an over-all study of the number of competitive systems needed, the responsibilities of those systems toward weaker lines, the need for preservation of competition and the need for uniform rates on competitive traffic is required. "Continuation of the present piecemeal approach will result in a chaotic situation based on survival of the fittest," NYC President A. E. Perlman said in a statement released in New York City following filing of the petition.

* * * * *

CEILINGS SET ON 1961 FEDERAL HIGHWAY FUNDS: - Secretary of Commerce Mueller, on June 10, announced ceilings on the amount of Federal aid the states may use for roadbuilding in the coming year. He said the curbs were being imposed for the second straight year in order to keep the road programs on a pay-as-you-build basis.

During the 1961 fiscal year, which begins July 1, Secretary Mueller said the states will be permitted to commit themselves to spend \$2,873,613,000. This is about \$173 million more than was made available during the current fiscal year. States may ignore the ceilings, he explained, but if they do this, they will have no guarantee that the Federal Government will reimburse them promptly for any additional amounts.

Ellis L. Armstrong, Commissioner of the Bureau of Public Roads, said that the ceilings are under continuing review and will be changed if there are any later significant revisions in the estimated money available in the highway trust fund.

FRISCO LOADINGS: - For the period June 4 to June 10, 1960, inclusive, Frisco revenue freight loaded on-line and received from connections totaled 15,454 cars, compared with 13,745 cars for the previous 7-day period, and a total of 16,445 cars for the corresponding period last year.

PERSONNEL CHANGES: - The following changes in Frisco personnel have been announced:

Retirement: - W. F. Mitchell, superintendent terminals, retired June 15 after more than forty-eight years of Frisco service.

Appointments: - Merton I. Gross, district manager-sales, headquarters, Davenport, Iowa, effective June 1.

F. L. Richardson, Jr., assistant general foreman, B&B and WS, headquarters, Tulsa, effective June 1.

J. M. Godfrey, superintendent terminals, headquarters, St. Louis, effective June 15.

RE-ELECTED: - R. P. Hamilton, superintendent safety, was re-elected to a three-year term on the Committee of Direction, Safety Section of the AAR, at its annual meeting in Quebec, Canada, on June 7. Mr. Hamilton has served on this committee continuously since 1948.

M-K-T REORGANIZATION OKAYED BY ICC: - Consolidation of the properties and franchises of the Missouri-Kansas-Texas Railroad of Missouri and the Missouri-Kansas-Texas Railroad of Texas into a new corporation to be known as the Missouri-Kansas-Texas Railroad of Delaware, has been approved by the ICC. The decision also approved acquisition of control of the new corporation and subsidiary carriers by the Madison Fund, Inc., through ownership of capital stock.

BILL INTRODUCED: - A bill, S. 1809, to exempt from regulation by the ICC, transportation by railroad of bulk commodities, has been introduced into the Senate by Senator Warren G. Magnuson of Washington, who said he introduced the bill at the request of the ICC. An identical bill, H.R. 8467, was introduced into the House by Representative Oren Harris of Arkansas.

"With the introduction of this bill," Senator Magnuson said, "the Senate has before it the alternative of granting an exemption to the railroads as well as the proposal of removing it from the water carriers. Thus the matter may be given consideration from both points of view."