FRISCO Railfax

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31 STATES PUT TAX BITE ON RAILS: - Tax discrimination is being practiced against the railroads in 31 states. It is one of the reasons why the financial condition of the railroads has been deteriorating in recent years.

One example of the tax discrimination: In Illinois, railroad property is taxed on the basis of its full value. Other industrial property is assessed at 45.7 per cent of its value. On this basis, it is estimated the railroads operating in Illinois were overcharged $18,928,688 in taxes in 1957, as compared with other industries.

The extent of the "tax bite" in the 31 states was pointed out in a special analysis of tax assessment policies made by the AAR. The analysis was presented to a special Senate commerce committee now examining federal and state transportation policies.

The tax overcharges against the railroads in all of the 31 states covered by the analysis in 1957 were computed at $141,187,829. In that year, the total of railroad tax payments to all state and local governments amounted to nearly a half billion dollars.

On the basis of this analysis, the railroads are asking Congress for remedial legislation that would outlaw state and local discrimination in tax assessment against the railroads.

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WATERWAY USER CHARGES URGED: - Representative Van Zandt of Pennsylvania recently spoke out in favor of a bill in Congress which would require inland waterway operators to pay "user charges" for transportation facilities that are provided for them by the government.

"They can well afford to pay their own way" instead of having the over-burdened taxpayers "pick up the check" for them, he said.

The barge line industry forms "a mature and financially strong industry" and as such "should be required to take its place in transportation on a self-sustaining basis, bearing its own costs under conditions of fair competition with other modes of transportation," Van Zandt concluded.

PIGGYBACK'S FIVE PLANS: - Railroad "piggyback" service is classified into five plans, each designed to meet particular situations.

PLAN ONE - Railroads transport trailers owned by motor common carriers, on flat cars, on a flat charge per trailer, based on weight and distance, regardless of commodity. The motor carrier solicits and bills all freight at truck rates, moves trailers to and from piggyback terminals and performs any road hauls before or after the rail movement.

PLAN TWO - Shippers are furnished with railroad-owned trailers, which are transported on flat cars, at published railroad rates which include pickup and delivery service.

PLAN THREE - Railroads transport trailers owned or leased by shippers at a flat rate per mile, with the shipper delivering the trailer to the terminal and providing pickup service at destination terminal.

PLAN FOUR - Railroads transport trailers owned or leased by shippers, on flat cars owned or leased by shippers, at a flat charge per car, whether trailers are loaded or empty. The shipper loads and unloads the trailers at terminals with the railroad providing only the haul between terminals.

PLAN FIVE - Railroads transport their own trailers, or trailers owned by motor common carriers, under joint rail-truck rates. This is a joint operation under which each carrier may extend its operation into territory served by the other, and permits each to solicit business in which both the railroad and the motor common carrier will participate.

Continued operation of Plan Three and Plan Four is now threatened by the adverse recommendation of an Interstate Commerce Commission Examiner who held them to be unlawful and unreasonable. He said they were "diverting increasing amounts of traffic from motor carriers."

The examiner's recommendation was made in a case filed against the Baltimore and Ohio Railroad by the Eastern Central Motor Carriers Association.

Plan Three and Plan Four are the only "piggyback" plans in which the railroads transport shipper-owned trailers. These plans are used extensively by freight forwarders.

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SAL-ACL STOCKHOLDERS APPROVE MERGER: - Stockholders of the Seaboard Air Line and the Atlantic Coast Line Railroads recently approved, in separate meetings, proposed plans for a merger of the two companies. The proposal provides for ACL shareholders to receive 1.42 shares of stock in the new road for each share they now own; SAL stockholders would hold on to their present stock. The proposal still has to win ICC approval.

REA ADDS SEVEN AIRLINES TO CO-ORDINATED SERVICE: - The Railway Express Agency has signed interline agreements with seven more U. S. scheduled airlines to provide co-ordinated air freight-surface express service to non-airport points. The seven air carriers are: Delta Air Lines, Flying Tiger, Mackey Airlines, National Airlines, Northeast Airlines, Pacific Air Lines and Riddle Airlines. Identical agreements with United Air Lines and TWA were signed earlier this year.

The cargo pacts provide for a single receipt to shippers, covering movement by air freight between the system cities served by the nine airlines and surface express between those points and non-airport communities served by Railway Express. The receipt covering transportation to final destination is furnished by the originating carrier. Shipments may be originated either as air freight or surface express.

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MISSILE TRAIN COMPLETES FINAL TEST RUN: - The U. S. Air Force's missile test train is doing O.K. It left recently from Hill Air Force Base near Ogden, Utah, for a fourth and final trip over the nation's railroad system.

The train, a forerunner to Minuteman ICBM-carrying trains which one day will range through the country as a deterrent to enemy attack, made a 10-day swing through Utah, Nebraska, Colorado, Missouri, Iowa and Illinois. The train carried no missile. It was put together to check control, mobility and communication problems which will arise when the actual missile trains are dispatched - probably in late 1961 or 1962.

General Thomas S. Power, Strategic Air Command chief, recently said the test program has been "completely successful in providing the information we need to make firm plans for the mobile Minuteman."

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FRISCO LOADINGS: - For the period August 27 to September 2, 1960, inclusive, Frisco revenue freight loaded on-line and received from connections totaled 13,948 cars, compared with 13,720 cars for the previous 7-day period, and a total of 15,193 cars for the corresponding period last year.

FRISCO RETIREMENTS: - On August 31, Mr. M. O. Truitt, general claim agent, Springfield, retired after thirty-five years of service.

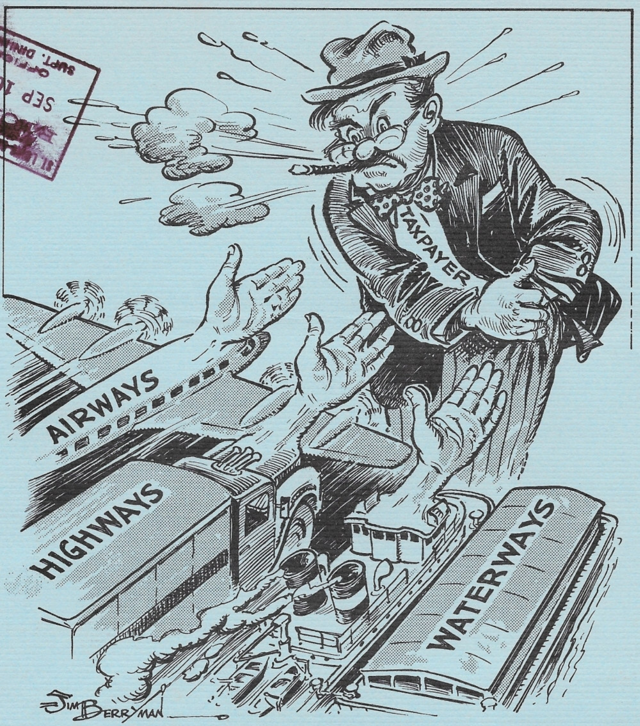
On September 30, Mr. R. C. Culter, also with thirty-five years of service, will retire. Mr. Culter is district manager-sales at Kansas City.

FRISCO PERSONNEL CHANGES, effective September 1:
H. W. Westbrooke, general claim agent, Springfield.

R. F. Welsh, assistant general claim agent, Springfield.

R. J. Hasten, methods analyst, Springfield.

THEIR HANDS OUT KEEP HIS DIGGING IN



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ST. LOUIS PERKING UP: - We hear the Fred Harvey people are doing over the restaurant on the second floor of the St. Louis Union Station, and are going to reopen it September 16--just for special events at the outset, but later for regular customers if plans work out. Thousands of service men were served in this restaurant during the war years and, many years before that, it was a luxury-class eating place.

St. Louis Union Station is unique of its kind--convenient and attractive despite its mature years. Since the Harvey people know their business, it's mighty heartening that they see the persistent (and perhaps increasing) commercial appeal of this historic edifice.