



ISSUED BY THE PUBLIC RELATIONS DEPT., ROOM 711 FRISCO BLDG., ST. LOUIS 1, MO.

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FRISCO WITHDRAWS REQUEST FOR DISCONTINUANCE OF TRAINS: - The Frisco is dropping its move to discontinue daytime passenger trains between St. Louis and Memphis.

It had applied to the Missouri Public Service Commission for permission to discontinue passenger trains No. 807 and 808 because of lack of patronage and loss of mail contracts.

NEW POSITION CREATED: - President Hungerford announced this week the creation of a new position of director, methods and procedures and the appointment of V. B. Gleaves, former assistant to the general manager, to the position.

The position will be the extension and integration of present IBM systems, and the preparation of facts and materials in paper work for use in an electronic computer.

At the same time, E. M. Peak was named manager, data processing and J. F. Pearson was named assistant to manager, data processing.

FRISCO LOADINGS: - For period March 9 to March 15, 1957, inclusive, Frisco revenue freight loaded on-line and received from connections totaled 16,433, compared with 15,668 for the previous 7-day period and a total of 15,876 for the corresponding period last year.

TRUCK LEGISLATION ATTACKED: - Proposed legislation to increase the length and legal load limit of trucks in Missouri and Texas have come under sharp opposition during the past week.

The Missouri Senate's Committee on Roads and Highways on Tuesday heard testimony of opponents of a bill to increase the length of trucks in Missouri from 45 to 50 feet, with a maximum load of 64,650 pounds and an increase in the height from 12-1/2 to 13-1/2 feet. A few days before the Texas House Committee on Motor Traffic had listened to an attack on a bill there, to increase truck loads from 58,420 pounds to 72,000 pounds by placing a second tandem axle under trucks.

Representatives of Missouri railroads told the Missouri Senate Committee that the truck legislation would benefit only a small percentage of the operators in the state, while private auto owners and operators of small trucks would pay the bulk of the cost of building highways to accommodate the larger vehicles. They also pointed out that there are 36 highway underpasses which are too low to accommodate trucks or other vehicles 12-1/2 feet high on major highways and 81 other such underpasses on supplemental routes. The bill was attacked on the basis that it carried no provisions for the trucks to pay additional fees if the load limit is increased. After the hearing, one of the sponsors of the bill offered an amendment to return the height to 12 and a half feet.

The Texas Highway Department engineers told the House Committee that bridges in that state are not designed to carry a 72,000 gross weight. One Texas Highway Department engineer testified that "there is not a single bridge in our state designed for two tandem (double) 32,000 pound axles". He pointed out that bridges on the main highways of Texas are designed for loads of approximately 40,000 pounds, while bridges on farm-to-market routes are constructed for maximum loads of 30,000 pounds.

The witnesses before the Texas Highway declared that the trucks do 90% of the damage to the roads, while private car owners pay the major portion of the cost of building and maintaining them.

NEW ODM DIRECTOR TAKES OFFICE: - Gordon Gray of North Carolina has taken his oath of office as Director of the Office of Defense Mobilization. He succeeds Arthur S. Flemming, who resigned to resume his duties as president of Ohio Wesleyan University.

RAILS TO IMPROVE FREIGHT PROFIT MARGINS: - The railroads' first large scale move toward cost analysis and an industry-wide pricing system aimed at increased profit margins has been authorized by the Eastern Railroad Presidents' Conference.

Establishment of a "Bureau of Market Research within 30 days" was disclosed by H. W. Von Willer, member of the executive group and president of the Erie Railroad.

The Bureau's activities will be confined to freight rates. However, establishment of the organization is believed to be, but the first in a series of steps to institute a new pricing system for both passenger and freight traffic.

PREDICT RAIL CAPITAL OUTLAY INCREASE: - The Commerce Department and the Securities and Exchange Commission have announced that according to a survey made by them, railroads anticipate the expenditure of approximately \$1,468,000,000 for plant and equipment in 1957, compared with \$1,231,000,000 in 1956, or an increase of 19.3 per cent.

The announcement added that most major industries expect to increase their capital outlays in 1957 from 1956. Manufacturers and public utilities each anticipate increases of more than \$1 billion, or one-tenth and one-fourth, respectively over spending in 1956. The railroads also have scheduled a substantial rise--nearly one-fifth--while other transportation companies expect to spend 7 per cent more than last year.

RAIL EMPLOYMENT DECREASES: - Class I railroads, excluding switching and terminal companies, had 988,664 employes in February. This was a decrease of 5.07 per cent below February 1956, and a decrease of .75 per cent under January 1957.

O&W RAILROAD TO CEASE OPERATIONS: - After years of grieves, the bankrupt New York, Ontario & Western Railway was ordered to cease operations at midnight, March 29. The 77-year old railroad has a 544-mile route between Weehawken, N.J. and Oswego, N.Y.

PUBLIC WILL PAY THE BILL: - At a hearing before a subcommittee of the Senate Committee on Labor and Public Welfare, W. Thomas Rice, president of the Richmond, Fredericksburg and Potomac Railroad, said the enactment of proposed legislation to increase railroad retirement and unemployment benefits could add eventually to what the public would have to pay for transportation services. He warned that anything which adds to the mounting cost of producing railroad service is not in the public interest.

He stated " in the final analysis it is the public which must pay the transportation bill in freight and passenger charges. "

Rice called attention to the fact that the pending bills would increase railroad retirement and other benefits approximately 10 per cent, and he maintained that "the railroad industry at the present time is not in a position to meet this additional and unjustified tax burden. . . . by paying unemployment benefits which are beyond sound reasoning, we foster and encourage the idea that this country owes a person a living. "

AIRLINE FARE HIKE SUSPENDED: - The Civil Aeronautics Board halted fare increases of approximately 6 per cent proposed by seven domestic airlines, pending an investigation.

In suspending the proposed increases, the CAB cited what it called "the apparent absence of any over-all emergency situation at this time". The board said after making its investigation, it will be in a position "to prescribe the lawful fares, whether the same, higher, or lower than the fares now in effect. "

BACKLOG OF STEEL ORDERS INCREASING: - The magazine "Steel" said that an easing in demand has caused a slight drop in the output of steel, but indications are that demand will strengthen late in the second quarter.

"The freight car industry", Steel continued, "has reduced its backlog only about 2,500 cars a month. At this rate, it would take about 45 months to catch up. Shipments have shown strength, although new orders have declined steadily since 1955".
