



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

No. 326

March 29, 1957

FRISCO LOADINGS: - For period March 16 to March 22, 1957 inclusive, Frisco revenue freight loaded on-line and received from connections totaled 16,251, compared with 16,433 for the previous 7-day period and a total of 16,363 for the corresponding period last year.

FRISCO PERSONNEL: - The following change in Frisco personnel has been announced:

R. N. Schmidt, assistant division engineer, headquarters, Fort Scott, effective April 1.

FREIGHT CAR DELIVERIES: - The A. A. R. and American Railway Car Institute announced deliveries of new freight cars totaled 7,655 in February, compared with 7,822 in January 1957 and 4,881 in February 1956.

February orders for new freight cars rose to 6,065 compared with 5,328 in January, 1957 and 1,675 in February 1956. The backlog of cars on order and undelivered amounted to 111,965 on March 1, compared with 114,656 on Feb. 1, 1957 and 141,437 on March 1, 1956.

PASSENGER DEFICIT AND OTHER HEARINGS SET: - Hearings on various bills to implement legislative proposals of the ICC dealing with ratemaking policy and on the subject of the railroad passenger service deficit were scheduled this week by the Senate Interstate and Foreign Commerce Committee for April 15, 16 and 17. The hearings will be conducted by the Surface Transportation Subcommittee, of which Senator Smathers of Florida is chairman.

MONTHLY INCOME ACCOUNT: - The Frisco Railway System operations, including the Alabama, Tennessee & Northern Railroad Company, for the month of February 1957 were:

	<u>February 1957</u>	<u>February 1956</u>	<u>Increase or Decrease</u>
Total Operating Revenues	\$ 10,149,388	\$ 10,319,220	\$ 169,832 *
Total Operating Expenses	8,213,480	8,330,500	117,020 *
Net Railway Operating Income	758,602	854,256	95,654 *
Balance after Fixed and Contingent Charges	40,090	358,087	317,997 *

	<u>Period Ended Feb. 28, 1957</u>	<u>Period Ended Feb. 29, 1956</u>	<u>Increase or Decrease</u>
Total Operating Revenues	\$ 21,142,589	\$ 20,895,689	\$ 246,900
Total Operating Expenses	17,251,481	16,923,182	328,299
Net Railway Operating Income	1,524,277	1,746,670	222,393 *
Balance after Fixed and Contingent Charges	147,736	762,458	614,722 *

* Denotes Decrease

NEW AAR VICE PRESIDENT: - William T. Faricy, president, has announced the election of Walter J. Little of Los Angeles, to a newly-created post of vice president of the A.A.R.

The new vice president's duties will be primarily in the field of Federal legislation.

AAR CENSURES REPORT: - The Association of American Railroads has taken issue with a report of the Citizens' Advisory Council on the Post Office. The AAR statement said:

"The report of the Citizens' Advisory Council of the Post Office, released on March 17 by Chairman Johnston of the Senate Committee on Post Office and Civil Service, contains numerous substantial errors of fact in its references to postal transportation by railroad.

"Those errors arose apparently from uncritical acceptance at face value of partisan assertions made by self-interested parties. For example, much is made of the statement of John M. Redding to the effect that diversion of mail from trains to trucks within a 300-mile radius would save \$85 million a year. This statement was made by Mr. Redding in a survey commissioned and published by the Independent Advisory Committee to the Trucking Industry of which Dave Beck, president of the International Brotherhood of Teamsters, is chairman. But regardless, of the source of the statement, it is demonstrably untrue.

"The conclusion that a full program of moving mail by truck would mean such savings to the Post Office is arrived at by projecting to all mail moving by rail the savings claimed to have been realized in 1953 on mail diverted from rail to truck movement. Such a projection is obviously fallacious. In the first place, the allegation as to savings realized has no published support from the Post Office or any other official source. And even if such savings could be shown to exist, they would represent savings under the most favorable conditions for truck handling and would afford no basis for projection of similar savings on all movements.

"Moreover, \$80 million of the "savings" claimed is attributed to the substitution of highway post offices for railway post offices. The absurdity of such a claim is seen in the fact that in no year has the total amount paid to railroads for all mail movements in railway post office cars been as much as \$90 million.

"But a further and even more serious fallacy in the calculation is that it overlooks entirely the cost to the Post Office of the added facilities and labor which would be required for truck movement. These costs are now borne by railroads but would be transferred to the Post Office Department under the truck program. Mr. Redding himself says in his survey that 'it is impossible to exploit fully the use of trucks until new terminals are made available'. Such terminals would have to be made available by the Post Office Department at the expense of the taxpayers, but when additional facilities or equipment are needed for the movement of mail by rail, the railroads are called upon to provide them at railroad expense....."

AIRLINE ORDERED TO RETURN PART OF SUBSIDY: - The Civil Aeronautics Board ordered Pan American World Airways to return \$5,936,000 out of \$11,402,000 in mail pay granted for trans-Pacific operations in 1954.

The board said its earlier estimate of the airline's subsidy needs had proved "inaccurate".

In a separate order, the CAB made known plans to re-examine possible subsidy overpayments of \$6,500,000 to Pan American from 1946 to 1953.

RRS TO INVEST \$1.36 BILLION IN 1957: - The I.C.C. said the nation's Class I railroads will spend \$1.364 billion in 1957 on road and equipment improvements.

The estimate is based upon reports from 111 of the 113 carriers which together have gross revenues of more than \$3 billion. It is almost 15 per cent above actual capital expenditures made by the same roads in 1955.

REVENUE FREIGHT: - Loading of revenue freight for the Nation's railroads for the week ended March 16 totaled 689,226 cars. This was an increase of 3,243 cars or five-tenths of one per cent above the corresponding week in 1956, and an increase of 38,302 cars or 5.9 per cent above the corresponding week in 1955. Loadings in the week ended March 16 were 16,840 cars or 2.5 per cent above the preceding week. Loading of commodities for the week ended March 16 compared with the preceding week this year and the corresponding week one year ago follows:

	<u>This Week</u>	<u>Last Week</u>	<u>Last Year</u>
Coal	140,731	131,448	124,984
Miscellaneous freight	356,175	346,747	367,484
Merchandise L.C.L.	57,720	58,026	61,784
Grain and grain products	52,577	54,328	46,912
Livestock	5,776	5,745	7,201
Forest products	39,872	39,426	42,028
Ore	23,060	23,433	21,973
Coke	13,315	13,233	13,617