



FRISCO Railfax

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VICE PRESIDENCY ESTABLISHED AT BIRMINGHAM: - Creation of a new vice presidency in Birmingham, Ala., and appointment of a new vice president in New York were announced by President Hungerford this week.

Named to the Birmingham position was E. G. Baker and promoted to succeed Baker as vice president in New York was Frank L. Coulter. The appointments become effective November 1.

RAILROAD EXPENDITURES UP: - Railroad expenditures for new plant and equipment for 1957 will show an increase of approximately 18 per cent over the preceding year, according to a report issued by the Securities and Exchange Commission and the Commerce Department. It was estimated that \$1.46 billion will be expended in comparison to \$1.23 billion last year.

Capital outlay for all industries was estimated at \$37 billion or an increase of 6 per cent over last year.

ATOMIC LOCOMOTIVE PREDICTED: - The railroads of the United States can have their first atomic locomotive in operation by 1960, according to Edward J. Kehoe of the ACF Industries.

Mr. Kehoe told the Ninth Pan American Railway Congress in Buenos Aires just recently, that the locomotive will be a proto type that would probably be unable to compete with the diesel locomotive in cost. He predicted, however, that by 1970 an atomic locomotive would be able to justify its existence economically in high speed and higher power service.

He said, "a reciprocating atomic locomotive would not have to stop for fuel, and if provided with a condenser would use little water."

RAILROADS REALLY SQUEEZED BY INFLATION:- Unlike most other businesses, railroads are not allowed full freedom to meet spiraling costs brought on by inflation, Joseph H. Hays, general counsel for the AWR, told the annual meeting of the Railway Fuel and Operating Engineers Association in Chicago, Tuesday. He blamed policies of government at both state and federal levels for preventing full railroad participation in the increased business volume to the extent that they can offset the ill effects of inflation.

He pointed out that in 1946 a new box car cost \$3,350, jumping to \$7,515 just 10 years later. The price of fuel now is 239.4 per cent of the 1935-39 level, while wages to employees are 301.3 per cent of the 1935-39 period.

Hays declared that freight carried by all forms of transportation is keeping pace with the steep rise in national economy, but that "rail proportion of the total declined from 62.4 per cent to 49.4 per cent between 1940 and 1955."

"Government policies are directly responsible for this decline," he charged, "since the government forces the railroads to hold a rate umbrella over their barge and truck and other competitors."

The AWR executive contends such a situation is causing the railroads to "slowly starve to death for want of traffic - traffic which they could haul for less money and upon which they could make a nice profit."

AUTOMOBILES CHIEF MODE OF TRAVEL:- Private automobiles are gaining ground as the leading means of transportation, on the basis of a survey made by the Census Bureau, covering the first 15 weeks of this year.

During that period the survey showed approximately 48 million trips were made, averaging 4.3 days per round trip. Out of this number, automobiles accounted for 40 million; rail 2.2 million; air 1.7 million; busses 1.5 million and other modes of transportation 2.4 million.

The greatest bulk of travel was for vacations and visits to friends and relatives, accounting for a total of 28 million, while business trips accounted for only 13.6 million.

ADDITIONAL HELP FOR AIR LINES:- President Eisenhower has signed a measure passed by the recent Congress, providing for government guarantee of private loans to certain air carriers for purchase of modern aircraft and equipment. The new law is intended to promote development and use of modern aircraft by these carriers.

WANT SEAWAY TO PAY ITS WAY: - Spokesmen for the Nation's railroads and other organizations are advocating that sufficient tolls be imposed on users of the St. Lawrence Seaway to pay for its cost and operation.

Burton N. Behling, AAR economist, told a conference of the St. Lawrence Seaway Development Corporation, that the law authorizing the United States to participate in the construction of the project, "requires that the waterway costs be paid for by the users, fully or to the greatest extent possible."

He said that unless such was done it would be a false illusion of "cheap transportation" created through operation of the Seaway, Behling pointed out that throughout the early phases of the discussions, proponents of the Seaway repeatedly pledged that the project would not be at the expense of the taxpayers.

Others at the conference also voiced similar feelings.

M.T.M.A. POSTS FILLED: - Three new executives have been named to top posts in the Military Traffic Management Agency by Maj. Gen. E. C. R. Lasher, executive director. They are: Gilmer B. Randolph, executive officer; John E. Roberts, Jr., deputy director of services; and James J. Gianfagna, deputy director of traffic. All are veterans of traffic and transportation work.

TOLL CONTINUES TO GROW: - Highway grade-crossing accidents show no signs of letting up despite efforts of the railroads and various safety and civic clubs to encourage drivers to "stop, look and listen."

During July, highway grade-crossing casualties totaled 85 killed and 179 injured. In the seven months period of this year a total of 724 persons have been killed and 2,056 injured in such accidents.

FRISCO LOADINGS: - For period September 7 to September 13, 1957, inclusive, Frisco revenue freight loaded on-line and received from connections totaled 16,293, compared with 14,590 for the previous 7-day period and a total of 17,907 for the corresponding period last year.

BRIEF: - About 37 per cent of the railway mileage of the world is on the North American continent.

A Promotional Inequity

MODERN RAILROADS, AUGUST 1957

Anyone who views television regularly cannot help but notice how much free advertising certain airlines get. It's become very common place for the announcer to say that the show's stars, or guests, were flown to the studio city by a particular airline, after which he launches into a commercial "plug" for the carrier while a picture of a plane appears on the screen.

That has become a standard formula for most of the popular quiz and audience-participation shows.

The programs are not sponsored by the airlines. But the shows do afford a convenient means by which the sponsors pass off a transportation cost onto someone else.

Well, if that's the case, one reasonably wonders why the railroads don't get in on the same act. They advantageously could use the same kind of publicity.

They certainly could — but for one important detail: the railroads and the airlines operate under separate rules where promotional activity is involved. The railroads are regulated by the Interstate Commerce Act and are responsible to the ICC; the airlines answer to the Civil Aeronautics Board.

The ICC is exceedingly strict and the CAB apparently lenient on enforcement of regulations on free transportation. For example, ICC Commissioner Arpaia recently asserted that carriers are wasting a lot of money "in non-productive expense — in so-called 'advertising' and 'public relations'." He referred particularly to entertainment and trips.

We cannot understand why the commissioner singled out railroads and truckers for such criticism when it is common and accepted practice for business and industry generally to indulge in such activities as a legitimate part of promoting patronage and good public relations.

The problem doesn't apply only to TV shows. It has many other ramifications.

Members of the Modern Railroads staff make many inspection trips in a year's time—of both railroads and allied industrial facilities. If the inspection trip happens to be to a new plant, no one criticizes the company for chartering a bus or plane to transport the invited guests—often over considerable distances, too! But should the inspection involve a new railroad yard or similar rail facility, the host line must observe very circumscribed—and seemingly inequitable—rules about the use of its own equipment for transporting representatives of the press and other news media to the site of the important event—even though it is in the transportation business. The Interstate Commerce Act prohibits the host railroad from carrying its guests free on its own scheduled passenger trains, although the ICC seemingly does not object to the operation of a special train for such purposes, provided no one is charged for any service while a passenger.

Where is the equity in one public carrier being forbidden to do what another public carrier seemingly is encouraged to pursue?