



FRISCO Railfax

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HUNGERFORD ELECTED N.D.T.A. CHAIRMAN: - Frisco

President Clark Hungerford was named chairman of the board of the National Defense Transportation Association at its 12th annual convention in Washington this week. He has served as president of the organization for the past two years.

RAIL MERGER APPROVED: - The United States Supreme Court

this week approved an ICC order authorizing the merger of the NC&StL Railway into the L&N Railroad. The order also permitted the acquisition of direct and indirect control of the merger by the ACL Railroad. The merger had been opposed by the State of Tennessee and the City of Nashville.

NEW MILWAUKEE PRESIDENT: - William J. Quinn has been

named president of the Milwaukee Road to succeed John P. Kiley who is retiring on December 31. Mr. Quinn has been vice president and general counsel of the Milwaukee Road since 1955.

URGES COORDINATED TRANSPORTATION: - AAR President

D. P. Loomis, in addresses in Chicago and New York, urged that railroads be permitted to give the public "a truly coordinated service" by engaging in other forms of transportation. He urged that restrictions preventing rail carriers from offering such service should be removed.

He said, "each form of transportation is, in reality, a different tool or set of tools that may be used in performing transportation services to the public. Each one of these tools has special advantages and economies in particular circumstances and in combination with the other tools. But under prevailing policies, severe restrictions are imposed upon the railroads in utilizing the other tools of transportation so as to provide economically integrated transportation services. These limitations upon the opportunity of the railroads to employ other transportation media cause an unwarranted increase in the total cost of moving the nation's traffic."

HOW WE'RE DOING: - Below are figures showing where the Frisco dollar came from and where it went during the first nine months of the year:

Where our income came from -

		<u>Percent of Total Income</u>
Freight	\$88,857,160	89.44
Passenger	3,199,717	3.22
Mail and Express	3,724,176	3.75
Switching	1,988,028	2.00
Other Sources	1,574,716	1.59
Total	<u>\$99,343,797</u>	<u>100.00</u>

How it was used -

Wages	\$49,336,765	49.66
Fuel	4,487,293	4.52
Other Material and Supplies	13,842,532	13.93
Casualties	2,241,377	2.26
Depreciation	6,601,762	6.64
Other Expenses	4,754,743	4.79
Taxes	8,112,642	8.17
Interest on Debt	6,353,790	6.39
Leaving for Improvements, Dividends and Retirement of Debt	3,612,893	3.64
Total	<u>\$99,343,797</u>	<u>100.00</u>

HOW IT'S GROWN!: - In 1904 there were only 700 trucks registered in the United States and in 1956 there were 10,161,737 licensed, exclusive of those owned by various government agencies, according to the American Trucking Association. The ATA also estimated that by the end of this year there will be 10,450,000 trucks registered.

REDUCED RATE: - The Frisco has made arrangements with the International Correspondence Schools for all employees to take any of the 257 correspondence courses offered by the school at a reduced rate, according to Vice President R. J. Stone. Information may be obtained on the various courses and rates by writing the International Correspondence Schools, Scranton 15, Pa.

FRISCO LOADINGS: - For period November 9 to November 15, 1957, inclusive, Frisco revenue freight loaded on-line and received from connections totaled 15,216, compared with 15,473 for the previous 7-day period and a total of 16,841 for the corresponding period last year.

THE RAILWAY LEGISLATIVE COUNCIL of the Seventh District of Missouri, this week addressed the following letter to all Frisco employees:

"AMERICA'S RAILROADS need and should have the equality of opportunity which is fundamental to the American concept of free enterprise. But that equality does not exist in the transportation industry today. Present government policies in transportation favor other carriers in competition with the railroads.

"These policies must be corrected if the railroads are to remain financially healthy and fully capable of providing the services vital to the nations economy, its prosperity and national defense. Equal treatment for all will mean better, more economical service for you. -- American Assn. Railroads.

"The Railroad Brotherhoods recognize the reasonable and true meaning of the above statement. We realize that our members and fellow workers should and will work hand in hand with management on problems of this type.

"On Jan. 7, 1958 the second session of the 85th Congress will convene. There is one subject of grave importance to all railroad labor that should be brought before this body of lawmakers. - The repeal of the Transportation Excise Taxes. This would be a forward step in getting the freight and passenger traffic, which is now moving as private carriage, back on the rails where it will do the most good.

"The Railroad Brotherhoods representing the employees of the Frisco Railroad, have organized the Railway Legislative Council 7th Dist. Missouri. The purpose of this Council is to work for legislation favorable to railroad employees and their families. Our first undertaking in the legislative field will be to try and bring about the repeal of the Wartime Excise Tax on Transportation. To accomplish this we will need the help and support of each employee. We urge each and every employee to write to their U. S. Senator, U. S. Representative, State Senator, and State Representative, and ask that they go on record as for the repeal of the Wartime Excise Tax on Transportation. Be sure to include the State Representatives as many states have appealed to Washington for repeal of this unfair tax. In transportation, railroads particularly, the changes which have occurred - physical, scientific, and economic - have not been accompanied by necessary and proper changes in the relationship of Government to transportation. There has been a great loss of freight and passenger traffic due to subsidized competitors, unfair taxes and long needed changes in rate regulations. We can obtain the legislation remedies for our problems and put the traffic back on the rails if we tell our story to our representatives in Washington. Help to make your job and the welfare of your families more secure by writing your Federal and State lawmakers tomorrow.

Railway Legislative Council
7th District Missouri
G. B. Aldridge, Secretary RLC

Members: - R. K. Anthis, ORT; F. H. Wright, BRSC; C. O. Carnahan, BRT;
W. O. Dodd, ORCB; W. R. Cline, IAM; Gail Summers, BEW; L. E. Rhyne, BMW."

THE RAILROADS NEED HELP NOW**THE GOVERNMENT IRON-HORSE COLLAR**

The good health of the railroad industry is of vital concern to the United States, and specifically to those millions who ride the railroads, ship on them, work for them and are served by them. If this good health is to continue, the railroads need immediate assistance from two important sources — the government and the railroad unions.

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Within the last few days the nation's two largest railroads, the New York Central and the Pennsylvania, announced plans for a merger; several other railroads also asked mergers or consolidations; the Baltimore and Ohio, one of the great Eastern railroads, asked to discontinue its passenger service from New York to Baltimore; the railroads have made large-scale layoffs in the St. Louis area, and earnings and dividends of several leading railroads have been reduced.

These are danger signals which should be cause for alarm to every thoughtful citizen. Relief should come soon, while the railroads are still in good health, rather than waiting until more have disappeared from the American scene or lapse into receivership.

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The strict regulation of railroads by the government began in 1887 with the establishment of the Interstate Commerce Commission. This was entirely proper in that era when the railroads enjoyed a virtually complete monopoly of passenger and freight traffic.

This was before the days of the airplane, which has siphoned off the cream of the passenger traffic, and before the days of new through highways which have made automobile traffic between major cities, especially in the East, so speedy and convenient.

It was also before the days of the truckers who now carry huge amounts of the nation's freight business, and it was before the days of the over-the-road busses.

The passenger or shipper of 1887 had virtually no choice of alternate routes. Except for purely local traffic, he had to use railroads. Today's passenger or shipper has a wide selection.

Even though the railroads no longer enjoy a monopoly, they are treated by the government as if they were alone in the field. Rates, schedules and tariffs, which should operate under the free enterprise system, are still in the same government horse collar where they were placed in 1887.

Added to this, the railroads pay enormous taxes whereas the airlines are subsidized with great municipal airports and a few continuing

subsidies. The truckers and busses, in the view of many, do not pay a fair share of taxes commensurate with their use of the highways. Even in the heavy hauling of water and barge shipments, the railroads are not allowed competitive rates with the water shippers who derive tremendous advantages from the huge amounts the government spends in maintenance of our navigable waters and construction of canals, locks and dams, while they operate toll-free.

If it was proper—and it was—to treat the railroads as a monopoly which should be regulated in 1887, it is equally realistic to take a hard view today of changed circumstances and let them operate within reason as a competitive business, rather than a monopoly business.

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The railroads' other great weakness is that their unions long ago placed a stranglehold upon them in featherbedding practices which have persisted over the years. Deadhead crews on trains and other made-work practices may have once had some justification, but advanced planning and design have made them unnecessary. Regardless, the railroads are kept in a strait-jacket of unnecessary employment, and thus find it doubly difficult to be competitive.

Railroad unions, recognizing the decline of employment and earnings of their employers, should take the lead in negotiating more realistic employment arrangements in their own selfish interest, if for no other reason.

By continuing a head-lock on the railroads, the unions may well find that they are indeed killing the goose which laid the golden egg. A laid off railroader or a railroader who formerly worked for a defunct line is not a particularly envied person.

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While there is always a hesitancy for the government to relax bureaucratic controls, as there is a disinclination on the part of unions to relinquish advantages won at the bargaining table or the picket line, it simply must be recognized that circumstances alter cases, and circumstances as they pertain to the railroads today are vastly different than the days when control was imposed and featherbedding negotiated.

A statesmanlike view, when the Congress reconvenes and the railroad unions next bargain with their employers, might avoid impending disaster for the government and the people who work for railroads, as well as the great body of the American people who will always need a strong and healthy railroad system.