



FRISCO Railfax

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RE-ELECTED: - Frisco President Clark Hungerford was re-elected to the Board of Directors of the Association of American Railroads at its annual meeting recently in Chicago.

Other officers re-elected to AAR posts are: William T. Faricy, chairman of the board and chief executive officer; Daniel P. Loomis, president and chief administrative officer; Gregory S. Prince, vice president and general counsel; Walter J. Little, vice president; William M. Moloney, general solicitor; Richard G. May, vice president in charge of the Operations and Maintenance Department; Arthur R. Seder, vice president in charge of the Finance, Accounting, Taxation and Valuation Department; Philip A. Hollar, vice president-assistant to president; J. Elmer Monroe, vice president and director of the Bureau of Railway Economics; Robert S. Henry, vice president in charge of the Public Relations Department, and Stanley J. Strong, secretary-treasurer.

NEW SOUTHEASTERN CHAIRMAN: - Stanfield B. Johnson, general solicitor, Southern Pacific Company at San Francisco, has been named chairman of the Association of Southeastern Railroads. He will assume his new duties on January 1, 1958, and will maintain headquarters in Washington, D.C.

PLAN EMERGENCY TRANSPORTATION UNIT: - A new government emergency transportation agency which would have far reaching powers in the event of nuclear attack on this country, is now in the planning stage, according to Gordon Gray of the Office of Defense Mobilization. Gray told the N.D.T.A. at a recent convention in Washington, that the new agency would have complete responsibility, initially for restoring transportation in local areas isolated by atom bombs, missiles or fallout, and secondly, for restoring intercity and cross-country transportation as soon thereafter as possible. He explained that Government emergency transportation plans have had to be revamped to meet the threat of new weapons.

AROUSING CONCERN: - The problems facing the Nation's railroad industry are beginning to attract the attention of law-makers in Washington. Senator Warren G. Magnuson, chairman of the Senate Committee on Interstate and Foreign Commerce, has announced that the Surface Transportation Subcommittee, chairmanned by Senator George A. Smathers of Florida, will begin hearings on January 13 in Washington, looking into the "deteriorating railroad situation" and its effect on the national railroad transportation picture.

Senator Smathers said, "the available statistics indicate that the American railroads are heading for serious trouble. Carloadings are down and earnings have declined. Attention should be given to constructive action to allow the railroads to help themselves before the situation had deteriorated to the point at which drastic action should be necessary."

The figures to which Senator Smathers referred covered Class I railroads carloadings for the week ended November 9, 1957, which showed a decrease of 12.6 per cent when compared to the same period in 1955. At the same time, preliminary figures for September 1957 showed the net income to be about \$65 million, compared to \$80 million in September 1955.

Senator Smathers further stated that the Committee expects to invite prominent railroad industry people and students of transportation to testify before the Committee. The investigation will cover three main areas: (1) Matters on which the railroads may help themselves at present without further action by Congress or the Interstate Commerce Commission; (2) Desirable changes in ICC policy under existing law; and (3) New legislation necessary to insure a sound railroad industry as an integral part of the national transportation system.

Other members of the Subcommittee are: Senators Lausche of Ohio; Yarborough of Texas; Schoeppel of Kansas, and Purtell of Connecticut.

DECREASE IN RAILROAD CONSTRUCTION: - The Commerce and Labor Departments predicted that construction activity by the Nation's railroads will amount to approximately \$400 million in 1958, compared with \$450 million in the current year, a decrease of 11 per cent.

At the same time the two departments estimate that outlays for new construction for all industrial and other purposes would total \$49.6 billion, or a gain of 5 per cent above the record expenditure of \$47.2 billion expected to be spent in the year just ending. The increase in spending in 1958 however, is expected to be mostly in residential building (private and public) and on highway work, which combined are expected to account for \$2.1 billion of the gain.

SIGNS OF PROGRESS: - Percival F. Brundage, director of the United States Bureau of the Budget, has instructed all agencies of the executive branch of the Government to prepare specific legislative proposals, looking toward establishment of equitable and uniform-wide Government policy on charges and fees for certain Government services and property. He said the application of such a policy will promote sounder management of the Government's affairs and would decrease the cost to the general taxpayer of many services now being provided.

Among those services which come under the scope of Brundage's request would be many of those now being afforded private water carriers and air lines on the Nation's rivers, and public airports; such as weather data, charts, lighting, etc.

L. S. Rothschild, under-secretary for transportation, announced, following Brundage's directive, that the Department of Commerce is studying the question of whether the Government should impose user charges for the use of Federally provided navigation facilities on inland waterways.

"The study is set in a background of growing public sentiment that the general taxpayer should not be continuously called on to carry all the cost of special services rendered by the Government to individual segments of the economy," Rothschild said. The department will have the benefit of close cooperation of the following agencies: Department of Defense; Department of State; Department of Agriculture; Department of Interior; the Treasury Department and the ICC.

FRISCO LOADINGS: - For period November 23 to November 29, 1957, inclusive, Frisco revenue freight loaded on-line and received from connections totaled 14,001, compared with 15,289 for the previous 7-day period, and a total of 16,452 for the corresponding period last year.

BRIEFS: - For the rail transportation involved in delivering the average first class (3-cent) letter, the Government pays the railroads 1/8 cent.

.... More than 200 dome cars of various types have been installed on the railroads of the United States in the last ten years, according to data supplied by the American Railway Car Institute.

.... Forgetful railway passengers leave behind in Pullman sleeping cars just about every conceivable kind of article. Probably the most valuable single article ever left in a Pullman car was a diamond ring worth \$120,000.

ST. LOUIS POST-DISPATCH

NOVEMBER 21, 1957

Revolution in Transport

A revolution in American transport is in progress. Are we going to come out of it with a happenstance hodge-podge of rail, air, bus, truck and pipelines and inland waterways that "just grewed"? Or are we going to construct, at last, a grand design for transportation in which every form will play its rational part?

The accelerating pinch on the profits and cash of the railroads is what is pressing the matter to a decision. Railroads are indispensable to national defense in time of emergency. They are indispensable to the efficiency and prosperity of our national industrial machine all the time. Yet the railroads are in deep distress, with passenger and freight traffic in flight to other forms of transportation.

The presidents of the Missouri-Kansas-Texas and the Southern Pacific declare railroads are eventually going to have to get out of the passenger business altogether. An era of merger is in the works; one railroad president—Patrick B. McGinnis of the Boston & Maine—even proposes that the 36 railroads east of the Mississippi and north of the Ohio should be combined into two big systems. Says the president of the Pennsylvania, James M. Symes, whose railroad is talking merger with the New York Central:

This country is now undergoing a complete change in transportation requirements. It is changing so rapidly that it presents a challenge to come up with a new national transportation policy.

It presents in fact a challenge to come up with a national transportation policy for the first time in our history. Expert eyes ought to sweep the country with a full knowledge of its transporta-

tion needs present and prospective, but still as if seeing it for the first time.

If we had no transportation system of any sort, what forms of transport would we set to hauling what freight and passengers for what parts of the country, and in what combinations of companies? What system would provide both the lowest-cost and most efficient service for the shippers, and the healthiest business for the carriers?

Without at least a beginning on a unified grand strategy for transportation, the Administration, the regulatory agencies and Congress cannot decide wisely in the next few years what railroad mergers to permit, or in what patterns; and cannot properly decide what combinations of the various forms of transportation to allow.

Many railroads want to get into the airline business, which they are barred from, and the trucking business, which it is difficult for them to get permission to enter.

Very particularly a rationale for moving people and property should take into important consideration our newest and longest coast, the St. Lawrence waterway—how to integrate it into over-all transport in such a way as to make it perform the most good for the most people in the greatest possible area of our country.

The dimensions of the problem are intimidating. That is why no genuine attack has ever been made on it.

But if the men with the imagination, the technical knowledge, and the authority can be put to work, the nation can come out of the transport revolution with a far more serviceable system than the one with which we entered it.

READY FOR THE MAIL: - The Nation's railroads are geared to transport the mail load expected to average more than a quarter-billion gift parcels and greeting cards daily between now and Christmas. This estimate is based on the Post Office prediction that during the pre-Christmas period this year, intercity mail, most of which will be traveling by rail, will total more than 6 billion pieces, representing an approximate increase of 4 per cent over 1956.

This number of gifts and cards is equivalent to an average of about 36 pieces for every citizen of the United States. In order to transport this volume, the Nation's railroads will provide more than 62,000 standard-size mail cars, 60 feet long, which, if made up into individual trains, would exceed 5,200 solid mail trains of 12 cars each.

Additional cars will be pressed into service by the railroads to get the mail through on time.