



# FRISCO Railfax

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

No. 350

January 3, 1958

PERSONNEL CHANGES: - The following changes in Frisco personnel have been announced:

T. M. Mabon, Jr., district manager-sales, headquarters, St. Louis, effective January 1.

Wayne A. Young, assistant merchandise traffic manager, headquarters, St. Louis, effective January 1.

Willard R. Eilers, merchandise agent, headquarters, St. Louis, effective January 1.

S. E. Zeilmann, terminal trainmaster, headquarters, St. Louis, effective January 1.

D. W. Patton, terminal trainmaster, headquarters, Springfield, effective January 1.

F. G. Trau, industrial engineer, headquarters, Springfield, effective January 1.

T. M. Galloway, industrial engineer, headquarters, Springfield, effective January 1.

J. R. Warfield, industrial engineer, headquarters, Springfield, effective January 1.

R. E. Metzger, assistant industrial engineer, headquarters, Springfield, effective January 1.

C. N. Cawfield, assistant industrial engineer, headquarters, Springfield, effective January 1.

D. L. Walker, assistant industrial engineer, headquarters, Springfield, effective January 1.

Walter H. Faubel (QA&P), traffic representative, headquarters, Detroit, Mich., effective December 9, 1957.

HEADS CHAMBER OF COMMERCE: - Frisco President Clark Hungerford has been named chairman of the board of the St. Louis Chamber of Commerce for the year 1958. Mr. Hungerford also has been named president of the new St. Louis Metropolitan Chamber of Commerce Industrial Park Corporation.

The Industrial Park Corporation was formed to continue the work started toward development of the Columbia Bottoms area of St. Louis into an industrial park. The organization is a non-profit one.

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ON SAFETY BOARD: - Frisco Superintendent of Safety R. P. Hamilton has been named to the board of directors of the National Safety Council.

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MAIL PAY HIKE APPROVED: - The Interstate Commerce Commission on December 31, announced approval of increasing government pay for hauling mail to railroads in the South and West, approximating \$12,300,000 annually.

The negotiated pay increases were announced last fall by Postmaster General Summerfield, subject to ICC approval. The agreements provided for a mail pay increase of 7 1/2 per cent for western railroads and 7 per cent for the southern railroads.

It is estimated that the increase will raise the mail transportation revenues of the western railroads to \$135,600,000, and the southern railroads to approximately \$42,000,000 annually.

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PARTNERS IN PROBLEMS: - The airline industry is now running into many of the problems facing the railroad industry, one in particular being that of cost rising faster than revenues.

Capt. E. V. Rickenbacker, chairman and general manager of Eastern Air Lines, Inc., in a year-end statement, said the Nation's airlines in 1957 broke all records for hauling traffic, yet are showing a disastrous drop in earnings. He attributed the situation to mounting expenses and the competitive situation. He added that the situation threatened to slow down the progress of the airlines.

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FRISCO LOADINGS: - For the holiday period December 21 to December 27, 1957, Frisco revenue freight loaded on-line and received from connections totaled 11,858, compared with 14,391 for the previous 7-day period, and a total of 13,171 for the corresponding period last year.

SUPERVISORY CLASSES: - The Supervisory Training Department, in addition to the present five-day training programs, will inaugurate a series of two-day "Communication Workshops" beginning January 14, a "follow-up" for those who have attended the Supervisory Development Program classes.

A five-day conference in "Scientific Management" is also being developed now and will be scheduled simultaneously with the two above mentioned programs for those who have already attended the Supervisory Development Program.

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RAIL REVUE OF 1957: - William T. Faricy, chairman of the board of the AAR, found very little to be optimistic about in the rail picture as it looked in 1957. In his year-end revue he said:

Freight carloadings declined 6.2 per cent under 1956 to a total of 35,500,000; revenue ton-miles decreased 5 per cent to 615,000,000,000. Revenue passenger-miles continued downward, declining 8.1 per cent to 25,900,000,000.

Railroads received operating revenues totaling \$10,500,000,000, a decrease of one-half per cent under the sum realized in 1956, for freight and passenger services.

Of total operating revenues, freight accounted for \$8,935,000,000, a decrease of \$16,000,000; passenger revenues totaled \$740,000,000, a decline of 2.2 per cent, while other revenues amounted to \$825,000,000, a loss of 2.1 per cent under 1956.

Total operating expenses of the railroads came to \$8,220,000,000, an increase of \$112,000,000 or 1.4 per cent over 1956, resulting in an operating ratio in 1957 of 78.3 compared with 76.8 in 1956.

Taxes to be paid by the railroads in 1957 will amount to \$1,080,000,000, a decline of \$41,000,000 or 3.7 per cent under 1956.

Net railway operating income, before charges, declined 13.4 per cent to a total of \$925,000,000 in 1957 as against \$1,068,000,000 in 1956. This will give the railroads a rate of return on net investment in 1957 of approximately 3 1/3 per cent, compared with 3.95 per cent in 1956.

The railroads net income in 1957, after deductions for fixed and contingent charges and miscellaneous items, will decline to about \$740,000,000, or 15.5 per cent under the 1956 level.

The recent low state of railroad earnings has precluded general use of equity capital in financing improvements in plant and equipment. In view of this situation, the railroads must look to their net income not only for dividends and reserves but also for much of the financing of the program of capital improvements essential to their continued operations.

RATE INCREASE SOUGHT: - Squeezed by increasing cost of operations, particularly from wages and spiraling cost of materials, the Nation's railroads last month filed with the ICC a request for increases in selected freight rates and charges, to become effective February 1, 1958. The application said the new rates were expected to show an over-all increase of less than 3 per cent.

The railroads in the petition filed a list of the various commodities on which rate changes were being requested. The petition was signed by 414 railroads, plus 23 other railroads listed in a "supplement."

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HEADS ICC: - Commissioner Howard G. Freas has been named chairman of the ICC for a one-year term beginning January 1. He succeeds Commissioner Owen Clarke, under Commission policy of rotating chairmanship among its 11 members on a seniority basis.

Mr. Clarke has submitted his resignation as a member of the Commission because of "personal circumstances." He was appointed to the Commission on July 10, 1953, and his term of office would have expired December 31, 1959.

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HEARING COMING UP: - One of the earliest activities of the 85th Congress, convening this month, will be the opening on January 13 of an extensive hearing into the "deteriorating railroad situation," by a subcommittee of the Senate.

The hearing is expected to reach into many fields, touching on such topics as transportation taxes, competitive rate making and resumption of rapid amortization for railroad facilities. It is expected that the House of Representatives also will announce some hearings on the transportation situation, at a later date.

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NEW AAR VICE PRESIDENT: - William M. Keller has been elected vice president in charge of research for the AAR. He has been assistant vice president in the operations and maintenance department.

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MEETINGS: - January 14-15, annual convention of the Transportation Association of America, Chicago, Ill.

January 21-23, Southwest Shippers Advisory Board, Monroe, La.

January 22-23, Midwest Shippers Advisory Board, Chicago, Ill.