



FRISCO Railfax

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POTENTIAL CUSTOMERS INCREASING: - The population of the United States increased by approximately 3 million in 1957 for the second year in a row. The Census Bureau estimated our total population as of January 1 was 172,790,000.

SEEK REPEAL OF EXCISE TAX: - Senator Warren Magnuson of Washington and Senator George Smathers of Florida are co-sponsors of a bill introduced in the United States Senate to repeal the 3 per cent excise tax on freight transportation and the 10 per cent tax on passenger transportation. Repeal of the taxes would appeal to all carriers.

When he introduced the measure, Senator Smathers said: Today's recession is caused, largely, by the buying public's lack of confidence. Purchasing power is still strong, as shown by the rising trend in savings deposits throughout the country.... What is needed is a non-inflationary stimulus to our economy -- a spark to touch off new buying by consumers. We believe the repeal of these taxes would provide that spark."

He pointed out that transportation makes up 20 per cent of America's gross national product, thus affecting the pocketbook of every citizen. The Florida Senator predicted that repeal of the taxes would result in lower prices on most products, with particular assistance for the small businessman who must rely solely on transportation.

Eleven members of the Senate Committee on Interstate and Foreign Commerce joined with Senator Magnuson and Senator Smathers in sponsoring the bill. Only two members of the Committee are not co-sponsors. They are: Senator Lausche of Ohio and Senator Yarborough of Texas.

GROSS NATIONAL PRODUCT UP: - The Nation's total output of goods and services for 1957 reached a record of \$434.4 billion, an increase of 5 per cent above 1956. The new high was reached despite a drop in the annual production rate during the final quarter of the year.

AIRLINES AIR WOES: - The Senate Subcommittee on Service Transportation, headed by Senator Smathers, opened its hearings on the deteriorating railroad situation to representatives of the Nation's airlines on March 6.

The airline representatives were expected to offer some solutions to their own problems, as well as take exception to some of the testimony previously given by representatives of the railroad industry before the Smathers group.

RAILROAD RETIREMENT BENEFITS UP: - The Railroad Retirement Board reported that unemployment and sickness benefits jumped 46 per cent in December, totaling \$20,047,000, the largest monthly figure since January 1955. Payments went to 166,000 beneficiaries or 27 per cent more than were receiving aid in November. The Board said that although nine-tenths of the increase in benefits occurred under the unemployment program, the total of sickness benefits was the largest in its history.

Retirement payments for December, according to the Board, totaled \$59,000,000, of which \$45,400,000 went to retired employes and their wives, and \$13,600,000 to survivors of deceased employes. The retirement and survivor benefits in December were 900 fewer than in November.

RECIPROCITY BILL ADVANCES: - The bill proposed by Missouri's Governor Blair to set up a state commission to negotiate reciprocity contracts with other states on the use of Missouri highways in interstate commerce, has been tentatively approved by the State Senate and is slated for passage next week.

Senator George A. Spencer of Columbia, speaking for the bill, said Missouri was losing thousands of dollars annually in revenue because the state is not in a position to negotiate reciprocity agreements with other states over the use of Missouri highways by bus and truck lines.

The measure would set up a commission composed of the governor, attorney general, chief engineer of the highway department, superintendent of the highway patrol, chairman of the Public Service Commission and the director of the Department of Revenue.

FRISCO LOADINGS: - For period February 22 to February 28, 1958, inclusive, Frisco revenue freight loaded on-line and received from connections totaled 14,495, compared with 13,873 for the previous 7-day period and a total of 15,352 for the corresponding period last year.

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

Retirements: - R. H. Francis, general road foreman of equipment, March 15, after 53 years of service with the Frisco.

L. C. Hofman, general agent, March 15, after approximately 47 years of Frisco service.

G. L. Presson, assistant superintendent, March 1, after more than 47 years of service with the Frisco.

Appointments: - J. E. Case, Jr., data processing engineer, headquarters, St. Louis, effective February 16.

J. F. Christian, assistant superintendent, headquarters, Tulsa, effective March 1.

J. M. Godfrey, assistant superintendent, headquarters, Sherman, effective March 1.

W. T. Rutherford, district manager-sales, headquarters, Dallas, effective March 1.

W. D. Smith, assistant superintendent, headquarters, Joplin, effective March 1.

F. E. Wait, Jr., assistant superintendent, headquarters, Ft. Scott, effective March 1.

J. H. Webberley, special representative, headquarters, Dallas, effective March 1.

J. J. Collins (QA&P), general agent, headquarters, Philadelphia, effective March 1.

A. G. Kern (QA&P), general agent, headquarters, New York, effective March 1.

LOWER RATES: - In an effort to recapture traffic lost to trucks, western railroads plan to lower freight rates on certain movements of course grains and soy beans from the states of North Dakota, South Dakota, Iowa, Minnesota and Wisconsin. G. A. Moller, chairman of the Western Trunk Line Committee, estimates the new tariffs will be ready in 30 to 60 days.

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Railroads Need Help

FEDERAL REGULATION of interstate commerce is both constitutional and necessary. On the other hand, lawful commerce can be regulated to death.

This is the fact that underlies the pending Senate subcommittee investigation of the railroad industry.

About a century ago the railroads were, or appeared to be becoming, a monopoly. They made their own rates and regulations. To protect themselves against political exploitation, or to benefit themselves by political manipulations, the railroads went into politics. In some States they came to dominate the government, and exacting "all the traffic would bear" was virtually the only rule that applied in fixing transportation charges.

Congress accordingly set up the Interstate Commerce Commission in 1887, putting the railroads under strict regulation.

In the 70 years that have since elapsed, conditions have drastically changed.

Motor trucks, passenger buses and airlines now compete with the railroads; and, through road building and construction of airports at public expense, these newer modes of transportation are very largely subsidized, while the railroads continue to be subject to heavy taxation. This along with continued regulation, has put the railroads in

a very adverse competitive position.

TODAY the railroads are in such a plight financially that either they must be rescued or they must be socialized.

Obviously, the Nation must have a country-wide railroad system. It is necessary to haul heavy freight in time of peace; thousands of communities depend on the railroads; and we could not wage another war should there be a railroad breakdown.

The proper reform ought to be plain enough.

We need a national transportation policy that will utilize all the means of transportation—waterways as well as airlines, and railroads as well as highways.

The obvious first step is to relieve the railroads from excessive Federal regulation, or strangulation, and to permit the railroads themselves to reorganize their structures and to operate their services on a fair but self-supporting basis.

In gone-by years, when the railroads were a monopolistic menace, the Hearst Newspapers campaigned for regulation and rate controls.

In these far different times, when old evils have been obliterated and new problems exist, these newspapers equally advocate a railroad policy in keeping with modern conditions and demands.