



FRISCO Railfax

ISSUED BY THE PUBLIC RELATIONS DEPT., ROOM 339 FRISCO BLDG., ST. LOUIS 1, MO.

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CUSHIONED BULKHEADS FIGHT DAMAGE: - One of the latest developments in the struggle to cut freight damage is the pressure bulkhead method of freight car packing. Such a loading device was demonstrated recently at the Wilmerding, Pa., plant of Westinghouse Air Brake Company, developers of the new system. It consists of a series of movable, inflatable walls. Suspended from tramrails on the ceiling of the car, the cushion-like bulkheads can be interspersed through the length of a merchandise lading during loading. They are then inflated with low-pressure compressed air to take up all the remaining empty space.

As the load itself compresses and shifts during transit, the air walls immediately take up any additional space that develops. Pressures are equalized through the manifold formed by the air delivery system to which all the bags are connected. The pneumatic system operates on extremely low pressure and is not connected to the car's brake system. No brake pipe air is consumed. Pressures in the air walls are maintained at constant pre-set values. These pressures are very low.

For part-car or half-car shipments, a Pittsburgh Steel Products welded steel screen is supplied, which can be positioned to act as a fixed intermediate bulkhead. Once the car is loaded and the walls expanded, it is claimed the car is almost theft-proof. Because the air walls will expand slightly over a lading which does not reach their tops, the load is held against the car floor.

Following a series of impact tests at the Westinghouse plant, the first car--a H. J. Heinz Company refrigerator--is expected to go into regular service handling the food products of its owner-operator.

CARLOADING OUTLOOK: - A boost in carloadings would lift railroad spirits across the country, but the national forecast of the regional shippers advisory boards for the third quarter indicates an average national decrease in volume of 13.1 per cent, with expected declines ranging in some areas from 25 to 82 per cent.....The Pennsylvania's David C. Bevan commented that when "business does come back, we're headed for one of the greatest car shortages anybody's ever seen."

ICC APPROVES KATY'S STOCK REVISION PLAN: - The Interstate Commerce Commission has approved the Katy Railroad's plan to wipe out a \$110,000,000 accumulation in unpaid dividends on the preferred stock, by exchanging a package of new securities for each present preferred share.

The plan will now be submitted to owners of the 667,005 preferred shares, and 75 per cent of them must approve the plan before it can become effective.

If the plan goes into effect, as expected, each preferred share will be exchanged for a new \$100 income bond, a \$100 certificate and one share of common stock.

Katy management witnesses have testified before the ICC that the stock plan is an important part of the road's program for getting back on the track financially.

SHIPPERS OPPOSE INCREASED RAIL WORKERS BENEFITS: - The National Industrial Traffic League has asked the Senate committee on labor and public welfare to disapprove Senate Bill No. 1313, increasing benefits to retired and unemployed railroad workers.

In a telegram to members of the Senate committee, Grant Arnold, president of the League, expressed the view of his organization that passage of the bill would have an adverse effect on the railroad industry and nullify the efforts of Congress to aid the railroads.

RAILROAD AID BILL APPROVED: - Final approval was given by Congress to a compromise aid-to-railroads bill.

The bill, a compromise between earlier Senate and House versions, was sent to President Eisenhower for his approval.

The bill's main purpose is to authorize government guarantees of 15-year commercial loans of up to \$500,000,000 for capital investment, equipment and maintenance.

Another important feature of the bill would empower the ICC to permit discontinuance of unprofitable passenger trains. Under the new bill, the ICC could order the discontinuance of a train crossing state lines, also the discontinuance of service entirely within a state, where a state agency fails to act, if it is determined the service is not essential to public convenience or necessity, or constitutes a burden on the line's interstate operations.

MAIL RATE RISE TO TRIM RAIL LOSS: - As a result of the increase in mail rates granted by the ICC, the railroads for the first time in three years will be able to reduce the operating deficit incurred on passenger travel, according to authorities.

The Chicago Journal of Commerce recently pointed out that another factor aiding the reduction is the determined drive being made by most railroads to reduce passenger train-miles to keep pace with the decline in revenue passenger-miles carried.

However, the Journal declared, cost reductions have not been able to keep pace with the decline in revenues. In 1957 the ICC estimated that while passenger revenues decreased by 3.5 per cent, passenger expenses were cut by only 0.9 per cent.

The passenger deficit last year hit a new record high of \$724 million, exceeding the previous record of \$705 million in 1953. Prior to the granting of the mail rate increase the deficit for 1958 had been estimated at about \$750 million.

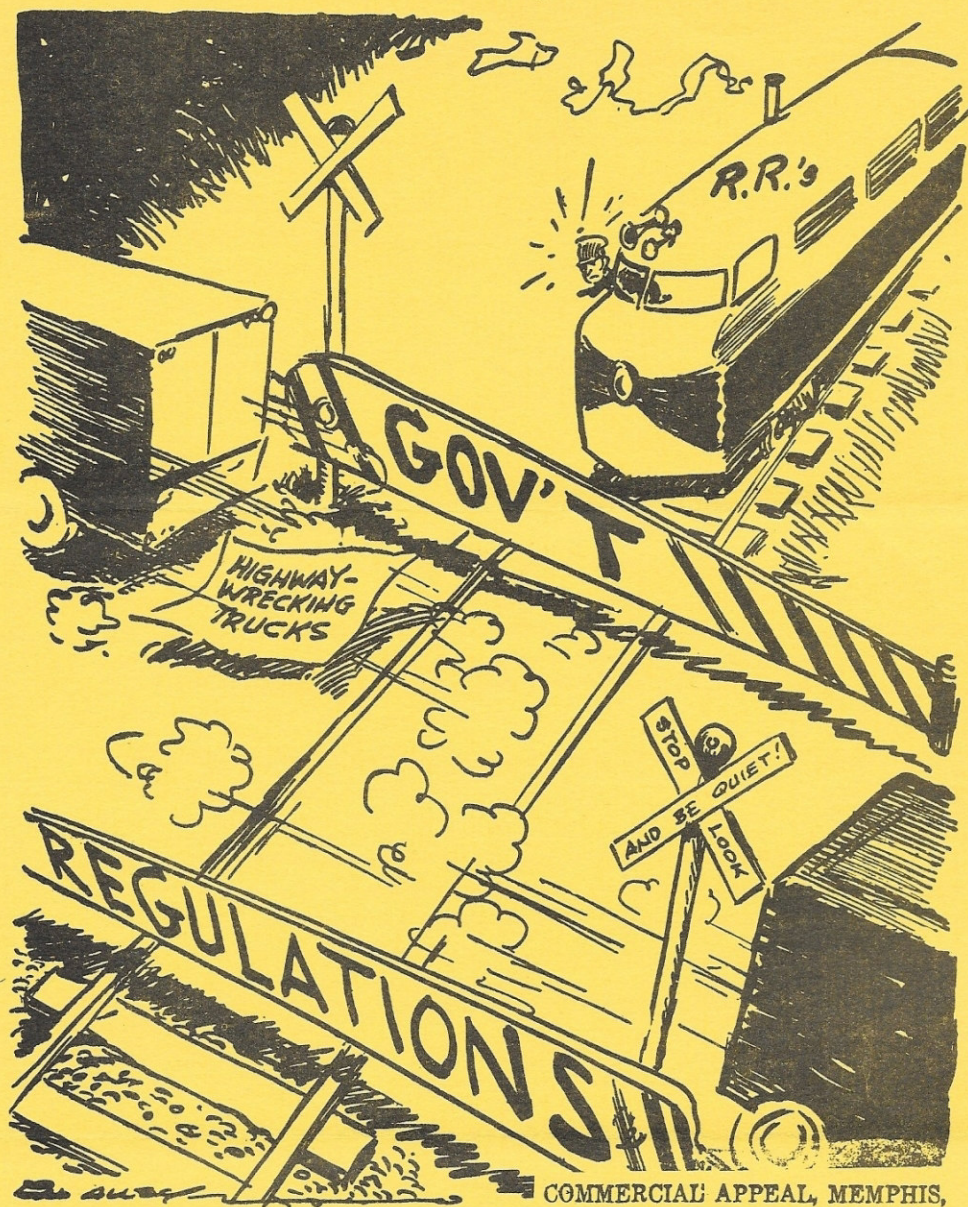
EASTERN RAILROADS ASSESSED \$652,074 IN ANTI-TRUST DAMAGES: - Judge Thomas F. Clary, in the federal district court at Philadelphia, ordered 24 eastern railroads, the Eastern Railroad Presidents Conference, and the public relations firm of Carl Byoir & Associates to pay \$652,074 to the Pennsylvania Motor Truck Association as treble damages under the anti-trust laws, an additional \$200,000 for counsel fees, and to refrain from further violations of the anti-trust laws.

In October, 1957, Judge Clary found that the railroads and the public relations firm had violated the anti-trust laws by following a plan "under the guidance of competent legal counsel" which, in the guise of "a gigantic legislative campaign," sought to destroy interstate truck competition while surrounded "with the protection of the right to assemble, the right to petition the legislature and freedom of speech."

David I. Mackie, president of the Eastern Railroad Presidents Conference, said that "the defendants do not agree with the decision of the court in this case and have filed an appeal."

FRISCO LOADINGS: - For the period July 26 to August 1, 1958, inclusive, Frisco revenue freight loaded on-line and received from connections totaled 13,452, compared with 13,771 for the previous 7-day period and a total of 15,699 for the corresponding period last year.

Somebody Has His Signals Crossed



PERSONNEL CHANGES: - The following changes in Frisco personnel, effective August 1, have been announced:

Appointments: - N. A. Kirchoff, assistant to vice president-traffic, in charge of industrial development, headquarters, St. Louis.

V. J. Deckard, superintendent terminals, headquarters, Kansas City.

L. J. King, superintendent terminals, headquarters, Tulsa.