



FRISCO Railfax

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AIRPORT AID EXTENSION VETOED BY PRESIDENT: - President Eisenhower on September 2 vetoed a bill which would have extended the federal airport program through the fiscal year 1963, and would have increased the federal grants to \$100 million a year from the present \$63 million.

In a memorandum of disapproval, the President said:

"I am convinced that the time has come for the federal government to begin an orderly withdrawal from the airport grant program. Over the past two decades, more and more airports have progressed to the point of self-sufficiency. Aviation generally has achieved a state of maturity in which the users should be expected to pay an increasing share of airport costs.

"With the continued growth of aviation and the application of sound management principles, the progress toward airport self-sufficiency should continue."

RAILWAY EXPRESS WITHDRAWAL STUDIED: - Several Eastern railroads are seriously re-evaluating their membership in Railway Express Agency, Inc.

Officials of five major Eastern roads are reported to have under joint study a preliminary report, recently submitted to the Eastern directors of Railway Express, that includes a proposal to turn the express operation over to a private company - possibly a freight forwarder.

RAILS LOSE ON PASSENGERS: - A total of \$723,000,000 was lost by the Class I railroads on passenger service in 1957, according to the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission.

The passenger loss absorbed 44 per cent of the net railway operating income made on the handling of freight.

The record loss was sustained by the railroads despite the fact that for years the various systems have expended multi-millions of dollars in attempts to attract passenger traffic.

NEW BILL INTRODUCED: - A bill was introduced by Senator Martin of Pennsylvania, "to facilitate the movement of passenger traffic into and out of or within metropolitan areas" and to ease the railroads tax burden. The bill would permit the use of federal-aid highway rights of way to facilitate passenger traffic by railroads.

As explained by a member of Senator Martin's staff, the Senator's idea was to generate discussion by introducing the bill. Its objective, the staff member said, would be to reduce the tax burden on railroads by permitting them to use, tax free, part of a federal-aid highway in metropolitan areas or to have a federally built highway constructed over the railroad's right of way, and the railroad would be permitted to use that highway for the transportation of passengers in commuter service, without being taxed for the privilege.

"The railroads are not seeking subsidization or federal support, but they are seeking an even break on tax and regulatory factors which would make the difference between functioning and failure," Senator Martin said.

ICC COMMISSIONER RESIGNS: - The resignation of Robert W. Minor, ICC commissioner, has been accepted by President Eisenhower. The resignation will become effective as soon as a successor is chosen.

CARLOAD RATES REDUCED: - The Long Island Railroad has slashed carload rates on potatoes virtually in half -- from an average \$93.60 a car to a flat \$50.00 a car -- in an effort to reduce its reliance on passenger business. A company spokesman said the new bargain rates "may serve as a springboard for wholesale re-examination and revision of freight tariffs in an all-out attempt to win more cargo back to the rails.

The new tariffs, which are subject to Public Service Commission approval, are being filed for a three-month experimental period.

CAB GRANTS SUBSIDY: - The Civil Aeronautics Board has established a five-year subsidy of more than \$10 million for New York Airways, Inc., a passenger helicopter service operating from major airports in the vicinity of New York City since 1956.

EASTERN ROADS PLAN FARE BOOSTS: - Three Eastern railroads are planning another boost in long distance passenger fares.

Spokesmen for the Pennsylvania Railroad, the New York Central Railroad and the Reading said they plan to raise first-class fares 15 per cent and coach fares 5 per cent. The proposed fare hikes are designed to help offset the effect of wage increases.

The Pennsylvania and the Central will publish their rates October 1, to become effective November 1. The Reading said that details of its plans are not complete. The increases will be subject to ICC approval.

MORE LIBERAL RAILROAD CREDIT: - Hearings will be reopened by the ICC in response to the petition filed last March by Southeastern roads for authority to allow a maximum of 120 hours for payment of rates and charges, instead of the present 96-hour allowance. The 120-hour plan now applies to LCL charges.

Truck competition is the reason for the proposal. Truckers can extend credit for as long as 14 or 15 days, plus any intervening Sundays or legal holidays.

HEAVY TAX LOAD: - For every dollar the Class I railroads paid their stockholders in dividends during the 1950-1956 period, they paid \$3.02 in taxes to federal, state and local governments.

ICC LOOSENS REGULATIONS: - The ICC eased up on its ban against the sale of railroad securities except under competitive bidding procedures. The Commission will drop this requirement if the securities are sold to lenders advancing the roads funds under the government's new \$500 million guaranteed loan program. The purpose of the new ruling is to make it easier for the roads to secure loans.

Lenders in some cases may demand as part of the loan negotiations the right to purchase securities at a set price.

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

Retirement: - B. W. Swain, master mechanic, after more than thirty-four years of service with the Frisco.

Appointments: - R. W. Ege, electrical engineer, headquarters, Springfield, effective September 1.

J. W. Geissal, data processing engineer, headquarters, St. Louis, effective September 1.

H. E. Hubbard, master mechanic, headquarters, Sherman, effective September 1.

J. L. Russell, statistician, headquarters, St. Louis, effective September 1.

N. F. Philpott, principal assistant electrical engineer, headquarters, Springfield, effective September 1.

FRISCO LOADINGS: - For period August 30 to September 5, 1958, inclusive, Frisco revenue freight loaded on-line and received from connections totaled 13,939, compared with 14,722 for the previous 7-day period and a total of 14,590 for the corresponding period last year.

WHEEL WITHIN A WHEEL

