



# FRISCO Railfax

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

No. 368

November 3, 1958

ALLIANCE URGED: - James M. Symes, president of the Pennsylvania Railroad, recently urged leaders in the automotive field to join a "mutually benefitting alliance" with the railroads in modernizing transport regulation and taxation. He said the "present unsatisfactory situation throughout the nation's transport industry -- especially the motor and rail carriers -- has been brought about by a lack of uniform and businesslike regulation." He stated that an "orderly system" of transport is needed to replace the "disorderly conglomeration" which has developed as a result of unequal government policies toward the different forms of transportation.

"I don't think there is any industry whose support would be more effective in accomplishing the needed changes in railroad regulation and taxation than the support of the automotive industry," Mr. Symes emphasized.

\*\*\*\*\*

RAIL PASSENGER RESERVOIR DRY: - Airlines have reached the bottom of a reservoir of former railroad passenger traffic which they have been tapping for more than 30 years, Civil Aeronautics Board Chairman James R. Durfee said in Chicago recently. Moreover, he said, increased passenger fares are not the way to improve passenger volume.

Mr. Durfee recommended that airlines should base their appeal for higher passenger volume on lower-cost flights, economy services, "family-fare" plans, etc. "There is no reason to think the Board will grant increases just because the industry asks for them," he concluded.

The major airlines have requested boosts in fares ranging up to 20 per cent.

\*\*\*\*\*

FRISCO LOADINGS: - For period October 18 to October 24, 1958, inclusive, Frisco revenue freight loaded on-line and received from connections totaled 16,383, compared with 17,023 for the previous 7-day period and a total of 15,951 for the corresponding period last year.



AAR PRESIDENT WEIGHS RAILROAD OUTLOOK: - Daniel P. Loomis, president of the AAR, in a recent address before the New York Rotary Club, said that dynamic changes in the American economy will lead to greater future reliance on railroading and mass transit. He indicated that the nation by 1975 is likely to expand its population by as much as 60 million people and almost double the annual output of goods and services. The resulting need for "super channels of transportation" can be met by the railroads, he continued, if they are given a real chance to do so.

The railroad officer pleaded for major public policy changes that would allow railroads greater freedom to adjust services to rapidly changing conditions; soften the devastating impact from subsidized competition, and relieve railroads of oppressive tax burdens that could constitute "the knockout blow."

With the people's understanding and remedial legislation, he went on, "the railroads, instead of being tied in knots by regulation, crushed by taxes and bled white of traffic by government promotion of other carriers, can take their rightful place as the most efficient, economical and useful form of transportation available anywhere."

Referring to rumors that railroads want to get out of the passenger business, Mr. Loomis emphasized, "I know of no railroadman who has any desire to get out of any service, passenger or otherwise, that pays its own way or which holds hope of paying its way."

The AAR president termed the importance of railroads to defense as "one of the most crucial aspects of the rail passenger problem." In view of what has been happening to railroad passenger-carrying capacity, he warned, "utter chaos could develop" if the railroads were called on in any new national emergency to carry both military men and civilians diverted from the highways and airways.

\*\*\*\*\*

RAILWAY EXPRESS GRANTED RATE INCREASES: - The Interstate Commerce Commission authorized the Railway Express Agency to institute various increases in rates and charges ranging up to 15 per cent, with exceptions, effective on not less than 15 days' notice. The Agency, which is owned by 68 railroads, had sought a blanket increase of 15 per cent on practically all traffic. The increase was supported by Class I railroads and opposed by numerous shippers and shipper organizations.

If the 15 per cent increase had been allowed on nearly all traffic as proposed by Railway Express, it would have yielded an estimated \$44 million more a year. Neither ICC officials nor Railway Express spokesmen, however, were able to estimate the dollar increase that will result from the ICC's limited approval.



TRUCKERS TO OPPOSE RATE CUTS: - A front-page story in a recent issue of "Transport Topics," the national weekly newspaper of the motor freight carriers, told of efforts by National Motor Freight Traffic Association to "stem reckless reductions in railroad volume rates and forwarder rate assaults."

Spokesmen for the truckers' association quoted in the article numerous instances of "concerted efforts by railroads to reduce drastically the rates on a wide variety of traffic," in which the proposed rates were equal to or less than the corresponding rates for movement by truck. They stated their intention of opposing all proposed rail and forwarder rate reductions by asking ICC suspension as they arise.

\*\*\*\*\*

APPOINTMENT: - Lewis L. Strauss, former Atomic Energy Commission Chairman, has been appointed Secretary of Commerce by President Eisenhower, to replace Sinclair Weeks, whose resignation for "personal and family considerations" has been accepted.

Mr. Strauss' appointment, since Congress is not now in session, will be a temporary "recess appointment" until the new Congress convenes. Senate confirmation of his appointment to the Commerce Secretary's post will be made at that time.

\*\*\*\*\*

ANOTHER FIRST: - The Aluminum Co., of Canada, Ltd., principal subsidiary of Aluminum Ltd., says that what are believed to be the world's first all-aluminum refrigerator cars are now in service on the Canadian National Railways. The cars, built by National Steel Car Company, are 22.5 per cent lighter than previous refrigerator cars and save 14,200 pounds of weight each.

\*\*\*\*\*

SOURCE OF CONCERN: - Speaking before the 32nd annual convention of The Propeller Club of the United States in San Francisco recently, Braxton B. Carr, president of The American Waterways Operators, Inc., said that transportation legislation passed by the last session of Congress, giving the railroads greater ratemaking freedom, is a "source of concern" for his industry. The AWO president declared that "in fighting for this greater freedom in ratemaking, the railroads blandly pointed out that they wanted the device to capture business from their competitors."

It remains to be seen, Mr. Carr observed, "whether this controversial ratemaking amendment is a contribution by Congress to a more sound national transport policy and a more sound national transportation system, or whether it creates chaos and destruction, to the ultimate public detriment."



# PROGRESS RIDES THE RAILS

