



FRISCO Railfax

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YEAR END REPORT: - Freight carloadings of Class I railroads during 1958 will run about 30,200,000 according to preliminary estimates, AAR President Daniel P. Loomis stated in concluding his summary of rail operations, which is reviewed on Page 2 of this issue.

The freight carloading figure represents a decline of 5,300,000 under the total 1957 loadings; railroads' revenue ton-miles amounted to 550 billion in 1958, 11 per cent below 1957.

Passenger travel for the 12-month period was estimated at 23.3 billion passenger miles, down 2.6 billion under the 1957 figure. Rails' gross operating revenues neared \$9.6 billion, down almost \$900 million or 8.5 per cent from 1957, with the greatest drop coming among carriers in the Eastern region.

Net 1958 railway operating income is estimated at about \$750 million, a decrease of approximately 19 per cent under the 1957 figure of \$922 million; net income, after fixed charges and other deductions, is placed at \$590 million, again about 20 per cent under the previous year.

INCREASE PREDICTED: - An increase of 66 per cent in the nation's piggyback flatcar fleet is predicted for 1959 by H. H. Rogge, president of American Car and Foundry Division, ACF Industries, Inc. Current and planned orders, he says, indicate an increase from 6,000 to 10,000 cars.

One reason for piggyback's popularity, in Mr. Rogge's view: TOFC cars are averaging 175 miles a day in service (some up to 450 miles) compared with the 47-miles-per-day average for all freight cars.

HEADS ICC: - The Interstate Commerce Commission announced the election of Commissioner Kenneth H. Tuggle as chairman of the Commission for the calendar year 1959. He succeeds Commissioner Howard G. Freas.

RAILS EXPECT COMEBACK IN '59: - Railroads at the end of 1958 look back at one of their worst business years since the depressed 1930's and forward to an expected comeback in the year ahead, Daniel P. Loomis, president of the AAR, reported in his summary of 1958 rail operations.

"Railroad results in 1959 rest heavily on what happens to the general economy, particularly our heavy industries," Loomis declared. "It now appears that railroad business in the year ahead will show gradual improvement, with perhaps substantial improvement in the last half of the year."

Loomis further stated that full railroad recovery will not necessarily accompany full business recovery. "Railroads have had to cope with far more than recession this year. Severe public policy problems continue to bottleneck the industry's progress."

PASSENGER EXPERIMENTS PLANNED: - The Canadian National Railways embarked on an accelerated program to fill its passenger trains, and reduce an \$18,000,000-a-year out-of-pocket passenger service deficit.

A five-man committee, hand-picked by CNR President Donald Gordon, is already hard at work looking for the answers. No mere fact-finding group, the committee will recommend experimental passenger reforms on a here-and-now basis as its study progresses.

Some likely changes: lower fares, faster schedules, new emphasis on low-priced diner meals, some weeding out of unprofitable branch lines.

FARE CUTS: - The Rock Island has rounded out a year of vigorous passenger fare and service experimentation in the West with first class fare reductions averaging 22 per cent. The cuts, applying to round-trip fares, will be in force for a nine-month trial period, beginning January 25. Tickets will carry a 30-day limit.

R. E. King, general passenger traffic manager for the RI, said the road's action, in effect, "reduced the basic round-trip rate per mile from the present 3.473 cents to 2.071 cents."

First class business on the RI, he said, accounted for approximately 28 per cent of passenger revenues in 1957. First class passengers, however, amounted to only seven per cent of total passengers carried--hence the new move to boost sleeping car and parlor car patronage.

Two other roads--the Burlington and Katy--have acted to counter the RI's thrust by cutting fares on routes directly competitive with the RI.

TANK CAR 'INCENTIVES' PROPOSED: - "Incentive rates" for shipments in large size--or "jumbo"--tank cars have been placed for early hearing on the public docket of the Traffic Executive Association--Eastern Railroads.

The eastern lines propose, specifically, that all lading in a tank car above 10,000 gallons be moved at a reduction of 30 per cent below the regular charge for the first 10,000 gallons. If southern and western roads agree, these "incentive rates" would apply not only on traffic originating and terminating in the East, but also on traffic moving between the East and other territories.

The cost to the railroads of hauling 20,000 gallons in one tank car is materially less than the cost of moving the same gallonage in two cars. The eastern roads' proposal would share this saving with shippers, to induce the latter to use the more economical equipment.

The proposed rates are an outgrowth of the work of the Traffic Executive Association's Research Committee, which indicates that such rates offer attractive advantages to railroads and shippers alike. The rates are designed primarily to induce more economical transportation by rail, rather than to meet competition. They would, however, save patrons up to 15 per cent as compared with present freight charges. This, the TEA concludes, "might be a decisive factor in some competitive areas."

BILLS TO BE REINTRODUCED: - The upcoming Eighty-sixth Congress will deal extensively with transportation matters, if advance statements emanating from various senators and House members are carried through.

Carried over from 1957 will be a drive to liberalize railroad employe retirement and unemployment benefits, legislation for which was killed in the House last year after Senate passage. Representative Mack, of Illinois, and Senator Morse, of Oregon, have already made it known that they will reintroduce such measures.

Senator Smathers, of Florida, also pledged he would renew his fight in the ensuing session for repeal of the 10 per cent transportation tax.

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

Appointments: - O. E. Fort, assistant chief engineer, Eastern District, headquarters, Springfield, effective January 1.

J. H. Brown, assistant chief engineer, Western District, headquarters, Springfield, effective January 1.

PLAN WITHDRAWAL: - The New York Central, citing its passenger and parcel express service loss experience, gave formal notice on December 24, 1958, that it plans to withdraw from Railway Express Agency, Inc., after January 1, 1960. The notice was filed under a 1954 agreement requiring participating roads to give at least 12 months' notice of intention to withdraw from the Agency.

The Central's notice spurred studies by other roads of their express operations. It also caused concern among Western and Southern railroads, who said it would be "impractical" for them to continue Railway Express Agency operations if a large-scale withdrawal by Eastern railroads should occur.

RAILWAY LABOR ACT TO BE REAPPRAISED: - Secretary of Labor Mitchell announced on January 4 that he would call a meeting soon of representatives of labor and management, in both the airline and railroad industries, to solicit views on whether the Railway Labor Act should be amended in regard to labor disputes.

The Railway Labor Act was enacted in 1926 to handle labor problems in the railroad industry, and ten years later it was extended to cover the airlines.

"Whether changes in the Railway Labor Act are needed is a matter on which I have an open mind," Secretary Mitchell stated. "It may well be that all that is required is more realistic bargaining by the parties. I do believe, however, that in view of the recent strike activity, a reappraisal of the Act is in order.

"Labor and management," the Secretary pointed out, "owe the public an obligation to take all possible steps to avoid stoppages, especially disputes which are jurisdictional in nature or which result from the failure of the parties to give appropriate weight to the recommendations of presidential emergency boards."

SAFETY RECORD CONTINUES: - The railroads in 1958 extended their perfect safety record in Pullman car operations to seven consecutive years, the AAR reported on January 7. More than 6,000,000 passengers traveled about 4,250,000,000 miles in Pullman cars without a single fatality last year.

FRISCO LOADINGS: - For the period January 3 to January 9, 1959, inclusive, Frisco revenue freight loaded on-line and received from connections totaled 12,879, compared with 11,591 for the previous 7-day period and a total of 13,089 for the corresponding period last year.