



President's Subject Files
(Nos. 729-2981).
Northern Pacific Railway
Company records.

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N. P. 1757
6-24

OFFICE OF _____ President _____

FILE NO. _____ 2728-8 _____

SUBJECT:

STOKELEY-VAN CAMP, INC., KENT, WASHINGTON.

St. Paul, Minnesota, May 13, 1954 S-4

Mr. J. E. Thames
Gen. Mgr., Industrial Properties

Referring to your letter of April 19, 1954:

I return herewith duly executed by the Bankers Trust Company, Trustee, Prior Lien Mortgage; City Bank Farmers Trust Company, Trustee, General Lien Mortgage; and Guaranty Trust Company, Trustee, Refunding and Improvement Mortgage, release covering certain property located in King County, Washington, conveyed to Stokley-Van Camp, Inc., for a consideration of \$486.00, together with a copy of Mr. Hollender's letter of May 10, giving a transcription of such execution. Also enclosed is a conformed set of the release papers for your files.

(Signed) E. B. STANTON

NOTED BY

R.S.M. _____
E.B.S. _____
U.H.P. _____
R.L. _____
R.H.D. _____

PRESIDENT'S

File 7728-8

New York, N. Y., May 10, 1954

NOTED BY

R. S. M. _____
E. B. S. _____
J. H. P. _____
R. L. K. _____
R. H. D. _____

Mr. B. Stanton
Vice President

Referring to your memorandum of April 20, 1954, enclosing for execution instrument of release covering certain property located in King County, Washington, conveyed to Stokely-Van Camp, Inc. for a consideration of \$468.00:

I return the above mentioned release herewith, duly executed by the Trustees of our Prior Lien, General Lien and Refunding and Improvement Mortgages, together with conformed set of papers for the files of the Industrial Development Department.

For your information, I give below details of execution of the release on behalf of the various Trustees:

BANKERS TRUST COMPANY, TRUSTEE, PRIOR LIEN MORTGAGE:

Executed by: G. R. Ince, Asst. Vice President
Attested by: Wm. H. Deale, Asst. Secretary
Witnessed by: F. Schneider, C. D. Blakely
Notarial acknowledgment: Arthur P. Sullivan.

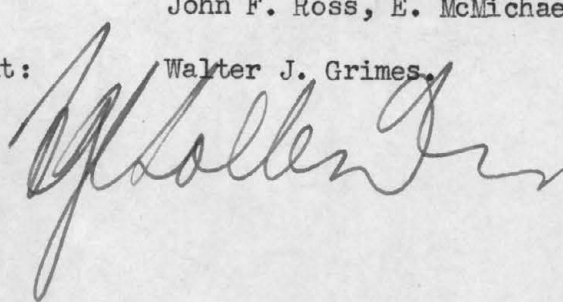
CITY BANK FARMERS TRUST COMPANY, TRUSTEE, GENERAL LIEN MORTGAGE:

Executed by: R. E. Morton, Vice President
Attested by: J. E. Robertson, Asst. Secretary
Witnessed by: A. Hall, S. A. Nelson
Notarial acknowledgment: Andrew J. Weger.

GUARANTY TRUST COMPANY, TRUSTEE, REFUNDING AND IMPROVEMENT MORTGAGE:

Executed by: P. Wiesenauer, Trust Officer
Attested by: W. W. Merker, Asst. Secretary
Witnessed by: John F. Ross, E. McMichael
Notarial acknowledgment: Walter J. Grimes.

Enclosure



A circular ink stamp from the Northern Pacific Railway. The text "NORTHERN PACIFIC RAILWAY" is curved along the top inner edge. In the center, the date "MAY 12 1954" is stamped. Along the bottom inner edge, the text "Office of the President" is curved.

John W. Rose, Jr. (continued)

W. H. Cress, 407, 2nd St. N. W.

NOTED BY
R. E. M. ☒
E. B. S. ☒
J. H. P. ☒
R. L. K. ☒
R. H. D. ☒

PRESIDENT'S
File 2728-8

St. Paul, Minnesota

April 20, 1954

**Subject: Release of property sold to Stokely-
Van Camp, Inc., at Kent, Washington.**

Mr. F. G. Hollender
Executive Assistant

I enclose usual papers for obtaining releases of the mortgages on the above property recently conveyed. These papers have been signed, and the secretarial certification has been added.

Original release of the mortgages for execution by the Mortgage Trustees.

One complete set of release papers for each of the three Mortgage Trustees.

One set of papers to be completed as a fully conformed copy and returned to me.

An extra set of papers for your files.

In due course will you please have the releases returned to me.

(Signed) E. B. STANTON

encl.

PRESIDENT'S
FILE 27-28-8

NOTED BY

R. S. M. _____
E. B. S. _____
U. H. P. _____
R. L. K. _____
R. H. D. _____

St. Paul, Minnesota
April 19, 1954

C.F. 22466

Subject: Release of property sold to Stokely-
Van Camp, Inc., at Kent, Washington.

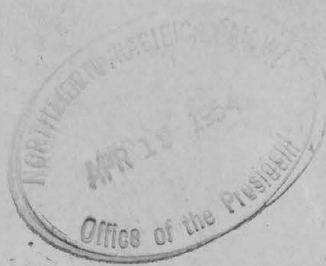
Mr. E. B. Stanton:

Herewith usual papers to be submitted to
New York requesting releases of mortgages on the
above property recently conveyed.

The papers have been signed by Mr. Peterson
and are ready for Executive signature before forward-
ing to New York.

J. E. Hammett
General Manager
Industrial Properties

FCS:FAO
Enc.



SECRET

APR 18 1954

Mr. J. Edgar Hoover, Director, Federal Bureau of Investigation, Washington, D.C.

Re: [illegible]

Reference is made to your letter of April 15, 1954.

New York representative [illegible] has been advised.

above [illegible] [illegible]

The [illegible] have been [illegible] by Mr. [illegible]

and are ready for [illegible] [illegible] [illegible]

ing to New York.

[Handwritten signature]

[illegible]

700:510
[illegible]

2728-8

NOTED BY

~~R. S. M.~~

~~E. B. S.~~

~~A. H. P.~~

~~R. G. K.~~

~~R. H. D.~~

St. Paul, Minn., March 25, 1954 G

70/72 ✓

Mr. A. M. Gottschald,
Secretary.

Attached are papers concerning sale by Stokely-Van Camp,
Inc. of Lot 8, Block 1, Cross Addition, to the City of Kent, Wash.

Please arrange to include this sale on the agenda of
the next Board meeting for the information of the Directors.

(Signed) E. B. STANTON

NOTED BY

R. S. M. _____
E. B. S. ☒ _____
J. H. P. ☒ _____
R. L. K. ☒ _____
R. H. D. ☒ _____

PRESIDENT'S

File 2728-8

Seattle, August 12, 1953.

Mr. E. B. Stanton,
Vice President,
St. Paul, Minnesota.

You wrote me on July 27th about the proposed additional cold storage warehouse for Stokely-Van Camp, Inc., at Kent, Washington.

I have called Mr. Alsip's particular attention to the proposed track rearrangement and the possibility that cars spotted along the south end of the present building would be knocked off spot. August 7th Mr. Alsip wrote me as follows:

"The track arrangement proposed would be satisfactory from an operating standpoint. That portion of the building from Pioneer St. south is used for receiving and processing of food, and they do not spot railway cars opposite that portion for loading or unloading. That portion of their facilities north of Pioneer St. is used for loading and unloading of railway cars so that the probability of knocking cars off spot as anticipated by Mr. Stanton would be very remote, and the additional trackage which will permit spotting of more cars would be an advantage in switching at this intermediate station where we do not have continuous switching service."

J. J. Moore
Western Manager
Industrial Properties.

JTM-L

cc: Mr. D. H. Eastman,
Mr. J. E. Thames.

NOTED BY

PRESIDENT'S

File 2728-8

✓ S.M.

✓ E.B.S.

✓ J.H.P.

✓ R.L.K.

✓ R.H.D.

Seattle, July 29, 1953.

Mr. J. F. Alsip,
General Manager,
Seattle, Washington.

Proposed additional cold storage warehouse
for Stokely-Van Camp, Inc., at Kent.

I enclose copy of my letter of July 20, 1953 to Mr. Stanton, together with copy of Mr. Kopp's letter of July 14 referred to therein. I also attach copy of plat dated July 16, 1953 showing proposed track rearrangement for Stokely Foods, Inc.

I am today in receipt of a letter from Mr. Stanton reading as follows:

"Referring to your letter of July 20th in connection with proposed additional cold storage warehouse for Stokely-Van Camp, Inc., at Kent.

Please be sure that the track lay-out has the approval of the Operating Department, as it would appear if a car is spotted anywhere at the south end of this building, the car would be knocked off spot. I believe this track arrangement should be reviewed by Mr. Alsip."

I would appreciate it if you will review this plat so that we may be sure there will be no objection.

Western Manager
Industrial Properties.

JTM-L

enc.

cc: ✓ Mr. E. B. Stanton,
Mr. D. H. Eastman,
Mr. J. E. Thomas.

PRESIDENT'S

File 2728-8

NOTED BY

R. S. M. ☒

E. B. S. ☒

J. H. P. ☒

R. L. K. ☒

R. H. D. ☒

St. Paul, Minn., July 27, 1953

G2

Mr. J. T. Moore,
Western Mgr. Ind. Prop.

Referring to your letter of July 20th in connection with proposed additional cold storage warehouse for Stokely-Van Camp, Inc. at Kent.

Please be sure that the track lay-out has the approval of the Operating Department, as it would appear if a car is spotted anywhere at the south end of this building, the car would be knocked off spot. I believe this track arrangement should be reviewed by Mr. Alsip.

cc: Mr. D. H. Eastman
Mr. J. E. Thames

(Signed) E. B. STANTON

NOTED BY

R.S.M. ☒
E.B.S. ☒
J.H.P. ☐
R.L.K. ☐
R.H.D. ☐

PRESIDENT'S

File 1228-8

Seattle, July 20, 1953.

Mr. E. B. Stanton,
Vice President,
St. Paul, Minnesota.

Proposed additional cold storage warehouse
for Stokely-VanCamp, Inc., at Kent:

Mr. Ed Oleson, District Manager of Stokelys, advised that he is having plans prepared in anticipation that they will be presented to their Board of Directors. At Mr. Oleson's request our Engineering Department prepared a large scale drawing showing proposed track arrangement for Stokely Foods. A print is attached.

For your full information I attach copy of Mr. Kopp's letter of July 14, 1953 to Mr. Berry which he wrote from Los Angeles about the proposed participation of the Northern Pacific in financing the construction of this facility.

About the first of the month Mr. Oleson telephoned us that Mr. Huddleston, Vice President of Stokelys, expected that he would call here some time after July 4th.

J. J. Moore
Western Manager
Industrial Properties.

JTM-L
enc.

cc Mr. D. H. Eastman
Mr. J. E. Thames

copy

unsub
PRESIDENT'S
File 2728-8

At Los Angeles, California

July 14, 1953

File: A.

Mr. F. J. Berry:

Please refer to my letter of May 19th regarding construction of additional cold storage facilities at Kent, Washington by Stokely Van-Camp, Inc.

At Oakland, discussed this matter in detail with Mr. E. E. Huddleston and Mr. R. B. Williams. It was their original thought that we should handle this new construction on the same basis as the conversion of their present facilities at Kent was handled, that is, we completely finance, leasing to them over a ten year period, they in that period to fully reimburse us for our investment without interest.

In my discussion I indicated that this new construction would not be favorably considered by our Company on the basis suggested, but did state that we would be willing to recommend to our management that we assist in financing on a purchase contract, they to make a down payment agreeable to our Industrial Department, with the balance to be amortized over an agreed period of time with interest on the unpaid balance.

The Stokely people, as you know, have purchased the location and reimbursed Halleran Brothers for vacating and it was suggested that we would purchase from Stokely the property involved at the price paid King County plus additional payment to Halleran, after which a lease will be made for the ground involved for the period necessary to amortize our investment in the building; the necessary details of this to be worked out with our Industrial Department in Seattle.

The ultimate plan of Stokely after this new cold storage facility is constructed is to use it for storing a full line of their frozen products, involving a movement under a storage in transit arrangement of the products processed in California to Kent for mixing with products processed in the Northwest, thereby permitting them to ship cars containing all different items to their storage warehouses in the East or customers direct.

They are also seriously considering the construction of another plant for both canning and freezing with adequate storage in the Yakima Valley. They are particularly interested in the property we own at Union Gap, adjacent to that now occupied by the Kieckhefer Box Company. They fully understand as to our situation relative to our assisting financially in the Yakima Valley and are prepared to handle that construction with either their own capital or by outside parties.

Page No. 2.

Mr. Huddleston will further discuss this matter with Moore at Seattle and we no doubt will be hearing further from him in regard to this.

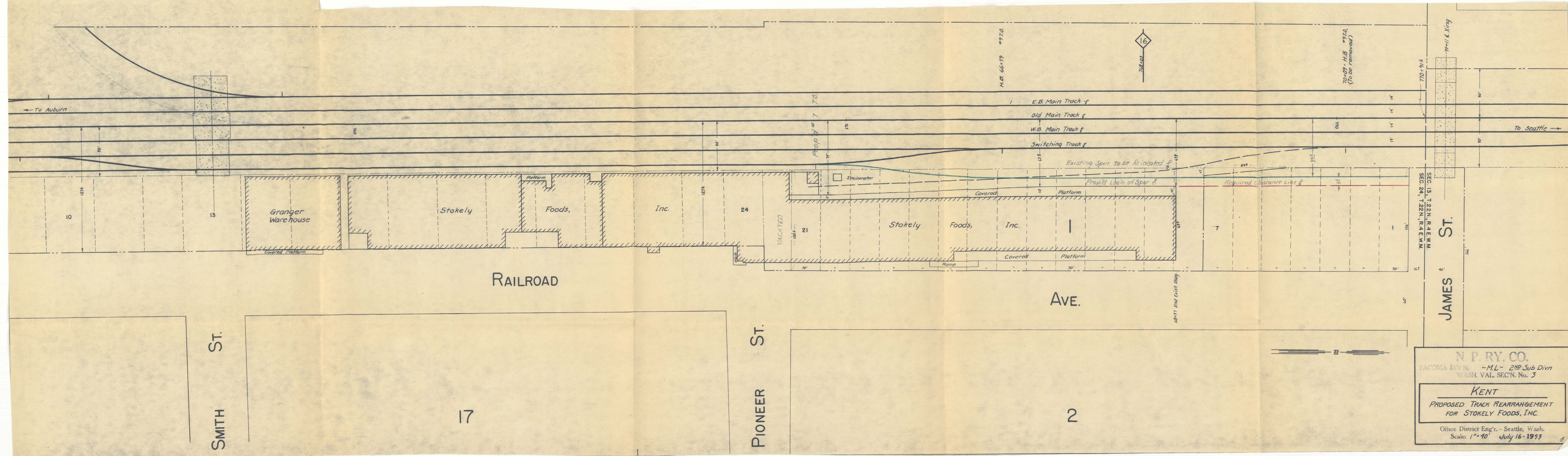
It is certain that the expansion of their Kent operation will be substantially beneficial to us traffic-wise and should their full plan of constructing new facilities at Union Gap to through, it will further enhance the value of this concern traffic-wise.

I will keep you informed as to developments.

OK-bla

(sgd) Otto Kopp

cc Mr. R. D. Bone
Mr. J. T. Moore.



cc: Mr. E. B. Stanton

April 27, 1953.

Mr. E.E. Huddleson,
Vice President,
Stokely Van-Camp, Inc.,
Oakland, California.

Dear Mr. Huddleson,

Proposed additional cold storage warehouse
for Stokely Van-Camp, Inc., at Rent, Washington.

The next day following our conversation when you were in Seattle on March 27, I submitted to our St. Paul officers your proposal that the Northern Pacific purchase the property then owned by King County and have Halleran move the building across James Street onto a parcel of land we had been reserving for warehouse use for many years. Subsequently your company acquired this property subject to Halleran's lease and we have been endeavoring to secure a relinquishment of his lease and the removal of his equipment, etc. As we have advised you by telephone, we have to date been unable to find a place for Halleran to go and he now wants \$2,000 more, or a total of \$5,000, for the relinquishment of this lease with an understanding that he will vacate and remove the building within 10 days. I have telegraphed this information to our St. Paul officers and advised them that you do not wish to absorb this additional \$2,000 expense.

A few hours after I had wired our St. Paul officers I received a letter from our Vice President, Mr. E. B. Stanton, in which he advised that he would be willing to recommend to our President that we make an investment of \$205,250 with the understanding that your company would amortize this total investment in equal monthly installments over a 10 year period plus 5% interest on the decreasing balance, which would make a total interest and principal repayment of \$261,239; your company to maintain the premises and pay all taxes, assessments and insurance.

In making this counter proposal we have in mind that your proposal would work out as follows:

Cost of building		\$205,250
Depreciation - 30%	\$61,575	
Income Taxes @ 52%	74,711	
Our net return	<u>68,964</u>	\$205,250

Mr. E. E. Huddleson
Page No. 2.

This means that at the end of the 10 year period the Railway Company has a cold storage warehouse with a depreciated value of \$143,675 in which it would still have a net investment of \$136,286.

Aside from the problem of getting Halleran Bros. settled, will you please advise me whether you care to proceed under the railway company's proposal?

Yours very truly,

(Signed) J. T. Moore
Industrial Agent.

JTM-L

Via airmail.

cc Mr. E. B. Stanton
Mr. J. E. Thames.

St. Paul, Minn., April 22, 1953 G2

Mr. J. T. Moore,
Industrial Agent.

Your letter of March 28th to Mr. Thames and my letter of April 3rd regarding financing for the Stokely-Van Camp people at Kent.

I have had this proposition thoroughly analyzed, and while it is not quite clear, it appears to me that the Van Camp people have requested the Northern Pacific Railway to acquire land and construct a warehouse, leasing it for a term of ten years. The land rental would be 5% on the cost of the land and the monthly rental on the warehouse would be an amount that would reimburse the Northern Pacific for its investment without interest. As I follow it, this warehouse would be as follows:

Cost of building		<u>\$205,250</u>
Depreciation - 30%	\$61,575	
Taxes @ 52%	74,711	
Our net return.	<u>68,964</u>	<u>\$205,250</u>

In considering the above, it must be borne in mind that our net return at the end of the ten year lease would be still invested in the building, in addition to approximately \$75,000 of our original investment. In other words, whether the building at the end of the term would be worth more or less of its depreciated value of \$143,675 is, of course, very speculative.

I cannot recommend to the President that the Northern Pacific tie up an average of \$140,000 for the next ten years to finance a company whose credit should enable it to finance through regular sources.

I will recommend to the President that we make an investment of \$205,250, with the Van Camp people to amortize this total investment in equal monthly installments over a ten year period, plus 5% interest on the decreasing balance, which would make a total interest and principal repayment of \$261,239, they in turn to pay all taxes, assessments and insurance.

Will you please get their reaction to this proposal?

cc: Mr. J. E. Thames

(Signed) E. B. STANTON

10 YR. PERIOD

PRESIDENT'S

File 2728-8

Total Monthly Payments 205,250

Total Int. @ 5% ON DECREASING BAL. 55,989

Total Prin. & Int. \$ 261,239

LESS TAXES - 52% (261,239 - 61,575)* 103,825

NET PRIN. & INT. \$ 157,414

BAL TIED UP IN BLDG.
HAVING DEPRECIATED VALUE
of \$143,675

\$ 47,836

* 3% DEP. ON 205,250 for 10 YRS

St. Paul, Minn., April 20, 1953.

Mr. Stanton:

With reference to the proposal of Stokeley Van Camp for the financing of a storage warehouse at Kent, Washington, at a cost of \$205,250:

Over the first ten years the Northern Pacific would realize a 5% return on its average cash investment of \$140,000 as follows:

Original Cash Investment	\$205,250
Cash investment at end of ten years	74,711 <i>John</i>
Average cash investment over 10-year period	140,000
Annual return after Depreciation and Taxes(52%)	6,896
Return on average cash investment after depreciation and taxes (52%)	5%

Assuming that the depreciated value of the building amounting to \$143,675 at the end of the first ten years will be a reasonable basis for future rentals, and that the lessee will bear the depreciation over the balance of the depreciable life of $23\frac{1}{2}$ years, a return of 4.6% after taxes and depreciation is indicated:

Cash Investment	\$74,711 ✓
Rental	
5% of \$143,675	7,183.75
3% Depreciation on \$205,250	<u>6,157.50</u>
Total rental	14,341.25
Return on cash investment after taxes and depreciation	3,448.20
Return on cash investment of \$74,711	4.6%

A return of 5% for the first ten years and 4.6% thereafter, after depreciation and taxes, would be quite attractive to the party who furnishes the capital as well as to Stokeley Van Camp, who would pay annual rental of \$20,525 for the first ten years and \$14,341.25 thereafter. Federal income taxes at 52% would reduce the rentals to \$9,852 and \$6,883 respectively.

In our opinion, the question here is whether or not the Northern Pacific should tie up an average of \$140,000 over the next ten years to finance a company whose credit should enable it to finance through regular sources. We feel that Northern Pacific funds should be used to assist good traffic customers who have difficulty in raising capital, consequently we do not favor this proposal. However, we should assist Stokeley Van Camp if we can by putting them in touch possibly with an insurance company or other financial institution. I would like to discuss this with you at your convenience.

R. L. Hooper

100
St. Paul, Minn., April 20, 1953. ✓

Mr. Stanton:

With reference to the proposal of Stokeley Van Camp for the financing of a storage warehouse at Kent, Washington, at a cost of \$205,250:

Over the first ten years the Northern Pacific would realize a 5% return on its average cash investment of \$140,000 as follows:

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Return on average cash investment after depreciation and taxes (52%)	5%

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3% Depreciation on \$205,250	<u>6,157.50</u>
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(Signed) R. L. KOERPER

P
✓

St. Paul, Minn., April 16, 1953

Mr. E. B. Stanton:

I have reviewed the file concerning the proposed financing of a warehouse for Stokley-Van Camp, Inc. at Kent, Washington.

Although the proposition is not clear it appears that the Northern Pacific has been requested to acquire land and construct a warehouse leasing it to Stokley for a term of ten years. Land rental will be 5% of the cost of the land, and the monthly rental on the warehouse will be an amount that will reimburse Northern Pacific for its investment, without interest.

The warehouse transaction may be analyzed from a tax standpoint, assuming an average tax return of 52% over the next ten years, in the following manner:

Cost of building		<u>\$205,250</u>
Depreciation - 30%	\$61,575	
Taxes @ 52%	74,711	
Our net return	<u>68,964</u>	<u>\$205,250</u>

There is a good chance that the average tax rate over the next ten years will be a few points below the present tax rate of 52%. The next computation is based on the assumption that the average tax rate over the next ten years will be 45%.

Cost of building		<u>\$205,250</u>
Depreciation - 30%	\$61,575.00	
Taxes @ 45%	64,653.75	
Our net return	<u>79,021.25</u>	<u>\$205,250</u>

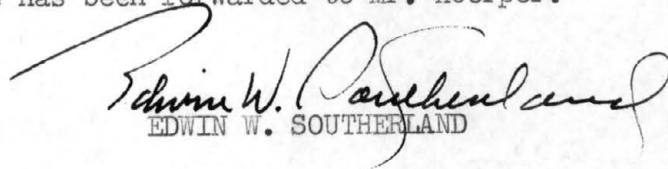
In the above computations we have assumed that the warehouse will be worth its book value of \$143,675 at the end of the ten year lease, and we have not taken into consideration the cost to us of borrowing money.

In considering the above, it should be borne in mind that our net return at the end of the ten year lease would be still invested in the building in addition to approximately \$75,000 of our original investment. Whether the building at the end of the term would be worth more or less than its depreciated value of \$143,675 is, of course, speculative. Assuming that the building would be worth its depreciated cost and could be rented on that basis, it would appear that the proposal would yield us a return of somewhere

in the neighborhood of 5%. Over the ten year period we would have been paid back \$130,539 of our original investment, after taxes, (52%), so that our average investment over the ten year term would be approximately \$140,000 and our net return of \$68,964 would be about 5% thereof.

No mention of traffic consideration was made in the file, and I have, therefore, given no consideration to the traffic angle.

The entire file has been forwarded to Mr. Koerper.


EDWIN W. SOUTHERLAND

cc: Mr. M. L. Countryman, Jr.
Mr. R. L. Koerper

St. Paul, Minn., April 16, 1953

Mr. E. B. Stanton:

I have reviewed the file concerning the proposed financing of a warehouse for Stokley-Van Camp, Inc. at Kent, Washington.

Although the proposition is not clear it appears that the Northern Pacific has been requested to acquire land and construct a warehouse leasing it to Stokley for a term of ten years. Land rental will be 5% of the cost of the land, and the monthly rental on the warehouse will be an amount that will reimburse Northern Pacific for its investment, without interest.

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In considering the above, it should be borne in mind that our net return at the end of the ten year lease would be still invested in the building in addition to approximately \$75,000 of our original investment. Whether the building at the end of the term would be worth more or less than its depreciated value of \$143,675 is, of course, speculative. Assuming that the building would be worth its depreciated cost and could be rented on that basis, it would appear that the proposal would yield us a return of somewhere

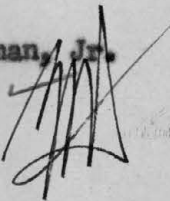
in the neighborhood of 5%. Over the ten year period we would have been paid back \$130,539 of our original investment, after taxes, (52%), so that our average investment over the ten year term would be approximately \$140,000 and our net return of \$68,964, would be about 5% thereof.

No mention of traffic consideration was made in the file, and I have, therefore, given no consideration to the traffic angle.

The entire file has been forwarded to Mr. Koerper.

EDWIN W. SOUTHERLAND

cc: Mr. M. L. Countryman, Jr.
Mr. R. L. Koerper



NORTH PACIFIC RAILWAY

APR 17 1903

OFFICE OF THE PRESIDENT

17

St. Paul, Minn., April 15, 1953

G2

Mr. R. L. Countryman, Jr.
Vice President & General Counsel.

Please see my letter to you of April 3rd with which I attached my file regarding proposed financing for the Stokely-Van Camp, Inc. at Kent, Wash.

Has Mr. Southerland as yet analyzed the proposal so that it can be forwarded to Mr. Koerper for his reaction?

(Signed) E. B. STANTON

cc: Mr. R. L. Koerper

St. Paul, Minnesota,
April 14, 1953.

Stanton
Mr. E. B. Stanton,
Vice President.

Your letter of April 3rd to J. E. Thames with reference to financing a warehouse for the Stokely-Van Camp Company at Kent, Washington:

Under the proposal, the Stokely-Van Camp Company will discontinue their Bellingham operation, confining their activities to Kent and Zillah, Washington, the latter being in the Yakima Valley, both plants of which are located on our line.

For the last several years Stokely has had to find storage where available, and a very substantial portion of their tonnage is stored at track locations on other lines. This additional warehouse, as suggested for Kent, of roughly 326,000 cu. ft. which this new building would provide, will overcome an embarrassing situation we have been experiencing from a traffic standpoint.

While the addition as provided at Kent in 1951 has materially improved our position, their ever growing business has necessitated further expansion, and I quote you herewith figures from Kent for 1951 and 1952, with approximate Northern Pacific revenue:

<u>Year</u>	<u>Longhaul Cars</u>	<u>Shorthaul Cars</u>	<u>Approx. N.P. Revenue</u>
1951	85	95	\$ 60,000
1952	183	77	111,000

With the increased facilities, they anticipate a 30% increase for 1953 over last year, for a total of \$144,000; whereas next year, it should step up by \$50,000 - a total of \$161,000. In other words, the added facility should bring up additional revenue ranging from \$30,000 to \$50,000 a year during the life of the proposed contract.

Stokely is a good, strong company and we are very anxious to enjoy revenue from their expansion program.

J. E. Thames

NORTHERN
PACIFIC RAILWAY COMPANY

APR 15 1953

OFFICE OF THE PRESIDENT

BURO

CHIEF

ASSISTANT

SECRETARY

CLERK

CHIEF

CHIEF

CHIEF

CHIEF

St. Paul, Minn., April 3, 1953 ~~222728x~~

G2

Mr. M. L. Countryman, Jr.
Vice President & General Counsel.

Herewith my entire file in regard to proposed financing for the Stokely-Van Camp, Inc. at Kent, Wash.

Would you please have Mr. Southerland analyze the proposal as set out in Mr. Moore's letter of March 28th to Mr. Thames from a tax angle. After that I would like to have Mr. Koerper's reaction to the proposed financing as suggested by the Van Camp people.

Personally, I am reluctant to go along on such a financing plan but would, nevertheless, like to have recommendations.

cc:
Mr. R. L. Koerper
Exec. Asst.

(Signed) E. B. STANTON

2532-18

*Mr. Southerland;
Please handle
AMH*

Mr. M. L. Countryman, Jr.
Vice President & General Counsel.

St. Paul, Minn., April 3, 1953



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cc:

Mr. R. L. Koerper
Exec. Asst.

RB Stanton

St. Paul, Minn., April 3, 1953 G2

Mr. J. E. Thames,
Industrial Commissioner.

With reference to Mr. Moore's letter to you of March 28th in regard to doing some financing for the Stokely-Van Camp people at Kent.

It would be impossible for us to present this matter at the coming Board meeting as this proposal must be analyzed thoroughly. The Stokely people have had this matter under consideration for quite some time, and I do not think it is fair to ask us to make a decision so hurriedly.

I am having the tax angle investigated and would like recommendations from all departments concerned.

It is noted that Mr. Moore advises the Stokely-Van Camp people are planning to consolidate their cold storage facilities and close the plant at Bellingham. Is this plant now located on the Northern Pacific?

Also involved is the question of moving Halleran Bros. to our own right of way. This is a choice piece of property and I do not believe we should make a commitment for 30 years. It might be we could work out some plan to secure some other property to fit the needs of Halleran Bros. Will you please advise?

cc: Mr. Dean H. Eastman
Mr. F. J. Berry
Mr. J. T. Moore

(Signed) E. B. STANTON

Seattle, March 28, 1953.

Mr. J. E. Thames,
Industrial Commissioner,
St. Paul, Minnesota.

I attach copy of my letter of February 27 to Mr. Stanton regarding status of proposal that Stokely-Van Camp, Inc. construct an additional cold storage facility on property now owned by King County immediately north of its present cold storage warehouse on our right of way at Kent.

Yesterday morning Mr. E. E. Huddleson, Vice President & General Manager, Mr. J. L. Huddleson, Asst. General Manager, Mr. G. R. Heitfeld, Production Manager and Mr. E. O. Olesen, Superintendent of Northwest Operations, all of Stokely-Van Camp, Inc., called here and informed us that their company contemplated closing down their Bellingham operation because it was not an economical operation and that they must have additional cold storage space at Kent this year in order to keep their operation there a balanced once. This new cold storage space is for the storage of frozen food packed at Kent and also for frozen food forwarded to Kent from California. This would then be shipped out as sold to eastern markets.

We were asked if the Northern Pacific would purchase the land owned by King County and have Halleran Brothers move the buildings therefrom onto a tract of land owned by our company across James Street. We explained that we had requested that the King County property be offered at public sale and had indicated that we would make a minimum bid of \$11,253 and that we had a tentative agreement with Halleran for the surrender of their King County lease and the cost of moving the buildings to our property for \$3,000. Our tentative agreement involves our leasing a portion of our property north of James Street to Halleran for a term expiring March 12, 1979 at \$220 per annum for the first five year period. This is equal to 5% on 20¢ per sq.ft.

We had expected to submit this proposal to our interested officers some time ago so that it could be considered at a meeting of our Board of Directors, which we had understood would be held on March 26. At our request, the proposed County sale was set forward to April 6 to afford us time to secure these approvals. As we had heard nothing further from Stokely since I telephoned them February 27, we had concluded they were not ready to proceed.

MAILED
1953 MAR 30

Mr. Thames, #2.

Yesterday we were also asked if the Northern Pacific would construct a cold storage warehouse on a lease basis and I advised them that we had never done so before and I did not think we would wish to do so now. I advised Mr. Huddleson that if the Railway Company was in a position to do anything, it would prefer to act as banker and construct the warehouse on a contract basis with at least a 25% down payment. This did not meet their requirements because they did not wish the liability to show on their financial statement and also because of income tax reasons. In response to my question to Mr. Huddleson as to what would meet their requirements, he said he wanted a warehouse constructed on a basis similar to the one which we are now financing for them at Kent. In that transaction, Northern Pacific reimbursed Stokely for the cost of the warehouse up to \$57,849 and we are being reimbursed in equal monthly installments, without interest, over the remaining 5 years 9½ months of the lease. At the end of the term, we will have received our money back and will own the improvements.

As to the present proposal, Mr. Huddleson advised that the proposed cold storage warehouse will be 85 feet wide and 240 feet long, with 16 foot ceilings, estimated to cost \$205,250. At their expense, they would pave the area outside the warehouse estimated at \$5,000; install warehouse office, warm-up room, rest rooms and gas heater estimated at \$5,000; and make an investment of \$13,000 for additional pallets and fork lift truck; or a total of \$23,000.

The proposal is that the Railway Company acquire this land and construct the warehouse, leasing it to Stokely for a term of 10 years. The land rental would be 5% on \$14,253. The monthly rental on the improvements would be an amount which would completely reimburse the Railway for the cost of the building and at the end of the term a new lease on building and land would be negotiated. It was understood that all maintenance and taxes would be paid by the lessee. As we did not think of insurance at the time, this expense will be for the Railway Company's account.

The mathematics of the proposal is as follows:

Purchase of land and buildings	\$ 11,253.00
Payment to Halleran for surrender of lease from King County and moving buildings	3,000.00
Cost of warehouse	<u>205,250.00</u>
Total	\$219,503.00
Interest on cost of cold storage warehouse \$205,250 @ 5% for one year	10,262.50
for ten years	102,625.00
Actual interest earned in 10 years due to monthly payments	51,312.50

Mr. Thames, #3.

Value of improvements at expiration of lease: Cost of warehouse \$205,250
Less 30% deprec. 61,575
\$143,675

In other words, the Railway will lease the property for a term of 10 years to a responsible company now located on its tracks by the terms of which the Railway will receive 5% on the cost of the land and will be reimbursed in full for its investment in the building improvements. At the end of the term, the building should have a value of approximately \$143,675.00.

We had no discussion about rental to be paid beyond the 10 year period except I said that it would have to be negotiated at that time.

From the Railway Company's tax standpoint, I understand that we will have to pay 52% on the installments received as rental so that at the end of the 10 year period, we will have retained only 48% of the payments made. The net result at the end of the 10 year period is:

(a) depreciated value of warehouse on expiration of lease \$143,675
(b) monthly payments as rental on building \$205,250
(c) less 52% income tax 106,730
(d) net amount retained by Railway 98,520
(e) net tax free return on building investment \$ 45,155

Although the proposal that we move Halleran onto our property north of James Street may interfere with the recent inquiry you have from Pacific Refrigerating Co., I recommend we go ahead with the Stokely deal as Stokely is anxious to have this cold storage facility in operation for this year's crop. We could endeavor to acquire some more property north of our present right of way to accommodate Pacific Refrigerating Co. if necessary. It would be advantageous to locate Pacific Refrigerating Co. northerly so that it would have trackage without interfering with Stokely's track.

As Mr. Huddleson wants early advice as to whether our executives are willing to recommend such proposal to our Board of Directors at its next meeting, will you please wire or write as quickly as you can what I can tell him. He has indicated that he will purchase the King County land at the April 6 sale and I have told him that the Railway should acquire it from him if it is not to be used for the cold storage warehouse. Halleran has been pressing us as to whether or not they can move onto our property because we have them tied up and Halleran has informed us they have had to turn down the opportunity to bid on several eastern Washington jobs because they have this move facing them.

JTM -n.

J. J. Moore
Industrial Agent.

cc Mr. D. H. Eastman ✓
Mr. J. F. Alsip
Mr. R. D. Bone
Mr. J. T. Derrig

Seattle, February 27, 1953.

Mr. E. B. Stanton,
Vice President,
St. Paul, Minnesota.

Referring to your telephone call today about proposed cold storage addition for Stokely Foods at Kent, Washington:

Ed Olson, District Manager of Stokely Foods, has now returned from Oakland, California, but is somewhere around their plant at Zillah, Washington. In his absence I talked with his assistant, Mr. Giles at Kent, who advised me that their Oakland people will be at the Canners Convention in Chicago next week, following which they will go to their home office in Indianapolis to formulate plans for future operations. After this meeting Stokely Foods will be in a position to tell us what they wish to do at Kent.

I attach a print of our plat dated November 20, 1952 upon which we have outlined in red our leases to Stokely Foods. We have also outlined in green an area north of our property which is owned by King County. There is a corrugated iron building on this property. In 1944 King County leased this property to Halleran Brothers for a term of 35 years. We have had some negotiations with Halleran Brothers and have a tentative agreement to pay \$3,000 for surrender of this lease with the understanding that Halleran Brothers will move the building northerly across James Street to a new location on some of our property which will be leased to them.

February 19 I made application to purchase the county land and this old building for \$11,253 and have paid \$100.00 in order that it will be offered at public sale on April 6th. When I called at the office of the County Commissioners on February 19 I explained to the County Property Agent that neither our officers nor those of Stokely Foods had approved this purchase but in order to be in a position to progress this matter we were making a bid of \$11,253 and paying \$100.00 down.

For the past year we have discussed in a general way Stokely Foods need for additional storage space and Ed Olson has some times said he would discuss this with his Oakland people and that he would some day come back with a proposition. We assume that he had in mind the

Mr. E. B. Stanton - 2.

the manner in which our vegetable warehouse, leased to his company under lease No. 65675, was converted into cold storage space.

By agreement dated February 3, 1950 the Northern Pacific and Stokely Foods entered into a supplemental agreement to lease No. 65675 under which the lessee proceeded with the construction of said improvements with the understanding that the railway company would refund these expenditures up to \$57,849. The agreement provided that the railway company would then be reimbursed in equal monthly installments over the remaining 5 years 9½ months of the term of the lease.

(Signed) J. I. ~~Stanton~~

Industrial Agent.

JTM-L

enc.

March 12, 1953.

Mr. E. B. Stanton:

Referring to your letter of March 2 requesting information with respect to the Stokely Foods setup on our property at Kent, Wash.:

I return the enclosures submitted with your letter and in addition thereto a report in detail with statement which shows that under the present lease arrangement with the Stokely Company the deal is favorable.

What disturbs me is that I note in Mr. Moore's letter to you about acquisition of the King County property to provide space for the Stokely Company to expand, it is proposed to take care of Halleran Brothers, who are lessees of the County for a term of 35 years from 1944, by setting them up on our property across James Street. This is good industrial property that can easily be served with trackage and as Halleran Brothers are of no traffic value, I think we should consider locating them on property that cannot be served with trackage.

Recently W. F. Henningsen, Jr., of Pacific Refrigerating Co., called on me to discuss a site for a cold storage plant he proposed to construct at Kent and the site where it is proposed to move Halleran Brothers seemed to interest him and he was to let us know in due time after he has seen the property whether or not this site would fit in with his plans.

I recommend we find another location for Halleran Brothers in the event we acquire the King County property.

E. Tharnes.

JET-M

NORTHERN
PACIFIC RAILWAY COMPANY
MAR 12 1953
OFFICE OF THE PRESIDENT

March 6, 1953.

Mr. J. E. Thames:

Referring to Mr. Stanton's memorandum of March 2 in regard to the cold storage operations of Stokely Foods at Kent, Wash.:

Attached is a statement which shows our investment and current return thereon for the Hogue warehouse and additions now covered by Stokely's lease 73990.

For the 20 year period prior to 1951, this building was anything but a profitable operation to the Railway Company, primarily for the reason there were many changes in occupancies through the years and it was difficult to secure good paying tenants with the result that the building was often vacant; furthermore, the Railway Company during that time was saddled with the burden of taxes and maintenance which just about offset the income.

Under the present lease Stokely Foods are required to keep the building in repair, also pay taxes; therefore, we are now able to show a good return on our investment.

This building, which is used for dry storage purposes, is separated from their main plant by a street and another small building.

Also attached is a statement of our financial setup for the several buildings included in Stokely's lease 65675, which comprises their main plant. Our return for the year 1952 under this lease is unusually good. However, we should bear in mind that we have spent several thousand dollars for structural changes and other items since the lease was issued.

In 1946 the Railway Company expended about \$1,900 on two of the buildings for repainting and roof repairs putting it in shape for occupancy by the lessee.

In 1950, when we made the agreement for the additional cold storage facilities, our engineers estimated it would

Mr. J. E. Thames

- 2 -

March 6, 1953

cost \$4,750 to provide heavy floor supports in the Washington Pea Growers shed because of this installation and we agreed to furnish the materials as our share of the work. The actual cost was \$5,550.

The cost of the cold storage facilities was \$57,850. The Railway Company made this investment and amortized the amount over the remaining 6 years of the lease, payable without interest charge.

The balance owing the Railway Company on this re-funding as of December 31, 1952 was \$35,718. Under this arrangement the cold rooms became our property even though lessee reimburses us for the investment. The assumption is this substantial expenditure by our tenant will be taken into account when the time comes to negotiate an extension of their leases.

Installation of the refrigeration equipment in the cold rooms was done at lessee's expense and remains their property.

In November 1950 Stokely expended about \$17,000 in and about the other two buildings for additional covered platforms, reinforced concrete floors, drainage, etc., and Mr. Moore tells me they have done a lot of other improvement work at their expense for which we do not have cost figures.

In 1950 when the cold storage deal was entered into, the Railway Company, at the lessee's request, gave them a letter confirming an understanding had with them that the present basic monthly rental under any renewal of the present lease shall be increased by \$100 only for the first five year term of the new lease.

Stokely also have a ground area lease, No. 65678, as shown on the plat, upon which they erected a one-story frame building and this construction connects on each end

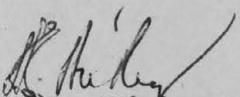
Mr. J. E. Thames

- 3 -

March 6, 1953

with our buildings.

Looking at the overall picture strictly from a real estate standpoint without consideration of the traffic benefits, you can readily see this operation to date has been a most favorable experience for the Railway Company.


H. E. Hickey

M

*What's it stand
on our books
Insurance*

PRESIDENT'S
3728-8
FILE

KENT, WASH.

STOKELY FOODS, INC.

Lease No. 73990 effective December 1, 1951

Term 4 years 5½ mos. ending May 15, 1956

Book Value

Hogue Warehouse

Cost - 1931	\$6,944.00
Extension - 1934	3,820.00
" - 1937	4,954.00
Remodeling 1938	<u>3,490.00</u>
Total investment - - - -	\$19,208.00

Depreciation:

21 yrs. @ 2.46 on \$6,944	\$3,587.00	
18 " " 3,820	1,691.00	
15 " " 4,954	1,828.00	
14 " " 3,490	<u>1,202.00</u>	<u>8,308.00</u>

Valuation after depreciation - \$10,900.00

Rental collected - 1952	\$1,800.00
Less ground rental	<u>280.00</u>
Net income on building - 1952	\$1,520.00

(Lessee is required to maintain the building, also pays taxes)

Net return on original investment 7.91% ✓

Net return on depreciated valuation

13.94% ✓

3.60%

March 4, 1953

H. E. H.

KENT, WASH.

STOKELY FOODS, INC.

Lease No. 65675 effective May 15, 1946

Term 10 years ending May 15, 1956

- - - - -

Sawdey & Hunt Warehouse

Cost - 1931	\$5,298.00
Platform and remodeling 1937	780.00
New addition - 1948	4,700.00

Wash. Pea Growers Warehouse

Cost - 1932	\$17,972.00
(Credit of \$1,181 for scale removal not taken into account)	

Jones-Grossman Warehouse

Cost - 1930	4,660.00 ✓
Platform and other work - 1935	<u>1,000.00</u>
Total investment	\$34,410.00

Depreciation:

22 years @ 2.46 on \$4,660.00 ✓	\$2,522.00 ✓	
21 " " 5,298.00 ✓	2,736.00	
20 " " 17,972.00 ✓	8,842.00	
17 " " 1,000.00 ✓	418.00	
15 " " 780.00 ✓	288.00	
4 " " 4,700.00 ✓	462.00	<u>\$15,268.00</u>

Valuation after depreciation	\$19,142.00
------------------------------	-------------

Rental collected - 1952	\$3,978.00
Less ground rental	<u>360.00</u>

Net income on building - 1952 (Lessee pays taxes and maintenance charges)	\$3,618.00
--	------------

Net return on original investment	10.50%
Net return on depreciated valuation	18.90%

March 4, 1953

H. E. H.

PRESIDENT'S

File 2728-8

St. Paul, Minn.,
March 4, 1953

F-212

Confidential

Mr. J. E. Thames:

Referring to conversation February 27 with Mr. Walter Henningsen of Tacoma, Washington, about the property north of the present Libby plant at Kent, which he is considering as a site for proposed freezing and cold storage facilities and his inquiry as to whether trackage could be taken off of our main line to serve it.

You will remember Mr. Henningsen also showed some interest in the piece of Northern Pacific property north of the present King County property adjacent to the Stokely plant for the development of cold storage and car icing facilities.

W. J. H.
Manager Perishable
Freight Traffic

cc- Mr. E. B. Stanton ✓

PRESIDENT'S
File 2728-8

St. Paul, Minn., March 2, 1953 G2

J. E. Thames,
Industrial Commissioner.

Please note the attached.

There is nothing we can do for the time being, but I would be interested in knowing on what basis this property is leased to Stokely Foods.

(Signed) E. B. STANTON

March 2, 1953

Dear Walt:

It was nice to see you when you were in town and to have the chance to talk to you. As you know, it is always particularly nice to see anybody from Portland.

I tried to get some additional information in regard to increased storage at Kent, as I told you Stokely Foods has asked us to buy this additional property for plant expansion. As their District Manager and the rest of their people are in Oakland and east, it will be some time before I get the straight dope for you. As soon as I do, I will let you know just what they plan on doing.

Kindest regards.

Yours very truly,

(Signed) E. B. STANTON

Mr. W. F. Henningsen, Jr.,
Northwestern Ice & Cold Storage Co.,
Portland, Oregon.

Seattle, February 27, 1953.

Mr. E. B. Stanton,
Vice President,
St. Paul, Minnesota.

Referring to your telephone call today about proposed cold storage addition for Stokely Foods at Kent, Washington:

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NORTHERN
PACIFIC RAILWAY COMPANY

MAR - 2 1953

OFFICE OF THE PRESIDENT

Mr. E. B. Stanton - 2.

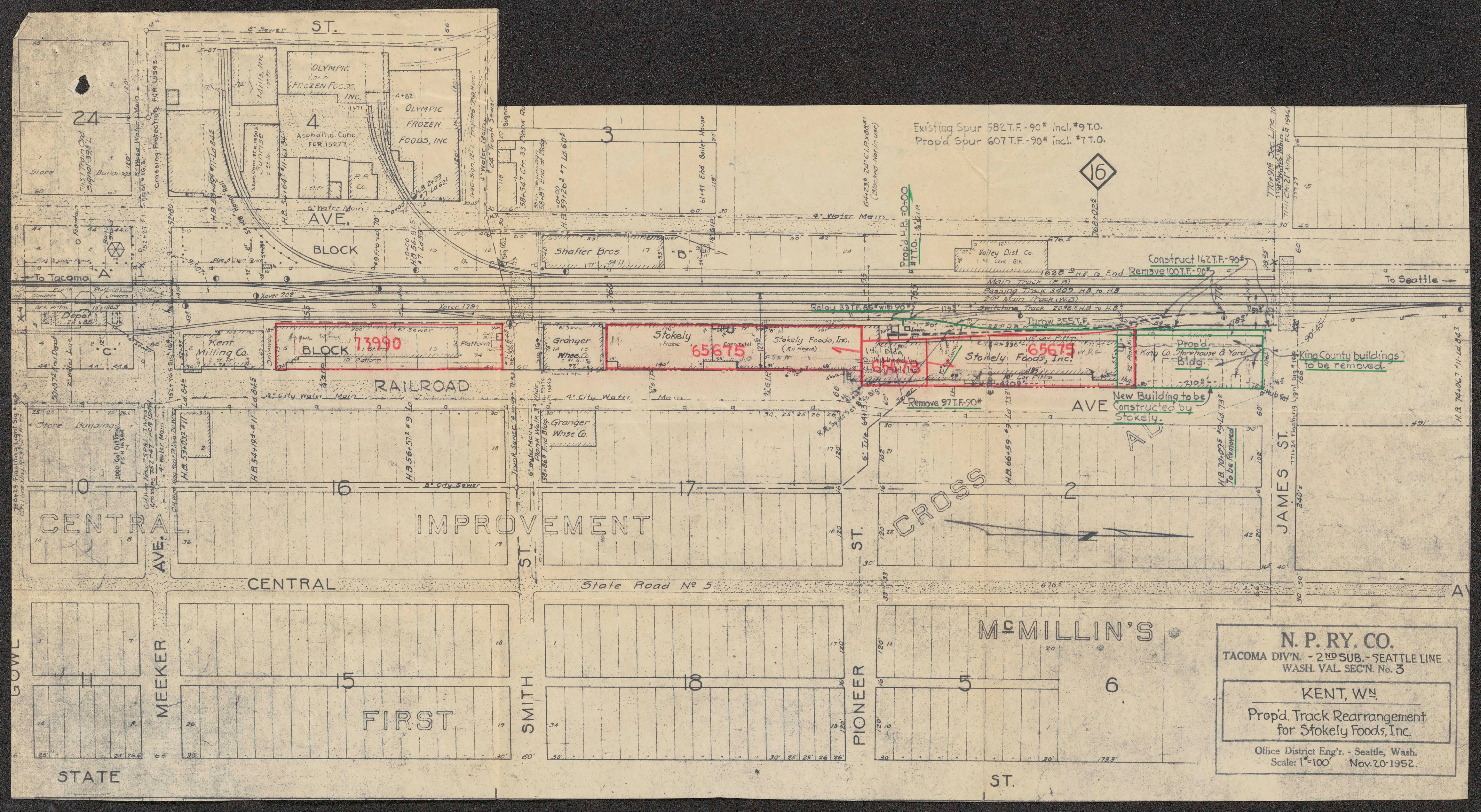
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JTM-L

enc.

J. T. Moore
Industrial Agent.



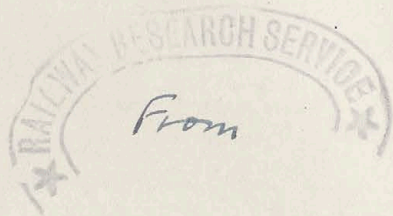
PRESIDENT'S
File 2728-8



Facts and Figures about British Railways

1957 edition

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*Any of the information in this booklet
may be quoted
with or without acknowledgement.*

Foreword

British Railways present in this booklet the principal facts and figures relating to operations in 1956, together with those of the Catering and Shipping Services of British Transport.

The progress made with the railways' Modernisation Plan, which aims at producing a system second to none in the world, is also recorded, together with a forecast of the major work to be undertaken in 1957 and 1958. The Plan is well under way. In general it may be said that appreciable results will be evident by 1958, and that in the years that follow its benefits will be coming to fruition at an ever-increasing rate.

The Modernisation Plan, important though it is, is not the only way in which the railways are working to achieve an efficient and profitable basis for their operation.

It is essential for the successful outcome of their efforts that the railways should concentrate upon those transport jobs which they are best suited to undertake. Services for which there is no longer a public need, or which can be performed more efficiently by other means, are to be pruned and the main services developed to a high degree of efficiency. Only in this way will it be possible for British Railways to realise a fair measure of their great operating potential, and of their economic power when the system is properly utilised. For example, a recent survey by the Economic Commission for Europe drew attention to the fact that the utilisation of wagons and their turn-round on British Railways was the lowest in Western Europe. This is something that must be cured. Not only must wagons be unloaded more quickly by our customers, as well as by ourselves, but also the marshalling yards must be modernised, reduced in number, and avoided altogether as far as possible; the fitting of continuous brakes to wagons, enabling freight trains to run at express speeds, will also help, and so on. Incidentally, comparisons of numbers of staff employed on British and foreign railways are grossly misleading. Most foreign railways put many more jobs out to contract, including permanent way maintenance, portering at passenger and freight stations, rolling stock production and maintenance and collection and delivery services.

Since the pattern of our operating is so largely dictated by the habits and requirements of our customers, there must also be a relaxing of the legal restrictions and obligations

which have for so long prevented the operation of services on a strictly economic basis. One important obligation, that of affording equality of treatment to all who require freight transport by rail, has been rescinded by the Transport Act 1953. This Act also required the railways to present before the Transport Tribunal a new scheme of railway freight charging, based more closely on what each different service costs to provide and without the necessity of publishing any but maximum charges. This has been done and the new scheme came into operation on 1 July this year. The Tribunal's decision, arrived at after long public enquiry, whilst conceding a large measure of the commercial freedom which the railways sought, made several reservations. The railways have thus still not got the full freedom for which they asked, and which they consider it is imperative they should have in the highly competitive conditions which exist today in the field of inland transport.

The Modernisation Plan and the re-orientation of the commercial services within the framework of the new Merchandise Charges Scheme are long-term projects. Once they begin to be effective, the railways are confident that they will be able to offer a first-class service at reasonable cost and, at the same time, will be able to pay their way.

A considerable contribution, none the less, can be made by Work Study. Productivity is being steadily increased by using its techniques with, where appropriate, associated incentive bonus schemes. Many Work Study schemes are already in operation, some in new fields of railway work.

In the meantime, to bridge the gap until these processes of reconstruction and reorganisation begin to bring financial benefits, Parliament have provided a kind of moratorium for a limited period. The Commission are not being relieved of interest charges during the years to 1962, or of the heavy costs and losses inevitably arising out of the big changes which lie ahead, but up to the limit of £250 million these interest and other costs, so far as they cannot be met out of earnings, are to be transferred into suspense and the Government will lend the corresponding amounts to the Commission. It must be stressed that there is no question of subsidy or grant; the loans, and interest on them in addition, are repayable in full.

Financial Results

British Railways

Working Results

	1956
GROSS RECEIPTS	£m.
Passengers	127.5
Parcels, etc. by Passenger Train	47.6
Merchandise and Livestock	105.4
Minerals	52.3
Coal and Coke	126.4
Collection and Delivery and other Road Services	12.9
Letting of Sites and Premises on Properties in	
Operational Use (net)	1.2
Commercial Advertising (net)	0.5
Miscellaneous	6.3
Total	£480.1 m

WORKING EXPENSES

Train and Vehicle Operating Expenses	157.9
Maintenance and Depreciation of Rolling Stock	101.4
Other Traffic Expenses	106.6
Maintenance and Renewal of Way and Structures	95.1
General	16.7
Collection and Delivery Services, Transhipment by	
Road Vehicles and other Railway Road Freight	
Services	18.9
Total	£496.6 m

Shipping Services

The shipping services of British Transport are administered as an integral part of the British Railways organisation. Financial results for 1956 are shown below.

Working Results—Shipping Services

	1956
GROSS RECEIPTS	£000
Passengers	6,349
Parcels and Mails	2,475
Merchandise	5,228
Livestock	379
Miscellaneous	935
Total	£15,366

WORKING EXPENSES

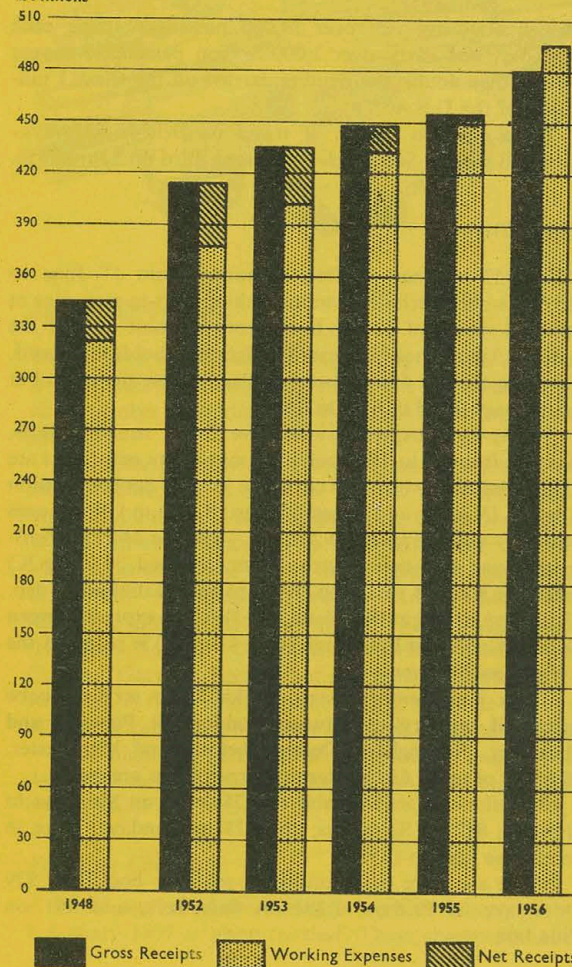
Ship Operating Expenses	5,195
Maintenance and Depreciation of Ships, etc.	2,781
Other Traffic Expenses	4,599
Maintenance and Renewal of Structures	1
General	1,010
Total	£13,586

SHIPS—Gross Receipts and Working Expenses 1948–56

	1948	1952	1953	1954	1955	1956
	£m.	£m.	£m.	£m.	£m.	£m.
Gross Receipts	10.3	12.2	12.2	13.1	14.3	15.4
Working Expenses	7.4	10.3	11.3	12.0	12.3	13.6
Surplus of Receipts over Expenses	2.9	1.9	0.9	1.1	2.0	1.8

Receipts and Expenses 1948 and 1952–6

£ Millions



Passenger Services

British Railways run over 23,000 passenger trains each weekday, and carry over 1,000 million passengers a year—more than double the number carried on the Class I railroads of the U.S.A.

There are two classes of travel on British Railways—first and second. Second class replaced third on 3 June 1956.

Faster Trains

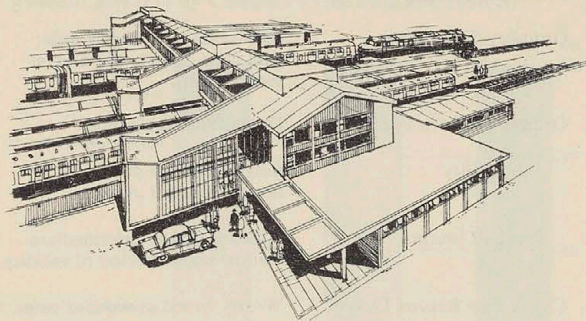
The 1957 summer services, operating from 17 June to 15 September, include 84 trains making start-to-stop runs at average speeds of 60 m.p.h. or more on most days of the week; 19 more than last year. *The Bristolian* holds the record, covering the 118.4 miles between Paddington and Bristol at an average speed of 67.6 m.p.h.

Ninety-eight express trains have faster running times, varying from 10 to 75 minutes. Among many new trains are *The Caledonian* which will cover the journey between Euston (dep. 4.15 p.m.) and Glasgow (dep. 8.30 a.m.) in 6 hours 40 min.—average speed 60.2 m.p.h.—and the *Morning Talisman* giving a 6¼-hour journey (average speed 58.2 m.p.h.) between King's Cross (dep. 7.45 a.m.) and Edinburgh (dep. 7.30 a.m.), calling at Newcastle. *The Talisman* express between King's Cross and Edinburgh (dep. 4.0 p.m.) is renamed the *Afternoon Talisman*.

Track improvements have enabled faster services to be provided on services between London (St Pancras) and Leicester, Nottingham, Derby, Sheffield and Manchester. Savings of up to 61 minutes in journey times are made.

Refreshments are available on 775 trains on Mondays to Fridays, 887 on Saturdays, and 373 on Sundays; more in each case than in 1956.

There are more trains on which seats are bookable: 929 Mondays to Fridays, 1,292 on Saturdays, and 391 on Sundays.



Station Improvements

The drive to modernise and brighten up stations continues. A large station-painting programme was completed in 1956 and a number of rebuilt or modernised stations brought into use.

Among the places where reconstruction or major improvement schemes are in hand are Barrow (Central), Cannon Street and Euston (London), Banbury, Glasgow (Central), Weymouth and Plymouth (North Road). Other stations at which schemes will be started in the next two years include Chichester, Manchester (London Road), Macclesfield (Central), Stoke, Liverpool (James Street), Birkenhead (Hamilton Square), Coventry, Sunderland, Leeds (City), Crawley, Gatwick, Port Talbot and Bank (Waterloo & City Railway). A new station is to be built to serve the new town of Harlow and Parkeston Quay station is to be modernised.

More highly mechanised carriage cleaning and servicing depots are being built so that carriages can be kept thoroughly clean—inside and outside.

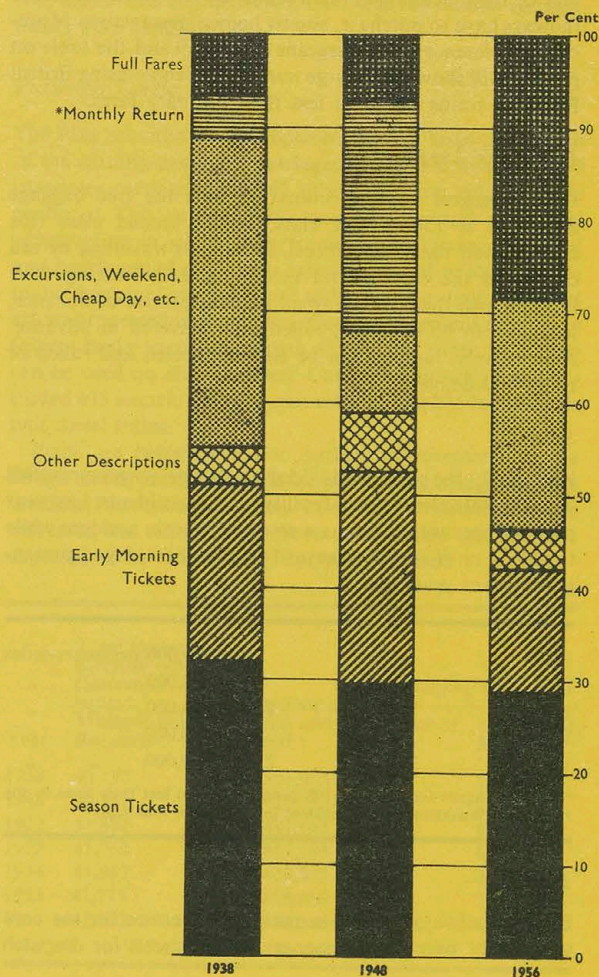
Passenger Charges

A broad outline of the passenger charges in operation at 1 January 1957 is given overleaf. These charges are about

Passenger Charges

Ordinary Single Fare	Second class—1·88d. a mile; first class 50 per cent above second class.
Ordinary Return Fare	Double the single fare.
Availability	Single tickets 3 days; return tickets 3 months.
Break of journey	Allowed at any intermediate station within period of validity.
Cheap Day Return Tickets	Widely issued at reduced rates.
Early Morning Return Fares	(Second class only) apply between all stations not more than 60 miles apart by trains arriving at destination by 8.0 a.m. (in some cases 8.30 a.m.). The rate per mile for travel by Early Morning Returns drops, as distance increases, and at 60 miles is less than a halfpenny.
Excursion Fares	Widely available for day, half- day and evening excursions. Special fares for parties, including juveniles.
Season Tickets	Issued (first or second class) for any period from one week to 12 months and providing unlimited travel daily within the validity of the ticket. Examples of second- class annual rates per mile, based on 600 journeys a year, are: 5 miles 1·41d. a mile 10 „ 1·03d. „ 20 „ ·81d. „ 40 „ ·59d. „ These rates apply for any period over 3 months and are only slightly more for shorter periods.

Passenger journeys by Category 1938, 1948 and 1956



*The issue of Monthly Return Tickets ceased in 1952

double those of pre-war. This increase has been made necessary by the much higher relative costs of materials which the railways have to purchase, and by higher labour costs. Moreover, a reference to the diagram on page 9 and the table on page 12 will show that a large number of people using British Railways trains do so at less than ordinary fares.

Passengers' Luggage

For passengers holding ordinary tickets the free baggage allowance is 150 lb. first class, 100 lb. second class (for children half these allowances). Passengers travelling by rail can avoid the trouble and inconvenience of taking their luggage with them. For a small fee, irrespective of distance, luggage can be collected, railed and delivered in advance. Alternatively, luggage can be either collected and railed or railed and delivered.

Safety

Records for the period 1943-55 show that passengers travelled 734,000,000 miles for each fatality in train accidents. Last year no passenger was killed as a result of a train accident while travelling on British Railways. The risk of fatality to passengers in given years was:

1952 ¹	1 in	184,000,000 passenger-miles		
1953	1 in	2,058,000,000	"	"
1954	Nil in	20,712,000,000	"	"
1955	1 in	508,000,000	"	"
1956	Nil in	21,133,000,000	"	"

¹The 1952 figure includes the 108 passengers who lost their lives in the Harrow & Wealdstone train accident in October of that year.

Parcels

British Railways operate a nationwide service for the conveyance of parcels by passenger train. Parcels for despatch

can be collected from the sender or handed in at any station; they are carried and delivered. Last year 76½ million consignments were handled.

Passenger Carriages

The Plan provides for the replacement of a large proportion of the existing passenger carriages. In 1956 a total of 1,950 passenger carriages plus 162 other coaching vehicles were produced. This included 1,347 main-line carriages of all-steel construction in which underframe, body-framing and roof and panels are of steel, with extensive use of welding. Automatic 'buckeye' couplings and wider Pullman-type gangways are incorporated in the design. Coach dimensions over body (except brake vans) are: length 63 ft. 6 in., width 9 ft. They can be used on all main lines. Carriage production also included 435 electric multiple-unit vehicles and 275 for multiple unit diesel trains.

Plans are being made for further improvements in the design and amenity standards of passenger carriages. By the time the Plan is complete, few non-corridor steam carriages will be in use. About 2,000 locomotive-hauled carriages are expected to be built during this year and next.

Year	Total Passenger-carrying vehicles (Locomotive-hauled, Multiple-units, Railcars)	Number of Seats and Berths	<i>Sleeping Cars</i>	
			Number of Cars	Number of Berths
1938	43,197	2,551,905	380	7,406
1948	40,351	2,416,752	365	7,171
1952	41,881	2,481,643	440	8,437
1953	41,762	2,467,594	440	8,437
1954	41,917	2,479,925	432	8,213
1955	41,715	2,458,916	415	7,725
1956	41,522	2,438,386	417	7,718

The originating passenger journeys in 1956 and in preceding years, divided into various categories, were:

Year	Full Fares (Millions)	Monthly Return (Millions)	Excursion, Weekend Cheap Day, etc. (Millions)	Other Descriptions (Millions)
1938	79.8	50.7	413.8	46.9
1948	69.3	252.0	84.7	64.5
1952	165.8	25.0 ¹	265.1	48.0
1953	229.7	— ¹	247.6	44.6
1954	253.4	— ¹	248.0	42.5
1955	265.9	— ¹	249.9	39.7
1956	285.5	— ¹	251.9	41.2

Year	Early Morning and Workmen's (Millions)	Season Tickets (Millions)	Total Journeys (all classes) (Millions)
1938	236.6	377.8	1,205.6
1948	229.8	295.7	996.0
1952	206.9	278.2	989.0
1953	189.6	273.8	985.3
1954	175.8	271.5	991.2
1955	150.4	261.0	966.9
1956	137.3	289.4	1,005.3

The average receipts per passenger journey and per passenger-mile and the total passenger-miles were:

Year	* Pence per Passenger Journey	* Pence per Passenger Mile	* Estimated Passenger Miles Total (Millions)
1938	11.38	0.71	19,702
1948	28.72	1.40	21,022
1952	26.40	1.31	20,459
1953	27.15	1.34	20,578
1954	27.44	1.35	20,712
1955	28.53	1.40	20,308
1956	29.75	1.45	21,133

¹ The issue of monthly return tickets was discontinued on 1 May 1952.

* The figures for the years 1948 and onwards are based on the number of passenger journeys on British Railways

Hotels & Catering

British Transport Hotels and Catering Services comprise the largest concern of the kind in Europe, with an annual turnover of about £20 million.

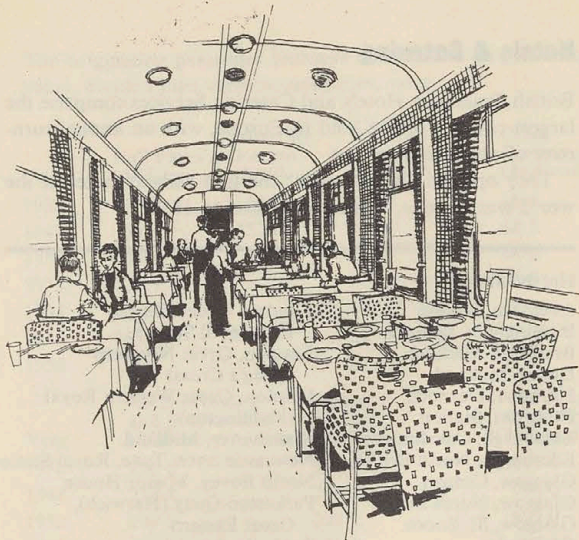
They operate the 36 hotels; the first railway hotel in the world was the one opened at Euston in 1839.

Hotels Owned

Aberdeen, Station	London, Great Eastern
Birmingham, Queen's	(Liverpool Street)
Bradford, Midland	London, Great Northern
Derby, Midland	(King's Cross)
Dornoch, Dornoch	London, Great Western Royal
Dumfries, Station	(Paddington)
Edinburgh, Caledonian	Manchester, Midland
Edinburgh, North British	Newcastle upon Tyne, Royal Station
Glasgow, Central	North Bovey, Manor House
Glasgow, North British	Parkeston Quay (Harwich),
Glasgow, St. Enoch	Great Eastern
Gleneagles	Perth, Station
Hull, Royal Station	Peterborough, Great Northern
Inverness, Station	St. Ives (Cornwall), Tregenna Castle
Kyle of Lochalsh, Lochalsh	Saltburn-by-the-Sea, Zetland
Leeds, Queen's	Sheffield, Royal Victoria
Liverpool, Adelphi	Stratford-upon-Avon, Welcombe
Liverpool, Exchange	Turnberry
London, Charing Cross	West Hartlepool, Grand
London, Euston	York, Royal Station

Refreshment and Dining Rooms are operated at 363 stations. Eight million hot beverages, four million teas, and light meals, and 500,000 main meals are served each month in station catering establishments and from kiosks and platform trolleys.

Restaurant and cafeteria car services which are operated daily on regular train services number 684. In addition some 13,000 special trains are provided each year with either restaurant cars, cafeteria cars or compartment service. Meals served each year in railway catering vehicles total 11½ million;



the cost of meals in trains in Britain is less than one half of what it is abroad.

Expansion of the catering services at stations and on trains still continues with the object of meeting the needs and tastes of all pockets.

During 1956 new cafeterias were completed at Cambridge and Southport (Chapel Street) and an up-to-date Buffet Lounge has also been provided at the latter place. Lounge Bars providing a high standard of service have been opened at Euston (Royal Scot Bar) and at Glasgow Central (The Caledonia Bar).

Prototypes for a new fleet of buffet and restaurant cars have been completed and put into service, and the experience gained from these has enabled the main plan of replacement to proceed.

Laundries operated by British Transport Hotels and Catering Services handle some 21 million pieces of linen annually.

Pullman Car Services

Pullman Cars were first brought to this country from America in 1874 and the Pullman Car Company Limited was registered in 1882. British Transport acquired a controlling interest in the company in 1954, but it remains a public company responsible to preference shareholders.

The Company owns and operates 205 Pullman cars on British Railways, 38 of which are all-steel electric cars operating in the Southern Region, and 167 steam-hauled cars operating in the Eastern, North Eastern, Scottish, Western and Southern Regions. The Company also operates 46 non-supplement Buffet Cars in the Southern Region.

In addition to the composite trains the following twelve all-Pullman car trains are in regular operation:

- South Wales Pullman
- Yorkshire Pullman
- Tees-Tyne Pullman
- Queen of Scots
- Harrogate Sunday Pullman
- Golden Arrow
- Bournemouth Belle
- Kentish Belle
- Brighton Belle
- Eastbourne Pullman
- Cunarder
- Statesman

In the course of a year over 1½ million passengers use Pullman services and nearly four million meals and light refreshments are served.

Plans are in hand for building 36 new cars for use in five diesel-electric trains which will serve Bristol, Manchester, Birmingham and Wolverhampton. In addition, over 40 new Pullman cars are being built to replace cars used in steam-hauled services in the Eastern, North Eastern and Scottish Regions.

The registered office of the Company is at 10 Mayfair Place, London W1, and the management and operating staffs

are at Victoria Station. The commissary depot, through which all supplies flow, is at Silverthorne Road, Battersea, and car maintenance is undertaken at works at Preston Park, Brighton.

Freight Services

During 1956 British Railways carried 277 million tons of revenue-earning freight—nearly a million tons every normal working day of the year. Well over half this tonnage is coal traffic, upon which the main sources of power for industry and the home depend; over 70 per cent of the total deep-mined coal needing transport is carried by the railways. Some 17,600 freight trains are run daily.

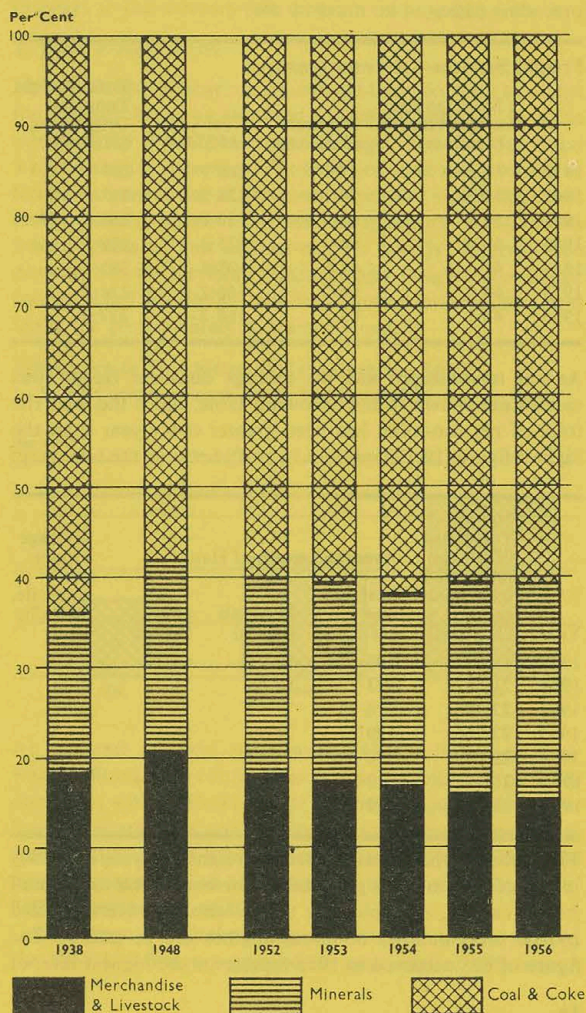
Quantities of some of the principal commodities carried in bulk in 1956 include 18 million tons of iron ore, 22½ million tons of iron and steel and scrap, over 2¼ million tons of bricks, nearly 2¼ million tons of manure, 8 million tons of lime and limestone and 4½ million tons of pig iron.

The Modernisation Plan, besides making proposals which will lead to the more efficient operating of all trains, makes specific provisions for improving freight services. Good progress is being made with new marshalling yards at Temple Mills, Ripple Lane (Barking), Edinburgh (Millerhill) and Port Talbot. At Perth one new yard will replace four, with the work of 13 signalboxes concentrated in one power-operated box; colour-light signalling will be installed.

Work has started on a new goods yard to serve Crawley New Town and on the modernisation of goods depots at Lincoln and Liverpool (Spekeland Road). A new goods depot, a preliminary to the rebuilding of the station, is to be built at Peterborough (North). At Sheffield (Queen's Road) a new depot will handle sundries traffic previously dealt with at three depots, and at Sighthill (Glasgow) the modernisation of the depot will enable sundries traffic of three depots to be concentrated on two.

Details of the revenue tonnages carried in 1956 and in preceding years are shown overleaf. Variations in the proportions

Proportions of Classes – Freight Traffic



of the three classes of traffic are shown in the diagram on the preceding page.

Freight Services—Revenue tonnages

	Merchandise and Livestock (Millions)	Minerals (Millions)	Coal Class (Millions)	Total Freight Tonnage Originating (Millions)
1938	47.5	47.3	168.9	263.7
1948	55.6	59.1	158.5	273.2
1952	51.1	63.0	170.8	284.9
1953	49.6	64.4	175.3	289.3
1954	47.5	62.5	173.5	283.5
1955	44.0	64.0	166.2	274.2
1956	43.1	65.7	168.2	277.0

Annual ton-mileages and the average distances freight was carried are shown in the following table. Since the war, the total of net ton-miles has been greater every year than the highest figure (19,173 millions in 1920) between the two wars:

Year	Net Ton-miles (Tonnage multiplied by distance carried) (Millions)	Average Length of Haul			Average receipts per ton-mile, all traffic (d.)
		Merchandise (Miles)	Minerals (Miles)	Coal Class (Miles)	
1938	16,672	106.57	63.73	44.70	1.34
1948	21,662	123.27	80.48	55.97	2.00
1952	22,391	126.73	77.92	56.32	2.69
1953	22,766	129.72	76.91	56.87	2.77
1954	22,089	130.39	75.97	56.31	2.96
1955	21,353	130.58	74.64	57.05	3.08
1956	21,473	130.29	74.38	56.81	3.18

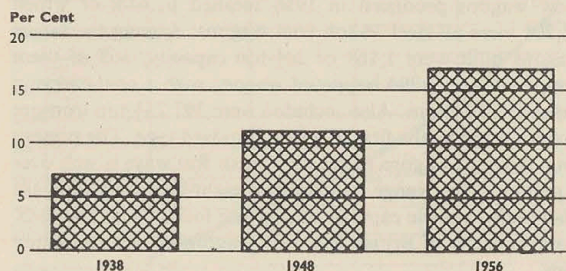
The statistic which best illustrates freight carrying efficiency is that of **net ton-miles per total engine-hour** (total tonnage of freight carried, multiplied by the distance it travels, divided by the total number of hours engines are in traffic). The figure of 638 achieved in 1956 represents the highest level of

efficiency in freight operating yet recorded in the history of railways in this country (see diagram on page 21).

Express Freight Trains

In 1956 British Transport announced their decision to adopt the vacuum brake as standard for freight vehicles. It is the standard for most passenger carriages and for the fitted wagons already in service. The fitting of continuous brakes to freight wagons is one of the most important single steps that can be taken to improve the standard of service. It will enable freight trains to run at near-express speeds; increase line capacity for all services, passenger and freight; give better transit times for freight traffic; improve punctuality; and make for greater safety in train movement.

Percentage of Pipe-Fitted Freight-Carrying Stock to Total Carrying Stock 1938, 1948 and 1956



At the end of 1956 there were 187,000 freight-carrying wagons fitted with continuous brakes, an increase of 9,000 compared with 1955. This year a start is being made on the large programme of conversions, and with more types being fitted while under construction it is anticipated that the figure will be raised to 230,000 by the end of the year, and to 350,000 by the end of 1958.

Concurrently with the fitting of continuous brakes, as from the 1958 building programme all new wagons will have a

'clasp' type brake mechanism, screw couplings of the Continental type, and improved buffers. Those of a capacity of over 16 tons will also have roller bearings or other improved types of axleboxes. These features will be added to existing mineral wagons at the time of conversion.

British Railways are now operating each weekday 591 express freight trains – 300 more than before the war (diagram opposite). They run between such centres as London, Birmingham, Bristol, Glasgow, Newcastle-upon-Tyne, Manchester, Liverpool, Exeter, Plymouth and Cardiff.

British Railways introduced in 1956 an Export Express Service between important manufacturing centres and the main London docks, giving assured next-day delivery for full-load traffic. Small export consignments are concentrated on four depots from which they go forward in full wagon-loads.

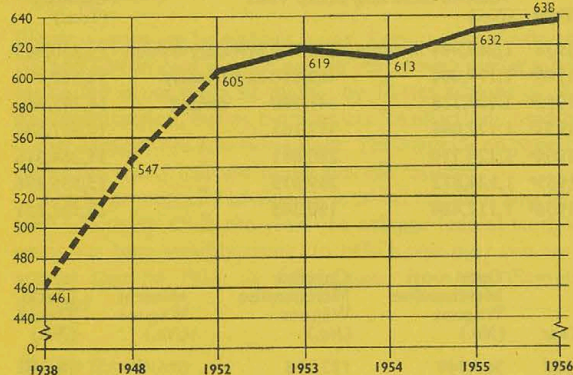
Wagons

New wagons produced in 1956 totalled 61,474, of which 42,201 were all-steel 16-ton coal wagons. Among the larger wagons built were 1,168 of 24½-ton capacity, 368 of them hopped, and 1,294 hopped wagons with a coal-carrying capacity of 21 tons. Also included were 397 25½-ton iron-ore hopper wagons, the first of a new standard type. The present total stock of wagons in use on British Railways is well over a million. They range in size from eight-tonners to a giant 56-wheeled vehicle capable of carrying loads up to 150 tons. Total capacity of British Railways wagons is over 15 million tons.

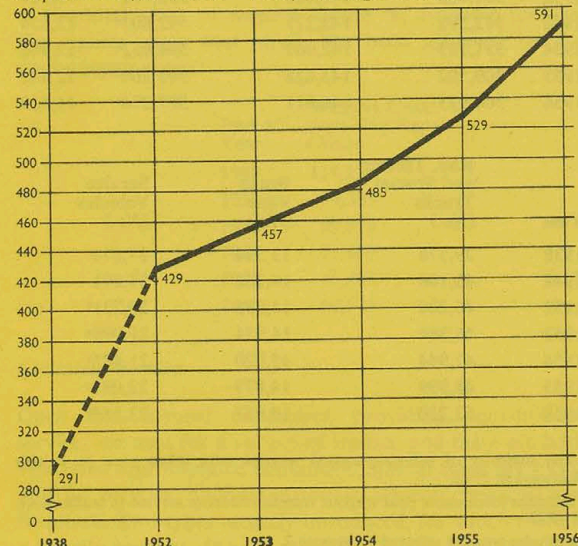
At the end of 1956 there were 272,000 all-steel 16-ton coal wagons; by the first half of 1958 the total will have increased to some 320,000. In future it is intended to build only higher-capacity mineral wagons. Improvements to be effected should save about 30 per cent in wagon turnround time, and fewer wagons would in consequence be needed; the present stock of 1,117,000 wagons will, it is anticipated, be reduced by over 300,000 by 1974.

Deliveries of new freight and service vehicles are expected to be 69,000 this year and 40,000 in 1958.

Net Ton-Miles per Total Engine-Hour



Express Freight Trains – Daily Average Number



Includes trains wholly or partially fitted with continuous brakes.

Year	Total Merchandise and Mineral Vehicles including Brake Vans (No.)			Total Capacity (Tons)
1938	1,243,944	including	583,789 privately-owned	14,350,683
1948 ¹	1,179,404	"	489,810 ex-privately-owned	14,560,402
1952 ²	1,120,118	"	341,280	14,743,949
1953 ³	1,122,044	"	317,163	14,957,544
1954 ³	1,124,710	"	280,011	15,264,316
1955 ³	1,124,812	"	239,579	15,555,896
1956 ³	1,117,464	"	190,345	15,731,251

Year	Open Merchandise Wagons (No.)	Covered Merchandise Wagons (No.)	Mineral Wagons (No.)	Cattle Trucks (No.)
1938	365,749	122,398	686,475	16,150
1948	320,737	142,682	647,550	11,089
1952	311,655	141,680	592,478 ³	13,108
1953	312,592	142,277	592,803 ³	13,074
1954	311,183	142,965	594,652 ³	12,946
1955	309,502	143,628	595,264 ³	12,542
1956	304,973	146,611	587,274 ³	11,519

Year	Rail, Timber and Special Trucks (No.)	Brake Vans (No.)	Service Vehicles (No.)
1938	39,578	13,594	37,670
1948	43,108	14,238	37,291
1952	46,209	14,988	20,731 ³
1953	46,364	14,934	21,098 ³
1954	47,944	15,020	21,485 ³
1955	48,999	14,877	22,093 ³
1956	52,230	14,857	23,157 ³

¹The majority of privately-owned wagons were taken over by British Railways in 1948.

²Includes locomotive coal wagons transferred from service to traffic stock in 1952.

³Excludes wagons referred to in note 2.

Wagon Capacity

Bigger wagons are being built today. Forty-year-old wooden 10- and 12-ton coal wagons and all others with grease lubrication are being replaced mainly by 16-ton wagons of all-steel construction, but as many as can be effectively used of higher capacity are also being built. The diagram on page 25 shows the yearly increase in the average capacity.

The larger capacity of wagons is of no benefit unless it is used effectively. Over the years the average load at starting point has been steadily rising. In 1956 it was over two tons greater than in 1938, as will be seen from the diagram overleaf.

Wagon Repair

It is, of course, essential that the greatest possible proportion of the total stock of wagons should be available for use. The figures show that much has been achieved by the wagon repair shops:

End of Year	Wagons Under or Awaiting Repair (No.)
1948	115,237
1952	79,353
1953	69,879
1954	73,669
1955	75,403
1956	60,573

Container Service

Open and covered containers, providing door-to-door service, are used for a variety of traffics, and there are both ventilated and insulated containers. Special types are available for bicycles, building materials, cement, chemicals and furniture. Two types recently introduced, for which there is a rapidly growing demand, are the 'L' and the 'SW'. The

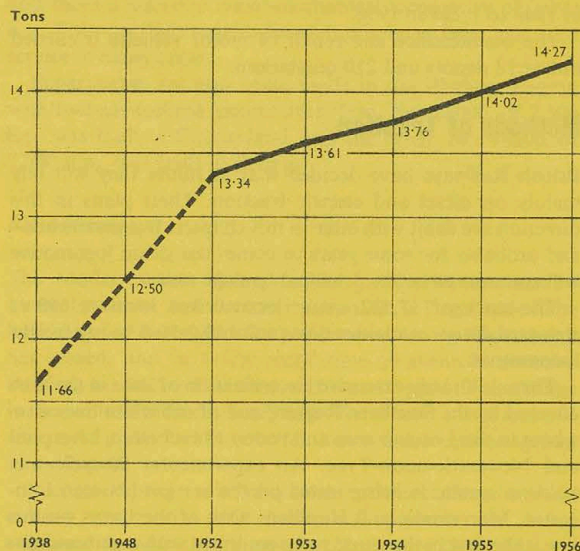
former is a small container – but of 4-ton capacity – with a lid and bottom doors, for the transport of such commodities as cement in bulk which can be taken and discharged direct to building sites. The ‘SW’ is a small container mounted on wheels enabling it to be readily moved about in firms’ premises while being loaded and unloaded. The original units were based on a German design, and large quantities are now being manufactured in this country and improved designs are being produced. Extensive use is being made of highly insulated containers for the conveyance of commodities requiring transport at very low temperature, such as quick-frozen foods and ice cream. Container services are also operated between Great Britain and the Continent. The number of containers in use had grown from 15,511 in 1938 to 35,833 in 1956. The construction of about 13,800 new units in the two years 1957–8 has been authorised, including nearly 3,000 of the L-type and 2,000 SW type.

Collection and Delivery Services

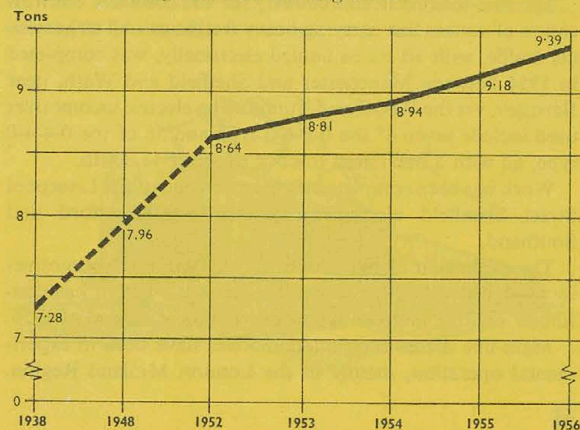
Extensive road collection and delivery services, in conjunction with the trunk haul by rail, are operated by British Railways. Quicker service and more economy in working are being achieved by the mechanisation of the road fleet. The extent of this mechanisation, and the decrease in the use of horses for collection and delivery work, is shown in the accompanying figures. The total fleet of 15,846 motor-powered vehicles is made up of 5,150 rigid motors, 57 tractors, 10,639 articulated motor units, and there are 29,416 trailers.

Year	Total Motor Vehicles	Horses for Road Vehicles and Shunting	Traffic carried	
			Freight Tons (000's)	Parcels No. (000's)
1948	12,329	7,606	27,837	132,317
1952	14,720	2,179	27,484	141,404
1953	15,369	1,221	27,416	147,298
1954	15,668	553	26,821	152,866
1955	15,669	323	25,490	153,210
1956	15,846	206	25,251	159,504

Wagons – Average Capacity



Wagons – Average Load at Starting Point



The number of horse-drawn vehicles has fallen from 22,576 in 1948 to 1,224 in 1956.

The maintenance and repair of motor vehicles is carried out at 18 depots and 210 outstations.

Methods of Traction

British Railways have decided that in future they will rely mainly on diesel and electric traction. Their plans in this direction are dealt with later in this chapter. But meanwhile—and probably for some years to come—the steam locomotive will continue to be the principal haulage unit.

The stock of 17,522 steam locomotives includes 663 of standard design in various types and 140 2-10-0 heavy freight locomotives.

There is already extensive electrification of lines in the area covered by the Southern Region, and of suburban lines elsewhere in the London area and round Manchester, Liverpool and Newcastle-upon-Tyne. An experimental 50-cycle a.c. traction system is being tested on the section between Lancaster, Morecambe and Heysham. One of the trains on this line is the first in the world to be equipped with a germanium-type rectifier.

The first scheme in this country for the complete electrification of a main line carrying heavy freight as well as passenger traffic, with all trains hauled electrically, was completed in 1954 between Manchester and Sheffield and Wath, near Barnsley, via the Woodhead Tunnel. The electric locomotives used include seven of the 0-6-6-0 type and 58 of the 0-4-4-0 type, all with a maximum tractive effort of 45,000 lb.

Work has been completed on the extension of the Liverpool Street—Shenfield electrified system to Chelmsford and Southend.

The expansion of the fleet of diesel shunting locomotives by the 1,200 called for in the Modernisation Plan has continued, and the number in service was 600 at the end of 1956.

Main-line diesel-electric locomotives have been in experimental operation, mainly in the London Midland Region.

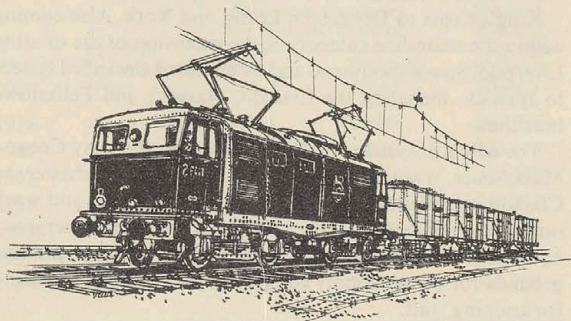
These prototypes are of 1,600, 1,750 and 2,000 h.p.; and there is also one diesel-mechanical locomotive of 2,000 h.p. Twin-car lightweight diesel trains have been put into service in many areas.

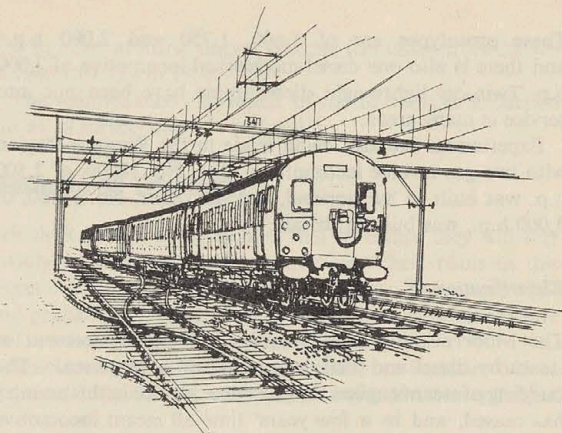
Experiments are also being made in the Western Region with two gas-turbine locomotives. One, No. 18000, of 2,500 h.p. was built in Switzerland, and the other, No. 18100, of 3,000 h.p., was built in Britain.

Electrification

The Modernisation Plan provides for the replacement of steam by diesel and electric traction on a large scale. The building of steam engines for passenger service in this country has ceased, and in a few years' time all steam locomotive building for British Railways will have stopped. This change in the method of traction will make for cleaner travel and will also make a worthwhile contribution to the campaign against air pollution.

Such good progress is being made with electrification plans already announced that additional projects are being examined on which work can start in the late 1960s. Electric locomotives and multiple-unit stock will be provided for use with the electrification schemes referred to below. By 1958, over 1,000 additional coaches will be in use.





British Railways have decided to adopt a high-voltage a.c. system with overhead supply for future electrification. This system is simpler, cheaper and quicker to install. It will be cheaper to operate and shows greater promise of development.

Electrification plays a big part in the Plan. Main as well as suburban lines are included. Trunk routes selected for electrification are:

Euston to Birmingham, Crewe, Liverpool and Manchester.

King's Cross to Doncaster, Leeds, and York. Also coming within the main-line category is the extension of the existing Liverpool Street-Southend and Chelmsford electrified system to Ipswich, including the Clacton, Harwich and Felixstowe branches.

The new a.c. system will first be used on the busy Crewe-Manchester main-line section and on the Colchester to Clacton and Walton line. These are pilot schemes, and work on the electrification of them is to go on as an emergency operation. When completed they will be used as proving grounds for power supply equipment and rolling stock, and for training staff.

Preliminary work has started on the extension of the Southern Region electrified system to all main routes east of a line from Reading to Portsmouth. Ramsgate, Dover and Folkestone will thus get an electric service. Diesel trains will serve the secondary lines.

For these additions to the already extensive Southern Region electrified lines, the third rail d.c. system will continue to be used: the conversion to the new a.c. system would be too costly to undertake.

Statistics Relating to Existing Electrified Lines

Year	Single Electrified Track (including Sidings) (Miles)	Electric Train-Miles		Electricity used for Traction (Units) (000's)
		Coaching (000's)	Freight (000's)	
1938	2,056	47,000	3	722,256
1948	2,235	43,884	143	728,447
1952	2,403	49,036	435	847,707
1953	2,406	49,213	498	860,340
1954	2,608	49,895	930	891,056
1955	2,606	48,276	1,690	909,836
1956	2,675	50,595	1,686	964,525

Year	Electric Locomotives (No.)	Passenger Carriages for Electric Traction		Seats in Electric Traction Vehicles (No.)
		Motors (No.)	Trailers (No.)	
1938	13	1,935	2,109	287,036
1948	17	2,025	2,205	323,176
1952	58	2,134	2,459	352,337
1953	65	2,121	2,444	350,812
1954	71	2,150	2,482	358,245
1955	71	2,177	2,498	365,285
1956	71	2,262	2,677	389,260

Preliminary work has also started on the following schemes:

London, Tilbury & Southend line

Liverpool Street to Enfield and Chingford

Liverpool Street to Hertford and Bishop's Stortford

Glasgow suburban lines.

Other schemes proposed are:

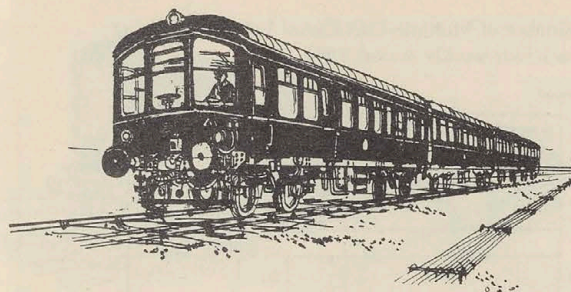
King's Cross and Moorgate to Hitchin and Letchworth, including the Hertford loop.

Total Tractive Stock

Standard-Gauge Steam Locomotives				Diesel, Gas- Turbine and Petrol Locos. (No.)
Year (No.)	Total Weight (Empty) (Tons)	Average Per Loco. (Tons)	Electric Locos. (No.)	
1938 19,587	980,133	50.04	13	37
1948 20,211	1,071,859	53.03	17	69
1952 18,859	1,024,564	54.33	58	211
1953 18,584	1,014,933	54.61	65	260
1954 18,420	1,271,985 ¹	69.05	71	320
1955 17,955	1,251,928 ¹	69.73	71	456
1956 17,522	1,231,638 ¹	70.29	71	609

Non-Standard Gauge - Steam Locos. Year (No.)	Total Locos. (Excluding Service) (No.)	Rail Motor Vehicles (No.)	Miles Run by All Types of Traction (000's)	Service Locos. (No.)
1938 7	19,644	2,060	584,461	57
1948 5	20,302	2,065	537,460	51
1952 5	19,133	2,170	538,252	51
1953 5	18,914	2,159	539,228	52
1954 5	18,816	2,212	535,649	51
1955 5	18,487	2,293	511,856	53
1956 5	18,207	2,533	527,635	52

¹The weight quoted for the years 1954, 1955 and 1956 includes tenders.



Diesel Traction

By the end of 1956 a total of 455 carriages for use in diesel trains were in service. Light alloy was used in the construction of 217 of them. At the close of the year 2,800 vehicles had been authorised - the Modernisation Plan calls for a total of 4,600. More than 1,000 vehicles are expected to be delivered this year and another 1,200 in 1958.

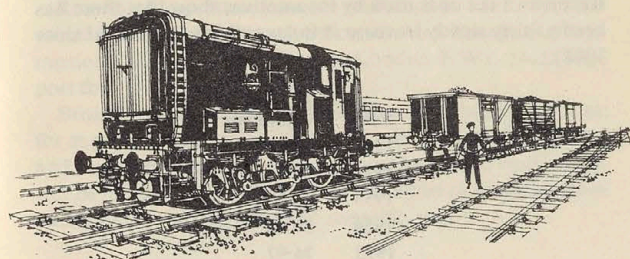
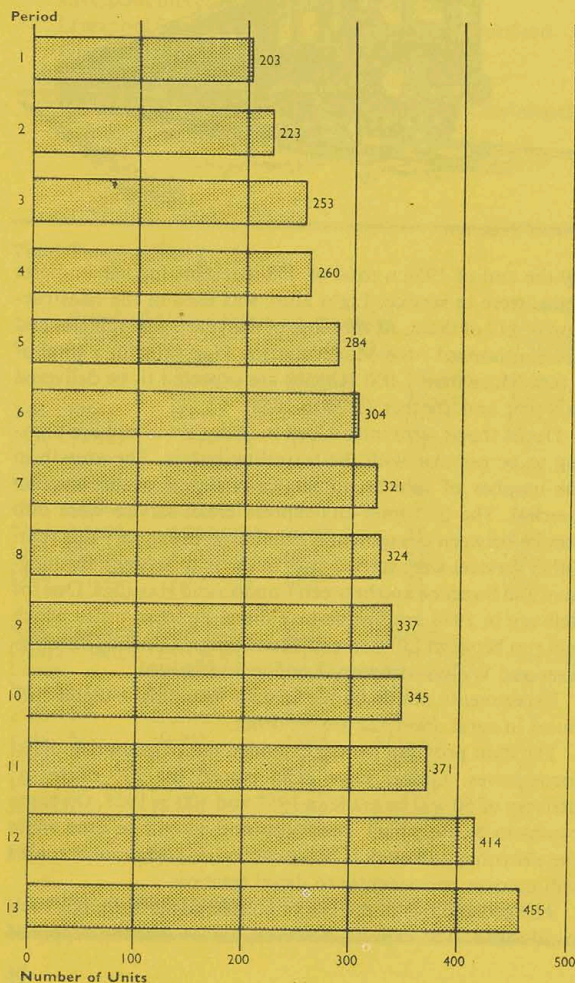
Diesel trains were introduced in many areas and are proving to be popular with the travelling public. The growth in the number of vehicles in service is shown in the diagram overleaf. The first inter-city express diesel service went into service between Glasgow and Edinburgh in January this year. Other services were started later in the year between Birmingham and Swansea and between London and Hastings. Due for delivery in 1958 are five de-luxe diesel Pullman trains which will run between London and Manchester, London, Birmingham and Wolverhampton, London and Bristol.

Experiments are to be made with lightweight diesel rail-buses in rural areas; 22 are on order.

The Plan provides for the extended use of main-line diesel locomotives. Orders have been placed for 230 of them; delivery of 50 will be made in 1957 and 100 in 1958. On some routes to be electrified diesel locomotives will be used while the electrification work is being carried on; other main routes will go over permanently to diesel traction.

The possibilities of the use of atomic power have not been overlooked. The experts, however, advise that the supply of

Number of Multiple-Unit Diesel Vehicles at end of each four-weekly period, 1956



electricity from atomic power stations is the likeliest development and not engines carrying their own atomic power units.

The Work Done

British Railways locomotives are doing more work than before the war. While the total stock shows a progressive decrease, both the net ton-miles and the passenger-miles hauled show a substantial increase over the pre-war figure. The following figures illustrate the trend, while the accompanying graph underlines the relatively greater amount of useful work done by a steadily decreasing number of locomotives:

Year	Total Locomotives (No.)	Net Ton-miles (Millions)	¹ Passenger-miles (Millions)
1938	19,644	16,672	19,702
1948	20,302	21,662	21,022
1952	19,133	22,391	20,459
1953	18,914	22,766	20,578
1954	18,816	22,089	20,712
1955	18,487	21,353	20,308
1956	18,207	21,473	21,133

¹ Includes passenger-miles worked by all locomotives and multiple-units.

Records of the coal used by locomotives show that there has been a fairly steady increase in miles run per ton of coal since 1948:

Year	Coal used by Locomotives (Miles per ton)
1948	35.26
1952	36.11
1953	36.73
1954	36.68
1955	36.97
1956	37.36

Locomotive Availability

The availability of locomotive stock is an important factor contributing to both efficiency and economy. Two departments—mechanical engineering and motive power—are concerned with the mechanical condition of locomotives. The success of their efforts is reflected in the average mileage run by locomotives between mechanical failures and percentage availability:

Year	Miles between Mechanical Failures	Percentage availability
1952	30,187	83.11
1953	31,534	83.07
1954	40,490	83.24
1955	43,222	83.27
1956	44,906	83.34

Research and Testing

British Railways have plant for the stationary testing of locomotives up to the highest speeds. There are installations at Swindon and at Rugby. A testing train with electrically-operated equipment is also used to obtain data under actual running conditions. It comprises a dynamometer car and three braking units each absorbing 1,500 h.p. Both methods are used to obtain the relationship between fuel consumption, power output and speed.

Results of important tests are published in book form obtainable from the Publicity Officer, British Transport Commission, 222 Marylebone Road, London NW1, price 10s., post free, for each volume.

British Railways have planned two new laboratories; one for engineering investigations which will be located at Derby, and the other concerned with chemical and allied work which will be in the London area. These will allow of a considerable strengthening of the railways' scientific staff.

Building and Repair

The principal workshop centres, where the railways maintain and in many cases build their own locomotives, carriages and wagons, are at Ashford, Brighton, Caerphilly, Crewe, Darlington, Derby, Doncaster, Earlestown, Eastleigh, Faverdale, Glasgow (Cowlairs and St. Rollox), Gorton, Horwich, Lancing, Shildon, Stratford, Swindon, Wolverhampton, Wolverton and York.

In addition there are 120 subsidiary depots for carriage and wagon repairs, and 280 depots of private wagon repairers.

A total staff of nearly 127,000 in more than 200 different grades is employed at railway workshops and lineside depots.

Ships and Ferries

British Transport's sea services, which operate in connection with the railways from Dover, Fishguard, Folkestone, Goole, Harwich, Heysham, Holyhead, Hull, Newhaven, Southampton, Stranraer and Weymouth, form the principal links with the Continent, Ireland and the Channel Islands. In 1956 they carried 4,427,000 passengers, 1,797,000 tons of cargo, 313,000 head of livestock, and 174,000 vehicles. Estuarial services to the Isle of Wight, in the Firth of Clyde and elsewhere also carried an important traffic which aggregated over 14 million passengers in 1956, as well as vehicles and cargo.

Improvements to certain cross-Channel ports are included

in the Modernisation Plan. In some cases, in addition to the improvements to the ports themselves, other related works will be needed inland to facilitate the throughout transit of the cross-Channel traffics.

The total number of passenger and/or cargo ships owned is 114, with a net registered tonnage of 70,437. There are also eight ships jointly owned and seven operated but not owned. Four passenger cargo vessels were brought into service during 1956. They included the three fine new 21-knot ships (the *Dukes*), each of nearly 4,800 gross tons, for the Heysham-Belfast passage, offering far superior accommodation for passengers than was previously available on this route.

Nineteen new ships were under construction or on order at the end of 1956. Included in this number, and already delivered, is a new motor ship for the Harwich-Zeebrugge freight-train ferry. Another notable ferry development planned to begin during the summer of 1957 is the operation of direct through sleeping cars between London and Brussels.

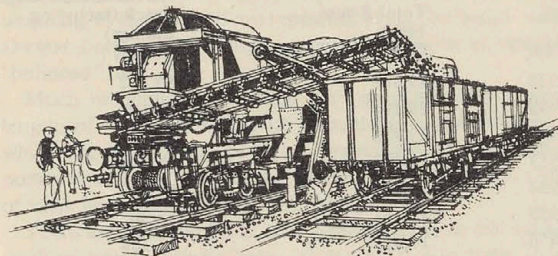
Permanent Way

Increases in train speeds and more intensive track occupation envisaged under the Modernisation Plan necessitate improvements to the track, station layouts and structures. Much work of this kind is in progress.

Work has started on driving three new tunnels between New Barnet and Potter's Bar. This will enable two additional tracks to be laid, thus removing a long-standing bottleneck on the East Coast route to Scotland. Two additional running lines are to be provided on other short sections of the main-line from King's Cross.

Annual renewal programmes for 1957-8 provide for the strengthening of track to prepare for higher speeds, in addition to ordinary maintenance requirements. Bridge renewal programmes are being progressively enlarged to keep ahead of future needs.

A special feature of the projects in the 1957-8 programme is the provision of fly over junctions to relieve congestion at



busy traffic centres. Work will start this year on one south of Bletchley (Bucks); others are planned for Rugby and at Euxton (between Wigan and Preston).

Among other big proposed works are new connections, at Fenny Compton and Stratford-upon-Avon, between the former GWR and LMS lines, in conjunction with new sidings at Honeybourne; new double line between Craiglockhart and Slateford (Edinburgh); providing four tracks, instead of two, between York (Skelton) and Northallerton, with colour-light signalling between Pilmoor and Thirsk; multiple-aspect signalling in South Wales between Pyle West Junction and Briton Ferry, necessitating the reconstruction of Port Talbot (General) station; and substantial engineering works on the Llanelly-Mynydd Mawr branch to cope with increased coal output.

In maintaining and renewing the track, increasing use is being made of mechanical equipment such as mechanical ballast cleaners and tampers.

Since early 1949, when flat-bottom track was adopted as standard, over 6,000 miles have been laid with it. Flat-bottom rails are 59 per cent stronger vertically, and 136 per cent stronger laterally, than the 'bullhead' type formerly standard. Each mile of track requires 16,900 fewer components. British Railways tracks are classified A and B, for heavy fast traffics, in which flat-bottom rails weighing 109 lb. per yard are replacing the old-fashioned 95 lb. 'bullhead' rails. C-class

Year	Total Route Miles (Standard Gauge)	All Standard-Gauge Track (including Sidings) (Miles)
1938	19,881	52,157
1948	19,598	52,190
1952	19,276	51,703
1953	19,222	51,608
1954	19,151	51,482
1955	19,061	51,307
1956	19,025	51,188

Some Materials Used

Year	Ballast (cu. yd.) (000's)	Rails (Tons) (000's)	Sleepers (000's)
1938	1,744	221	4,481
1948	1,950	245	4,119
1952	2,121	241	3,781
1953	2,021	251	3,984
1954	2,090	254	3,837
1955	2,051	250	3,873
1956	2,309	292	3,649

Miles of Track Renewed Annually (Completely and Partially)

Year	Miles
1938	1,934
1948	2,018
1952	1,825
1953	1,875
1954	1,845
1955	1,819
1956	1,978

lines are those carrying lighter traffic, where flat-bottom rails weighing 98 lb. per yard are replacing 85 lb. 'bullhead' rails. D-class lines, mainly freight, are renewed with serviceable 'bullhead' rails.

Much relaying is now done with pre-assembled 60-foot lengths of track, complete with rails, sleepers and fastenings, which are craned into position. Previously the track components had to be manhandled individually. Over 3,000 miles of track have been relaid by this method.

There are between 2,112 and 2,288 sleepers to the single-track mile on British Railways; they are 8 ft. 6 in. long, 10 in. wide and 5 in. thick. To each yard of line there are 9 cubic feet of top ballast. The maximum permitted weight per axle on main lines is 22½ tons.

Over 2,000,000 pre-stressed concrete sleepers have been laid on British Railways in C and D-class lines with 'bullhead' track. Stronger sleepers for use with flat-bottom rails in A and B-class lines are now under extensive trial in the track.

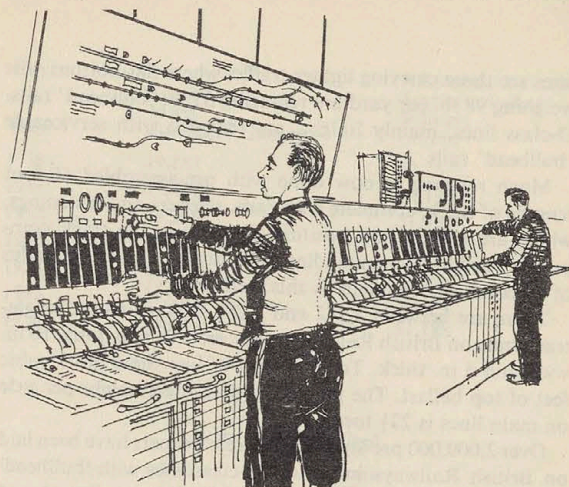
Additional flash-butt welding plant for welding together rails prior to laying them in the track is being provided in all Regions, and to date 23 miles of continuous welded rail in lengths over ¼-mile long have been laid.

Day-to-day maintenance of the track is carried out by small gangs covering 'lengths' of line, and prizes are awarded for the best-kept lengths.

Signalling and Telecommunications

British Railways provide their own system of signalling, designed to ensure the highest standard of safety to passengers. Developments include the increased use of electric colour-light signals and the installation of power-operated signal-boxes. A new signalbox of this type at York has the largest route relay interlocking scheme in the world.

Colour-light signals give greater penetrating powers in bad weather, and are installed in such a way as to permit of higher traffic density. Colour-light signals in use totalled 3,000 in 1938, 5,000 in 1948 and 9,030 in 1956.



Manually-operated signals are of two kinds, upper-quadrant and lower-quadrant; the former, in which the semaphore arm rises to an angle of 45 degrees to show 'clear', represent modern practice, and whenever signals are due for renewal, unless colour-light signals are installed the upper-quadrant type is used.

Automatic train control is installed on 1,356 route miles of the former GWR system, on 37 route miles of the London, Tilbury & Southend line, and on 105 route miles of track between Grantham and London. The system of automatic train control has now been approved and is to be extended to five of the main routes out of London by 1962.

The British Railways telephone and telegraph system is second in size only to that of the Post Office. The use of radio for controlling traffic in marshalling yards is being extended, and most important stations are now equipped with public address systems.

The Modernisation Plan calls for the widespread replacement of semaphore by colour-light signals.

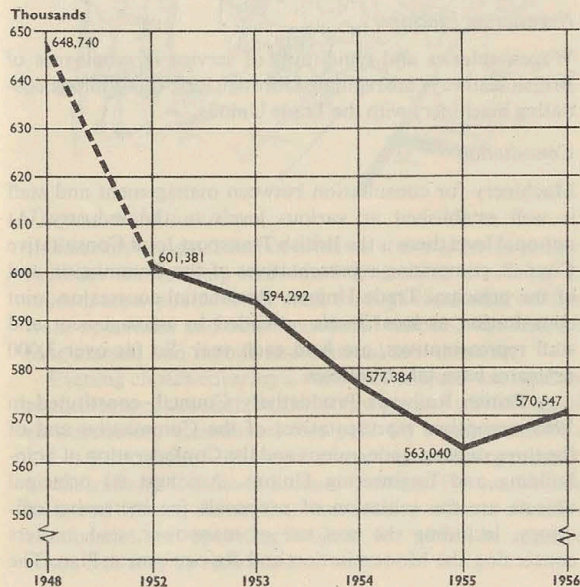
Many schemes are included in the 1957-8 programme for the introduction of colour-light signalling and the concentration

of signalboxes. Major signalling schemes include Manchester (Victoria) where a new track layout is being equipped with colour-light signals; colour-light signalling at St Pancras, Huddersfield, Glasgow (Central), Birmingham (Snow Hill), between Newcastle and Berwick and between Bentley and Leeds. Resignalling at Newcastle will enable one signalbox to do the work of three.

The Staff

A total staff of 570,547, excluding docks, marine and canal staff, is employed by British Railways. The principal groups are guards, signalmen, shunters, porters, ticket collectors, etc.,

Numbers of Staff at 31 December 1956



107,550; drivers, firemen, motormen and cleaners, 83,073; goods and cartage, 51,399; permanent way, 51,916; and workshops, 126,762. Although the traffic carried has increased since the middle of 1948 the total staff has been reduced by over 90,000.

The Modernisation Plan makes new demands on many of the staff. Their co-operation is being sought in carrying out the Plan and in seeing that the modernised equipment which it provides is used to the best advantage.

There is still a need for more technical staff. Training is undertaken for both recruits and junior staff to fit them in the minimum time to take their full share of designing and control of works.

The Plan itself calls for increased expenditure on staff welfare and on office accommodation. Mechanical office appliances are being used on an increasing scale.

Negotiating Machinery

Wages, salaries and conditions of service of employees of British Railways are regulated through long-established negotiating machinery with the Trade Unions.

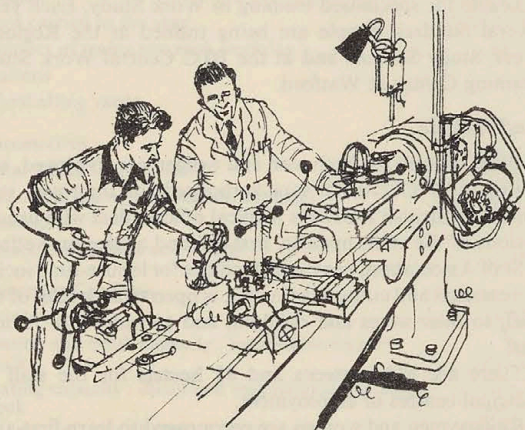
Consultation

Machinery for consultation between management and staff is well established at various levels in the industry. At national level there is the British Transport Joint Consultative Council, comprising representatives of the Commission and of the principal Trade Unions. Residential courses on joint consultation at local levels, attended by management and staff representatives, are held each year. So far over 3,000 delegates have taken courses.

A British Railways Productivity Council, constituted in 1955, comprises representatives of the Commission and of the three railway trade unions and the Confederation of Shipbuilding and Engineering Unions. Amongst its principal objects are the initiation of proposals for increasing efficiency, including the best use of manpower, and matters concerning the Modernisation and Re-equipment Plan. The

plans initiated by the Council for increasing productivity through work study are being put into effect.

The staff are encouraged to submit through suggestions schemes their ideas for better working; in 1956 over 6,500 suggestions were put forward, of which over 800 were approved, and about £3,500 was paid in awards. Substantial prizes are also awarded each year for the five best suggestions.



Training and Education

In addition to a great deal of practical training on the ground, facilities for training and education, which are being extended, are available to the staff, through residential colleges, trade apprentice and other vocational schools, day and evening classes, and mobile instructional film theatres.

Evening classes covering a variety of subjects are available to members of the staff. British Railways also refund (subject to satisfactory attendance) fees paid for evening classes of Local Education Authorities where these are appropriate to the railway job the individual is doing. For staff unable to attend evening classes there are correspondence courses in commercial and operating subjects, for which, in approved cases, fees may be reclaimed.

There are several pre-apprentice training schools associated with large locomotive, carriage or wagon works. Such schools have the assistance in theoretical instruction of local education authorities' teachers, and boys are helped, among other things, to select the trade for which they are likely to be suitable.

There has been considerable expansion in the facilities available for specialised training in Work Study. Each year, several hundred people are being trained at the Regional Work Study Schools and at the BTC Central Work Study Training Centre at Watford.

Staff Welfare

Welfare officers for both men and women are employed, and during 1956 £3,270,000 was authorised for improved staff amenities. British Railways medical officers deal with examinations of the staff, hygiene, first-aid and advice on welfare. A Staff Association, providing facilities for leisure-time social, recreational and cultural activities, is open to all grades of the staff, to their wives and children, and to widows of former staff.

There are 338 canteens and 83 hostels for the staff at principal centres of employment.

Railwaymen and women are encouraged to learn first-aid; the number passing examinations in 1956 was over 20,000. First-aid appliances are carried on passenger trains, and facilities for giving treatment are provided at depots, offices, stations and workshops.

BTC Police

The Police Force of the Commission, acting on behalf of British Railways, the Docks, the Waterways, British Road Services and the Hotels & Catering Services, has a total strength of some 2,900. It is divided into six Area Forces, with headquarters in London, Glasgow, York, Birmingham, Peterborough and Windsor. Male and female officers, both uniformed and CID, are stationed at all the principal railway and dock centres.

Summary of Facts and Records 1956

Passenger

Originating journeys made in the year	1,005,345,000
Number of trains run each weekday	23,000
Stations	5,474

Freight

Tons carried in the year	276,957,000
Number of trains run each weekday	17,600
Stations	6,114
Marshalling yards	938

Locomotives

Total (excluding service)	18,207
Steam (including non-standard gauge)	17,527
Electric	71
Diesel, gas-turbine and petrol	609

Passenger Carriages

Total	41,522
Seating and berth capacity: locomotive-hauled stock	2,022,319
Seating capacity: diesel and electric multiple-unit stock	416,067
Total seating and berth capacity	2,438,386
Restaurant and buffet cars (included above)	757
Seats (included above)	23,291
Sleeping cars (included above)	417
Berths (included above)	7,718

Wagons

Total, including brake vans but excluding service vehicles	1,117,464
Road-rail containers	35,833
Road motor vehicles	15,846

Track and Structures

Total track miles (standard gauge)	51,188
Route miles, standard gauge (including 1,009 miles electrified)	19,025

Bridges	63,100
Tunnels	1,049
Level Crossings	25,816
Water Troughs (No. of Sites)	59
Signalling and Telecommunications	
Signalboxes	9,660
Colour-light signals	9,030
Track circuits	38,650
Telephone instruments	109,000
Telephone exchanges	458
Telegraph and telephone wires	<i>miles</i> 293,000
Telegraph poles	541,000
Public-address installations at stations and yards	458
Total Staff	570,547
Female staff (included in above)	33,616
Stores	
Coal used (all purposes)	<i>tons</i> nearly 13,000,000
Coal for locomotives	<i>tons</i> 12,126,000
Steel rails used	<i>tons</i> 292,000
Sleepers used (number)	(timber and concrete) 4,130,000
Iron and steel scrap salvaged	<i>tons</i> 685,515

Miscellaneous Facts and Records

Passenger		
Largest station area	Clapham Junction	27½ acres
Largest number of platforms	Waterloo	21
Longest platform	Manchester (Victoria & Exchange)	2,194 feet
Freight		
Largest station	Bristol (Temple Meads)	15 acres under cover
Passenger Locomotives		
Most powerful	No. 18100 (Gas-turbine)	
Tracks and Structures		
Busiest railway junction	Clapham Junction	2,500 trains each 24 hours
Steep Main-Line Gradients		
	Lickey Incline	1 in 37·7 (nearly 2 miles)
	Exeter (between St. David's and Central stations)	1 in 31·3 (7½ chains)
	Dainton Bank (near summit)	1 in 37 (12 chains)
Track		
Highest altitude	Druimuachdar	1,484 feet above sea level
Longest Stretch of Line between two stations open for passenger traffic		
	York-Malton	21 miles
Longest Bridge	Tay Bridge	2 miles 364 yards
Longest Tunnel	Severn Tunnel	4 miles 628 yards

Principal Offices in the United Kingdom

British Transport Commission 222 Marylebone Road Ambassador 7711
London NW1

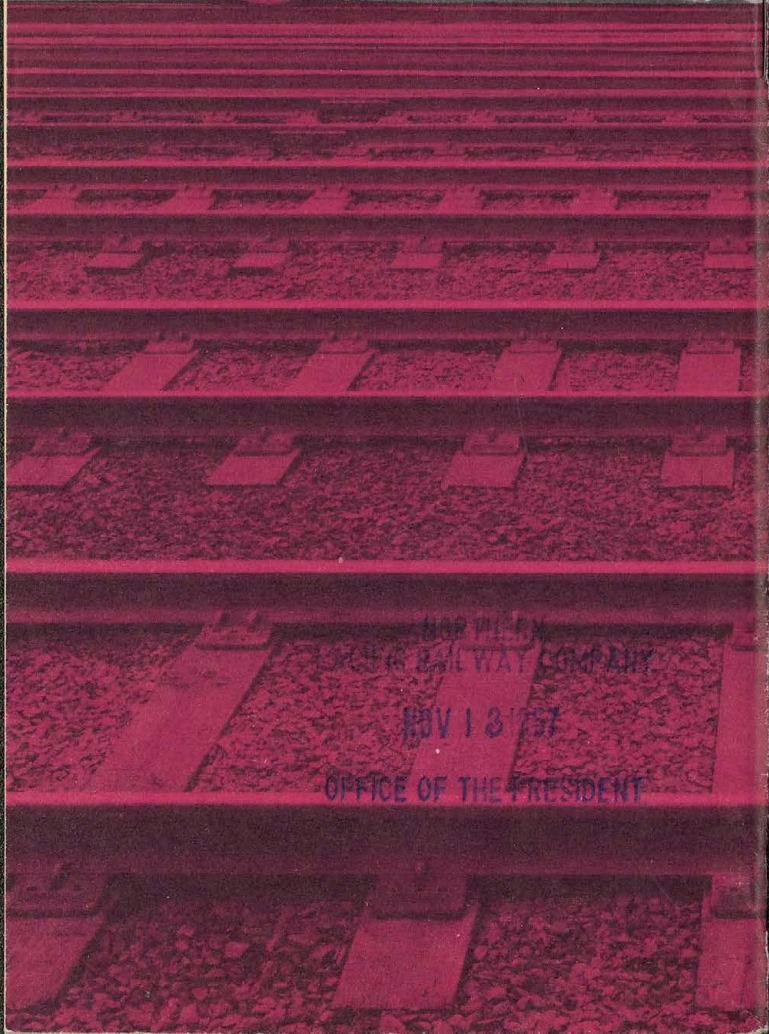
Regions of British Railways

Eastern	Liverpool Street Station London EC2	Bishopsgate 7600
London Midland	Euston Station London NW1 (Timetable enquiries only: Euston 7070)	Euston 1234
North Eastern	York	York 53022
Scottish	302 Buchanan Street Glasgow C2	Douglas 2900
Southern	Waterloo Station London SE1 (Passenger Enquiries) (All other Departments)	Waterloo 5100 Waterloo 5151
Western	Paddington Station London W2	Paddington 7000
British Railways Travel Centre	Lower Regent Street London SW1	Trafalgar 4343
British Transport Hotels & Catering Services	St. Pancras Chambers Euston Road London NW1	Terminus 8822

Overseas Offices

In Europe, the United States and Canada, British Railways maintain a chain of traffic and tourist offices staffed by experts. Through these offices a year-round 'Come to Britain' campaign is conducted in conjunction with the foremost Travel Agents in each country. Many thousands of copies of booklets, folders and posters, in the languages of the countries served, are distributed, and all-in tours in Britain by rail, road and sea arranged.

		Area Served
Paris, 9e	12 Boulevard de la Madeleine	<i>France</i>
Basle	Centralbahnplatz 9	<i>Switzerland</i>
Brussels	41 Boulevard Adolphe Max	<i>Belgium</i>
Cologne	An den Dominikanern 9	<i>Western Germany</i>
Rome	Via Torino 40	<i>Italy</i>
New York, 20	9 Rockefeller Plaza 16 West 49th Street	<i>Atlantic Coast and Eastern States</i>
Chicago, 3	39 South La Salle Street	<i>Middle Western States</i>
Los Angeles, 14	Associated Realty Building, 510 West Sixth Street	<i>Pacific Coast and Western States</i>
Toronto, 1	69 Yonge Street	<i>Canada</i>



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