

To the Public:

On October 25, 1960, the Santa Fe Railway Co. filed an application with the Interstate Commerce Commission for permission to acquire control of the Western Pacific Railroad. Because the public has a vital stake in what is involved, this brochure outlines the reasons for the Santa Fe Railway's application.

One of the outstanding facts of this century has been the dynamic growth of the West, to which vigorous and competitive rail service has been a major contributor. That growth continues unabated. The population of the San Francisco Bay area is projected to increase over 500 per cent within the next sixty years with the accompanying expansion of all phases of the economy.

Strong and healthy rail service will continue to be a primary need, and Santa Fe acquisition of control of the Western Pacific will assure that kind of service by combining the resources of the two systems and by preserving vigorous rail competition.

The attempt by the Southern Pacific to secure control of the Western Pacific through the application which it filed with the Commission on October 12, 1960, would remove competition from a major segment of the transportation system of the West.

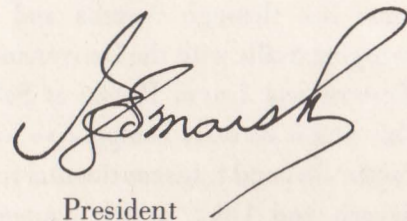
The growing economy of the West cannot

afford suppression of competition in rail transportation, particularly in the face of the fact that present and projected traffic demand is adequate to support two strong rail systems. It would be false economy of the worst kind to surrender the proven benefits of active competition, especially for claimed savings to be accomplished at the sacrifice of competition. Such benefits are well known to shippers, industries seeking plant locations, and to students of transportation.

This is the issue as Santa Fe sees it.

The Western Pacific views the problem in this light also, its Board of Directors having voted to oppose the Southern Pacific and support the Santa Fe.

We believe a study of the facts will leave no doubt that our proposal is in the best interest of the future growth of the area, the public as a whole, and of the patrons, shareholders and employees of the Santa Fe and the Western Pacific. The Santa Fe invites your careful consideration of this important matter and your support.



President

The Atchison, Topeka & Santa Fe Railway Co.

California, Nevada, Utah and the Pacific Northwest today have competitive rail service vital to the needs of an expanding economy.

TRANSCONTINENTAL ROUTES MUST REMAIN COMPETITIVE

Santa Fe enters California from Arizona and reaches the San Francisco Bay area through the San Joaquin Valley. Its lines complement those of the Western Pacific and provide the means of extensive interchange of both local and transcontinental traffic.

These lines and services compete actively with the Southern Pacific, one of whose main routes also enters California from Arizona. The Southern Pacific blankets the coastal area and central valleys throughout their full length.

Western Pacific has a network of lines in the San Francisco Bay area and in the Santa Clara and Sacramento Valleys. Its transcontinental route lies through Nevada and Utah, interchanging traffic with the Denver and Rio Grande Western and Union Pacific at Salt Lake City. This line is directly competitive with Southern Pacific's second transcontinental route, through Nevada and Utah, which connects with the Union Pacific at Ogden, Utah.

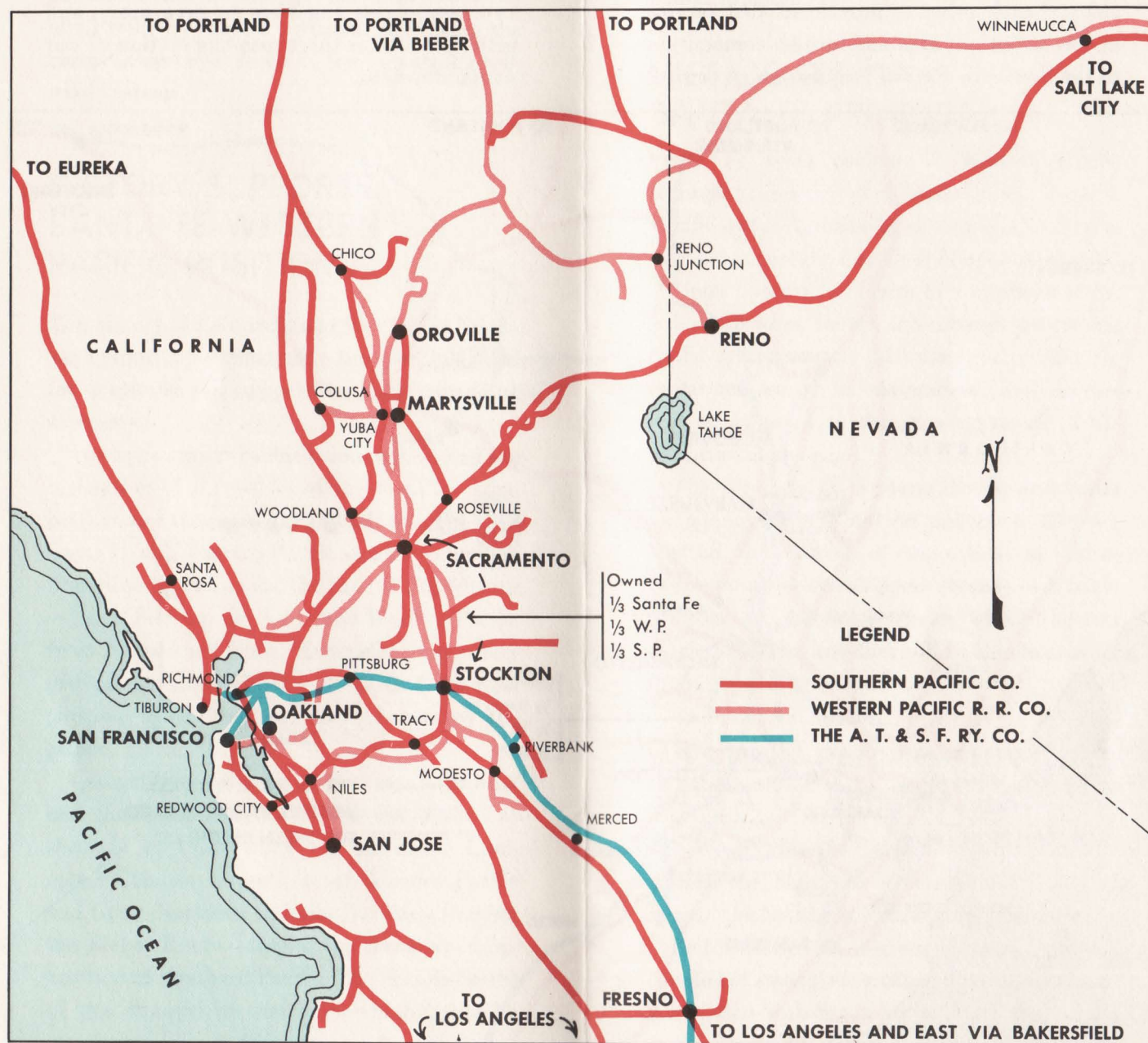
BIEBER ROUTE—THE COM- PETITIVE "INSIDE GATEWAY" TO THE PACIFIC NORTHWEST

Western Pacific, jointly with Santa Fe and the Great Northern, provides essential competitive service to the Pacific Northwest via the route through Bieber, California. This combination of lines provides the only rail competition with the Southern Pacific between the Pacific Northwest and California and the Southwest. Thousands of carloads of freight move annually through this vital gateway, providing valuable competitive service for the shippers in the entire area.

IMPACT OF PENDING APPLICATIONS

The implications of the pending bids for control of Western Pacific are clearly seen from the following two maps:

The first one (see opposite page) shows how acquisition of the Western Pacific by Southern Pacific would drastically curtail competition within an extensive and important area of northern California, and over Western Pacific's routes to the East and the Northwest.



The second map (see below) shows how Santa Fe lines and Western Pacific lines complement each other to provide needed service in this important area and furnish competition to the Southern Pacific. Acquisition of control

of Western Pacific by Santa Fe would preserve existing competition, and would enable the two companies together to give more and better services as this expanding section of our nation develops.



Economic savings and increased efficiencies are also available through control of the Western Pacific by Santa Fe without sacrificing the competition engendered by the two strong railroad systems.

HISTORY SUPPORTS SANTA FE-WESTERN PACIFIC POSITION

The history of California and the Pacific Northwest points up dramatically the essential need for continued rail competition in an expanding economy.

It was Southern Pacific's domination and the realization of the public of the need for competitive rail transportation which brought both Santa Fe and Western Pacific service to the San Francisco Bay area near the turn of the century—Santa Fe from the South and Western Pacific from Nevada and Utah. Experience has surely proved that these added services, and the competition which they provided, benefitted the public.

Competitive rail service between California and the Pacific Northwest was established as recently as 1930, when the Interstate Commerce Commission authorized Western Pacific and Great Northern to build the lines forming the Bieber Route—despite the determined opposition of Southern Pacific. The establishment of this competitive route, in which Santa Fe participates as an important link, was hailed

throughout the West for its contribution to the public interest.

HIGHLIGHTS OF SANTA FE PROPOSAL

Santa Fe seeks control of Western Pacific through acquisition of its capital stock. Western Pacific would continue in existence as a separate railroad corporation and would operate as such.

Upon approval of Santa Fe's application existing gateways, routes, interchange points and traffic arrangements, including competitive solicitation, would be maintained, and service will be adjusted to the growing needs of the public as in the past.

The interests of Western Pacific and Santa Fe employees will not be adversely affected. Instead, the interests of employees—as well as of communities and shippers served—will benefit from the increased service which the two carriers working together will be able to provide in an expanding economy.

WESTERN PACIFIC SUPPORTS SANTA FE APPLICATION

The Western Pacific Board of Directors has endorsed the Santa Fe proposal and voted to oppose the Southern Pacific's application.

By formal action, Western Pacific's Directors concluded among other things that the proposed association with Santa Fe would:

- (1) "Provide stronger, more dynamic and

more competitive service in the West, particularly in the San Francisco Bay area, the Santa Clara Valley and the Sacramento Valley;

(2) "Assure the perpetuation of efficient, competitive East-West rail service in the territory of California, Nevada and Utah now served by Western Pacific and particularly with trans-continental eastern connections at Salt Lake City;

(3) "Assure continuation of through North-South efficient competitive rail service via Santa Fe, Western Pacific and Great Northern via the 'Inside Gateway';

(4) "Assure in the opinion of the board that the interests of the Western Pacific employes will be adequately and properly protected."

(5) "The Santa Fe offer of one and one-fourths shares of its stock for one share of Western Pacific is fair and reasonable from the Western Pacific shareholders viewpoint".

Since its inception, the Western Pacific has been a growing competitor of the Southern Pacific and the shipping public is aware of the benefits that have been realized through this competition. Control by the Southern Pacific of the Western Pacific would

give to the Southern Pacific the ability to dominate rail transportation in the great area here involved, including the Bieber and Utah gateways.

Irrespective of claims to the contrary, however well intentioned, is it reasonable to believe in light of history and self-interest, that the Southern Pacific would continue the Western Pacific as an aggressive competitor of itself?

One of the principal factors in determining public interest, which is the test to be applied to the applications of the two railroads involved, is competition. Shippers and the public involved can best testify to the benefits of competition. We invite the active support of the public in expressing itself on this issue which is not just another contest between two railroads, but is an issue of vital concern to the welfare of the public. The Southern Pacific ask for neutrality, apparently believing that a neutral attitude may mean that rail competition with it is unnecessary.

Can you afford this price of neutrality?

Reasons why
Santa Fe Railway
Seeks to
Acquire Control
of Western Pacific
Railroad Company

