

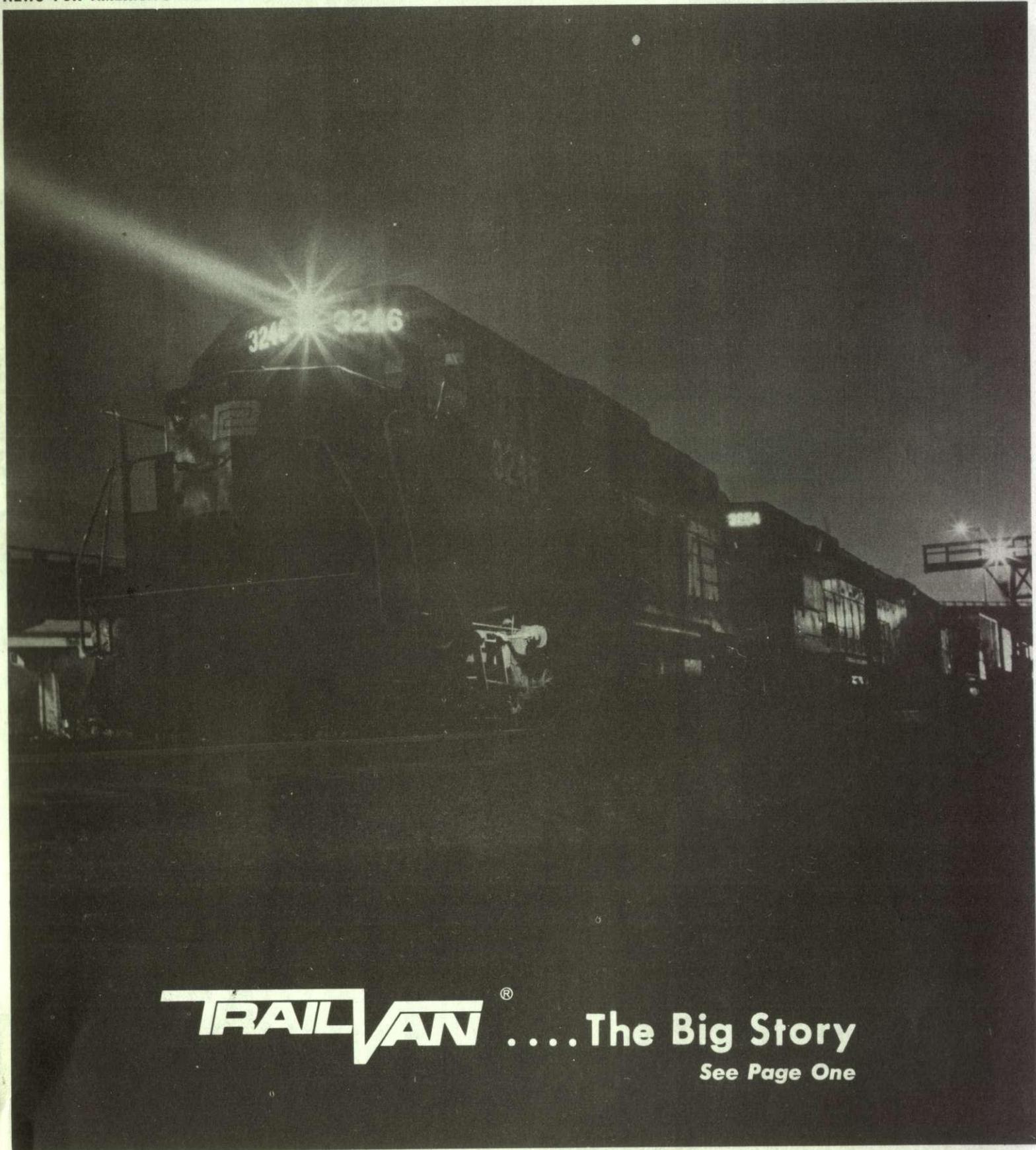
PENN CENTRAL



POST[®]

NEWS FOR AMERICA'S LEADING RAILROAD FAMILY

MARCH 1972



TRAILVAN[®] The Big Story
See Page One

It's the big story!

TRAILVAN

Booming out to new service horizons

The three-unit locomotive gives a deep-throated mutter as Engineer Morris Kelso starts it through the maze of tracks at Englewood Yard, outside Chicago.

He revs up to a 9000-horsepower roar as he drives into the main, his twin headlights carving a white path in the dark.

It's 11:30 P.M. In a little more than 24 hours this train, TV-14, is due to be rolling into Beacon Park Yard, Boston—a thousand miles away.

"That's what I call a good fast run," says Engineer Kelso, a lean, hard veteran of 21 years' service. "They really give us the railroad."

All around the Penn Central System, TrailVan piggyback trains are probing through the night, hauling freight on some of the tightest schedules in railroading, hitting speeds up to 70 miles an hour.

A year ago there were 34 daily TrailVan trains.

Now there are 43.

And more are coming.

Penn Central has embarked on a historic build-up of piggyback service.

"We're going to spare no effort to make TrailVan America's most preferred form of freight transportation," declares Roy L. Hayes, who heads up the new program.

"We're saying to the shipping world:

"Tell us what you want, what you need. We'll supply it.

"You'll see flexibility you never thought a railroad was capable of. You'll see fast schedules you can count on. You'll see realistic costing and attractive rates.

"If you have any doubts about that . . . try us!"

This message is addressed both to shippers and to motor carriers who can save money by using the rails for their road hauls.

Roy Hayes, a burly, ruddy-faced man, started railroading 36 years ago as a teen-age freight handler. Last month he was appointed Assistant Vice President-Intermodal.

Intermodal is the name of the newest division of Penn Central's Sales & Marketing Department. It means providing a link between the different modes of surface transportation—rail, truck, ship.

Freight packed in trailers or big containers moves by all three

R.E. Fleckenstein (right), sales representative, talks with E.P. Tidwell and A.M. Bodane, Rheem Manufacturing, Chicago.



At Englewood, Mary Lou Surprenant records data on outbound cars, to be tele-typed to other terminals and computer.

modes, switching readily from one to another. These trailers and containers can ride rail for the economical long-haul and highway truck for flexible local delivery. The trailers and containers cross the ocean on specially-built vessels and are loaded on railroad flatcars for inland delivery.

The expansion of Penn Central's TrailVan service will make it more effective than ever in providing the essential linkage.

"We won't be afraid to introduce new TrailVan trains before we actually have the business to justify them," Mr. Hayes says.

"We did that several months ago when we established overnight TrailVan service between the New York City area and Boston. This service has been gradually growing in volume.

"Later we set up overnight service between New York and Buffalo-Rochester. This one, frankly,



D. R. Bailey, Englewood yardmaster, gives the TV-14 switch list to Conductor T. F. Madican, Brakeman D. J. Vanderploeg.



Willie Hampton signals Jim Kolb placing loaded trailer on flatcar in Englewood Yard, Ill.



Tony DiSanto and Chuck Winters, of Pennsylvania Truck Lines, go over schedule of loading trailers on piggyback flatcars.

has not met our expectations to date—but that hasn't dampened our willingness to experiment.

"In mid-January, we started overnight TrailVan service between Chicago and Detroit.

"And at the beginning of February, we inaugurated a train to haul import freight in containers and trailers from the new International Container Terminal at Port Newark-Elizabeth, N.J., to Harrisburg, Pa. There the train connects with four other PC TrailVan trains to Midwestern cities and, through connecting railroads, to cities in the South and West."

To give the new Intermodal Division the flexibility it needs to do its assigned job, President William H. Moore has designated it as a "profit center," a sort of independent enterprise. The Intermodal Division will be credited with the revenue it brings in and will be charged for the trains, terminals and other facilities and services it uses.

Unique emphasis will be placed on Intermodal's men in the field. Thirteen managers have been named to take charge of both sales and service, with headquarters at key cities across the Penn Central System.

Each manager will be, in effect, a "local businessman."

Explains Mr. Hayes:



T.A. Falaris, car inspector, checks that trailer is securely locked for the move.



Car Foreman N.H. Wood and Trainmaster H.A. Vermilyea coordinate repair schedule to make sure trains depart on time.



Conductor J.B. Gallagher and Flagman J. W. Wetzel board TV-14, Boston-bound.

"He'll be able to use his own initiative and imagination to generate new business, provide flexible service, and run an efficient operation."

Continued on Page Two

In expanding and improving TrailVan Service, Penn Central people are building on a solid base, Roy Hayes points out.

"We already were the largest piggyback operator among American railroads," he says.

"And our service has been good. More than 90 percent of our piggyback traffic is handled in exclusive TrailVan trains, not mingled with other kinds of freight. And our on-schedule performance has been 85 percent or better.

"But, of course, with our ambitious new program, we can't afford to be satisfied with anything less than top performance."

This emphasis on high-grade service comes as no surprise to the Penn Central people involved with TrailVan trains.

"When we get a piggyback flatcar in here for any kind of repair," says Car Repairman Theophilus Moore at Chicago, "we've always known we've got to get the job done, and no delay."

"We double-check the pins on the stanchion locks that secure the trailers on the flatcars even though

the Truck Lines men have already done it," points out Car Inspector Ted A. Falaris. "These trains move. Can't afford trouble on the road."



At brief stop at Cleveland, Clarence Redding sets off some cars for local delivery.

Shippers have been saying good things about PC piggyback.

"The service has been excellent, both in time and in damage prevention," said Norman C. Zollar, General Traffic Manager at Lincoln Electric Company, Cleveland.

"We've been having very satisfactory results with your TV trains, especially the service to Detroit," said Albert M. Bodane, General Traffic Manager of Rheem Manufacturing Company, Chicago.

PC Conductor Warren R. Karchner, aboard TV-14, said the general public ought to be pleased with Penn Central's new campaign. He explained:

"Our highways just aren't big enough to handle the truck traffic they're getting. Putting more of those trucks on the rails ought to make everybody happy."



As Cleveland trailers are taken away, TV-14 speeds the rest of the trailers to Boston.

They'll guide TrailVan build-up

Roy L. Hayes, Assistant Vice President-Intermodal.

George Shimrak, Director-Intermodal Sales.

Robert D. Walker, Director-Intermodal and Mail Service.

A. Buford Smith, Director-Intermodal Pricing and Marketing.

The following are Managers-Intermodal Sales & Terminal Service. They are listed with their headquarters terminals and, in parentheses, the additional TrailVan terminals under their jurisdiction.

C. D. Niland, Baltimore (Harrisburg, Lancaster, York).

F. V. Safy, Buffalo (Syracuse, Rochester).

C. P. Rahn, Chicago (Elkhart, Fort Wayne).

T. J. Cosgrove, Cincinnati (Columbus, Dayton).

D. A. Seiler, Cleveland (Canton).

A. E. Finrock, Detroit (Grand Rapids, Kalamazoo, Toledo).

C. H. Harrison, Indianapolis (Louisville).

T. J. Garden, New Haven (Hartford, Springfield).

J. A. Rau, New York (Kearny, N. Bergen, Weehawken, Port Newark-Elizabeth, Harlem River).

C. W. Warren, Philadelphia (Trenton, Wilmington).

G. L. Wendorf, Pittsburgh (Altoona, Johnstown).

J. A. Robertson, St. Louis.

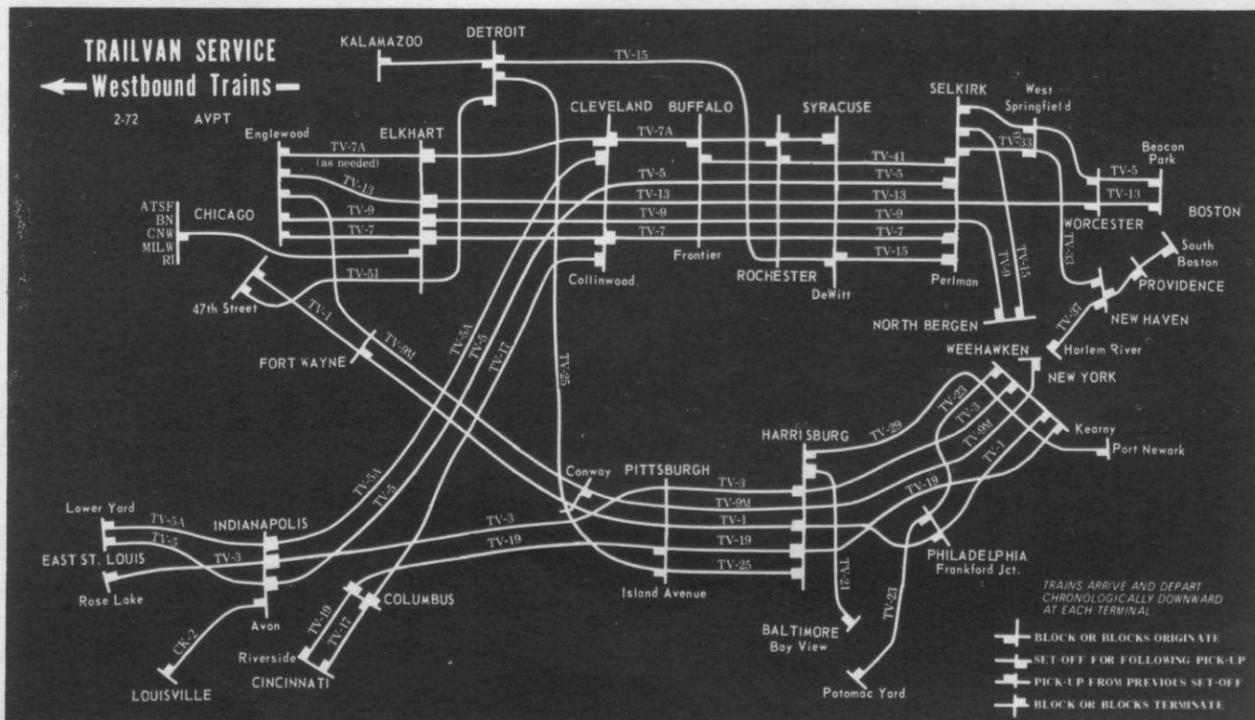
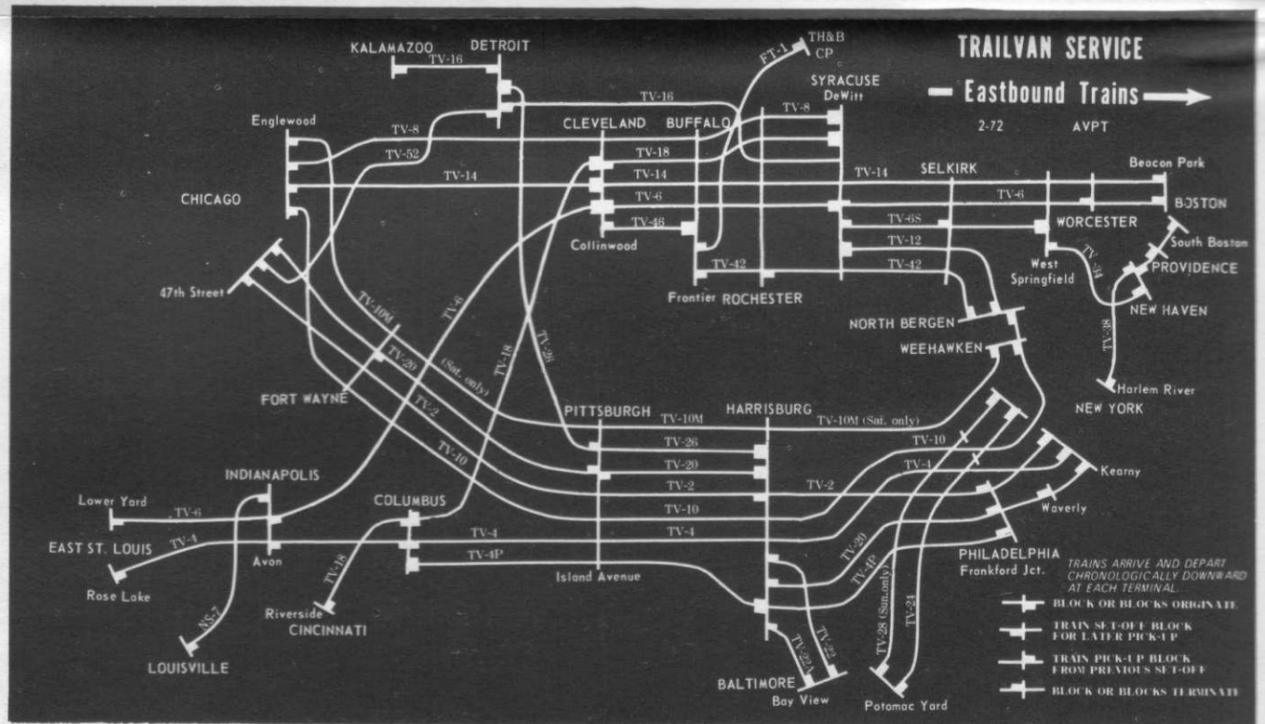
J. C. Palmieri, Boston (Albany, Worcester, Providence).



At Cleveland, K.C. Hunt, PC sales representative, discusses TrailVan schedules with N.C. Zollar, of Lincoln Electric Co.



System-wide sales campaign will aim for large increase in traffic. Here H.C. Johnston makes a call at Philadelphia.



Penn Central's TrailVan trains serve 16-state area containing over half of America's people

TRUSTEES REPORT

"Penn Central can be successfully reorganized"

On June 21, 1970, Penn Central Transportation Company filed for reorganization under the Federal Bankruptcy Act.

U.S. District Court Judge John P. Fullam appointed four Trustees to direct the reorganization: George P. Baker, Richard C. Bond, Jervis Langdon, Jr., and Willard Wirtz.

Last November the Judge requested them to prepare a preliminary report to answer basic questions, one of which was whether a successful reorganization was probably feasible.

This report was filed with the Court on February 15. In reply to the above question, the report said:

"The short but carefully considered answer to this question is that in the Trustees' judgment, Penn Central can be successfully reorganized." However, they said that this conclusion depends upon several conditions.

One is the ability of the Railroad to attain the volume of business and freight revenues which have been forecast for the next five years.

In addition, they said, three major changes must be accomplished in a significant degree for a successful reorganization. They are:

- Tailoring the railroad to a heavy-traffic "core" system, and eliminating the financial losses due to poorly patronized lines.
- Reducing the number of train and engine service personnel to the level determined to be necessary for safe and efficient freight operation. The Trustees propose "that the reductions will be gradual and that protection will be afforded present employees."
- Obtaining full compensation for the losses now being incurred in providing Amtrak and commuter services.

The Trustees stated:

~~"We believe that there is reasonable prospect~~ that the three changes can be accomplished in substantial part during 1972 and 1973, and that virtually full benefit from the changes can be realized by the end of 1975." And by 1976, they said, Penn Central could be expected to be generating enough income to provide a basis for reorganizing the Company.

The Trustees further stated that "if these three changes were not to be made—or if there were undue delay in making them—there would not be, in the judgment of the Trustees, the basis for reorganizing the Penn Central as a private enterprise . . . The Penn Central plant could not be put back in shape within the time available, or perhaps ever."

Excess Plant

"The Penn Central System presently covers approximately 20,000 route miles," the Trustees' report said.

"Approximately 80% of Penn Central's freight business comes from 11,000 of those route miles."

This situation, they said, explains why Penn Central has a lower freight revenue per mile of line than any other eastern railroad. Compared with the C&O/B&O and the N&W, Penn Central is lower by 16% to 44%.

If the Penn Central in 1970 had consisted just of this 11,000-mile "core," the Trustees said, its revenue level per mile of line would have been in keeping with that of the leading eastern railroads. And Penn Central freight operations would have produced a net railway operating income in the neighborhood of \$94 million, instead of the actual loss of \$104 million.

With respect to the remaining 9000 miles outside the "core," the Trustees said, "all shippers have abandoned well over a third of them" and "this should be recognized by abandonment certificates from the Interstate Commerce Commission."

"The remaining route miles which still serve a useful purpose can continue to be operated—some of them, hopefully, by a revitalized

Penn Central itself—some with help from those interests, either public or private, which are prepared to underwrite the losses," the Trustees said.

As an example, a particular branch line important to shippers or communities could be continued under contracts that would fully compensate the Railroad.

Employment

The size of the work force has gradually been reduced in most departments, declining over the past year from 90,319 to 83,322, mostly through retirement, resignation or other form of attrition.

The Trustees said the main requirement now is a reduction of crew size in road freight and yard service to a level determined to be necessary for safe and efficient operation.

This has been taken up with the unions. Here is the current status of this subject, the Trustees said:

"The critical train crew consist negotiations are proceeding under the rules of the Railway Labor Act and have been carried forward diligently. The National Mediation Board has now, as the last step in the mediation process, urged both parties to submit the dispute to binding arbitration. Penn Central has agreed to do so. The United Transportation Union has not yet responded.

"Agreement has been reached with the United Transportation Union and the Brotherhood of Locomotive Engineers to change several outdated work rules regarding interdivisional assignments, the elimination of radio arbitraries as such, and a liberalization of road-yard switching limits and interchange rules.

"The contract with the Union has been signed (on January 27, 1972) and the Trustees have been authorized by the Court to implement these work rule changes.

"Under the several 1971-1972 labor contracts, most of the other work rules in dispute are referred to various labor-management Standing Committees. In general, there has been little progress through the Standing Committee procedure."

Passenger Service

Essential to a successful reorganization is the elimination of the large continuing drain from trustees' passenger and commuter service, the Trustees said.

"The Trustees do not seek to discontinue such service," they emphasized. "Their position is simply that the passenger service which is to be continued cannot be permitted to remain a financial burden.

"It is widely assumed that Amtrak has relieved the railroad of unprofitable intercity passenger service. However, Penn Central is in fact subject to a continuing major drain on its resources in supplying this service."

They pointed out that where tracks are used for freight, Amtrak and commuter service, Penn Central has to pay 100% of the costs, which ought to be allocated among all three services.

They called special attention to the Boston-Washington corridor. The Amtrak contract does not provide for any sharing of the maintenance-of-way costs, despite the fact that passenger service accounts for more than two-thirds of the train miles operated in the corridor.

The Trustees said that Amtrak contract payments fall short by approximately \$32.5 million a year of meeting Penn Central's full costs, at 1972 levels, of providing the contract service. This does not include any return on Penn Central's investment in passenger facilities.

In commuter service, where financial aid is being received from various governmental

bodies, Penn Central is still operating at a heavy loss, the Trustees said. They estimated the loss, at the 1972 level of full costs, at \$54.7 million—here again not including a return on the investment in passenger facilities.

Self Improvement

Tighter controls have enabled the Railroad to curtail the depletion of cash. Operating expenses, which consumed 92¢ of each operating revenue dollar during the first 11 months of 1970, were reduced to 88 $\frac{1}{3}$ ¢ in the similar period of 1971.

The Trustees commented: "Penn Central 'made do' in cash flow terms to such an extent in 1971 that not going back to the Congress for more money—as had been expected—was one of the significant, unnoticed 'non-events' of the year."

Utilization of equipment has improved, enabling the Railroad to make more use of its own cars and less use of foreign-line cars, and it is handling more net ton-miles per car day. Faster turnaround for repair work has increased availability of locomotives.

"All this, plus equipment acquisition and improvement of roadway and facilities, now gives the railroad the capacity to solicit and handle an increased volume of traffic," the Trustees stated.

Penn Central had previously been losing ground compared with the Eastern railroads, but is now gaining. In the first nine months of 1971, it handled 34.8% of the freight in the eastern district, compared with 32.9% in the similar period of 1970.

In piggyback, Penn Central's traffic declined in the post-merger period, but during the last half of 1971, when Penn Central's new services and reduced rates began to take effect, that trend was reversed.

The Trustees said they have moved vigorously to sell non-railroad assets without sacrificing a maximum realization of values. Principal efforts are reflected in proposals, to be brought before the Court, for the sale of certain Park Avenue properties and the transfer of the stock of Pennsylvania Company, the chief subsidiary of Penn Central Transportation Company.

The Alternatives

The Trustees have explored the question of what could be realized if the Penn Central were liquidated and all its assets sold to satisfy its creditors. They concluded that if the three basic changes they have proposed are put into effect, the Penn Central would be made into a going concern that would provide the creditors with greater protection than they would receive from any assured liquidation value.

"The Trustees oppose the alternative of nationalization," they stated. "The bill for it would be billions of dollars. It would embalm present inefficiencies and inadequacies which the Trustees' proposals would correct."

Other possible courses, they said, would be "in essentially the same pattern of improvisation—resorting to interim patches and palliatives in order to postpone the day of ultimate reckoning—which carried the Penn Central into bankruptcy."

The Trustees concluded that they "have recognized this case as presenting—in the public's mind and indeed in fact—the issue of whether free enterprise, incorporated and unionized, is going to work.

"A country which may have momentarily lost some of its essential self-confidence would take what could well prove infectious pride and satisfaction from seeing this crippled corporate giant put back on its own feet and made to stand upright."

OPEN LINE

MORE GRAIN MOVING—Grain tonnage jumped more than 50 percent on the Penn Central in the last third of 1971, compared with the similar period of 1970, reported President William H. Moore.

Addressing the New England Grain and Feed Council, Mr. Moore said the increase was due to "new equipment, better rates, more trains and improved service." The grain program, he said, was another example of Penn Central's drive "to regain a competitive edge in transportation."

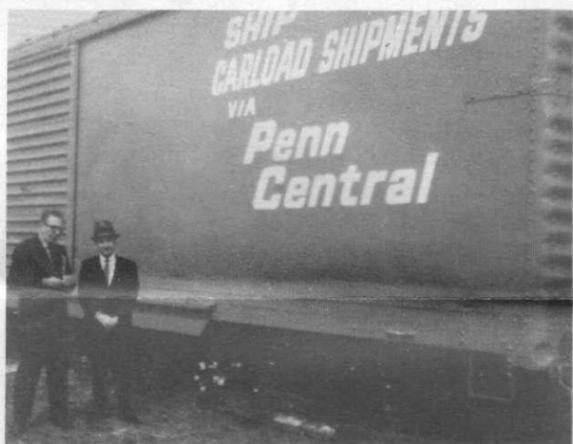
In preparation for last year's harvest, Mr. Moore pointed out, Penn Central leased 1000 new 100-ton covered hopper cars, and upgraded or rebuilt 3000 general-purpose boxcars.

"We also took bold and innovative steps in incentive pricing," he added. "We announced independently a three-car multiple rate reduction of up to \$2 per ton on corn destined for the East. This step added to our traffic volume, but of even greater importance, it helped Northeast poultry producers meet increasing competitive pressures and stimulated their output."

The Railroad also established trainload rates from Ohio and Indiana to North Atlantic ports, and included incentive pricing rates for shipper-owned equipment. Other special rates were established to meet specific customer or geographical requirements.

A task force was set up in PC's car utilization division to monitor movement of the grain fleet and boost car usage.

An in-depth study of wheat, flour and mill-feeds traffic is now underway, in hopes of applying some of the economies achieved in whole-grain traffic to these other commodities.



COMPLIMENTARY AD—Norris Brothers Company, a heavy steelwork firm in Cleveland, has been a railroad customer more than 100 years. Recently the firm bought four unserviceable boxcars, not fit to be rebuilt for rail service, and fixed them up for use as warehouses. As a finishing touch, L. J. Norris, president of the firm, added a plug for Penn Central. Here, Ray Saul (left), sales representative, calls to thank Mr. Norris.

TEMPORARY REVENUE BOOST—The Interstate Commerce Commission granted the Nation's railroads a 2½ percent emergency surcharge on freight bills, with some exceptions, from February 5 to June 5. By then the railroads hope to win approval for selective rate increases. The Commission estimated the 2½ percent surcharge would give the railroads about \$82 million. The railroads have reported that increased costs in 1971 included \$305 million more for wages and \$28 million more for supplies and materials.

FOR SALE AT PITTSBURGH—Development firms throughout the country were invited to make offers for a 115-acre urban renewal tract adjacent to Pittsburgh's famous Golden Triangle. Penn Central owns or controls 85 percent of the acreage.

"The tract is one of the largest single pieces of property available for downtown urban renewal in the country today," said Francis J. Gasparini, PC vice president-real estate. "The possibilities are unlimited because the growth of Pittsburgh's Golden Triangle has run counter to the deterioration most cities have experienced in their downtown areas."

ST. LOUIS AND EAST—A new high-speed freight, SW-8, is running from PC's yard at East St. Louis, Ill., to Harrisburg, Pa., with connections to Eastern Seaboard cities. The train departs at 2:30 P.M., CST, and arrives at Enola Yard, serving Harrisburg, at 9:30 P.M., EST, the following day. This matches the schedule of SW-6, a companion train, 12 hours earlier.

"Thus we have a fast train leaving the important St. Louis gateway at 2:30 A.M. and 2:30 P.M. every day with freight from the metropolitan area and cars from connecting Western lines," said Paul Funkhouser, PC's senior vice president-sales and marketing. "This is another step in our service improvement program and is an outgrowth of our continuing studies of our customers' needs."

RIDING ON CREDIT—Ticket offices in many cities now accept American Express and Master Charge credit cards, in addition to Rail-Travel credit cards, for purchase of Amtrak tickets. Eventually the credit-card privilege will be extended to all 335 cities served by Amtrak's nationwide network.

OHIO WITHDRAWS LAWSUIT—Penn Central has taken "positive action" in complying with orders of the Public Utilities Commission of Ohio to correct unsafe working conditions and maintenance problems, announced Henry W. Eckhart, Commission chairman. As a result, he said, the Commission has dismissed certain court actions against Penn Central.

Mr. Eckhart said it was the Commission's opinion that the Railroad's delay in complying with the Commission's orders resulted from the bankruptcy situation. He said one of the considerations in the Commission's decision was the belief that it is more important for the Company to spend its available resources for preventive maintenance measures, rather than forfeitures for violations which have already been corrected.

RAILING TO CANADA—The New England Governors' Conference adopted a resolution asking Amtrak to restore passenger service between New York and Montreal, provided prior to the merger by the New Haven, Boston & Maine and Central of Vermont.

PC AND EXPO—Philadelphia authorities planning the 1976 Bicentennial exposition are centering attention on a possible site in Southwest Philadelphia. A PC freight line, the 60th Street Branch, runs through the site, and the main line to Washington is less than 2 miles away.

GRAND RAPIDS SERVICE—A saving of one day is provided to shippers at Grand Rapids, Mich., by two trains linking this city with Elkhart, Ind. There connections are made with other trains serving major Penn Central cities as well as connections with western railroads at Chicago. GR-21 leaves Elkhart at 5:45 A.M., and arrives at Grand Rapids at 12:40 P.M. GR-20 leaves Grand Rapids at midnight and reaches Elkhart at 5:25 A.M.

HUDSON-HARLEM PACT HALTED—Proposed agreements under which New York's Metropolitan Transportation Authority would have assumed financial responsibility for operation of the Hudson-Harlem commuter lines were disapproved by Federal Judge John P. Fullam. Deputy State Comptroller Martin Ives refused to recommend the agreements to the Comptroller for approval.

Judge Fullam agreed that the lines should be taken over by a public authority, but expressed the opinion that the agreements failed to provide adequate protection to certain bondholders and did not sufficiently compensate the railroad. Mr. Ives viewed the agreements as being unfavorable to the State of New York.

DOCK STRIKE—Disruptions caused by longshoremen's walkouts caused a 38 percent drop in railroad cars carrying general cargo for export at North Atlantic ports during 1971. There were 68,935 carloads handled, compared with 111,319 carloads in 1970.

CLEVELAND SERVICE ENDS—The "Lake Shore" between New York and Chicago, via Cleveland, was discontinued by Amtrak on January 4. This passenger train was running on a trial basis, with the provision that the states through which it passes would pay two-thirds of the losses. In canceling the train after seven months, Amtrak President Roger Lewis said the states have not reimbursed Amtrak as required. He said each train was averaging "fewer than 45 passengers a day, and the losses were running at an annual rate of over \$3 million."

Deriding the Rails

Amtrak Admits Service Is Lousy, and It Blames Roads It Deals With

A recent article in the Wall Street Journal under the above headline stated railroads are being uncooperative with Amtrak. It quoted an unidentified Amtrak official as saying about the railroads: "They weren't successful in passenger business, they don't want anybody else to be successful, and they don't want anything to get in the way of their freight trains."

The article mentioned alleged criticisms of several railroads (but not Penn Central). Readers may be interested in the reply to the Wall Street Journal by Stephen Ailes, president of the Association of American Railroads. Here are excerpts.

"The basic premise of this piece—that the railroads 'don't want anybody else to be successful' in the passenger business, as one of your anonymous sources supposedly put it—is absurd.

"If Amtrak can succeed, it will become a valuable customer of the railroads, using railroad facilities and services, paying reasonable compensation for them, and adding to railroad revenues and profits.

"Its success will in no way reflect discredit on the railroads because of Amtrak's obvious advantages—a reduced system, one national pool of equipment, centralized management, and direct Federal financial support.

"From the beginning, the railroads have sought to improve Amtrak's chances to succeed. The railroads voluntarily signed a contract decidedly favorable to Amtrak under which Amtrak reimburses the railroads for what the Interstate Commerce Commission calls 'solely related costs' of the passenger service rendered, plus an adjustment to cover other costs which would be avoided if the passenger business were discontinued.

"Thus Amtrak pays little or nothing for maintenance of way, real estate taxes and fixed charges on the railroad right-of-way and operating property used by Amtrak trains. The railroads involved are convinced they lose money on the Amtrak operations under this arrangement.

"The price the railroads were required by Congress to pay for the privilege of terminating the costly passenger business is over and above this. The price is a contribution of nearly \$200 million to Amtrak, which the railroads are currently paying.

"The article dwells at length on assertions that freight trains receive priority over passenger trains. As a matter of policy and sound operating practice, passenger trains, which operate on tight schedules, must get priority over freight trains.

"Railroad officers testified on this subject at length at the House Committee hearings in December. The proof lies in the statement by Roger Lewis, Amtrak's president, that less than three percent of the delays on Amtrak trains result from a breakdown in this priority."

Roger Lewis, president of Amtrak, also wrote to the Wall Street Journal:

"I was both astonished and offended by the headline treatment of your article on railroad passenger service. It is simply not true that we consider our service as 'lousy.' We will match the performance of our Metroliners and the comfort of the Super Chief and other trains against the field. To say that we blame the railroads or anybody else for our deficiencies is just not the case.

"The take-over of rail passenger service and the development of a uniformly high quality of service over the tracks of 13 previously independent railroads is a formidable task.

"We have set standards which will make railroad passenger service competitive in quality and price to the other modes. We are convinced that Amtrak has a bright future."

AUCTION!

More than 250,000 items of PRR memorabilia on sale March 20, 21, 22

Never was an auction like this! The contents of the former Pennsylvania Railroad's library and collection, spanning well over a century of railroad history, are going on sale.

Railroaders, railfans, collectors, history buffs, and all who remember the gleam and roar of steam railroading will be able to bid on such items as:

A wheel and whistle from the John Bull, one of America's first steam engines.

Locomotive number and registry plates.

Coins and medals from the 1876 Centennial Exposition, the 1893 Columbian Exposition, the 1926 Sesqui-Centennial.

Old railroad tickets, passes, books of railroad rules.

Timetables of the PRR and predecessor railroads, dating back to 1850.

Old maps and blueprints.

Brakemen's lanterns.

A PRR official's desk used in 1850.

Railroad telegraphers' keys.

A seat from a Camden & Amboy passenger coach, vintage 1840.

A beaver hat worn by the first engineer to run a train into Fort Wayne, Ind., June 4, 1854.

Brass doorknobs from old Broad Street Station, Philadelphia.

A 35-star American flag that flew over the PRR station at York, Pa., during the Battle of Gettysburg.

A letter from Booker T. Washington, asking for a donation for his Tuskegee Institute.

Railroad annual reports, dating back to 1856.

A station agent's brass handbell from the 1876 Centennial Station.

Propeller from the first airplane used in coordinated rail-air service in 1929.

Old photos and glass negatives of locomotives, trains and railroad property.

Old newspapers and clippings, dating back to the assassination of President Lincoln.

Handwritten histories of PRR predecessor railroads.

Freight station records and bills of lading.

A whip used on the horse-drawn



Michelle Wilt, clerk in Operating Management Controls, shows an 1870 PRR poster.



This is scrip used during Civil War to pay rail workers.



Old station clock from Newark, N.J., will be in the sale.

Allegheny Portage Railroad, a PRR predecessor which opened in 1834.

Oil paintings and original railroad poster art.

Approximately 10,000 books and magazines pertaining to railroading.

About 1000 research papers and reports.

About 1400 transportation reference books.

The Official Guide of the Railways, back to 1870.

Railway Age magazine, back to 1880.



R.I. Alotta, manager of special projects, who is coordinating the auction program, poses at rail official's desk, dated 1850.



A small sampling of the items to be auctioned: Paintings of railroad scenes; old models of rolling stock; station agent's handbell, vintage 1876; brass medallion from the PRR Board Room; chair from a passenger car of Portage Railroad, which opened in 1834.

AUCTION DETAILS

The place: South Concourse, Penn Central Station-30th Street, Philadelphia, Pa.

The dates: March 20, 21 and 22, 1972—continued on March 23, if necessary. Time, 9 A.M. to 5 P.M.

Advance exhibition of auction items: March 13 through 18, from 9 A.M. to 5 P.M., at the station.

Admission charge to the exhibition and sale will be \$2 per person. The admission ticket, a reproduction of a rail ticket to the 1876 Centennial, will admit visitors on all the exhibition and sale days.

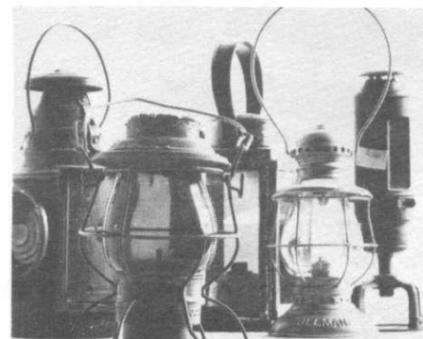
Itemized catalogues of all the items will be on sale at the auction location at \$1 per copy.

Advance copies of the catalogue may be purchased for \$1.50, including postage and handling, by writing to Samuel T. Freeman and Company, 1808 Chestnut Street, Phila., Pa. 19103.

Advance bids may be mailed to Samuel T. Freeman and Company at above address. Each bid must be identified by Lot Number and brief description of the Lot, according to the catalogue. **Each bid must be accompanied by a check for 25 percent of the amount bid.** This will be applied toward the purchase; or, if the bid is not successful, will be refunded in full.

Who's Who, volumes 5 through 29. And many other items, too varied to classify.

The auction will be conducted by Samuel T. Freeman and Company, famed auctioneering firm which was established in Philadelphia in 1805.



Sale will include old trainmen's lanterns.



Leslie Mogul, Public Affairs secretary, helps list 10,000 publications on sale.

Said John Freeman, president of the auctioneering firm and great-great-grandson of the founder: "This is one of the most unusual auctions in our history."

A Little Extra

While traveling on the Metroliner, his wallet disappeared, writes R.C. Bellamy, Jr., controller of Rudco Industries, Inc., Teaneck, N.J.

The next day, it was found by Attendant Leon R. Turner.

"At his own expense, he immediately contacted me, and I arranged for him to mail the wallet to me," Mr. Bellamy continues.

"At additional expense, he insured the package. At no time was any suggestion of reward made by Mr. Turner.

"In addition, Mr. Turner's services on board the Metroliner have always been quick, sure and pleasant.

"My congratulations on an able, well qualified employee who makes the life of a traveling business man just a little more pleasant."



Darlene Morelli, clerk in PC's Safety Department, displays a wheel from the John Bull locomotive, which operated in 1831.

DEBATE: a new law for STRIKES?

Strikes occur in almost every industry. That they occur on railroads, too, is not unusual.

What is unusual is that six times in the past eight years, Congress has passed emergency laws to halt railroad strikes.

The reason is that railroad strikes have generally wider-ranging effects on the Nation than strikes in other industries.

But members of Congress don't like to become involved in disputes which they believe should be settled by the parties.

Without necessarily blaming either Labor or Management, members of Congress are looking at possible new laws that might avert these emergencies.

Most attention is directed to three proposals.

One, sponsored by the Nixon Administration, is the Emergency Public Interest Protection Act. It's identified as S.560 in the Senate and HR.3596 in the House of Representatives.

The second, introduced by Congressman Harley O. Staggers and Senator Harrison A. Williams, is numbered S.832 in the Senate and HR.3595 in the House. It is generally supported by Labor.

The third proposal is the Emergency Transportation Labor Act, introduced by Senator Peter H. Dominick and Congressman John Jarman. It is numbered S.2060 in the Senate and HR.9989 in the House. It is endorsed by the railroad and airline industries (both of which come under the Railway Labor Act).

The three proposals take different approaches.

The Nixon Administration's bill would "give the President vital new authority to deal with national emergency disputes in the railroad,

airline, maritime, longshore and trucking industries."

It provides that in a dispute threatening a national emergency, there will be an 80-day cooling-off period.

If the dispute is not settled by then, the President would have three options:

1. He could extend the cooling-off period 30 more days, if the dispute appeared close to settlement.

2. He could appoint a special board to determine if partial operation of the industry is feasible and, if so, to set the boundaries for such operation. This would permit a partial strike or lockout up to 180 days.

3. He could use the "final offer" method. Labor and Management would submit their final offers to a neutral panel, which would select the offer it considered most reasonable. This one, without change, would be the final contract.

The third provision, the Administration says, would encourage both sides to submit the most reasonable offer possible, in hopes of getting it accepted by the neutral panel. This method differs from compulsory arbitration, in that the neutral panel would not draft its own settlement but rather would choose one already drafted by Labor or Management.

President Nixon said: "Unlike arbitration, which too often merely splits the difference between the parties and thereby encourages them to persist in unreasonable positions, this procedure would reward reasonableness and thereby facilitate negotiation and settlement."

Spokesmen for railroad Labor vigorously oppose the Administration's bill. They say it is basically compulsory arbitration and would undermine collective bargaining.

The Labor spokesmen generally support the bill proposed by Con-

gressman Staggers and Senator Williams.

This would permit a railroad union, engaged in national negotiations, to call strikes against all the railroads, or to call strikes against selected roads without having to strike all of them.

Selective strikes could be conducted against up to three railroads at a time in each of three carrier regions—Eastern, Western and Southeastern. The proportion of freight traffic tied up in any one region could be as much as 40 percent. (C.J. Coughlin, president of the Brotherhood of Locomotive Engineers, explained in his union's newspaper that "the 40 percent figure may appear high at first blush, but it is the figure which must be specified as the maximum if Penn Central is to be the subject of a selective strike.")

Railroads not struck would not be allowed to shut down service because of the dispute; and would be forbidden to put their own counter-proposals into effect as a reaction to the strike.

The Staggers-Williams bill would also authorize the government to order partial operation of struck railroads in order to move essential cargoes.

Railroad industry spokesmen contend that this bill is unfair. Selective strikes can never be selective, they say, because about half of all carloads move on more than one railroad, and thus when one railroad is struck, all the connecting railroads are hurt.

The industry spokesmen also say that when a struck railroad is compelled to carry a few cargoes, listed as essential, it must maintain its extensive establishment of communications, signals, yards, track and car inspection and many other functions necessary for safe operation, while

receiving little revenue. This, they say, could financially wreck any railroad.

The railroad and airline industries have testified before Congressional committees in support of the third bill, the Emergency Transportation Labor Act.

Under this proposal, the Government would have four options in any transportation dispute. The Government could decide:

(1) To do nothing and let the dispute take its course; or (2) to appoint a neutral board to make recommendations which would not be binding on the parties; or (3) to arrange for binding arbitration by a neutral person chosen by Labor and Management; or (4) to obtain the final offers of both parties, one of which would be selected as the settlement.

Stephen Ailes, president of the Association of American Railroads, testified in favor of this proposal before a Congressional committee. He said that the option of four methods would make possible the selection of the one most appropriate for a particular dispute and most in the public interest, which is always deeply affected by a transportation tieup.

There are other proposals before Congress, including one submitted by Congressman James Harvey, which he calls a compromise between the Nixon proposal and the Staggers-Williams bill; but this version, in its present form, is opposed by both Labor and Management.

Whatever bill Congress decides on will have a significant effect on railroads, railroad people and the public for years to come.

Readers may wish to express their views about strikes and strike legislation to their Senators and Congressmen.

PC police at work: Helping others.



revealed that the truck had been stolen.

The PC officers turned the man over to city police. He was charged with grand larceny and criminal trespass.

A month earlier, the flying lieutenant had spotted some strange doings with a Volkswagen, not on Penn Central property. He alerted city police, who were able to crack a major car-theft and stripping ring.

The New York helicopter patrol is administered by the Metropolitan Transportation Authority, with funds from the New York State Office of Crime Control Planning.

Another PC lieutenant received high praise for rescuing a 63-year-old woman from a mugger in the Bronx.

Lieutenant Anthony Lozito leaped from his patrol car, subdued the attacker and turned him over to city police.

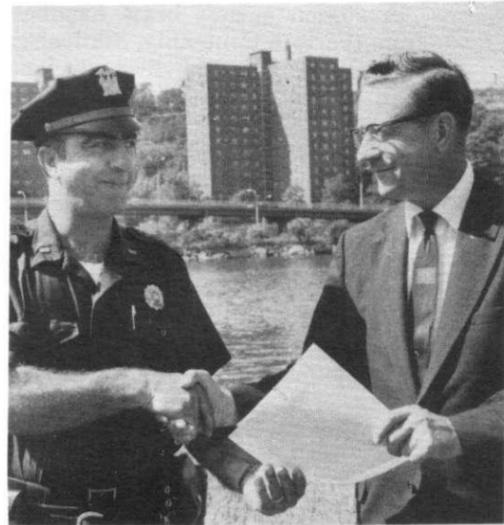
The woman's son, an attorney, wrote to Donald M. Gibson, PC superintendent of police:

"Although Lieutenant Lozito modestly stated that he was just doing his duty, the fact is that he acted at great risk of personal physical harm.

"In addition to his commendable bravery, he showed his worth as a human being by calling my mother the following day to make sure she had recovered and also to answer any questions she may have had.

"If we had more policemen like Lieutenant Lozito around, our society would be a lot better off."

In photo above, Lieutenant Lozito



is congratulated by Superintendent Gibson.

A youth ran into Penn Station, New York, and yelled, "A man's stabbing people out there!"

PC Patrolmen David Wiley and James Kelly rushed outside and saw a man with a large knife. On the ground were three men, moaning.

The PC patrolmen rushed at the assailant, who flashed the knife at them. They grappled with him, and turned him over to city police who came running to the scene.

The PC men then gave assistance to the three stabbing victims, who were taken to a hospital. Two were reported in grave condition.

The prisoner, a 230-pound six-footer, gave police this explanation: He was panhandling for money and attacked those who refused him.

Who wants to listen to the monotonous repetition of safety rules?

Who wants to be burdened with safety statistics?

"We do," says James A. Terhorst. "We know that this boring stuff deals with real flesh and blood."

"We know that every little bit we can do to focus attention on safe work practices means that much less chance of some Joe getting hurt."

Mr. Terhorst, superintendent of PC's Cincinnati Division, points to the results of the Division's intensive safety campaign:

Cincinnati scored No. 1 among the 19 Penn Central Divisions in the 1971 safety competition.

The Division not only had the lowest rate of lost-time injuries but also bettered its own 1970 record by 33 percent.

"Thirty-three percent improvement—that sounds like more dry

Who wants to hear about SAFETY ?



Superintendent J.A. Terhorst and Sharonville Yard crew share congratulations on Cincinnati Division's safety record: J. R. Finley, V. A. Boelscher, C.P. Houston, H. D. Cook and L. J. Huber.

statistics," says Jim Terhorst. "But it means a couple of dozen guys kept off the injury list and out of the hospital."

The Cincinnati Division has been climbing up the safety ladder since 1969, when an all-out campaign was started under the previous superintendent, C. G. Yund (since pro-

moted to superintendent-operation, Southern Region).

"The idea from the start was to get everybody into the act," says Bob Schmidt, chief clerk in the superintendent's office.

Mr. Schmidt started a newsletter called *Cincy Safety*, issued to all employees. In it he rivets attention on the main causes of accidents on the Division, and how to prevent recurrences.

A safety slogan contest is held each month for all employees. There is a cash award for the winner, and his slogan is used for the following month's safety poster.

Thus far, 361 employees have submitted slogans. Some recent winners:

"The Future Belongs to Those Who Practice Safety"—C. J. Kiger, locomotive engineer.

"The Ones Who Laugh at Safety Today May Not Be Able to Smile Tomorrow"—R. R. Skidmore, pipe-fitter.

"Tomorrow Is Too Late—Be Safe Today"—E. H. Allen, conductor.

"Your Plans for Tomorrow Depend on Safety Today"—C. H. Schilling, freight clerk.

"If You Gamble with Safety, You Bet Your Life"—J. A. Johnson, signal maintainer.

"Safety is Free—Help Yourself"—L. J. Hericks, car inspector.

The seven districts within the Cincinnati Division each have their own safety committees and compete to achieve the best record.

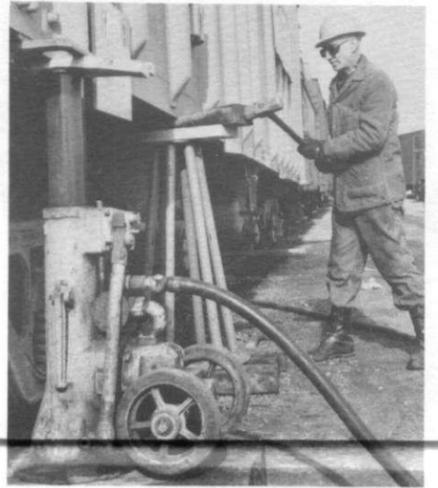
The Division officers hold a safety meeting once each month at varying locations, with local supervisors present.

Any supervisor who has had a lost-time accident in his jurisdiction is required to give a full explanation at the meeting.

On-the-ground activities include: **Review of the Rule of the Day. Employee discussions. Periodic inspection of tools and facilities. Use of safety films and other training materials. Special instructions for new employees and employees returning to work after an absence.**



W.E. Ferrell, airbrake man, holds hose firmly and releases pressure slowly to prevent hose from swinging up at him.



Car is jacked up, but for added safety Lawrence Chaney inserts a trestle and wedge before working beneath car.

Working according to the safety rule is "a duty each employe owes himself, his fellow employe and, above all, his family," Mr. Terhorst emphasizes.

"Anybody who is tempted to short-cut safety should realize he'd be cheating his family out of the security he owes them."

"I'm always conscious of that, personally," Jim Terhorst adds. "I have six children."

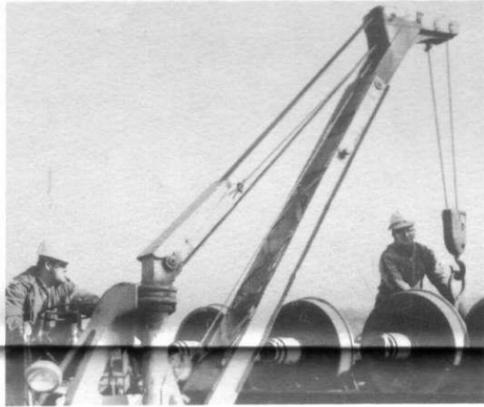
Here's how your division scored

These are official standings of the 19 Divisions in Penn Central's Safety Contest for 1971, listed from the best to the least favorable achievement. This is based on the number of lost-time injuries per million man-hours of work. A star indicates that the Division in 1971 improved on its own 1970 performance.

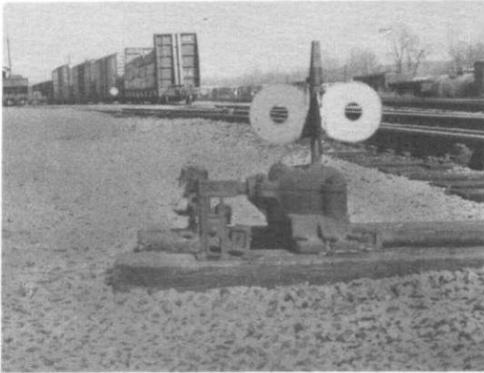
- 1 — Cincinnati ★
- 2 — Allegheny ★
- 3 — Pittsburgh
- 4 — Canada
- 5 — Southwest ★
- 6 — Columbus
- 7 — Chesapeake ★
- 8 — Harrisburg
- 9 — Valley ★
- 10 — New England
- 11 — Buffalo ★
- 12 — Cleveland ★
- 13 — Toledo
- 14 — Chicago
- 15 — Mohawk-Hudson
- 16 — Fort Wayne
- 17 — New Jersey
- 18 — Michigan
- 19 — Detroit



At beginning of the day's work, Foreman E.H. Price reviews rule of the day with trackmen: Alfoney Maye, John Collins, Luke Crenshaw.



Unloading car wheels, Section Stockman Charles Lee and Trucker John F. Wade, of Material Management, stress big rule: Wear hard hat.



With the switch locked in diverting position and a blue flag placed on the rail, car repairmen can work with full safety on cars in background.

The Labor Scene

A new contract, signed by national representatives of the railroads and the United Transportation Union on January 27, 1972, applies to approximately 22,000 Penn Central employees.

Because the Penn Central Transportation Company is in reorganization under the Bankruptcy Act, the agreement is subject to the approval of the U.S. District Court.

The agreement provides for wage increases totaling 42 percent over a 42-month period. This is comparable to the pattern settlements made with other railroad unions.

The agreement also contains provisions with respect to the following:

Additional Employee Benefits

1. Pay while on jury duty.
2. Increased meal allowance at away-from-home term-

inals.

3. Fifth week of vacation after 25 years' service, effective January 1, 1973.
4. Additional paid holiday, Veterans Day, effective January 1, 1973.

Work Rule Changes

1. Combination of certain yard and road service.
2. Interchange of traffic between railroads.
3. Yard switching service for certain industries outside switching limits.
4. Use of radios by train crews.
5. Procedures for arbitration if the parties cannot agree on inter-divisional runs and changes in switching limits.

The contract was reviewed by the National Pay Board at Washington.

The Board issued a resolution stating that it "approves wage and salary increases scheduled to have become effective April 1, 1971, and October 1, 1971, pursuant to terms of the agreement."

The Pay Board's resolution also stated:

"That the Board takes notice of the changes in work rules covered by the agreement and recognizes that encouragement of increases in productivity is in the National interest; and

"That the Board intends to approve deferred increases in wages and salaries for the year 1972 under terms of the agreement, provided that on the pre-notification dates required for such increases, the work rules changes covered by the agreement are being implemented in accordance with the applicable provisions of the agreement."



At All Times

Karel Frederik Mulder, international consultant, of New York, has praise for Nancy L. Adams, ticket agent at Bronxville, N.Y.

"She is at all times courteous and helpful, which is very refreshing in these hectic times, and I think this should be brought to your attention."

"I wish Penn Central had more employes of her type."

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