

**PENN CENTRAL**

**POST<sup>®</sup>**



NEWS FOR AMERICA'S LEADING RAILROAD FAMILY

JUNE-JULY 1972



**LABOR-MANAGEMENT  
CONFERENCE**  
See Page Eight

# 133 More Votes for Penn Central

## Where to build?

It's the big question for American industries planning expansion.

And in the first four months of this year, 133 companies chose sites along the Penn Central for new, enlarged or temporary plants.

This construction and expansion involves a total investment by these industries of more than \$120,000,000.

Comments Paul Funkhouser, PC's senior vice president-sales and mar-

keting:

"This is a massive vote of confidence in the ability of Penn Central people to provide the kind of service these industries will need.

"These industrial developments will mean an estimated 44,000 new carloads per year for us, with an estimated revenue of \$15,000,000.

"At a time when the general economic situation is rather sluggish, this is a highly encouraging boost for our railroad."

The Industrial Development Department, through the director's office in Philadelphia and managers' offices in 11 key cities, is Penn Central's main agency for helping industries find new plant sites. Men from Freight Sales, Marketing, Real Estate, Transportation and Engineering assist Industrial Development in a cooperative effort to carry out this program.

"We'll provide any interested industry with full information about available acreage, soil conditions, power and water sources, labor supply, taxes and other location problems," Mr. Funkhouser explains.

"We'll take representatives of the industry to suitable sites. We'll provide

maps and aerial photos. We'll help on zoning matters and environmental pollution problems. We may even be able to help obtain financing for projects."

The Penn Central men do all this—without charge—because new industries mean new business for Penn Central.

"And for the cities and towns involved," Mr. Funkhouser adds, "the new industries mean new sources of taxes, new people moving in, new housing construction, new customers for local merchants and new job opportunities.

"It's estimated that the new industrial development projects on Penn Central for the first four months of 1972 will ultimately provide about 3,700 industrial jobs for these communities."

The new industrial projects are spread across the System. Some examples:

**Balmain, N.Y.:** St. Joe Mineral Corporation, zinc mine and mill.

**Columbus, O.:** Kal Kan Foods, Inc., pet food manufacturing plant.

**Northboro, Mass.:** Springfield Sugar & Products Company, distribution



warehouse.

**Cornwells Heights, Pa.:** B. F. Goodrich Company, distribution warehouse.

**Indianapolis, Ind.:** Hunt-Wesson Foods, Inc., distribution warehouse.

**Springfield, Mass.:** Georgia Pacific Corporation, distribution warehouse.

**Morrisville, Pa.:** A. E. Staley Manufacturing Company, corn processing plant.

**Fort Wayne, Ind.:** Food Marketing Corporation, warehouse.

**Millsboro, Del.:** Vlastic Foods, Inc., food processing plant.

**Detroit, Mich.:** United Beverage Company, beer distribution center.

**Norwood, Mass.:** John Sexton, warehouse.

**New Kensington, Pa.:** Beacon Warehouse, Inc., warehouse.

**Troy, O.:** Huntsman Container

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On the Calumet River Branch in Chicago, Conductor Lenny Higgins handles delivery to the Valley Mold and Iron Corporation.



Valley Mold and Iron is erecting a new 70,000-square-foot building adjacent to its existing plant at Chicago. Lee D. Lorenty, assistant manager of industrial development, helped provide needed data.



B. P. Inkpen, asst. manager-industrial development, helped Robinson Furniture Company find site for its Joshua Doore Furniture Division in Taylor, Mich., a Detroit suburb. Combined retail store-warehouse will enable customer to get furniture as soon as selected.

## Memo to Shippers: For fast facts about prime sites



Call or write  
Otto W. Pongrace  
Director-Industrial Development  
Penn Central Transportation Co.  
Six Penn Center, Phila., Pa. 19104  
(215) 594-1465



Signs of the times: B. F. Goodrich is the latest company to move into this industrial park at Cornwells Heights, Pa. There are now 302 industrial parks adjacent to Penn Central.

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Corporation, egg carton manufacturing plant.

**Guilderland, N.Y.:** J. J. Newberry Company, warehouse.

**Indianapolis, Ind.:** AAA Warehouse Company, warehouse.

**Decatur, Ill.:** Firestone Tire & Rubber Company, tire warehouse.

**Philadelphia, Pa.:** Advance Shippers, Inc., freight forwarder.

**Croydon, Pa.:** Mack Warehouse Corporation, warehouse.

**Ardwick, Md.:** Virginia Paper Company, paper warehouse.

Last month Otto W. Pongrace was placed in charge of industrial development throughout the Penn Central System, with headquarters in Philadelphia. He formerly shared direction of industrial development activities with Vincent J. Floyd, who has

been appointed assistant vice president-sales and marketing-staff.

Mr. Pongrace, a graduate of Michi-



Above, Tom Coble, vice president of AAA Warehouse Corporation, reviews construction plans at Indianapolis with V. H. Louthan, PC manager-industrial development. A new commercial warehouse (below) has been completed and five more are to be built for AAA on a 38-acre site bought from Penn Central. The buildings will be heated, sprinklered, alarm-protected, and provided with complete data processing service.



gan State University, was an executive of Ford Motor Company before joining the Railroad in 1959.

Mr. Pongrace points out that a substantial number of the new plants are being established in modern, efficient industrial parks.

"There are 302 industrial parks adjacent to the Railroad, with 70,000 acres ready for development," he

says.

"In addition, Penn Central has more than 18,000 acres of its own land available for sale to suitable industries, and there are 220,000 acres belonging to private owners, for which our Industrial Development men can supply facts and contacts.

"All this land is in desirable rail-served locations in 16 states."

This ad in business magazines is telling the PC industrial development story to industry.

## GET ON THE RIGHT SITE OF THE TRACKS

**Penn Central has the best plant locations and know-how for expansion or relocation.**

Over 300 industrial parks with more than 70,000 acres waiting for you. We own more than 18,000 acres of prime ground... located amid more than 51% of the nation's population and 55% of its manufacturing capacity.

Our industrial development team will help you select the best site location... arrange options and test borings... advise you on local problems of zoning restrictions, labor supply, taxes and so on.

Major companies selected us and are happy with our work. Who? Well, how about Duquesne State Oil in West Virginia. Or Sears Roebuck, Ralston Purina, H. J. Heinz, General Motors. Not bad, huh?

So get on the right site of the tracks. Call or write Otto W. Pongrace, Director-Industrial Development, 914 Transportation Center, Six Penn Center Plaza, Philadelphia, Pennsylvania 19104 (215-594-1465).

  
You can count on us.

## GETTING INVOLVED



**Marty F. Whalen** (photo), communication and signal maintainer at Philadelphia, was at work near Overbrook Tower. He saw two boys taking a battery from an auto parked by a commuter.

Mr. Whalen gave chase. The boys fled, abandoning the battery. Mr. Whalen put it in a safe place for the owner.

George W. Magee, Jr., the commuter, later wrote to Penn Central:

"Having had a battery stolen from another car, I am particularly gratified that someone could be bothered to take action. I would like to commend Marty for his helpfulness."

James M. Heilman, a patent expert at New York, lost his ticket on a commuter train. **Conductor Howard Ranftle** found it.

"He called my home to tell my

wife he found the ticket and was leaving it with **Eddie Clough**, the ticket agent," Mr. Heilman wrote to Penn Central.

"I appreciated this very much, since conductor Ranftle could have merely ignored the ticket rather than become involved."

Ann Reisman, of New York, was injured in an auto accident on the way to Penn Station. Though her face was badly cut, she continued with her plans to take the Metroliner to Washington.

"**Donald R. Kearsing**, passenger sales representative, did everything he could to help me get on the train, and to be of assistance," Miss Reisman wrote to Penn Central. "**Conductor W. J. McKay** also was most considerate when I was in the Metro Club car.

"The people to whom I mentioned this assistance were particularly impressed—especially in this day when so many don't want 'to be involved' or do anything to help others."

George E. Jackson, manager of the Aetna Casualty Company of Canada, was bogged down by a blizzard as he sought to go from Hartford, Conn., to Boston, on his way to Montreal.

"My travel plans varied between a 6-hour airport close-down, hitch hiking, trying to catch a bus that was on strike, and finally relying on your railroad," he wrote.

The delays depleted his cash, and "I found myself approaching Boston, to catch a taxi without sufficient funds," he continued.

"**Conductor L. O. O'Donnell** not only assisted me in proper liaison with the taxi company, but out of his own pocket cashed my personal cheque, and that in Canadian funds."

An envelope containing important mail was left on the Broad-

way Limited by a passenger, Mrs. O. W. Brown. **Clarence H. Hicks**, buffet lounge attendant, found the envelope, noted a Pittsburgh address, obtained the phone number and put in a call.

Mrs. Brown wrote later to tell of her delight when "the phone rang—the item had been found!"

"It is men like No. 43 (Mr. Hicks) who are going to save this world, for kindness can move mountains."

### "This splendid accomplishment..."

Some pleasant words about Penn Central people were spoken at a recent business meeting of **The Canned Goods Shippers Conference, Inc.**

This organization of food producers has two main aims: "To promote high standards of traffic and transportation service to the industry," and "to facilitate and promote the study of traffic and transportation problems of interest to the industry."

The official minutes of the Conference's business meeting contain the following item:

"The Chairman of the Railroad Service Committee reported that the dramatic improvement in Penn Central Transportation Company's service deserves recognition.

"He made a motion that the President of the Conference write a letter to Penn Central management and commend them for the

improved and more reliable service, and also encourage them to maintain this splendid accomplishment.

"The motion was seconded immediately and approved unanimously."

**L. C. High**, President of the Canned Goods Shippers Conference, transmitted those words of praise in a letter to Paul Funkhouser, Penn Central's Senior Vice President-Sales & Marketing.

Mr. High added:

"As a member of the Conference for over twenty-five years, and to the best of my knowledge, this is a most unusual and unprecedented incident.

"This excerpt (from the minutes) and the favorable comments from a number of members at the meeting show a deep concern for, and interest in, the recuperation of Penn Central."

# Still time to write about S.T.A.

Action is still pending in Congress on the Surface Transportation Act.

That means railroad people can still make their opinions count.

It means shippers and other citizens interested in bolstering America's transportation can still do something about it.

By writing a few letters.

A letter to the Congressman from your district, and letters to the two U.S. Senators from your State.

Letters asking them to do what they can to win favorable action on the Surface Transportation Act.

Persons who have previously written to the House and Senate Commerce Committees can make their final contribution to the effort by writing now to their own Senators and Congressmen.

The Surface Transportation Act, if passed by the Congress

would:

- Require the Interstate Commerce Commission to act more promptly on new freight rates, to help the carriers meet increases in wages and other costs.

- Prohibit the States from unfairly taxing transportation property more heavily than other property.

- Require that 5 percent of Federal highway funds given to the States be used to improve safety at grade crossings.

- Expedite action on the problem of money-losing branches.

- Set up a Federal agency to grant loans or loan guarantees to hard-pressed carriers which otherwise cannot obtain needed financing. This means loans, not gifts; loans to be repaid in full, with interest.

The Surface Transportation Act was drafted to assist all surface transportation—railroads, truck lines and barge lines.



But the problems of the railroads are acknowledged to be most serious.

Five railroads, including the largest one, are in bankruptcy. A number of others are reported on the brink. Seventeen railroads operated at a net loss last year. Their losses came to a total of \$407,000,000.

Some railroads, particularly in the West and South, are doing relatively well. But the troubled roads could drag the whole industry down.

Congress isn't unsympathetic. But it has many other matters to consider. Some things have to

wait.

The concern of the voters often helps determine which things will come first.

With summer adjournment and national elections looming ahead, it's possible that worthy legislation will be shunted aside.

That's why railroaders and other concerned citizens are being urged to write to their Congressmen and Senators about the Surface Transportation Act. Their letters can have substantial influence—if they're written right now.



## THE LABOR SCENE

### Support for S.T.A.

L. E. Dennis, president of the Brotherhood of Railway, Airline and Steamship Clerks, has expressed support for most elements of the Surface Transportation Act, but specified that greater protection be included for employes in abandonment of facilities.

Presenting his views before the House Subcommittee on Transportation and Aeronautics, Mr. Dennis stated:

"I support the concept of financial assistance to the railroads as well as the elimination of discriminatory taxation upon the railroads, federal assistance in the elimination of railway-highway grade crossings, and the abandonment of unneeded, uneconomical rail lines, all of which are contained in HR. 11207,"—provided, he said, that an employe protective amendment is added.

The Surface Transportation Act, which would provide means of strengthening the railroad, trucking and barge-line industries, is identified as HR. 11207 in the House of Representatives, and S.2362 in the Senate.

### Standing Committees

A Labor-Management Standing Committee has been set up to handle matters not disposed of by the Agreement reached between the railroad industry and the United Transportation Union last August and ratified in January.

Representing the UTU on the new Standing Committee are five union vice presidents: F. A. Hardin, J. W. Jennings, G. P. Lechner, J. E. Burke and George Clark.

Representing the railroads are Robert Brown, Penn Central director-labor relations; G. L. Farr, vice president-labor relations, Union Pacific; G. S.

Paul, executive vice president-administration, Southern Railway; Earl Oliver, vice president-personnel, Illinois Central; and G. M. Seaton, Jr., assistant vice president-labor relations, C&O.

A similar Standing Committee, previously set up as a result of the Agreement reached in May, 1971, by the railroads and the Brotherhood of Locomotive Engineers, has already been functioning. Representing the Brotherhood on this committee are Vice Presidents V. F. Davis and W. E. Skutt. Representing the railroads are Robert Brown, Penn Central, and G. S. Paul, Southern.

### Repeal of Crew Laws

Wisconsin has now followed Ohio and New York in repealing the full-crew law, with protection for the employes affected. Earlier, Indiana amended its crew law to allow collective bargaining agreements between unions and railroads to take precedence over the law, provided that the Public Service Commission approves from a safety standpoint.

The Wisconsin repeal was achieved after the United Transportation Union and the railroads reached agreement on protective terms for employes affected. The provisions they approved were incorporated in the legislation.

Wisconsin Governor Patrick J. Lucey, in signing the legislation, said it "will give far-reaching protection for railroad employes, while at the same time giving railroad management the necessary flexibility it must have to remain a vital force in our transportation network."

In Arkansas, the last remaining state with a crew law, the matter will be voted on in a November referendum.

In Massachusetts, though there is no State crew law, the minimum size of crews has been set by regulations of the Department of Public Utilities,

dating back to 1929. Penn Central has asked the Department to modify the regulations.

### "Railroads Need a Break"

C. J. Coughlin, president of the Brotherhood of Locomotive Engineers, writes in the union's weekly newspaper:

"There is no use pretending that the railroad industry is not in deep trouble. It is.

"It serves no purpose to avoid the uncomfortable admission that the industry which has served this nation so well for so long—and which has provided jobs and security for you and me—is facing perhaps the greatest challenge since the rails were joined that long-ago day at Promontory Summit, Utah.

"The challenge? How to continue operating in the face of staggering costs. It's that simple.

"The carriers say they are over-regulated. I think they are right. They say they need a break when it comes to setting rates. I think they are right. They say they need a break insofar as the tax burden is concerned. Again, I think they are right.

"There are those who say the only way out of the present dilemma is to nationalize the railroads. Let the Federal Government take them over and run them. I think they are wrong. Dead wrong.

"In my opinion, the free enterprise system is the best system, and when you consider the manner in which the Federal Government operates, you realize that nationalization of the rails would result in a massive bureaucracy that would cost the taxpayer millions upon millions of dollars to do something private enterprise can do more efficiently.

"What's to be done? The carriers have said it over and over again, and you've got to admit there is merit in their argument that the railroads deserve an even break with other transport modes when it comes to government assistance."

## Long Walk

Patricia Courson, a 5-foot-4 brunette, is a clerk in PC's

Car Accounting Department.

Her job is to audit interchange reports. These are records prepared by freight clerks and yard clerks, giving details of the move-

ment of freight cars coming on the Penn Central from other railroads, or moving from the Penn Central to other railroads.

Accuracy is essential, because these reports determine how much Penn Central must pay the other roads for use of their cars, and how much they must pay Penn Central for use of PC cars.

Pat Courson's job of auditing these records takes a lot of concentration at a desk. It doesn't take much walking.

Which is the point of this story.

When the March of Dimes recently asked for volunteers will-

ing to walk up to 20 miles to help raise money, Pat signed up "on the spur of the moment."

Fifty-eight PC employes in her building promised to contribute a dime for each mile. None thought she'd last the whole 20 miles.

But she made it.

"The last three miles were pure torture," she says. "And the next day, I couldn't move."

She collected \$116 from her sponsors, plus additional donations of \$9.

"It was a nice bundle," says Pat Courson. "The March of Dimes can make good use of it."



# PC PEOPLE



**HONOR AT SYRACUSE, N.Y.:** Here is Thomas H. Clement (left) receiving the Man of the Year Award from Thomas K. Turner, PC regional sales manager at New York. Mr. Clement, assistant manager of TrailVan sales at Syracuse, was honored for outstanding community relations achievement. He was chosen from among members of Railroad Community Service Committees in 17 Eastern cities. Mr. Clement heads up a speakers bureau made up of railroad employees who volunteer to give speeches on railroad problems and progress. He's also active in Scouting. Mr. Clement started railroading as a car checker at Windsor Yard, Ontario, in 1950, and worked as clerk, chief clerk and sales rep.

**CITATION AT RIDLEY PARK, PA.:** This Pennsylvania borough presented its Citation for Outstanding Community Service to Claude M. Alphin (right), PC passenger station agent. For the past 15 years, Mr. Alphin has been welcoming Christmas to the borough by decorating his station and arranging to have carolers on the platforms daily during the two weeks before the holiday. Then he makes it official by donning a Santa suit and riding a train from his home in Wilmington, Del., to Ridley Park. A fire truck drives him around town. He passes out gifts to children on the streets, and visits patients at the local hospital.



**RESCUE AT ST. JACOB, ILL.:** In the head end of Freight Train SP-6, moving east from Rose Lake Yard, Ill., Engineer R. F. Robbins and Fireman C. C. Robbins passed an auto upside down in a ditch. The auto looked empty. But to be sure, they radioed a following freight, CB-8A, and also radioed Block Operator J. R. Revis, at Smithboro, asking him to notify the sheriff.

When CB-8A reached the scene, Engineer George Muench stopped the train and got off with Fireman L. W. Reynolds and Trainmen C. V. Garriott and H. E. McFadden. They found a teen-age girl unconscious in the wrecked auto. They gave first aid till the sheriff and an ambulance arrived.

The girl, Darnise Kroner, 17, recovered after a hospital stay. Her parents credited the PC men with saving her life. The parents told the local newspaper they were "overcome by the compassion shown by the Penn Central crew. They have called almost daily to inquire about her condition."



**ECOLOGY IN BETHLEHEM TOWNSHIP, N.J.:** James B. Cullen is general foreman of the enginehouse and car department at Phillipsburg, N.J. Off the job he's deeply involved in civic affairs, serving as a member of the township planning board, and an official of the Disabled American Veterans.

Here he is working with "Citizens for a Better Bethlehem Township." The group sorts waste paper, cans and bottles, which are then sold to a recycling center. The money goes to the township to buy books for the Westport, N.J., school library.

"We're helping the ecology while helping the pupils," Jim Cullen points out. "All communities should have programs like this." (Photo courtesy the Eastern, Pa., Express.)

**COMPASSION AT PHILA., PA.:**

Mr. and Mrs. Michael J. Manning have a daughter, Gina, 8 years old. She is retarded. Their concern for her problems has led them to devote their spare time to aiding all retarded children. Mr. Manning, a foreman at Penn Coach Yard, and his wife Clare (photo, right) raise funds for a summer camp where retarded children can play and learn in a sympathetic atmosphere. The camp, now in its second year, uses public school grounds and is staffed by trained teachers and volunteers. Last year 84 children were cared for. "We receive no direct Federal funds, no United Fund money, no city money," Foreman Manning says. "We depend on the contributions of compassionate people."



## Recent Appointments

**SYSTEM OFFICES**  
**Engineering**  
 Gramenstetter, W. H. Resident Engineer, Harsimus Cove, N.J.  
 Johnson, R. D. Production Engineer—Track, Phila.  
 Klein, W. J. Asst. Production Engineer—Track, New Haven, Conn.

**Equipment**  
 Gaetano, R. Supervisor—Locomotive Performance

**Finance & Accounting**  
 Bergey, R. S. Asst. Controller—Revenue & Car Accounting  
 Brenner, W. D. Asst. Mgr.—Customer Accounting  
 Christy, P. P. Mgr.—Customer Accounting Procedure  
 Comley, C. III Asst. Controller—Expenditure Accounting  
 Conlon, D. M. Mgr.—Customer Accounting Center, Detroit  
 Dawson, J. J. Asst. Controller—Corporate Reports & Subsidiary Companies  
 Dougherty, D. H. Special Accountant—Ledgers  
 Faber, S. S. Supervisor—Billing & Collection, Detroit  
 Gore, W. R. Manager—Corporate Accounting  
 Green, J. E. Director—General Billing & Collection  
 Hoover, L. N., Jr. Manager—Customer Accounting Center  
 McClellan, E. M. Specialist—Non-Revenue Billing, General Accounting  
 Rosati, P. A. Cost Accountant  
 Samosuk, G. Senior Cost Accountant  
 Schweitzer, W. A. Asst. Manager—Car Accounting Operations, Buffalo  
 Stiteler, C. A. Asst. Controller—Personnel Accounting & Employee Benefits  
 Thomas, R. W. Asst. Controller—General Accounting  
 Wellmon, B. D. Assistant Treasurer  
 Wille, R. P. Director—Special Accounting Projects

**Labor Relations & Personnel**  
 O'Donnell, T. J. Examiner

Ruark, E. B. Examiner

**Legal Administration**  
 Borst, N. W. District Claim Agent, Altoona, Pa  
 Clements, J. K. Attorney, Pittsburgh  
 Heminger, J. C. Asst. District Claim Agent, Toledo, O.  
 Lopez, E. F. Asst. District Claim Agent, Albany, N.Y.

**Passenger Service**  
 DeGrange, J. E. Director—Customer Service  
 Millar, W. L. Director—Dining, Sleeping & Parlor Car Service  
 Reagan, R. J. Asst. Dir.—Dining, Sleeping & Parlor Car, Long Island City  
 West, F. K. Asst. Dir.—Passenger Train Operation

**Sales & Marketing**  
 Bullock, H. L. Mgr.—Market Development—Rubber & Machinery  
 Clement, T. H. Mgr.—TrailVan Sales—Intermodal, Buffalo  
 Duchesneau, A. R. Supervisor—Equipment Coordination  
 Flessner, D. R. Mgr.—Freight Service & Special Equipment, Pittsburgh  
 Goundrill, J. W. Supervisor—Automotive Service, Detroit  
 Huddleston, J. H. Mgr.—Pricing Services, Pittsburgh  
 Lenahan, M. T., Jr. Mgr.—Intermodal Services  
 McCusker, M. M. Supervisor—Freight Service, Detroit  
 Michaels, E. G. Pricing Staff Assistant, Chicago  
 Norwicke, A. E. Pricing Staff Assistant  
 Sanders, M. S. Mgr.—Market Development—Automotive  
 Schwartz, P. F., Jr. Asst. Director—Intermodal Services  
 Sheehan, T. R. Supervisor—Special Equipment, New York  
 Stacy, H. M. Mgr.—National Accounts—Automotive  
 Tyree, L. W. Mgr.—Intermodal Data Control  
 Walker, R. D. Director—Intermodal & Mail Services  
 Ziolkowski, D. J. Staff Assistant—Intermodal

Yuzwak, R. Asst. Manager—TrailVan Sales, Syracuse, N.Y.

**Secretary**  
 Craig, W. C., Jr. Mgr.—Stockholder Records  
 Hertz, P., Jr. Assistant Registrar of Bonds, New York

**Security**  
 Pendergast, T. P. Supervisor—Environmental Control

**CENTRAL REGION Allegheny Division**  
 Maisano, C. J. Asst. Supervisor—Track, Altoona, Pa.

**Pittsburgh Division**  
 Hendrickson, R. J. Terminal Trainmaster, Conway, Pa.  
 Lantelme, E. Supervisor—Track, Latrobe, Pa.  
 Ross, E. V. Asst. Supervisor—Track, Carnegie, Pa.  
 Sill, J. B. Asst. Division Engineer, Pittsburgh

**Valley Division**  
 Shilling, R. D. Trainmaster, Ashtabula, Ohio  
 Wyatt, E. D. Trainmaster, New Castle, Pa.

**EASTERN REGION**  
 Cordell, J. T. Regional Mechanical Supervisor—Passenger Cars, Phila.,  
 O'Toole, W. A. Superintendent Operations—Passenger, Phila.

**Harrisburg Division**  
 Formiga, T. General Foreman—Car, Phila.  
 Shoff, D. A. Division Engineer—Harrisburg, Pa.  
 Wile, R. M. Terminal Trainmaster, Enola, Pa.

**New Jersey Division**  
 Grimes, A. W. Division Engineer, New York  
 Heide, W. L. Asst. Supervisor—Track, New York  
 Toadvine, G. A. Asst. Superintendent—Passenger, New York  
 Tunnell, R. C. Supervisor—Crew Assignments, Newark, N.J.  
 Tyndall, R. P. Supervisor—Mail & Baggage, New York

**METROPOLITAN REGION**  
 Horvath, J. G. General Foreman—Car, New York (GCT)  
 McCarthy, M. J. General Foreman—Suburban Maintenance, Harmon, N.Y.  
 Renbarger, R. A. General Foreman—Car, North White Plains, N.Y.  
 Whitney, W. E. Master Mechanic, New York

**NORTHEASTERN REGION Buffalo Division**  
 Sullivan, D. F. Division Engineer, Buffalo

**New England Division**  
 Laird, E. D. Master Mechanic, New Haven, Conn.  
 Triebel, G. S. Division Engineer, New Haven, Conn.

**NORTHERN REGION**  
 Arney, R. I. Regional Budget Supervisor, Detroit

**Canada Division**  
 O'Leary, R. J. Division Engineer, St. Thomas

**Michigan Division**  
 English, W. J. Division Engineer, Jackson, Mich.

**PHILADELPHIA COMMUTER AREA**  
 Cox, C. W. Asst. Superintendent—Passenger  
 Hall, H. W., Jr. Superintendent—Suburban Transportation  
 Hoover, T. B. Industrial Engineer  
 Markel, J. Asst. Suburban Trainmaster  
 Reisenwitz, J. J., Jr. Suburban Trainmaster  
 Winegar, G. L. Industrial Engineer, Suburban Service

**SOUTHERN REGION Cincinnati Division**  
 Himler, A. E. General Foreman—Locomotive, Sharonville, O.

**WESTERN REGION Chicago Division**  
 Tomlinson, R. G. Asst. General Foreman—Locomotive, Chicago—59th Street

# The Emergency Board Reports on Crew Issue

On May 15, 1972, the Emergency Board presented its report on the disagreement between Penn Central Transportation Company and the United Transportation Union on the size of train crews in road and yard service.

At issue was Management's plan, under the Trustees' direction, to reduce the basic crew from a conductor and two trainmen to a conductor and one trainman, with protection of employment for the men involved.

The Trustees have informed the Reorganization Court that this change is one of the essential cost-reducing steps required to lift the Railroad out of bankruptcy.

The three-man Emergency Board, appointed by President Nixon on March 31, 1972, held hearings during April and May.

The record consists of nearly 1,700 pages of testimony, 55 exhibits, and closing briefs.

Films of railroad operations were shown. Two Board members, Frank J. Dugan and James J. Sherman, spent two days observing railroad operations in Washington, Baltimore and Buffalo. They were accompanied by representatives of the Railroad and the Union.

The Board chairman, Francis A. O'Neill, retired chairman of the National Mediation Board, conducted a series of discussions with representatives of the Railroad and the Union in an effort to find a means of resolving the dispute through mediation. These meetings did not produce an agreement.

The Board was due to present its report to President Nixon on May 1. However, because of the extensive record and the desire of the Board to observe railroad operations and conduct discussions with the parties, the Railroad and the Union agreed to an extension to May 15, 1972, which President Nixon approved.

The Board's report, presented on that date, reviews the background of the crew-consist issue and the history of the negotiations, and concludes with a Discussion of the problem and eight Recommendations.

The Discussion and Recommendations are presented below in the Board's language.

## DISCUSSION

Although the hearings in this case produced a myriad of conflicting evidence and argument, there was one proposition or opinion about which the parties expressed complete

agreement. They both stated repeatedly that the crew consist issue could and should be resolved by collective bargaining.

As might be expected, there were differences of opinion to explain the lack of progress in the bargaining which preceded this hearing.

The Carrier introduced testimony that the Union obstructed the bargaining process by the introduction of mostly unrelated issues causing the Mediation Board to be bogged down in procedural problems. It also charged that the Union would never bargain seriously over the elimination of jobs without the pressure of terminal procedures.

On the other hand, the Union presented evidence to prove that the Carrier never gave the bargaining process a chance; it rushed through its bargaining obligation with no intent to seek agreement and sought only to set the stage for a legislated solution to this dispute.

An examination of the record leaves no doubt that, for whatever reason, little serious bargaining has taken place to date. Because of this fact, and since both parties appear to be willing to give bargaining another try, this Board proposes that this opportunity be made available.

However, in an effort to avoid another premature impasse, future bargaining efforts are to be given a simple but somewhat novel assist. The Board will attempt to expedite the bargaining process by revealing in this report its conclusions based upon a careful examination and evaluation of all evidence and arguments.

Being thus aware of the Board's conclusions, it is anticipated that the parties will limit their efforts in negotiation to issues with obvious merit. In addition to revealing its conclusions, the Board will recommend a procedure designed to give the parties additional incentive to meet and confer in a sincere effort to reach agreement.

From the array of evidence, argument, opinion and other information made available to the Board, including the observations made by Board members in on-site inspection of railroad facilities, it concludes that consistent overmanning exists in some areas and some relief should be provided to the Carrier.

However, it believes that management

should not have the unilateral right to determine the size of crews. Nor is it entitled to a system wide crew consist rule of one conductor and one brakeman because the duties of crews differ so much from time to time for varying reasons. Furthermore, it is obvious that on parts of this road, crews of one conductor and two brakemen, or perhaps more, are necessary. Management so acknowledged.

This diversity of operations makes the degree of overmanning, and specific instances thereof, impossible to determine in a proceeding such as this. Such determinations can be made, and in many cases are already known, only by the individuals directly involved, the Carrier and Organization representatives at the local level.

The Carrier raises the additional point that its bankruptcy is a central issue in this dispute and that eliminating the cost of overmanning is indispensable to the successful reorganization of Penn Central.

The Board agrees that overmanning is one of the circumstances which contributes to the Company's unprofitability.

This does not mean that this Carrier should be given preferential treatment in the form of reducing operating expenses simply because it has experienced financial difficulties. The Board would make no such decision based purely on the Carrier's ability or inability to pay.

However, it does recognize that there are circumstances associated with the operation of Penn Central which differentiate it from every other carrier and that these differences justify a greater sense of urgency. Among these circumstances are extraordinary operating costs resulting from the operation of the railroad in the highly industrialized eastern sector of the country with terminal intensive operations and numerous short hauls.

All these factors appear to result in a highly labor intensive operation on the Penn Central calling for unique remedies.

Bearing on the issue of whether a crew consisting of a conductor and two brakemen constituted overmanning, the Organization testified that such crews were necessary to provide safe operations and avoid undue work loads, thus protecting the lives of employees and the public as well as the property of the railroad.

In countering this argument the Carrier produced testimony regarding various technical devices which either replaced or immensely improved upon the traditional visual inspection to prevent road accidents. For example, yardmasters control humping and classification operations with the use of radios and remotely controlled automatic switches and retarders. Hotbox detectors and dragging equipment detectors reduce the need for visual inspection by train crews. And the extensive use of radio communications clearly increases the safety of operations and reduces the work load of employees.

Statistical evidence, also bearing on the issue of safety, was produced by both parties. The Organization argued that its evidence proved one-and-one crews to be unsafe. However, this evidence which basically showed an increase in train accidents and employee injuries during the period when carriers were operating with reduced crew size, was found to be inconclusive because, as the Organization's witness acknowledged, there were numerous other variables which could not be isolated from the statistical record and these could have been contributing factors to accidents and employee injuries.

On the other hand, the Carrier presented statistical evidence which was more specific and, hence, more persuasive. This evidence, the experience of other railroads which operated over an extended period of time with one-and-one crews, revealed no increase in accidents or employee injuries directly attributable to reduced crew sizes.

To demonstrate that the presently utilized crew of one-and-two is unnecessary, the Carrier prepared and presented a number of job studies. These studies which the Carrier represented as typical consisted of a descrip-



The members of the Emergency Board were Frank J. Dugan; Francis A. O'Neill, the chairman; and James J. Sherman.

Continued on Page Six

tion of the tasks performed by a single crew on a single day.

The Board does not agree that a one-day study can be taken as representative of crews generally, because management has such complete control of the crews' activities and because of other factors affecting traffic such as the state of the economy, the day of the week, the season of the year, and weather conditions.

Finally, it should be recognized that a decline in employment is not inevitable. Quite the contrary, with a successful execution of the plan for reorganization and with a general expansion of business already occurring on the Penn Central, there is reason to assume that employment opportunities will actually increase in the near future.

## RECOMMENDATIONS

Accordingly, the Board makes the following recommendations:

(1) The parties should begin bargaining im-

mediately at the local level on the crew consist problem.

(2) Safety and unreasonable workload should be the criteria used by the parties to bargain.

(3) The Carrier should not be required to hire new trainmen for the sole purpose of achieving a literal compliance with the current crew consist rule.

(4) Agreements reached on specified crews should be placed into effect immediately.

(5) The parties should submit reports to this Board on September 15, 1972, and December 15, 1972, describing the number of crews discussed, the number of agreements, and the number of instances of disagreement.

(6) This Board shall reconvene on January 4, 1973, to ascertain whether satisfactory progress has been made toward the solution of the crew consist problem. No hearing *de novo* shall be held at that time. In the event the parties have failed to reach agreement the Board will recommend in a final report an ultimate solu-

tion within ten days thereafter. This recommendation will be based upon a consideration of the progress the parties have made in bargaining since May 15, 1972, as well as the entire record before this Board.

(7) Pending this final report by the Board, and for ten days thereafter, the parties should preserve the *status quo*. That is the Carrier shall refrain from promulgating a new crew consist rule and the Organization shall withhold strike action or other activity designed to achieve economic pressure.

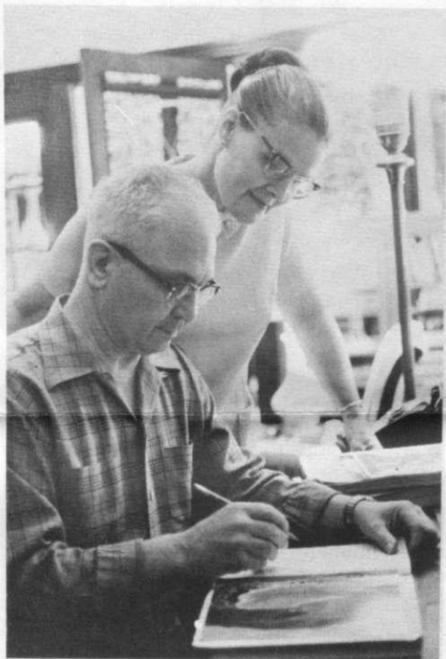
(8) These recommendations, if accepted by the parties, should be consummated by a stipulation to that effect.

(Editor's Note: Employees who would like to have the complete 24-page report, which contains the history and background of the crew consist issue in addition to the portion reprinted above, may obtain a copy by writing to the Editor, Penn Central Post, 1040 Six Penn Center, Phila., Pa. 19104.)

## THE GRADUATE

Most kids graduate from grammar school and enter high school three months later.

For Lawrence J. Davis, it was 41



Conductor Larry Davis prepares for final exams with encouragement of wife, Ellen.

years later.

Last month, in cap and gown, he received his high school diploma.

He was 60 years old.

"It's something I've been dreaming about and talking about a long, long time," says Larry Davis, a passenger conductor with 31 years' service on the PRR and the Penn Central.

"Getting a high school diploma won't advance me in my work—won't mean anything to anybody, except me. It's something I had to do for my personal satisfaction."

The normal progression of Larry's life was interrupted by the premature death of his father when Larry was 3 years old. The mother was widowed with three young children. As soon as they were old enough, they had to find work.

Larry got an after-school job in a grocery, starting at 50 cents a week. He continued working there until he finished the eighth grade. Then he dropped out of school to work full-time for a grocery chain. By the time he was 17, he was working as a store manager—the youngest in the chain.

In 1941, with the boom in railroad employment, he got a job as a freight

brakeman. He later went into passenger service, and in recent years has been working on commuter locals between Wilmington, Del., where he lives, and Philadelphia.

There is one son, Larry, Jr., a PC locomotive engineer. He and Mrs. Davis are high school graduates.

"I always felt bad being the only one in the family without a diploma," Larry, Sr., says.

"Four years ago, I made the decision—it was now or never. My wife was tickled. She knew it would disrupt our lives, but she wanted me to do what I'd been talking about for so many years."

He enrolled in a special high school program for adults—four hours a night, four nights a week. His commuter train schedule included a 3-hour layover at Wilmington, which gave him time to study. His daily dinner was a sandwich eaten between classes.

A year ago, a gall bladder operation caused him to miss schoolwork; and this year, a month before the end of the term, he had a mild heart attack which has confined him to his home.

Despite that, he completed his work.

Under doctor's orders, he couldn't attend his graduation. So Principal William V. Kehoe came to the Davis home (20 W. 35th St., Wilmington, Del. 19802) and presented the diplo-



If Larry can't go to the graduation, the graduation comes to Larry. Principal W. V. Kehoe brings diploma to the home.

ma to Larry.

The principal's notations on the school record included these two items:

Lawrence Davis finished eighth in a class of 61 students.

He was the oldest student in the class.

## A Letter for John Carroll

One of the last letters written by J. Edgar Hoover was addressed to John Carroll.

Mr. Carroll is a passenger sales representative at Pennsylvania Station, New York. He has 31 years in passenger service, mostly with the former New Haven Railroad.

He's an outgoing sort of fellow who finds great zest and satisfaction in helping customers.

Like one day when he personally escorted a group of Italian tourists to a train. Walking through the waiting room, he noticed the 77-year-old director of the FBI sitting on a crowded bench with his chief aide, Clyde Tolson.

John Carroll escorted them to their train, too.

A few weeks earlier, Mr. Carroll was riding the Washington-bound Metroliner when the train was slowed by mechanical trouble. As it happened, Mr. Hoover was in the club car. Mr. Carroll went to him, told him he was going to notify the railroad

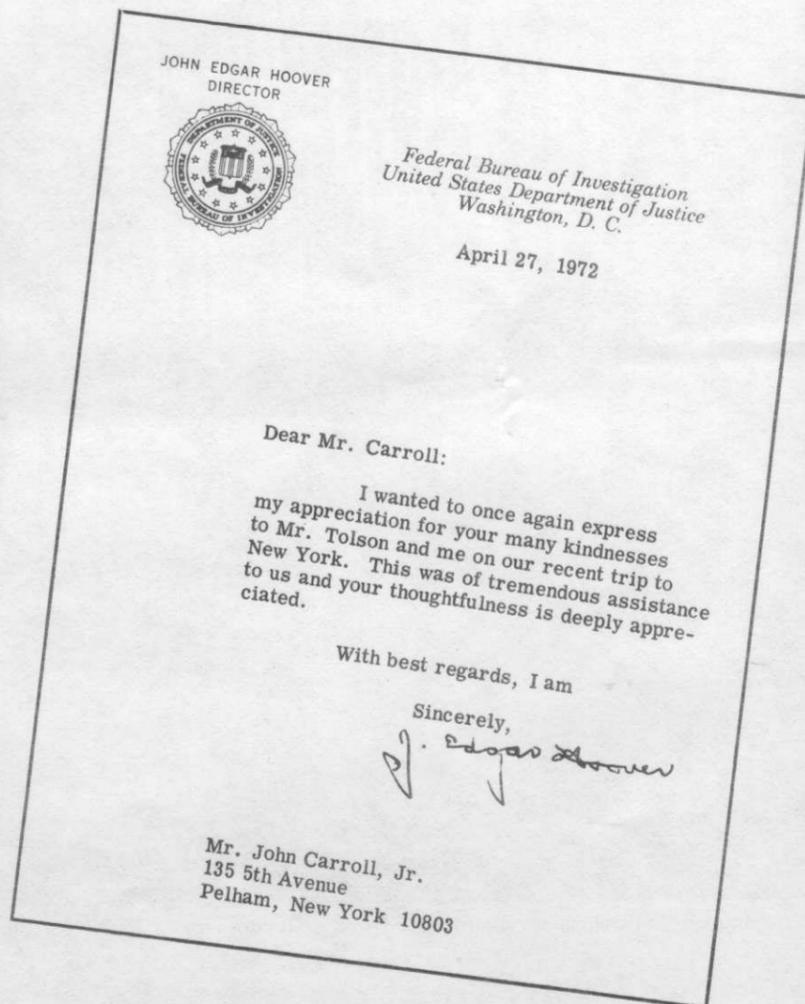


office about the trouble, and offered to have word passed on to FBI headquarters about the delayed arrival at Washington.

Mr. Hoover was very appreciative.

One day not long afterward, a letter of appreciation plus an autographed photo of J. Edgar Hoover arrived at John Carroll's home.

The letter was dated April 27, 1972. Mr. Hoover died five days later.



# Special low rates at top New York hotels

While families across the country are discovering that their vacation dollar is buying less this year, Penn Central families can enjoy savings at the world's most visited city, New York.

Special low rates have been announced for Penn Central employees and their families at four leading hotels affiliated with Penn Central.

The special rates represent savings of 25 to 50 percent.

An employe and spouse pay as little as \$15 a day for a double room at the Biltmore, Roosevelt and Commodore Hotels.

One or two children under 14 may share the room free.

At the fashionable Barclay Hotel, Penn Central families can have a luxurious two-room suite, suitable for two adults and a child, for only \$20 a day. A larger suite is available

for \$24.

These special rates are available any day in the week, until Sept. 15; and on weekends during the remainder of the year.

Penn Central employees, active or retired, may obtain these rates by simply showing their railroad pass at the front desk.

"And it's easy to make your reservation," said Frederick W. Rovet, president of Realty Hotels, Inc., a Penn Central subsidiary.

"Just dial 1-800-221-2690 from anywhere in the United States, except for New York State, where residents should dial 1-800-522-6449.

"Those calling within New York City should dial 340-2776."

The four hotels, extensively redecorated, are in the heart of New York's theatrical and shopping districts, and have a total of 5000 guest rooms and 16 restaurants and cock-



The Commodore is the first hotel where you can order first-run movies for your room.

tail lounges.

Each of the hotels is noted for individual distinctions, Mr. Rovet pointed out.

The Biltmore at Madison Avenue and East 43rd Street, an elegant gathering place, now provides a men's Spa where steam baths, a swimming pool and exercise equipment are available at nominal cost.

The Roosevelt, at Madison Ave. and East 45th Street, is where the famous Jazz-at-Noon group plays every Friday afternoon. Scenes from the Academy Award movie, *The French Connection*, were filmed in this hotel, and Barbra Streisand was there recently filming a new movie.

The Barclay, on 48th Street east of Park Avenue, is a favorite of the socially prominent, and serves as headquarters each year for the Miss America Contest.

The Commodore, Park Ave. and 42nd St., hosts many national gatherings, and now provides your own private movie theater. It's the first hotel in the world where guests may call the front desk and order from a library of new first-run motion pictures to be shown in their room at their convenience.

"So conveniently located are these four hotels," Mr. Rovet added, "that a great portion of the vacationer's sightseeing can be done on foot.

"The United Nations, Rockefeller Center, St. Patrick's Cathedral, the glamorous shops of Fifth Avenue, Broadway theaters and restaurants



The Barclay, one of New York's most elegant hotels, is famed for gourmet dining.

and other world-famed places are within walking distance.

"Subways and buses, as well as taxis, are available to take you to Wall Street, Lincoln Center, Metropolitan Museum, Greenwich Village, Chinatown and other attractions.

"I would like to mention, finally, one of the best buys anywhere in the world. It is the ferry ride from Lower Manhattan to Staten Island, providing a breathtaking view of the New York skyline during a leisurely half-hour cruise. The cost is exactly five cents!"



Decor and menu are British in the Roast Beef Room at the popular Roosevelt Hotel.



Hotel folk say more than a quarter million couples have made dates to meet at the famous Clock in the Biltmore Hotel.

## "The cooperation and effort of a large number of Penn Central people"

Locomotive engineers, trainmen, yardmasters, yard clerks, freight station clerks, car inspectors, car repairmen, keypunch operators, signalmen, trackmen, machinists. . .

These and many others have a hand in providing railroad service.

So when R. A. Stringer, Vice President of General Foods Corporation, sat down to write

a letter of appreciation for Penn Central service, he had to generalize in giving credit.

Mr. Stringer wrote to President Moore:

"As someone who has done his share of complaining about poor service, I would like to go on record with you concerning the dramatic improvement in the service that Penn Central has provided to General Foods,

particularly during the latter half of 1971.

"As you probably know, we keep a pretty detailed record of actual versus scheduled transit times and it's been a real pleasure to see these figures for Penn Central climb out of the 60% range to the 90% or higher level.

"This improvement is important to my company because it means better service to our customers as well as less inventory tied up in rail cars. In addition, it means that the fleet of grocery cars assigned to GF is working harder and earning more revenue for Penn Central.

"I am very much aware that the cooperation and effort of a large number of Penn Central people was needed to bring about the dramatic service improvement which we have experienced.

"I hope you will share our sincere appreciation with others in your organization who contributed to the overall result."

Mr. Moore replied in behalf of Penn Central people:

"For over a year and a half we have been stressing the type of service improvement that prompted you to write.

"I am pleased that we have been successful and shall share your kind remarks with those



Discussing rail service are L. E. Schmitt, PC district sales manager; James P. Lisa, General Foods district sales service manager; and J. H. Yingst, warehouse manager.

responsible.

"Your business is appreciated, and we will continue our efforts to maintain the improvement you have noted."

PC people serve General Foods plants and distribution centers at Lafayette, Ind.; Battle Creek, Mich.; Kankakee, Ill.; Dover, Del.; Newark, Del.; Blue Ash, O.; Boardman, O.; Indianapolis, Ind.; Liverpool, N.Y.; and Readville, Mass.

Conductor Raymond M. Edwards signals to Locomotive Engineer William T. McClarity as they switch loaded cars out of General Foods distribution Center in Newark, Delaware.





Mr. Moore addresses Labor-Management gathering. At table with him are: J. E. Yost, president, Railway Employees Department (Shop Crafts); J. B. Addington, PC vice president-operation; Paul Funkhouser, PC senior vice president-sales & marketing; F. T. Gladney, vice president, Electrical Workers; E. L. Claypole, asst. vice president-opn., east; Fred Kroll, Railway Clerks; and E. P. Frasher, asst. vice president-operation, west.

# President Moore meets with Labor Officials

**L**abor and Management typically meet on opposite sides of the bargaining table.

They met on the same side, one day last month.

The occasion was a luncheon meeting hosted by President William H. Moore at Philadelphia.

The purpose, he said, was "to discuss our problems in an atmosphere of mutual concern for our employees as well as our railroad."

Present were national officers and general chairmen of 20 unions representing non-operating employees of the Penn Central. (Officials of the operating unions—Brotherhood of Locomotive Engineers and United Transportation Union—had met with Mr. Moore at a luncheon earlier this year.)

"Penn Central has made great progress in restoring service and regaining the confidence of shippers," Mr. Moore said.

"This is due in no small part to the efforts of our employees.

"In many cases, these efforts have been extraordinary in scope, and have resulted in not only better customer relationships but also improved understanding between employees and supervisory people.

"There is, however, still much ground to cover to solidify our employee-management relations on the Penn Central."

Toward that end, he said, he had distributed a letter to all employees, setting forth Penn Central's employee relations policy. (The letter is reprinted on the next page.)

Mr. Moore said that all supervisory people will be held responsi-

ble for carrying out this policy to assure fair treatment of employees.

But fair treatment of the Railroad by the employees is also essential, Mr. Moore emphasized.

"Good will, understanding and conscientious effort on the part of all Penn Central people—including their representatives—is a necessity," he said. "We can avoid many problems by working in a cooperative spirit, as opposed to working under conditions of dissension."

Seated at the head table with Mr. Moore were the following union officials:

Fred Kroll, General Chairman, Brotherhood of Railway, Airline and Steamship Clerks; F. T. Gladney, International Vice President, Brotherhood of Electrical Workers; J. E. Yost, President, Railway Employees Department AFL-CIO (Shop Crafts); C. J. Chamberlain, President, Brotherhood of Railroad Signalmen; J. R. Tipton, President, American Railway Supervisors Association; E. V. Attreed, Vice President, Transport Workers Union; and Fred Wurpel, Vice President, Brotherhood of Maintenance of Way Employees.

Seated with them were the following Company officials:

A. P. Funkhouser, Senior Vice President-Sales & Marketing; J. B. Addington, Vice-President-Operation; J. A. McDonald, Vice President-Staff; Basil Cole, Vice President-Legal Administration; M. P. Richards, Vice President-Purchases and Materials; E. L. Claypole, Assistant Vice President-Operation, East; E. P. Frasher,

Assistant Vice President-Operation, West; and G. F. Daniels, Senior Labor Relations Officer.

Other Company officers were seated with union general chairmen at tables filling a large dining room in the Holiday Inn, Philadelphia.

After Mr. Moore finished his speech, he invited questions or comments from the general chairmen. Here are some of the things they said and Mr. Moore's replies.



**Roy Granata, International Representative, Transport Workers Union:** "We're very optimistic about the labor relations program you distributed to the employees. I can assure you that our organization will do everything possible to make it work. We want this company to prosper and make money, because at some point in the not too distant future, we want to come to you and ask for a share in that prosperity."

**Mr. Moore:** "I appreciate your expression of support. But I must say we're still a long way from prosperity. Despite the outstanding improvements we've made in service—and many shippers testify to that—our freight volume is running behind last year's. We need more business. That's our biggest problem. I would appreciate anything you men can do to help us get more freight."

**Dan Murphy, General Chairman, Lighter Captains Union:** "What is the future for marine and lighterage operations in the Port of New York and the employes involved?"

**Mr. Moore:** "I'm sorry to say the future is not good—we've been losing money hand over fist in lighterage service. When you can't get enough out of an operation to break even, you've got to do something about it. We asked the Interstate Commerce Commission to approve proper charges for lighterage service, but we were granted only half of what we asked for. Freight that was formerly floated to and from Long Island is now being moved by the land route along the Hudson. As for employees involved, I want to emphasize that we will comply with agreements regarding protection of employees."

**C. F. Connell, General Chairman, Sheet Metal Workers** (photo above,



right): "What has happened to our apprenticeship program—how are we going to develop new journeymen in the shopcrafts? And another question: In regard to safety, we make complaints about certain conditions and we're told you can't do anything about it, because of the bankruptcy."

**Mr. Moore:** "On the matter of shop apprentices: At a time when we don't have enough work for all the people we have, it doesn't make sense to be taking on new apprentices. This applies to management trainees, too. We used to have 80 or 90 of these on our property. Now we have two or three.

"As for improving the conditions on our property, we're doing as much as we can—and more than the previous management did. In 1971, we spent more money than we did in 1970 to improve the property from the standpoint of efficiency and safety. There are many places that need attention, and we'll get to them as soon as we can, within the limit of our finances. I don't have a magic wand enabling me to do everything at once."



**J. C. Lindo, Local President, Food Workers:** "Is there any possibility of restoring full pass rights to retirees?"

**Mr. Moore:** "I have argued strongly in the Amtrak committee for pass privileges. I anticipate that new legislation dealing with Amtrak will take care of the pass privileges of retired employees."

**J. J. Morrissey, District General Chairman, Railway Supervisors Association:** "This is the first time in five years I've seen a meeting like this. I think there ought to be the same kind of thing at the regional level—a closer association by railroad officials and supervisors with the Labor representatives."

T.J. Ryan, PC manager-labor relations, welcomes L. H. Greene, Jr., eastern zone supervisor, Sleeping Car Porters; and J. M. McGrath, general chairman, Dining Car Employees.



Mr. Moore: "I agree."

**J. M. McGrath, General Chairman, Dining Car Employees:** "To what extent is Amtrak improving the financial situation in passenger service?"

**Mr. Moore:** "On a full-cost basis, we were losing about \$100 million a year in intercity passenger service, in addition to about \$30 million in commuter service. We hoped that Amtrak would reimburse us on a full-cost basis, but Amtrak is paying us only what is called above-the-rail costs, such as crew wages, maintenance of equipment, dining car costs—plus a 5 percent override. But this is not anywhere near enough to cover the cost of maintaining the tracks, block tower operations, signals, and so forth.

"On the busiest Amtrak route, between Boston and Washington,

the major portion of our maintenance costs is for passenger service, not freight, and we aren't being properly reimbursed by Amtrak. An essential part of our reorganization plan is to obtain full payment for the facilities we maintain and the operations we perform for passenger service."



**H. E. Wishart, General Chairman, Signalmen:** "I have one division in which the signalmen have

gone down from thirty men to ten. All those laid off happen to be unprotected employees. Other divisions are better staffed with protected employees. Is it your intention that there will be no more unprotected employees?"

**Mr. Moore:** "Where we find we have to make force reductions, we prefer to make them among unprotected employees—those most recently hired. That seems to me the most fair and reasonable way. But we are not terminating employees whose work is needed.

"Where we have employees whom we don't need but who are covered by the Merger Protective Agreement, we are retaining them on the payroll. Right now we are paying about \$500,000 a month to such employees. I intend to see that we live up to this Agreement and in-

deed all our working agreements.

"I must emphasize that what we need to do to get more jobs is to get more business. I hope I've gotten that message across to you."



After meeting, Mr Moore chats with C. J. Chamberlain, president, Brotherhood of Railroad Signalmen; J.R. Tipton, grand president, Railway Supervisors Association.

## Penn-Central Policy on Employee-Management Relations

### TO MY FELLOW EMPLOYEES:

Often, since I have been associated with Penn Central, employees have written or talked with me about employee-management relations. Sometimes they have been critical and sometimes they have expressed approval. Always, they have made it very clear that they feel strongly about the importance of the right kind of relations between the Company and its employees.

I wholeheartedly share their conviction. The quality of our employee-management relations will be a major factor in determining the success of our Company. With the Trustees just having submitted a plan looking toward the long-term future of our railroad, it is time for straightforward discussion of our employee-management relations.

No business is likely to succeed unless there are open communications between employees and management. Nor will it succeed unless there is general agreement between them on the Company's goals and what must be done to reach them. A proper starting place is to clearly state our railroad's policies on employee-management relations.

They are based on recognition of two things. One is that in the long run, both employees and management have the same stake in the success of the Company. The other is that each of us is a person of dignity and responsibility, with a desire to do a good and useful job and to be respected.

On this basis, it is the employee-management relations policy of our railroad:

- To treat employees fairly, openly, and honestly,
- To expect employees to do a good job, living up to the obligations of their assignments, cooperating with their fellow employees, protecting the Company's property, and representing the Company well,
- To inform employees about the Company and its affairs as fully and promptly as practicable,
- To bargain fairly with representatives of employees, recognizing the interests of active employees as well as the objectives of the Company,
- To comply fully with the provisions of agreements with organizations representing employees,
- To manage in such a way that cause for real grievances will be minimized,
- To listen with respect to legitimate grievances and do everything practicable to rectify them,
- To administer discipline, when discipline is necessary, in a fair, impartial, and objective manner,

- To comply with laws regulating collective bargaining, working conditions, and employment,

- To afford employees the opportunity to advance on the basis of their individual abilities, skills, knowledge, and performance, and without regard to their race, color, national origin, sex, age, or religion.

These are sound policies which aim for a high standard for employees and their representatives as well as management.

There will be times when that standard will be difficult to maintain under the pressures of day-to-day operations. Nevertheless, it will be the continuing responsibility of all managers and supervisors to observe and apply these policies. In addition, they will be expected to deal with problems where the problems are, working directly whenever possible with individual employees and with local employee representatives on local issues.

At the same time, good employee-management relations are a two-way street. They are the product of goodwill, understanding, and conscientious effort on the part of employees and their representatives as well as management.

As we improve these relations, we should not expect that disagreements will end and grievances disappear. As long as there are people working together in organizations such as ours, mistakes will be made and there will be times when we won't see eye to eye. But these situations can and will be surmounted if both sides act in the spirit of partners in search of solutions.

We have made a great deal of progress. Our service is better. We have recaptured traffic and developed new business. We have slimmed down and simplified our management. Although we are still operating at a loss, our operating results have sharply improved. Yet our railroad is still in a difficult and uncertain situation.

I continue to be confident that we—employees and management—can rebuild our railroad to its proper stature as a profitable enterprise, offering long-term security and opportunity to employees. Our Company's employees at all levels are capable of the task, and these employee-management relations policies can serve as well as a good basis for success.

You can count on my support to the end that everyone is treated fairly in these matters, and I hope I can count on your understanding support for the program outlined.

To make this work will require two-way cooperation, and I am going to see that all of our supervisory people from the top to the bottom are fully aware of all the implications of this policy. They, of course, will expect, and I hope receive, in turn, your help in making it work.

With best wishes,

Sincerely,

William H. Moore  
President and  
Chief Executive Officer

# OPEN LINE

**FINANCIAL REPORT**—The Trustees of Penn Central Transportation Company reported a net loss of \$79,685,792 for the first four months of 1972. This was \$27,940,844 less than the loss for the first four months of last year—\$107,626,636.

The figures are reported in accordance with regulations of the Interstate Commerce Commission, and include provision for certain rents, taxes and interest payments which are not being paid, having been deferred by order of the Federal Court in charge of the reorganization.

"The railroad has maintained the trend of consistent improvement in financial results from ordinary operations for each of the last six months, compared with the same month of the previous year," the Trustees said.

For the month of April, 1972, the net loss on a fully accrued basis was \$14,509,865, compared with a loss of \$15,085,254 for April, 1971.

Freight revenue in April, 1972, totaled \$137,614,773, down about \$2 million from the April, 1971, figure. Carloadings declined 7 percent, but net ton miles were down only 2.4 percent, reflecting longer hauls and heavier loading of cars.

Penn Central's share of the rail freight volume of the Eastern District rose to 36.3 percent this year through April 15—up from 33.9 percent for the similar period of 1971.

The Trustees reported an improvement in the operating ratio (the percentage of operating revenues consumed by operating expenses). For April, 1972, the ratio was 83.04 percent—the best for any April in five years. The operating ratio for April a year ago was 86.34 percent. For the four-month period, the ratio was 86.0 percent, compared with the 91.26 percent of the first four months of 1971.



**HUDSON AND HARLEM LINES**—New York's Metropolitan Transportation Authority assumed financial responsibility on June 1 for commuter service on the Hudson and Harlem commuter lines.

Federal Judge John P. Fullam, in charge of the reorganization of Penn Central Transportation Company, rejected a takeover plan last November, but has approved the new plan because it better protects the interests of the railroad's creditors.

Penn Central's Metropolitan Region will continue to operate the two lines, and the Metropolitan Transportation Authority will make up the deficits. The employees providing the service remain Penn Central employees.

The court order enables the Metropolitan Transportation Authority to put into service 48 new cars and to resume construction of high-level station platforms.

In photo, Dr. William Ronan, chairman of Metropolitan Transportation Authority, and PC Trustee George P. Baker sign agreement in the former New York Central board room.

**RATE INCREASE IS STYMIED**—A freight rate increase averaging 4½ percent, which the railroads say is urgently needed to help meet increases in wages and other costs, has been held up by the Interstate Commerce Commission. The Commission had permitted the railroads to file the increase to go into effect May 1, but suspended it for further study.

The ICC suspended the increase after C. Jackson Grayson, chairman of the government's Price Commission, suggested that the rate increase be

held up to permit a study of its possible effects on the national economy.



**NEW UNION STATION**—The renovated Union Station at Chicago was formally dedicated last month. Located beneath a new 35-story office building, the new station doesn't have the grand dimensions of its predecessor, but is designed for greater comfort and convenience with modern lighting, air conditioning, new food services and an array of shops.

Shown at the ribbon-cutting are Thomas H. Coulter, chief executive officer, Chicago Association of Commerce and Industry; Milton Pikarsky, commissioner, Chicago Department of Public Works; and J. M. Gilmore, president, Chicago Union Station Company.

**SAFETY IMPROVES**—A 19 percent improvement in safety performance was achieved by Penn Central people in the first four months of 1972. The rate of reportable injuries was 7.5 per million man-hours of work, compared with 9.28 during the first four months of 1971.

The Canada Division led all 19 Penn Central Divisions, with only one injury during the first four months of 1972.

The Divisions scoring the greatest improvements over their own 1971 records were: Michigan, with 63 percent improvement; Toledo, 60 percent improvement; Chicago, 50 percent; New Jersey, 46 percent; Allegheny, 45 percent; Detroit, 38 percent; Mohawk-Hudson, 37 percent.

**COMMUTER CAMPUS**—The possibility of college instruction for commuters as they ride to work is being studied by Penn Central in cooperation with Fairfield University and Commuter Educational Services, Inc.

Questionnaires to determine the interest in such a program have been distributed on several early-morning trains carrying commuters from Connecticut points to New York City.

"We will be happy to cooperate in such a program, if the demand is there and if the program can work into our regular passenger operations," said Leonard W. Maglione, director of passenger service for PC's Metropolitan Region.

The classes would last from 45 to 60 minutes each, and therefore could be used only on trains originating east of Stamford, Conn. Courses would be drawn from the Fairfield University curriculum and taught by university instructors.

**THE DEFERRED TAXES**—When Penn Central Transportation Company filed for reorganization under the Bankruptcy Act in June, 1970, the U. S. District Court issued an order deferring payment of State and local property taxes. New York and New Jersey, seeking payment of the overdue taxes, appealed to the U. S. Circuit Court, but that Court affirmed the District Court's ruling. The two States then appealed to the U. S. Supreme Court. Last month the Supreme Court declined to hear the appeals, thus leaving the District Court's order in effect.

**AMTRAK FINANCES**—The National Railroad Passenger Corporation expects to report a loss of \$154 million on Amtrak operations for the 12 months ending June 30, 1972; and a smaller loss, about \$124 million, for the following 12 months, said Roger Lewis, president.

He found encouragement in the figures for the first quarter of this year, when Amtrak revenues rose 8 percent above the budgeted level.

"It is too soon to draw any sweeping conclu-

sions from these figures," Mr. Lewis said, "but I do feel that this gives us a solid basis for hope, if not downright optimism, that we have turned the corner."

**AT THE GATE**—Collection of tickets at the station gate, rather than on the train, started last month on three trains running from Grand Central Terminal, New York, to points on the New Haven commuter line. This method has been in effect for several years on Penn Central's Hudson and Harlem lines. Passengers must have their tickets to show the collector before reaching the gate. Tickets will not be sold at the gate or on the train.

**THE PARENT COMPANY OBJECTS**—Archibald DeB. Johnson, president of Penn Central Company, announced objections to the Plan of Reorganization filed by the Trustees of the Property of Penn Central Transportation Company because, he said, it does not protect interests of Penn Central Company shareholders.

Penn Central Company is the parent company of Penn Central Transportation Company. The stock held by public shareholders is stock in the Penn Central Company, which, in turn, holds all the stock of Penn Central Transportation Company. However, the property of the Transportation Company is now held by the Trustees, subject to the control of the U.S. District Court in charge of the reorganization.

Mr. Johnson stated: "We continue to support fully the Trustees of the Transportation Company in their objectives of (a) removing unnecessary trackage, (b) eliminating unnecessary labor costs, and (c) receiving full compensation for operation of passenger service. However, the rights of the approximately 140,000 holders of Penn Central Company common stock will, of course, be vigorously asserted.

"In this connection, shareholders should realize that the most significant assets of the Penn Central Company are its ownership of all the stock of Penn Central Transportation Company and the possible value attributable to the tax losses which may flow from the continued ownership of that interest in a reorganized company.

"At this point, however, the Trustees have made no provision whatsoever for the equity interest of the common stockholders of Penn Central Company; indeed there is specific evidence that there is no intention at this juncture to provide for any such protection.

"In view of this, we are determined to oppose the Plan of Reorganization presently on file.

"At the appropriate time, we intend to submit to the Court an alternative Plan of Reorganization which, to the fullest extent possible, provides for the interests of the common shareholders of Penn Central Company."



**SCHOLARSHIPS FOR SCOUTS**—Boy Scouts who have a merit badge in railroading are eligible to compete for scholarship grants awarded by the Railway Progress Institute. The competition consists of writing an essay on "Why Railroads Are Important to the Nation," and presenting the essay through Scout and school meetings or local publications.

The awards will be \$1500 for first place, \$1000 for second place, and \$750 for third place; plus 21 runner-up awards of \$25 U.S. Bonds.

In the photo is the first-place winner for 1971, Gordon A. Whiting III (son of PC's manager—cash statistics), shown being congratulated by Congressman John H. Ware, of Pennsylvania.

For information and entry forms, write to Railway Progress Institute, Suite 712, 1140 Connecticut Ave., N.W., Washington, D.C. 10036.

# Amtrak's First Anniversary

Amtrak is moving into its second year of operation with service improvements and expansions.

A completely refurbished Broadway Limited is now in service, and five more renovated trains are due to be ready in time for the summer travel season.

Metroliner service has been expanded from 12 to 14 round trips



Patty Saunders, Amtrak passenger service representative, gives souvenir button to passenger on gala trip of The Broadway.



Don A. Langford, organist at New York's Plaza Hotel, entertains passengers on the first run of the refurbished Broadway Ltd.

daily. A Metroliner now leaves New York and Washington hourly all through the day.

For the first time in 14 years, there is now through service between New York and Los Angeles.

These and other changes were announced on May 1 in ceremonies at Washington, D. C., marking Amtrak's first anniversary.

"We have made solid progress," declared Roger Lewis, president of the National Railroad Passenger Corporation, which operates the Amtrak system.

"We have bought our initial locomotives and passenger cars from the best the railroads were operating.

"We have started a program of complete overhaul and redecoration.

"We have issued nationwide timetables, and we now have a single tariff to simplify ticketing.

"We have a consolidated, computerized reservation system in operation in Chicago.

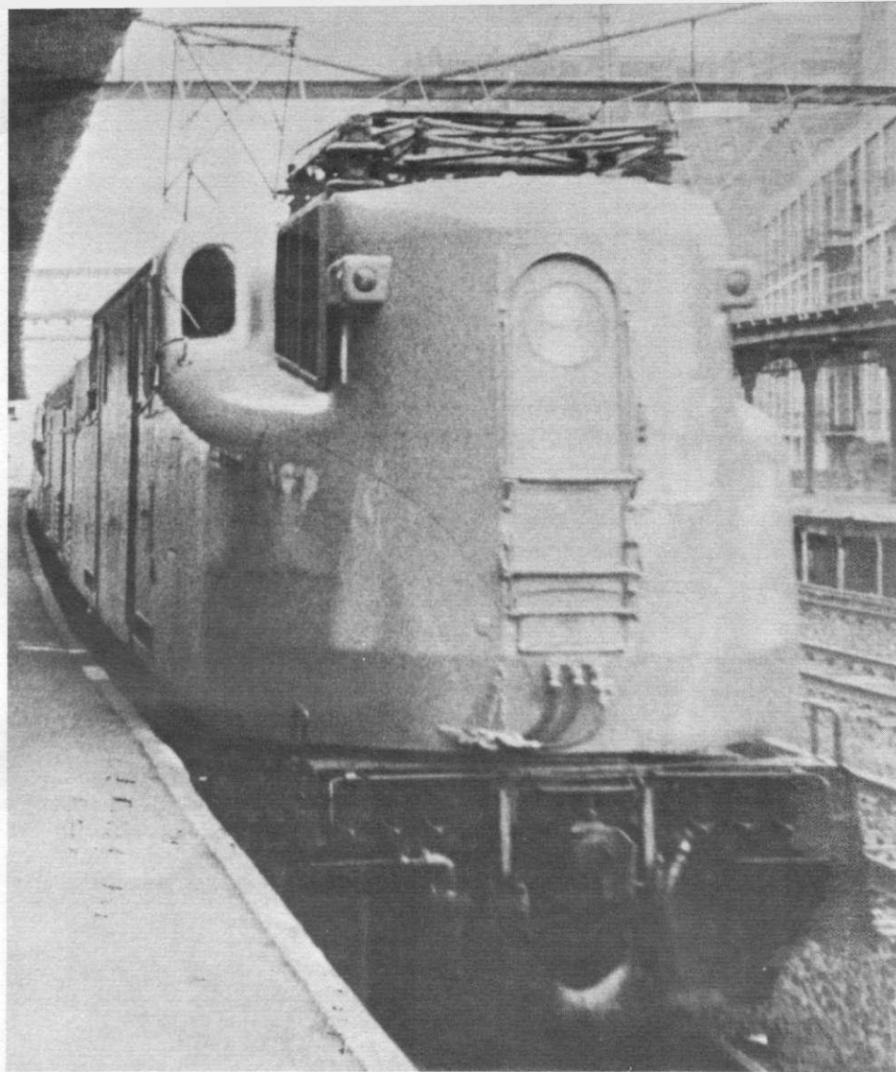
"We have credit cards, and package tours with bus companies, airlines and auto rental firms.

"And we now have more than 4,600 travel agents selling U.S. rail passenger tickets across the country and abroad."

Mr. Lewis said the completely renovated trains going into service this summer are, in addition to the Broadway Limited: Merchants Limited between New York and Boston, Silver Meteor between New York and Miami, Coast Daylight and Starlight between Seattle and Los Angeles, City of San Francisco between Chicago and San Francisco, and Super Chief between Chicago and Los Angeles.

Amtrak will commit \$100 million to acquire new locomotives and passenger cars, he said, and additional funds will be spent on new stations, right-of-way improvements, research and development.

"But the big thing about Amtrak is people—railroad and Amtrak people serving people who ride our



GG-1, in new "platinum mist" color, hauls the Broadway, renovated at a cost of \$500,000.

trains," Mr. Lewis emphasized.

"Many have been discouraged, finding it difficult to see a future in passenger service.

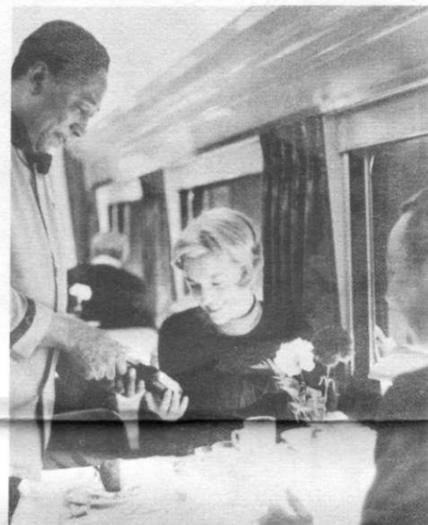
"One of our big accomplishments has been to demonstrate that national railroad passenger service in the United States is here to stay.

"We are setting high standards of individual performance. We are giving our people the tools with which to work.

"We are offering training and refresher courses in the most modern methods of serving the public. We have a way to go, but we are making progress.

"We believe that people want to do a good job and will do a good job if they are told what is expected and given recognition for a job well done.

"The sales people, porters, waiters, engineers, conductors, trainmen, passenger service representatives, telephone operators, supervisors and executives—whatever his or her job



Waiter Charles L. Jones adds zest to the passenger's dinner with a bottle of wine.

—all have a stake and a future in Amtrak, one which through the years will be easily measured if more and more people ride the trains because they like them."

## New Schedules

Among service changes of interest to Penn Central people are the following:

**Metroliners** now leave Washington every hour on the hour between 6 A.M. and 6 P.M., and leave New York every hour on the half-hour. Evening Metroliners leave Washington at 8 P.M., and New York at 8:30 P.M.

With the increase in Metroliner service, the number of conventional trains between New York and Washington has been reduced from ten round trips to seven; but there will be an additional three trains daily from New York to Philadelphia, and one additional from Philadelphia to New York.

**New York-Buffalo service** has been reduced from three daily round trips to two; and New York-Albany service from four round trips to three. One New York-Albany train continues to Syracuse.

**The National Limited**, formerly combined with the Broadway Limited between New York and Pittsburgh, now runs as a separate train all the way between New York and St. Louis-Kansas City. The new National Limited schedule makes possible the removal of The Keystone, the New York-Pittsburgh train.

**Overnight service between Washington and Boston** has been restored. Southbound, the Night Owl leaves Boston at 10 P.M. and arrives at Washington at 8:30 A.M. Northbound, it leaves Washington at 10:30 P.M. and arrives in Boston at 8:25 A.M.

The two **Detroit-Chicago** trains have been rescheduled for greater convenience for passengers and better connections at Chicago. There are now midmorning and midafternoon departures at both cities.

The **Silver Star** is being rescheduled closer to the running times of the wintertime-only Florida Special. The Silver Meteor and the Champion are being combined in a single train, serving both Miami and St. Petersburg from New York.

A **third New York-Southeast** train, the Carolina Coast, is being added to handle local traffic in Virginia, the Carolinas and Georgia.

**Daily coast-to-coast service** in through cars is being provided by the National Limited from New York to Kansas City, then by the Chief to Los Angeles. Eastbound, the Super Chief carries through cars to Kansas City, where they are transferred to the National Limited for New York.

## Changes in Fares

Amtrak has announced sweeping changes in passenger fares effective June 11.

They include reductions on ten routes—the first sharp decreases in fares on major trains since the 1930's.

They also include increases in some fares, including Metroliner service between Washington and New York.

Here are the highlights:

A 20 percent cut in coach fares and a 10 percent cut in first-class fares on the following routes: New York-Chicago, Washington-Chicago, New York-St. Louis-Kansas City, Washington-St. Louis-Kansas City, Chicago-Detroit, and Seattle-Oakland-San Francisco.

A 10 percent cut in fares between New York and Buffalo, and between Washington, D.C. and Parkersburg, W. Va.

A 25 percent cut in coach fares and 10 percent cut in first-class fares on the route Washington-Norfolk-Cincinnati-Chicago.

Fares are being raised on the following routes:

Chicago-Los Angeles, Chicago-Seattle, Chicago-San Francisco-

Oakland, and Washington-Florida. The increase is approximately 10 percent, except for the Washington-Florida route, where the increase is 5 percent.

On the Metroliners between Washington and New York, the coach fare is going up from \$17 to \$19, and the Metroclub (parlor car) fare is rising from \$27.40 to \$30.90. For travel over short segments of the route, the increases range from 50¢ to \$1.

At the same time, fares on 14 conventional (non-Metroliner) trains between New York and Washington are being reduced from \$13 to \$11.25.

Amtrak President Roger Lewis said the Metroliners are now on hourly schedules and offer service comparable to that of airlines, but at much lower fares.

Even with the increases, he said, the Metroliner fares, coach and first-class, will still be less than the fares for air travel. In regard to the fare cuts on 10 routes, listed above, Mr. Lewis said that if these reductions boost ridership and revenues, reductions would be made on additional routes.

(Advertisement)

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### 3 Year Sample Weekly Rate Chart

Weekly Deduction	Proceeds	Note Amount	Cost of Life Ins.	Cost of A&H Ins.	Finance Charge Approx. 11.29%
\$10.00	\$1174.12	\$1440.00	\$ 19.87	\$ 26.35	\$ 219.66
\$15.00	\$1761.17	\$2160.00	\$ 29.81	\$ 39.53	\$ 329.49
\$20.00	\$2348.24	\$2880.00	\$ 39.74	\$ 52.70	\$ 439.32
\$25.00	\$2935.29	\$3600.00	\$ 49.68	\$ 65.88	\$ 549.15
\$30.00	\$3522.34	\$4320.00	\$ 59.62	\$ 79.06	\$ 658.98
\$35.00	\$4109.41	\$5040.00	\$ 69.55	\$ 92.23	\$ 768.81
\$40.00	\$4696.46	\$5760.00	\$ 79.49	\$105.41	\$ 878.64
\$45.00	\$5283.53	\$6480.00	\$ 89.42	\$118.58	\$ 988.47
\$50.00	\$5870.57	\$7200.00	\$ 99.36	\$131.76	\$1098.31
\$55.00	\$6457.62	\$7920.00	\$109.30	\$144.94	\$1208.14
\$60.00	\$7044.69	\$8640.00	\$119.23	\$158.11	\$1317.97

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