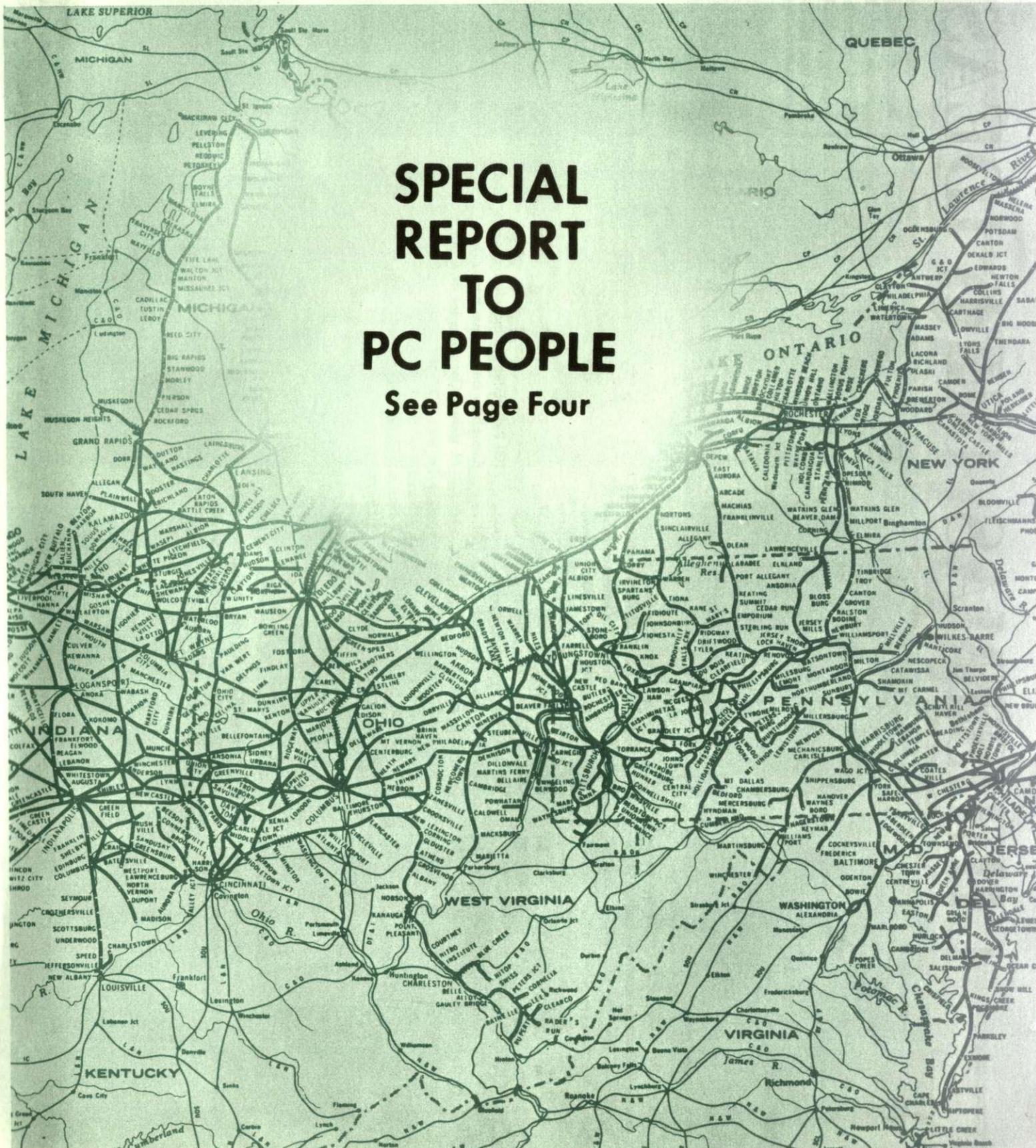




NEWS FOR AMERICA'S LEADING RAILROAD FAMILY

NOVEMBER-DECEMBER 1971



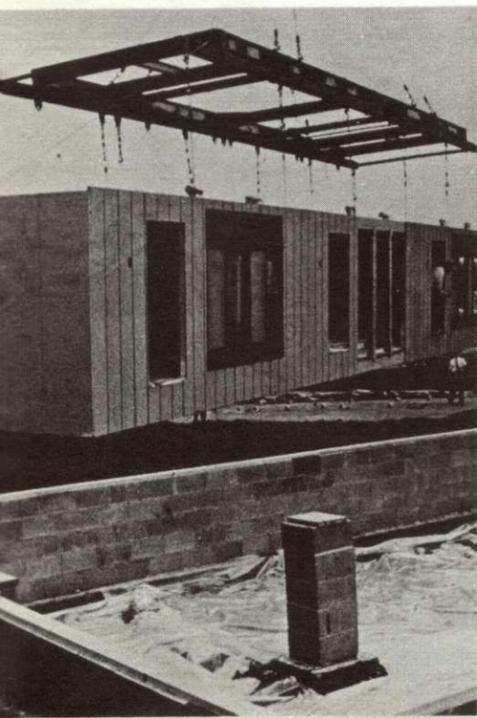
SPECIAL REPORT TO PC PEOPLE See Page Four

Aiding a bold new project Now Railroaders transport HOMES

Freight Conductor Charles G. Finton had been moving freight for 44 years, but he'd never handled anything like this.

Houses on freight cars.

Locomotive Engineer Dewey Phillips looked awed. Head Brake-man J. Doug Featherly studied the loads with intense curiosity.



In Levitt's new building method, complete wall unit is lowered onto the foundation.

But if this was new for them, it was new for everybody else.

Moving out of Battle Creek, Mich., was the first full trainload of modular home units shipped under an experimental program sponsored by the U.S. Department of Housing and Urban Development.

The program is called Operation Breakthrough. Its purpose is to develop and encourage new methods for faster and less costly production of housing.

America faces an acute housing shortage. A Congressional report estimates that 26 million more housing units, new or rehabilitated, will be needed by 1978 to meet the goal of a decent home for every family.

Production has been falling far short of that goal. Additional approaches are needed.

The situation has stimulated interest in the module method.

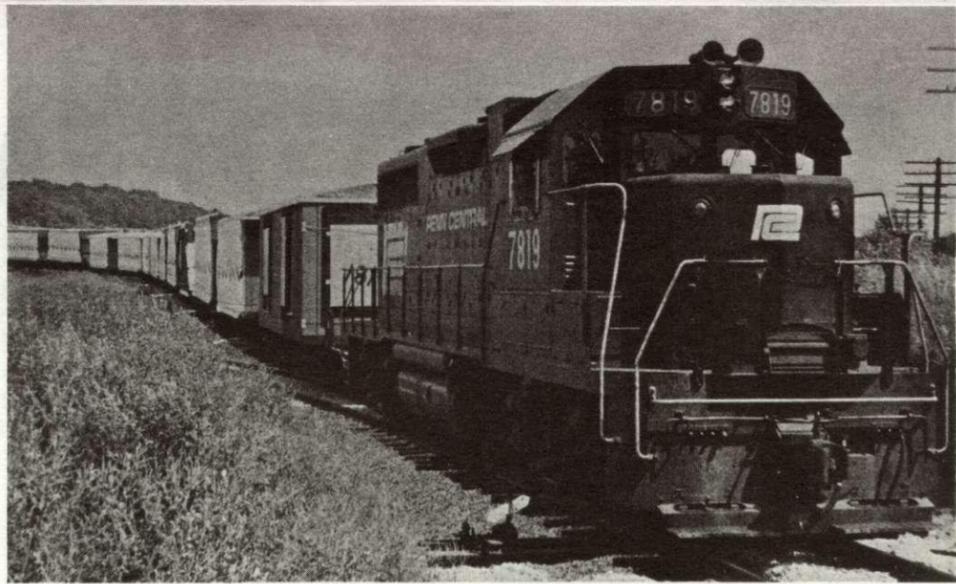
This means building a house in sections (modules) in a factory, shipping the sections to the home site, and putting them together on foundations.

The train that moved out of Battle Creek carried 48 modules which, when assembled, will become 14 living units.

Operation Breakthrough has already made significant progress in design, materials, construction, land use, financing and management.



Architect's drawing shows how modules will be assembled to form a row of townhouses.



PC carries first shipment of module homes from Levitt Building Systems, Battle Creek.

But a stumbling block has been the high cost of transportation.

That's where Penn Central came in.

PC people worked out a unit-train concept with Government officials, with the module builder—Levitt Building Systems, Inc., at Battle Creek—and with other railroads. An attractive rate was established especially for the nearly 2500-mile shipment from Battle Creek to Seattle, Wash., where 80 living units are to be erected.

"The transportation cost will be reduced by approximately \$53,000, as compared with costs under former rail rates, and much more in comparison with prevailing truck rates," said Paul Funkhouser, PC's senior vice president for sales and marketing.

"The rate should assure the Seattle program's success from a distribution standpoint and influence evaluations of the entire project.

"The net effect of this trainload shipment could be an expansion of module markets virtually coast-to-coast from a single fabrication plant.

"Currently, except in a few instances, the markets of module manufacturers are limited to an area that can be served within a one-day truck haul."

Penn Central people delivered the first Operation Breakthrough train to the Chicago and North Western Railway at Ladd, Ill. It was interchanged to the Union Pacific at Fremont, Nebr., for Seattle delivery.

Moving on the rails, the shipments don't look exactly like houses. The modules have wrappings. Roofs are hinged so they can lie flat during the trip. Roof overhangs are also hinged and can be folded down for movement. Boxed bay windows are push-

ed into the modules for shipment, then extended at the building site.

The Levitt-built modules for the Seattle project are of wood construction, reinforced by gluing plywood to floor joists and drywall to framing. Electrical wiring, plumbing and heating lines are built into the wall and floor panels, and are connected to fixtures during assembly at the site.

In other tests under Operation Breakthrough, modules are being made of concrete, metal and plastics.

"The overall aim is to shift most of the actual construction of the living unit to an industrialized facility," said Alfred Perry, director of the program under the Department of Housing and Urban Development.

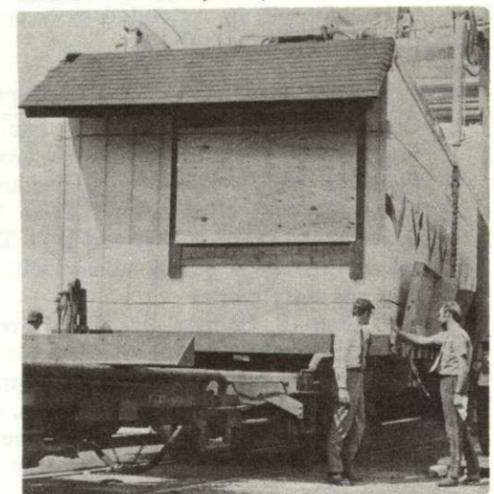
"As a result, transportation becomes a vital consideration, and will be evaluated from both a technical and an operational viewpoint."

Earlier this year, Penn Central people handled a test shipment of a single module from Kalamazoo, Mich., to Gaithersburg, Md.

"It arrived virtually unscathed after traveling more than 900 miles and undergoing a number of 'bump tests,'" Mr. Funkhouser noted.

In addition to Seattle, eight other building sites have been chosen for Operation Breakthrough. The locations and the number of housing units in each are:

Indianapolis, 300; St. Louis, 460; Jersey City, 500; Kalamazoo, Mich., 225; Memphis, Tenn., 460; Macon, Ga., 300; King County, Wash., 175; and Sacramento, Cal., 400.



New home module is readied for shipment. Reviewing details are Fred Richmond, PC market planning analyst, and Merlan Almquist, project coordinator for Levitt.

The shipper who wanted to switch to trucks

The crews and officials at Tacony Yard and Margie Yard, Philadelphia, are praised in a letter from Thomas J. Manning, warehouse superintendent of S. Walter Packaging Corporation.

"I would like to bring to your attention the improvement in service," he wrote.

"Not too long ago we were considering bringing in all our merchandise by truck trailer.

"Norman Feldman, of your Sales Department, convinced me that if we stuck with the railroad, he would see to it that our problems were solved."

Since then, the desired improvement has been achieved, said Mr. Manning.

He added that his company recently sold one of its warehouses and will relocate next year—"but only where we can get a Penn Central siding."

There can be no finer tribute than that, commented PC Trainmaster James Maddox, informing yard crews about the commendatory letter.



T. J. Manning, warehouse superintendent, discusses freight shipment with Norman Feldman, PC sales rep.

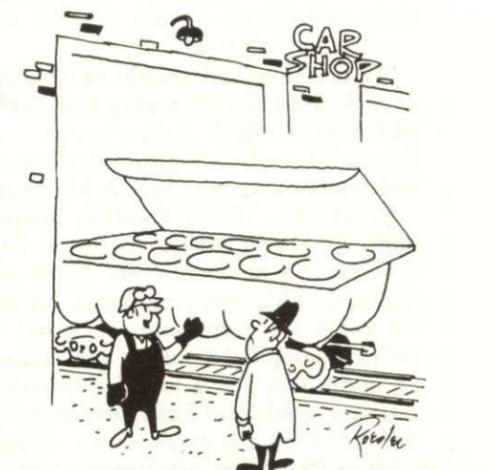
"It's a tribute to all Penn Central people who have had a hand in improving our service during the past year," Mr. Maddox said.

"We now have a service we can brag about.

"If we keep it up—if we maintain a high standard through constant care and effort—I feel sure we will attract the additional business we need to get our railroad back on its feet."



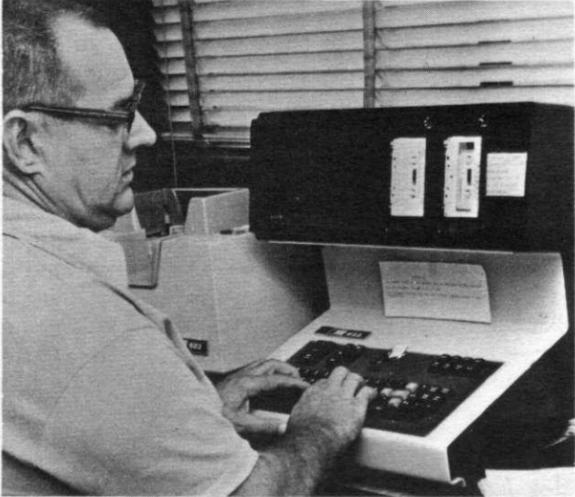
Shipper's commendation pleases PC men: Yardmaster Harry Kramer, Brakeman Dan Cusella, Trainmaster James Maddox, Conductor Andrew Moore, Brakeman Clarence L. Carter and, in cab, Engineer J. E. Collins.



"LIKE I TOLD YOU, WE HANDLE YOUR FREIGHT AS IF IT WAS EGGS."

OPEN LINE

SERVING THE SOUTH—Freight train NE-4, put in service to handle freight cars received at Potomac Yard, Va., from the Southern and Seaboard Coast Line and deliver them to New England, is gaining excellent acceptance from shippers. So reported J. Bruce Addington, PC's vice president-operation, in a recent address to shippers at Atlanta, Ga. A total of 22 PC trains now serve Potomac Yard daily, handling cars to and from southern points, he said. Twenty-five other trains connect with southern lines at Cincinnati, some providing new "run through" service which bypasses yards to save time and make earlier delivery to customers.



INFO PRONTO—A new car reporting device is being field-tested at PC yards in Jackson, Mich., and Morrisville, Pa. (Clerk William D. Goodwin shown above). This device will have the ability to transmit previously prepared consist or waybill messages to the Philadelphia computer at three to four times the speed of present teletype equipment.

The new device can print an inbound-train consist and punch an individual tab card for each car while permitting the operator simultaneously to prepare waybills.

The test is being made to select the basic terminal device for the new Transportation and Billing System (TABS), scheduled for implementation on the Railroad during 1972.

COMFORT FOR COMMUTERS—Eighty new stainless steel cars are now running on the Harlem commuter line at New York. New raised platforms, to speed boarding and detraining of passengers, have been built at ten stations between 125th Street in Manhattan and North White Plains. The new platforms, long enough for four cars, will be extended to 10-car length during the coming months.

COUNTY TAKES PC PROPERTY—Onondaga County, in upstate New York, has announced it is seizing all Penn Central yards, tracks and other facilities within the county because of unpaid taxes. County officials said Penn Central owes \$453,000 in taxes for 1970 and 1971. The action was taken through a public sale in which the county was the only bidder.

William F. Lahner, Jr., PC's director of property tax administration, pointed out that the Railroad is under order of the reorganization court not to pay local and State taxes, and that the same order forbids any governmental body to foreclose on the Railroad's property.

MORE PIGGYBACK—PC's TrailVan piggyback service jumped to 39 trains last month with the start of TV-22A, carrying loaded truck-trailers from Harrisburg, Pa., to Baltimore, Md. This cuts a full day on shipments from southwestern and some midwestern points. It's the sixth TrailVan train added this year.

TV-22A leaves Harrisburg at 2 A.M. on Monday, Wednesday, Thursday and Friday with loaded trailers from St. Louis, Louisville, Indianapolis Cincinnati and Columbus. Trailers are placed for Baltimore customers by 6 A.M. the same day.

Previously, Penn Central inaugurated overnight TrailVan service between New York and Boston, and between New York and Rochester-Buffalo. "This service is being offered at the lowest rates for terminal-to-terminal movement of railroad-supplied trailers; and shippers can save an additional \$20 a load by providing their own trailers," said Paul Funkhouser, senior vice president for sales and marketing.

Penn Central, the country's largest operator of piggyback service, reaches a third of all America's cities with more than 100,000 population.

ERIE IN DIFFICULTY—The Erie Lackawanna Railway has been authorized by the Interstate Commerce Commission to postpone repayment of more than \$12 million in bonds. The railroad said it didn't have the cash to repay the bonds and couldn't refinance them. The ICC said the postponement will allow the Erie to work its way out of the existing financial squeeze and avoid bankruptcy.

CLERK ACCUSED OF FRAUD—A PC ticket clerk in New York State was arraigned in county court on two charges of grand larceny. The clerk, who resigned in June, was charged with issuing passenger tickets for which he failed to account, and pocketing the cash. The investigation was initiated by the Railroad's Auditing Department. The clerk entered a plea of innocent.

SPENDING FOR TRANSPORT—Americans spent an estimated \$161 billion on transportation last year, the U.S. Department of Transportation reports. Highway transportation by autos, buses, taxis and trucks accounted for the major share of this expenditure, 81 percent. Air transportation got 7.2 percent; railroad transportation, 6.9 percent; river and ocean transportation, 4.1 percent; pipelines, under 1 percent.

NEW ENGLAND SERVICE—An 8-man PC committee has been set up to work with public agencies and state governments in planning better passenger and freight service for southern New England.

"Some improvements are relatively easy," said J. Grant Robins, PC's general manager, Northeastern Region. "For instance, we are now prepared to cut an average of 10 minutes from the schedules of Boston-New York express trains, restoring the running times existing prior to a weather-caused speed reduction.

"But substantially faster train service depends upon installation of additional welded rail, elimination of grade crossings, straightening of curves and newer equipment, which our company cannot afford. A combination of public investment and private know-how should result in the most productive transportation improvements possible."



CONVERTED FLATCAR—Men at Penn Central's Beech Grove Shop, near Indianapolis, Ind., have modified one of the former New York Central Flexi-Van cars, which were designed to carry containers. They installed a center platform and stanchions at each end, enabling the car to carry two highway trailers. The car is now being tested in piggyback service between terminals equipped with "Piggy-Packers."

"If it works, and we have every reason to believe it will," said President William H. Moore, "Penn Central will initially refit 200 of the cars for our trailer-on-flatcar TrailVan service."

These cars are now idle because less domestic freight now is moving in containers than in previous years, Mr. Moore explained.

On the converted car, two trailers are loaded back to back, with only a small space between, making it virtually impossible for would-be looters to open doors and remove the contents.

CALLING ALL CARS—A task force has been appointed by the Association of American Railroads to design a system for pinpointing the location of any freight car in the United States. This would be an expansion of the industry's TRAIN (TeleRail Automated Information Network) system, which consists of a central computer at Washington that "calls" computers on individual railroads. However, the TRAIN system can tell only on which railroad a car is, not identify its precise location as the proposed new system would be able to do.

COMMENT

"In a recent article on a freight sales representative, he listed all the people he depends on to accomplish his job. He never mentioned the Diesel Shop men.

"Stop and give it a good think: How far could any of you go without motive power?

"If you ever had some trainmaster or yardmaster breathing down your neck because you were getting an engine out of the house late, you would know what I mean. And that goes for some Div. Superintendents I have worked for."—Edw. E. James, Plainfield, Ind.

"The Penn Central is slowly climbing back onto its feet, and I'm sure will transcend into an even greater era of industrial leadership than it has ever known before. I'm sure every man and woman in its employ stand behind President Moore and have complete confidence that he will prove himself to be that very rare breed of man we so desperately need.

"Although we are passing through a period of disenchantment and frustration, these dark days will soon be history."—Raymond N. Murphy, block operator, Alliance, Ohio.

"I am reasonably sure I have every wall calendar issued by the PRR. Can you advise me the year the first calendar was published and the last?"—Joseph F. Hamden, Fort Wayne, Ind.

The first PRR wall calendar came out in 1925 with a painting, "Speed and Security." The last, in 1958, showed Conway Yard. The calendars were discontinued for economy.—J.S.

A recent PC Post article described multiple-unit Car 4549—a self-propelled car, half baggage, half passenger—and said it was the last of its kind on the railroad.

G. R. Butt, suburban planning engineer, Metropolitan Region, sends a correction:

"There are 7 combos (Nos. 4670-4676) still in daily service on the Metropolitan Region between New Haven, Conn., and Grand Central Terminal, New York. When not actually in service handling company mail and material, they are used to fill out the consists of our peak-period trains, and are by no means sitting on a siding, idle."

"I am a retired employee with over 30 years' service and enjoy the Post and read all items from cover to cover. I was sorry to see Penn Central get in such straits, but can see the reason with the rotten setup as to taxes and unfair transport regulations that you must work against.

"I was surprised to see you have taken away our pass privilege, which we use very little."—Willis H. Closs, North Rose, N.Y.

Amtrak, which took over the intercity passenger service on May 1, is under requirement from Congress to operate at a profit. It was Amtrak's decision to discontinue free travel and substitute half-rates for railroad employees, active and retired. This matter is now being considered by the Federal Court in charge of the Railroad's reorganization.—J.S.

"In the July-August issue I was interested in the item about the Signalmen's Strike. I entered the service of the Telegraph and Signal Dept. on the New York Div. a little over 50 years ago. I was a member of the Brotherhood of Railroad Signalmen and never heard of a strike before and during that time until this year.

"You stated General Motors laid off workers, but you did not state that about every three years, when General Motors, or the coal mines or steel workers went on strike, the railroad always found it necessary to lay off Signalmen."—J. E. Mayer, Santa Anna, Cal.

"Thank you for your article about our group of retired employees of the Auditor of Expenditures office at Detroit, and our efforts to write our Congressmen about the ASTRO program. At our next luncheon we will again emphasize ASTRO, and will contact each of our alumni about this program."—Norman J. Nicolay, Dearborn Heights, Mich.

WOMAN POWER

Enlisting support for Surface Transportation Act

Martha W. Griffiths is a vivacious, hazel-eyed woman. She's a lawyer, wife, homemaker, and avid gardener.

She's also a Congresswoman. She represents the northwestern part of Detroit. She was first elected in 1954 and has been a winner in every election since.

Never underestimate the power of a woman.

"It's high time that women awoke to the potential they have for influencing the social and political life of our Nation," Congresswoman Griffiths said in a recent speech.

"They have kept themselves on the sidelines too long.

"Today, acting individually or through organizations, women can be a powerful force for progress."

She was speaking to a responsive audience. They were members of District No. 2, National Association of Railway Business Women, holding their 17th annual conference in the Detroit Hilton.

Congresswoman Griffiths, their featured guest speaker, did not touch on railroad problems, but her reference to "force for progress" appealed to an audience dedicated to railroad progress.

"There are important doings in the legislative field," pointed out the president of the Detroit Chapter, Mildred Vranish, a clerk on the Detroit, Toledo and Ironton Railroad.

"The Surface Transportation Act of 1971 has recently been introduced in Congress. This Act, if passed, would aid all forms of surface transportation—railroads, trucking, and

water transport—to the immense benefit of the entire Nation.

"And, of course, it would benefit all who earn their living in those industries.

"We must get behind this proposed new law and arouse support for it."

Her appeal was reinforced by Elinore Prize, a Penn Central labor relations stenographer, and national 2nd vice president of the Railway Business Women. She said:

"We all should write without delay to our Congressmen and Senators at Washington, urging their favorable attention to this vital new piece of legislation.

"And we can demonstrate Woman Power by calling this matter to the attention of our friends and business contacts.

"The Surface Transportation Act of 1971 includes some of the goals of the ASTRO program, and provides the brightest hope for prompt action that would aid the financially distressed railroad industry."

With 60 chapters across the country, the National Association of Railway Business Women has more than 5000 members, including more than 700 who work on the Penn Central.

Major purposes of the Association are:

- "To foster cooperation and better understanding within the railroad industry and its affiliates.
- "To create good public relations for the railroad industry.
- "To further the educational,



Congresswoman Griffiths addresses Railway Business Women. Though she did not discuss transportation topics, she urged more involvement of women in legislative matters.

social and professional interests of its members.

- "To undertake charitable, benevolent and social welfare projects."

As an example, the Detroit chapter contributes to three charities: Penrickton Center for Blind Children, Lapeer Home for Retarded Children, and Little Sisters of the Poor.

The national organization has established two retirement homes, in Arizona and Florida, for its members.

"Penn Central clerical and professional women employees are invited to join our organization," said Elinore Prize. "To find out about your nearest chapter, write to me at 9192 Lynnhaven Drive, Parma Heights, Ohio 44130."

S.T.A.—what it means

The Surface Transportation Act of 1971 was introduced in the U.S. Senate by Senator Vance Hartke, Democrat of Indiana.

It's identified as S.2362.

The same measure was introduced in the House of Representatives by Congressman Brock Adams, Democrat from the State of Washington, and is identified as HR.11207.

Its effect would be to bolster railroad, trucking and waterway carriers, providing the country with better transportation and strengthening employment in transportation industries.

If passed by Congress, this Act would:

- Require the Interstate Commerce Commission to set up machinery for acting more promptly on new rates to enable the carriers to meet increases in costs.
- Prohibit the States and local communities from unfairly taxing transportation property more heavily than other types of property.
- Require that 5 percent of all Federal funds given to States for highways be used to

improve safety measures at grade crossings.

• Set up a new Federal agency to grant loans or loan guarantees to hard-pressed transportation companies that cannot obtain needed financing elsewhere.

• Extend governmental regulation to for-hire truck transportation of certain farm products now exempt from regulation; and require the filing of reports and publication of rates for dry bulk commodities by all carriers.

• Speed up decisions on requests for discontinuance of money-losing branch lines.

• Restore the tax credit for investment in new equipment, thus, for example, making it financially easier to buy needed locomotives and cars.

Railroaders and other interested citizens who want to express support for this vital proposal are urged to act promptly.

• Write to the two U.S. Senators from your state, asking support for S.2362; and

• Write to the Representative (Congressman) from your Congressional district, asking support for HR.11207.



Program is reviewed by Congresswoman Martha W. Griffiths, 2nd from left, and Railway Women: Ellen Bokair of C&O; Elinore Prize, PC; Mildred Vranish, DT&I.



PC employees, Maxine Krause and Josephine Bahnisch, visit Penrickton Center for Blind Children, one of the charities supported by the Railway Business Women.

Missing Wallet

The PC trainman not only found the wallet, but . . .

"I received a telephone call from David McCann, a Penn Central trainman, who advised me he had found the wallet and taken it to his home," wrote J. M. Selby, president of Selby, Battersby & Co., Philadelphia.

"By appointment, I met him in Wynnewood Station the following evening as his wife was picking him up, and he returned the wallet to me.

"He absolutely refused any reward at all."

His Concern

James H. McIlhenny, senior vice president of the publishing firm of Crowell Collier and Macmillan, Inc., has many things on his mind as he commutes to New York.

But he can't help noticing



Assistant Conductor G. S. (Willy) Rinaldi (photo).

"His concern for his passengers and friendly manner remind me that 'Service with a Smile' is still possible," Mr. McIlhenny writes.

"Mr. Rinaldi recently went out of his way to assist me in recovering property I left on the train. While this is unusual in itself, it is completely consistent and within character for him. In conclusion: You have one fine employee!"

This man is a joiner

Whenever Faye N. Briggs meets another retired railroader, he always imparts this message:

"Brother, keep active, and you'll enjoy your pension. I do."

Mr. Briggs retired in 1963 with 44 years in engine service, mostly on the Toledo Division.

Today, at 75, he finds the best way to keep active is to participate in organizations.

"I average at least ten meetings a month," he says. "I meet old friends, make new friends, serve in various offices, and have a good time."

For example:

He's president of the Penn Central Square and Compass Club at Toledo.

He's president of the National Association of Retired and Veteran Railway Employees, which meets monthly for coffee and doughnuts and discussion of railroad matters.



He's active in the Penn Central Retirees, meeting once a month for potluck dinner and cards at the New York Central Gun Club.

He and his wife Winifred (married in 1917) are members of the Golden Wedding Club, which meets monthly for potluck dinner.

He's a life member of the honor club of the Brotherhood of Locomotive Engineers; 32nd degree Mason; and member of Lodge 197, Fraternal Order of Eagles. Busy!

How Things Look Now

PC emphasizes more trains, faster moves.

Penn Central's efforts toward better service are spotlighted by this statistic:

During the first 9 months of this year, the Railroad ran 21,543 more freight trains than in the similar period of 1970—despite fewer carloads.

That means shorter trains running on more frequent schedules. It means expedited delivery to customers. It means less time spent in yards. And it means faster turnaround of cars, making more cars available for industry.

Better maintenance has made possible a

15 percent increase in average train speed.

Since reorganization, 137 new diesel units have been added to relieve shortages, boosting the locomotive fleet to 4146 units—a total of 8,561,149 horsepower.

The ratio of diesels set aside for heavy repairs in the first 9 months of 1971 was reduced from last year's 4.9 percent to 2.6 percent.

New trains and schedules are being established to improve service. Recent examples: New TrailVan piggyback trains, overnight between New York and Boston,

and between New York and Rochester-Buffalo. Penn Central's "run-through" trains, pre-blocked to avoid delays in intermediate yards, have been increased to 46.



E. J. Schwartz speeds cars through Morrisville Yard.

And PC service is better... much better.

When President William H. Moore took office in September, 1970, the first thing he did was to request reports on every complaint from shippers about delayed delivery of freight. He went over each report personally with the vice president-operation and vice president-sales for immediate corrective action.

During that September, the number of

service complaints averaged 100 per week.

Within two months, the average was down to 51.

Now it's down to 3 or 4 service complaints per week.

Paralleling this effort is PC's Service Quality Control Program, which hunts out service deficiencies before complaints.

Using computer reports, the Quality Con-

trol experts check the movement of some 50,000 cars per week, to find out where cars are not delivered according to desired movement standards.

As a result of their findings, train schedules have been adjusted, classification instructions have been changed, and other service changes have been made to build added reliability into PC service.

Customers are saying encouraging things.

PC service has not reached perfection, and the In Box still includes letters requesting service improvements and changes. But highly impressive is the volume of letters commending Penn Central and its people for this year's achievements. Examples:

"I believe approximately four months ago you 'turned the corner' in service and responsiveness to our needs. While I agree that much remains to be done, I feel you have regained the confidence of the shippers which is so vital to the future of Penn Central.

"There seems to be a better awareness of our needs and an improved responsiveness to those needs. In view of the recent increased transportation costs we must, if we are going to be of help to the Penn Central, have improved, dependable and competitive service to our customers."—K. L. Vore, Vice President-Traffic and Transportation, United States Steel Corporation, Pittsburgh, Pa.

"The very great strides you have made in the improvement of your service certainly are a big help in doing something about your total business. As we have indicated before, we feel rather strongly that we are partners with you in business, you in ours and we in yours, because of the importance of transportation to our distribution plants."—Melvin Lievense, Manager-Transportation and Physical Distribution, Brown Company, Kalamazoo, Mich.

"Our experience in working with your people during the past six months has been quite satisfactory, and we find that both reliability of service and cooperation have improved substantially.

"We are looking forward to continued mutual benefit from our dealings with your organization."—Eugene W. Ward, Director-Administrative Services, Carrier Air Conditioning Company, Syracuse, N.Y.

"I am very pleased that you are making substantial progress in revitalizing the railroad. You can be sure that we will do all possible to help you, but such help will depend entirely on the service that you render us by your railroad.

"I would like to state that your officials in Detroit and Jackson, Michigan, have been very cooperative in keeping in touch with us with an endeavor to give service as expected at our Lansing and Ypsilanti plants."—George J. Bleibtrey, Director of Traffic and Transportation, Motor Wheel Corporation, Lansing, Mich.

"I am extremely pleased to report to you that your service has improved and continues to improve. This improvement is responsible for an increase in over 20 percent in our total tonnage for the first seven months of this year, compared with the same period of last year.

"This also represents the same percentage of new business we gave the Penn Central, as this traffic last year was moving, primarily, via motor carrier, so the benefits are mutual.

"I am sure that Mr. R. T. Wood, president of the Memphis Freight Bureau, is of the same opinion as I, that the Penn Central will emerge victorious over present difficulties, and continue to work toward the ultimate in efficient service."—Willard N. Finch, Commissioner, Memphis Freight Bureau, Memphis, Tenn.

"We are all delighted with the progress you have made to date in revitalizing the Penn

Central. We have noticed an appreciable improvement in the service of the Penn Central.

"With today's business conditions, we are extremely anxious to service our customers, and the Penn Central can assist us in maintaining customer good-will."—George J. Mason, Director-Transportation and Distribution, BASF Wyandotte Corporation, Wyandotte, Mich.

"During the past several months, we have noticed a marked improvement in the service. We have also noticed a marked improvement in the operations of our Union Dock at Ashtabula this season, as compared to last year when we had many car delays which caused unnecessary overtime and delay of vessels.

"In this day of the highly competitive steel business, delivery and service to customers is probably the most important selling point. Continued improvement of service will make you more competitive with the motor carriers, particularly when our customers are not desirous of carrying other than a minimum inventory."—William J. Stephens, Chairman of the Board, Jones & Laughlin Steel Corporation, Pittsburgh.

"The accomplishments of you and your colleagues have had a tremendously good effect on our business. Our shipments are now moving to our customers in very good time, which pleases everyone. This gives us additional equipment to use because of the quicker turn-around time.

"In addition, our customers no longer ask us to short-haul you because of poor service. You have proven to us that a good job can be done, and we feel sure that you will continue to improve the service and the financial picture of what can and will be a fine railroad."—W. Floyd McRae, President, Illinois Cereal Mills, Inc., Paris, Ill.

But traffic is hard hit by several factors.

During the first half of 1971, because of the national recession in business and industrial activity, Penn Central's carloads were 3.8 percent below the 1970 figure.

It was noteworthy that the other large Eastern roads fell even more, and Penn Central slightly increased its share of the total Eastern rail traffic.

But this was small comfort at a time when Penn Central urgently needed a major increase in revenues to regain financial stability.

In August, the drastic slowdown in steel production hit Penn Central especially hard, because this railroad gets more than 20 percent of its revenues from hauling finished steel and the raw materials of steel-making.

Penn Central's weekly carloadings fell 8 to 12 percent during August and September compared with a year ago.

At the beginning of October, the longshoremen's strike shut down the East Coast ports, many of them served by Penn Central; and most of the Nation's coal mines were closed by the miners' walkout. Coal normally provides 14 percent of Penn Central's revenue.

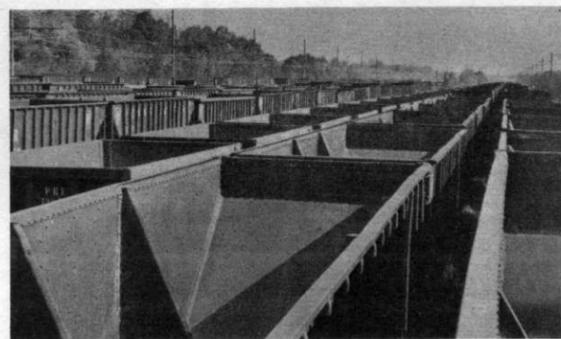
Under this combined impact, Penn Central carloads fell 20 percent below last

year's figures. Mr. Moore announced that the Railroad was losing \$4.6 million in revenue each week as a direct result of the strikes.

Faced with the danger of running out of cash and having to shut down completely, Penn Central had to reduce forces. The Railroad announced that furlough notices were being issued to 4000 employees because of the decline in business.

"We regret the necessity for this action," President Moore said.

"These strikes are having a severe impact on Penn Central's cash position. Recent forecasts had shown that the Railroad would have enough cash to carry itself through the end of 1971. The coal and dock strikes will accelerate the cash drain."



Coal-hauling, revenue-bringing cars are idled by strike.

The furloughs brought protests from several unions.

The Merger Protective Agreement authorizes reduction of force among protected employees when gross operating revenue and net revenue ton-miles drop more than 5 percent below a base period in 1962-1963.

At the same time PC faces higher costs.

Substantial wage gains were established in the recent national agreements between the railroad companies and railroad labor unions, subject to any effects of the Government's wage-and-price stabilization policies. On the Penn Central, because it is in reorganization under the Federal Bankruptcy Act, wage agreements are also subject to the approval of the Federal Court.

The Trustees of Penn Central Transporta-

tion Company, in a report to the Court on September 17, stated that recent wage



Jack Dunne runs computer that prints paychecks.

agreements would mean the following increases in payroll costs:

A \$73.9 million increase for 1970; a \$180.1 million increase in 1971; \$283.6 million in 1972; \$404.7 million in 1973; and \$410.3 million annually thereafter.

Since Penn Central is operating at a heavy loss even with existing wage scales, the prospect of substantial increases represents a formidable problem.

The financial gap requires urgent action.

In a statement to the Federal Court in charge of the reorganization of Penn Central Transportation Company, the four Trustees reported that the Company had a net loss of \$195,537,607 during the first nine months of 1971.

This was an average loss of \$5 million per week.

The nine-month loss was an improvement over the \$233,691,065 lost during the

first nine months of 1970. But the 1971 loss was higher than had been forecast in early budget estimates. And the nine-month figure does not reflect the full impact of the slowdown in steel industry activity, nor the effects of the coal and dock strikes which started on October 1.

The first quarter of 1972 will be difficult, said Trustee Jervis Langdon, Jr. Traffic normally drops off in the first quarter, he

explained, while expenses normally go up in winter weather. In addition, payments for equipment obligations—that is, freight cars and locomotives bought on time—fall due early in January.

It is obvious that the Railroad could not long survive the massive, continuing drain of financial losses.

The gap between income and outgo has to be closed, and closed soon.

PC people tackle the many-sided problem.

To save itself, the Railroad must do what any individual in financial straits would try to do: (1) Increase income, (2) reduce expenses, and (3) explore every possible source of cash.

To boost income, the Railroad is mounting an intensive sales drive, instituting changes in service to make it more attractive to shippers, and making rate adjustments.

To reduce expenses, the Railroad seeks to eliminate any form of waste or outmoded

methods or inefficient use of manpower.

"Crew consists must be modified, the fireman manning issue must be resolved, state excess crew laws must be repealed, and other work rules applying in other areas of activity must be changed," Mr. Moore said.

"This can be done with little or no adverse impact on the security of present career employees.

"Management is ready to negotiate with the unions to provide adequate protection

for those affected."

Penn Central is moving to discontinue money-losing branch lines which drain funds that should be used to strengthen the productive parts of the Railroad.

The Trustees are pursuing a policy of selling non-railroad property wherever such sales would benefit Penn Central's cash position. Bids for a large group of mid-Manhattan properties were opened on October 15, and are now being evaluated by the Trustees.

The vital ingredient: A united effort.

Millions of tons of manufactured goods and other freight that formerly were transported by rail now move in trucks. In its current efforts to regain traffic, Penn Central is up against the fact that trucks can keep their rates low because they use Government-supported highways. Barge lines, which benefit from Government-supported waterways they use without charge, have also captured huge amounts of traffic that formerly rode the rails.

To meet such competition and be able to offer rates attractive enough to win back business, the Railroad must reach new high

levels of efficiency and productivity.

High levels of efficiency and productivity are also needed to enable the Railroad to pay the increased wages set by the recent Labor agreements.

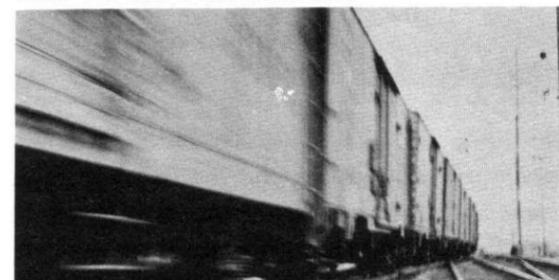
Management vitally depends on the cooperation of Labor to help establish the work practices that will attain the needed levels of efficiency and productivity.

"I have been tremendously impressed with the competence and high caliber of the vast majority of the people that are dedicating their careers to Penn Central," Mr. Moore said.

"I share this dedication with you.

"The next few months are critical.

"With your help we can turn the corner and finish successfully the tremendous job that we have undertaken."



High efficiency can win back traffic from competition.

Amtrak acts to upgrade service

Amtrak is purchasing 1200 of the best available passenger cars in the U.S. and distributing them over its national rail network.

It is arranging also to add 12 new Metroliner cars to the Northeast Corridor fleet. These cars were built by Budd several years ago but were never put in service.

"The 1200 cars—90 percent of them with stainless steel exteriors—will replace old equipment wherever still in service," said Roger Lewis, president of the National Railroad Passenger Corporation.

"With a variety of better quality cars, we can redesign train consists and upgrade service on virtually every route, with better dining facilities and more comfortable seating and sleeping accommodations."

Included in the purchase are 188 luxury coaches, 73 Hi-Level coaches, 244 overnight coaches with leg-rest seats, 288 sleeping cars, 50 lounge cars, and 140 dining cars.

The majority of the cars will come from western railroads, which have some of the newest equipment available. Amtrak is negotiating with Penn Central for some of its equipment, but final agreement has not been reached.

Two-thirds of the newly-acquired cars will be redistributed to make up revised train consists, while the rest will get mechanical and electrical upgrading and interior refurbishing. Over the next 12 months, every car in the fleet will be rotated through maintenance facilities.

President Lewis said 600 of the newly purchased cars will be assigned to high-density East Coast and Midwestern routes.

Ninety dome cars will operate on 16 Amtrak routes, including the following six for the first time:

Harmon-Buffalo; Chicago-Detroit; Chicago - Carbondale; Chicago - St. Louis; Chicago-Newport News; and San Diego-Los Angeles.

Many of the newer cars are already going into service on the Spirit of St. Louis, between Washington and Kansas City; the Broadway Limited, between New York and Chicago; the former 20th Century route, New

York-Cleveland-Chicago; the Shawnee, between Chicago and Carbondale; the City of New Orleans, between Chicago and New Orleans; and trains between Chicago and St. Louis.

Three trains from New York to Florida—Silver Meteor, Silver Star, Champion—and the Chicago-Florida South Wind now are providing reclining seat coaches with leg rests for low-cost overnight travel.

Nearly 20 percent of the cars operated by Penn Central between Boston, New York and Washington, and all Washington-Chicago cars, will be newly-acquired from other railroads.

Meanwhile, as Amtrak moves ahead on equipment, the Government is studying long-range proposals for dramatic improvements in Northeast Corridor service.

In a report issued by John A. Volpe, U. S. Secretary of Transportation, the following travel times are proposed:

New York-Washington, 2 hours non-stop, and 2½ hours with intermediate stops.

New York-Boston, 2¼ hours non-stop, and 3 hours with intermediate stops.

The report said a study has shown that "non-reservation service with departures as often as every half hour would attract heavy patronage and be economically self-sustaining."

The report said the following expenditures would be required:

Improvements to roadbed, including elimination of grade crossings, \$100 million for the New York-Washington route and \$190 million for New York-Boston.

Upgrading of terminals, \$70 million.

New cars, \$100 million.

Part of this financial burden would have to be shared by the State and local governments, Secretary Volpe said.

The study concludes that three years would be required, from the time of a go-ahead decision, to put the new high-speed service in full operation.



Pam Coalson, of Amtrak, puts trademark on one of the 1200 cars being acquired.

While studying rail improvements, the Department of Transportation is also proposing expanded research into other kinds of transportation:

Vehicles that would move on a cushion of air along a fixed guideway at speeds of 250-300 miles per hour.

Aircraft of Short Take-Off and Landing (STOL) and Vertical Take-Off and Landing (VTOL) types.

Automated highways on which operation of autos would be managed by computers.

The Government study is taking a broad approach because of the magnitude of the problem.

The Northeast Corridor's intercity traffic is said to be the heaviest in the world.

The Corridor extends 800 miles from Manchester, N.H., to Norfolk, Va., along the Atlantic Coast and inland to such cities as Albany, N.Y., Harrisburg, Pa., and Richmond, Va. The population is 44 million—more than 20 percent of America's people living on 2 percent of America's land.

Frightened Lady

Flood conditions caused by heavy rain at Trenton, N.J., temporarily halted through service southward from New York. One passenger, Mrs. A. Trimarco, was frightened when she found herself stranded among crowds at Penn Station.

"One of the ushers walked up to me and said I should not be frightened," she wrote later. "His name was Louis Bruno (photo).

"He was most kind and courteous and set me at ease.

"I decided to return to my



sister's home in Bridgeport, Conn. Mr. Bruno checked the schedule for me and placed me on a train.

"He was considerate and gentlemanly not only to me but to others who were in distress."

Recent Appointments

SYSTEM OFFICES

Engineering

Maffei, J. Electronics Engineer—C&S

Equipment

Di Leo, D. A. Asst. Supervisor—AAR Billing, Altoona, Pa.

Di Nello, J. Supervisor Car Classification & AAR Billing, Altoona, Pa.

McClure, G. A. Supervisor—Labor Relations & Personnel, Beech Grove, Ind.

Raquette, A., Jr. Manager—Data Control

Roberts, W. T. Manager—Locomotive Maintenance—Mechanical

Steele, F. X. Supervisor—Car Classification & AAR Billing, Altoona, Pa.

Wray, D. L. Data Control Specialist

Finance & Accounting

Blake, J. J. Accounting Specialist

Campbell, G. E. Specialist—N.R.P.C. Accounts

Davey, J. J. Manager—N.R.P.C. Accounts

Grove, J. C. Specialist—N.R.P.C. Accounts

Langreder, M. L. Accounting Specialist

Lebo, J. F. Supervisor—Car Accounting

Mooney, J. V. Sr. Revenue Analyst

Orsini, P. A. Supervisor—N.R.P.C. Accounts

Redfern, R. J. Specialist—N.R.P.C. Accounts

Volpe, C. N. Supervisor—Equipment Financing

Legal Administration

Clattenburg, R. N. Sr. Labor Relations Counsel

Daily, J. A. Commerce Counsel

Krusko, W. District Claim Agent, Phila.

Leiper, W. C. Corporate Counsel

Lynch, J. T. General Claims Attorney

Murphy, R. J. Sr. Commerce Counsel

Wells, H. M. Labor Relations Counsel

Operating Administration

Algeo, J. J. Director—Operating Management Controls

O'Leary, T. M. Asst. Director—Operating Management Controls

Passenger Service

Lutz, C. J. Project Engineer—Passenger Equipment

Purchases & Materials

Brill, B. A., Jr. Supervisor—Materials, Buffalo, N. Y.

Mazzeto, W. A. Supervisor—Materials, Wilmington, Del.

Sedberry, F. L. Supervisor—Materials, Enola, Pa.

Transportation—System

Lucas, C. R. Director—Freight Car Utilization

Morris, R. L. Asst. Director—Freight Car Utilization

Trustees

Hale, L. M. Reorganization Attorney

Shomer, Ivan Reorganization Attorney

Yards & Terminals

Beaver, W. T. Supervisor—Automobile Terminal, Newark, Del.—Earnest, Pa.

Doheny, T. R. Supervisor—Automobile Terminal, Linden—Port Newark, N. J.

Graeber, R. L. Supervisor—Automobile Terminal, Little Ferry, N. J.

Mincarelli, L. J. Asst. Supervisor—Automobile Terminal, Earnest, Pa.

CENTRAL REGION

Allegheny Division

Aurand, J. R. Supervisor—Track, Williamsport, Pa.

Lunger, H. R. General Foreman, Renovo, Pa.

Valley Division

Wittman, H. W., Jr. Master Mechanic, Youngstown, Ohio

EASTERN REGION

Allegheny Division

Harclerode, P. I. Equipment Training Officer, Phila.

Larkin, J. M. Equipment Training Supervisor, Phila.

Harrisburg Division

Bible, S. Trainmaster, Camden, N. J.

Fritz, R. D. Asst. Supervisor—Track, Harrisburg, Pa.

Hantke, R. L. Trainmaster, 44th Street, Phila.

New Jersey Division

Davis, W. C. Asst. Trainmaster, Burlington, N. J.

METROPOLITAN REGION

Gilleo, E. D. Cost & Material Engineer—E. T., New York

Volpitta, D. J. Electrical Inspector, New York

NORTHEASTERN REGION

Mohawk-Hudson Division

Bull, A. D. General Foreman—Car, Selkirk, N. Y.

New England Division

Cummings, R. B. Trainmaster, New Haven, Conn.

DeMaio, V. P. General Foreman, Maybrook, N. Y.

Infante, M. R. Asst. Superintendent, New Haven, Conn.

NORTHERN REGION

Dedow, R. T. Asst. Engineer, Detroit

Parish, K. E. Resident Engineer, Detroit

Detroit Division

Gratz, C. E., Jr. Asst. Supervisor—Train Operation, Detroit

Serens, R. W. Asst. Trainmaster, Detroit

Michigan Division

Goble, R. S. Asst. Supervisor—Train Operation, Jackson, Mich.

Preski, R. J., Jr. Construction Inspector, Jackson, Mich.

PHILADELPHIA COMMUTER AREA

LaMarche, W. C. Mechanical Supervisor, Phila.

Ranfone, S. A. Asst. General Foreman, Trenton, N. J.

SOUTHERN REGION

Craine, D. R. Master Mechanic, Indianapolis, Ind.

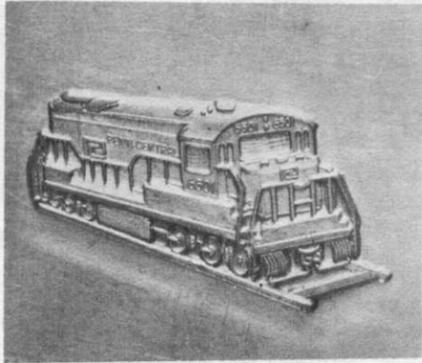
Sweetland, D. R. Master Mechanic, Columbus, Ohio

WESTERN REGION

Ft. Wayne Division

Ball, K. D. Material Engineer, Ft. Wayne, Ind.

CHRISTMAS GIFT IDEAS

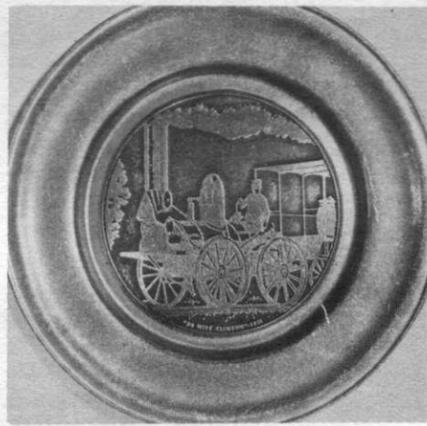


NEW! THE BRUTE, PC's GF-25 workhorse diesel, appears on specially-crafted jewelry group, new for this gift season. All items are rhodium-plated with Florentine finish. Photo is twice actual size.

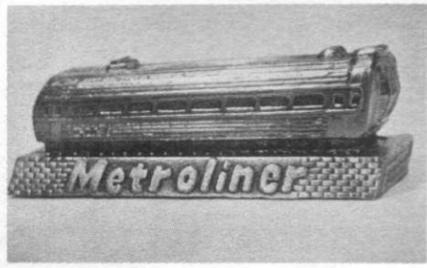
- (A) Cuff Links \$3
- (B) Tie Bar \$2.25
- (C) Tie Tack \$2.25
- (D) Charm Bracelet \$2.75
- (E) Letter Opener \$3



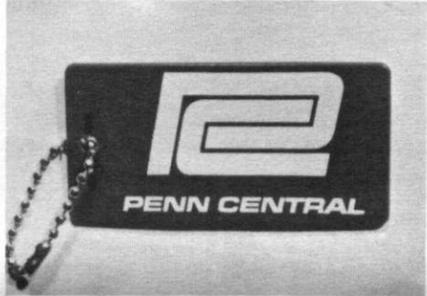
(I) **GLEAMING** circle pin for women. Orange-and-black PC emblem75¢



(F) **DE WITT CLINTON** Commemorative Plate was made to honor 140th anniversary of the first run of this New York Central steam engine in 1831, traveling 17 miles at the amazing speed of 15 mph. Plate is 10½ inches wide, made of blended metals with the appearance and feel of Colonial pewter \$10.



(J) **PAPERWEIGHT** for your Action memos is this Metro streak, 4¾" long . . . \$1.50

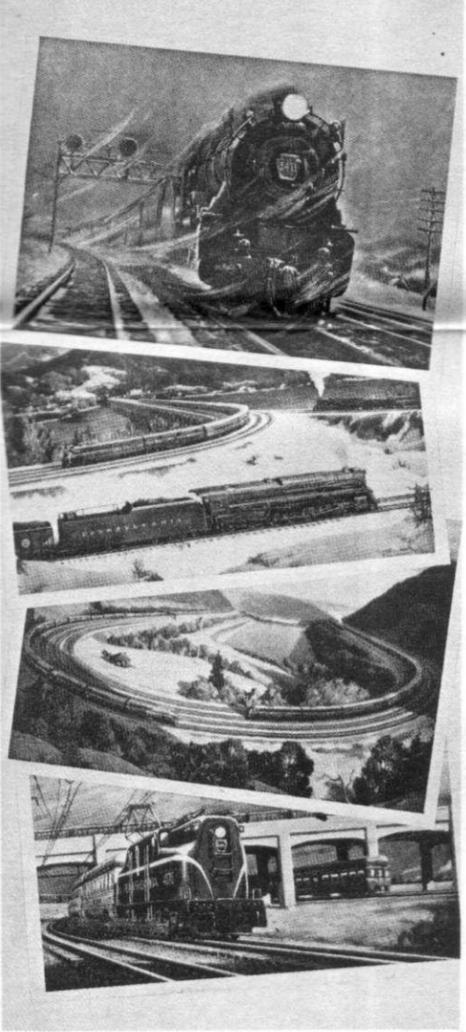


(N) **PC GREEN** luggage tag is made of heavy-gauge plastic. Insert name and address with sealed-in window \$1

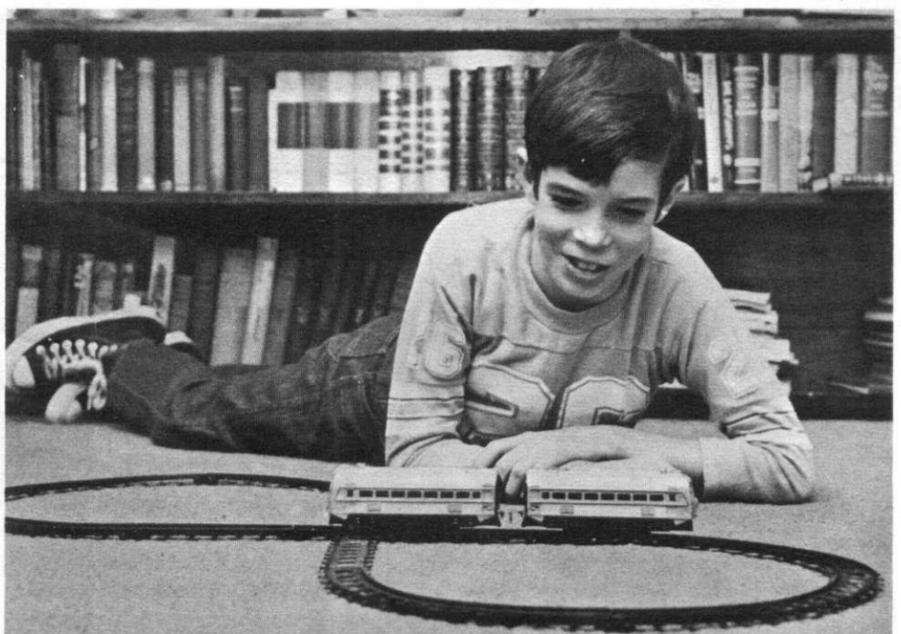


(O) **EMBROIDERED** cloth patch has an orange-and-black emblem. Can be sewn on jackets and caps 50¢

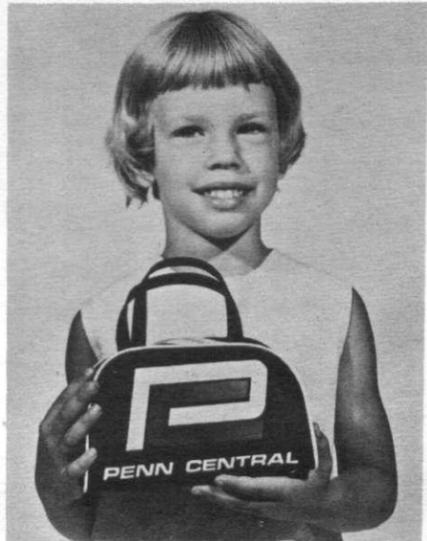
(Q) **FAMOUS PRR PAINTINGS**: Full-color prints of four PRR calendar paintings, each 12 by 16 inches on antique stock in a handsome portfolio. Plus Rand McNally PC railroad map, 20x33 inches. Complete set \$2



(R) **MINI-METROLINER!** Two-car train skims around a figure-8 track. The cars are realistically designed in durable plastic. Powered by two C batteries (not included) \$5



(G) **PRR REPRINTS** include old poster and timetables on antique-type stock, 8½ by 11 inches. Complete set of 4 prints . . \$1

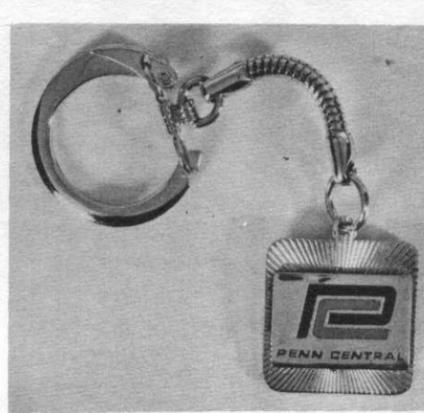


(K) **TOTE BAG**, 7 inches long, is made in black vinyl with red-and-white PC \$1.25



(P) **METRO JOTTER**, this ballpoint pen in blue or black with Metroliner imprint75¢

Items mailed anywhere in U.S., postage paid by PC Souvenirs. Please order early to avoid the holiday rush. If your area has a sales tax, please add the amount.



(H) **HANDSOME** snake key chain has an orange-and-black PC emblem . .75¢



(L) **LANCASTER MUG** with steam engine design. Blended metals with the look and feel of Colonial pewter \$5
(M) Matching 5-inch plate \$3.50

To: Penn Central Souvenirs, 1040 Six Penn Center, Phila., Pa. 19104
Please send following items (prices include postage and handling):

ITEM	QUANTITY	PRICE
(A) Cuff Links, \$3		
(B) Tie Bar, \$2.25		
(C) Tie Tack \$2.25		
(D) Charm Bracelet, \$2.75		
(E) Letter Opener, \$3		
(F) DeWitt Clinton Plate, \$10		
(G) 4 PRR Reprints, \$1		
(H) Snake Key Chain, 75¢		
(I) Circle Pin for Women, 75¢		
(J) Metroliner Paperweight, \$1.50		
(K) PC Tote Bag, \$1.25		
(L) Steam Engine Mug, \$5		
(M) Steam Engine Plate, \$3.50		
(N) PC Luggage Tag, \$1		
(O) PC Cloth Patch, 50¢		
(P) Metro Jotter Ballpoint, 75¢		
(Q) PRR Paintings and PC Map, \$2		
(R) Mini-Metroliner Train, \$5		

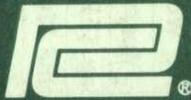
TOTAL _____

Name: _____
Address: _____
City _____ State _____ Zip _____

Enclosed check money order for \$_____ payable to Penn Central Transportation Company. Include any sales tax in effect in your area.

PENN CENTRAL POST

6 PENN CENTER PLAZA
PHILADELPHIA, PA. 19104

<p style="text-align: center;">JANUARY</p> <p>S M T W T F S</p> <p style="text-align: right;">1</p> <p>2 3 4 5 6 7 8</p> <p>9 10 11 12 13 14 15</p> <p>16 17 18 19 20 21 22</p> <p>²³/₃₀ ²⁴/₃₁ 25 26 27 28 29</p>	<p style="text-align: center;">FEBRUARY</p> <p>S M T W T F S</p> <p style="text-align: center;">1 2 3 4 5</p> <p>6 7 8 9 10 11 12</p> <p>13 14 15 16 17 18 19</p> <p>20 21 22 23 24 25 26</p> <p>27 28 29</p>	<p style="text-align: center;">MARCH</p> <p>S M T W T F S</p> <p style="text-align: center;">1 2 3 4</p> <p>5 6 7 8 9 10 11</p> <p>12 13 14 15 16 17 18</p> <p>19 20 21 22 23 24 25</p> <p>26 27 28 29 30 31</p>
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<p style="text-align: center;">AUGUST</p> <p>S M T W T F S</p> <p style="text-align: center;">1 2 3 4 5</p> <p>6 7 8 9 10 11 12</p> <p>13 14 15 16 17 18 19</p> <p>20 21 22 23 24 25 26</p> <p>27 28 29 30 31</p>		<p style="text-align: center;">SEPTEMBER</p> <p>S M T W T F S</p> <p style="text-align: right;">1 2</p> <p>3 4 5 6 7 8 9</p> <p>10 11 12 13 14 15 16</p> <p>17 18 19 20 21 22 23</p> <p>24 25 26 27 28 29 30</p>
<p style="text-align: center;">OCTOBER</p> <p>S M T W T F S</p> <p>1 2 3 4 5 6 7</p> <p>8 9 10 11 12 13 14</p> <p>15 16 17 18 19 20 21</p> <p>22 23 24 25 26 27 28</p> <p>29 30 31</p>		<p style="text-align: center;">NOVEMBER</p> <p>S M T W T F S</p> <p style="text-align: center;">1 2 3 4</p> <p>5 6 7 8 9 10 11</p> <p>12 13 14 15 16 17 18</p> <p>19 20 21 22 23 24 25</p> <p>26 27 28 29 30</p>