

# Transport Central

## It's time to tell you the sad news about a famous IC train.

Starting November 23, with ICC approval, our Panama Limited will be only a memory. No longer will this well-known train make its daily run between Chicago and the cities of the South.

When this day comes, no one will be sadder than IC.

We made this choice because our only alternative was to lose a lot of money. And that's no way to run a railroad. No sensible person would expect us to keep on spending \$1.30 for every dollar we earn from passenger operations. But this is exactly what happened in 1969.

In spite of promotion, advertising, and restructuring our service to attract more riders, the Panama Limited alone racked up an out-of-pocket loss last year of more than one million dollars.

Beside losing money, this train is losing the battle with wear-and-tear. Although we've kept it in good repair, it soon must be replaced. But to spend millions to lose more millions just doesn't make sense.

We'd like to make improvements in the trains that people ride often, such as those that run between Chicago and Carbondale, Illinois. But our ability to do so is seriously affected by the crushing financial burden of the Panama Limited.

What are the causes of this dilemma?

Operating costs keep going up. A few trains are well-filled, but far too many are almost empty. Fewer people take long trips on our trains. More people prefer the speed of subsidized carriers or the flexibility and convenience of their private cars. For these same reasons, we expect even larger financial losses in the future.

Annual losses like this can lead to serious troubles. For example, in the two years before Penn Central failed to clear its financial hurdles, that railroad's passenger service suffered a huge loss each year. What happened to Penn Central must not happen to IC.

And so, with great reluctance, and after careful consideration of our obligation to communities served by this famous train, we plan to bring its service to an end.

Some day, perhaps the public policies that brought us superhighways and jumbo jets will change to help bring back intercity passenger trains. That will be a great day, indeed.



**Illinois Central  
Railroad**

an IC Industries company

12 OCTOBER 1970



Published each week by Transport Central, 416 N. State, Chicago, Illinois 60610  
Telephone 312 828-0991. Annual subscription rate (including 46 issues): \$10.00

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## Column One

### THE CORPORATE COP-OUT

Diversification can be a useful corporate tool to assist in shoring up businesses with available capital but poor short-range prospects against the day when the diversifying firm's outlook is brighter. In some industries particularly oriented toward a necessary but hardly profitable public service, diversification is often the only way for the necessary service to stay afloat.

This is as it should be, and we have raised not the slightest objection to any carrier's branching out into other fields, so long as its prime motive in so doing is to shore up the essential transportation service it is providing. Now, practically every railroad, airline and bus company worth its salt has a plethora of other, unrelated business interests on the side.

One of these diversifiers, the Chicago & North Western Railway, once a sad financial example among U.S. roads, managed to turn itself around through improved, aggressive management headed by "boy wonder" Ben Heineman, becoming a financial example to emulate rather than avoid.

Its improved cash position (not the least of which was engendered by its highly successful commuter operation in the Chicago area) soon opened the way for diversification, and Northwest Industries was born. NWI became the parent of the railroad and snapped up a pair of chemically-oriented companies, Velsicol Corporation and Michigan Chemical Company. Their acquisition helped to further the flow of black ink on NWI's books, and to indirectly benefit the North Western itself.

But now that profitable diversification is an accomplished fact, we enter on Phase II of the grand design. Since the railway itself has become the least profitable of NWI's subsidiaries, even though it provided the capital for the expansion of NWI in the first place, the disenchanted Heineman clique has conceived a plan to dispose of the albatross--by selling the road to its employees.

At first glance, the proposal seems nobly motivated. What better way to further the "American dream" than by giving the workers a share in their own business? Not mentioned so forcefully in the hoopla attending the creation of NETCO (the employees' own corporation formed to buy the road) was the simple fact that the workers will be buying the not-inconsiderable publicly-held debt of the road (some \$401,000,000) as well as its assets. In one bold stroke, NWI would be forever free of all the nasty responsibilities, fiscal and otherwise, of running a railroad and be the recipient of a tax loss carry forward of at least \$225,000,000, also a not-inconsiderable sum.

Thus the circle will be complete. Boy (Heineman) meets girl (C&NW); boy marries girl; they fight, and boy leaves girl, taking all the community property and getting alimony as well. We trust the Interstate Commerce Commission will see through this sham, and refuse to allow the brazen destruction of still another vitally-needed transportation facility. It is nothing less than a classic corporate cop-out.

--RICHARD R. KUNZ





## nautical notes

**GOD SAVE THE QUEEN** -- Congress has delivered a death blow to the *Delta Queen*. The body refused last week to make it possible for the *Delta Queen*, a river steamboat reminiscent of the days of Mark Twain, to continue its regular runs on the Mississippi, Ohio, Tennessee and Cumberland Rivers.

House-Senate conferees refused to accept a Senate-passed amendment to the Merchant Marine bill which would have allowed the ship to ply the waterways even though she does not meet federal maritime safety laws. As a result, the *Delta Queen* must halt its overnight passenger operations November 2, the final day of a two-year exemption Congress approved in 1968.

The 44-year old vessel was the last overnight ship of its kind in the United States. It sailed between nine and ten months of the year, making regular stops at Minneapolis-St. Paul, Pittsburgh, Louisville, Cincinnati, Memphis and at New Orleans.

While the conferees deleted the Senate amendment in its entirety, Senator Russell Long (D-La), one of the conferees, said a statement would be included in the committee report indicating Congress favored a federal subsidy to Greene Lines (operator of the ship) if it wanted to build a metal boat similar to the *Delta Queen*. But the statement would not have the force of law.

Long said the hassle over the *Delta Queen* had threatened the entire Merchant Marine bill. "We can't simply sacrifice the entire Merchant Marine Corps," said the Senator.

Greene Line Steamers (Cincinnati) president William Muster said various firms and cities have offered to buy the vessel and turn it into a floating restaurant, including the city of St. Louis, which already has many waterfront attractions. He estimated that it would cost \$10,000,000 to build a new ship similar to the *Delta Queen*; to revamp the current ship into a daytime-only excursion boat would cost about \$1,000,000.

The ship was placed under a comprehensive act passed by Congress in 1966 following two disastrous Atlantic Ocean ship fires. Its proponents had argued that the *Delta Queen* should be exempted from the safety legislation because the ship's voyages were restricted to inland waterways where it was never more than a few hundred yards from shore. (From a UPI dispatch).

*[Editor's note: We have thus far been unable to secure a photograph of the ship for inclusion in Transport Central. If any of our readers can furnish us with a sharp, black and white print of the Delta Queen, please so advise us (before sending the print); we will pay our regular small fee for its use.]*



## bus briefs

**RIGHTS REPORT** -- Empire Lines, Inc., of Seattle has been granted rights from the U.S.-Canadian border point of Eastport, Idaho to Couer D'Alene, for both regular and charter international service, the latter to all U.S. points....Suburban Transit (New Brunswick, N.J.) has been granted connecting rights for regular ser-



vice between New Brunswick and Exit 10 of the New Jersey Turnpike....Cascade Charter Service, Ltd., of Chilliwack, B.C. may offer charter service from Canadian points via the state of Washington to points in California, Nevada, Idaho and Oregon....Seattle's Westours has been granted permission to acquire control of Bremerton-Tacoma Stages, Inc. (Seattle) and joint control of Evergreen Trails, Inc. (also of Seattle)....Adirondack Transit Lines, Inc. (Kingston, N.Y.) is in the process of acquiring Nationwide Tours of Schenectady....A final note on charter operation: 404 interstate buses were sidelined by DOT inspectors making surprise inspections during the first month of the program.

## airline action

**EQUIPMENT REGISTER** -- As a world-wide safety measure for Boeing 747 jumbo jets now in transoceanic service, the FAA has directed pilots to use cooling water-injection for all takeoffs. They have also asked maintenance specialists to exert extraordinary vigilance over caring for the powerful new turbines with which the plane is equipped.

The agency said the problem is internal with the engines (Pratt & Whitney JT-9D). Two incidents, one involving an Air France 747 shortly after takeoff in Montréal; the other a more recent fire and explosion on an American 747 at San Francisco have pointed up the requirement for the new directives.

Both incidents--in each case safe landings were made despite the failures--were investigated by teams from the National Transportation Safety Board. Findings have shown that extremely hot temperatures within the huge engines--each of some 45,000 pounds of thrust for takeoff--have been major factors in the failures. The hottest point in the engines is at the first stage turbine wheel, which has 116 blades. All the major recommendations by the NTSB team have been aimed at making these blades as cool as possible.

**PLANE FACTS** -- McDonnell-Douglas is selling eight DC-9 twin-jets to Finnair of Finland for 1971-72 delivery....Eight tires on a Pan Am 747 blew out as it landed in Tokyo last week, forcing the closing of the field for two hours until the tires could be changed. The shutdown was necessary because the plane could not be moved from its position blocking the main runway.

**...AND MORE** -- A Library of Congress report that states the SST will make less noise on takeoffs and landings than the 707 has been released in Washington by (predictably) Washington Senators Jackson and Magnuson; Seattle's Boeing Company will build the controversial plane--if the Congress gives its approval soon....Lufthansa has ordered 4 DC-10s for 1974 delivery. The German carrier will use the airbuses on its Europe-Far East and Europe-South America routes.

**ROUTE REPORT** -- Braniff begins 747 service January 15, Dallas-Fort Worth to Honolulu. BI's first, 360-seat 747 arrives in January; another comes in April....Delta begins its 747 service next week on an Atlanta-Dallas-Los Angeles run. Expansion of Delta 747 service will become effective December 15, to include runs serving Detroit, O'Hare and Miami....Pan Am hauled its millionth 747 passenger on September 28--with appropriate ceremonies.

**...AND MORE** -- Frontier begins three new daily round-trip non-stop jet services to Omaha October 25 from Chicago, with added thru-plane operation to Denver, the



Nebraska cities of Grand Island and Scottsbluff, and Rapid City and Billings. All of the Frontier flights will operate from Midway Airport....Pan Am has asked the CAB for non-stop Tampa-Mexico City authority. The line currently operates Miami-Mexico City via Merida service, with some stopping also at Tampa....Home movie buffs who fly aboard British United can buy a 25-foot, 8mm film strip showing a VC-10 taking off, in flight, and landing, for splicing into their own travel movies. Sales of the \$3 film strip are brisk, according to BUA.

**BAHAMIAN BUSINESS** -- Four airlines have agreed to continue air services formerly operated by Bahamas Airways. The Swire-group affiliated line ceased operations October 9. Eastern placed extra planes in service on its New York-Florida-Bahamas run to take up the slack, while Pan Am will also continue to fly between Florida and the Bahamas. Colony Air Lines and Out Island Airways will serve the Bahamas domestic routes. The Swire line and the Bahamian government were unable to come to agreement on continuation of the service by Bahamas Airways, hence the closing.



## metro memo

**SEPTA SUBSTANCE** -- SEPTA says it faces a deficit of \$18,100,000 as it prepares its budget for 1971. A SEPTA spokesman says the Philadelphia area transit system has been losing about \$700,000 a month. The anticipated deficit figure takes into account the fact that the Authority will not pay the city some \$2,700,000 in noncumulative rent this year; a contract with the city provides that the Authority need not make a portion of its rent payment (for the use of certain city-owned facilities used as a part of the SEPTA system) if its revenues drop below a certain figure. The figure also assumes that fares will be maintained at their current levels; that wages will remain the same; and that service will continue to be maintained at its present level. The budget also anticipates an increase in the sum paid by PennDOT and the suburban counties to subsidize commuter rail lines.

In its proposed, tentative fiscal 1972 budget, several items have been added:

- Acquisition of 140 new subway-surface streetcars, \$22,400,000
- Renovation of transit stations, loops and terminals, \$120,000
- SEPTA power station conversion, \$3,100,000
- 69th Street maintenance carhouse (Red Arrow Division), \$200,000
- Additional Red Arrow Division parking facilities, \$25,000
- Fare collection equipment replacement, \$1,100,000
- Power improvements, \$530,000

Some of these projects have been rescheduled from fiscal 1971 because of lack of available funding.

**URBAN REPORT: I** -- Boston's M&B (the Middlesex & Boston Street Railway Company) has gone exact fare, effective September 27. Prior to that date, M&B had a Pay-Leave system; it is now, of course, pay enter. The fare is 30¢ per zone, except on the Harvard Square-Concord-Maynard line, where zones go thus: 30-25-20-15-15-15-15. Student fare is 15¢. M&B has one of the few "positive transfer" systems where connections are guaranteed; the system has also had a three-year subsidy program approved.

**...PART II** -- The federal government has announced a plan to turn one of New York's three Lincoln Tunnel outbound lanes into an exclusive inbound bus lane du-



ring morning rush hours. The \$500,000 project will cut about 15 minutes from travel time for 35,000 commuters who ride buses from northern New Jersey thru the tunnel into midtown Manhattan. The exclusive bus lane will be on a 2½ mile segment of I-495 from the New Jersey Turnpike interchange to the Lincoln Tunnel toll plaza. About 800 buses will carry commuters on that lane each morning. Also contemplated are additional parking lots for persons who want to park and transfer to New York-bound buses, supplementing the one existing lot along approaches to tunnel; it holds only 1,500 cars.

...PART III -- The Greater Peoria Mass Transit District has begun a survey of its present operations, with a view to improving and expanding its current services. The survey was begun September 27, and will last through October, being conducted by ATE Management & Service Company, operators of bus service for the District. Another survey, by Simpson & Curtin consultants, will also be conducted in October. Its aim will be to justify DOT funds for the District, to be used to make additional improvements. A \$740,000 DOT grant, for the purchase of new equipment, is expected to be approved by October 15. The GPMTD is currently operating leased equipment from other ATE properties. Six old Peoria City Lines units (GMC TDH-4517 coaches, vintage 1960) have been restored to service, and two of the ATE coaches are being returned to their owner properties....In a related action, the GPMTD board authorized free bus service on Monday and Friday nights during October, to be subsidized by local merchants. The two nights are shopping evenings in Peoria; service (to cost the merchants almost \$15,000) will operate between 6 and 9:30 PM on all lines, including runs to East Peoria.

...PART IV -- A DOT release just received points out that Cleveland's airport Rapid line has posted a successful track record for its almost two years of operation. The study revealed that the average air passenger using the transit service was male, had a family income in excess of \$15,000 per year, and traveled alone on a business or convention trip (no doubt entering the steeper Yellow Air Transport limousine rate on his "swindle sheet"). This is precisely the kind of person, according to DOT, that many transit critics claimed would not ride a public conveyance. Another theory that was exploded was that persons with baggage would not ride the Rapid. In the survey, 62 percent checked at least one bag on their flights. Furthermore, 25 percent of all air passengers with origins or destinations within the CTS Rapid service area used the service, even with the plethora of local stops and a possible need for a transfer. An average of 3,600 passengers each day use the Airport Extension, including many airline employees.

. .PART V -- By the time you read this, President Nixon will have signed the Federal mass transit bill into law. Some \$3,100,000,000 is to be available for improvements through 1975 to communities that pledge one-third of the cost of transit projects....Clarifying an item in last week's TC: Harrisburg Railways (ATE) is still operating service over the lines of the former Valley Transportation system of neighboring LeMoyne, Pa. Only the charter rights of Valley were acquired by Wolf's Bus Line of York....No "e" for effort: Winnipeg will close down its remaining trolley coach line October 31; another loss for the ecologists.

...PART VI -- The only transportation provided thus far by the developers of "New Town" Columbia, Maryland, is a DOT-financed minibus. The route traverses residential neighborhoods and commercial areas, but does not stop at predetermined locations; residents simply flag it down. The minibus has been running empty most of the time, but is kept running because the developers hope to condition residents to the idea that public transportation is convenient and dependable, in



anticipation of the time when a more sophisticated system will operate. Commercial bus schedules have been adjusted to carry Columbia residents to Washington and Baltimore jobs. There is no commuter rail service; many residents drive to their city jobs.

...PART VII -- Times are tough all over/III: The Cleveland Transit System must raise \$8,000,000 for a pay increase in the wake of a summer wildcat strike that resulted in a 14% drop in patronage....Only a promise of help from the Youngstown Area Transit Authority prevented the Youngstown Transit Company from shutting down in August....Sandusky and Warren, Ohio have lost their transit service, and Ashland is not far behind (Ashland City Lines will continue its Cleveland-Mansfield intercity service and charter work....New Jersey Senator Harrison Williams has charged that the Port of New York Authority has failed to meet its responsibility to help New York and New Jersey solve their mass transportation problems. ....Two other cities lost their transit service in 1970: Laurel, Mississippi (Laurel-Ellisville Lines), and Vicksburg, Miss....CTA's new Budd rapid transit cars have been quietly and officially sidelined since September 9, following a \$50,000 fire on one of the stainless-steel units. They are now run only during rush hours as needed, not in base service. (Perhaps a continuing research program in the years following World War II on rapid transit car equipment and design by the largely-ineffective Institute for Rapid Transit, rather than continuing "City X" seminars might have prevented this and similar problems).

...AND FINALLY -- SEPTA's new General Manager, former GE executive William R. Eaton, has charged that lack of imagination, nurtured by years of financial inability to experiment, is the most pressing problem facing the Authority. People employed by SEPTA and the mass transportation industry in general "are not practiced or skilled in thinking of things they would like to do with any conviction that they would ever be allowed to attempt them," Eaton said....That bond issue, set up to finance purchase of Denver Tramways by the city, failed in a September referendum, and the whole issue of municipalization is again up in the air.

## railway report

TRAIN-ONS -- (Not a misprint) The MetroLiner demonstration project officially began October 1, after a delay of more than two years, amid the promise of many innovations. Under the terms of a revised contract between PC and DOT, the high-speed trains will make seven round trips daily. The innovations planned include complimentary meals, reduced fares during certain hours of the day, improvements in scheduling and the opening of a suburban station in New Jersey similar to the one now in service at the Capitol Beltway in Maryland. Trained airline stewardesses are to be hired as on-train hostesses, and in the near future DOT expects to construct a modern passenger lounge for MetroLiner travelers in Washington's Union Station; a similar lounge is under consideration for New York's Pennsylvania Station, along with other improvements in ticketing and reservations services.

...MORE -- (More?) DOT has announced a temporary extension of the advanced New York-Boston TurboTrain service, in order to give the parties concerned more time to hammer out details of a long-term renewal of the demonstration project. The present agreements between DOT and United Aircraft were due to expire October 22; the temporary renewal of the contract will last beyond next January 1. Currently, one train makes one round-trip a day during the week, and a backup train a round-trip on Saturday and Sunday; DOT hopes to increase this schedule.



**TRAIN-OFFS** -- L&N is presently in the process of petitioning the Kentucky PSC for approval to discontinue #8-9, the *Pan American*, between Louisville and Latonia (Cincinnati), Kentucky....The name *Texas Eagle* is now a misnomer since, effective September 22, MP trains 1-2 were discontinued between Texarkana and Laredo....In an expected decision, the ICC gave its final blessing to the removal of Rock Island 7-10, Chicago-Council Bluffs; the runs had come off May 31....The last trip of through service from New York to Toronto on PC 61-371 will be October 23; last Toronto-New York through service on 376-62 will be October 24. Effective October 25, 371 and 376 will operate a daily coach service on a revised daylight schedule between Buffalo and Toronto; connecting service will be available to and from New York City at Buffalo.

**MORE** -- Seaboard Coast Line has petitioned the *Palmland* between Richmond and Columbia, S.C. The trains continue northward from Richmond to Washington and New York via RF&P and PC. SCL 9/10 once continued south of Columbia; that service was removed in 1968. Also removed (April 25, 1970) was the through sleeper via RF&P and PC from Columbia to New York and return....The ICC will investigate the *South Wind* petition (SCL)....Division 3 okayed the removal of the stub service on GTW's portion of the *International Limited*, Chicago-Port Huron; the Port Huron-Toronto leg disappeared earlier this year.

**MISCELLANY** -- The number of PC vice presidents has dropped from 35 to 11....C&NW says it will not operate the experimental Chicago-DeKalb service (traded for the Clinton trains in a unique "deal" now pending before the ICC) unless some form of bus shuttle service is established between the C&NW station in DeKalb and the NIU campus some distance west. (City bus service in DeKalb, including a subsidized shuttle line between DeKalb and the campus, is currently offered by the DeKalb-Sycamore Bus Line, Inc.)....At long last, the 120-year old Railroad Transfer bus service between Chicago railroad stations is to be discontinued, effective December 31. During the first seven months of this year, loadings dropped 35% below 1969; weekday volume is down to less than 200. John Keeshin currently operates the RRT service, having acquired rights in a bitter fight with Parmelee (affiliated with Yellow and Checker Cab and others) in 1955....Alfred E. Perlman is to become the next president of the Western Pacific; Perlman was one of the guiding lights behind the NYC-PRR marriage that is currently in the bankruptcy courts....Effective September 21, all Boston-New York trains began operating into Penn Station in New York, rather than Grand Central.

**STATISTICS** -- For the record, these trains were okayed for discontinuance by PC effective October 1, but stayed by a federal court order:

13-32, Pittsburgh-St. Louis; 22-23, Chicago New York; 77-78, Columbus-Cincinnati; 548-549, Harrisburg-Washington; 63-64, Buffalo-Chicago; 351-352 Buffalo-Chicago, and 315-316, Cleveland-Indianapolis.

These trains (out of the Western area 34) were to be continued in operation:

4-31, New York-St. Louis; 16-25, Pittsburgh-New York; 48-49 and 54-55, Chicago-New York; 90-93, Chicago-Louisville; 27-28, 51-98 and 14-17, Buffalo-Chicago; 427-428, Boston-Buffalo; and 355-356, Detroit-Chicago.

Because of the confusion surrounding these removals, TC's regular quarterly listing of train-offs has been delayed, but will appear shortly.

**THE COVER** -- The unique IC ad heralding the upcoming disappearance of the *Panama*.