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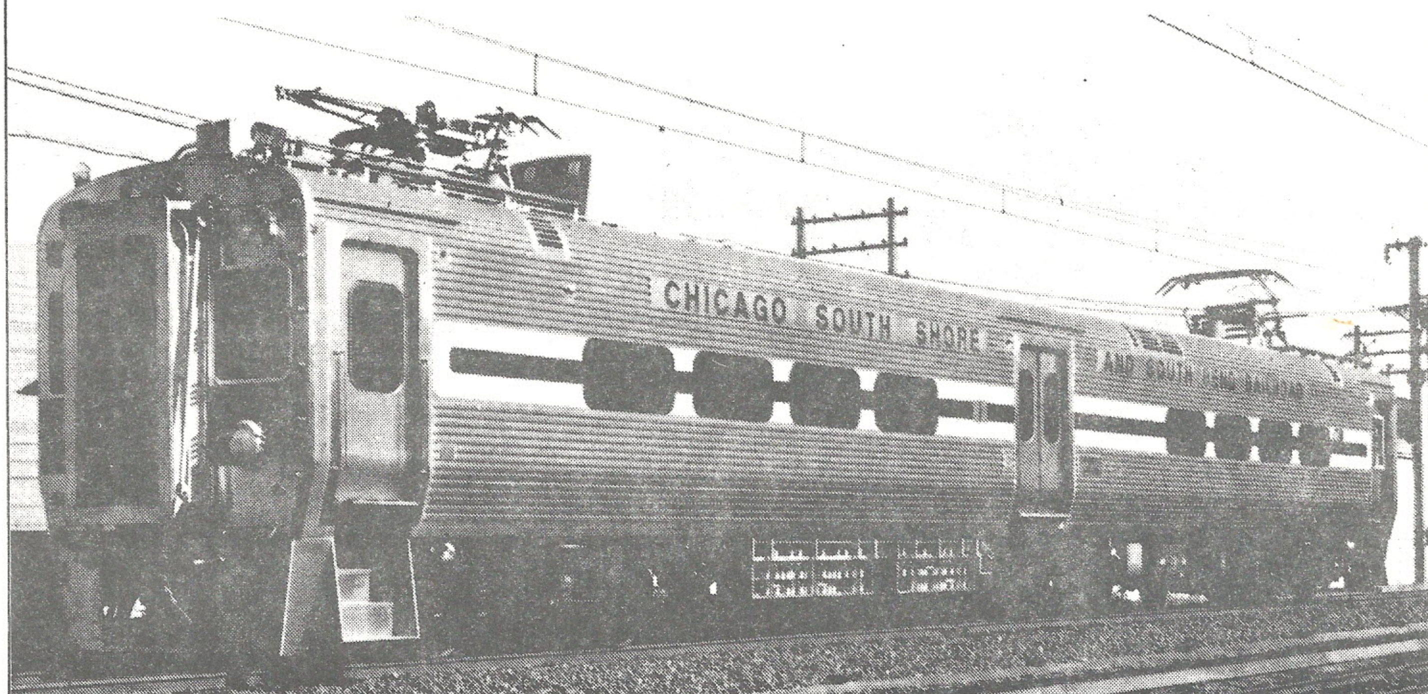

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cover photo
The prototype new South Shore multiple-unit car, photographed at the Nippon Sharyo plant in Japan. It has been moved to Michigan City for testing, and eventual demonstration runs this summer. The balance of the order is expected to be inservice some time in 1983, relieving a critical car shortage that has resulted in the appearance on South Shore rails of diesel-hauled, bilevel commuter trains leased from the RTA. –NICTD

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INTERFACE

Palm 90: Facts and Speculation

In the wake of the recent Air Florida Boeing 737 crash at Washington National Airport, some very interesting facts have recently surfaced. A leading aerospace trade publication has revealed that over a period of eleven years (1971 - 1982) there have been 18 reported instances of severe instability on 737s in known or suspected icing conditions. The information was released by the British Civil Aviation Authority (CAA).

The instability resulted in either a sudden pitch-up (as much as 23+) or severe left or right rolls. In most cases this happened immediately after take-off, a particularly dangerous time, what with the lack of both altitude and airspeed.

The CAA had not, to date, reached any definite conclusions as to the cause, but stated that it appeared the combination of take-off flap setting of up to 5 degrees, partial leading edge slat extension, possible wing leading edge dents, and icing conditions created this excessive instability with the resultant highly dangerous aerial excursions. As a result of these findings, the CAA issued an airworthiness directive to all British Operators of B-737s which amends takeoff procedures. Takeoff speeds were increased between 2 and 5 knots (depending on the 737 model) and takeoff rotation was limited to 3 degrees/second.

All the above is fact. The speculation relates as to whether this type of instability contributed to the Air Florida crash directly or indirectly. It appears that the Air Florida flight experienced a takeoff acceleration which was slower than normal. It also appears there was some icing on the wings.

If instability set in at takeoff, and if the 737 lifted off at or somewhat under the required takeoff speed, then a pitch-up could have caused a fatal stall from which the crew could not recover.

There is a historical precedent which tends to give some credence to this theory. Shortly after the Boeing 747 was introduced into service, a Pan Am 747 experienced a nearly fatal takeoff incident at San Francisco International Airport. The investigation which followed revealed that one of the contributing causes was that the takeoff speeds as computed by Boeing were all too low. All 747 operators were immediately directed to increase 747 takeoff speeds.

In the case of the Air Florida 737 the old and dreaded "snowball" effect may once again have been operating. The sequence of wing icing, reduced acceleration (for as-yet-undetermined reasons), lift-off at or below the desired airspeed (which may have been too low in any case), instability at takeoff causing a pitch-up, a resulting approach to a stall, and an increasing and uncontrollable sink rate, may have been the chain of events which finally caused the crash. A further contributing item was the limited runway length which would have prevented the crew from lengthening their takeoff roll in order to insure a safe airspeed at lift-off.

It will be interesting to read the official report of the accident investigating team. It may reveal that the fatal chain of events was already inexorably underway before the takeoff was ever initiated. Unless one of the links in the chain could have been altered, the outcome was unavoidable. The flight crew may have contributed to the crash, but very possibly were not the major cause.

– CLAUDE G. LUISADA

RETROSPECTIVE: It Was A Better World

[As the ElectroLiner prepares for a return to its native turf, perhaps it is appropriate to look backward for a moment at the famous railway on which it ran, gone now these nineteen years, to see what the passage of time hath wrought. Here is a TC editorial from January 22, 1973 . . .]

At about 3:00 in the morning of a bitterly cold day ten years ago this week, the life of a railway that had not yet reached its three score and ten years was snuffed out, a victim of "progress".

That cliche rounding out the first paragraph of this essay was perhaps never more appropriate on its semantic face than in the case of the late and now-lamented Chicago North Shore & Milwaukee Railroad, popularly known as the North Shore Line.

This writer has a particular affinity for the North Shore; growing up in Chicago with relatives in Milwaukee meant frequent journeys over the electric line, and more than a casual familiarity with its operations. And, a brief stint in its employ at the bitter end (no, dear reader, my employment and the road's demise were not cause and effect) only confirmed my already-held belief that the road was a valuable public utility that deserved a better fate than that afforded it by the scrapper.

But that was in the days before "enlightenment" on the part of public and government, and private interests were (as always) put ahead of the public good–and the Susquehanna Corporation was the richer for it.

Now it is ten years after the fact, and it is becoming increasingly clear that those of us who cried out against the road's demise may just have been barking up the right tree, rather than being merely emotion-soaked old sentimentalists who delighted in preserving anything old (and valuable) just because it was old (and valuable).

Now, we who enjoyed the luxury of hourly service between the Windy and Beer Cities via rail must content ourselves with but a fraction of that schedule (where there were three roads offering trips between Chicago and Milwaukee there is now but one), or we must endure a run on the public macadam via the ever-present 'Hound (which itself does not afford the same hourly schedule that was the trademark of the electric line.)

Fine, you say–but was not part of the reason for the North Shore's demise the falling off of traffic that has now resulted in such a paucity of service? Was not the electric's death from economic causes entirely justified–especially in view of the competition it had to endure in its principal market?

Let's deal with the "fall off in traffic" first. Even the most casual observer must acknowledge that the total traffic between Chicago and Milwaukee has increased–but, as in most similar cases, highways have absorbed the increase. No greater evidence of this could be found than in the fact that the state of Wisconsin spent a total of $24,000,000 to add two more lanes to Interstate 94 (U.S. 41) from the Wisconsin-Illinois line to the existing six-lane segment at Oak Creek. Interestingly enough, this sum (appropriated from the public treasury) is just $2,000,000 less than the total value of the railroad ($26,000,000) that the Susquehanna Corporation placed on it in 1962 when interested groups hoped to purchase it. That same figure also represents the tax shelter benefits granted Susquehanna by a grateful U.S. Treasury on the line's abandonment.

It therefore strikes this reporter that at least one of the reasons for the overwhelming increase in traffic over the 90 miles separating the two cities was the cessation of one of the viable alternatives to driving that the North Shore offered–for it was the only road of the three to offer hourly service *and* convenient downtown delivery at both ends of its route, as well as a number of well-located stops on the fringes of both cities (and in the intermediate cities as well). Its equipment was old, and frightfully expensive to maintain, but day in and day out the North Shore provided reliable service.

That last phrase, "reliable service", I think is the key to the whole complex question of the road's reason for existence and why its survival was so important in 1963 (as we can all tell from our 10-years later viewpoint). Without attempting to demean either the North Western or the Milwaukee Road, the carrier of the three that did the job of moving people best in its territory was the North Shore. That this fact also insured the road's demise is undisputed; a railroad having to depend upon its passengers for most of its revenues (particularly if those riders are largely commuters, as was the case with the North Shore) is certain to suffer fiscal ruin.

But the fact remains that the road performed a viable service, and did its job better than any of its competitors; by these standards it should be with us today. That it is not only serves to indict those of narrow mind who were in a position to decide ten years ago. The corridor that it served remains one of the most significant by even the shrunken standards of today, and it is perhaps noteworthy that Amtrak has chosen it for further development–including articulated equipment of a design not too far advanced from the ElectroLiners of 1941.

To be sure, and excellent case could have been (and was) made for the abandonment of the road on economic grounds; this reporter was present for a portion of the abandonment hearings and recalls that even the die-hard "emotionalists" conceded the validity of many of Susquehanna's arguments; no corporation of sound collective mind could be expected to infuse the massive amounts of capital into a worn-out plant necessary to bring it up to acceptable standards–and those of us who pleaded for access to the public purse were chided as being reactionaries with dangerous social ideas.

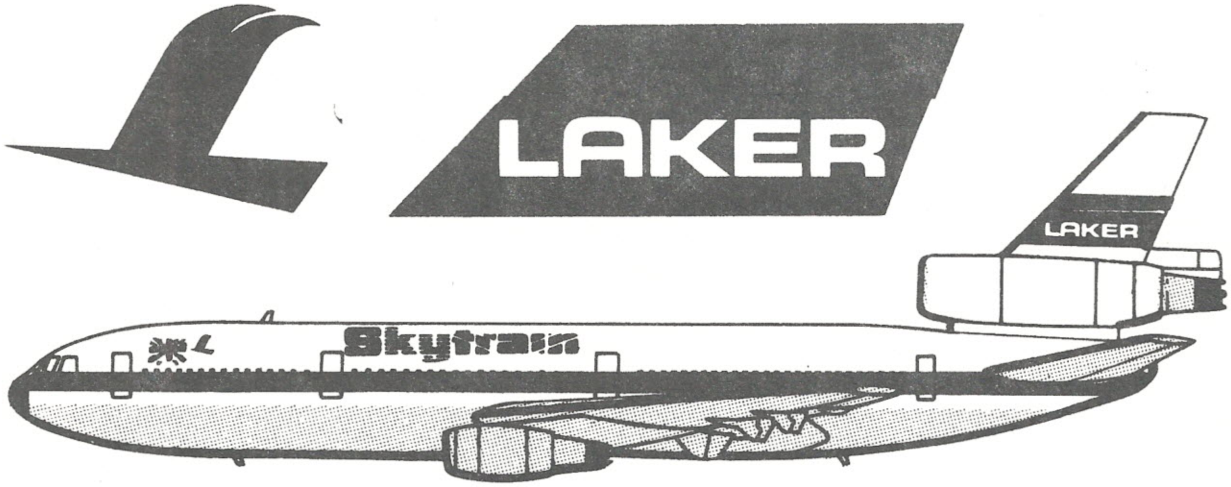
But, as we all have seen, free enterprise in the public transportation business in the decades of the 60's and 70's does not work, and most certainly never will again. Once upon a time, a carrier could make a go of it from the fare box, and even renew his property from time to time. Soon, physical plants got dangerously aged, and public funds had to be tapped to buy new buses and rail cars; now the fare box cannot even provide operating expenses, let alone new equipment.

All of this is perfectly clear now, to all but the most stubborn apostles of "benign neglect". It was clear to us in those days of wine and roses ten years ago, and it should have been equally clear to those responsible for the public good. That it was not is an indictment of us all, for we did not insist upon a cadre of public officials to whom "balanced transportation" was not mere campaign rhetoric. We will pay (and are paying now) a fearful price to have to put back the North Shores and Pacific Electrics in the years to come; would that we might have been wiser then.

And so, in these ten years just past, I would hope that we might have grown a little wiser. The North Shore Line, old and tired though it might have been, was a fine railroad; its loss can only make us the poorer for it. Let us hope that future generations will have a greater sense of perspective.

–RICHARD R. KUNZ

AIR



Freddie's Formula Fails

Laker's Luck Lapses: Bankruptcy Beckons

An era of low-priced transatlantic flights passed into history February 5 when Sir Freddie Laker "dropped out of the sky" (as *Newsweek* magazine put it). His Laker Airways, a pioneer in cheap "SkyTrain" services, was refused a desperately needed line of credit and abruptly went bankrupt–so abruptly, in fact, that flights already in the air were called back to their point of takeoff, stranding hundreds of travelers.

By all accounts, Freddie Laker was a maverick–and an entrepreneur in the broadest sense of the word. His Laker Airways wrote a new chapter in aviation history in 1977 when its deep-discount transatlantic SkyTrain service began, flying in the face of strong opposition from the IATA carriers that dominated the route.

Posing for numerous ads with the tag line "I'm Freddie–Fly Me", the flamboyant Laker threw down the gauntlet to his competition to meet his fares. For his efforts to fan the dying flame of free enterprise he was knighted by Queen Elizabeth II.

But Sir Freddie's tactics worked against him in the long run. The survival urge among air carriers (particularly those on the transatlantic run) is strong, and the entry of Laker into the market set off a series of rate wars that backfired on the upstart.

Laker Airways, like most of the world's air carriers, became a victim of the global recession, hit by rising costs and falling traffic (IATA members alone posted a $900,000,000 operating loss in 1981). The state-supported carriers were, by and large, able to weather the financial storms, but Laker had not the capital to withstand the economic recession.

Laker Airways was entirely owned by Sir Freddie and his ex-wife, and had to borrow heavily to finance the purchase of new aircraft to expand operations. Sir Freddie borrowed a total of $360,000,000 from a variety of sources to buy DC-10s and AirBuses, but fell victim to the declining British pound.

As sterling lost its value compared to the dollar when fuel and other costs were pegged against the latter currency, Laker's financial problems began to multiply and Sir Freddie asked his creditors to refinance his airline's crushing debt.

For his part, Sir Freddie agreed to a belt-tightening around Laker Airways, and a survival package was assembled that called for the infusion of new cash. But, by the time the bailout was arranged, traffic on Laker began to dip alarmingly, and the money men called off the deal, forcing Laker into receivership.

When the news broke in England, the many friends of Sir Freddie (including his legion of loyal employees) rallied around the beleagured entrepreneur, seen by many as a champion of the "little people" who could not otherwise afford to fly. A spontaneous grass-roots campaign was mounted by Sir Freddie's loyalists to raise the funds necessary for Laker to weather the financial storm, and at latest count almost $6,000,000 in cash and pledges has been raised to keep Laker Airways in the sky—but, alas, far short of the total needed.

Laker's creditors immediately took steps to sell the airline's assets; thus far, two package tour units have been sold off (one to a competitor, the other to a brewing conglomerate). The major assets of Laker Airways, three A300 AirBuses and 11 DC10s, are still on the block; some interest has been shown in the former group, while the McDonnell Douglas units appear to be a drug on the market at present (there are at least 44 others for sale by various carriers on the world market at present).

Undaunted, Sir Freddie planned to get back into the air as soon as possible with the help of another British entrepreneur, Roland Rowland, managing director of Lonrho Ltd. That conglomerate would provide the capital for a new "people's airline", with Sir Freddie manning the controls. Pending the cutting of much red tape (including the proposed suspension of Laker Airways' licences by the U.K.'s Civil Aviation Authority), a new British-flag carrier could be in the air as early as April.

[Comment from this desk: Seldom has an airline captured the hearts and minds of so many as has Laker Airways. The flamboyant Sir Freddie has become a folk hero for bringing airline transportation within pocketbook range of many who could not otherwise afford to fly. His no-frills SkyTrain deserves a place in the sky along with the majors, and this is one voice that will urge him on in his quest —RRK]

Equipment Eclectica:
Exit A Partnership: Boeing's Bottom-Out

The gloomy economic outlook of the world's airlines has torpedoed the joint plans of McDonnell Douglas and Fokker to enter the 150-passenger jetliner market, as the two manufacturers announced the termination of an agreement (signed last May) calling for the design and exploration of possible production of a new airliner to be called the MDF 100.

The new jetliner was to have placed the consortium in a commanding position in the market for replacing the many 727s, 737s and DC9s currently in the skies; the project was expected to cost the two builders about $2,000,000,000.

Termination of the joint venture will not necessarily preclude McDonnell Douglas' entry into the field; design work will continue, as will exploratory talks with other prospective partners.

Delta and United had been approached by McDonnell Douglas, both of whom had expressed interest in a plane of smaller seating capacity. Delta, currently relatively strong financially, is anxious to acquire new aircraft, but preferred a narrow-bodied, single-aisle jet; the MDF 100 was to be configured with two aisles, featuring six seats across in two-seat groupings.

Boeing, also reeling from the recession, has contingency plans to furlough as many as 5,000 workers this year in the Seattle area because of slack business; the new-aircraft market continues to soften as world economic conditions and falling passenger loadings preclude the purchase of new planes.

TWA has sold off eight 727-100s to an unidentified buyer... Muse Air has purchased two DC9 Super 80 jets for delivery in late April or early May... Federal Express has entered into an agreement to purchase fifteen new 727-200F aircraft; delivery will begin in June 1983 ... Airbus Industrie has firm orders for two A300 jets from Air Jamaica for October delivery, and a similar tender for three A300 B4 planes from Egyptair ... Boeing will build a 747 "Combi" craft for KLM ... The same builder received an order for two 737-200s from Atlantic Airlines of Hamburg, with a third optioned.

Fare Facts:
A Crazy Quilt of Tariffs

The airborne battle for the dwindling passenger traffic continues, with the patchwork of prices getting more complex virtually every day.

After a sort of truce was reached in the Florida arena, a new conflict broke out on the transcontinental front. American and United slashed coast-to-coast tariffs, for example, to as low as $149, matching the prices offered by Capitol; Continental followed with an even greater cut, as its transcontinental flights require a stop in either Denver or Houston.

Other cuts went into effect on other routes to match the discounts offered by such carriers as JetAmerica and Capitol, and the selectivity begins to approach the absurd. One of the more extreme examples of the effects of discounting came up recently in a new tariff filed by Republic. In an advertisement late in January, Republic offered a one-way ticket from Chicago to Burbank airport outside Los Angeles at $129 (JetAmerica, which sparked this cut, serves Long Beach airport from Chicago with a similar fare). However, a round-trip ticket from Chicago to San Diego (a market with significantly less competition, serving a city less than a hundred miles further as the crow flies) costs a mind-boggling $524, or about twice as much for a flight of just a few minutes longer.

Delta offered a topper to all of the price-cutting by trumpeting its new policy of "instantly" matching any lower published jet fare in a market it serves (Texas International will do the same—and one better: if it fails to offer the lowest fare, a passenger can fly for as little as $1).

But even that was not enough, apparently. During February, two passengers on New York Air can fly for the price of one (on all but Florida-bound trips) if they present a store-bought Valentine at the gate. At the same time, Air Florida was offering Green Stamps on certain of its flights, while children may fly for free on certain Republic runs by presenting five proof-of-purchase seals from certain Ralston-Purina cereals; a fare-paying adult must accompany each child.

On the other hand, airlines flying North Atlantic routes will raise fares an average of 7%, as the International Air Transport Association cartel brings its prodigal U.S. members back into the fold once again after five years. CAB approval (along with that of the involved European governments) is required for the agreement.

Still to be given final approval is a concomitant proposal to give the carriers new rate-setting freedom through the flexibility to raise or lower economy fares 20% from the base fare level and to change first-class fares even more.

Route Report:
A New Carrier; Exit From the Hub

A new commuter carrier based in Toledo, Liberty Airlines, has begun service between that city and Midway Airport in Chicago. Liberty offers two weekday round-trips for a $49 one-way tariff, using Convair 440 aircraft.

Midway Airlines has suspended its service to Boston, citing poor load factors. Problems in securing "slots" at Logan Airport also figured in the budget carrier's decision to end the Chicago-Hub flights.

Lufthansa is interested in a Frankfurt-Denver-Vancouver service, for a startup in 1983 ... Air Florida has been granted Newark-London rights ... Transamerica will begin weekly nonstop service between Chicago and Shannon in June ... Ozark now has service from Chicago to Las Vegas via St. Louis ... Frontier will expand its Mexico service with flights to Manzanillo and Puerto Vallarta beginning next month.

The Federal Aviation Administration will boost allowable flights this spring at 14 airports where traffic has been curtailed since last August by the controllers' job action. The number of daily flights to be added ranges from three to six daily flights at Logan International in Boston to 20 to 40 at Hartsfield in Atlanta. The increases will be permitted in April and May, with another round in June and July, and a third in the fall.

Palm 90: The Final Moments
Excerpts From A Flight Log . . .

[On January 13, Air Florida flight 90, bound from Washington National Airport to Tampa, crashed into the 14th Street bridge and then fell into the Potomac River as a last, desperate attempt at takeoff failed. Palm 90's cockpit voice recorder was ultimately recovered, and the transcript of what it contained was ultimately released by the National Transportation Safety Board. Here are excerpts from the final minutes of Palm 90:]

COPILOT: Boy, this is [expletive]; it's probably the [expletive] snow I've seen.
PILOT: . . . go over to the hangar and get deiced.
COPILOT: Yeah, definitely.
COPILOT: It's been a while since we've been deiced.
PILOT: Think I'll go home and . . .
COPILOT: That Citation over there–that guy's about ankle deep in it [laughter].

* * *

PILOT: Tell you what, my windshield will be de-iced; don't know about my wing.
COPILOT: Well, all we really need is the inside of the wings anyway; the wing tips are goona speed up by 80 anyway–they'll, they'll shuck all that other stuff.
COPILOT: This one's got about a quarter to half an inch on it all the way.

* * *

COPILOT: Boy . . . this is a losing battle here on trying to de-ice those things . . . a false sense of security; that's all that does.
PILOT: That, ah, satisfies the Feds. Right there is where the icing truck . . . they oughtta have two . . .
COPILOT: Yeah, and you taxi through kinda like a carwash or something.
PILOT: Hit that thing with about 8 billion gallons of glycol . . .

* * *

COPILOT: Slushy runway. Do you want me to do anything special for this or just go for it?
PILOT: Unless you got anything special you'd like to do.
COPILOT: . . . just take off the nose wheel early like a soft-field takeoff . . . I'll pull it back to about one point five . . . supposed to be one six depending on how scared we are . . . [laughter]

* * *

TOWER: Palm 90 cleared for takeoff.
COPILOT: Palm 90 cleared for takeoff.
PILOT: Holler if you need the wipers . . .
COPILOT: God, look at that thing.
COPILOT: That don't seem right, does it?
COPILOT: Ah, that's not right.
PILOT: Yes, it is, there's 80.
COPILOT: Naw, I don't think that's right.
COPILOT: Ah, maybe it is.
PILOT: Hundred and twenty.
COPILOT: I don't know . . .
PILOT: Come on, forward . . .
PILOT: Just barely climb.
. . . stalling, we're . . .
COPILOT: Larry, we're going down, Larry.
PILOT: I know it. [Impact]

–Wall Street Journal, Newsweek

Airline Addenda:
Red Ink and the Pony Express

U.S. airlines, reports the *Wall Street Journal*, will post 1981 operating losses of $300,000,000–the worst ever.

A combination of fare wars, rising interest costs and the abortive air traffic controllers' strike will generate the red ink that will mark the third adverse year in a row for the industry. Because of the fare wars, only one-fourth of the passenger miles being flown generate revenues to cover the airlines' costs of fuel and salaries. The remaining 75% of miles flown aren't covering "fully allocated costs"–the funds the carrier should be setting aside to buy new equipment when it is needed.

U.S. airlines operate a fleet of 2,400 aircraft that have an average age of 11 years; a decade ago that average age was four years. Compounding the problem is the fact that a federalprogram requires the retirement of all 707s and DC8s by 1985. A total of 278 of these jets are still in service.

Some individual financial tales of woe: Continental, now a ward of Texas International, has had its revolving credit arrangement with its lenders terminated, forcing the carrier to negotiate for a $25,000,000 short-term line of credit. The troubled carrier has also had to sell its SabreLiner corporate jet to raise money . . . Continental's parent, Texas Air Corporation, posted a $47,200,000 loss for the year . . . Western Air Lines was able to generate some $30,000,000 in new working capital to tide it over until it can arrange to restructure its debt . . . Braniff, the domestic carrier in the worst economic straits, managed to stay alive for another eight months by wangling yet another extension of its debt. The airline will trim its jet roster to 71 by June, down from 116 in 1979.

On the international front, conditions were somewhat mixed. Air France said the number of passengers on its New York-Paris Concorde runs last year increased 35%–but the carrier posted a loss for the service of almost $3,000,000. Partner British Air claimed a profit on its New York-London Concorde runs. Reflecting the loss on the supersonic service, the French government has asked Air France to discontinue Concorde runs to Rio de Janeiro, effective April 1.

According to the Aviation Safety Institute, O'Hare International Airport is the country's best, a ranking based on air traffic control, disaster preparedness, congestion and weather. The worst trophy was awarded to Cleveland's Hopkins International.

Western Airlines has decided to move its "hub" from Stapleton Airport in Denver to Salt Lake City International. The move is a part of Western's "survival plan" to revitalize itself and better compete in this era of airline deregulation. The carrier is also looking into plans to link Salt Lake City with a direct flight to JFK in New York.

Howard Hughes' almost-legendary "Spruce Goose" plane is now in its final home in a specially constructed dome shelter opposite the "Queen Mary" in Long Beach. Now under the corporate wing of the Wrather Corporation (*Lassie* and the *Lone Ranger*), the giant aircraft that has been flown only once (in 1947, with Hughes himself at the controls) will be used in a show simulating the flight of the seaplane. The "Spruce Goose" was towed across the harbor from its temporary mooring with the help of a specially constructed barge.

The Federal Aviation Administration has announced a multi-billion-dollar plan to modernize the U.S. air traffic control system during the next two decades. The project will cost almost $9,000,000,000, but will save about $25,000,000,000 in maintenance costs and salaries by the year 2000.

The plan calls for replacing old computers with more advanced ones, expanding the use of automation and closing scores of facilities, and is aimed at meeting the doubling of demand for aviation services that the agency expects.

In order to pay for the program, the FAA is proposing to Congress that the legislative body enact a new 14-cent-a-gallon tax on jet fuel, an increase in the tax on aviation gasoline from 4¢ to 12¢ per gallon, and a hike in the tax on airline tickets from 5% to 8%.

Western Airlines is planning to enter the overnight mail delivery business with a "Western airletter" program reflecting the old Pony Express system. Deliveries were set to begin in mid-February between 25 U.S. cities, including several not on the Western system.

The tariff for a one-ounce letter is $1.20, well below that charged by other carriers such as Federal Express, or for the Postal Service's Express Mail. However, at least initially the Western service is designed for customers such as banks and other large-volume users that plan sending at least 225 letters each month.

As in the old Pony Express system, customers will buy special privately issued stamps, affixing them to their envelopes along with U.S. postage; Western alludes to the Pony Express tradition in its promotional material for the new service. The airline has contracts with more than 500 local agents, mostly courier services, who will pick up the letters between 3:00 and 5:00 p.m. at the sender's office for placement aboard a plane to Western's Denver hub. From there, they will be boxed and flown as small-package express to the destination city, then trucked to the Post Office for morning delivery.

Midway Airlines has extended its "children fly free" offer to all of its cities for children 12 or younger when accompanied by paying passengers until May 1. Midway links Chicago with New York, Philadelphia, Washington, Tampa, St. Louis, Kansas City, Omaha, Minneapolis/St. Paul, Detroit, Cleveland and Columbus.

RAIL

Along The Right-of-Way:
Reaganomics; Pullman Postscript

Amtrak continues as a target for the budget-cutting lance of David Stockman. Under the Administration's FY 1983 budget, subsidies to the National Railroad Passenger Corporation would be cut 26%, to $610,000,000. A national system would still exist, according to Stockman–but Amtrak contends that the funding level would not permit it to run any trains outside the Northeast Corridor.

A similar major cut in Amtrak financing proposed by the Administration for FY 1982 foundered in the Congress, because of strong congressional (and, surprisingly, constituent) support for passenger trains. This time, Stockman is not pushing to drop trains, but instead has said he wants Amtrak to secure additional financial help from the states, wage concessions from the brotherhoods and higher fares from its riders.

(Similar cuts would be made in other federal transportation programs, with more reductions in transit operating subsidies, the elimination of aid to help ailing railroads fix track and buy rolling stock, and to make grade crossings safer. One bright note in the budget, however–for the second year in a row, new funds to keep ConRail trains running won't be needed in FY 1983, because the corporation has moved into the black. Recently enacted legislation calls for ConRails' eventual sale.)

That same Stockman budget calls for the elimination (again) of the *Cardinal*, Amtrak's Chicago-Washington via Cincinnati train (that Ohio city's last rail link to the rest of the country). The *Cardinal* was dropped last October (despite impassioned pleas of several key Congressmen) as a consequence of the reduced FY 1982 Amtrak appropriation. It was reinstated last month, however, by special act of Congress, and currently runs tri-weekly between the two cities. Eliminating it once again, according to Stockman, would save some $5,000,000 annually.

Another era ends: Wheelabrator-Frye has announced its intention to discontinue permanently the manufacture of railroad passenger cars, a business it inherited when it purchased Pullman in 1980. Pullman built its last order of cars (for Amtrak) in 1980–and lost heavily on the deal. Wheelabrator will continue in the freight-car manufacturing business through a subsidiary that will retain the Pullman name.

Amtrak will raise its USA RailPass rates by 13.6%, effective April 25. The pass allows foreign visitors an unlimited amount of rail travel during a specific period, good on all Amtrak trains except MetroLiners.

Sold by travel agents in 26 countries outside North America, current passes cost $220 to $550; these tariffs will rise to $250 (for seven days) to $625 (for 30 days). Amtrak also offers half-fare children's passes and a family version as well.

One last item in the FY 1983 budget also deserves mention: an often-tried method of raising revenue–the sale of the Alaska Railroad, currently owned in toto by the U.S. government. Previous proposals called for its tender to private businesses; the current version opts for its sale to the state of Alaska.

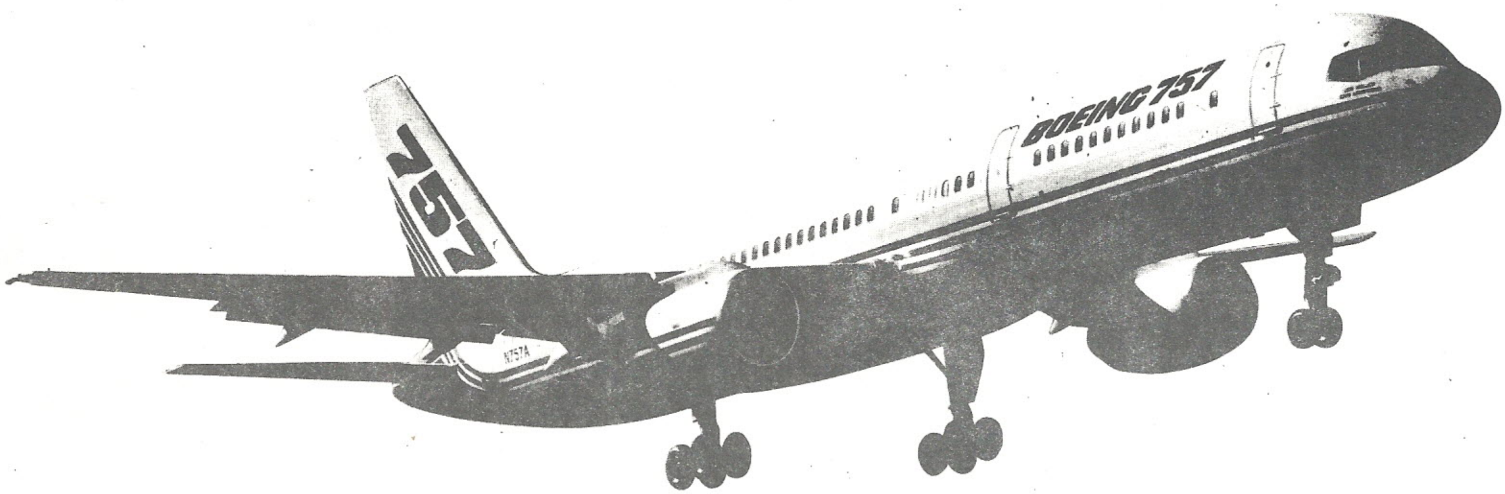
Until April 1, Amtrak passengers paying one-way fares of $45 or more can return by paying only $10 additional on the eastern portion of the system. There are no time or date restrictions, except that travel must be completed by April 1.

West of Chicago, circle fares are available ($350 for two weeks, $440 for four weeks). Stopovers are permitted, and all travel must be completed by April 24. A similar circle tour program is available between east and west coasts.

The new Los Angeles-Sacramento overnight train, sponsored by Caltrans, is now known as the *Spirit of California* . . . The Chicago-Seattle *Empire Builder* has remained in daily service after the holidays. . . .The Midway station in the Twin Cities is now served by Scenic Trailways, with runs to points south . . . Lufthansa is eliminating some local air feeder flights in West Germany in favor of special rail services. The equipment dedicated to the rail express runs will be liveried in Lufthansa colors and be staffed by airline personnel. Lufthansa believes its passengers "will appreciate the higher level of service that it will be possible to offer on the rails." Swissair already operates a similar service between Basel and Zurich, direct to Swiss Federal's new mainline station under Zurich Airport.

ANOTHER FIRST

TIME: 10:35 a.m.
DATE: February 19, 1982
PLACE: Renton, Washington
EVENT: 757 Inaugural Flight



The takeoff was perfect. The flight was smooth and noticeably quiet. The landing: precise.

The 757 maiden flight marks another major step into the fuel-efficient era.

For instance, one 757 will save enough fuel in a single year to fly 186 people around the world 12 times.

Airlines throughout the world placed orders for 136 Boeing 757s, with options on another 71 jetliners, even before No. 1 ever left the ground.

These days, Boeing has a habit of being first.

Just five months ago the Boeing 767, another fuel-efficient jetliner, made its inaugural flight. It is scheduled to go into commercial service in September. In early 1983, after rigid certification tests, the 757 will begin to fly passengers.

No other manufacturer has ever made such an enormous investment at one time in engineering skill, people hours and money.

Soon this commitment will begin to pay off for airlines in new fuel economies.

In addition, it will mean consumers will continue to enjoy flying as one of the world's best travel values.

BOEING
Getting people together.