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From the desk of . . .

E. SPENCER MILLER



UNCLE SAM - RAILROAD BARON

The nation's railroad industry is at a crossroads of unparalleled importance; a turn in the wrong direction at this time will set the course of our great American free enterprise transportation system for future generations. What disturbs many transportation experts is that we have already taken a tentative step in a most dangerous direction.

The congressional plan for restructuring the bankrupt railroads of the Northeast is designed to head off nationalization; but it may, in fact, become a major step toward government ownership and control of all the nation's railroads. If U. S. railroads are ever nationalized, it will then become a progressively simpler move to nationalize common carrier trucking, the airlines, all utilities, and who knows where it would end.

The Act, signed into law by President Nixon in January of this year, assigns the task of consolidating and trimming operations of the bankrupt roads to the newly-formed United States Railway Association (USRA), which will hand over the revamped system to the operating organization, the Consolidated Railroad Corporation (CRC or Conrail).

Interstate Commerce Commission Chairman, George M. Stafford, recently said that government restructuring of the Northeast railroads "could spell the end of viable competitive, privately-owned rail systems in the Northeast and be a first step to a wholly-nationalized rail system." He added, "History . . . tells us that a government-funded rail service will attract (more) government support."

There is evidence that the following scenario could well be played out to the final curtain. USRA will try to do such a good job in the Northeast that it will create a super railroad which in turn will create super competition for railroads like the N&W and the C&O, B&O. In an all out effort to head off financial failure, Congress will appropriate more and more money to make sure CRC isn't underfunded. Furthermore, Sec. 301 of the Act provides that so long as 50 percentum of the indebtedness is owing to, or guaranteed by the United States, political appointments will dominate the Board. Thus the government can (and probably will) effectively prevent private enterprise from operating Conrail.

Full-fledged government operation of the Northeast lines would mean federal competition with other railroads and with truckers and barge lines as well. As other railroads deteriorate as a result of this federal competition, government takeover of previously prosperous railroads will be a necessary, although unwelcomed, next step. Government's power to depreciate

and eventually take over other roads will be built in and cannot be defended against. This creeping nationalization could change the complete structure of the nation's economy.

The law creating the USRA and CRC was lauded and supported by all politicians in the Northeast, as well as most shippers, municipal officials, railroad labor leaders and many transportation experts.

In speeches delivered before the Western Railway Association in November 1972 and at the New England Railroad Club in November 1973, I expressed my deep reservations about the end result of plans which were being developed to salvage the Northeast Railroads.

The report released by the Department of Transportation in February 1974, in compliance with the new law, outlined those rail lines in the Northeast which are considered "essential" and those cities which should retain competitive rail routes. The report has stirred up opposition from those who initially praised, supported and even voted for the legislation.

The proposed track and service abandonments have left shippers, small communities, railroads, railroad labor and politicians in a state of shock. For example, in New Hampshire, half of the 817 miles of railroad trackage is considered "excess" by the DOT.

It should be made clear that the DOT report is just the beginning of a long process to develop the final "core" system plan. There have already been ICC hearings. There will be more reports, more hearings, evaluations and finally congressional approval of the resulting system plan. There will also be lengthy and painful court battles involving railroads, creditors of bankrupt roads and other parties.

The objective of the Congressional plan was to convert the hopelessly bankrupt Northeast railroads into a profitable private enterprise system by pruning away the non-profitable branch lines and consolidate many parallel competitive routes. A more rational projection is that political and social pressures will meet head on the bureaucrat concept of disposing of lean lines and substituting truck service, with the result that a government dominated colossus will be perpetrated and spread.

The new law provides for over \$2 billion of federal financing. An administration official was quoted as

saying that up to \$4 billion will likely be necessary to set up the system and "the worse the new railroad turns out to be, the more we'll put into it."

Secretary of Transportation Claude Brinegar said recently, "The railroads are in a mess, a crisis as real and as important as the crisis of the insolvent railroads in the Northeast. The national crisis affects a valuable asset . . . a 200,000-mile, low-cost, energy-efficient and environmentally-sound transportation system. An industry that handles a third of the nation's freight tonnage cannot be permitted to slide into the morass of nationalization."

We agree.

A national plan must be developed by Congress to solve the entire problem and preserve service throughout virtually all of the territory where railroads now operate. In June of 1972 I proposed in this column that all the nation's railroads be consolidated into one privately-owned American Railroad Corporation. On October 3, 1973, Senator William B. Saxbe of Ohio, now Attorney General Saxbe, introduced a bill that is the first step in accomplishing this goal. The Saxbe bill would provide for the development of a plan for the consolidation of Class One, privately-owned railroads into one private corporation.

This single corporate structure of the American railroads would provide savings of such magnitude that a nationwide, privately-owned consolidation would not only be viable, but profitable. This can be accomplished without costing the taxpayer one penny.

The great German historian Theodor Mommsen spoke the truism that majority opinion at any one time is invariably proven wrong by future events. This knowledge plus the inscription on the great sigillum of Dartmouth College which reads "Vox Clamantis In Deserto"—a voice crying in the wilderness—gives me courage to press for a solution to the American railroad problem which departs from current orthodoxy.

Further encouragement comes from the fact that no serious objection has been raised against the American Railroad Corporation plan and its validity as a complete, and the only complete, solution to the nation's railroad crisis. The logic militating against the success of all other plans is devastating.

The American Iron Horse cantered briskly on the high iron of the Twenties. The depression slowed the canter to a trot and the Transportation Act of 1933 switched him to a lower speed right-of-way. Overregulation, misregulation, direct and indirect competition by government have slowed him to a walk. With spavined gait he now limps along a road posted with slow boards toward a depot called Socialism.

It will take a Herculean effort to throw the switch whereby the Man-of-War of transportation will return to the high iron and in response to the provisions of the American Railroad Corporation, progressively trot, canter and proudly gallop along the prosperous and efficiently maintained road of private enterprise.

In my opinion this plan, and only this plan, will prevent Uncle Sam from becoming a railroad baron.



President

CONTENTS

From the Desk of E. Spencer Miller	2
Where They Wave to the Kids	4
Annual Meeting	6
At the Mouth of the Androscoggin	10
The Tragedy of Eastport	12
News Briefs	14



COVER PHOTO

Train RY-2, Rigby Yard in South Portland to St. Johnsbury, Vt., at Fryeburg, Maine.



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Maine Central president, E. Spencer Miller discusses corporate matters with shareholders at the Annual Meeting on April 24, 1974. Story on page 6.

where they wave to the kids



In November 1973, Maine Central placed in service the first of a series of new "wide vision" caboose cars. The side walls of the monitor are as wide as clearance will permit in order to provide maximum visibility. Maine Central will purchase one new caboose of this design each year.



Robert Michaud, carman helper, works on the caboose rebuild program at Waterville Shops. This steel caboose, built in the late 1930's was purchased from the Western Maryland Railroad in 1962. The rebuild includes: relining with insulation, repair of undercarriage, installation of a toilet, grit blast and a new paint job. The program calls for 4 caboose rebuilds a year.

Waiting for a long freight train to pass at a highway crossing children of all ages anticipate the last car in the train and the chance to return the friendly wave from the train crew. The caboose is far more than just a car to designate the end of a train; it is an integral part of railroad operations.

The caboose came into existence early in the history of U.S. railroading, probably in the early 1800's. In the beginning, it was little more than a wooden boxcar at the end of a freight train—a good place to store emergency supplies such as lanterns, flags, tools, etc.

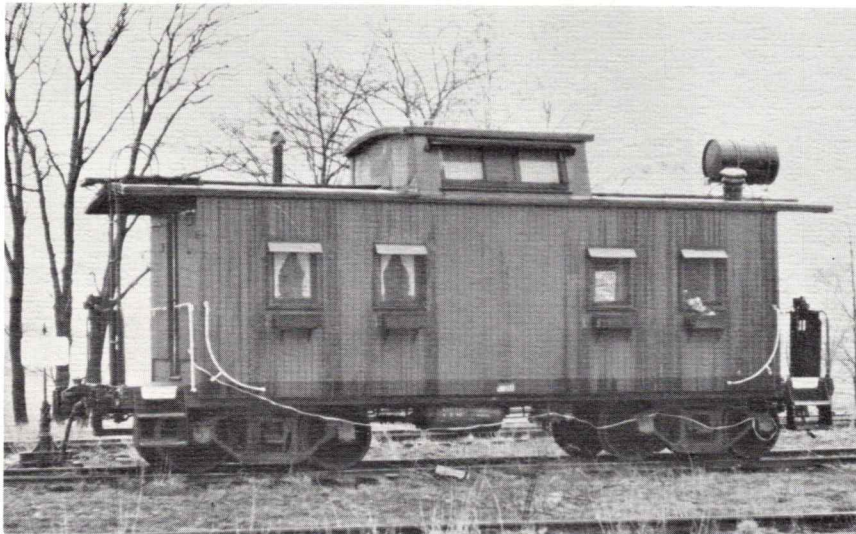
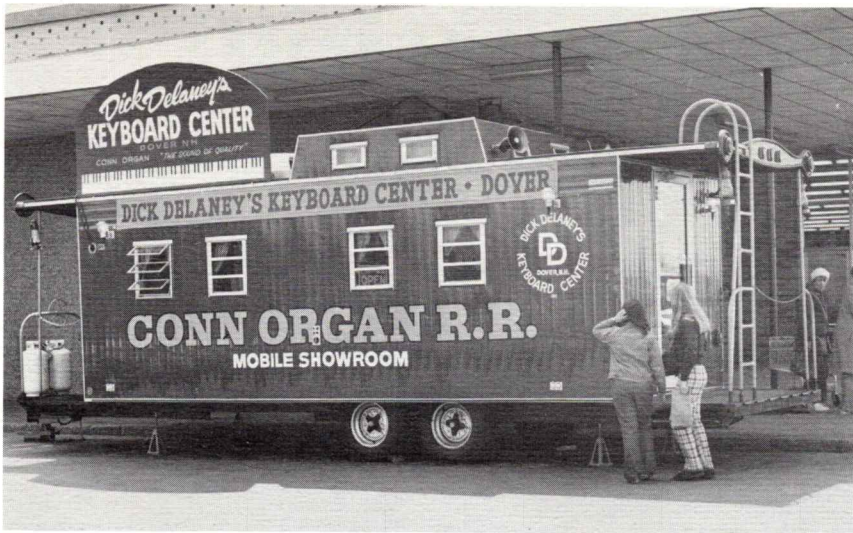
It was not long before the caboose became the conductor's domain. Here he wrote reports and took care of other necessary railroad business. He was likely seated on an old wooden crate with a barrel as a desk.

Today, more than 15,000 caboose cars roll across the United States, but they are a far cry from the caboose of the 1800's. Kerosene signal lanterns have been replaced in many by radio equipment making it possible for the conductor to carry on conversations with the train's engineer. In the newest caboose cars, efficient, convenient heating units have replaced coal-burning stoves, and modern plumbing and lighting has been added. Cushion draft gears and special trucks now provide a smoother ride.

The caboose is the train's command post, serving as an office for the conductor. It is from this location that he directs switching moves on a road train, as well as making wheel reports and taking care of waybills. The train's flagman also makes the caboose his headquarters.

Although not as common as in years past, occasionally the caboose becomes the overnight accommodation for the train's crew. A caboose is usually assigned to a specific crew, and it becomes a very personal part of the crew's everyday life.

Railroaders refer to the caboose by many names; conductor's car,



Old caboose cars never die, but when their railroad use is ended, they are used for some unusual purposes. The caboose at the top has become a display for organ demonstrations, traveling all over the State of Maine. The caboose in the middle is someone's part time living quarters in North Conway, N.H. The caboose at the bottom is a cheese shop in North Conway, N.H.

cabin car or buggy. Slang terms abound and reflect the romance or lack of romance associated with the caboose: glory wagon, chariot, drone cart, van, cage, doghouse, drone house, bedhouse, hut, monkey wagon, pavilion, parlor, brainbox, zoo, diner, shanty and palace.

The origin of the cupola is quite well established. In 1863, Chicago and North Western's conductor, T. B. Watson, was told that his usual caboose was being used in work train service. He was assigned an old wooden boxcar that had a hole in the roof. As the train got under way, Watson piled up boxes and boards and climbed up through the hole to look outside. He was amazed at the view of the entire train, but was bothered by the wind. When the run ended, Watson developed a plan for an enclosure for the top of the caboose. It was soon incorporated into some caboose cars then under construction on the Chicago and North Western, and the idea quickly spread across the country to other roads.

In 1930, J. J. Tatum of the B&O designed the first caboose bay window. High freight cars had reduced the usefulness of the top mounted cupola, and this tended to foster the use of a side-mounted bay window. The trend today is toward a cross between the two, an extra wide-vision cupola.

Maine Central Railroad now has 52 caboose cars in service. About 35 of these are in regular assigned train service. The remainder are used in work trains, special trains, plow trains, and backup service. In each of the past four years Maine Central has ordered a new modern wide-vision caboose. The forces at Waterville Shops are rebuilding caboose cars at a rate of four each year.

The caboose is as much a part of railroading as the locomotive. Any railroad conductor worth his salt has a few good stories about the caboose and especially his own caboose. He may also relate the theory that the caboose cupola inspired the dome cars on today's passenger trains. The view from up there justifies such a theory.



annual meeting

The 1974 Annual Meeting of Maine Central Railroad Company was held in the Directors' Room at the General Office Building in Portland on April 24, 1974. The meeting, chaired by E. Spencer Miller, had the best attendance for an Annual Meeting in recent years.

Directors. The following 13 directors were unanimously elected to serve for the ensuing year: Kenneth T. Burr, Falmouth, Maine; Charles E. Cotting, Boston, Massachusetts; Robert G. Fairburn, Fairfield, Maine; Robert Hellendale, Riverside, Connecticut; John H. Hinman, Pelham, New York; Randal Holden, Larchmont, New York; E. Spencer Miller, Portland, Maine; James F. Miller, New York, New York; Alfred Peck, Portland, Maine; Farnham W. Smith, Carlisle, Massachusetts; Robert P. Snyder, Portland, Maine; T. Tyler Sweeny, New York, New York; and Stephen D. Trafton, Auburn, Maine.



State Representative Louis Jalbert, Maine Central general representative and a shareholder, nominates the 13 directors. In the foreground at the right is Richard Sanborn, shareholder from Manchester, New Hampshire.

A large audience is attentive to Mr. Miller's remarks at the Maine Central Annual Meeting.



Mr. Miller. The following is a condensation of introductory remarks by E. Spencer Miller.

It is a pleasure for the chair to report on the state of the Company, and that report is good. We feel that we have concluded a satisfactory, although not a great year. Our earnings amounted to \$1,559,878. This is one of the better years, pro forma, in the history of the Company. The quality of earnings is not ideal since this figure includes a large amount of incentive per diem which is not available for general corporate purposes. These monies are available in several different ways for the acquisition of new equipment.

Forecasts. We have had the best first quarter in the Company's history. Our estimated net income for the first quarter is \$862,000, and we believe this to be quite accurate. Our forecast for 1974 is a net income of over \$3 million after taxes, which if it turns out this way, will also be the best in the entire history of Maine Central. These figures do not include pre-tax income from incentive per diem retroactive to May through August 1973 which exceeds \$600,000.

Not included in this forecast is any money coming from the agreement to sell the 57-mile Maine Central line from Mattawamkeag to Vanceboro to the Canadian Pacific. The line will be sold, subject to approval of regulatory agencies, for a consideration of \$5 million cash and \$1 million of S00 Line 4% bonds. This transaction will result in a capital gain of over \$3 million.

Take-Over Attempt. With the rosy prospects here announced, it is natural that this company should be coveted and that a take-over attempt follow.

Yesterday afternoon (April 23), I learned that Amoskeag Company had filed an application with the ICC seeking to control Maine Central. We view control of a railroad by a holding company as undesirable. We view control of a railroad by a holding company which is also a conglomerate as doubly undesirable; and we view even more undesirable, holding in common control two railroads by a holding company and a conglomerate with the built-in potential to, let us say, "maneuver."

In our judgment the control sought would be harmful to the best interests of Maine, industries and



E. Spencer Miller, Maine Central president.

shippers in Maine, stockholders of Maine Central, and particularly harmful to its personnel and employees.

We intend to contest the application.

Rate Increase. Another factor which has not been taken into account with respect to our forecast is a 10% rate increase sought by the nation's railroads. The theory is that this amount is necessary to give to the industry a fair return on investment. In all fairness, there are some technical problems with this theory based on the Transportation Act of 1933 and the wording of Section 15(a).

I have long contended that this statute should be changed and very probably this petition to seek a fair return on investment will be the catalyst of bringing the matter home to members of Congress.

Bond Maturities. We are way ahead in our sinking funds on the

two minor issues, and we are into next year in our sinking funds on the 5 1/8% issue which are now outstanding in an amount of just over \$10 million. Continuation of application of sinking funds plus possible application of the money received from the Canadian Pacific sale will bring these issues into a very manageable area.

To embark upon an attempt to refund at this time would be in our judgment unwise. With a prime rate of over 10% even if we could refund, we would double our fixed charges, increase sinking funds and kill our net income.

Industrial Development. In addition to those industrial developments which are firm and in various stages of construction such as three stud mills and a sawmill and pulp



mill at Hinckley, there are very strong prospects of further industrial development and prosperity.

We have great hope that the Pitts- ton application to build a refinery at Eastport will be allowed. This most certainly will save the Eastport Branch and would assure continued service on the Washington County line for many years to come. We know from statistics that when the Eastern Division booms, the Maine Central booms.

Having the welfare of the State of Maine at heart as well, we know that industrial development in Wash- ington County reflects prosperity west and south to Bangor and to all of Maine. Development of industry in York County has very little such effect as the flow is west and south out of Maine.

Prospects. I am not in a posi- tion to name the company, but one of our majors plans to expand pro- duction by 50%.

Within the next few days I will be talking with the top officials of one of the largest corporations in the country, with respect to con- struction of a large manufacturing facility in our territory.

Boston and Maine. The bank- rupt Boston and Maine is a difficult problem with no completely desir- able solution. We have always felt that the most acceptable solution is a viable Boston and Maine with in- dependent management. We have serious doubts that this can be ac- complished as evidenced by the fact that the Trustees postulated a mini- mum annual net railway operating income of \$6 million as a prerequi- site for reorganization, but the B&M suffered a loss of over \$4.4 million in 1973.

B & M's entrance into the Con- solidated Rail Corporation would at least assure a solid connection to the south through the new government Conrail system. If the B & M does not go into Conrail and for any reason is liquidated, we understand that the State of Massachusetts would be interested in picking up essential lines. If this is the case, Maine Central would be interested in leasing the line from Portland to Worcester, which is a logical exten- sion of present Maine Central serv- ice.

Boxcars. Maine Central will re- ceive 250 new boxcars in 1974. Our boxcar fleet is modern and in num- bers, far exceeds ICC criteria for an adequate fleet. Our bad order ratio



Maine Central director, John H. Hinman, right, confers with Mr. Miller prior to the Annual Meeting.



E. Spencer Miller requests acceptance of the 1973 Annual Report. Left to right seated behind Mr. Miller are directors: Farnham W. Smith, Alfred Peck, Robert P. Snyder, T. Tyler Sweeny and Randal Holden.

for boxcars is only 2.9, while the figures for Eastern railroads is 16.9 and the national average is 9.1. For

all freight cars our ratio of 5.1 com- pares favorably to 8.2 for the East and 6.3 for the nation.

Questions and Answers

Following Mr. Miller's introductory remarks and upon completion of the business of election of the Directors, Mr. Miller opened the session up to questions from shareholders and those representing shareholders. What follows is a brief summary of a question and answer period that lasted about 45 minutes.

John L. Davidson, Jr., Glendale, Missouri, a proxy for Moors and Cabot. Mr. Davidson provided an analysis of 1973 earnings which showed that several items, including over \$1 million in incentive per diem which is not available for general corporate purposes, reduced earnings available for dividends to about \$183,000, or \$1.31 per share, excluding arrears.

Mr. Miller responded that dividends are not necessarily limited to earnings in any particular year or any particular source other than incentive per diem, but he agreed the deductions listed would bring the earnings to nearly the stated figure.

Alvin Toffel, Los Angeles, California, assistant to Norton Simon, West Coast industrialist, acting as his proxy and spokesman. Mr. Toffel said, "Mr. Simon asked me to come to this meeting specifically to commend you, Mr. Miller, on your courage in speaking out and putting the American people's interests in front of the interests of just the Maine Central concerning the formation of a consolidated American Railroad Corporation. I would like you to elaborate on your concept and contrast the American Railroad Corporation and the holding company conglomerate concept."

Mr. Miller discussed his views of an American Railroad Corporation at some length based on the theme that the American railroad system is in many respects one railroad.

Mr. Miller added that he and Mr. Simon agree absolutely that "one of the iniquitous things in the present railroad structure is the holding company, the siphoning upstairs of railroad assets, the diversion downstairs of railroad assets where the railroad itself is engaged in other endeavors. The program of amalgamating all the railroads into one would be a consolidation of railroad properties for railroad business with no diversion of assets. Through the savings route, this would result in a very profitable investment opportunity in the railroad business alone exclusive of other activities.



Alvin Toffel, assistant to West Coast industrialist Norton Simon, commends Mr. Miller for his concept of a consolidated American Railroad Corporation.

Mr. Toffel also asked if Mr. Miller would support the principle that railroads should be responsible to the Securities Act as are other business. Mr. Miller said that he thinks railroads "should be held to the same principle as General Electric is held" in this matter.

Fred N. Levin, Norwell, Massachusetts. Mr. Levin asked if Maine Central management had any thoughts about when and if dividend activity may resume based on the improved earnings prospects.

Mr. Miller responded that he could speak only personally, but that it should be no great problem to clear the arrears on preferred stock. He said, "We have been through the valley of the shadow of death in at least two recent years, and we are now emerging on the upgrade. I would think that if we are successful in completing the Canadian Pacific deal and in seeing how we can refund, that with a little huskier cash position we can get around to clearing arrears in the Preferred and to consider our long suffering common stockholders. This is my personal desire and ambition."

Richard Sanborn, Manchester, New Hampshire. Mr. Sanborn requested that Mr. Miller explain car rental charges and incentive per diem.

Mr. Miller provided a detailed history of car hire and developments of the last year in incentive per diem. He explained that the recent ruling expanding incentive per diem from 6 months to 12 months would be very beneficial to Maine Central's earnings. (For further details

on this subject, see the story "Keeping Cars Moving" in the April-May 1974 issue of the Messenger).

Stephen Weston, Danvers, Massachusetts. Mr. Weston spoke of the encouraging Annual Report in contrast to 1972, but added that the earnings were greatly diluted by the large amount of incentive per diem. He also asked whether there will be something available for a "real net income" in the near future.

Mr. Weston described the present situation as "a comfortable position to maintain a holding position until we get a break somewhere along the line."

Mr. Miller responded that he was more "bullish" than that. He said, "I can't make any promises to the stockholders, but we are a long way from giving up the battle to have a greatly expanded area to apply incentive per diem funds."

Mr. Miller added that in the prospects for 1974 there is a very healthy net income figure apart from the incentive per diem. "I hope with that statement I have given you some comfort."

Carter Furber, York, Maine. Mr. Furber asked about the extent of Amoskeag ownership in Maine Central Railroad.

It was reported that Amoskeag owned 34.9% of Maine Central's stock which is presently trustee with Mercantile Trust Company of St. Louis, Missouri.

Mr. Miller related the history of the Amoskeag stock which is held in trust and cannot be voted by Amoskeag. He described the petition to the ICC as an effort to "seek to control Maine Central by elimination of the trust."

Mr. Furber also asked if the 10% freight rate increase being sought by the nation's railroads would provide some return for the investor.

Mr. Miller answered that there was no assurance that the 10% or any part thereof would be allowed by the ICC. He said the freight rate increase is designed as an "attempt to establish a theory that a railroad is as much entitled to a fair return on investment as Con Edison, for example. How it will come out, I can't tell you; but I am very hopeful we will get something out of this rate increase thus making my forecast for 1974 on the very conservative side."

For additional photos, see page 15.



at the mouth of the androscoggin

The turbulent waters of Androscoggin River at Topsham a few hundred feet from the Bowdoin Mill of Pejepscot Paper.

The Androscoggin River, from its origin in the northern New Hampshire mountains through western Maine wilderness then through Lewiston-Auburn and finally emptying into the Atlantic at Brunswick, has provided the motivation for some of Maine's most important industries. The Pejepscot Paper Division of the Hearst Corporation, located near the the mouth of the Androscoggin in Topsham, is one of several paper companies located on the banks of this great river.

The operation has two mills on the Androscoggin — the Bowdoin mill, located near the Topsham-Brunswick line, and the Pejepscot mill five miles to the north. Both have long histories, dating back over a hundred years when someone realized the potential of an efficient

water power source to run a paper mill.

The unusual rock formations at the Topsham location narrowed the river to allow a short dam to hold back a huge amount of water which could then be used as a power supply. By 1868 the newly formed Topsham Paper Company was in operation, producing about one and a half tons of paper per day. It was one of the first paper mills to be built in Maine.

Indian Influence. The name, "Pejepscot" was given to one mill in 1896. Pejepscot comes from the name of a tribe of Indians who made their home on the lower Androscoggin River. They were a sub-tribe of the Anasagunticooks who occupied the entire valley of the Androscoggin River.

During the period from 1874 to 1910 the facilities expanded rapidly under the ownership of F. C. Whitehouse of Topsham. By 1883 the operation included the Lisbon Falls Fibre Company which by 1900 had the two fastest paper machines in the world, producing some 45 tons of newsprint per day.

Pejepscot Paper. In 1910 the three Cowles brothers, David, Justus and Charles went into partnership with Whitehouse, combining all enterprises into Pejepscot Paper in 1915. The company consisted of the former Pejepscot Paper Company, the Bowdoin Manufacturing Company, Lisbon Falls Fibre, Bay Shore Lumber and Sagadahoc Towing Company. The latter had been formed to haul pulp from Canadian properties to the mills.

Justus Cowles remained head of the company until 1920 when it was purchased by the International Development Company. Edgar Richard, a close associate of Herbert Hoover, was president.

The depression forced closing of the Lisbon Falls division in 1928. A new board mill under the name of the Arborite Company was built and later sold to the United States Gypsum Company.

Floods. Tragedy struck the Bowdoin division in 1936. Unusually high and fast water completely demolished the pulp mill and caused considerable damage to the paper mill and office building.

Hearst Publishing Company purchased the plant in 1947, and it is now operated as the Pejepscot Paper Division of the Hearst Corporation. At the present time, the plant is manufacturing only specialty papers, making all of its paper at the Pejepscot Mill and utilizing the old Bowdoin mill for converting some roll paper to sheets and as an office facility.

Pejepscot paper is marketed all over the United States. Much of it is used in schools as drawing paper and construction paper. The colored groundwood paper is also used for inserts in major magazines of nationwide circulation.

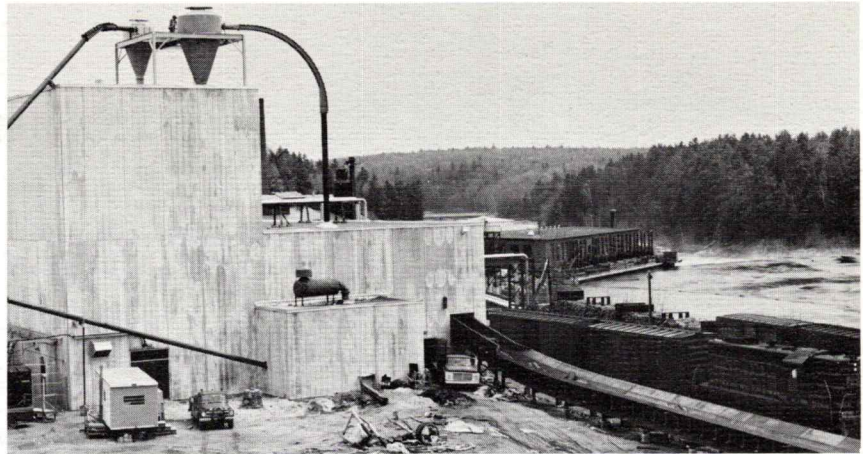
The River. The water of the Androscoggin River is vital to the Pejepscot mill. Since the turn of the century, the water has been used to power huge stone grinders which ground up wood to produce pulp for the paper mill.

The age-old process will now be phased out in favor of a new pulp mill of the most modern technology. The new "thermo-mechanical refiner ground wood" pulp mill will produce superior fibre from wood chips rather than pulpwood logs.

In addition to spruce and fir wood chips, new species not previously used include pine and hemlock. The chips will come from local sources as well as from woodlands in Washington County owned by Pejepscot.

The new process involves pre-steaming of the chips under pressure to break down the lignin in the wood. The water of the Androscoggin, which for three-quarters of a century provided power to grind wood, will now be used to produce electricity for the new pulp mill.

The new mill is rated at 170-200 tons per day production.



The new pulp mill of Pejepscot Paper. A Maine Central train switches cars at the mill which is beside the old pulp mill on the banks of the Androscoggin River.



A Pejepscot Paper employee makes some last minute checks on the control board of the new mill.



Robert Lampert, plant vice president, checks out a control panel in the digester room of the new pulp mill.

Treatment Plant. Pejepscot also has a secondary treatment plant under construction. This process will remove suspended solids and a significant amount of Biochemical Oxygen Demand. BOD is the foreign material in water which requires oxygen to break it down. When too much oxygen is removed, marine life is affected.

When this process is completed, the water leaving the Pejepscot mill

will be cleaner than the water entering the mill.

Pejepscot is one of the smaller paper mills in Maine, producing 50,000 tons of paper per year and employing about 400 men and women, but it is a vital part of the economy of the Brunswick area.





A typical Maine Central freight train operating in the winter of 1973 on the Eastport Branch. The service to Eastport is operated on demand and usually involves only one or two cars of freight. This is in sharp contrast to the railroad activity during the commencement of construction on the Quoddy Project in the early 1930's. This photo, taken at Carrying Place Cove where railroad work on Quoddy began in 1936, shows a train returning a plow and hauling one tank car. The future of this branch is dependent upon the building of an oil refinery in Eastport by Pittston Company. Photo by Peter Betts.

the tragedy of eastport -- yesterday and today

by Herb Cleaves

(Editors note: Herb Cleaves is a reporter for the Bangor Daily News, Machias Bureau. He previously worked for both Bangor and Aroostook and Maine Central Railroads. His combined interest in railroading and Eastport motivated the following interesting account of Maine Central's role in a highly controversial project of the mid-1930's).

"... Cooper failed. Yet it is out of such dreams, many of them once denounced as impracticable, that the material civilization of America has come. For every dreamer who succeeds, there must be many who try and fail; yet these too, in their fashion, help to build America..."

—New York Times, Feb. 4, 1938

Dexter Parshall Cooper died on Feb. 2, 1938, less than two years after the Army Corps of Engineers closed out a Passamaquoddy Tidal Power Development Project which had seen work commence on a series of dams between Pleasant Point and Lubec. Had the work reached completion, tides in Cobscook Bay

would have been harnessed in a one-pool arrangement to produce hydro-electric power. Industrial development in the Eastport area would have flourished.

Probably no unfinished industrial project has been in the news more during the past half century than Quoddy Dam. Rising and falling in popularity like the tides it could contain, Quoddy unfortunately became a political football and the original mission of producing electrical power was shrouded by filibustering legislators in Washington and Augusta.

Although not what Cooper envisioned, a modified Quoddy project

got underway in the mid-1930's as a Public Works Project. By 1935 Eastport had become a boom town. \$5,884,795 of an allotment of \$7 million was expended on project costs of which nearly \$2½ million went to "permanent work" on dams at Pleasant Point and Carlow Island and on dams and locks at Treats and Dudley Islands between Eastport and Lubec.

The actual construction activities, undertaken during the few months that the project lasted, according to the U.S. Engineer's Office Final Report of Oct. 23, 1936, consisted of the building of two small rock-filled dams on the Maine Central right-of-way to join Moose Island with the mainland; the building of a similar structure between Treats and Dudley Islands; the clearing of a navigation lock site on Treats Island; and minor work in connection with the tidal power station at Carrying Place Cove near the MEC Eastport Branch.

The rock dams near Carlow Island were constructed with railroad equipment, under contract, and served to replace the pile trestles which had carried the railroad onto Moose Island since 1898.

The Army Engineers found that by using the railroad trestles for construction purposes it was possible to significantly reduce cost by dumping rock directly into the fill from 12 cubic yard air dump gondolas.

Two contracts were drawn up with MEC: one conveying an agreement on the structures and another covering terms under which the government was given the use of railway equipment and services.

Quarries located on the Emery property near Carrying Place Cove were opened Jan. 30, 1936. Railway spurs were laid at the site and three shovels were employed. As soon as sufficient rock ledge was excavated, a siding was installed and the rock was loaded directly from the quarry face into the cars.

The work was completed by Aug. 1, 1936, with the Pleasant Point Dam requiring 38,000 cubic yards of rock fill and 75,000 cubic yards of earth blanket, costing \$167,000. The Carlow Island Dam took 37,000 yards of rock fill and 49,000 yards of earth blanket and cost \$163,414.

George V. Hall and Henry H. Quinn were trackmen employed at Eastport and Ayers Junction respectively, on Feb. 7, 1936, when MEC



Maine Central crews are shown loading rocks into railroad cars on a cold February 7, 1936. Many Eastport dignitaries were on hand for the first day of the operation. The location is near Carrying Place Cove on the Emery property. It was after this work was completed that Eastport was no longer an island, but joined to the mainland by the first step of the Quoddy project. Photo from Will Beale collection.



A narrow neck of land, as it looked in the early 1930's, to be cut through allowing the sea to pass into Cobscook Bay at the rear. This photo was taken from Kendall Head, looking across Johnsons Cove into Carrying Place Cove. This is the same area of the photo of the 1973 Maine Central train on the Eastport Branch. Photo from Will Beale collection.

steam locomotive 150 hauled the first carloads of rock to the dam sites. Quinn remembered that it was very cold when the rock trains air-dumped the rip-rap and fill; and Hall, retired since 1963, recalled that the steamer was "big, but didn't have much power" as it handled the work train between the quarry and the dump sites. The work had to be scheduled around several regular daily passenger, mixed and freight

trains running on the Branch at the time.

"After the trestles were filled in, we tore out the drawbridge and bridge timbers," Hall said, recalling the excitement in Eastport when Quoddy Dam was started.

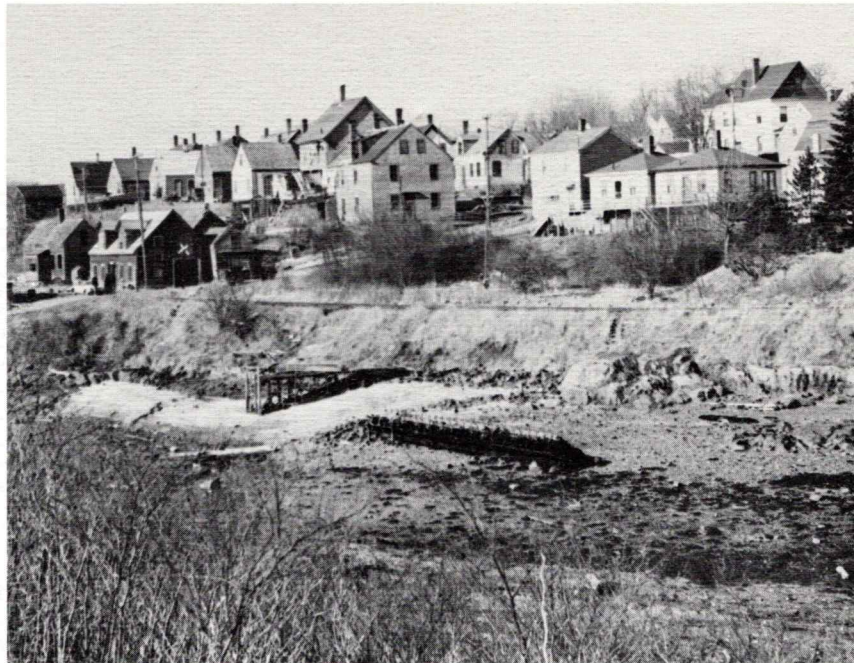
Business slumped at the Passamaquoddy Bay city after Quoddy



died and Eastport today lingers on as a ghost of the past. Railroad service, begun when the first carload of shooks was delivered to the M. C. Holmes Company on Nov. 11, 1898, has continued, but its future is clouded as the controversy over further industrial development rages on.

The untamed tides of Fundy will forever remain a moving monument to Dexter P. Cooper and the dream of tidal hydro-electric power. Because they believed in Cooper, a railroad grade near Carlow Island will stand as a monument to the men of Maine Central who completed their portion of Quoddy Dam in 1936.

The people of Eastport who "kept plugging" after their dreams crumbled 38 years ago, saw oil as the only way out. Regardless of the final decision on oil, those leaders deserve better than the abuse and ridicule which they have received from those who would keep Pittston out at any cost. There is where the real tragedy of Eastport lies.



A Maine Central rail line runs through Eastport, a town that has seen a decline in jobs and industrial development over the past several years. A proposal to build a refinery in Eastport appears to be the only hope to retard this steady economic decline in the nation's easternmost city.



news briefs

CREDIT UNION

The Board of Directors of the Railroad Workers Credit Union announced that it is now possible for Credit Union members to obtain the advantage of mass merchandising for automobile insurance through the League Insurance Trust.

Members may obtain the necessary forms from the Credit Union Office. From this point on members will follow through on their own, if they wish to, with the Credit Union no longer involved. Payroll deduction will not be provided for this insurance coverage.

The Board also voted to increase the amount a member can borrow on his personal signature. The new limit is \$2,000. With one cosigner, a new limit is set at up to \$3,500 and with two cosigners up to \$4,500.

HIGH-SPEED

STEEL ON STEEL

What is believed to be a world record for flanged-wheel rail vehicles—234 miles per hour—was set in April by the Linear Induction Motor Research Vehicle (LIMRV) undergoing testing at the U.S. Department of Transportation's High Speed Ground Test Center at Pueblo, Colorado.

The so-called "linear induction motor" thrust a red and white N. Y. city subway car along the tracks by inducing an intensive magnetic force between electrically charged copper windings within the vehicle and an aluminum rail between the tracks.

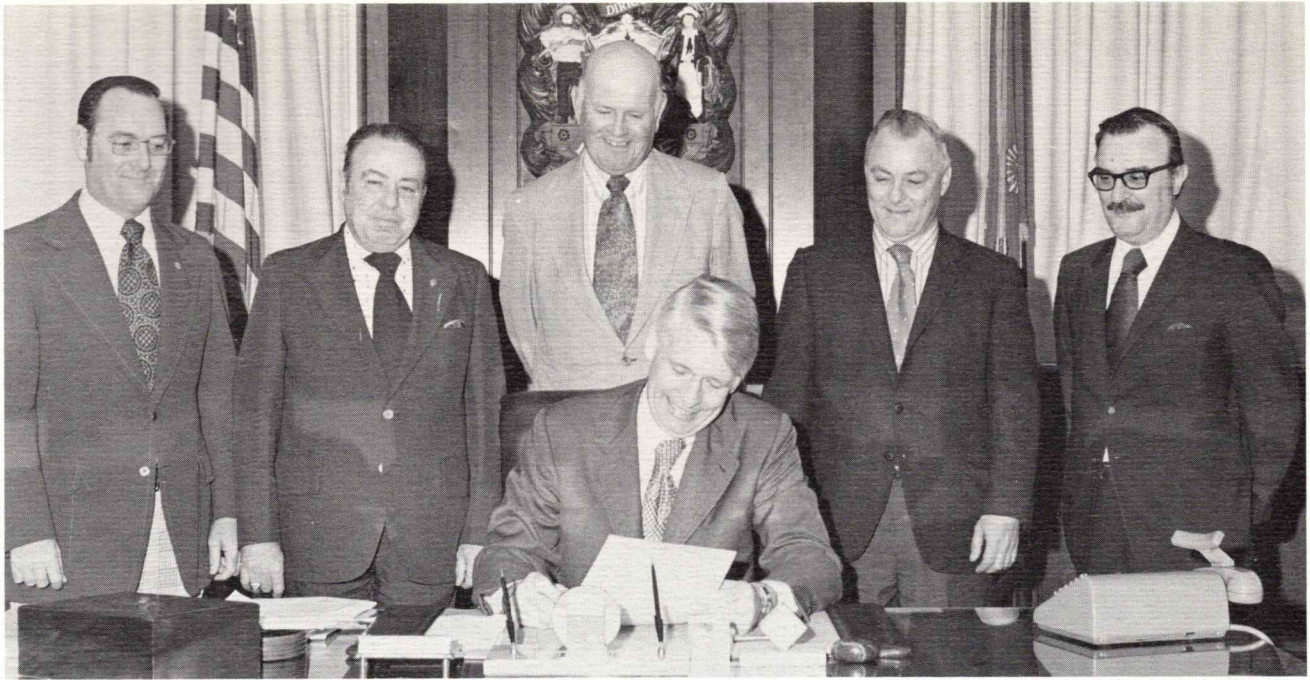
Although the tests were run on steel wheels and tracks, the motor is designed to provide propulsion for new kinds of transit vehicles without wheels. Later this year the linear induction motor will be installed in a "tracked air cushion vehicle."

THANKS GENE

On April 24 at 7:30 a.m., after heavy rains in Portland, the train dispatcher received a telephone call from Eugene Trueworthy reporting that a mud slide near Frost Street had covered the rails on the Maine Central Mountain Division.

Gene Trueworthy, formerly a Maine Central data processing manager, was praised by General Superintendent Ansel Tupper. In a letter to him Tupper said, "I wish to express my deepest appreciation for your alertness and response. . . . You no doubt prevented some train from getting stuck in the mud and possibly causing serious damage."

Gene, thanks from all your friends and former associates at Maine Central.



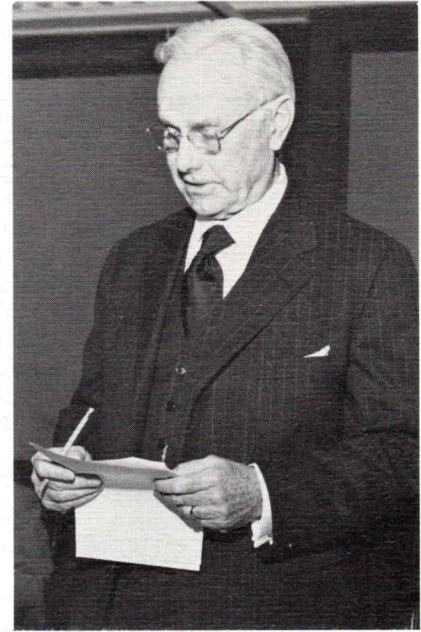
Governor Kenneth M. Curtis signs the proclamation for National Transportation Week, May 12-18. Left to right: Richard Haley, president, Maine Truck Owners Association; George Clark, president, Maine Traffic Club; George Ellis, vice president traffic and marketing, Maine Central Railroad; Edward Crawford, state chairman, National Transportation Week; Armand Levesque, president, Southern Maine Chapter, Delta Nu Alpha.



Shareholder Carter Furber of York, Maine, asks a question. Arthur Jones of Mercantile Trust Company is in the foreground.



John Davidson, Jr., of Glendale, Missouri, and an attorney for Amoskeag Company, presents some statistics related to 1973 Maine Central earnings.



E. S. Miller

EDITORS NOTE

Due to space and deadline problems resulting from our coverage of the 1974 Annual Meeting, we do not have a "Grapevine" in this issue. The August-September issue will have an expanded "Grapevine."

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