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MAINE CENTRAL

MESSENGER



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MESSANGER

The Maine Central MESSENGER is published at Portland, Maine by Maine Central Railroad Company and Portland Terminal Company. It is circulated without charge to active and retired employees of these companies and to customers and other friends throughout the nation. Printed in Maine on Maine-made paper.

EDITOR

Bradley L. Peters,
Assistant to President



ASSISTANT EDITORS

Albert B. Wetmore	Rigby Shops
W. B. Lewis	Rockland
Don Dickey	Waterville Shops
Lucette Huard	Waterville Station
Arthur Doucette	Waterville Yard
Alice Allen	General Offices
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Connie Davis	General Offices
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COVER PHOTO



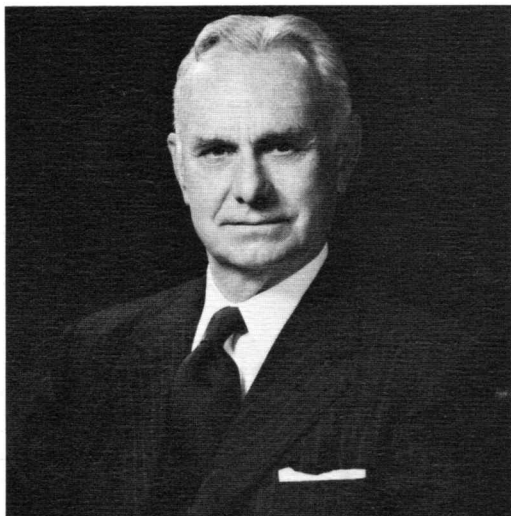
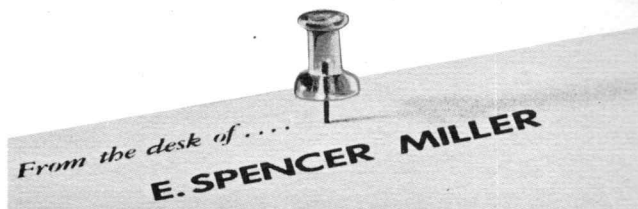
The worst snow and ice conditions to hit Rigby Yard in a quarter of a century nearly paralyzed operations during the week of January 10, 1977. Much of the digging out required tedious and slow work with pick and shovel. In the background a weed burner melts ice from around switches while handwork finishes up the task. Engineering Department employees Robert Tibbetts, trackman, left and Ralph Grant, paint crew foreman are still hard at work several days after the storm struck Rigby. Story on Page 6.



This photo which was taken nearly a week after the devastating storm of January 10 demonstrates the continuing congestion in Rigby Yard and the difficulty of operations. Even at this time and with work going on 24 hours a day, many tracks in Rigby had not been cleared. Story on page 6.



On February 17, 1977, Maine Central unit 567 switches the Beecher Falls Yard for the last time. Photo by Don Valentine — New England Rail Service. Story on page 9.



Car Hire

This is an "up-date", as current Americanese would have it, to "Keeping Cars Moving" printed in the MESSENGER of April-May 1974. The march of events, and inquiries from employees, security holders and journalists seeking some light in such a complicated area, require an exposition even though some phases of the subject are in litigation. We shall recite facts, avoid arguments and duck any partisan view as to issues in court. Our aim is informational.

Car Hire

This is the rent which Maine Central pays, for instance, for a car of ConRail ownership while such is in the hands of Maine Central. When I became President of this Company in 1952 the rate was \$2.00 a day with cut-off at midnight and applied to every car irrespective of whether its value was \$1,000 or \$15,000 and whether it ran in one day on our railroad from Portland to Augusta, a distance of some 60 miles, or several hundred miles as it might on a larger property. This formula had been in effect sixty years and there was merit to it as a colossal amount of bookkeeping was saved as compared with the present method of compensation which we will shortly explain. Pursuant to the Articles of Organization of the Association of American Railroads the daily rate was changed from time to time by vote of the carriers with each having a number of votes equal to its car ownership.

Maine Central is a credit railroad, particularly with respect to boxcars. The two basic reasons are our geographical location in the northeast corner of the country dictating a more than normal ownership because of the difficulty of bringing our cars home and, secondly, because of the necessity of furnishing to the paper mills, which supply us with our bread and butter

business, a grade "A" boxcar which cannot be generally obtained from the American car pool.

From 1933 to 1952 Maine Central was operated by Boston & Maine under a management contract. Boston & Maine's position was exactly opposite to that of Maine Central, originating only one load for every three or four terminated. In those days Boston & Maine always voted its car ownership against an increase in per diem and Maine Central followed. This state of affairs dramatically illustrates just one danger in common control of two railroads.

The Legal Attack Upon the Uniform Per Diem Charge

A quarter of a century ago the Boston & Maine and certain other railroads undertook to contest before the Interstate Commerce Commission and a three judge court in Massachusetts the fairness of the uniform per diem charge. As a result of lengthy litigation before the Commission and in the courts, a new formula was developed incorporating use, (mileage run each day) in addition to per diem, (time) and also variation in rates payable based upon the value of the particular car involved. The result was a victory for Boston & Maine and the deficit carriers in theory but perhaps a Pyrrhic one since the way was now open for a great increase in car hire due to incorporation of true value of individual cars and, as we shall see, Incentive Per Diem which would place an additional burden upon the deficit carrier.

From the over-all railroad standpoint, the damage was considerable and irretrievable since from that time forward a government bureau, namely the ICC, would set the rates and the pattern for car hire and the industry had lost control forever of its destiny in this most important area. The technical victory of the deficit carriers clearly foretold loss of the incentive to create cars and the decline of the nation's fleet.

Commission Regulation on Incentive Per Diem Ex Parte 252 (Sub-No. 1)

For many years Section 1 (14) (a) of the Interstate Commerce Act provided that the Commission on complaint, or its own initiative, could establish compensation to be paid for "foreign" cars by the using carrier. During the early 1960's shippers and Congressmen were disturbed by the deterioration of car ownership particularly in the area of the general purpose, free-running boxcar. Chronic shortages plagued the country, particularly in the season of heavy grain movements and particularly in the northwest and northeast corners.

In 1966 Congressional action resulted in an amendment to Section 14 granting to the Commission the power to increase compensation by such incentive elements as will in the Commission's judgment encourage the acquisition and maintenance of an adequate car supply. The new statute coupled adequate compensation to the car owners with the incentive element. Ten years later with the passage of the Railroad Revitalization and Regulatory Reform Act of 1976 (commonly called the Quad R Act) the powers of the Commission were expanded and the purpose clarified. In the present



statute there is a separation between the fixing of compensation to compensate the owner and the provision that such compensation may be increased by an incentive element which will encourage the acquisition and maintenance of an adequate car fleet.

The proceeding referred to in the above heading has been long and complex. In 1970 the Commission provided for the first time an incentive element, and applicable only to plain, unequipped boxcars. Originally the formula provided for purchase, building and rebuilding of cars by railroads having a net balance of Incentive Per Diem and the use of such funds, after acquisition by each particular method with the railroad's general funds of cars equal to the average so acquired in a test period during the years 1964-1968. Subsequently the order was expanded to permit use of IPD funds for acquiring cars by means of an equity lease and, finally, on petition of Maine Central, to acquisition of cars through the mechanism of the non-equity lease. In each of these instances application of IPD funds could be made over and above the numbers acquired by the particular method in the test period. Acquisition via the equity lease was approved in 1973 with the Commission permitting payments from IPD funds on principal parts of rentals retroactive to 1970 (the year of the original order).

In 1975 Maine Central succeeded in obtaining an order permitting the drawdown of funds against principal payments on account of the non-equity type of lease. The pertinent parts of that order read as follows:

"And it further appearing, That the Maine Central in its petition for interpretation and clarification asks that a carrier be allowed to draw down incentive funds for boxcars leased since the incentive per diem order became effective on June 1, 1970; that based on the Commission's decision in 343 I.C.C. 49, 57, incentive funds can be used not merely for the portion of the year after the effective date of the order but for the entire calendar year of the order; that leases the equivalent of a purchase have been interpreted as being the same as purchases and thus incentive funds can be used for leases the equivalent of a purchase from January 1, 1970; that non-equity leases were not allowed until the Commission's order of March 31, 1975, and thus incentive funds can be applied on non-equity leases from January 1, 1975;"

This in turn was followed by the conclusion:

"It is ordered, That the Maine Central's petition be, and it is hereby, granted, in effect, by the above interpretation."

It seemed clear to Maine Central that it could now draw down and apply IPD funds back to 1970 just as had been permitted retroactively with respect to the equity lease particularly since our petition stated and specified in its heading and in tabular form retroactivity to 1970, and in 1975 such an application was made. Full accounting was reported to the Commission on April 1 of 1976. In October a letter was received from the Commission indicating that the order should be interpreted as applicable only to leases executed subsequent to January 1, 1975. Conferences were held and a waiver sought. In January of 1977 an order came down to the effect that Maine Central had misapplied funds and should develop a plan for reimbursement to the IPD Trust Fund of \$2.6 million and that no dividend should be paid pending such reimbursement. Request for reconsideration resulted in modification of the order

eliminating the block on payment of dividends and providing that restitution should be made when the railroad reached financial stability. This order has been appealed to the Federal Circuit Court in Boston.

Further complicating an unbelievably complex subject, is another order of the Commission dated January 21, 1977 which combines the test period for building, leasing, purchasing or rebuilding, thus preventing Maine Central, for instance, from using IPD funds to rebuild its older cars unless it has first acquired cars equal to those acquired in any and every method on an annual basis during the test period. The order contains one element of flexibility, namely, an alternative to use IPD funds to the extent that they are matched by the company's general funds. This provision at this juncture is useless to this Company. It is perfectly apparent that a test period of some ten years ago can serve no useful purpose unless conditions then obtaining are similar today. In other words, if Railroad "A" has suffered such a decline in working capital that it could build or acquire or finance no cars under any method in 1977, the Commission's order is self-defeating to require the road to finance such before it can use IPD funds. Maine Central and many other railroads have filed vigorous exceptions to the last mentioned order of the Commission seeking greater flexibility, or at least the right to petition for special consideration in the light of changed circumstances. Under date of March 22 the Commission stayed its order, referring to requests by Union Pacific and Maine Central, in order to afford the Commission time to consider the petitions for reconsideration.

The stake which Maine Central has in being able to use IPD funds is realized from the fact that on a six-month basis only they accrue to this Company an amount substantially in excess of \$1 million and it should be borne in mind that the Commission's orders have from time to time imposed IPD for the six-month period September through February, then for a twelve-month period and now back to a six-month period.

Level of Car Hire (Ex Parte 334)

This is another complicated and ongoing proceeding relating not to Incentive Per Diem but to the level of ordinary car hire. Maine Central's stake in adequate compensation for use by others of its cars is brought home by the realization that our excess of ordinary car hire subject to per diem and mileage and IPD has run over \$5 million annually in the last three years. We are dealing here with all types of cars and not just the boxcar to which IPD has been applied.

Some months ago in connection with this proceeding, the Association of American Railroads undertook to seek a consolidated railroad position with respect to the level of car hire and established what was known as Task Force III to develop a level based upon various and complicated formulae and cost elements. Unfortunately, and despite the industry and input of experts, the result was a compromise and, even more unfortunately, dragged in a suggestion for the elimination, or rather gradual phasing out, of IPD. A number of railroads, with Maine Central perhaps most vocal, objected on prudential and technical or legal grounds. It appears to us that it was extremely dangerous to join the two together, legally unwarranted and likely to result in overturn if contested in court. It should be borne in mind that the Commission did not seek any

industry response on IPD in this proceeding. After many gyrations and two extensions of time to permit a possible unanimous industry view, the inevitable result occurred with the railroads breaking into two major groups and a number of splinters.

Justifiably from its standpoint, ConRail refused to adopt the Task Force III level of charges but indicated a willingness to "get there" in stages by phasing in of higher rates over a period of years and with a phasing out of IPD. Maine Central pointed out that there is nothing in the law permitting an inadequate level of compensation during the next five years with a gradual approach to a legal level. Maine Central joined eight railroads supporting the Task Force level and filed a short separate statement agreeing to the level of ordinary car hire proposed but objecting to the gradual phasing out of IPD for the legal and practical reasons previously stated. Once again a government bureau and not the industry is going to determine car hire with a very definite loss to the industry as a whole.

In all of the discussions the very significant final sentence to Sub-section 14 (a), as amended in the Quad R Act has been ignored. This sentence reads, "The Commission may exempt such incentive element from the compensation to be paid by any carrier or group of carriers if the Commission finds that such an exemption is in the national interest." Maine Central has pointed out that this is the route which the deficit carrier should follow rather than to attempt to mix up ordinary car hire with IPD and to phase out or eliminate the latter on a plea of poverty.

Bad Order Ratio

A discussion of proper level of car hire, the merits of IPD and poverty of some carriers as a bar to paying just compensation to car owners, exists in somewhat of a vacuum without exploration of the problems surrounding what is called the bad order ratio. The latter refers to the percentage of cars owned by a carrier which are unfit for use due to repair neglect. Bearing in mind that IPD applies only to boxcars, it is illuminating to note that the most recent available Association of American Railroads report shows that Maine Central has a bad order ratio on all plain boxcars of 4.3%, that ConRail with an indicated ownership of 26,149 boxcars has a bad order ratio of 23.3% (despite a drop in boxcar ownership of 644 in February) and that the Eastern District Railroads collectively have a bad order ratio of 19%. The national average is 12.9%. It is our view that no special consideration or relief should be extended nor should IPD be phased out with respect to any carrier having a bad order ratio in excess of 10%. If the largest carrier were fortunate enough to have Maine Central's ratio, we estimate an increase of several million dollars annually from IPD and upwards of \$20 million from ordinary per diem. This could make a tremendous difference in attitude, logistics and the adequacy of the country's boxcar supply.

The Maine Excise Tax Case

The waves and complications of IPD go on and on into unforeseen and unexpected areas. The one contemplated by this heading, however, involves most serious problems for Maine Central. While many states have eliminated all taxes on a railroad's right-of-way and franchises, the State of Maine continues such a burden and it is unique in its pattern and impact. Maine's railroad franchise tax is imposed on gross

transportation receipts and varies with the percentage of Net Railway Operating Income to such. It is also reduced by an amount equal to the sum by which Net Railway Operating Income falls short of a 5¾ % return on investment as defined. In no event can the tax be less than one-quarter of one percent of gross. NROI includes transportation receipts and any positive income from car hire.

For the year 1974 the taxing authorities of Maine imposed the tax upon a NROI including not only normal car hire but IPD also, even though the Commission's rulings make it clear that IPD funds are impressed with the Trust and usable only for its purposes. Maine Central has contested the imposition of the tax as levied and has at stake some \$650,000 for the indicated year. This case is now pending before the Maine Law Court and we will not argue the merits. It is a matter of public knowledge that the railroad's contentions are basically these three:

1. The law was never intended to apply to trust fund monies.
2. If technically such were included in the definition of NROI, then the tax is an undue burden on interstate commerce.
3. Maine levies the applicable tax rate on Maine Central's revenues derived from Maine operations arrived at by using the proportion which its mileage within the State bears to its total mileage. While our 1974 mileage in Maine was about 85% of the total, less than 3% of IPD funds on which the tax is levied are derived from Maine operations.

The Interstate Commerce Commission has entered the arena as amicus curiae, filing a brief supporting Maine Central.

The American Railroad Corporation

All of this whole "mess", and it can hardly be described as anything else, would immediately disappear with the formation of the American Railroad Corporation which we have advocated for the last half dozen years. Car accounting under the old level per diem system was complicated and costly enough. Car accounting with fifteen or sixteen different levels of car values, the importation of a mileage factor and the necessity of keeping a log on the miles run by every car on every railroad, plus the necessity of the spur of IPD to attempt to force the deficit carriers to build more cars and to police the proper application of the funds in the hands of the credit carriers, have resulted in accounting and legal cost problems which stagger the imagination and there is every indication that they will get worse and worse and worse.

Is it any wonder that Calvin Coolidge and Alfred Smith said that a multi-railroad system in which railroads compete with each other is wasteful? In the car service area it is wasteful, not only in cost of accounting but in an inadequate car supply, a hit or miss availability of cars to areas such as the corners of the country and in the cross-hauling of empties and loads simply to get cars back to the owning line. Our American Railroad Corporation would eliminate all of these deficiencies and the thriftless bureaucratic regulations which they have engendered.

Esben Miller

President



snow emergency january 10, 1977

Maine Central's Jordan Spreader was kept busy at Rigby Yard coping with snow accumulated from two major storms in early January.

Railroaders working in southern Maine will not soon forget the storm that paralyzed the City of Portland and surrounding communities on January 10, 1977. Jim Born, Maine Central Railroad's chief engineer, described the railroad situation at Portland Terminal's Rigby Yard in South Portland as the worst he had seen in 25 years of railroading. Men and machines were extended far beyond normal tolerances.

Maine Central customers can thank the dedication and tenacity of Portland Terminal and Maine Central men and their supervisors for avoiding what could have been a transportation disaster. These employees bore the burden of the results of the elements taking their best shot at Greater Portland. In a letter to employees, President E. Spencer Miller said in part:

"The purpose of this letter is to express to employees the deepest appreciation of this Company's management for the extraordinary efforts you have put forth in the last few days to operate Rigby Yard which is so essential to Maine Central and Boston & Maine. I know that many of you have worked more hours than normally could be expected of any man and that your dedication has made it possible for Maine Central and Boston & Maine to continue to serve railroad customers in the face of nearly impossible circumstances.

"I wish that I could shake the hand of each of you

and say how proud I am of our railroad men at Rigby and throughout Maine Central."

On Friday, January 7, fourteen inches of snow fell in southern Maine and before anyone could completely recover from this rather normal heavy snowfall, a unique series of weather changes hit Portland. On Monday, January 10, over ten inches of new snow fell by early evening. All of a sudden the temperature rose 30 degrees in a half hour and a heavy rain fell for several hours, totaling over two inches. The weather front passed and the temperature then plunged to near zero by daybreak.

Rigby Yard had all the appearance of a disaster scene. In addition to all the snow, almost the entire yard was covered by several inches of ice. Switches were frozen and cars standing in the yard were frozen in solid. The task ahead might have been viewed as insurmountable by lesser men than those railroaders who kept the yard functioning, although at drastically reduced levels. Two remarkable feats were accomplished by the Railroad during the week of January 10. First, not a single day went by that a train didn't run out of Rigby Yard and, second, no customer had to shut down its operations as a result of the Railroad's weather problems.

In contrast to the Railroad's ability to at least keep moving, the City of Portland was in deep trouble.



A railroad crane is used to remove snow from tracks in Rigby Yard following the severe January storm. Every piece of heavy railroad equipment, old and new, was put into service and adapted to snow and ice removal.



The Railroad's weed burner was pressed into action to melt ice around switches. Ice from the storm of January 10 froze switches solid throughout Rigby Yard.

Portland schools closed Monday, January 10, and remained closed until January 19. Most downtown stores remained closed for two or three days. Portland's City Manager declared a snow emergency and called in National Guard and Department of Transportation equipment to cope with the nearly impossible task of opening up Portland streets.

In an effort to keep trains moving as efficiently as possible under the circumstances, the Railroad abolished all Rigby-based Mountain Division and Portland-Bangor trains and converted to a temporary arrangement of pool crew assignments. This move provided a maximum of flexibility as crews were only called when a train was made up and ready to move. This effort also kept operations at Rigby Yard as fluid as possible. From one day to the next train crews didn't know where they might be operating and many men had their normal routines significantly disrupted. Although most Maine Central customers were inconvenienced as a result of the severe weather conditions, they enjoyed at least a minimum of service because of the sacrifices of many railroaders.

Another method of keeping traffic moving was to run trains from south of Portland through Rigby Yard and on to Waterville for reclassification. This relieved the congestion in Rigby, making possible more snow and ice removal work while train classification was accomplished where conditions were far less critical. This unusual procedure was beneficial under these extreme conditions, but it also resulted in many cars being back-hauled.

In 1973 Portland Terminal installed over three miles of Centralized Traffic Control between Mountain Junction and Cumberland Mills. Nearly two miles of single direction CTC track was modified for double direction running. This move really paid off for the Terminal during the aftermath of the January 10th storm. The new signal installation made possible the use of main line tracks for storage of trains that could not be assimilated into the Yard due to lack of cleared tracks and permitted other trains to be operated around them.

Train operations were seriously disrupted for well over a week and it was not until the end of January that reasonably normal operations resumed. Regular trains were established on February 7 on the Mountain Division and on February 15 for Bangor-Portland trains.

Operations would have been at a complete standstill except for the supreme efforts of Engineering Department men who worked day and night with pick axes and other hand equipment chipping out ice from switches and around the wheels of cars frozen solid into a cake of ice. The work was slow and tedious. The regular Portland Terminal Maintenance of Way force of 45 men went to work immediately and 46 additional men were brought in from Maine Central's Bridge and Building and Signal Departments. In addition to these forces, more than a dozen additional men were hired. Men began by working 24 hours straight through and later were rotated in 12 hour or more schedules in order to have the work covered 24 hours a day.

Railroad equipment consisting of three front-end loaders, two jet snow blowers, one spreader, three rail





In order to combat the unusual conditions caused by the January 10 snow and ice storm, the Railroad hired 19 pieces of heavy equipment from outside contractors to augment railroad snow removal equipment.

cranes, and one truck plow went to work immediately at Rigby Yard. In order to augment railroad heavy equipment designed for normal heavy snowfall, 19 pieces of equipment were hired from six different outside contractors. This equipment consisted of road graders, bulldozers, and front-end loaders.

The expense of this storm to the Terminal was enormous. In 1976 the total snow removal cost for the Terminal amounted to a little over \$100,000 for the year. The January 1977 snow removal expenses for the Terminal were nearly \$200,000.

Although the January weather did not hit rail operations as severely outside the Portland and coastal region, the cost of snow and ice removal for the Maine Central system was also enormous for the month of January. Maine Central called back 47 furloughed Maintenance of Way men and hired 74 pieces of special equipment to augment Maine Central snow removal equipment. In the month of January alone, 41 plow trains were dispatched and snow removal in yards was almost continuous. In addition to the extraordinarily high snow and ice removal costs for the Terminal, Maine Central's snow and ice removal costs amounted to nearly \$500,000 for the month of January alone.

Not only the Engineering and Operating Departments were seriously impacted by the January 10 storm. Mechanical Department forces were busy day and night repairing equipment that had gone to its limit and hours were spent rerailing all types of equipment derailed due to ice and snow. Traffic and Marketing Department personnel were responding to emergency situations created by traffic delays. All other departments assumed greater than normal burdens resulting from these very unusual circumstances.

But above all else it was the recognition of a desperate situation by Portland Terminal and Maine Central personnel and a positive response to a monumental task. Railroaders in southern Maine will not soon forget January 1977, but they also can point with great personal and corporate pride to the job that they did to keep rail freight moving when workers with less fortitude would have thrown in the towel after one look at Rigby Yard on Tuesday morning, January 11, 1977.



beecher falls branch-finally



The last Maine Central train to operate on the Beecher Falls Branch, pulling into Colebrook, N. H., passing the old railroad station. The February 17, 1977 run ended an era of 87 years of operation of the Branch by Maine Central. Photo by Don Valentine — New England Rail Service.

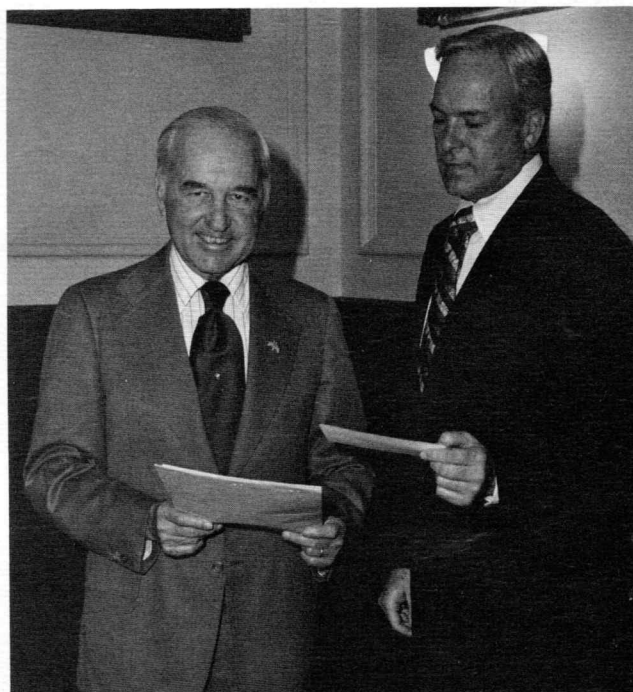
It's been nearly four years since Maine Central filed a petition with the Interstate Commerce Commission to abandon the Beecher Falls Branch. Maine Central learned a lesson in the regulatory process and the last edition of the Messenger outlined in detail the events leading up to a certificate of abandonment which was issued on January 27, 1977; even though the final decision of the ICC was made public on June 15, 1976.

An era of 87 years of operation of the Beecher Falls Branch came to an end on February 17, 1977 when the last Maine Central train left Beecher Falls for St. Johnsbury, Vermont. Twenty-one and a half miles of line from North Stratford, N. H., to West Stewartstown, N. H. was built by the Upper Coos Railroad of New Hampshire in 1887 and then continued one and a half miles to the Canadian border in Beecher Falls, Vermont in 1888 by the Upper Coos Railroad of Vermont. The Upper Coos was leased to Maine Central in 1890 for 999 years and acquired by Maine Central in 1931.

On February 22, 1977 the 11-mile segment of the Branch between Waumbek Junction and Coos Junction (Lancaster) was sold to the Boston and Maine. On March 21, 1977 the 23-mile segment of the line from North Stratford to Beecher Falls was sold to the State of New Hampshire for operation as a short-line railroad. The remaining 2.5 miles of the Branch owned by Maine Central between Waumbek and Quebec Junction will be salvaged.

Maine Central's losses on operation of the Beecher Falls Branch amounted to several hundred thousand dollars while the abandonment was under consideration by the ICC. The end of these operating losses, coupled with the nearly half-million dollars realized by the railroad from selling segments of the line to New Hampshire and the Boston and Maine, and by salvaging

a short segment, will make it possible for Maine Central to better serve its many customers.



New Hampshire Governor Meldrim Thomson receives the deed to a 23-mile segment of the Beecher Falls Branch from John F. Gerity, Maine Central vice president.

news briefs

Mr. Miller and the Eastern Railroad Association

Recently the following resolution was presented to E. Spencer Miller: We, the members of the Eastern Railroad Association wish to express our appreciation to and admiration of E. Spencer Miller, who has served as Chairman of the Association since October 15, 1970. He brought to the Chairmanship broad experience, true dedication and integrity. During this leadership railroads in the Eastern United States underwent drastic changes. His wise counsel, keen intellect and acuity contributed to a better understanding of these developments. But of a still greater importance, however, is that our association with E. Spencer Miller has been an enriching experience.

As a member of the Eastern Railroads Presidents Conference in the late 1960's, Mr. Miller worked closely with the chairman of the organization, Mr. Alfred E. Perlman, former president of the New York Central, to reorganize the Conference. In November 1970 several organizations joined with the Presidents Conference to form the Eastern Railroad Association with headquarters in New York City. The new Association combined the Presidents Conference, the Traffic Executives Association-Eastern Railroads, The Eastern Demurrage and Storage Bureau and the Railroad Perishable Inspection Agency. At the same time Mr. Miller was named Chairman of the expanded organization and continued in that position until recently. At the present time the organization is undergoing another transition which has resulted from the creation of ConRail and other developments.

Fifty Years of Service

This year is the 50th year of operation of the Railroad Workers Credit Union. The credit union movement in Maine was pioneered

in the mid-1920's by three chartered credit unions. The Telephone Company was the first, the Railroad Workers second and Government employees third. Today these pioneers are joined by more than 170 other credit unions to make up the Maine Credit Union League.

Over the past 50 years the Railroad credit union has demonstrated a steady pattern of growth, even though in recent years railroad employment has declined. Credit unions are recognized today as an integral part of the financial community and the Railroad credit union is no exception.

At the end of 1976 the Railroad Workers Credit Union had a membership of over 1,700. In 1971 the assets of the Credit Union passed the two million dollar mark and by the end of 1976, assets had just passed the three million dollar plateau. At year's end member savings amounted to over \$2.6 million and the loan balance was over \$2.4 million.

The year 1977 is an historic one for the Railroad Workers Credit Union. Many more years of success and of providing a very important financial service to railroad men and women are anticipated.



The people who operate the Railroad Workers Credit Union are joining in the celebration of the Credit Union's fiftieth year of operation. Above, standing, are Robina Sondergaard, clerk; Mary Ann Berry, manager; Hugh F. Flynn, president and general manager; seated at the desk is Virginia Boyd, clerk.



One of two remaining ALCO road locomotives has been rebuilt by Waterville Shop forces and repainted in yellow with green trim. 801 is the first of the 1977 program to overhaul 12 units.

Unselfish Action

In early March Maine Central trainman Robert A. Morin by his prompt action prevented what could have been a significant oil spill. A. N. Tupper, general superintendent, said that Morin's "unselfish action in very undesirable circumstances is a credit to all railroad men."

Train RD-1 was setting off cars at International Paper Company in Jay when Morin noticed a path of oil down the middle of the track. He quickly told locomotive engineer Jim Campbell to start backing up so he could investigate. He soon spotted an oil tank car, of foreign ownership, with the discharge pipe cap completely off and with heavy industrial oil running out. He told the engineer to plug the train (railroad lingo, meaning to stop immediately).

Morin's attempt to operate the shut-off lever, controlling the flow of oil, was unsuccessful, so he went under the car, right into the sticky mess of heavy oil and attempted to screw the cap on by hand. He was unable to stop the leak on the first attempt but kept working the lever until he substantially reduced the flow and was able to screw the cap back on.

In the process of stopping the leak, Morin became completely drenched with oil from head to toe. He was taken by ambulance to the hospital where the oil was removed and he was treated and released.

There is no question that the courage of Robert Morin prevented an oil spill of several thousand gallons and all of the accompanying environmental damage that might have occurred as a result of such a spill.

Comments

The February 25, 1977 edition of the Boston and Maine Railroad Historical Society Newsletter contained some interesting editorial comments about Maine Central Railroad. A portion of the remarks of Thomas Engel, assistant editor of the Newsletter, follows:

"The MEC has a history of squeezing through financial crises every 20 years or so, it's never gone bankrupt, it's earning money and has a good though odd traffic

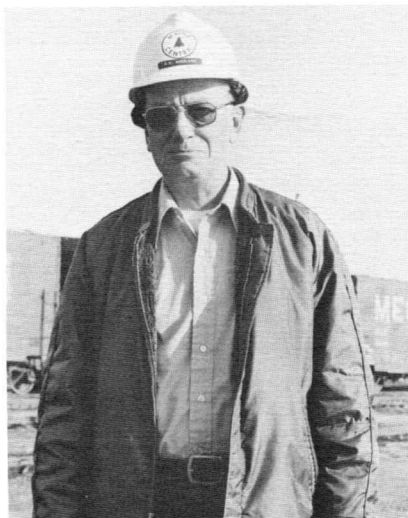
mix, and pulled off a major \$20 million refunding in 1935 It is very capably managed by E. Spencer Miller, its President since 1952 who came up through the B&M ranks. . . The MEC is one of the few Class I railroads that is not part of a real estate — natural resources — etc. holding company like so many others.

"Whether the MEC survives or is scalped by the ICC or the Noble/

Bloodthirsty Savages at any rate it's drama of the first rank In this age when attention is so often directed at diversified transportation companies and the western and southern lines, I think we New Englanders may take pride in our Maine Central battling manfully against odds that have broken many another line and operating as a railroad when so many others have 'turned tail and run.'"



A. N. Tupper, general superintendent, commends Robert Morin.



Two new members of the Order of the Turtle. Bud Wheelden, left, general car foreman, Bangor, on assignment in Portland, Oregon, last fall supervising the building of Maine Central's new boxcars had a three-pound steel wedge drop from the top of a car striking him on the side of his hard hat. According to Bud, "All it took was that one experience with the steel wedge to make me a hard hat believer." Richard Way, machine operator, was thrown through the windshield of his machine when it came to an abrupt stop in Bartlett Yard in early February. Fortunately, he was wearing his hard hat and a serious accident was averted.

The Blue Ox

In March a test run was performed with a new type car, designed for transporting woodchips and pulpwood logs of varying length. The test was conducted with a load of chips originated at Ashland on the Bangor and Aroostook and terminated at International Paper Company's Otis Mill in Jay.

The new test car, built by Pullman Standard, is 74 feet long with a capacity of 7000 cubic feet. The unique design features 51-foot discharge door openings. According to Pullman officials, "The new car has the potential to replace at least three car types currently serving the paper industry: the conventional open-side pulpwood rack car, the high-capacity woodchip car, and the stake-side flat car for long logs. It will do each of their jobs faster, better and more economically."

Pullman officials added, "We're calling the new car the 'Blue Ox' because we feel its strength and size will allow it to do the same kind of job for the paper industry that Babe, the 'Blue Ox,' did for Paul Bunyan."

Coordinators for the Maine test included: Dr. Norman Bateson, Pullman Leasing Company; Harold Gramse, Pullman Standard; Charles Lajeunesse, International Paper Company; Ansel Tupper, Maine Central general superintendent, and Emmons Lancaster, assistant clearance engineer.

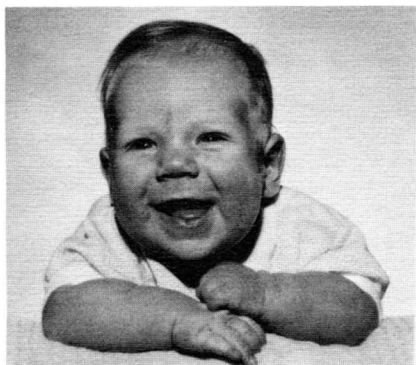


One of the last of 500 new Maine Central boxcars built by FMC Corporation in Portland, Oregon came off the production line just before Christmas, 1976. FMC workers appropriately decorated the well-known Maine Central pine tree in a most befitting way in a sharing of the Christmas spirit.



The Blue Ox is a test car built by Pullman and used for transporting chips and logs.

The Grapevine



Benjamin (Benjie) B. Braasch III.



Thomas G. Calder, Jr. and wife Sherri.



Pat and Jerry Shea at Saguaro National Park in Tucson.

General Offices

Scott Scully, general counsel, flew to London in mid-March to join his brother and two nephews for a skiing vacation in Zurs, Austria. He returned with a fine tan and reported excellent snow conditions and a great time.

Eric Smith, assistant treasurer, took a late winter vacation to accompany "Friends of the Museum of Comparative Zoology" on a trip to the Galapagos Islands, 600 miles off the coast of Ecuador, to observe the unique wildlife there — remnants of prehistoric ages. This is the third consecutive year Eric has gone on such trips, having previously been to the coast of Baja California (Mexico) and South America.

Jack Coyne, chief statistician, with his wife Joanne and son Kevin flew to Florida for a vacation at Fort Myers in February. While there they took in the attractions at Disneyland.

Ellie True, stenographer in the comptroller's office, went to Vail and Cooper Mountain, Colorado for a skiing vacation. Unfortunately, there was little snow and it was very warm. Although Ellie has earned her pilot's license (Private Pilot Single Engine Land), she flew commercial on this trip.

Announcement has been made of the engagement of John (Jay) Gross, son of Anne Gross of the Assistant to Comptroller's Office, to Linda LaPorte of Rockville, Maryland. Both are graduates of LeMoyne College, Syracuse, New York. Jay is now located in Gaithersburg, Maryland and employed in Washington, D. C. Linda is a teacher of mathematics and English in Chevy Chase, Maryland. A July 16 wedding is planned in Theresa, New York, which is a part of the Thousand Islands area of Upper New York State.

Benjamin B. Braasch, Sr., manager freight claims, and wife Anne are proud grandparents. Benjamin B. Braasch III is the first child of Cynde and Benjamin B. Braasch, Jr. "Benjie" was born September 8, 1976 at Women's Lying-in Hospital, Cambridge, Massachusetts.

Welcome to John Mcanallen to the Auditor of Revenue Office. John is the new head clerk-divisions. He resides in South Windham with his wife Eileen and their two children.

Thomas G. Calder, Jr., son of Jan Calder, Freight Claims Section, Auditor of Revenue Office, was married March 5, 1977 to Sherri Munson, daughter of Audrey Munson, South Portland. The wedding took place at Chestnut Street United Methodist Church with a reception following in the church parlor. The couple will reside in Portland.

Once again Geoffrey Doughty has hit the air waves, hosting the radio broadcasts of the Portland Symphony Orchestra. This year he is assisted by another

Maine Central employee, John Wolf of the Engineering Department who takes care of the technical aspects of producing the programs. Today the PSO broadcasts can be heard on three stations in Maine: WMEA-FM and WDSC-FM in Portland and WMEH-FM in Bangor.

Our best wishes to Pat Connary, Stores Department, and Jerry Shea, Car Accounting, who were married February 12, 1977 at St. Patrick's Church. After the wedding they flew to Tucson, Arizona. Among the highlights of their stay were trips to Mexico, Flagstaff, Tombstone, Phoenix, and the Grand Canyon, where they took a sight seeing plane all through the Canyon. They enjoyed beautiful, warm, sunny weather during their entire stay.

For some unknown reason, this winter seems to have inspired many people to travel to warmer climes, among them: Kay and Dick Greene, Payroll Department; Bea and Paul Crawford, Employees' Insurance; Nancy, Voucher Bureau, and Arthur Gilbert, Revenue Office; and Pollie and Axel Hansen, Car Accounting, all Florida bound. Nat Alward, Disbursements, varied the pattern and flew to Tulsa, Oklahoma to attend meetings at Oral Roberts University.

Mary Kingston Larner, baby daughter of Sally, Voucher Bureau, and Paul Larner, Disbursements, was born January 26, 1977. During February vacation, while "CC," next youngest daughter, stayed home with mother Sally to take care of the new baby, Paul, being the Railroad Buff that he is, took his two oldest daughters, Anne and Ginny, for a train ride to Washington, D. C. They took a bus directly to South Station where they boarded an AMTRAK train. Paul highly recommends the trip, saying the service was excellent right from Portland through to Washington and back again, and all three had a wonderful time.

Christine, daughter of Vaun and James Born, chief engineer, will be graduating from Westbrook High School in June of this year. She has been accepted at Rensselaer Polytechnic Institute in Troy, New York. Christine will major in Civil Engineering. She is a member of the National Honor Society.

Marie, wife of Stanley Jordan, assistant to chief engineer, is assistant coach for the South Portland High School Girls' Varsity Basketball Team. They won all 25 games played this year, including the Western Maine Class A Championship. After playing against Bangor on a Saturday night recently, they are now the newly crowned State Champions!





Mary Kingston Lerner, daughter of Sally and Paul Lerner.



Mary, signal clerk, and Vinnie Morse were honored with a surprise party on their 40th Wedding Anniversary, New Year's Day, by family and friends at the home of brother Steve and wife Eileen in Yarmouth. A great place to go for good cooking! Steve has recently been employed as Manager of the Cumberland Club in Portland.



Connie, Car Accounting, and Ray Davis have a new grandchild, Jennie Joanna. Jennie was born July 2, 1976 to Jo and David Verrill of Alleghanyville, Pa.

Nancy, daughter of Ruth and J. Emons Lancaster, assistant engineer of structures, has been elected to the National Honor Society at Falmouth High School where she is a senior.

Dot and Wally Pooler, track supervisor, took two weeks' vacation in March and motored to Florida, along with friends Francis and Priscilla James of Freeport. They certainly did see the sights! They also called on Ray Jackson and Bertha, who entertained them royally at a backyard barbecue and showed them the surrounding points of interest, including a \$175,000 house which features a bar at the swimming pool and a canal which runs by the back door where you could tie up your boat. Ah, me, guess I'll have two of those! Wally says Ray and Bertha are having a ball, look great, and Wally himself is a bundle of smiles as he recalls the trip.

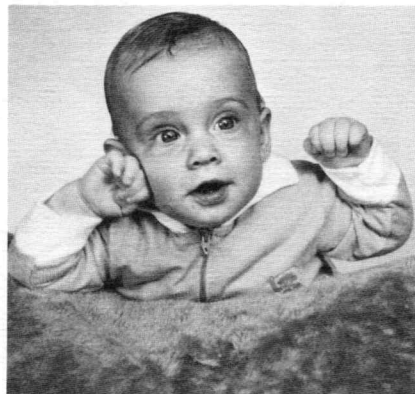
Gloria McCullough, leading clerk, Mechanical Department, was fortunate in attending all seven performances of the Ice Capades, held at the new Cumberland County Civic Center. No, she isn't that interested in ice skating, but she played trombone in the Ice Capades orchestra. Unfortunately, she was kept so busy that she saw very little of the show and had to take the word from others in the General Office that the show was great.

Rockland

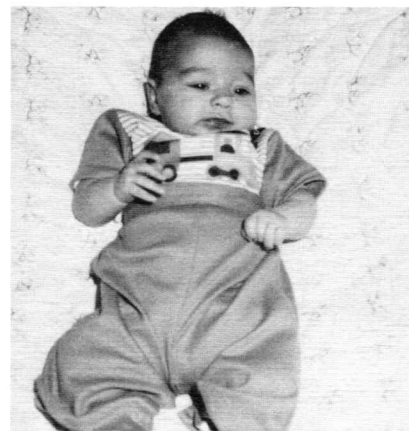
Clerk Stan Prescott at Rockland underwent surgery at the Pen-Bay Medical Center during March and wants to thank those who remembered him with their cards and also the gift while convalescing.

Spare operator Gene "Fuzzy Face" Harjula and family will vacation in Florida during the latter part of April with friends and family.

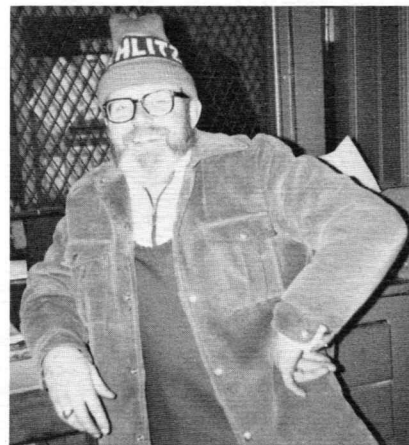
New faces in the section gang, some fuzzy and some not so fuzzy. Foreman Dennis Lamarre, who previously displaced foreman Rick Lovely, was himself displaced by foreman Alex Kelley of Bartlett, N. H. Alex and crew, along with others on the branch, have sure had their work cut out for them this winter with all the high water, washouts and beavers to contend with.



Damien Michael Morris is the new son of Cathy, stenographer-clerk, Mechanical Department, and Bruce Morris.



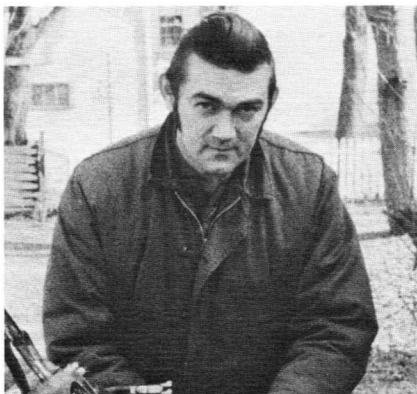
Arlan E. Freeman III is the new son of Arlan, assistant road foreman-engines, and Bonnie.



Pictured above is the ground hog's view in February of a winterized spare operator Gene Harjula, who besides laying rugs, snowmobiling, coffee breaks, and promoting the cause for Schlitz Breweries, gets his time in for the railroad when he has a spare moment!



Joel Nathanael Denton is the son of David, mechanical inspector, and Gail. Joel is shown with his big brother Ben.



Thomas F. McDonough, left, is the son of Rosemary, keypunch operator, and Marty McDonough. Thomas and his wife Jean have two children and he is the owner of Tom's Small Engine Repair in South Portland. At the right is John J. McDonough, also the son of Rosemary and Marty, and he and his wife Patricia also have two children. He is a senior chief yeoman in the United States Coast Guard, recently transferred to the base in South Portland. In September he received an achievement medal in Boston.



Robert C. Ericson, left, boilermaker, received his 25-year service pin from James Coffin, superintendent motive power, in February. Looking on are general foreman Charles Wilson and Stewart Park, chief mechanical officer, right.



John L. Chetley, foreman, Rigby Car Shop, receives his 25-year service pin from Marty Moore, general foreman-car shop.



Edward J. LaBerge, left, Portland Terminal carman, receives his 25-year service pin from Marty Moore, general foreman-car shop.

Rigby

Electrician Jim Small was made a granddad for the fourth time when Susan, his son's wife, presented the family with a baby girl. Phil Small is an employee of the Portland Terminal section crew.

Milfred "Andy" Goodwin died recently at age 76. Milfred served as a machinist helper for many years before his retirement eight years ago.

Mrs. Bert Jewett, wife of machinist Bert Jewett, underwent eye surgery in early winter. She is now doing well after a lengthy recuperation.

Engine hostler Gene Clancey, 77, died recently after a long illness. For many years Gene was employed at a Congress Street tobacco store and was known as a true tobacco connoisseur.

Recently married are hostler helper Bill White and Lydia Libby.

Estes Jenks, a retired engine house employee, died recently at his apartment on Mellen Street at the age of 74.

Arthur J. Shaw, 80, who retired 15 years ago, died at his home in Dania, Florida. Arthur was one of our oldest, in service, employees at the time of his retirement.

Mrs. Albert E. Wetmore, the wife of your reporter for this area, underwent surgery in March. A complete new knee section was accomplished followed by therapy to learn how to use the new limb.

Steamfitter Bill Grace who retired in 1975 was hospitalized recently while in Florida. He is O.K. at this writing.

James A. Gillespie, 75, died recently at a local hospital after a short illness. Prior to his retirement 10 years ago, he was a foreman at Portland Terminal Company, wharves 1, 2 and 3.

Adolphe LeGere, 93, died recently after a long illness. He was a carpenter for the Portland Terminal Company for many years before retirement.

Waterville Shops

Reny Jacques was a recent vacation visitor to Hawaii. Reny was pleased with the whole vacation package and has made mention of the beautiful scenery on Waikiki Beach. The last day of the vacation caused a little excitement when Reny discovered the loss of his return home ticket. Everything turned out O.K. when such an honest face appeared before the airline ticket agent checking the passenger list of the tour group.

Vince Dostie, boilermaker, is home recuperating after surgery. Vince has had one misfortune after another. First, an operation on his foot, then injuries suffered in a snowmobile accident and finally abdominal surgery.

Bill Trafton, machinist, has been qualifying as an insurance adjuster. Bill busied himself recently making arrangements for the repair of a relative's vehicle where time was very limited.



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Leland Thyng, machinist, is a surgical patient at a local hospital at this writing.

Checker Leroy McCommic will soon be visiting his plantation in St. Petersburg, Florida.

Mrs. Shirley McCarrison, wife of foreman Glen McCarrison, is making a very good recovery at home following a kidney transplant at the Maine Medical Center on December 28.

Waterville Station

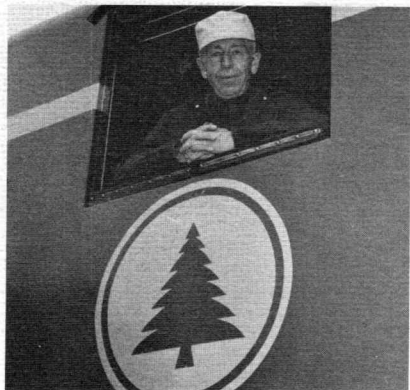
A long and happy retirement is extended to trackman Vern Bowden who retired on January 21. Vern was working with his son Keith in Newport.

Al Henderson, scale inspector, retired on March 31. Al and his wife plan to start his retirement with a trip to Pittsburgh and then to New Brunswick and Ontario to visit their children. Best wishes in your retirement, Al.

Dick Fecteau, clerk in the Engineering Department, retired on December 31 after 41 years of service. Dick and wife Frances are planning a trip to Florida in April with grandsons Steve and Scott.

Freight Office clerk-stenographer Marilyn Stubbart has been off sick since January. Spare clerk Judy Brown has been filling her position during her absence. We all miss Marilyn and wish her a quick recovery.

A new addition to the Freight Office is Nancy Gagne. She has been filling several vacancies recently on account of illness and vacations. Nancy was formerly employed by Keyes Fibre Company. Welcome aboard, Nancy.



Our condolences to the family of Don Currier who passed away recently. He is pictured here in 1966 when he retired after 50 years of service.

Clerk Lucette Huard is back in the Engineering Department. For the past two years, Lu had been working at the Stores Department. Also in the Engineering Office is Dot Begin who had been working as a spare clerk in Waterville for the last two years.

Nancy Begin, daughter of Dot, clerk, and Cornelius Begin, and John Wolfe, son of Don, track supervisor, and Phyllis Wolfe, were both recently honored by election to the National Honor Society at Winslow High School. Congratulations are extended to both of them.

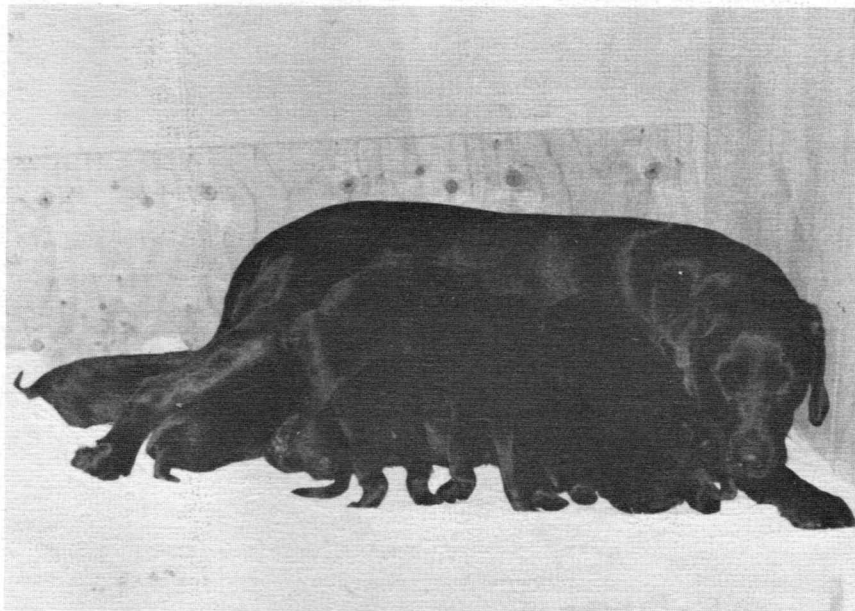
Mr. and Mrs. Wallace R. Pooler, Jr., are the parents of a son born in January. The baby was named Wallace Romeo after his daddy. We can't forget his grandfather, track supervisor Wallace R. Pooler of Portland.

It seems that there are some who are concerned about supervisor work equipment Roland A. Giroux. A tube of polygrip has been ordered to keep his hard hat from falling off his head.

We always enjoy the short visits from retired work equipment maintainer Leo St. Pierre and retired plumber Joe McKenney.



With a smile of approval is Victor Buck, hostler, in the newly overhauled engine 801.



Conductor Joe Boudreau's dog Molly recently gave birth to a litter of 10 laborador retriever pups. Molly is a champion, having won many ribbons.