

**A GENERAL CHRONOLOGY
OF THE
PENNSYLVANIA RAILROAD COMPANY
ITS PREDECESSORS AND SUCCESSORS
AND
ITS HISTORICAL CONTEXT**

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1969

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All data subject to correction and change

- Jan. 1, 1969 Former New Haven becomes New Haven Region of Penn Central with operating headquarters at New Haven and non-operating offices at Boston; consists of New Haven & Boston Divisions; VP-Corporate Administration William H. Tucker appointed VP-New England at Boston; Jeremy Taylor named General Manager-New England Region; Robert W. Blanchette (1932-), former counsel to New Haven Trustees, named General Attorney-New England; C.E. Ragland named Assistant VP-Freight Sales-Boston. (MB)
- Jan. 1, 1969 R.C. Harrison named General Manager-Southern Region, replacing Jeremy Taylor; F.S. King named General Manager-Northeastern Region, replacing Harrison; Fred J. Orner named Senior Consultant. (MB)
- Jan. 1, 1969 Pullman Company ceases operation of sleeping and parlor cars, primarily because of Penn Central's insistence on operating its own cars; eliminates separate Pullman conductors and porters, but Pullman Company continues to maintain cars. (MB, Trains)
- Jan. 1, 1969 United Transportation Union formed by merger of Brotherhood of Railroad Trainmen, Brotherhood of Locomotive Firemen & Enginemen; Order of Railroad Conductors & Brakemen's and the Switchmen's Union of North America; largest transportation union in AFL-CIO; Brotherhood of Locomotive Engineers refuses to join merger. (NYT, utu.org)
- Jan. 1, 1969 2,370 Penn Central employees have completed training for service on "Metroliners." (Watson)
- Jan. 1, 1969 Effective this date, Penn Central writes down value of investment in long-haul passenger and mail facilities west of Buffalo and Harrisburg

to scrap-value levels. (action was taken 1/28/70!! - MB)

- Jan. 1, 1969 Penn Central agrees with Seaboard Coast Line and Richmond, Fredericksburg & Potomac Railroad re pooling arrangement for staffing sleepers and lounge cars and for commissary service. (MB)
- Jan. 1, 1969 Westbound 98-car Penn Central freight breaks rail and derails at 42 MPH while passing 106-car eastbound train doing 32 MPH at Dunreith, Ind.; 14 cars, including those carrying flammable and toxic chemicals derail; fires, explosions and release of toxic fumes continue for 10 hours; fires spread to town; U.S. Route 40 closed and town evacuated. (Trains)
- Jan. 2, 1969 Equity Research Associates issues favorable report on Penn Central and recommends buy orders.
- Jan. 2, 1969 First two Westinghouse "Metroliner" cars, Nos. 804 & 808, energized, and an extensive car-by-car debugging process is started; priorities have shifted so that the first 20 Westinghouse cars will be for the Northeast Corridor service and not for SEPTA. (WatsonPapers)
- Jan. 2, 1969 Last trip of Washington-Philadelphia local No. 400; remains as a Washington-Baltimore local. (A-sheet)
- Jan. 2, 1969 Brotherhood of Railway Carmen says it will not strike LIRR for 90 days if there is a public investigation of LIRR mismanagement. (NYT)
- Jan. 3, 1969 Three-judge federal court agrees to review the New Haven creditors' right to contest the purchase price. (NYT)
- Jan. 3, 1969 Diamond Shamrock Corporation acquires Cleveland iron ore company Pickands, Mather & Company by an exchange of stock, converting it to a wholly-owned subsidiary. (Moody's)
- Jan. 4, 1969 PATCO (Port Authority Transit Corporation of Pennsylvania and New Jersey) line begins operation between Broadway, Camden, and Lindenwold, N.J. (Vigrass)
- Jan. 1969 New York securities analyst Murray Harding issues a 21-page report on Penn Central based on research and interviews with 20 PC executives; is mildly optimistic; calls PC "a giant learning to walk. Right now it's on its knees"; says it will begin to move forward in 1970. (Trains)
- Jan. 5, 1969 Penn Central GG1's are now running through to New Haven; PRR pantographs damaged New Haven catenary, and the units were quickly withdrawn; problems are fixed by the end of the year; 6 EP-5 "Jets"

remain in service between Grand Central and New Haven, particularly on commuter trains. (Trains)

- Jan. 6, 1969 David Bevan begins selling his 33,904 shares of Penn Central stock. (SEC)
- Jan. 6, 1969 Studebaker-Worthington Corporation CEO Derald H. Ruttenberg announces that the company will be divesting under-performing units, including Alco Products, Inc. (Steinbrenner)
- Jan. 7, 1969 Prime rate rises to 7%, making it even more difficult for Penn Central to borrow the cash it needs to continue operations; market interest rates surpass the legal limit on large CD's; depositors withdraw \$8 billion over next six months to earn higher rates; to meet continuing demands for business loans, banks are forced to sell off their stock and bond holdings, driving down securities markets; high rates and a demand for credit causes an influx of \$7.9 billion in Eurodollars (dollars held on deposit in European banks); as Eurodollars flood the economy, inflation rises to 5.2% by June 1969; long boom of 1961-1969 ends, ushering in a period of economic instability that lasts until 1982. (NYT, Matusow)
- Jan. 7, 1969 Bevan seeks financial advice from former Chairman of First Boston Corporation. (SEC)
- Jan. 7, 1969 N.J. sells first \$75 million installment of transportation bond issue approved in Nov. 1968; projects include electrification of NY&LB, connection in Meadows to permit Erie Lackawanna trains to run into Penn Station.
- Jan. 7, 1969 A LIRR commuter arrested for "theft of service" after he refuses to show ticket to protest unlighted, unheated car; five more commuters arrested for similar protest on Jan. 10. (NYT)
- Jan. 8, 1969 VP-Corporate (Finance) W.R. Gerstnecker begins selling his 6,206 shares of Penn Central stock. (SEC)
- Jan. 8, 1969 LIRR and BLE settle dispute over Nov. 1968 schedule change that deprived engineers of much overtime; dissatisfied men may choose any assignment based on seniority. (NYT)
- Jan. 8, 1969 First six-car train of General Electric "Metroliners" operates on a Washington turn. (WatsonPapers)
- Jan. 8, 1969 Last run of Louisville & Nashville-Seaboard *Dixie Flyer* between Atlanta and Jacksonville, ending Florida service on this route. (A-sheet)

- Jan. 9, 1969 N.Y. PSC orders Penn Central to improve quality of commuter service on Hudson and Harlem Lines, including modernizing equipment and maintaining 80% on-time record. (NYT)
- Jan. 9, 1969 Last run of PC No. 302-305, former *Sycamore/Indianapolis Special*, between Chicago and Indianapolis on ex-NYC route. (A-sheet, Sanders)
- Jan. 10, 1969 A second six-car train of General Electric “Metroliner” cars runs between Philadelphia and Washington as a test for the upcoming inaugural VIP trip; one car fails en route. (WatsonPapers)
- Jan. 10, 1969 First phase of presidential emergency board hearings on the dispute between the Brotherhood of Railroad Trainmen and the LIRR ends. (NYT)
- Jan. 10, 1969 Atlanta & West Point breaks across-platform connection at Atlanta with its segment of *The Crescent* Nos. 37-38. (A-sheet)
- Jan. 10, 1969 Alco Products, Inc., turns out its last locomotive, Newburgh & South Shore Railway T-6 switcher No. 1017, leaving EMD and General Electric Company as the surviving domestic manufacturers; production continues at MLW-Worthington Ltd. in Canada. (Steinbrenner)
- Jan. 11, 1969 First six-car “Metroliner” train runs on the schedule of Nos. 218-225, a Saturday Philadelphia-New York round trip; there are still significant problems with the doors and heat. (WatsonPapers)
- Jan. 12, 1969 Second “Metroliner” train operates as Advance No. 218 and Advance No. 225 between Philadelphia and New York. (WatsonPapers)
- Jan. 13, 1969 Civil Aeronautics Board resumes its hearings on the Penn Central divestiture of Executive Jet Aviation, Inc.; Executive Jet Aviation, Inc. immediately withdraws its application to acquire the Johnson Flying Service, Inc.; after this, United States Steel Corporation cancels its agreement to buy part of Penn Central's interest in EJA. (Patman, SEC Rept.)
- Jan. 13, 1969 The two “Metroliner” trains for the VIP trip are given their final inspection at Penn Coach Yard. (WatsonPapers)
- Jan. 14, 1969 The two “Metroliner” trains leave Philadelphia for Washington. (WatsonPapers)
- Jan. 15, 1969 Chicago Union Station Company and PFW&C lease air rights over the

- Concourse Building between Adams and Jackson Streets to Tishman-Adams, Inc.; to construct Gateway III office building on site of Concourse; are to lease the concession spaces in Union Station for 7 years and provide new exterior finishes, remodeling Concourse with new concessions below grade; are to relocate the Fred Harvey concessions during construction. (CE, MB)
- Jan. 15, 1969 Special preview run of "Metroliners" runs Washington-New York round trip for VIPs; stop for luncheon at 30th Street Station, where pick up second group of VIPs who have come down from New York on a conventional train. (PCPost)
- Jan. 1969 Pres. Perlman in a speech to the Atlantic States Shippers Advisory Board, admits that Penn Central service is not as efficient as hoped for at this stage. (SEC)
- Jan.? 1969 Burlington discontinues pooling locomotives with Penn Central between Enola and Green River, Wyo., and between Boston and St. Paul, citing non-compatibility of electrical cable connections. (Trains)
- Jan. 1969 Mackinac Transportation Company returns train ferry *Chief Wawatam* to service because tug-barge combination can't cope with ice. (Carferries.com)
- Jan. 1969 Assistant VP-Purchases John S. Fair retires. (RyAge - eff. 1/1)
- Jan. 1969 Canadian National Railway withdraws Montreal-Toronto United Aircraft *Turbos* because of mechanical problems during a period of severe winter weather; not restored until May 1970. (Trains, Moodys)
- Jan. 16, 1969 First "Metroliner" high-speed train, Nos. 2000-2001, begins operation between New York and Washington; consists of General Electric cars Nos. 880, 881, 859, 858 and 854, all parlors and snack-bar coaches; one round trip; running time 2:59; first trip arrives in Washington eight minutes late because of a tree branch sucked into the electrical equipment near Thurlow, Pa.; No. 2000 sucks one window each out of the MP54's of Baltimore-Washington commuter trains Nos. 927 and 933; original surcharge of \$1 for trips under 175 miles and \$2 over; one way fare is \$12.75 coach and \$19.90 first class; consist is 2 club cars and 4 snack bar coaches; limited to 6 car trains to avoid catenary power outages; full coaches built by Westinghouse sidelined at Trenton with electrical problems; "Metroliners" were rushed into production to meet political deadlines without adequate prototype testing and are never fully "debugged"; cars are overweight, rough-riding, and cost 77 cents per car mile to maintain. (PR, A-sheet, Trains, WatsonPapers)

- Jan. 16, 1969 “Metroliners” offer public radio-telephone service in 10 parlor cars and 20 snack-bar coaches; system prefigures later cellular telephone service with the principal antenna on top of the PSFS Building in Philadelphia and others at Newark, New Brunswick, Trenton, Wilmington, North East, Edgewood, Baltimore and Landover. (Trains)
- Jan. 16, 1969 Two reporters from the Washington office of the *Chicago Tribune* test the comparative speeds of the “Metroliner” and the air shuttle, racing from their Washington office to Times Square; the plane from National Airport takes 2:13 overall, or 1:17 faster than the train, although the train is more comfortable and cheaper. (WatsonPapers)
- Jan. 1969 Name “Northeast Corridor” officially adopted for Boston-Washington line. (Trains)
- Jan. 1969 Penn Central begins assigning GG1's to Penn Station-New Haven trains, replacing Class EP-5 "Jets"; also begins running GG1s through from ex-PRR lines to New Haven, eliminating engine change in Penn Station; 11 remaining ex-Virginian New Haven rectifier units, now Penn Central Class E-33, transferred to freight service on ex-PRR lines; all freight trains into New York on the ex-New Haven are dieselized and catenary on the Bay Ridge freight line de-energized. (Trains)
- Jan. 1969 Penn Central begins public relations campaign aimed at shippers. (SEC Rept.)
- Jan. 1969 All 13 N.J. DOT GP-40P's Nos. 3671-3683 are now in service on CNJ lines, replacing old Fairbanks Morse Train Masters. (MrkrLmp)
- Jan. 17, 1969 Charles H. Wolfinger appointed Assistant VP-Coal & Ore Sales.
- Jan. 18, 1969 Last run of *Silver Comet* between Atlanta and Birmingham; diner discontinued; ran almost the same time as Southern Railway's *Southerner*. (A-sheet, Trains)
- Jan. 20, 1969 Executive Jet Aviation Board repudiates all actions and agreements of Lassiter and Hodge regarding Transavia Holland, N.V., International Air Bahamas, Sudwestflug, and other foreign carriers; Goetz is left holding several of the European airlines which were to have been merged into EJA, which he eventually sells at a supposed loss of \$4 million. (Salsbury)
- Jan. 20, 1969 Marcel Breuer submits second plan for office tower over Grand Central Terminal which destroys the entire facade but keeps the interior of Concourse intact. (Belle)

- Jan. 20, 1969 Richard M. Nixon (1913-1994) is inaugurated Pres.; he inherits an unemployment rate that stands at 3.3%, the lowest since the end of the Korean War in 1953; unemployment has been relatively stable between 3.5% and 4% since mid-1966; Nixon tries to slow the economy to reduce inflation, which has been creeping upwards; instead, he throws the economy into recession by 1970, with unemployment rising to 6%, while inflation only falls from 6.2% to 5.6%; the boom of the 1960s gives way to the economic instability of the 1970s. (NYT, Samuelson)
- Jan. 22, 1969 Penn Central Board hears a report in favor of creating a separate holding company to segregate non-railroad earnings and railroad losses; authorizes installation of automatic car retarders at Morrisville and modification of southbound yard at Edge Moor; authorizes CTC between Sharonville and Dayton, Ohio, and between London and Columbus, Ohio. (MB)
- Jan. 22, 1969 Suction from passing "Metroliner" pulls out seven windows from old MP54's on commuter trains. (NYT)
- Jan. 22, 1969 MTA Chairman William Ronan and UTU local Pres. Harold J. Pryor both jeered by 1,000 irate commuters at a public hearing on LIRR service at Garden City when they try to offer explanations for the LIRR's poor service. (NYT)
- Jan. 22, 1969 Penn Central Board approves the creation of a holding company to be called the Penn Central Company; Saunders says will enable company to diversify into a "wide range of growth enterprises." (MB, PR)
- Jan. 23, 1969 Penn Central announces plan to form a holding company to the public. (SEC Rept.)
- Jan. 23, 1969 VP David C. Bevan receives a cash forecast predicting a change from a \$46 million positive balance in Dec. 1968 to a \$104 million deficit at the end of 1969. (SEC)
- Jan. 23, 1969 ICC continues continue general freight rate increase authorizes on an interim basis in 1868, effective Jan. 30. (AR)
- Jan. 23, 1969 Pres. Nixon meets with his main economic advisers and agrees to a gradual contraction to bring inflation, then running at about 4% per year, under control. (Matusow)
- Jan. 25, 1969 Penn Central resumes 33%-off weekend excursion fares in Northeast Corridor and Philadelphia-Harrisburg.
- Jan. 25, 1969 Veteran WCBS-TV news anchor Robert Trout (1909-2000) reports

- favorably on a trip to Washington on the “Metroliner” on Jan. 17, noting, “Perhaps ... American passenger railroading is on the way back up ...” (Trains)
- Jan. 1969 Penn Central claims that service problems have peaked. (SEC.)
- Jan. 27, 1969 N.J. DOT places the first train of 5 rebuilt ex-Rock Island lightweight coaches in service on CNJ runs between Newark and Bay Head Jct. with new GP-40P locomotive; N.J. DOT has ordered 38 lightweight cars from the Rock Island, Missouri Pacific and N&W to re-equip the CNJ lines; a second rebuilt train is placed in service between Newark and Raritan in Feb. (MrkrLmp)
- Jan. 28, 1969 New York State PSC approves fare increases on ex-NYC commuter lines. (NYT)
- Jan. 29, 1969 Federal inspectors say carmen's charges that LIRR uses unsafe equipment or has falsified inspection records are groundless. (NYT)
- Jan. 30, 1969 Penn Central announces preliminary earnings for 1968; show \$2.8 million loss for parent company, vs. \$11.5 million profit in 1967; reports consolidated earnings of \$90 million, up 27% from 1968, but these are paper profits of Madison Square Garden, Great Southwest Corporation and the Washington Terminal Company; actually, the whole company made almost nothing in the second half of 1968, and the railroad posted large losses. (SEC)
- Jan. 30, 1969 Two Westinghouse “Metroliner” cars tested. (WatsonPapers)
- Jan. 30, 1969 U.S. Justice Dept. brings civil suit against Chromcraft Corporation, AlSCO, Inc., Andrew L. Stone and Francis N. Rosenbaum for defrauding the government of over \$4 million in the sale of rocket launchers to the Navy. (NYT)
- Jan. 31, 1969 Assistant VP-Traffic Administration Christy G. Magruder (1904-2001) retires. (MB)
- Jan. 31, 1969 AAR at a meeting at Boca Raton, Fla., votes to ask for government subsidies for passenger service and a government-owned pool of passenger equipment. (Edmonson)
- Early 1969 Stymied by rising interest rates and the ensuing shortage of credit, Penn Central turns to the Rosenbaum brothers, who provide money through their American Investors Company for the purchase and lease of automobile racks. (SEC Rept.)

- Feb. 1, 1969 VP & General Counsel John B. Prizer takes early retirement for health; serves in honorary position of VP-Law until retirement on May 1; Edward A. Kaier (1908-1981) promoted to head Legal Dept. as General Counsel; Joseph M. Ostrow (ex-NYC) appointed Assistant VP-Business Systems & Information Services, replacing Carl G. Sempier, resigned; Director-Real Estate Francis J. Gasparini promoted to Assistant VP-Real Estate under Samuel H. Hellenbrand, VP-Industrial Development & Real Estate. (MB, PR)
- Feb. 1, 1969 Port Authority Transit Corporation (PATCO) opens over the old Bridge Line between Broadway, Camden, and 16th & Locust Streets, Philadelphia. (Cox)
- Feb. 1, 1969 Penn Central's lease of the Norwich & Worcester Railroad expires, but PC continues to operate it under ICC orders. (Farnham)
- Feb. 2, 1969 Penn Central makes 40% cut in former New Haven passenger service between New York and Boston, dropping 5 of 13 runs, including the overnight *Owl* and Grand Central-Boston sleeper service; also drops 9 trains between New York and New Haven and curtails New Haven-Springfield service; RDC substituted for regular train on weekend-only Danbury-Pittsfield train; Two-day Excursion fare eliminated. (tt, Trains)
- Feb. 4, 1969 Last run of *The Buckeye* connection Nos. 86-87 between Richmond and Columbus. (A-sheet)
- Feb. 4, 1969 Penn Central grants Lehigh Valley Railroad trackage rights over ex-NYC between Auburn and Geneva, N.Y. (MB)
- Feb. 4, 1969 A six-car set of Westinghouse "Metroliner" cars is tested but limited to 80 MPH. (WatsonPapers)
- Feb. 5, 1969 Penn Central operates an eight-car "Metroliner" test train to Baltimore and return; causes 14 catenary circuit breaker trippings and 3 outages; convinces Robert B. Watson that eight-car trains are impossible without major revisions of either the power supply and/or cars. (WatsonPapers)
- Feb. 6, 1969 Six Westinghouse "Metroliner" cars are run up to 160 MPH on the test track, but cause an outage at "MILLHAM." (WatsonPapers)
- Feb. 6, 1969 N.Y. PSC threatens Penn Central with fines unless it improves the quality of its passenger service. (NYT)
- Feb. 7, 1969 LIRR and carmen agree to joint fact finding study of car shortage.

(NYT)

- Feb. 7, 1969 Penn Central makes a four-car "Metroliner" test between New York and New Haven and an attempt to run an eight-car train from Philadelphia to "HUDSON." (WatsonPapers)
- Feb. 8, 1969 *New York Times* notes increasing problem with vagrants, panhandlers and hustlers at Penn Station and Grand Central Terminal. (NYT)
- Feb. 9, 1969 Last run of New York-Indianapolis sleeper. (A-sheet)
- Feb. 9, 1969 Worst blizzard in seven years hits New York area; LIRR shut down and most Penn Central service canceled or delayed; normal service not restored until Feb. 13; as late as Feb. 19, LIRR has 345 cars out of service with storm-related damage; 43 people killed in New York City, and parts of the city are left snowbound for over three days. (NYT, Trager)
- Feb. 10, 1969 Second "Metroliner" round trip Nos. 2002-2003 added; popularity of "Metroliners" causes overloads in ticketing; often 1,500 applicants for 308 seats per train; manual process for reservations requires 10 minutes to issue each ticket; DOT policy forbids standees. (A-sheet, Guide, PubDept)
- Feb. 10, 1969 Bevan and Gerstnecker meet with officials of First National City Bank to discuss increasing the revolving credit fund from \$100 million to \$300 million. (SEC)
- Feb. 12, 1969 Penn Central attempts to run "Metroliner" No. 2000 to New Haven as a test train, but is forced to abort the trip at Rye because of the incompatibility of Penn Central and New Haven cab signals. (WatsonPapers)
- Feb. 13, 1969 Tri-State Transportation Commission reports that Dept. of Housing & Urban Development has released \$11.4 million for New York area commuter improvements, including new PATH station at Journal Square, Aldene Plan, LIRR electrification, and 35 new "Jersey Arrow" MU cars. (NYT)
- Feb. 14, 1969 Last trip of Penn Central Boston-Worcester locals No. 407, No. 409, and No. 420. (A-sheet)
- Feb. 15, 1969 Entire PATCO line placed in service between Philadelphia and Lindewold, N.J. (Vigrass)
- Feb. 17, 1969 Penn Central manages to run a "Metroliner" to New Haven with

“reasonable success.” (WatsonPapers)

- Feb. 18, 1969 Thomas B. Graves, Jr., named Assistant VP-Market Planning & Research to work with shippers in the Marketing Dept., replacing Joseph M. Ostrow, promoted. (PR)
- Feb. 19, 1969 Former *Buckeye* No. 67-68 makes last trip between Chicago and Cincinnati; last run of Chicago, Richmond & Cincinnati RPO. (A-sheet, Kay)
- Feb. 19, 1969 Penn Central assigns ex-NH FL-9 diesel/electrics to New York-Brewster commuter service on ex-NYC.
- Feb. 19, 1969 N.Y. PSC sues Penn Central in state courts over poor commuter service and locomotive maintenance and safety violations. (NYT)
- Feb. 20, 1969 Chairman Stuart Saunders addresses the New York Traffic Club, urging that railroads be allowed to diversify into other forms of transportation; predicts that improved cargo planes, especially the Lockheed L-500, will do to rail freight service what passenger jets have already done to the long-distance passenger train; says Penn Central has "turned the corner" on its service problems. (NYT, Trains, SEC)
- Feb. 23, 1969 VP W.R. Gerstnecker confirms rumors that company is in the market to borrow \$100-200 million; says company plans to fund all its existing bonded debt into a single \$1 billion blanket mortgage.
- Feb. 24, 1969 U.S. Supreme Court refuses to review New York State Full Crew Law.
- Feb. 25, 1969 VP David Bevan receives an updated forecast showing that the projected year-end deficit has grown to \$157 million. (SEC)
- Feb. 26, 1969 David E. Smucker "resigns" as Executive VP (Operation) and takes a position on Saunders's staff (Executive VP-Office of the Chairman) and office of Executive VP of the new holding company pending retirement after Saunders yields to a year's constant pressure and final ultimatum from Perlman for Smucker's ouster; VP-Systems Development and Perlman protege Robert G. Flannery named VP-Operation reporting to Perlman; number of Executive VP's cut from two to one. (MB, Salsbury)
- Feb. 26, 1969 Pres. Perlman reports to Penn Central Board on new freight trains direct from Selkirk Yard to New England points; introduction of hycube 60-foot box cars for handling appliances from Frigidaire Corp. and reduction of bad order freight car ratio to 5.9%; VP David Bevan reports on plan to issue an additional \$50 million worth of commercial

- paper and increase revolving credit line from \$100 million to \$300 million. (MB)
- Feb. 26, 1969 Penn Central Board resolves to seek incorporation in Pennsylvania for a "Penn Central Holdings Company" and a "PCT Co.", the latter to be merged into the current Penn Central Company; directors nominate the Board of the new holding company, which is to include Saunders and Perlman, but not Bevan. (MB)
- Feb. 26, 1969 Penn Central Board approves sale of Union Freight Railroad to Boston Redevelopment Authority; authorizes acquisition of nine 2,750 HP diesels, lease of nine 2,750 HP diesels from Lehigh Valley Railroad, and rehabilitation of 60 diesels. (MB)
- Feb. 26, 1969 Pennsylvania Company Board approves an agreement to sell its holdings of Macco Corporation to Great Southwest Corporation; Great Southwest is to purchase 80,000 shares of Macco from the Pennsylvania Company and other shares on the open market through Glore Forgan, Wm. R. Staats, Inc.; Pennsylvania Company authorizes borrowing \$7.05 million from The Chemical Bank and issuing \$35 million collateral trust bonds. (MB, Patman)
- Feb. 28, 1969 ICC approves 10% increase in Penn Central non-commuter passenger fares; first in eight years.
- Feb. 28, 1969 Federal court bars carmen from striking LIRR on Mar. 3. (NYT)
- Mar. 1, 1969 VP-Administration Paul D. Fox retires; James A. McDonald (1919-) of Canadian National Railways named VP-Executive Assistant to Pres. reporting to Perlman to handle planning; however, Saunders has also secured the support of key directors to purge Perlman and begins looking for a replacement. (MB, Salsbury)
- Mar. 1, 1969 J.M. Ostrow appointed Assistant VP-Systems Development, replacing R.G. Flannery promoted to VP-Operations; F. McEvoy named General Tax Counsel. (MB)
- Mar. 1, 1969 Penn Central shifts passenger trains from PRR line between Indianapolis and Terre Haute to the former NYC line, which is in better shape. (Sanders - verify)
- Mar.? 1969 Penn Central begins installation of Train Control System signaling with single-tracking between NYC's Sharon Yard and Dayton and between London and Xenia; westbound traffic between Dayton and London to be routed over ex-PRR via Xenia and eastbound over ex-NYC via Springfield Jct.

- Mar. 4, 1969 Draw of the Long Bridge at Washington opened and closed for last time to permit removal of derrick barges that had been used to dismantle the old 1906 14th Street highway bridge. (RF&Pgroup)
- Mar. 6, 1969 First "tree" column placed at the plaza level of the North Tower of the World Trade Center. (NYT)
- Mar. 11, 1969 John J. Burns, VP-Finance of Alleghany Corporation, advises it should consider selling Penn Central stock soon; not carried out for legal requirement that the sale might have to be advertised.
- Mar. 11, 1969 Pres. Irving Maidman announces he will drop his three-year fight to have the New York, Susquehanna & Western Railroad included in Penn Central due to an inability to reach an agreement on price; NYS&W made a profit in 1968 for first time in 10 years. (NYT, Moodys)
- Mar. 12, 1969 Penn Central runs a six-car Westinghouse "Metroliner" up to 160 MPH on the test track. (WatsonPapers)
- Mar. 13, 1969 N.Y. PSC begins hearings into collapse of Penn Central freight service, citing numerous complaints of lost or misrouted cars and reluctance of western railroads to route via Penn Central. (NYT)
- Mar. 15, 1969 REA Express car lines discontinued on Penn Central passenger trains.
- Mar. 1969 Plans completed for 57-story office building called One Penn Plaza at Penn Station; to be built by Mid-City Associates, a joint venture of the Harry B. Helmsley and L.A. Wein interests; Ebasco Industries, Inc. has taken a 40% interest and will lease 1 million square feet; building is located on site of old Greyhound bus terminal between 33rd & 34th Streets opposite Penn Station. (NYT)
- Mar.? 1969 Penn Central is spending \$750,000 to upgrade humps at Conway Yard to handle 90-foot, 160-ton cars; design in the 1950s was for 45-foot and 100-ton cars. (Trains)
- Mar. 1969 Penn Central petitions ICC to discontinue 34 east-west trains which, with 14 trains already before ICC and courts, would end all passenger service west of Buffalo and Harrisburg with exception of commuter trains at Chicago and Detroit. (AR)
- Mar. 1969 Louis W. Menk (1918-1999), President of Northern Pacific, turns down Saunders offer to replace Perlman as President of Penn Central.

- Mar. 1969 Norfolk & Western Railway inaugurates a car tracking system utilizing an IBM 360/65 computer and 61 remote terminals at various yards. (AR)
- Mar. 16, 1969 Henry G. Allyn (1920-2006), formerly of PRR, named Pres. of P&LE. (McLean)
- Mar. 17, 1969 MTA Chairman William J. Ronan announces reorganization of LIRR management; J. Taylor named Chief of Operations; A. Van Wart VP-Personnel. (NYT)
- Mar. 17, 1969 Prime rate is now 7½% and still rising. (NYT)
- Mar. 18, 1969 General Electric-Gibbs & Hill “Metroliner” pantograph test train operates from Newark to Washington and back. (WatsonPapers)
- Mar. 19, 1969 ICC authorizes increase in Penn Central commercial paper from \$100 million to \$150 million. (SEC)
- Mar. 20, 1969 Penn Central applies to ICC to consolidate *The Penn Texas* and *"The Spirit of St. Louis"*. (Sanders)
- Mar. 20, 1969 Performance tests of Westinghouse “Metroliners” begin. (WatsonPapers)
- Mar. 20, 1969 Macco Corporation becomes a wholly-owned subsidiary of Great Southwest Corporation; Macco Realty Company merged into Great Southwest Corporation; Robert C. Baker replaces Angus Wynne as CEO of merged company; extends program of short-term profit maximization to Texas real estate by increasing sales and reducing leases, thus destroying the ability to cover overhead expenses from lease income; Great Southwest Corporation becomes a holding company and incorporates several new operating subsidiaries. (SEC, AR, Moodys)
- Mar. 20, 1969 ICC examiner recommends merger of Norfolk & Western Railway and Chesapeake & Ohio Railway, including the merger of the Reading into Dereco, Inc.; the merger is undone before it can be implemented by a drop in C&O income and the subsequent failure of Penn Central. (Striplin, Turner, Grant, Rdg AR)
- Mar. 21, 1969 Penn Central grants New York, Susquehanna & Western Railroad trackage rights over 0.8 mile at Jersey City. (MB)
- Mar. 21, 1969 PRSL Board authorizes leasing 5 GP38 diesel locomotives from the Whitford Leasing Corporation for 15 years. (MB)

- Mar. 23, 1969 N.J. DOT Commissioner Goldberg announces they will seek federal funds to buy 46 more "Jersey Arrow" MU cars and refurbish 50 secondhand main line coaches for NY&LB and EL service. (NYT)
- Mar. 24, 1969 LIRR applies to ICC for more favorable division of freight revenue; says 60% of loss is caused by freight service; threatens to discontinue freight service entirely. (NYT)
- Mar. 25, 1969 ICC rejects Penn Central petition to discontinue Nos. 574-575 between Harrisburg and Buffalo and orders them to operate on alternate days for another six months starting Apr. 8. (BaltNRHS)
- Mar. 26, 1969 Walter H. Annenberg (1908-2002) resigns as Penn Central director, having been named Ambassador to the Court of St. James by Pres. Nixon. (MB)
- Mar. 26, 1969 B&O's *Capitol-Detroit* makes last run between Fort Street Union Depot, Detroit, and Willard, Ohio. (Trains)
- Mar. 27, 1969 First "Metroliner" fatality; train No. 2001 strikes a runaway 13-year old walking on the tracks at Cheverly near Washington at 112 MPH. (WatsonPapers,)
- Mar. 27, 1969 Six Flags Over Texas, Inc., incorporated in Delaware for the purpose of operating the theme park. (DelCorps)
- Mar. 31, 1969 Last run of New York-Bristol sleeper on *The Pelican*; cut back to Washington-Bristol with no through cars. (A-sheet)
- Early 1969 Joseph Rosenbaum approaches W.R. Gerstnecker with proposal to borrow money in Europe (Eurodollars) through the Berliner Bank for purpose of rebuilding freight cars. (Salsbury)
- Apr. 1, 1969 Penn Central Holding Company incorporated in Pa. (MB, PaCorps)
- Apr. 1, 1969 PCT Company incorporated in Pennsylvania and its three shares of stock assigned to the Penn Central Holding Company. (MB)
- Apr. 1, 1969 Penn Central secures \$300 million line of revolving credit and term loan from a group of 52 major banks, secured by all the stock of the Pennsylvania Company as collateral and converting to a straight loan on Jan .1, 1971. (Patman)
- Apr. 1, 1969 "SEPACT I" report issued on improved service to Hatboro and Levittown. (SEPACT)

- Apr. 1, 1969? Penn Central completes CTC on ex-PRR line between Lock Haven and Buffalo. (PCTC); operated from "LYCO" in the Williamsport station; the largest CTC project undertaken by Penn Central. (Railpace - note may be later 1969 or 1970; old towers still in place by 4/26/69 tt)
- Apr. 1, 1969 Charles J. Coughlin succeeds Perry S. Heath as Grand Chief Engineer; he pushes for cutting the hours of service from 12 to 8 hours a day and a 6-hour day for 8 hours pay. (ble-t)
- Apr. 2, 1969 Third "Metroliner" round trip added, running non-stop between New York and Washington in 2:30, the fastest time to date; runs as 2nd No. 131 and Advance No. 154 as Maryland law requires all regular trains to stop in Baltimore; higher speeds reveal problems, leading to a temporary 110 MPH speed limit, which ruins on-time performance; all trains use GE cars. (PCPost, Trains)
- Apr. 2, 1969 West Chester Branch abandoned between Frazer and Fern Hill. (Moore)
- Apr. 2, 1969 Penn Central inaugurates 8 new fast freights to and from New England via Selkirk; cuts one day from service between New England and South and West; old Boston & Albany route becomes main link into New England, with freight running to ex-New Haven points via north-south branches; traffic diverted from Poughkeepsie Bridge and Greenville car floats; Greenville interchange is discontinued, and Maybrook traffic limited to that guaranteed to Erie Lackawanna; service on the ex-New Haven Maybrook line is reduced to one train a week between Maybrook and Boston. (PR, Trains, Grant)
- Apr. 3, 1969 Federal Reserve Board raises discount rate to the highest level since Oct. 1929, and also raises the percentage banks must hold as reserves. (check)
- Apr. 3, 1969 U.S. combat deaths in Vietnam surpass those of the Korean War. (AmrcnDcnds)
- Apr. 8, 1969 United Aircraft's "TurboTrain" DOT 2 begins operation between New York (Grand Central) and Boston (Back Bay) as Nos. 3001-3002 on a 3:55 schedule as *Turboliner*; three-car bi-directional train is powered by gas turbine engines, seats 144; Secretary of Transportation John A. Volpe and other officials ride first trip out of Back Bay; "TurboTrain" is a second-generation version of "Train-X" using aluminum, aircraft-type construction, two-wheel swivel trucks and guided axles between cars, and a pendulous suspension system to take curves at higher speeds; trains are serviced at United Aircraft's facility at Fields Point

- near Providence; passengers complain of noise, swaying motion and lack of space for luggage; unlike the “Metroliners,” the “TurboTrain” receives no publicity until the granting agencies complain; initial schedule is no faster than old *Merchants Limited*. (A-sheet, AmtkNews, PCPost, NYT, Trains)
- Apr. 8, 1969 Former *Northern Express* and *Southern Express* No. 574-575 cut to every-other-day operation between Harrisburg and Buffalo. (A-sheet)
- Apr. 8, 1969 Penn Central remotes “BI” Interlocking on the Conemaugh Line near Blairsville, whose tower has been demolished in a wreck, “TOMS” and “ALUM” from “TRUXALL” Tower. (Railpace)
- Apr. 9, 1969 *Turboliner* service canceled because of break in oil line.
- Apr. 10, 1969 New round of hearings begin before New York City Landmarks Preservation Commission on Penn Central's plan for an 59-story office tower designed by Marcel Breuer to be built over the head house of Grand Central Terminal; both Breuer and Penn Central make presentations; Breuer responds to criticism that the tower looks like a funny hat by replacing the entire exterior and only preserving the interior of the main concourse, which the company argues is the only thing of landmark value. (NYT)
- Apr. 11, 1969 Auto-Train Corporation incorporated in Fla. for the purpose of operating a non-stop service between Alexandria, Va., and Sanford, Fla., carrying vacationers and their automobiles on a single train. (Moody's)
- Apr. 11, 1969 Six Flags Corporation incorporated in Delaware. (DelCorps - prob original name was Six Flags, Inc.)
- Apr. 13, 1969 Railroads sign 18-month contract with non-operating unions granting a 50-cents per hour increase for skilled workers.
- Apr. 14, 1969 Last trip of Southern Railway's *Pelican* between Bristol and Chattanooga, leaving two disconnected sections Washington-Bristol and Chattanooga-York, Ala. (A-sheet)
- Apr. 1969 Altoona Works diesel shop completes upgrading 60 first-generation EMD diesel switchers into 1,200 HP units. (Trains)
- Apr. 16?, 1969 Stuart T. Saunders visits William S. Paley of CBS, Chairman of the Urban Design Council, to seek his influence with New York Mayor John V. Lindsay to get plan for office tower atop Grand Central Terminal approved.

- Apr. 16, 1969 Supreme Court of Ohio dismisses railroads' appeal from lower court ruling upholding the constitutionality of the Ohio Full Crew Law; exhausts legal proceedings against law.
- Apr. 16, 1969 Boston & Maine Industries, Inc., which is dissatisfied with the terms for the B&M's inclusion in the N&W's Dereco, Inc., prevents the issue from being voted on today at the Boston & Maine Corporation's annual meeting; with the passing of the May 1 deadline, the B&M thus loses its right to be included in the N&W system. (Moody)
- Apr. 1969 Penn Central closes ex-PRR TOFC ramps at Cleveland and Detroit in favor of ex-NYC facilities at Livernois Yard in Detroit and Collinwood, Ohio. (PR)
- Apr. 1969 At Chicago, Penn Central connects ex-NYC Elkhart line to ex-PFW&C at Colehour; connects PFW&C with Blue Island Yard of Indiana Harbor Belt at Tolleston; connects PFW&C with Kankakee line at Hamlet.
- Apr. 1969 VP R.G. Flannery objects to cutting the capital budget as it will adversely affect service.
- Apr. 17, 1969 PB&W Board authorizes \$23.6 million for a new 40-track classification yard (Buckeye Yard) at Columbus; CTC between Bradford, Ohio, and Anoka, Ind.; authorizes paying its share of merger connections at "VIGO" Tower in Terre Haute and "PRESTON" Tower in Preston, Ind. (MB)
- Apr. 21, 1969 United Aircraft "TurboTrain" makes demonstration run between New York and Albany in 2:12, or 28 minutes less than regular train.
- Apr. 23, 1969 Penn Central Board meets; Pres. Perlman reports substantial improvement in freight service over last six weeks; authorizes purchase of 150 2,000 HP diesels and reconstruction of Bay View Yard as a flat switching yard. (MB) releases first quarter figures; earnings down 33%; railroad operating loss is \$12.8 million vs. \$5.4 million in first quarter of 1968. (? figures - SEC has \$1 m profit in first 1/4 1968?)
- Apr. 23, 1969 Last Penn Central Board meeting for James M. Symes, Richard King Mellon, Isaac B. Grainger (ex-NYC) and William G. Rabe (ex-NYC), who are to be replaced at next meeting. (MB)
- Apr. 23, 1969 "TurboTrain" resumes regular service between New York and Boston.
- Apr. 24, 1969 New Jersey finally files for federal funds to purchase the remaining 45

- "Jersey Arrow" cars; commuter dissatisfaction with fixed 3-2 seating leads to calls that all new cars have 2-2 walkover seats.
- Apr. 24, 1969 Federal court orders BRT to pay LIRR \$100,000 for damages sustained in Nov. 1968 strike; holds strike was in violation of court order. (NYT)
- Apr. 25, 1969 Last run of passenger service between Camden (12th & Federal) and Pemberton, N.J.; Nos. 987-988, Camden-Pemberton and Nos. 983-990, Camden-Moorestown. (A-sheet, tt)
- Apr. 25, 1969 Ex-Assistant VP-Eastern Region William C. Higginbottom (1880-1969) dies.
- Apr. 26, 1969 Last run of B&O passenger service to Detroit. (Stegmaier)
- Apr. 1969 Based on Penn Central first quarter figures, John J. Burns of Alleghany Corporation predicts a 1969 loss of about \$200 million and again pushes for the sale of Alleghany's shares.
- Apr. 30, 1969 CBS stages a "Great Race" between the "Metroliner" and the Eastern Air Lines shuttle; Harry Reasoner and camera crew travel by train and Mike Wallace and crew by plane from New York to a lunch at the White House. (verify)
- Apr. 30, 1969 Battle Creek & Sturgis Railway (ex-NYC) merged into Pennel Company. (MB)
- May 1, 1969 Penn Central begins \$1.5 million rebuilding of Edge Moor Yard; to retire northbound yard and replace southbound yard with modern flat switching yard; also begins \$1.7 million modernization of Morrisville Yard, including car retarders and automatic route system.
- May. 1, 1969 "Metroliners" have 135,625 passengers with 90% on-time performance. (Trains)
- May 1, 1969 Howard Charles Kohout (1913?-2002) named VP-Passenger Service; Kenneth E. Smith named VP & General Manager-Western Region, replacing Kohout; J.M. McGuigan named General Manager-New Haven Region, replacing Jeremy Taylor, resigned; R.F. Lawson named General Manager-Eastern Region, replacing McGuigan; E.P. Frasher named General Manager-New York Region, replacing Lawson. (MB)
- May 3, 1969 High Iron Company's *Golden Spike Centennial Limited* leaves New York via NYC en route to a restaging of Golden Spike ceremony at Promontory Point, Utah; train is painted in uniform light blue and gold paint scheme and lettered "America's Railroads"; 14-car consist

- includes *ex-Broadway Limited* observation car *Mountain View*; hauled between Harmon, N.Y., and Kansas City by Nickel Plate 2-8-4 No. 759; runs over Wabash west of Toledo. (Trains)
- May 3, 1969 Harold L. Hamilton (1890?-1969), founder of Electro Motive Company, dies at Palm Springs at age 79. (Trains)
- May 4, 1969 Reginald Whitman of Federal Railroad Administration outlines "Railpax" plan to save passenger service by having it performed by a government corporation. (Sanders)
- May 6, 1969 Penn Central inaugurates new piggyback train TT-15, Kearny to Indianapolis and Louisville with second morning delivery; close ex-PRR TrucTrain/TrailVan terminal at Cincinnati in favor of ex-NYC TOFC/COFC terminal at Riverside. (PR)
- May 6, 1969 PRSL Board approves supplement to the Dec. 11, 1961 agreement making all interchange with the Reading at Pavonia Yard, except for coal trains, which are interchanged via Bulson Street; authorizes applying to abandon the Ocean City Branch from 51st Street to 14th Street (4.12 miles). (MB)
- May 7, 1969 Robert B. Watson, Penn Central's Coordinator of the Northeast Corridor Demonstration Project, reports that 11 Westinghouse "Metroliner" cars are now at Jenkintown with paper acceptance by Penn Central of May 1; no other Westinghouse cars have passed their acceptance tests; of the 28 General Electric cars, 18 are needed for weekday schedules and 12 on weekends, making it hard to have serviceable protect cars; with the current 6 round trips, 2 per day are arriving with dead cars, which can overload the live ones; operation of the train doors remains erratic, and there are other problems. (WatsonPapers)
- May 7, 1969 High Iron Company's *Golden Spike Centennial Limited* departs Kansas City for Ogden, Utah, behind UP "Centennial" diesels. (Trains - or 4-8-4 No. 8444?)
- May 8, 1969 Richmond, Fredericksburg & Potomac Railroad discontinues portion of *Silver Comet* between Washington and Richmond. (A-sheet)
- May 10, 1969 Centennial of Golden Spike celebrated with ceremonies and reenactment at Promontory, Utah; AAR Pres. Thomas Goodfellow acts as host and Secretary of Transportation John A. Volpe is the main speaker. (Trains)
- May 12, 1969 ICC approves increase in Penn Central revolving credit agreement from

\$100 million to \$300 million with \$50 million to be used to refund commercial paper. (SEC)

- May 12, 1969 LIRR train stalls at Jamaica during evening rush, blocking all but Port Washington Branch trains for two hours. (NYT)
- May 13, 1969 Penn Central annual meeting; presentations of Saunders and particularly Perlman not as glowing as in 1968; David Bevan reports on plan to go to a holding company structure, as holding company would be regulated by SEC instead of ICC with its less flexible procedures for issuing securities; reports on plan to fold all debts into a new blanket mortgage; stockholders approve merger of Penn Central Company and PCT Company and creation of Penn Central Holding Company; Bevan announces that the company is considering selling part of its holdings of Great Southwest Corporation to create a supply in public hands and a good market for it. (MB, SEC)
- May 13, 1969 Penn Central Board authorizes change of name from Penn Central Company to Penn Central Transportation Company; James M. Symes, Richard King Mellon, Isaac B. Grainger, and William G. Rabe retire from Board of Directors of Penn Central Company; Symes ends association with railroad after 53 years; Louis W Cabot, Gaylord P. Harnwell, Walter A. Marting, and Thomas L. Perkins elected directors. (MB, press rel. dated 2/27/69)
- May 13, 1969 Great Southwest Corporation stock hits high of 40-1/4, inflating Pennsylvania Company's holdings to a paper value of \$1 billion; however, with most valuable assets already sold, high reported paper profits cannot continue and price of stock begins to collapse.
- May 13, 1969 Two "Metroliners" displayed at Milltown, N.J., on the Raritan River Railroad as part of a "Railroad Day" celebration. (MrkrLmp)
- May 14, 1969 Penn Central Holding Company approves plan of acquiring Penn Central Company by exchange of stock. (MB)
- May 14, 1969 Old Concourse Building of Chicago Union Station closes for demolition which begins after tracks shortened and temporary walkways completed; 35-story Gateway Center to be built over Concourse. (CE, RyAge)
- May 15, 1969 *Turboliners* now designated *Turbotrains*.
- May 1969 Penn Central obtains a \$12 million loan for rebuilding freight cars from the Berliner Bank, AG, arranged by Joseph H. Rosenbaum through the New York investment banking house of F.W. Pressprich & Co.

(Patman Rept, SEC Rept, Salsbury)

- May 16, 1969 Penn Central announces order for 150 2,000 HP diesel locomotives. (PR)
- May 16, 1969 U.S. Dept. of Labor rejects City-SEPTA agreement on Center City Commuter Connection because status of unions representing bus and subway workers not resolved. (SEPTA)
- May 18, 1969 *Golden Spike Centennial Limited* returns to New York via Western Maryland Railway; hauled by Nickel Plate 2-8-4 No. 759 to Baltimore and by GG1 No. 4902, painted blue and lettered "America's Railroads, 1869-1969" to match the train, between Baltimore and New York; No. 4902 retains this paint scheme for the rest of the year. (Trains)
- May 18, 1969 Baltimore Chapter of NRHS runs steam excursion between Baltimore and Harrisburg with ex-Canadian Pacific 4-6-2's No. 1286 and 1238. (Trains)
- May 20, 1969 Penn Central inaugurates 31st TrailVan train, TT-15, Kearny to Indianapolis; cuts one day off previous schedule. (see above)
- May 20, 1969 Penn Central Treasurer's report predicts total cash deficit for 1969 of \$167 million; additional cash will be needed to meet debts coming due on July 1. (SEC)
- May 21, 1969 Penn Central creates a committee for the purpose of upgrading the *Broadway Limited*. (PassDept, Welsh)
- May 22, 1969 Fifteen-mile Muskingum Electric Railroad, a coal-hauling line that is to be a new test bed for electrification, is formally dedicated; Penn Central "Jersey Arrow" MU No. 107 is undergoing tests on the line. (Trains)
- May 23, 1969 Last runs of the Norfolk & Western Railway's *Cavalier* and *Powhatan Arrow* between Norfolk and Cincinnati, leaving only the *Pocahontas*. (Striplin)
- May 1969 C&NW, Burlington and Milwaukee Road now deliver trains directly to Indiana Harbor Belt for classification at Blue Island Yard; cuts up to 24 hours from eastbound freight and up to 12 hours westbound. (press rel. 5/23)
- May 26, 1969 Penn Central diesel tugboats *Chicago* and *Philadelphia* are towed to Little Creek, Va., to replace the steam tugboats *Bloxom*, *Cheriton* and *Exmore* on the Cape Charles-Little Creek run; the steam tug *Dover* is retained as a reserve boat. (StmbtBl)

May 27, 1969 Penn Central draws down \$100 million of the additional \$200 million revolving credit fund. (SEC)

May 27, 1969 Four-car train of “Jersey Arrow” MU cars catches fire from short circuits in the Hudson River tunnel; an off-duty conductor is crushed to death under the train, when a following train is ordered to push the first out of the tunnel in 8-foot visibility; 100 injured; passengers forced to walk half mile to North Bergen portal. (NYT, PhlInq)

May 28, 1969 Federal court raises purchase price of New Haven by \$32 million to about \$172 million.

May 28, 1969 Lykes Corporation, an ocean shipping line turned conglomerate, acquires the Youngstown Sheet & Tube Company, which it hopes to use as a profit center; Youngstown becomes a subsidiary of a company one-sixth its size and remains uncompetitive. (DirObsSec, Seely)

May 31, 1969 Last run of Washington-Bristol sleeping car on the *Pelican*. (A-sheet)

May 31, 1969 Last run of Texas & Pacific Railway *Texas Eagle* leaves Dallas as the largest U.S. city without rail passenger service. (Trains)

June 2, 1969 Penn Central discontinues passenger service (trains No. 77-78) over ex-PRR line between Columbus and Cincinnati in favor of ex-NYC line. (A-sheet)

June 2, 1969 Non-stop "Metroliner" renumbered No. 2004-2005 without change in schedule. (A-sheet)

June 2, 1969 Heavy demolition of Chicago Union Station concourse building begins. (RyAge)

June 2, 1969 Penn Central closes “ANOKA” Tower at Anoka Jct., Ind. (Strauch)

June 3, 1969 LIRR and UTU reach agreement averting strike; union gets 8% wage increase retroactive to Oct. 1968. (NYT)

June 3, 1969 New York City Board of Estimate approves LIRR/subway tunnel under East River at 63rd Street. (NYT)

June 4, 1969 Great Southwest and Macco Realty sign new executive compensation contracts with Baker, Wynne and two other top managers because profits have exceeded threshold of old contract; pay off old contracts with total payment of \$7 million and threshold lifted from \$10 million to \$35 million in 1969, rising to \$50 million in 1972. (SEC)

- June 4, 1969 Great Southwest Corporation authorizes an offering of 1 million shares of preferred stock and further sale of common stock by Pennsylvania Company. (SEC)
- June 4, 1969 Civil Aeronautics Board begins proceedings to see if Penn Central and Executive Jet Aviation, Inc., have violated the Federal Aviation Act. (SEC)
- June 5, 1969 N.Y.PSC orders Penn Central to make improvements in passenger service and equipment in state, including maintaining 80% on-time records on Hudson and Harlem Lines, buying 80 MU cars for Hudson and Harlem Line service, and replacing 24 ex-NYC Class P and Class T electric locomotives, or face court action. (NYT)
- June 1969 Great Southwest Corporation sells the Six Flags over Texas theme park to a limited partnership for \$40 million; most principal payments deferred until 1974; sale is not of property but of tax and other benefits in return for a large reportable paper profit and a small amount of cash; however, this is Great Southwest's last really valuable asset, so that the process cannot continue; Great Southwest retains an exclusive contract for the management of the park. (Moody's, SEC)
- June 8, 1969 Major banks raise prime rate from 7½% to 8½%, the first full point increase ever; credit crisis eases thereafter, but the Fed. under Democrat William McChesney Martin continues contraction with no growth in the money supply. (Matusow)
- June 8, 1969 Former *Northern Express* and *Southern Express* rescheduled as day train between Harrisburg and Buffalo to increase business; average ridership down to 18. (A-sheet, PassDept)
- June 8, 1969 MTA Chairman William J. Ronan criticizes the Budd Company for its failure to deliver M-1 cars on schedule; like the "Metroliners", the "Metropolitan" cars were rushed into production without prototype testing to eliminate bugs in complicated electrical and mechanical systems. (NYT)
- June 9, 1969 *Turbotrain* schedule reduced from 3:55 to 3:39; unable to meet target schedule of 3:15 because of track condition and grade crossings; service is restyled "*Turboservice*". (A-sheet, Trains)
- June 10, 1969 Penn Central Treasurer's report estimates year-end available cash at only \$37 million and all sources of further cash exhausted. (SEC)
- June 10, 1969 Penn Central agrees for NJ DOT to buy and PC to rehab 27 Santa Fe

- Budd coaches for NY&LB service; to be rebuilt with 84-100 seats.
- June 10, 1969 Penn Central discontinues complimentary cigarettes on the *Broadway Limited*. (PassDept, Welsh)
- June 11, 1969 28 Senators led by Gordon L. Allott (-) of Colorado, sign a resolution for a federal study aimed at saving rail passenger service through a direct subsidy or public-private corporation. (Edmonson)
- June 12, 1969 Last run of isolated Chattanooga-York, Ala., section of Southern Railway's *Pelican*.
- June 13, 1969 Penn Central Finance and Executive Committees meet to discuss the situation. (SEC Rept)
- June 13, 1969 LIRR Pres. Aikman charges carmen are deliberately slowing repair work at Dunton Shops, resulting in equipment shortages and cancellations; notes electrical and air conditioning problems with M-1 "Metropolitan" cars which keep large numbers in shop for repairs. (NYT)
- June 15, 1969 Last trip of Boston-Chicago "Sleepercoach." (A-sheet, Sanders)
- June 1969 Penn Central purchases a three-year \$10 million insurance policy from Lloyds of London costing \$305,000 to protect directors and officers from any court-awarded damages for wrongdoing. (Patman)
- June 1969 All of the substations between New York and Washington have been rebuilt in an attempt to prevent the Westinghouse "Metroliner" cars from tripping the circuit breakers. (WatsonPapers)
- June 17, 1969 PB&W Board authorizes rebuilding Bay View Yard as a single flat switching yard; authorizes the sale of its Rosslyn Connecting Railroad stock to the Penn Central Company. (MB)
- June 17, 1969 Boston & Albany RPO discontinued. (Kay)
- June 18, 1969 Federal court orders ICC to review purchase price of New Haven; claim did not include the New Haven's share in Grand Central Terminal; also orders ICC to find true market value of Penn Central shares which New Haven Trustees have received.
- June 19, 1969 "Metroliner" loses power near Linden, N.J.; 260 passengers transferred to a conventional train. (NYT)
- June 20, 1968 Penn Central Treasurer John H. Shaffer reports to William R.

Gerstnecker that the company will need to borrow an additional \$63 million by the end of the year, even assuming a tight \$50 million road and equipment capital budget and an increase of the revolving credit line from \$200 million to \$250 million; because of rising rates, interest costs are approaching \$50 million a year. (SEC)

- June 22, 1969 David Bevan hands notice of his decision to take early retirement effective Mar. 1, 1970 to Saunders; Saunders moves to placate him by replacing Perlman as President (which he already intended to do) and by giving control of the Accounting Dept. and the budget back to Bevan, making Bevan's protégé Jonathan O'Herron VP-Finance, and restoring Bevan to a seat on the Board. (Bevan was reelected to Board of both railroad and holding companies in 1969)
- June 23, 1969 Two LIRR trains collide in Penn Station; 75 injured; train misrouted to wrong track began backing and struck second train; engineer of first train dismissed for rules violations. (NYT)
- June 23, 1969 "R" Tower at East Pittsburgh retired. (PRRFAX)
- June 25, 1969 Penn Central Board reviews report for second quarter; discusses possibility of passing third quarter dividend but agrees to pay regular 60 cents per share subject to a special review on Aug. 27; authorizes expansion of TrailVan yard at 55th Street, Chicago, and two track interlocked connection to Rock Island from PFW&C at Englewood; authorizes converting 6 *Congressional* parlor cars to galley food cars and 11 coaches to snack bar coaches; James S. Hunt (ex-NYC) resigns as director; approve lease of New York Connecting Railroad; authorizes sale of any Railway Express Agency, Inc., stock; Pres. Perlman reports elimination of car float interchange between Bay Ridge and CNJ/Lehigh Valley at Jersey City. (MB, SEC)
- June 25, 1969 David Bevan completes the sale of 15,358 shares sold since Jan.; about 45% of his holdings.
- June 25, 1969 LIRR holds publicity tour to show off "new" parlor car service to East End resorts; service to feature "minimaid" attendants; cars are refurbished 1950s-era long-distance cars which replace old heavyweight parlors. (NYT)
- June 25, 1969 PFW&C Railway Board authorizes expanding the TrailVan facilities at 55th Street and Englewood, including overhead cranes at 55th Street; remoting "TOLLESTON" Interlocking from Chicago. (MB)
- June 26, 1969 Saunders retains the "headhunting" firm of Spencer Stuart & Associates of Chicago to find a replacement for Henry W. Large as Executive VP

(Traffic) in response to constant pressure from Perlman.

- June 26, 1969 Penn Central applies to increase and restructure New Haven commuter fares aimed at making the monthly ticket standard.
- June 26, 1969 Penn Central and Marcel Breuer submit revised design for Grand Central Terminal to New York City Landmarks Preservation Committee, demolishing only the south gallery and making the office tower narrower and three stories taller. (NYT)
- June 28, 1969 Second section of Seaboard Coast Line's *Silver Star* derails at Glendale, Md., in a wreck blamed on the heat expansion of welded rail; five cars overturned; 1 killed, 147 injured; 100-degree heat hampers rescue. (NYT)
- June 29, 1969 Penn Central opens new station at "Colonie-Schenectady" on former West Shore line and abandons passenger route through downtown Schenectady. (A-sheet)
- June 30, 1969 Penn Central reapplies to ICC to discontinue *The Admiral* No. 50 and *The Fort Pitt* No. 53. (Sanders)
- June 30, 1969 White Motor Corporation buys Alco Engines, Inc., and Alco Product Services, Inc. (spare parts) from Studebaker-Worthington, Inc. (Moody's)
- Summer 1969 Chicago Union Station concourse building razed above street level. (Trains)
- July 1, 1969 U.S. District Court finds that Penn Central is obligated to the New Haven Trustees for \$3.38 million for the New Haven's share of excess income from Grand Central real estate for 1967 and 1968. (Moody's)
- July 1, 1969 Battle Creek & Sturgis Railway; Elmira & Williamsport Railroad merged into Pennel Company. (Moody's)
- July 1, 1969 Penn Central implements Phase One of a three-phase program to upgrade its car-tracing system with an IBM 360-50 with 23 remote screens and teletypes at all other sales offices; Phase Two is to be instant data recovery for TrailVan and automatic rather than manual dialup; Phase Three is to be direct access by customer and instant updates. (PR)
- July 2, 1969 Penn Central completes the acceptance of the first 20 Westinghouse "Metroliner" cars; a new round of pantograph and reliability tests reveals the need for still more changes. (WatsonPapers)

- July 3, 1969 Penn Central defies N.Y. PSC order to improve New York commuter service; says order interferes with state plans to improve service.
- July 4, 1969 Two days of heavy rain begins, creating floods across northern Ohio; *Broadway Limited* marooned at Burton City, Ohio, and passengers removed by bus; damages parts of the Cleveland, Akron & Cincinnati Railway, which are taken out of service. (PCPost, PennsyWest - Hurricane Camille?)
- July 7, 1969 Ceremonies at Penn Station mark 40th anniversary of Transcontinental Air Transport's air-rail service; Penn Central Pres. Perlman, Trans World Airlines Pres. ___ and actress Gloria Swanson (1899-1983), who had taken part in the original inauguration in 1929, unveil a placque. (PCPost)
- July 8, 1969 U.S. begins a draw-down of troops from Vietnam. (AmrcnDcnds)
- July 9, 1969 LIRR begins canceling about ten trains each way during rush hours because of equipment shortages. (NYT)
- July 10, 1969 Budd Company announces it will send 25 technicians to LIRR to help maintain M-1 "Metropolitan" cars. (NYT)
- July 11, 1969 ICC says New Haven purchase price should be increased by \$5.3 million to \$150.9 million.
- July 11, 1969 ICC authorizes Penn Central to discontinue *The Penn Texas* No. 3 and *"The Spirit of St. Louis"* No. 30; court order keeps both operating until June 1970. (Sanders)
- July 11, 1969 Six Flags Over Mid-America, Inc., incorporated in Delaware. (DelCorps)
- July 14, 1969 Non-stop "Metroliner" begins stopping at Newark, N.J., to pick up and discharge passengers; billed as move to compete with Newark Airport, but the early morning schedule of No. 2005 did not fill the train at New York. (A-sheet)
- July 15, 1969 LIRR has only 543 cars in service, vs. 643 needed to cover all schedules; 16 trains are annulled, and 138 of 639 trains are late. (Trains)
- July 15, 1969 Alleghany Corporation VP-Finance John J. Burns, in a memo to Chairman F.M. Kirby, advises that the sooner they get out of Penn Central the better, citing inept management and an impending labor

- squeeze in the early 1970s. (SEC)
- July 1969 Pennsylvania Company privately places an issue of \$35 million collateral trust debentures, convertible into Norfolk & Western Railway stock; a plan to issue \$40 million in preferred stock is not carried out. (SEC)
- July 16, 1969 ICC recommends subsidies for intercity passenger service if railroads are forced to operate them. (Edmonson)
- July 17, 1969 Commuters picket Grand Central Terminal to protest proposed fare increase and poor service. (NYT)
- July 19, 1969 MTA Chairman William J. Ronan meets with five LIRR commuter groups to hear complaints about service. (NYT)
- July 1969 LIRR car repair slowdowns end through intercession of Gov. Rockefeller and MTA head William Ronan; Ronan personally holds closed-door meetings with Harold J. Pryor of the UTU and Anthony F. D'Avanzo of the Carmen; effects of slowdown continue into Sep. 1969. (NYT, Trains)
- July 1969 Erie Lackawanna Railway files a complaint with the ICC after Penn Central slows Maybrook-Boston running time to up to one week to force traffic from Poughkeepsie Bridge route to ex-Boston & Albany route. (Grant)
- July 21, 1969 Penn Central appoints Jonathan O'Herron, formerly of Buckeye Pipe Line and a protégé of Bevan's, VP-Accounting reporting to Perlman; VP-Accounting & Taxes Theodore K. Warner, Jr., named VP-Corporate-Administration; Alfred W. Martinelli of Buckeye named Assistant VP-Accounting. (MB)
- July 22, 1969 Stuart T. Saunders and James W. Diffenderfer meet with Undersecretary of Transportation James M. Beggs, Federal Railroad Administrator Reginald N. Whitman and Director of the Office of High-Speed Ground Transportation Robert A. Nelson; Saunders says Penn Central is ready to start the official demonstration project and would like to receive the first \$3.4 million payment; DOT agrees to reduce the number of required round trips from 9 to 6 but will withhold \$1.2 million from the next payment until rough spots in the tracks are fixed and pay it when the service reaches 9 round trips; Saunders asks the DOT for \$2.5 million to make necessary changes to the "Metroliner" cars. (WatsonPapers)
- July 22, 1969 ICC suspends ex-New Haven commuter fare increase set for Aug. 1.

(NYT)

- July 22, 1969 LIRR Pres. Aikman and Budd Company officials meet with Ronan to discuss problems with M-1 "Metropolitan" cars. (NYT)
- July 22, 1969 PRSL Board retires Baldwin road switchers Nos. 6004, 6005, 6008, 6010 and 6015. (MB)
- July 23, 1969 Labor Dept. announces that consumer prices have risen 6.4% in the first half of 1969, the largest increase since 1951. (AmrcnDcDs)
- July 28, 1969 Penn Central releases second quarter figures; consolidated earnings down 7.5% to \$21.9 million. (SEC)
- July 28, 1969 U.S. District Court sets purchase price of New Haven at \$178 million, or \$29 million above ICC price; both Penn Central and NH bondholders appeal to Supreme Court. (MB, Moodys)
- July 30, 1969 Delaware County joins SEPTA. (AR - or earlier?)
- July 30, 1969 SEPTA reaches an agreement to purchase the Philadelphia Suburban Transportation Company ("Red Arrow Lines") from the Taylor family for \$13.5 million in what amounts to a forced buyout. (SEPTA)
- July 31, 1969 Massachusetts Legislature passes a bill authorizing the MBTA to make a \$5 million, one-year subsidy contract with Penn Central covering 36 weekday and 17 Saturday Boston suburban trains; PC had demanded more money and threatened to discontinue all service; MBTA had been preparing to use buses. (Trains - check earlier events)
- July 31, 1969 Providence & Worcester Railroad merged into Providence & Worcester Company. (Moodys)
- July 31, 1969 Fort Street Union Depot Company dissolved; now owned 100% by Chesapeake & Ohio Railway. (Moodys)
- Summer 1969 Goetz informs Bevan of his displeasure with the results of Executive Jet Aviation's failed program to buy European airlines and says he would like to be compensated for the \$4 million he lost in these dealings. (Patman)
- Aug. 1, 1969 Detroit, Toledo & Milwaukee Railroad; Lansing Manufacturers Railroad; Lansing Transit Railway merged into Pennel Company. (Moodys)
- Aug. 1, 1969 LIRR Pres. & General Manager Frank Aikman (1910-1987) takes early

retirement under pressure for poor service and labor relations; replaced by PRR alumnus Walter Lincoln Schlager, Jr. (1918-1976), formerly maintenance and operations officer for the Transit Authority; change was supposedly engineered by Nelson Rockefeller; Long Island political leaders are still clamoring for Ronan's resignation. (NYT)

- Aug. 1, 1969 Western Allegheny Railroad merged into Manor Real Estate Company. (Cards)
- Aug. 1, 1969 Pullman Company ends maintenance of sleeping cars and ceases operations. (AR)
- Aug. 1, 1969 Macco Corporation sells a one-third interest in Rancho California to Aetna Life and Casualty Company and the Kaiser interests. (AR)
- Aug. 1, 1969 LIRR ends free passes for over 3,800 Penn Central employees, including 800 who commute to work over LIRR. (NYT)
- Aug. 2, 1969 LIRR commuters announce formation of Long Island Better Transportation Party; threaten to work against Gov. Rockefeller's reelection if the LIRR is not improved. (NYT)
- Aug. 5, 1969 LIRR reaches agreement with carmen; will expand training program for car crews; carmen agree to M-1 cars being refitted by Budd employees at a leased facility near Shea Stadium, providing MTA guarantees that Budd will train men in repair of M-1 cars rather than have them sent to Budd in the future; carmen end slowdowns. (NYT, Trains)
- Aug. 7, 1969 In speech before the Long Island Association of Commerce & Industry at Garden City, Gov. Rockefeller states LIRR commuter service will be "the finest in the country" within 60 days. (NYT, Trains)
- Aug. 9, 1969 "Last" run of Philadelphia-Delaware Park race trains; later revived with "Silverliners" for 1971 and 1972 seasons. (PassDept)
- Aug. 11, 1969 Two rebuilt tavern-lounge cars assigned to NY&LB commuter runs.
- Aug. 11, 1969 LIRR begins plan to run fewer trains with more cars per train as best response to car shortages; rush hour cancellations peak at 26 trains. (NYT)
- Aug. 12, 1969 Last run of ex-NYC locals No. 404-405 between Boston and Albany, down to a single coach. (A-sheet, Trains)
- Aug. 13, 1969 Two LIRR trains collide in East River tunnel blocking the tube for most of the day; 20 injured. (NYT)

Aug. 14, 1969 Over one-third of LIRR trains run late. (Trains)

Aug. 1969 Penn Central discontinues mail trains Nos. 5-6. (check A-sheet)

Aug. 1969 International Air Bahamas sold to Icelandic Airlines after large losses. (Patman)

Aug. 1969 W.R. Gerstnecker approaches F.W. Pressprich & Co. to find an additional \$10 million loan for rebuilding freight cars. (Patman, Salisbury)

Aug. 15, 1969 Second United Aircraft "TurboTrain" set placed in service between New York and Boston, operating on Fridays as Nos. 3004-3005, Sundays as No. 3007 and Mondays as No. 3006 through Sep. 29 in an attempt to drum up vacation business. (A-sheet, Trains)

Aug. 1969 David Bevan meets with representatives of Fidel Goetz in New York and allegedly agrees to recompense him for his lost \$4 million; Bevan will later only admit that he told Goetz he could participate in any future deals as a means of recouping the money; according to Patman, Bevan consented to the deal because Goetz could make public embarrassing information about Executive Jet Aviation, Inc., at a time when Bevan was trying to negotiate Penn Central's withdrawal from EJA with the CAB. (Patman, Salisbury)

Aug.? 1969 Penn Central inaugurates CK1-CK2, a "high speed freight service" between 59th Street, Chicago, and Jeffersonville, running at 15-25 MPH. (Trains)

Aug. 1969 New Senate Transportation Subcommittee Chairman Indiana Sen. Vance Hartke introduces a bill to subsidize railroads with money-losing passenger service. (Wilner - verify)

Aug. 18, 1969 Penn Central draws down \$25 million of revolving credit line. (SEC)

Aug. 20, 1969 Two commuter trains collide head-on on the New Canaan Branch; 4 killed, over 20 injured. (NYT)

Aug. 21, 1969 U.S. District Court approves settlement in Southern Divisions Case whereby eastern railroads pay southern railroads \$33 million. (ICC)

Aug. 22, 1969 Penn Central restores full service on New Canaan Branch. (NYT)

Aug. 1969 John Kunkel, a discharged former Treasurer and Chief Financial Officer of Executive Jet Aviation, Inc., sues Penn Central, Glore,

- Forgan & Co., Bevan, Hodge, et al. over financial manipulation of EJA. (SEC)
- Aug. 1969 Penn Central sends H6, H10, G5, and M1 from the Historical Collection to Strasburg.
- Aug. 1969 Mutual Beneficial Association of Pennsylvania Railroad Employes, Inc., renamed Mutual Beneficial Association of Penn Central Employees, Inc. (MBA)
- Aug. 1969 LIRR acquires 7 or 14 ex-New Haven sleepers and 2 ex-Union Pacific lounge cars.
- Aug. 1969 Penn Central begins conversion of 12 ex-NYC main line coaches to commuter service with 108 seats. (Wayner)
- Aug. 1969 NJDOT places 27 ex-Santa Fe Budd coaches on PRR NY&LB trains; only 27 of 80 "Jersey Arrow" cars yet received and are plagued by electrical and mechanical problems. (Wayner shows first Santa Fe cars acq. 11/69 - incorrect)
- Aug. 26, 1969 New York City Landmarks Preservation Commission rejects both the second Marcel Breuer proposal for a skyscraper at Grand Central Terminal and a modified version adding three stories to the tower and preserving the 42nd Street facade. (NYT)
- Aug. 27, 1969 Penn Central Board elects Paul A. Gorman (1907-1996), formerly head of Western Electric Company, to replace Alfred E. Perlman as President, but under his contract he must remain at Western Electric for 90 days; Gorman was suggested by Charles Hodge, who knew him as the fellow member of a country club, as Saunders was unable to find an experienced railroader, and Saunders and Hodge handled the hiring without any involvement of the Board; Perlman is "promoted" to Vice Chairman, a meaningless position, as he insists on serving out his contract, which runs to Nov. 30, 1970; David Bevan restored to seat on Penn Central Transportation Company Board after agreeing to serve until age 65 on Aug. 31, 1971; Bevan also given authority over the Accounting Dept. for first time since the merger; Board approves the Sep. 1969 dividend voted in June, even though Bevan has reported a cash drain for the year of \$295 million; Board authorizes \$50 million in short-term borrowing; notes has sent each director a new "Penn Central Manual on Insider Securities Trading"; Board also appoints a committee to investigate Executive Jet Aviation after the Kunkel suit is filed; when Bevan hears of this later in the day, he again threatens to resign but is talked out of it by Saunders and other directors, who feel his services are essential. (MB, SEC, Salisbury)

- Aug. 27, 1969 Penn Central Board authorizes abandonment of 5.04 miles of West Shore line at Utica, N.Y. (MB)
- Aug. 27, 1969 Penn Central introduces computerized reservation and ticketing system for "Metroliners" with ticket office printers linked to central reservation computer; procedure takes 20 seconds vs. 10 minutes required previously with manual ticketing; developed by Ticket Reservation Systems, Inc., of New York, operators of Ticketron. (PR)
- Aug. 27, 1969 Penn Central announces that SEPTA has contracted to buy 144 "Silverliner" cars, of which 130 will be assigned to Penn Central. (PR)
- Aug. 27, 1969 Penn Central appoints J.J. McTiernan Assistant VP-Corporate Analysis. (MB)
- Aug. 27, 1969 Pennsylvania Company Board authorizes issuing 729,927 shares of 4-5/8% cumulative preferred stock at 100, 750,000 shares of cumulative preference stock at 100, and 5,600,000 shares of common of par 25. (MB)
- Aug. 27, 1969 Former VP-Public Relations Ralph Comstock Champlin (1904-1969) dies at Sonoma, Calif., where he had spent his post-PRR career as an independent consultant. (Mutual)
- Aug. 27, 1969 Dunton Shops has increased output from 5 to 30 cars per day; union credits new Pres. Schlager with improving morale and eliminating grievances. (NYT)
- Sep. 1, 1969 William R. Gerstnecker (1914-1984) resigns as VP-Corporate (Finance) to become Vice Chairman of Provident National Bank, Bevan's old bank; Gerstnecker tells Chairman Saunders that Penn Central has reached the limit of its borrowing and he won't take part in borrowing more; David Bevan is restored to control over Accounting Dept. for first time since the merger; Jonathan O'Herron named VP-Finance reporting to Bevan; although Gerstnecker is no longer employed by Penn Central, Bevan allows him to complete work on the Berliner Bank loan in Bevan's office. (MB, SEC, Salisbury)
- Sep. 1, 1969 Medical Director S.J. Cyran named Assistant VP-Medical Services. (MB)
- Sep. 1, 1969 Last run of PC No. 15-18 between Columbus and Cincinnati (on ex-NYC route). (A-sheet)
- Sep. 1, 1969 Cambria Land Company merged into Manor Real Estate Company.

(MB)

- Sep. 2, 1969 Penn Central inaugurates TV-45, Buffalo-Chicago to replace mail trains Nos. 5-6 discontinued in August, because of Post Office Dept. dissatisfaction with carrying mail on freight trains. (PR)
- Sep. 3, 1969 Penn Central draws down another \$25 million of revolving credit fund, bringing the total to \$250 million and leaving only \$50 million. (SEC)
- Sep. 3, 1969 Penn Central inaugurates two-month "Glamour Route" trips on Ladies' Day Wednesdays on the 9:00 AM train from Philadelphia to New York; special cars set aside with \$4.95 round trip fare; demonstrations on fashions and beauty tips by representatives of major department stores and cosmetic companies; also investment tips and "mystery prizes" to each passenger. (PR)
- Sep. 4, 1969 UGI Properties, Inc., files \$8 million a year claim against New York City for loss of investment caused by rejection of plan for office tower over Grand Central Terminal. (NYT)
- Sep. 5, 1969 Penn Central doubles "Metroliner" surcharge to \$2 and \$4. (A-sheet)
- Sep. 7, 1969 Union Pacific Railroad combines the *City of Portland* and the *City of Denver* with the *City of Los Angeles/City of San Francisco* east of Green River, Wyo., creating a single 21-car train leaving Chicago's Union Station at 6:00 PM, that becomes known as the "City of Everywhere." (Frailey)
- Sep. 8, 1969 Penn Central withdraws most Boston-Washington and New York-Washington full dining cars and replaces them with parlor-club cars; trains affected are the [*Federal?*] Nos. 170-171, between Boston and Washington and Nos. 111, 132, and 155-156 [*the Embassy?*] between New York and Washington; snack bar coaches remain on all Washington trains. (A-sheet)
- Sep. 10, 1969 In reply to Saunders's request for a 3-year capital program, Bevan urges that all capital expenditures be stopped to conserve cash. (SEC)
- Sep. 11, 1969 Three-judge appeals court overturns District Court's settlement of New Haven purchase price; sets it at only \$990,000 over ICC price instead of \$29 million; Penn Central accepts; to be paid in Penn Central securities. (MB, Moodys)
- Sep. 11?, 1969 Penn Central closes a \$10 million Deutsche mark loan at 98 from Berliner Bank, AG, secured through Joseph H. Rosenbaum; as the Germans are not familiar with railroad equipment trusts, they demand a

direct loan guaranteed by Penn Central; however, as such a loan would require time-consuming ICC approval, the loan is made to the American Contract Company; the loan is to be repaid in eight installments between Mar. 15, 1970 and Sep. 15, 1973 at 8% interest. (Patman, Salisbury - Patman has 9/12 for both actions)

Sep. 11, 1969

Joseph H. and Francis N. Rosenbaum meet with Bevan and others in Bevan's office and sign contract as per Joseph Rosenbaum's suggestion, for the American Contract Company to deposit the \$10 million loan from the Berliner Bank with First Financial Trust of Liechtenstein, by whom it is to be invested until such time as it is needed to pay for equipment repairs; the idea was to keep the money in Deutsche marks, which are appreciating against the dollar, as long as possible, since the loan had to be repaid to the Berliner Bank in Deutsche marks; the First Financial Trust is to have 25% of the difference between the income produced from investing the money and the 8% interest owed to the Berliner Bank; in fact there is as of yet no First Financial Trust, and it is to be a "Liechtenstein trust," not a true trust company or bank. (Patman Rept, SEC Rept, Salisbury - Patman has 9/12?)

Sep. 11, 1969

According to Salisbury's account based on the legal investigations of Edwin P. Rome, counsel to the Penn Central Trustees, Joseph H. Rosenbaum had suggested to William R. Gerstnecker that the money from the Berliner Bank loan be deposited temporarily in an institution controlled by Goetz, who would have the use of it until Penn Central needed it; Bevan claimed that he had positive assessments of Joseph Rosenbaum from John M. Seabrook and Howard Butcher III, both PC directors who knew him, and from the Washington law firm of Covington & Burling and Charles J. Hodge and also that several New York banks considered Goetz a good credit risk; Bevan seems to have avoided mentioning any knowledge of the Chromcraft scandal, which had been in the papers by now; Patman charges that Bevan colluded with the Rosenbaums and Goetz because they had damaging information about the Executive Jet Aviation affair. (Salisbury)

Sep. 11, 1969

Fire damages "Jersey Arrow" MU car No. 107 at Trenton. (Trains)

Sep. 12, 1969

American Contract Company sends a formal letter of contract to First Financial Trust, informing them that they have directed the Berliner Bank to transfer the funds; the Berliner Bank refuses to transfer funds to the First Financial Trust, with which it has no account, but Penn Central gets them to transfer the \$10 million to the Allgemeine Bank Gesellschaft, which is a correspondent of the Chemical Bank of New York, where Penn Central has deposits. (Patman Rept, Salisbury)

Sep. 12, 1969

Penn Central pays last dividend ending 123-year run begun in 1848.

- Sep. 12, 1969 Penn Central applies to ICC for authority to issue \$50 million in commercial paper for a total of \$200 million.
- Sep. 14, 1969 Francis N. Rosenbaum arrives in Germany, supposedly in a vain effort to get affidavits that he had not laundered money in Liechtenstein in the Chromcraft rocket launcher case. (Patman)
- Sep. 15, 1969 Francis N. Rosenbaum arrives in Vaduz, Liechtenstein, at the office of Dr. Peter Marxer, the lawyer to the Prince of Liechtenstein, and meets with his assistants, Dr. Adolf Peter Goop and Dr. Franz Pucher, who deal in paper entities known as Liechtenstein trusts (anstalten), which are not true corporations but akin to secret Swiss bank accounts; Rosenbaum, who is presented as a bona fide Penn Central attorney, purchases "founder's rights" in an inactive trust called Finimobeil Anstalt for 20,000 Swiss francs and has it renamed First Financial Trust with the Rosenbaum brothers as sole and secret beneficiaries; First Financial Trust then opens an account in the "Bank in Liechtenstein" one of two banks in the principality. (Patman, SEC Rept, Salisbury)
- Sep. 15, 1969 Penn Central creates Railroad Community Service Committee headed by C.E. Ingersoll. (apparently worked with Rev. Leon Sullivan - check Phila. paper)
- Sep. 1969 By now, 70% of the 142 LIRR M-1 "Metropolitan" MU cars that have been delivered are available for service. (Trains)
- Sep. 1969 The Deutschmark is revalued against the dollar, increasing the value of Penn Central's deposits from \$4 million to \$4.6 million. (Patman)
- Sep. 1969 VP David Bevan meets with First National City Bank officials to get permission for increasing Penn Central's commercial paper from \$150 million to \$200 million; Bevan agrees not to draw down the last \$50 million of revolving credit until an equal amount of commercial paper is paid off; the backup deposit requirements are thus reduced 50%. (SEC)
- Sep. 17, 1969 ICC rejects New York commuters' group's request to force Saunders and Perlman to testify in person about quality of service.
- Sep. 18, 1969 On Penn Central's order, the Chemical Bank has the Allgemeine Bank transfer the \$10 million to the Bank in Liechtenstein to the account of First Financial Trust. (Patman)
- Sep. 19, 1969 Officers of Goldman, Sachs meet with Jonathan O'Herron; O'Herron notes with be in tight cash position in first quarter of 1970 and wants to

- push sales of commercial paper. (SEC)
- Sep. 19, 1969 LIRR agrees with Budd Company to train 700 electrical workers and carmen to repair M-1 "Metropolitan" cars. (NYT)
- Sep. 22, 1969 American Contract Company transfers the \$10 million from the Chemical Bank to the account of First Financial Trust of Liechtenstein, owned by the Rosenbaum brothers; on same date, Francis N. Rosenbaum, posing as a Penn Central attorney, transfers \$4 million of this to Vileda Anstalt, a Liechtenstein trust controlled by Goetz; Rosenbaum presents accounting to show that Goetz was legitimately owed the \$4 million for losses incurred in Executive Jet Aviation, Inc., and that First Financial Trust will assume all obligations for EJA transactions. (Patman; SEC)
- Sep. 22, 1969 Penn Central announces it will build 1,365 new freight cars in own shops for \$27.2 million; publicly announces choice of Paul Gorman as President. (PR)
- Sep. 22, 1969 Gen. Lassiter incorporates Lassiter Aircraft Corporation in Del., allegedly to develop and manufacture a new design of airplane for Executive Jet Aviation, Inc. (Patman)
- Sep. 23, 1969 Senate Subcommittee on Surface Transportation begins three days of hearings on a variety of save-the-passenger-train bills and resolutions introduced over the summer; Chairman Stuart T. Saunders testifies that in the last two years of operation, the *Broadway Limited* carried an average of 60 passengers per trip versus over 70 crew members; says Penn Central will not invest another cent in passenger service, as there is no return. (Edmonson, Wilner)
- Sep. 23, 1969 Saunders denies that presidency was offered to several railroad executives before Gorman was chosen. (NYT)
- Sep. 23, 1969 LIRR restores 7:55 AM from Babylon, known as the "phantom train" because it has been canceled every day for almost four months. (NYT)
- Sep. 23, 1969 Delaware Valley Regional Planning Commission tentatively approves an extension of the PATCO high-speed line to Berlin, N.J. (Phllnq)
- Sep. 24, 1969 Paul A. Gorman elected a director; Alfred E. Perlman is appointed Vice Chairman effective Dec. 1; David Bevan is restored to the Executive Committee and John M. Seabrook is elected to Finance Committee. (MB)
- Sep. 24, 1969 Jonathan O'Herron submits Bevan's report on Executive Jet Aviation,

Inc., and the Penphil Company prepared by the Penn Central Legal Dept. and Covington & Burling to the Board ; Board is satisfied and committee on EJA agrees to dissolve itself; this is the first time the Board has received direct word on the existence of Penphil. (Patman, SEC)

- Sep. 24, 1969 Penn Central Holding Company authorizes purchase of Southwestern Oil & Refining Company of Corpus Christi and Royal Petroleum Corp. of New York City; announced to public next day. (MB, PR)
- Sep. 24, 1969 Penn Central Board authorizes following abandonments: 17.63 miles of Akron Secondary from station 36.5087; Bessemer Branch (1.64 mi.) near Pleasant Unity, Pa.; Bloomfield Branch between Roaring Springs and Ore Hill (2.89 mi.); 0.27 miles of Coal Lick Run Branch south of Uniontown; 8.3 miles of Dresden Branch; 1.76 miles of Marguerite Branch near Pleasant Unity; New Holland Branch from 1.5 miles west of Downingtown to end of track at Cornog (6.7 mi.); 7.3 miles of Springfield Secondary of Little Miami Railroad; and 0.9 miles of Unity Branch near Latrobe. (MB)
- Sep. 25, 1969 New \$4 million locomotive maintenance facility opens at Selkirk, N.Y. (Mutual has 9/26)
- Sep. 25, 1969 Saunders begins two days of testimony before Congressional committee on passenger service problem. (SEC)
- Sep. 26, 1969 New York City Community Planning Council proposes construction of a "megastructure" (a then-fashionable architectural concept for large, horizontal multi-use buildings) including housing, offices and parking over Sunnyside Yard. (MB)
- Sep. 28, 1969 Former London & North Eastern Railway 4-6-2 *Flying Scotsman* No. 4472, first steam locomotive to officially top 100 MPH, arrives in Port of Boston with a 9-car train to begin a 2,200-mile tour showcasing British goods; locomotive was restored and operated by British railfan and industrialist Alan Pegler. (Trains)
- Sep. 28, 1969 Southern Railway's *Pelican* becomes unnamed Washington-Bristol local No. 41-42. (tt)
- Sep. 29, 1969 New fast Trenton-New York commuter train of "Jersey Arrow" equipment inaugurated stopping only at Princeton Jct. and Newark, leaves Trenton at 7:40 AM and arrives New York 8:38 AM; second fast morning train from outer commuter zone. (A-sheet, PR)
- Sep. 30, 1969 Last runs of passenger service between Philadelphia and Lindenwold,

- N.J. via Delair Bridge; effective Oct. 1, all PRSL trains originate and terminate at PATCO line station at Lindenwold. (A-sheet)
- Sep. 30, 1969 D.F. Bassinger resigns as Tax Attorney. (MB)
- Sep. 1969 Unemployment jumps from 3.5% to 4%.
- Oct. 1, 1969 PCT Company merged into Penn Central Company; Penn Central Holding Company acquires shares of Penn Central Company (railroad) in exchange for its own; serves to isolate railroad losses and further diversification by means of exchange of holding company shares for those of new acquisitions. (MB)
- Oct. 1, 1969 Senior VP (Labor Relations) Guy W. Knight (1906-1995) retires after 38 years service; Assistant VP-Labor Relations John J. Maher named VP-Labor Relations & Personnel. (MB)
- Oct. 1, 1969 State of New Jersey contracts with PRSL to continue subsidy through June 30, 1972; state to buy and rehabilitate the 10 PRSL RDC's and limit service to east of Lindenwold. (AR)
- Oct. 1, 1969 PRSL Board sells 10 used RDC's to the State of New Jersey for \$1 to be rehabilitated. (MB)
- Oct. 1, 1969 PRSL abandons Williamstown Branch between Glassboro and Williamstown. (PRSL)
- Oct. 2, 1969 Old Penn Central Company renamed Penn Central Transportation Company and Penn Central Holding Company renamed Penn Central Company. (MB)
- Oct. 2, 1969 Simmons-Boardman begins publishing weekly *Metrolines* for "Metroliner" passengers, patterned on in-flight magazines. (RyAge)
- Oct. 3, 1969 Pres. Nixon appoints Emergency Board to forestall threatened shop craft strike.
- Oct. 4, 1969 Remainder of PRR Historical Collection (except *Pioneer*, given to the Smithsonian and *Reuben Wells*, given to the Childrens Museum at Indianapolis) leaves Northumberland en route to Strasburg.
- Oct. 6, 1969 Twelfth Flexi-Flo terminal opens at Summit Yard, Detroit. (PR)
- Oct. 7, 1969 Gov. Rockefeller announces that LIRR is "officially the finest commuter railroad in the country"; many commuters ridicule the claim. (NYT)

- Oct. 7, 1969 Penn Central and UGI Properties, Inc. file in New York Supreme Court on grounds New York City landmarks law amounts to unconstitutional taking of property without compensation. (NYT)
- Oct. 7, 1969 New Captina Branch extension opens in southeastern from (Norton Mine to Omal? - 11 miles) Ohio at cost of \$4.5 million. (MB - AR has begin unit train operation)
- Oct. 8, 1969 Expanded Sharonville Yard opens northwest of Cincinnati; capacity increased to 3,800 cars and 150-car trains.
- Oct. 8, 1969 *Flying Scotsman* and train placed in South Station, Boston, for four days of public display. (Trains)
- Oct. 9, 1969 Penn Central Finance Dept. estimates the cash deficit for 1970 at \$338 million. (SEC)
- Oct. 1969? Penn Central demonstrates first "RoRo" (Roll-on-Roll-off) system of TOFC transfer onto special car-ferry type of containerships of Atlantic Container Line; has 150 new TrailVan trailers for this service. (PCPost)
- Oct. 1969 Penn Central inaugurates unit trains of 100-ton covered hoppers for grain moving from Midwest to Eastern ports on a 7-day round trip schedule. (AR, press rel. 10/24)
- Oct. 1969 Francis N. Rosenbaum pleads guilty to 9 of 30 counts of siphoning funds from military contracts in the Chromcraft case and is sentenced to 10 years in federal prison in Feb. 1970. (Patman)
- Oct. 12, 1969 *Flying Scotsman* and train leave Boston under own power for Hartford. (Trains)
- Oct. 13, 1969 Great Southwest Corporation prepares draft prospectus for filing with the SEC to sell 700,000 shares of preferred for \$35 million and a secondary offering of 500,000 shares of common to be sold by the Pennsylvania Company from its holdings; canceled when underwriter Glore Forgan, Wm. R. Staats, Inc., realizes that disclosure of financial information will cause sell-off with loss of up to \$250 million to Pennsylvania Company. (SEC)
- Oct. 14, 1969 Executive VP (Operation) Robert G. Flannery orders old Patchell Master Operating Plan, suppressed by Perlman in 1967, to be sent to the nine Regional General Managers for review; to serve as basis for new three-year plan.

- Oct. 14, 1969 Civil Aeronautics Board orders Penn Central to sell interest in Executive Jet Aviation, Inc. by Mar. 1, 1971; fines Penn Central \$65,000 and EJA \$5,000 for violations of Federal Aviation Act. (SEC, Patman)
- Oct. 14, 1969 *Flying Scotsman* and train travel from Hartford to Penn Station via Hell Gate Bridge route; on public display in Penn Station from Oct. 15 through 18. (Trains)
- Oct. 14, 1969 Seaboard Coast Line discontinues the last segment of *Silver Comet* between Richmond and Atlanta. (A-sheet)
- Oct. 1969 Seaboard Coast Line shifts storage mail from No. 85 *The Everglades* to No. 21; *The Everglades* runs as two coaches and a baggage car until Amtrak. (Griffin)
- Oct. 19, 1969 *Flying Scotsman* and train travel over Penn Central main line from Penn Station to Philadelphia; hauled behind electric locomotive as far as old Manhattan Transfer. (Trains)
- Oct. 1969 MLW-Worthington, Ltd., formerly its Canadian subsidiary, acquires the locomotive designs of Alco Products, Inc. (Moody's)
- Oct. 20, 1969 Penn Central reports earnings down substantially over nine months; consolidated loss of \$19.2 million for third quarter. (SEC)
- Oct. 20, 1969 *Flying Scotsman* and train begin three days of public display at Philadelphia. (Trains)
- Oct. 21, 1969 First Financial Trust pays \$6 million of Penn Central's money to Penn Central's account in the Chemical Bank of New York to pay for equipment rehabilitation now completed; Penn Central does not realize that the remaining \$4 million has been removed. (Patman, SEC)
- Oct. 22, 1969 Penn Central Transportation Company Board authorizes borrowing \$50 million from Pennsylvania Company; authorizes abandoning part of the Eastern Branch of the Columbus Division from m.p. 71.3 south of Bucyrus to m.p. 87.0 north of Edison (15.7 mi.); at an executive session called at his request, Robert Odell expresses his concerns about the real estate venture. (MB, SEC)
- Oct. 22, 1969 VP-Finance O'Herron informs Goldman, Sachs & Co. that there will be a small loss in the third quarter but should be in the black in fourth quarter. (SEC)
- Oct. 22, 1969 Pennsylvania Company Board authorizes an issue of \$50 million

sinking fund debentures, to be exchanged for Norfolk & Western Railway common. (MB)

- Oct. 23, 1969 *Flying Scotsman* and train travel over Penn Central from Philadelphia to Baltimore. (Trains)
- Oct. 23, 1969 United States Lines, Inc., announces that the cruise of the superliner *United States* scheduled to leave New York on Nov. 9 is cancelled, and the ship will be taken out of service as soon as it reaches New York. (NYT)
- Oct. 24, 1969 Last day of passenger service at Morrisville, Pa., station. (tt)
- Oct. 25, 1969 *Flying Scotsman* and train travel over Penn Central from Baltimore to Washington; on display at Washington on Oct. 26 and 27. (Trains)
- Oct. 25, 1969 Last trip of last through Boston-Chicago sleeping car and coaches on Nos. 427-61 & 62-428. (A-sheet)
- Oct. 26, 1969 "Metroliner" round trips increased from 3 to 6; renumbered from Nos. 2000-2006 to Nos. 100-119; old nonstop "Metroliner" adds stops at Baltimore and Philadelphia and running time lengthened by 10 minutes because of protests from Baltimore and Philadelphia; new nonstop "Metroliner" established leaving New York at 5:00 PM; Penn Central adopts airline type schedule and advertising as the "Ground Shuttle"; "Metroliner" consists changed from 2 club and 4 snack bar cars to 2 clubs, 2 snack bars and 2 full coaches; there are now 20 Westinghouse and 28 General Electric cars in service; *Afternoon Keystone* and *Afternoon Congressional* discontinued southbound and *The President* discontinued northbound; Nos. 149 and 153 cut back to New York-Philadelphia Nos. 213 and 215; No. 156 and No. 160 discontinued; *The Senator* Nos. 172-173 is now the only Northeast Corridor train with a full diner. (A-sheet, Cinders, WatsonPapers)
- Oct. 26, 1969 Twenty Westinghouse "Metroliner" cars are placed in revenue service but are still not fully debugged, and availability never exceeds 60%; by Sep. 1970, Westinghouse has had to make 30 modifications to the cars since delivery without full success. (WatsonPapers)
- Oct. 27, 1969 N.Y. PSC recommends replacement of all 80 1926-vintage cars on ex-NYC commuter lines and improved fire equipment on all cars.
- Oct. 28, 1969 New Penn Central director Louis W. Cabot writes a memo to Stuart Saunders demanding a more active role for directors and more pertinent information at Board meetings instead of simply a list of capital expenditures for approval. (SEC)

- Oct. 28, 1969 *Flying Scotsman* and train depart Washington for Salisbury, N.C., via Southern Railway; end first leg of U.S. tour in Houston on Nov. 14; eventually owner Alan Pegler runs out of funds, and the locomotive is mothballed in the San Francisco Bay Area before being shipped back to England early in 1973. (Trains)
- Oct. 29, 1969 ICC approves increase in Penn Central commercial paper from \$150 million to \$200 million. (SEC)
- Nov. 1, 1969 Penn Central abandons the connection between the Norwich & Worcester Railroad and the Central Vermont Railway at Norwich. (Farnham)
- Nov. 3, 1969 Presidential Emergency Board recommends 5% increase for shop craft workers.
- Nov. 4, 1969 Republican William T. Cahill (1912-1996) elected Gov. of New Jersey, defeating former Gov. Robert B. Meyner; Cahill is from South Jersey and has made rail transit an issue in the election to win votes in North Jersey, where the commuter rail lines are; Cahill has attacked the Port Authority for its refusal to address New Jersey's rail transit problems and for its plan to build an enormous international jet airport in bucolic Hunterdon County that would blight large sections of the central part of the state; Cahill takes office next year a committed foe of the Port Authority and its director Austin J. Tobin (1903-1978); he wants the Port Authority rather than New Jersey taxpayers to pay for transit improvements. (Sobel, Doig)
- Nov. 5, 1969 In response to Grand Central Terminal controversy, New York City Planning Commission changes zoning law to permit transfer of unused air rights over protected landmark buildings to permit larger buildings on adjacent lots. (NYT)
- Nov. 5, 1969 ICC begins hearing oral arguments on C&O-N&W merger. (Bias)
- Nov. 5, 1969 House Transportation Subcommittee begins hearings on a variety of bills and resolutions designed to save the passenger train. (Edmonson)
- Nov. 7, 1969 Attorney representing Penn Central tells ICC that company has failed to regain competitiveness since the merger. (SEC)
- Nov. 7, 1969 United States Lines' superliner *United States* arrives at New York on its last revenue trip; it is then taken to Newport News, where it was built, and laid up; it passes through a succession of owners who are unable to do anything with it, and as of 2015 is tied up in South

- Philadelphia. (NYT)
- Nov. 8, 1969 Chicago's Grand Central Station closes; last train is C&O No. 6 for Grand Rapids. (Trains)
- Nov. 9, 1969 B&O/C&O begin running into C&NW Station in Chicago after vacating Grand Central Station, which is abandoned the day before. (A-sheet, Trains, Shappell)
- Nov. 10, 1969 Robert G. Odell, a San Francisco real estate executive and ex-NYC director, invites all outside directors to a dinner on Nov. 25 to discuss management problems at Penn Central away from influence of Saunders and Bevan; only Alleghany Corporation directors accept, so meeting is canceled. (SEC, Patman)
- Nov. 10, 1969 Robert T. Wilson, head of Goldman, Sachs's commercial paper department, tells Jonathan O'Herron that a recent *New York Times* article on merger problems hurts the sale of commercial paper and suggests \$50 million in standby bank credit. (SEC)
- Nov. 10, 1969 U.S. Supreme Court upholds ICC's new formulas for per diem payments; estimated saving to Penn Central \$16 million per year.
- Nov. 1969 Ruth Rea Junkin (1891-1983), Samuel Rea's daughter, rededicates the Samuel Rea statue at the 7th Avenue entrance to the new Penn Station. (PCPost - possibly Oct)
- Nov. 11, 1969 Fred M. Kirby writes to Penn Central director Robert G. Odell noting that he has had discussions with the other non-management directors, and they were all critical of the present management but opposed to "rocking the boat" for the next few months; some hope that Saunders will no longer be needed sometime in 1970; others predict an imminent clash between Gorman and Bevan; notes that "our friend" (Perlman) also advises delay. (Patman)
- Nov. 12, 1969 Saunders testifies before Congressional committee on passenger losses re pending Railpax legislation. (SEC)
- Nov. 13, 1969 David Smucker writes a memo to Chairman Saunders describing the extent of operating chaos and blaming it on Perlman; he notes PC has spent \$125 million on capital improvements since the merger and achieved savings of only \$30.9 million vs. projected savings of \$81 million; notes severe loss of TrailVan traffic to other roads; urges reduction of nine Regions to six (but not as planned by dividing the Lake Region between Northeast Region and Western Region), restoration of Bevan's responsibility budgeting and forecasting,

- restoring autonomy of local officials and an end to itinerant meddling by system officials in local affairs (the Perlman management style).
- Nov. 13, 1969 New York City Board of Estimate approves two-track high-speed rail line between Penn Station and Kennedy Airport. (NYT)
- Nov. 14, 1969 Henry W. Large in a memo to Stuart Saunders explains Price/Cost Management Information System (MIS) developed by George R. Wallace and the Market Research Group; recommends a pilot study on the Delmarva Peninsula.
- Nov. 14, 1969 New York-Buffalo portion of New York & Chicago RPO on ex-NYC main discontinued. (Kay)
- Nov. 14, 1969 United States Lines, Inc., announces that all scheduled cruises on the superliner *United States* are cancelled; the ship has already been sent to Newport News, supposedly for refitting, but it never sails in revenue service again; it passes through a series of owners, and in 2015 is moored in South Philadelphia in a rapidly deteriorating condition. (NYT)
- Nov. 15, 1969 New Mobilization Committee to End the War In Vietnam's "Moratorium" draws 250,000 protesters to Washington as part of two days of nationwide demonstrations, one of the largest antiwar protest marches. (NYT, Mercer)
- Nov. 1969 Complaints about poor Penn Central freight service start increasing. (SEC Rept)
- Nov.? 1969 Last run of last remnant of Southern Railway's *Royal Palm* Nos. 3-4 between Georgetown, Ky., and Oakdale, Tenn. (Trains - check)
- Nov. 17, 1969 ICC orders Penn Central to keep operating the *James Whitcomb Riley* for another year; continues to operate until Amtrak. (Sanders)
- Nov. 18, 1969 ICC grants railroads' request for 6% rate increase; unable to offset inflationary 7% increase in Penn Central wage costs and 5% in materials costs. (AR, Patman)
- Nov. 19, 1969 Saunders meets with Fred M. Kirby at Alleghany Corporation regarding management problems at Penn Central. (SEC)
- Nov. 19, 1969 Officials of Penn Central, F.W. Pressprich & Co, Dresdner Bank of Germany, Charles J. Hodge and Joseph H. Rosenbaum meet in New York to discuss European loans for Penn Central; the Dresdner Bank agrees to a \$20 million eurodollar loan, which Bevan thinks is too

small. (SEC)

- Nov. 20, 1969 Last run of the *South Wind* as a through train; Penn Central converts its portion to an every-other-day three-car coach train between Chicago and Louisville; L&N carries *South Wind* cars on the *Pan American* between Louisville and Montgomery, Ala., and thence to Miami. (A-sheet, Key)
- Nov. 22, 1969 *Business Week* runs article "Penn Central Sees a Light in the Tunnel" based on an interview with Saunders; quoted as saying that Wall Street is exaggerating company's problems. (SEC)
- Nov. 22, 1969 LIRR and Budd Company announce a six-month test of gas turbine/electric car GT-2 as possible prototype for non-stop service between New York and non-electrified zone. (NYT)
- Nov. 24, 1969 Gov. Rockefeller and Mayor John V. Lindsay preside over groundbreaking for the 63rd Street LIRR-subway tunnel, which will not see its first subway train until 1998. (NYT)
- Nov. 24, 1969 N.J. DOT places first 7 of 26 ex-Santa Fe Budd coaches in service on Erie Lackawanna diesel lines out of Hoboken. (Trains)
- Nov. 25, 1969 Penn Central signs memorandum of intent with the MTA and Connecticut Dept. of Transportation; State of New York is to buy the ex-New Haven tracks from Woodlawn Jct. to Connecticut state line for \$7 million, and Connecticut to lease balance of line to New Haven with PC performing commuter service under contract for \$100,000 per year; states agree to \$104 million capital improvement program, including 144 new MU cars and rehabilitating stations. (AR, Moodys)
- Nov. 25, 1969 ICC approves Penn Central's application to discontinue *The Admiral* No. 50 and *The Fort Pitt* No. 53. (Sanders)
- Nov. 25, 1969 Robert Odell has cancelled a dinner meeting of non-management Penn Central directors set for this date after opposition from Saunders and the Philadelphia-area directors. (SEC)
- Nov. 25, 1969 MTA begins construction on the 63rd Street Tunnel between Manhattan and Long Island City; has two tracks for the subway on the upper level and two for the LIRR to the proposed 3rd Avenue & 48th Street Transportation Center on the lower level; the tunnel consists of prefabricated concrete tubes lowered into a trench and covered; work begins in Queens and on Welfare Island in both directions; it will be a long time before any part is usable. (Feinman)

- Nov. 26, 1969 Penn Central Board votes to pass fourth-quarter dividend, ending longest continuous dividend record in U.S. history (1848-1969); approves "early retirement" of VP David E. Smucker effective Mar. 1, 1970; at the same Board meeting, Robert G. Odell (ex-NYC) moves to restructure management giving complete control over operations and finances to Perlman as Chairman of the Executive Committee, making Saunders responsible for government and public relations only, dismissing Bevan, and making Gorman President and head of the Finance Committee with responsibility for all non-railroad business; motion receives no second; Board approves contracts for converting Washington Union Station into the National Visitor Center; authorizes borrowing 100 million Deutschesmarks for 15 years; authorizes financing to acquire 15 GP-40 diesels; authorizes sale of 30 scows, 26 car floats, 26 barges and 2 tugboats; authorizes merging Cherry Tree & Dixonville Railroad, Lake Erie & Pittsburgh Railway and Strick Holding Company into Penn Central Company. (MB)
- Nov. 26, 1969 Charles S. Hill appointed VP - Controller. (MB)
- Nov. 1969 Penn Central acquires first of 71 ex-Santa Fe coaches for New Jersey commuter service; last acquired in Feb. 1972.
- Nov. 1969 Penn Central draws down \$50 million Eurodollar loan.
- Nov. 29, 1969 U.S. court in Pittsburgh stays ICC order permitting Penn Central to discontinue *The Admiral* No. 50 and *The Fort Pitt* No. 53; both trains continue to run until Amtrak despite having lost most mail and express. (Sanders)
- Nov. 29, 1969 Last run of ex-NYC No. 354, former *New York Special*, between Chicago and Detroit. (A-sheet, Sanders)
- Nov. 29, 1969 Penn Central runs 11 special trains totaling 160 cars to Army-Navy Game in Philadelphia; 5 from New York, 3 from Washington and one each from Baltimore, Trenton and Paoli. (PCPost, Cinders)
- Late 1969 Wrightsville Branch embargoed between Wrightsville and a point east of York. (Gunnarsson)
- Dec. 1, 1969 Paul A. Gorman, former President & CEO of Western Electric Company and a cost-control expert, takes over as President; Perlman promoted to Vice Chairman; Charles S. Hill promoted from Controller to VP & Controller; Frank C. Matey appointed Director-TrailVan Sales, replacing Donald L. Werby, resigned; Thomas F. Meehan, Jr., resigns as Director-Tax Accounting. (MB, SEC Rept)

- Dec. 1, 1969 In message to stockholders, Stuart T. Saunders says, "Penn Central is making a determined effort to reduce costs, and we are showing progress in this respect"; notes has shed 7,500 jobs since Jan. 1969. (Trains)
- Dec. 1, 1969 Stockholders formally informed of the cancellation of dividends. (SEC)
- Dec. 1, 1969 Stuart T. Saunders, speaking at a staff luncheon, notes that next six months will be most critical in the history of the railroad; if cannot maintain adequate service during winter months, it may never regain shippers. (SEC)
- Dec. 1, 1969 Rosslyn Connecting Railway; Zanesville Terminal Railroad merged into Pennel Company. (MB, Moodys)
- Dec. 2, 1969 Great Southwest Board authorizes borrowing \$20 million from foreign lenders. (SEC)
- Dec. 2, 1969 Senate Commerce Committee decides to postpone action on passenger train legislation, the most important of which is a bill drafted by Sen. Vance Hartke (1919-2003) of Indiana, the major Senate advocate of passenger service. (Edmonson)
- Dec. 3, 1969 Francis N. Rosenbaum is indicted for perjury in the Chromcraft Corp. rocket launcher case for falsely testifying in 1966 that he did not have a Swiss bank account. (NYT)
- Dec. 4, 1969 Railroads sign two-year contract with four of the six shop craft unions calling for 11% increase in 1969 and proposed 7% increase in 1970; rejected by the unions. (Rdg AR)
- Dec. 4, 1969 Penntruck Company, Inc., merged into Pennsylvania Truck Lines, Inc. (MB)
- Dec. 4, 1969 Springfield & New York RPO discontinued on former New Haven. (Kay)
- Dec. 5, 1969 Penn Central shelves plan to increase number of "Metroliner" round trips from 6 to 9 effective Dec. 14 because of mechanical and electrical problems.
- Dec. 5, 1969 E. Clayton Gengras (1908-1983), an insurance executive, is elected to Board of Penn Central Company (holding company); Gengras, the CEO of the Security Insurance Company of Hartford, hopes to make a profit by turning the Penn Central Company into a conglomerate; Security Insurance Company has purchased 200,400 shares of Penn

Central for \$8.13 million through Glore, Forgan & Co.; Gengras has been recruited by Charles Hodge of Glore, Forgan, who has introduced him to Saunders and Bevan. (, SEC)

- Dec. 8, 1969 Automatic vending machines for tickets on next "Metroliner" placed in service at New York, Philadelphia and Washington; developed by Ticket Reservation Systems, Inc. of N.Y. (PR, WatsonPapers)
- Dec. 9, 1969 Penn Central Financial Dept. officials meet with George Van Cleve of Goldman, Sachs, who notes that Goldman, Sachs is holding a record \$16 million in Penn Central notes and wants to reduce this because of a tight market. (SEC)
- Dec. 9, 1969 Ground broken for Washington Metro system.
- Dec. 10, 1969 Penn Central opens new ramp from ex-PRR freight line to Harsimus Cove to ex-West Shore line at New Jersey Jct., permitting direct run-through from Meadows Yard to ex-West Shore River Line to Perlman Yard; since 1968, this movement required a detour over the Lehigh Valley Railroad from Greenville to New Jersey Jct.
- Dec. 15, 1969 Chairman Saunders makes an impossible demand for \$20 million in increased revenue and \$10 million in decreased expenses in the fourth quarter. (SEC)
- Dec. 15, 1969 New \$26 million computer-controlled Buckeye Yard opens on ex-PRR at Hilliards northwest of Columbus; 88 miles of track, 4,550 cars; is 8th big automated yard; replaces five obsolete yards; ex-PRR "A", "B" and "C" yards, Grogan Yard and Pennor Yard and ex-NYC "CD Fairgrounds" and West Columbus Yards closed; Buckeye Yard is located on a new north-south line between the old Bradford line and the old Little Miami line west of Columbus, with an extension running north to the old Toledo & Ohio Central line. (AR, not entirely completed until 1970 - AEP had announced this as opening day)
- Dec. 15, 1969 LIRR revises train and crew assignments to reduce congestion at Penn Station that is responsible for late trains. (NYT)
- Dec. 1969 Penn Central now operates 34 solid piggyback or container trains, plus 10 trains carrying mail in containers; has 48 piggyback terminals in 16 states. (Trains)
- Dec. 1969 ICC orders Penn Central to restore service via the Maybrook Gateway; Erie Lackawanna Railway has lost 34,000 car loads this year because of Penn Central diverting the traffic via Selkirk. (AR)

- Dec. 1969 Because of the large number of MP54 MU cars out of service for repairs, Supervisor-MU Car Equipment John B. Fulton suggests to the Eastern Region's Regional Mechanical Officer James Roseman hauling them dead behind GG1's; Fulton develops a experimental push-pull train of 6 demotored MUs at Paoli Shops. (KystnChrncs)
- Dec. 1969 Piqua, Ohio, station razed. (Trostel/PennsyWest)
- Dec. 1969 Great Southwest Corporation acquires Richardson Homes Corporation of Indiana, builder of mobile and modular homes. (AR, Moodys)
- Dec. 1969 SEPTA receives a \$1.2 million federal urban mass transportation grant to extend electrification on the ex-Reading line from Hatboro to Warminster. (Headlights)
- Dec. 16, 1969 Change in borders of Toledo and Cleveland Divisions (PR 12/18)
- Dec. 16, 1969 Pennsylvania Company offers \$50 million in debentures exchangeable for Norfolk & Western Railway common stock; issue underwritten by First Boston Corporation and Glore Forgan, Wm. R. Staats, Inc.; the circular deliberately overvalues the Pennsylvania Company's Great Southwest Corporation stock; funds passed up to Penn Central Transportation Company; this exhausts Penn Central ability to raise money on the market. (SEC)
- Dec. 17, 1969 At Penn Central Board meeting, Angus Wynne, Jr., makes a presentation on Great Southwest Corporation and Macco Corporation that is little more than a "slide show" without significant financial information; Robert C. Baker predicts GSW earnings of \$63 million in 1970; Robert G. Odell urges that directors receive more information about Great Southwest and Macco, particularly large transactions and that PC Board exercise more oversight, but Saunders refuses, and Bevan reminds him that Great Southwest has its own board of directors; insurance executive E. Clayton Gengras appointed to Penn Central Transportation Company Board. (MB, Patman, SEC)
- Dec. 17, 1969 Penn Central Board approves the following abandonments: car float service between Greenville and Bay Ridge, Montandon Secondary between Mifflinburg and Coburn (24.9 mi.), Lykens Valley Secondary between Elizabethville and Lykens (4.8 mi.); authorizes construction of 70-track classification yard at Selkirk, N.Y. (Alfred E. Perlman Yard) and 40-track classification yard at Columbus (Buckeye Yard). (MB)
- Dec. 17, 1969 Pennsylvania Company Board meets to approve an exchange of Great Southwest Corporation stock for the \$25.2 million it owes to Pennsylvania Company; after trying to sell 2 million shares of Great

- Southwest to the public, the Pennsylvania Company approves the sale of 2 million shares of Great Southwest to its top three officers, Angus G. Wynne, William C. Baker and William D. Ray for \$20 million; this last sale is a last-ditch effort to raise money for Great Southwest; none of the officers have the means to pay for the stock. (MB, SEC)
- Dec. 17, 1969 Sheet metal workers reject contract.
- Dec. 17, 1969 Dow Jones industrial average bottoms for the year at 769.93. (AmrcnDcnds)
- Dec. 19, 1969 Committee on Information Disclosure & Conflict of Interest reports to Board, noting has reviewed all proxy statements and public reports for past several years. (MB)
- Dec. 19, 1969 MBTA approves purchase for Penn Central's Dover Street Yard in Boston as the site for a Red Line rapid transit and bus maintenance facility. (MBTA)
- Dec. 19, 1969 Having borrowed \$8 million from Provident National Bank and exhausted domestic sources, Great Southwest Corporation borrows \$2.68 million in Swiss francs from UFITEC, a group of Swiss lenders; establishes Great Southwest Overseas Financial Corporation in Curaçao for tax purposes to receive foreign loans; borrows \$43 million from three foreign lender groups over the next five months. (SEC)
- Dec. 19, 1969 Pennel Company Board authorizes abandonment of part of the Lykens Valley Secondary between Elizabethville and Lykens, Pa. (4.8 miles). (MB)
- Dec. 1969 Sixties boom, longest before that of the 1990s, ends; recession begins; fifth and mildest since 1945; unlike in previous recessions, inflation accelerates; Dow drops about 19% since market peak in Dec. 1968 because of tight money and declining production; leads to decline in automotive and merchandise traffic. (Matusow, NBER)
- Dec. 1969 Penn Central computer networks now unified with third-generation hardware.
- Dec. 22, 1969 Peat, Marwick, Mitchell & Co. reports on Penn Central freight billing system; finds excessive delays, poorly-trained personnel and extreme employee turnover, resulting in many erroneous waybills and a large backlog of disputed and unpaid bills; no positive control systems to find errors; recommends taking freight agents out from under authority of trainmasters, who are only interested in moving cars.

Dec. 22, 1969	MTA Chairman William J. Ronan announces that LIRR has lost \$16 million in 1969; largest loss yet. (NYT)
Dec. 23, 1969	Jones & Laughlin Industries, Inc., merged into conglomerate Ling-Temco-Vought, Inc. (DirObsSec)
Dec. 25, 1969	Severe lake effect snows, high winds and low temperatures begin sweep across upstate New York from Buffalo to Albany; last for one month, crippling Penn Central lines and adding to financial losses; wet snow damages traction motors; cold causes brake fittings to shrink, increasing leakage and requiring reductions of over 50% in train length to maintain legal air pressure, thereby doubling demand for locomotives and crews; Selkirk Yard unable to classify for three days; Albany interchange with B&M and D&H closed for 20 days; total extra expense over \$3.6 million. (, SEC Rept)
Dec. 27, 1969	Six LIRR commuter groups unite to push for William J. Ronan's dismissal, an end to fare hikes, and full state subsidy for all commuter railroad deficits. (NYT)
Dec. 31, 1969	Pennsylvania Company accepts 1,400,609 shares of Great Southwest Corporation stock at 18 in settlement of its debts to Pennsylvania Company; sole purpose of the exchange is to conceal the cash losses of Great Southwest. (SEC, Patman)
Dec. 31, 1969	Great Southwest Corporation at 16, down from 40¼ in May; paper loss to Pennsylvania Company is about \$600 million.
Dec. 31, 1969	David E. Smucker retires as VP of Penn Central and its subsidiaries and from the Board of the Lehigh Valley Railroad. (MB, AR)
Dec. 31, 1969	Harold S. Jensen resigns as Assistant VP-Real Estate. (MB)
ca. 1969	New York Division abolished; Millham-Morrisville and Bel-Del ceded to Philadelphia Division and balance renamed New Jersey Division; portion of Northern Division south of Montandon Jct. and Wilkes-Barre ceded to Harrisburg Division.
late 1969	Boston & Albany line placed in New Haven Region.
1969	Number of Regions cut from 9 to 8.
1969	All stock of Pennsylvania Company pledged as collateral to group of 53 banks as security for \$300 million in loans to Penn Central Transportation Company.

- 1969 LIRR retires last heavyweight parlor cars. (SunriseTrailNRHS)
- 1969 Penn Central places ex-New Haven parlor cars *Bronx County* and *Putnam County* in refreshment car service on the NY&LB. (Railpace)
- 1969 Penn Central substitutes snack bars in coaches and meal service at seats in parlor cars for full diners on most trains. (AR)
- 1969 Penn Central rehabilitates 27 stainless steel coaches for the State of New Jersey for NY&LB commuter service. (AR)
- 1969 Ex-PRR office car No. 180 *Philadelphia* sold to the Indiana Railway Museum. (Trains)
- 1969 Pennsylvania Company increases holdings of Great Southwest Corporation to 90%.
- 1969 Kennedy House, 30-story, 650-unit co-op. apartment tower, built over Suburban Station approach between 19th & 20th Streets. (Kyriakodis)
- 1969 Penn Central completes \$6.5 million modernization at Altoona Shops; Altoona assumes most functions of closed ex-NYC shops at Collinwood, Ohio, East Rochester, and Indianapolis. (Loeb)
- 1969 Penn Central begins to sell or demolish the buildings in the 12th Street Shop and Altoona Car Shop. (altoonaworks.info)
- 1969 Penn Central introduces 60-foot high-cube box car for merchandise traffic.
- 1969 Penn Central abandons 422 route-miles as first step in plan to cut total trackage by 14%.
- 1969 Penn Central transfers all remaining Fairbanks, Morse diesel units to Chicago area. (Trains)
- 1969 Penn Central transfers 22 ex-New Haven FL-9's to Brewster for Harlem Line service; replaced between New Haven and Boston by ex-PRR E-8's. (Trains)
- 1969 Wrightsville-York branch abandoned. (1993 CR map shows portions still in service!)
- 1969 Conway Yard sets new record at the busiest freight yard in the U.S.; classifies 1,939,219 cars during the year, 100,000 more than in 1968. (BaltNRHS)

- 1969 Penn Central's Cleveland ore dock handles a near-record 7.5 million tons; biggest volume in 16 years. (AR)
- 1969 Floods cut the old Cleveland, Akron & Cincinnati line near Orrville, leading to abandonment between a point north of Orrville and Hudson. (railsandtrails.com)
- 1969 New York State allocates \$8.35 million in emergency funds for MTA improvements on Hudson and Harlem lines.
- 1969 Ex-PRR Court Street freight station in Cincinnati closed. (Hauck)
- 1969 Great Southwest Corporation Scientific Control Corporation of Dallas, a maker of computer hardware; also enters 20-year partnership with C. Brewer & Co. for development of 285,000 acres of land in Hawaii. (AR)
- 1969 N.J. DOT orders 23 General Electric diesels and 105 new cars to reequip Erie Lackawanna Railway diesel commuter lines. (AR)
- 1969 Lykes Corporation, an ocean shipping company turned conglomerate, purchases the Youngstown Sheet & Tube Company. (Warren - verify Moodys - see 1968)
- 1969 ICC grants a 6% rate increase. (Hoogenboom)