

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

By Christopher T. Baer

1970

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All data subject to correction and change

- Jan. 1, 1970 Penn Central abolishes Lake Region; Toledo and Cleveland Divisions placed in Western Region; J.H. Burdakin, VP & General Manager-Lake Region, appointed VP & General Manager-Northern Region. (MB)
- Jan. 1, 1970 Nixon Administration misses the deadline to introduce its passenger train bill and asks the Senate Commerce Committee for a delay until its bill is written. (Edmonson)
- Jan. 1, 1970 New York City cancels its lease of the Staten Island Rapid Transit Railway between St. George and Tottenville and begins reimbursing the company for the passenger deficit. (Moody's)
- Jan. 2, 1970 World's largest railroad car leaves Pittsburgh for Florida carrying an electric generator; car is 177 feet long with 44 wheels and capable of carrying 1.2 million pounds. (PR)
- Jan. 2, 1970 Dow Jones rails average becomes transportation average, adding airlines and freight carriers in place of railroads; Penn Central remains. (Wyckoff)
- Jan. 4, 1970 *Lake Cities* makes last run between Chicago and Hoboken, ending all Erie Lackawanna Railway long-distance passenger service; arrives at terminals on morning of Jan. 5. (A-sheet)
- Jan. 4, 1970 New York City transit fares increase from 20 cents to 30 cents; beginning this year, graffiti on subway cars grows out of control. (Trager)
- Jan. 6, 1970 New York City fireman is killed by train while investigating track fire

- at 96th Street & Park Avenue; evening rush out of Grand Central delayed one hour. (NYT)
- Jan. 6, 1970 Title of W.F. Kirk changed from VP-Mail, Express & Highway Services to VP-Mail & TrailVan Services; W.C. Allen changed from Assistant VP-Mail, Express & Highway Services to Assistant VP-TrailVan Services. (MB)
- Jan. 7, 1970 Atlanta & West Point discontinues its portion of *The Crescent*, now a coach local, between Atlanta and Montgomery. (A-sheet)
- Jan. 8, 1970 Brokerage firm of Butcher & Sherrerd issues favorable report on Penn Central stock; sees a turnaround despite current problems.
- Jan. 8, 1970 Director Robert G. Odell (ex-NYC) writes to fellow directors of the Pennsylvania Company noting that Great Southwest Corporation has made commitments between \$17 million and \$26 million, including the acquisition of I.C. Deal Company for 1 million GSW shares, without Pennsylvania Company approval; says they should have full accounting before approvals or they may be held responsible for neglecting their fiduciary duties. (Patman, SEC)
- Jan. 9, 1970 Three-day blizzard in Northeast results in cancellation of 22 trains on Northeast Corridor, two New York-Albany round trips and several long distance trains.
- Jan. 9, 1970 Two Hudson line commuter trains collide near High Bridge station; 13 injured. (NYT)
- Jan. 9, 1970 Last run of the *Blue Bird* between Chicago and St. Louis; last long distance passenger service on the old Wabash Railway; Norfolk & Western Railway cuts the train to a Chicago-Decatur local. (Striplin, Trains)
- Jan. 10, 1970 Penn Central cancels two "Metroliner" runs because of equipment failure attributed to cold weather; mechanical problems continue to plague cars.
- Jan. 13, 1970 Gov. Rockefeller requests state loan of \$8.5 million to cover LIRR's 1969 deficit. (NYT)
- Jan. 14, 1970 Pennsylvania Company Board approves canceling \$25.2 million debt of Great Southwest Corporation and Macco Corporation to the Pennsylvania Company in return for the issue of 1,440,610 shares of GSW common stock to the Pennsylvania Company at 18. (MB)

- Jan. 15, 1970 Assistant VP-Corporate Analysis J. J. McTiernan resigns. (MB)
- Jan. 1970 During the first three weeks of 1970, only 55% of commuter trains on Hudson, Harlem and New Haven Lines are on-time; on-time performance on the morning rush on the New Haven Line is under 25%. (Trains)
- Jan.? 1970 Penn Central begins offering rentals of “mini-grain trains” of 10 covered hoppers to grain elevator operators within 90 miles of Indianapolis. (Trains)
- Jan. 1970 Ann Arbor Railroad abandons its Lake Michigan car ferry between Frankfort and Menominee. (Barnett)
- Jan. 1970 Great Southwest Corporation acquires I.C. Deal Companies, Inc., of Dallas, a builder of multi-family homes. (AR)
- Jan. 16, 1970 Another third rail fire delays evening rush at Grand Central by 45 minutes. (NYT)
- Jan. 18, 1970 US DOT announces plan for "Railpax" (National Railroad Passenger Corporation), a quasi-public corporation to operate intercity passenger trains with an initial grant of \$40 million and a \$60 million loan. (Edmonson)
- Jan. 19, 1970 White House Press Secretary Ron Ziegler (-) torpedoed the statement issued yesterday by saying that “Railpax” is the plan least likely to be approved by the White House. (Edmonson)
- Jan. 19, 1970 Bulk mail handling removed from Dayton Union Station to new Post Office facility. (MB)
- Jan. 19, 1970 Inflation reaches an annual rate of 6.1%, the worst since the Korean War, but merely a harbinger of things to come. (AmrcnDcnds)
- Jan. 1970 SEPTA issues "Reestablishing the Link", a report recommending the rehabilitation of its commuter stations and converting them into multi-use centers. (Rept)
- Jan. 1970 Reacting to complaints caused by cold weather, Pennsylvania PUC investigates Penn Central's Philadelphia suburban service.
- Jan. 1970 Great Southwest Corporation acquires I.C. Deal Companies, Inc., an apartment construction firm in Dallas, for \$9.5 million in stock. (AR)
- Jan. 1970 Longest postwar expansion thus far ends and recession begins.

- Jan. 21, 1970 Republican William T. Cahill (1912-1996) inaugurated as Gov. of New Jersey. (Sobel)
- Jan. 21, 1970 Pennsylvania Company announces it is buying an additional \$1.4 million in Great Southwest common as part of the forgiveness of a \$25 million debt. (SEC)
- Jan. 21, 1970 The law firm of Dechert, Price & Rhoads produces an opinion solicited by Stuart Saunders that it is not necessary or desirable (because of potential insider information) for Great Southwest Corporation to report all its activities to the Pennsylvania Company Board. (SEC)
- Jan. 21, 1970 First Boeing 747 jumbo jet placed in service by Pan American Airways, Inc., between London and New York. (Aviation)
- Jan. 22, 1970 Bevan, Hodge, O'Herron and Joseph Rosenbaum meet in New York with representatives of Dresdner Bank of Germany; bank expresses an interest in a Eurodollar loan of \$20 million. (SEC)
- Jan. 24, 1970 Pres. Nixon travels between Washington and Philadelphia on a special "Metroliner" (the "John Volpe Special") to attend 70th anniversary of Philadelphia Orchestra; only train travel by Nixon while Pres. (Withers, PR)
- Jan. 24, 1970 Penn Central cancels eight Hudson line trains after engineers refuse to operate them because of lack of heat in locomotives.
- Jan. 25, 1970 Last trip of New York-Detroit sleeping car on Nos. 61-17 & 14-62 (A-sheet)
- Jan. 27, 1970 David Bevan and Jonathan O'Herron approach First National City Bank about a \$50 million "bridge loan" to Pennsylvania Company pending new \$100 million Pennsylvania Company issue; bank asks for more security; eventually, Chemical Bank agrees to act as lead bank for the bridge loan without security. (SEC)
- Jan. 27, 1970 ICC approves Alleghany Corporation's acquisition of Jones Motor Company, a trucking firm, on condition it place its Penn Central stock in trust and sell it within five years and eliminate interlocking directors. (SEC)
- Jan. 28, 1970 Penn Central Board authorizes creation of new corporation to borrow \$50 million in foreign currencies (later the Swiss franc loan); authorizes borrowing up to \$70 million from Pennsylvania Company; authorizes a write-down on passenger equipment and facilities west of

Harrisburg and Buffalo of \$126 million; Chairman Saunders offers to take 10% pay cut. (MB)

- Jan. 28, 1970 Penn Central Board approves abandonment of Rochester Branch from Scottsville Yard, Rochester, to Wadsworth Jct., N.Y.; authorizes the following capital improvements: 112 new diesels, trestle connection from ex-PRR freight line to NYC at National Docks Jct., new station at Albany-Rensselaer, CTC between Lock Haven and Buffalo, third track between "GS" and "DAY" at Wormleysburg on Northern Central, upgrading Newark & Delaware City Branch between Newark and Porter as main connection to Delmarva line, new car shop, engine house and car retarders at Pavonia Yard in Camden, branch from Popes Creek Branch at Lothair to Potomac Electric Power Company plant at Morgantown, Md. (MB)
- Jan. 28, 1970 Pennsylvania Company Board authorizes a \$20 million credit agreement, the money to be advanced to the Penn Central Transportation Company or used to purchase its property; also authorizes borrowing \$50 million under one or more credit agreements; ratifies the exchange of a \$6.78 million note of Strick, Inc., for 67,760 shares of Strick, Inc., preferred, and then selling this stock along with warrants to buy an additional 500,000 shares of Strick, Inc. (MB)
- Jan. 28, 1970 Transportation Secretary John Volpe defends the "Railpax" plan, saying he expects it to be approved shortly. (Edmonson)
- Jan. 28, 1970 White House Budget Bureau states that "Railpax" is only one of many plans being considered by the White House. (Edmonson)
- Jan. 29, 1970 ICC issues order changing method of calculating per diem charges retroactive to Aug. 1, 1969.
- Jan. 29, 1970 First National City Bank decides to demand greater security as the price of meeting David Bevan's request for a new \$50 million Pennsylvania Company "bridge loan." (SEC)
- Jan. 29, 1970 Gov. Rockefeller announces capital improvement program for Hudson and Harlem lines; one-quarter to be paid for by railroad and rest from state bond issue of 1967; to include new cars, extension of electrification north of White Plains. (NYT)
- Jan. 29, 1970 SEPTA purchases rail and bus properties of Philadelphia Suburban Transportation Company (Red Arrow Lines) operating in the western suburbs from the Taylor family in what amounts to a forced sale. (SEPTA, DeGraw)

- Jan. 30, 1970 MTA imposes fare increase on LIRR as part of the growing 1970s inflationary spiral. (NYT)
- Jan. 31, 1970 Last run of last portion of Southern Railway's *Royal Palm* Nos. 3-4 between Cincinnati and Georgetown, Ky. (Trains)
- Early 1970 Bag filtration system installed at the Juniata Shops power plant to meet Environmental Protection Agency regulations. (altoonaworks.info)
- Early 1970 Richmond, Fredericksburg & Potomac Railroad completes modernization of piggyback facility at Potomac Yard with "piggypacker" loader. (AR)
- Feb. 1, 1970 Southern Railway reconfigures passenger service; *The Southerner* Nos. 47-48 renamed *The Southern Crescent* Nos 1-2; *The Crescent/Peach Queen* Nos. 29-38 renamed *The Piedmont* Nos. 5-6; Washington-Birmingham locals Nos. 17-18 renumbered Nos. 7-8 and Washington-Bristol Nos. 41-42 renumbered Nos. 11-12. (A-sheet, Guide)
- Feb. 1, 1970 Basil Cole, Bevan's chief enemy in the management, interviews Marion E. Sibley in Miami; Sibley is attorney for Penn Central stockholder George J. Franks who has information about Penphil Company trading in the same companies as Penn Central. (Salsbury)
- Feb. 1, 1970 General Manager-New York Region E.P. Frasher appointed VP-New York; J.M. Loconto, formerly Assistant VP-Passenger Service and NYC Director of Passenger Service, appointed General Manager-Operation-New York. (MB)
- Feb. 1, 1970 Black River & Western tourist railroad buys Lambertville-Flemington Branch from Penn Central. (Lee - see also 3/16?)
- Feb. 1, 1970 Penn Central files with ICC to discontinue No. 65-66, the former *Red Bird* between Chicago and Cincinnati; train is now reduced to a single coach and baggage car. (Sanders)
- Feb. 1, 1970 Provident National Bank, Bevan's old bank, now has \$20.02 million in outstanding loans to Penn Central and its subsidiaries, over 20% of the bank's net assets, and over its legal lending limit of \$9.2 million. (SEC)
- Feb. 2, 1970 Penn Central announces a 1969 railroad operating loss of \$56 million vs. \$5.1 million in 1968; consolidated income drops from \$87.8 million in 1968 to only \$4.38 million in 1969; ends confidence in its commercial paper in financial community. (SEC has 2/4, public release was 2/4?)

- Feb. 2, 1970 UFITEC, a group of European investors based in Switzerland, advises Penn Central it will lend 50 million Swiss francs; advises Penn Central to organize a subsidiary without debt restrictions in Curaçao for tax purposes as the recipient of the loan. (SEC)
- Feb. 2, 1970 Penn Central makes first contact with First Boston Corporation regarding having Pennsylvania Company issue \$100 million in debentures to raise money for the railroad backed by warrants for Pennsylvania Company and Great Southwest Corporation stock; First Boston Corporation is unaware of the condition of Great Southwest. (SEC)
- Feb. 2, 1970 U.S. Supreme Court agrees to review final price Penn Central must pay for New Haven.
- Feb. 3, 1970 Bevan, O'Herron, Hill, Wynne and Baker meet to discuss accounting problems of Great Southwest Corporation. (SEC)
- Feb. 4, 1970 Penn Central releases its fourth quarter 1969 figures; a net railroad loss of \$9 million, vs. \$35 million by ICC accounting rules. (SEC)
- Feb. 4, 1970 After meeting with Saunders, Gov. Rockefeller announces that Penn Central has agreed to stopgap measures to reverse "deplorable conditions on ex-NYC commuter lines. (NYT)
- Feb. 5, 1970 Penn Central announces a net railroad operating loss of \$56 million for 1969 instead of the actual \$193 million. (SEC)
- Feb. 5, 1970 Basil Cole sends a memo to Stuart Saunders informing him of the activities of Penphil Company.
- Feb. 5, 1970 Robert G. Odell writes to David Bevan restating his view that Great Southwest Corporation and Arvida Corporation are highly speculative and likely to suffer large losses, and that Penn Central under Saunders' and Bevan's management may be heading for bankruptcy. (Patman)
- Feb. 5, 1970 Robert G. Odell submits his resignation from Penn Central and Pennsylvania Company Boards to Saunders but then cancels it and says he will let his term expire naturally in May 1970, but refuses to attend further meetings; makes no public announcement to avoid embarrassing management. (SEC, Patman)
- Feb. 5, 1970 N.Y.PSC bars fare increase on New Haven line in light of deplorable service. (NYT)

- Feb. 5, 1970 Robert G. Wilson of Goldman, Sachs's commercial paper dept. urges VP-Finance Jonathan O'Herron that Penn Central should secure an additional \$100 million of standby bank credit so as to cover its entire amount of \$200 million of outstanding commercial paper. (SEC)
- Feb. 5, 1970 Penn Central through Joseph Rosenbaum advises UFITEC it will take a loan of 120 million Swiss francs (\$30 million) at 10.5% interest; European short-term money markets are Penn Central's last recourse; the use of the Penn Central holding company avoids the restrictions under the domestic revolving credit line; no security is offered, and Europeans are ignorant of the true state of Penn Central's affairs. (SEC)
- Feb. 5, 1970 Penn Central takes \$126 million write-off of all passenger service facilities west of Harrisburg and Buffalo. (SEC says this was in 12/68)
- Feb. 6, 1970 R.G. Wilson and Gustav Levy of Goldman, Sachs meet with Bevan and O'Herron; Bevan notes he has projected need for \$256 million in 1970, of which \$70 million already raised through equipment financing; mentions plan to raise \$100 million through long-term Pennsylvania Company bonds. (SEC)
- Feb. 6, 1970 Basil Cole prepares a 13-page memorandum for Stuart Saunders on his meetings of Feb. 1 and Feb. 3 with Miami Beach attorney Marion E. Sibley, who is raising charges about the operations of the Penphil Company. (Patman)
- Feb. 9, 1970 First National City Bank informs Penn Central that it requires improved credit covenants as the price of the \$50 million Pennsylvania Company "bridge loan," including pledges of the Pennsylvania Company's stock and a limit on its borrowing; David Bevan then turns to the Chemical Bank instead. (SEC)
- Feb. 9, 1970 Penn Central announces that Executive VP (Operation) D.E. Smucker will take early retirement at end of month. (PR)
- Feb. 9, 1970 MTA head William Ronan attributes decline in LIRR service to breakdowns in Budd M-1 "Metropolitan" MU cars; particularly problems with electric couplers; 254 of 270 cars have been delivered. (NYT)
- Feb. 9, 1970 LIRR commuter B.H. Mandel sues LIRR and MTA for \$50,000 for causing "commuter neurosis" and "severe psychological injury" by poor service. (NYT)
- Feb. 10, 1970 Penn Central announces it will purchase 112 new freight locomotives of 2-3,000 HP. (PR)

- Feb. 10, 1970 Federal Reserve Board, now under Nixon appointee Arthur Burns, agrees to a moderate 4% expansion of the money supply; decision is made too late to prevent the recession from peaking just before the fall election. (Matusow)
- Feb. 10, 1970 Francis N. Rosenbaum and Andrew L. Stone are sentenced to 10 years in federal prison for conspiracy in defrauding the government of over \$4 million in the Chromcraft rocket launcher case. (NYT)
- Feb. 11, 1970 Pennel Company authorizes abandoning part of the Rochester Branch between Scottsville Yard in Rochester, N.Y., and Wadsworth Jct. (14/8 miles). (MB)
- Feb. 12, 1970 Penn Central buys back \$10 million in notes from Goldman, Sachs. (SEC)
- Feb. 12, 1970 Penn Central grants trackage rights to Detroit & Toledo Shore Line Railroad between Manhattan Jct. and Summit Street at Toledo. (MB)
- Feb. 12, 1970 Study of 200 LIRR commuters reveals that majority suffer from psychosomatic problems brought on by stress associated with poor service. (NYT)
- Feb. 12, 1970 Sen. Vance Hartke complains to Transportation Secretary Volpe that the administration's passenger train bill is over a month late. (Edmonson)
- Feb. 13, 1970 ICC orders Alleghany Corporation to sell its Penn Central stock. (SEC)
- Feb. 15, 1970 Last run of New York-Asheville sleeper; last vestige of the *Asheville Special*; sleeper cut back to Washington-Asheville. (A-sheet)
- Feb. 1970 ICC issues a report attacking the Railpax plan, largely because the plan would remove passenger service from ICC regulation. (Wilner - verify)
- Feb. 16, 1970 Lawyers for First Boston Corporation, Great Southwest Corporation and Penn Central meet to discuss SEC vs. ICC regulation of the proposed Pennsylvania Company debentures. (SEC)
- Feb. 16, 1970 Last run of Washington-Atlanta sleeping car on Southern Railway's *Piedmont* Nos. 11-5 & 6-12. (A-sheet)
- Feb. 17, 1970 "Metroliner" parts while running at 110 MPH near Middle River, Md., because of coupler failure; two sections continue to roll for five miles before being stopped by brakes. (NYT)

- Feb. 1970 Pennsylvania Company secures \$50 million "bridge loan" from consortium headed by Chemical Bank pending issue of \$100 million debentures. (SEC, Patman)
- Feb. 1970 Penn Central Company organizes a European subsidiary, Penn Central International, N.V., in Curaçao for purpose of effecting a \$57 million loan from European investors, guaranteed by Penn Central Company.
- Feb. 1970 Penn Central assigns refurbished cars to *Colonial*, *Senator*, *Patriot*, *Merchants Limited* and *New Yorker/Bostonian*.
- Feb. 18, 1970 Greyhound Corporation stockholders approve the purchase of the Armour & Company securities held by General Hoist Corporation, giving it undisputed control. (NYT)
- Feb. 20, 1970 Penn Central Company purchases all stock of Southwestern Oil & Refining Company of Corpus Christi and Royal Petroleum Corporation of New York City by exchange of shares.
- Feb. 20, 1970 Issue of *Barron's* contains an article, "Castles of Sand," questioning the accounting practices of real estate development companies and mentioning Great Southwest Corporation as an example. (SEC)
- Feb. 23, 1970 Miami Beach attorney Marion E. Sibley writes an official letter to Saunders claiming to represent one George J. Franks, a small stockholder, demanding the Penn Central Board institute discovery proceedings against the Penphil Company to determine if it has benefitted at the expense of Penn Central stockholders or engaged in insider trading; later, neither Sibley nor government investigators are able to produce Mr. Franks. (Patman)
- Feb. 23, 1970 N.Y. Gov. Nelson A. Rockefeller signs a \$14 million emergency loan program to commuter railroads. (NYT)
- Feb. 24, 1970 Penn Central International, N.V., borrows \$27.9 million from UFITEC.
- Feb. 24, 1970 Penn Central creates the Metropolitan Region embracing former NYC and NH commuter lines out of Grand Central to New Haven, Waterbury, Danbury, New Caanan, Pawling and Croton-Harmon operated for MTA; placed under Edward P. Frasher, who is named to new post of VP-New York; New York Region abolished; New Jersey Division moved from New York Region to Eastern Region; Hudson Division moved from New York Region to Metropolitan Region; New Haven Division moved from New Haven Region to Metropolitan Region. (Shappell, MrkrLmp, Spodobalski)

- Feb. 24, 1970 Gorman, Saunders and O'Herron meet with members of ICC to discuss Penn Central's financial position.
- Feb. 24, 1970 Former Assistant VP-Special Services Eugene L. Hoffmann (1899-1970) dies.
- Feb. 25, 1970 E. Clayton Gengras recommends to Penn Central Board that representatives of the company call on Secretary of Transportation Volpe to ask for government relief; Board accepts end to interlocking directorate with Alleghany Corporation; votes to omit dividend; Franks suit against Penphil Company is noted, but Bevan says Penphil has not used any inside information; Committee on Information Disclosure & Conflict of Interest decides to have the New York law firm of Skadden, Arps, Slate, Meagher & Flom investigate Penphil Company. (MB, Patman)
- Feb. 25, 1970 The 11 Westinghouse "Metroliner" cars slated for SEPTA Philadelphia-Harrisburg service complete formal performance tests; Penn Central states that they cannot be operated in such service reliably, and they require modifications that will cost \$300,000 per car so that they will be interchangeable with the 20 cars now in Northeast Corridor service; in addition, the 15 substations between Philadelphia and Harrisburg must have their circuit breakers modified to withstand the inrush of current during start-up and arcing; other problems include: only one door per car for loading from low-level platforms; much lower acceleration than the "Silverliners" in current use; inability to make the number of stops (5-16) without overheating; low speed when towing one car dead in a two-car train; inability to climb the grade out of Suburban Station with low power; the saving in time over the "Silverliners" is only 10 minutes at best, with fewer possible stops. (WatsonPapers)
- Feb. 26, 1970 Great Southwest Corporation Board authorizes borrowing an additional \$30 million from foreign lenders. (SEC)
- Feb. 27, 1970 Pres. Nixon asks Congress for broader presidential powers to avoid railroad strikes; wants the strike provisions of the Railway Labor Act eliminated and Taft-Hartly provisions extended to railroads, with tightening of provisions for compulsory arbitration.
- Feb. 28, 1970 Penn Central has spent \$10.9 million on Penn Central Park, Pittsburgh, to date; still needs to acquire 124 small parcels. (VPF)
- Feb. 28, 1970 Government announces that economic indicators have fallen 1.8% in Jan., the worst performance since the 1957-58 recession. (AmrcnDcnds)

- Mar. 1, 1970 New Penn Central organization assigns Executive VP's and Senior VP's control over departments that formerly reported directly to the President; VP-Operations Robert G. Flannery, Perlman's protégé, promoted to Executive VP-Operations (replacing D.E. Smucker) with supervision of the seven Regions, VP-Transportation, VP-Research, and VP-Engineering & Equipment; VP-Executive Assistant to the President James A. McDonald named Executive VP-Staff supervising VP-Purchases & Materials, VP-Management & Planning & Development, VP-Mail & TrailVan Services and Assistant VP-Systems Development; Senior VP Robert W. Minor (ex-NYC) named Senior VP-Legal & Public Affairs, reporting to Saunders; VP-Coal & Ore Traffic A. Paul Funkhouser named to new post of Senior VP-Passenger Service, reporting to President with supervision of VP-Passenger Service, VP-New England, VP-New York, Assistant VP-Passenger Service Contracts, and Assistant VP-Special Services, including responsibility for operations; Samuel H. Hellenbrand (ex-NYC) named VP-Industrial Development, Real Estate & Taxes, assuming supervision of Tax Dept. from VP-Corporate Administration Theodore K. Warner, who retires; former Executive VP-Office of the Chairman David E. Smucker takes early retirement; Assistant VP-Transportation A. Mosby Harris retires; Robert C. Marquis (ex-NYC) appointed Assistant VP-Freight Car Utilization in Operating Dept. (MB)
- Mar. 1, 1970 Penn Central discontinues punched tickets on Philadelphia commuter lines in favor of tear-off 10-trip tickets. (Shappell)
- Mar. 2, 1970 U.S. District Court rules that the Shop Crafts can't strike only one railroad, as that violates the national contract. (PCPost)
- Mar. 1970 Group of banks loan Pennsylvania Company \$50 million to enable it to buy Clearfield Bituminous Coal Corporation for \$16,938,000 and advance \$33.1 million to PB&W. (AR)
- Mar. 3, 1970 Railroads file with ICC for 6% rate increase; Penn Central had hoped for 12% but was blocked by other railroads.
- Mar. 3, 1970 Shops Crafts announce a nationwide strike set for Mar. 5. (PCPost)
- Mar. 4, 1970 Penn Central announces it is again applying to the ICC to discontinue all passenger service west of Buffalo and Harrisburg, effective Apr. 15; petition involves last 34 long-distance trains for which discontinuance are not yet pending; does not include Chicago-Valparaiso or Detroit-Ann Arbor commuter trains; ICC proceeds to hold hearings in 35 communities. (PR, Trains)
- Mar. 4, 1970 Congress passes a bill banning any rail strike for 37 days. (PCPost)

- Mar. 6, 1970 Federal government gives \$21 million grant to SEPTA to cover half cost of 144 "Silverliners;" 130 cars are for ex-PRR lines and 14 for the Reading. (SEPTA)
- Mar. 6, 1970 Experimental push-pull train made from 6 dead MP54 MU cars makes its first test run from Philadelphia to Paoli and return behind GG1 No. 4882; over the objections of some officials, the return trip is made in "push" mode; two more tests are made pushing to Bryn Mawr and returning in "pull" mode, including one running express; the last tests are pushing to Paoli and returning express to Bryn Mawr, then pushing express back to Paoli. (KystnChrncs)
- Mar. 6, 1970 Baltimore & Eastern Railroad Board authorizes abandonment between Easton and McDaniel (12.8 miles). (MB)
- Mar. 1970 Scandals surrounding Executive Jet Aviation begin to surface. (Salsbury)
- Mar. 8, 1970 Basil Cole prepares a confidential memo to Saunders on Executive Jet Aviation, designed to show that this is the first time Saunders knew anything about the difficulties.
- Mar. 10, 1970 Penn Central files with ICC to discontinue all 34 east-west trains; with other pending discontinuances will eliminate all passenger trains west of Harrisburg and Buffalo; will save \$17 million per year; largest operating loss was \$1.8 million for "*The Spirit of St. Louis*". (PR, Sanders)
- Mar. 10, 1970 Dr. Peter Marxer in Liechtenstein informs Joseph H. Rosenbaum that they must terminate their contract with Francis N. Rosenbaum because of his prison sentence. (Patman)
- Mar. 12, 1970 First of many meetings held between Penn Central and officials of U.S. DOT held in Secretary John Volpe's office to discuss the railroad's problems; Penn Central asks for help on passenger service, line abandonments, state taxes, permission to diversify, and freight rate increases. (SEC)
- Mar. 12, 1970 Senate Commerce Committee approves the \$435 million federal passenger train subsidy plan sponsored by Vance Hartke (1919-2003) of Indiana, 12-3; the bill would pay 80% of losses on essential passenger service and buy equipment; the passage goads the White House into action, although it is opposed to a direct subsidy; it begins to negotiate a compromise in Apr. (Edmonson)

- Mar. 12, 1970 Penn Central International, N.V., borrows an additional 35 million Swiss francs (\$8.1 million) from UFITEC. (SEC)
- Mar. 12, 1970 Boston & Maine Corporation files for Chapter 77 bankruptcy. (Moody's)
- Mar. 14, 1970 Greyhound Corporation acquires the 3,650,000 shares of Armour & Company held by General Hoist Corporation. (Moody's)
- Mar. 15, 1970 Executive VP (Traffic) Henry W. Large is finally removed by Saunders after continuous pressure from Perlman; Saunders keeps Large on his staff doing "special reports" until he is eligible for retirement on June 1; E.G. Kreyling, formerly VP-Traffic of Illinois Central, named Executive VP (Sales & Marketing). (MB, RyAge)
- Mar. 1970 Penn Central begins negotiating for the sale of its interest in Executive Jet Aviation, Inc., to Sidney Zimet, a financier operating through offshore corporations and who has run afoul of the SEC, for \$330,000 cash and \$18 million in 30-year debentures. (Patman)
- Mar. 1970 Erie Lackawanna Railway files a second complaint with the ICC, as Penn Central has made no serious effort to restore the Maybrook Gateway, and EL's traffic has fallen by an additional 22,900 cars. (AR)
- Mar. 16, 1970 Capital Beltway station opens at Lanham, Md.; served by "Metroliners" No. 100, 104 and 111, conventional trains No. 126, 132, 139 and 171, commuter trains, local and Greyhound buses to Annapolis and Rockville in a six-month demonstration project; last nonstop "Metroliner" discontinued and stops added at Philadelphia, where there is parking for 150 cars; all "Metroliner" service now either 2:59 or 2:50. (A-sheet, PCPost)
- Mar. 16, 1970 Black River & Western Railroad runs first revenue freight train between Flemington and Ringoes on ex-PRR Flemington Branch after purchasing the line from Penn Central. (Lee, Trains)
- Mar. 17, 1970 Special LIRR-UTU panel issues report recommending that freight operations be performed by a separate legal entity. (NYT)
- Mar. 18, 1970 David Bevan and Jonathan O'Herron meet with the underwriters of the Pennsylvania Company debentures; Bevan says he projects reaching the break-even point in the third quarter and making a profit in the fourth quarter, but the railroad has no formal forecasts or budgets at this point. (SEC)
- Mar. 18, 1970 Experimental 6-car MU push-pull train makes additional test runs

between Trenton and “COUNTY” south of New Brunswick, including speeds up to 80 MPH; decision is made to create three 8-car trains for revenue service; one MU per train is to have a pantograph for train lights, heat and fans. (KystnChrncs)

- Mar. 18, 1970 Penn Central establishes new freight train EV-2 from Enola to Selkirk. (PR)
- Mar. 19, 1970 William Williams, counsel to underwriters of proposed \$20 million Penn Central International European offering, informs counsel of First Boston Corporation, underwriters of the Pennsylvania Company debentures, of his analysis that Penn Central will likely fail in next one or two years. (SEC)
- Mar. 19, 1970 Pennsylvania Company Executive Committee authorizes issuing \$100 million in debenture bonds with warrants to buy up to 3,000,000 shares of the Penn Central Company and 3,000,000 shares of Great Southwest Corporation between 1971 and 1980; to be underwritten by Glor Forgan Staats Incorporated, First Boston Corporation, and Salomon Brothers & Hutzler. (MB)
- Mar. 20, 1970 Basil Cole prepares a report for Saunders designed to throw the blame for Executive Jet Aviation on David Bevan.
- Mar. 20, 1970 First Boston Corporation agrees to go ahead with the Pennsylvania Company and Penn Central International, N.V., offerings. (SEC)
- Mar. 20, 1970 William Williams and the underwriting group meet with Penn Central officials; David Bevan is evasive about future write-offs, including the proposed abandonment of 5,800 miles of track. (SEC)
- Mar. 20, 1970 Joseph H. Rosenbaum informs Peter Marxer in Liechtenstein that he is now the sole owner of First Financial Trust. (Patman)
- Mar. 20, 1970 Govs. Rockefeller and Cahill announce they will appoint Inter-Agency Task Force consisting of members from NJ DOT, MTA and Port Authority to investigate all public transportation between New Jersey and New York City. (NYT)
- Mar. 21, 1970 Last run of Western Pacific’s portion of the *California Zephyr* between Salt Lake City and Oakland, Calif.; Denver-Salt Lake City portion continues to operate on tri-weekly schedule as the *Rio Grande Zephyr*. (Trains)
- Mar. 23, 1970 Law firm Sullivan & Cromwell recommends postponing the Penn Central International debenture offering because the prospectus would

have to reveal the precarious financial status of the railroad and undercut the Pennsylvania Company offering. (SEC)

- Mar. 23, 1970 In conversation with Goldman, Sachs & Co., Jonathan O'Herron indicates that first quarter figures will be "terrible"; Goldman, Sachs continues to promote the sale of Penn Central commercial paper to its clients, despite knowing that it is now a very risky investment. (SEC)
- Mar. 24, 1970 Penn Central announces it will invest \$1.1 million to improve track between New York and Washington, including purchase of automatic track equipment. (PR)
- Mar 25, 1970 Penn Central Board approves \$33.13 million as its share of Northeast Corridor upgrade; approves purchase of 15 diesels and rebuilding 122 more; approves improvements to Enola diesel shop; approves construction of freight forwarder facility for Chicago shippers at Harsimus Cove and demolition of stock yards; authorizes acceleration of exchange of Wabash common for N&W common; authorizes loan of \$4 million to Pennsylvania Company to enable it to increase its investment in Penn Central International, N.V.; reports have proposed that DOT modify and test two "Metroliners". (MB)
- Mar. 25, 1970 Penn Central Board authorizes following abandonments: Coal Pit Run Branch from Black Lick Branch to Twin Rocks (2.4 mi.), McCoy Branch from Glen Campbell Branch to end (2.13 mi.), and Union Bridge Branch from Keymar to Union Bridge (5.47 mi.). (MB)
- Mar. 25, 1970 Penn Central Board orders Committee on Information Disclosure & Conflict of Interest to investigate Sibley's charges as they relate to relations between the American Contract Company and Executive Jet Aviation, Inc. (Patman)
- Mar. 25, 1970 Fred M. Kirby, Chairman, and Carlos J. Routh, Director of Alleghany Corporation resign from Penn Central Co. and Penn Central Transportation Company boards under ICC ruling permitting Alleghany to absorb Jones Motor Company. (PR)
- Mar. 25, 1970 Pennsylvania Company Board approves the preparation of a circular for the offering of \$100 million in debentures; applies to ICC for authority to issue \$100 million in debentures; authorizes purchasing up to \$100 million in property from the Penn Central Transportation Company, including the stocks of the Manor Real Estate Company, Clearfield Bituminous Coal Corporation, and Despatch Shops, Inc., and the purchase of 3,000,000 shares of Penn Central Company common; extends the deadline for exchanging Wabash Railroad common for Norfolk & Western Railway common to Oct. 15, 1970. (MB)

- Mar. 25, 1970 Fred M. Kirby of Alleghany Corporation resigns as a director of the Pennsylvania Company. (MB)
- Mar. 26, 1970 ICC orders Penn Central to reconsider train-off petition and retain one overnight train to St. Louis and one each on ex-PRR, Lake Shore, and Michigan Central routes to Chicago, plus a day train between New York and Pittsburgh. (Phllnq says this order to keep all trains running for 4 months pending an investigation)
- Mar. 26, 1970 Alleghany Corporation places its Penn Central shares in trust with the Irving Trust Company. (SEC)
- Mar. 26, 1970 PB&W Board authorizes upgrading the line between "DAVIS" Tower, Newark, Del., and Porter, Del., to be the main connection to the Delmarva lines instead of via New Castle. (MB)
- Mar. 27, 1970 David Bevan asks Arthur Dean of Sullivan & Cromwell to have William Williams removed from the Penn Central case, but he refuses. (SEC)
- Mar. 27, 1970 MBTA approves \$375,000 to subsidize Penn Central and Boston & Maine commuter trains through July 31; Penn Central proposes to sell facilities to state when subsidy expires.
- Mar. 28, 1970 William Williams prepares memo to Arthur Dean, his superior at Sullivan & Cromwell, outlining the dire financial situation at Penn Central. (SEC)
- Mar. 30, 1970 Union News Company closes Dayton Union Station newsstand and lunch counter for lack of business. (MB)
- Mar. 31, 1970 Pennsylvania Company exchanges its last Wabash Railway common shares for 671,692 shares Norfolk & Western Railway common stock so as to produce a paper profit of \$51 million in first quarter to set against actual operating losses; gives N&W stock control of the Wabash. (SEC, Moodys)
- Mar. 31, 1970 Penn Central Transportation Company sells Clearfield Bituminous Coal Corporation to Pennsylvania Company for \$16.9 million. (MB)
- Mar. 31, 1970 Meeting of Pennsylvania Company underwriters at offices of Sullivan & Cromwell; decide that Pennsylvania Company could survive the bankruptcy of the railroad; financial situation renders Penn Central International offering, which is backed by nothing but the railroad, untenable and recommend it be withdrawn; decide to proceed with Pennsylvania Company offering providing Penn Central makes

adequate disclosure. (SEC)

- Apr. 1, 1970 Penn Central issues a "Metroliner" status report; notes the annual cost because of poor car availability is \$1.53 million per year, including the cost of moving the cars to Wilmington Shops, maintaining special staff and riders on all trains, manufacturers' tech support, extra PRR maintenance staff, and loss of fares from cars out of service; needed capital improvements will cost \$7,687,000. (WatsonPapers)
- Apr. 1, 1970 Penn Central resumes "Glamour Route" excursions from Philadelphia to New York on Ladies' Days for eight weeks; had attracted over 4,000 passengers in 1969. (PCPost)
- Apr. 1, 1970 General Counsel Edwin A. Kaier (1908-1981) promoted to VP & General Counsel.
- Apr. 1, 1970 Penn Central closes East Rochester Car Shops and assigns work to Hollidaysburg; 72-acre site at East Rochester is to be sold. (PCPost)
- Apr. 1, 1970 Butcher & Sherrerd begins selling 150,000 shares of Penn Central held on its own account or those of its members. (Patman)
- Apr. 1, 1970 MTA head William Ronan announces plans for emergency improvements on Hudson, Harlem and New Haven lines; Connecticut will contribute \$1 million, including repairs to Cos Cob power plant. (NYT)
- Apr. 1, 1970 AMERAIL discount fares offered to foreign tourists after the precedent of the Eurailpass. (A-sheet)
- Apr. 3, 1970 Penn Central announces expansion of Enola Shop. (PR)
- Apr. 3, 1970 The 11 Westinghouse "Metroliner" cars slated for SEPTA Philadelphia-Harrisburg service are moved from Morrisville to Red Lion for further overhaul. (WatsonPapers)
- Apr. 5, 1970 *New York Times* carries complaints against design of the new Penn Station; can easily handle 190,000 commuters daily, but lacks adequate facilities for long distance travelers and baggage; long lines, insufficient seating and problems with baggage hustlers and derelicts. (NYT)
- Apr. 6, 1970 David Bevan meets with representative of First Boston Corporation, Glore, Forgan & Co., and Salomon Brothers and proposes to eliminate Great Southwest Corporation warrants from the proposed Pennsylvania Company debenture offering to avoid having to disclose the financial

status of Penn Central. (SEC)

- Apr. 6, 1970 Penn Central's President's Interim Task Force issues an interim report on disorganization found at field sites; recommends no transfers for one or two years at Regional and Divisional levels so officials can become familiar with the localities to which they are assigned.
- Apr. 6, 1970 Providence & Worcester Railroad, a former New Haven subsidiary, announces it will seek to separate from Penn Central and become an independent short line.
- Apr. 7, 1970 Penn Central director E.J. Hanley, Chairman of Allegheny Ludlum Steel Corporation, asks Pres. Paul A. Gorman to investigate that part of the charges brought by George J. Franks against the Penphil Company that deal with Executive Jet Aviation, Inc., and report to the Committee on Information Disclosure & Conflict of Interest. (Patman)
- Apr. 8, 1970 Congress passes bill imposing settlement reached by four shop crafts unions in Dec. 1969, over objections of Sheet Metal Workers, who were threatening a strike; settlement provides for \$0.68 per hour increase retroactive to Jan 1.
- Apr. 8, 1970 John Palmer Fishwick (1916-) elected Pres. of the Norfolk & Western Railway, replacing Herman H. Pevler, who is promoted to the ceremonial post of Chairman; Pevler had agreed that a C&O officer become next CEO of the merged company; Fishwick, who had conceived the merger, engineered a coup against Pevler and had him kicked upstairs. (Striplin,)
- Apr. 8, 1970 Penn Central contracts with Port of New York Authority for exclusive use of new container facility to be built in Port Newark/Port Elizabeth area. (MB)
- Apr. 8, 1970 First anniversary of "TurboTrain" celebrated on board. (Flashes&Ashes)
- Apr. 9, 1970 Congress passes a law enforcing the settlement with the shop crafts unions reached in 1969. (Rdg AR)
- Apr. 11, 1970 Gas-turbine car experiments on LIRR halted for four weeks because problems with exhaust system resulted in heat buckling the interior of car. (NYT)
- Apr. 14, 1970 Jonathan O'Herron informs Goldman, Sachs & Co. that first quarter losses will be "staggering"; in evening, members of Goldman, Sachs meet with Bevan and O'Herron; Bevan notes unforeseen expenses in

- first quarter of \$20 million because of bad weather and \$18 million for retroactive wage increase; convinces Goldman, Sachs to keep selling Penn Central notes. (SEC)
- Apr. 14, 1970 Fred M. Kirby of Alleghany Corporation resigns as Penn Central director. (SEC)
- Apr. 15, 1970 Pres. Nixon signs legislation giving federal workers a 6% raise. (AmrcnDcads)
- Apr. 15, 1970 PRSL retires Baldwin road-switcher No. 6000. (MB)
- Apr.? 1970 Penn Central begins running direct freight trains between Enola and Selkirk Yards. (Trains)
- Apr. 1970 After brief rally in March, the stock market relapses on news of poor first quarter earnings.
- Apr. 1970 Sen. Warren Magnuson of Washington introduces a more comprehensive railroad passenger subsidy bill. (Wilner - verify)
- Apr. 16, 1970 Gov. Rockefeller proposes MTA take over Hudson and Harlem Division operations and Grand Central properties under 60-year lease at \$1 a year; proposes \$65 million in bond-financed improvements, including high-level platforms, extension of electrification to Peekskill. (NYT)
- Apr. 18, 1970 Federal court orders Penn Central to continue operation of 34 long-distance trains through Oct. 1.
- Apr. 20, 1970 "Metroliners" carry one millionth passenger; Roger P. Kniering of Stamford, Conn., is greeted by "Metromiss" Louise Menna; is given a free breakfast, a silver medallion and an N-gauge "Metroliner" set. (PCPost)
- Apr. 20, 1970 Mackinac Transportation Company Board votes to terminate leases of car ferry *Manistee* and tug *Muskegon* and abandon service; injunctions keep service operating pending ICC decision. (MB)
- Apr. 21, 1970 ICC issues new order in Southern Divisions Case granting eastern railroads about 86% of original award of 1965.
- Apr. 22, 1970 Penn Central Board names Paul A. Gorman to Executive Committee and E. Clayton Gengras to Finance Committee. (MB)
- Apr. 22, 1970 Penn Central Company announces first-quarter consolidated loss of

\$17.2 million versus \$4.6 million in 1969, which is substantially more than David Bevan had projected in his Mar. 15 meeting with the underwriters; Penn Central Transportation Company has lost \$62.7 million versus \$12.8 million in first quarter of 1969; railroad operating loss in first quarter of 1970 is \$100 million, versus \$220 million in all of 1969; PCTC has debts of \$100 million coming due by June 5; at the same time its \$100 million line of credit is exhausted and additional debts of \$100 million come due by the end of 1970; begins a short-term debt crisis; run begins on Penn Central commercial paper. (SEC, Patman)

- Apr. 22, 1970 Penn Central Board authorizes moving machinery from East Rochester Shops (ex-NYC) to Altoona and Samuel Rea Shops at Hollidaysburg; authorizes extension of classification tracks at 59th Street, Chicago. (MB)
- Apr. 22, 1970 Penn Central Board authorizes following line abandonments: Bayard Branch Extension from Bayard Branch to East Liverpool (0.63 mi.), Bessemer Branch from Calumet to end (1.64 mi.), Bloomfield Branch from Roaring Spring to Ore Hill (2.89 mi.), Bridgeville & McDonald Branches from Sygan to end (3.53 mi.), Cokeburg Branch from Ellsworth to Cokeburg (0.67 mi.), Margurite Branch from Youngwood to Maruerite (1.76 mi.), and Wyhel Branch from Yukon to end (0.89 mi.). (MB)
- Apr. 22, 1970 Penn Central International, N.V., borrows an additional \$11.6 million from UFITEC.
- Apr. 22, 1970 First "Earth Day" environmental protests held; PATCO's Lindenwold Line carries a new record of 33,544 passengers to a rally in Fairmount Park. (Trains)
- Apr. 23, 1970 Penn Central International, N.V., borrows a final \$11.6 million from UFITEC, for a total of \$58.9 million. (SEC)
- Apr. 23, 1970 Pennel Company authorizes abandonment of the Union Bridge Branch between Keymar and Union Bridge, Md. (5.47 miles). (MB)
- Apr. 24, 1970 David Bevan and Jonathan O'Herron meet with the underwriters and decide not to set a price for the Pennsylvania Company debenture offering. (SEC)
- Apr. 24, 1970 Budd Company announces at annual meeting that its railroad carbuilding division is for sale; unlike mainline cars which Budd designed, 70% of the cost of commuter and transit cars is represented by parts provided by outside suppliers. (Trains)

- Apr. 26, 1970 Penn Central ends through service between New Haven and Springfield, Mass., instituting change at Hartford to RDC shuttles; Grand Central-Boston train numbers changed from old New Haven Nos. 1-10 to No. 180 series. (tt)
- Apr. 26, 1970 Mail train Nos. 191-194 extended to operate Washington-Boston, replacing separate New York-Boston mail trains Nos. 180-187.
- Apr. 26, 1970 Last trip of ACL *Champion* connection, last service between Florence and Augusta, Ga., on Nos. 51-52. (A-sheet, Goolsby)
- Apr. 27, 1970 Pennsylvania Company files a prospectus with the ICC to offer \$100 million in debentures, of which \$50 million are to pay the interim loan from Chemical Bank and \$50 million for the Penn Central Transportation Company. (SEC, Patman)
- Apr. 27, 1970 ICC begins hearings on Penn Central petition to drop 34 east-west trains; Penn Central notes that if retained five round trips would still lose \$3.4 million a year. (PCPost)
- Apr. 27, 1970 PB&W Board authorizes abandoning 3.53 miles of the Bridgeville & McDonald Branch from Sygan to terminus. (MB)
- Apr. 27, 1970 Stock market slump begins; Dow falls 27 points over two days to 724.
- Apr. 28, 1970 Pennsylvania Company announces issue of \$100 million of 25-year sinking fund debentures set for June 2; money to be used to purchase Manor Real Estate Company, Clearfield Bituminous Coal Corp. and Despatch Shops, Inc., from Penn Central Transportation Company, in effect a grant of \$50 million in capital to the railroad; the other \$50 million is to be used to retire a short term loan from Chemical Bank that matures on June 11. (SEC, PR)
- Apr. 28, 1970 LIRR begins using M-1 "Metropolitan" cars on Brooklyn-Jamaica line, whose clearances were too tight to admit some other modern equipment. (NYT)
- Apr. 28, 1970 Dow Jones industrial average falls to 724.33, the lowest level since the assassination of Pres. Kennedy. (AmrcnDcnds)
- Apr. 29, 1970 Pres. Nixon orders the invasion of Cambodia, aborting a rally in the stock market that Nixon himself had tried to start the day before with optimistic public statements; also revives the fading antiwar movement and sparks a wave of student protests. (Matusow)

- Apr. 29, 1970 Great Southwest Corporation Board authorizes borrowing an additional \$150 million from foreign lenders. (SEC)
- Apr. 30, 1970 Chairman Saunders and other Penn Central officials meet with Secretary of Transportation John A. Volpe after first quarter figures in; Saunders notes Penn Central has reached borrowing capacity and asks for legislation providing federal loans for equipment; Volpe says will jeopardize Railpax legislation; asks for information on losses and arranges meeting with Treasury Secretary David Kennedy. (SEC)
- Apr. 30, 1970 Metropolitan Transit Authority (Md.) acquires the local bus system of the Baltimore Transit Company. (Nixon)
- May 1, 1970 New Haven Region merged into Northeastern Region; Springfield Division merged into Boston Division and placed in Northeastern Region, which is then composed of New Haven, Boston, Syracuse & Buffalo Divisions. (Shappell - Spodobalski has New Haven Div. placed in Metro. Region 2/24/70)
- May 1, 1970 VP-Management Planning & Development Ferdinand L. Kattau (ex-NYC) named VP-Personnel adding supervision of personnel program to current duties; John J. Maher's title changed from VP-Labor Relations & Personnel to VP-Labor Relations, without supervision of personnel program; part of continuing attempt by Gorman to streamline top management; John C. White, Manager Heavy Repair Shops at Altoona, named General Mechanical Superintendent-System Shops; H.C. Kohout to VP-Passenger Operations. (MB)
- May 1, 1970 General Manager-Northeastern Region Frank S. King named to new post of General Manager of Philadelphia Commuter Area; extends to Millham, Parkesburg and Wilmington; new office is created at behest of SEPTA/SEPACT and in response to complaints from the PUC to cope with poor performance of Penn Central's Philadelphia commuter service; J.M.McGuigan to VP & General Manager-Northeastern Region. (MB, PR)
- May 1, 1970 Altoona Works renamed Penn Central Altoona Shops. (altoonaworks.info)
- May 1, 1970 Goldman, Sachs & Co. makes last sale of Penn Central commercial paper.
- May 1, 1970 Great Southwest Corporation acquires Movieland Wax Museum in Buena Park, Calif., for \$10 million. (AR)
- May 1, 1970 A compromise passenger train bill, the Railpax bill, devised by Sen.

- Vance Hartke and Republican Sen. Winston Prouty (-) of Vermont, is introduced in the Senate as a substitute for the original Hartke subsidy bill; it calls for a separate quasi-public corporation to run essential passenger trains. (Edmonson)
- May 3, 1970 *New York Times* muses on the possibility of a general "liquidity crisis" if corporations, which have borrowed huge sums from each other in the form of commercial paper, will be unable to roll over the debts as they come due. (NYT)
- May 4, 1970 Four students, bystanders at an antiwar protest, are killed by the National Guard at Kent State University in Ohio; in response, the Dow falls 17 points, the largest one-day drop since Pres. Kennedy's assassination; creates fear of general market crash at time when Penn Central is already on the brink. (Matusow)
- May 4, 1970 Meetings with underwriters indicate that interest in Pennsylvania Company debenture issue is poor; the principal unpledged asset of the Pennsylvania Company is its 25 million shares of Great Southwest Corporation, whose value has plummeted to 6 from 40 in May 1969 and 14 in Mar. 1970 as high interest rates interfere with its real estate operations. (SEC)
- May 5, 1970 Pres. Gorman calls a special Finance Committee meeting at which he airs his growing concerns over Penn Central's management and accounting practices; this is the first time that the directors learn of the practice of inflating earnings. (SEC)
- May 5, 1970 Robert S. Odell resigns as a Pennsylvania Company director; E. Clayton Gengras is elected to the Pennsylvania Company Executive Committee. (MB)
- May 5, 1970 PRSL Board authorizes leasing 5 GP38 diesel locomotives. (MB)
- May 6, 1970 VP-Finance Jonathan O'Herron meets with representatives of the Morgan Guaranty Trust Company to sound out their participation in a 60-day, \$20 million bridge loan. (SEC)
- May 6, 1970 Investors Mutual, Inc., controlled by Alleghany Corporation, sells the first 6,900 shares of its entire holdings of 243,200 shares of Penn Central, beginning large-scale dumping by financial institutions. (SEC)
- May 6, 1970 Chase Manhattan Bank, N.A., begins selling Penn Central stock from its pension trust accounts. (SEC)
- May 6, 1970 Senate passes the Railpax bill by 78-3; calls for passenger service to be

- operated by a government corporation; had been substituted for Sen. Hartke's direct subsidy bill. (Zimmermann, Sanders, NYT)
- May 6, 1970 Gov. Rockefeller signs bill providing \$44.4 million from state transportation bond issue for improvements on Hudson and Harlem lines. (NYT)
- May 8, 1970 Jonathan O'Herron sends a memo to Secretary of Transportation John A. Volpe stating that Penn Central's situation is much worse than other managers have indicated and that the debentures probably won't be sold; Volpe arranges meeting between Saunders and Treasury Secretary David Kennedy. (SEC)
- May 9, 1970 Stuart Saunders meets secretly with Treasury Secretary David Kennedy for two days at Hot Springs, Va., regarding Penn Central's financial problems. (SEC)
- May 9, 1970 Antiwar rally, sparked by the invasion of Cambodia and the shootings at Kent State, draws 100,000 marchers in Washington. (NYT)
- May 10, 1970 Chairman Stuart Saunders announces an austerity program and cuts in capital expenditures until Railpax program is adopted. (SEC)
- May 11, 1970 Penn Central draws down last \$46.5 million of backup credit line, leaving only last \$50 million of revolving credit to redeem \$150 million of outstanding commercial paper, which is now unsaleable. (SEC)
- May 11, 1970 17,000 commuters delayed up to one-and-a-half hours by rubbish fire at Park Avenue & 94th Street in New York. (NYT)
- May 11, 1970 Budd Company announces a preliminary agreement to sell its troubled Railway Division to General Electric Company. (PhlInq)
- May 12, 1970 Penn Central Company annual meeting; Saunders' address on crisis notes must reduce capital expenditures from \$268 million in 1969 to \$166 million in 1970 because of inflation and higher interest rates; motion to end classification of directors defeated by 16-1 margin; stockholders complain of high executive salaries. (MB, Patman)
- May 12, 1970 Pennsylvania Company issues prospectus for its issue of \$100 million in debentures. (SEC)
- May 13, 1970 Both Penn Central and Goldman, Sachs refuse comment to a *Wall Street Journal* reporter asking about the commercial paper problem. (SEC)

May 13, 1970	Butcher & Sherrerd changes its recommendation on Penn Central from "buy" to "sell" after reviewing first quarter earnings. (SEC)
May 14, 1970	ICC approves Greyhound Corporation's control of Armour & Company. (NYT)
May 15, 1970	Dun & Bradstreet gives Penn Central's paper a "prime" rating; Standard & Poor's reduces Pennsylvania Company's debenture rating from BBB to BB or from "lowest investment grade" to "speculative." (SEC)
May 15, 1970	Underwriters decide that the new Pennsylvania Company debentures to be issued June 2 will bear 10.5% interest, but they now believe that they will never be issued. (SEC, Patman)
May 15, 1970	Alleghany Corporation Board approves sale of all its Penn Central stock. (SEC)
May 1970	Penn Central stops paying interline freight charges; runs up a deficit of \$32.8 million owed to 61 other railroads. (Trains)
May 1970	Penn Central discontinues 6 DB-lounge and breakfast service between Boston and New York on <i>The Federal</i> ; replaced by 10-6 sleeper. (A-sheet)
May 1970	Penn Central is repainting ex-New Haven EP-5 "Jets" from McGinnis white and orange to Penn Central black. (Trains)
May 1970	N.J. DOT receives a federal urban mass transportation grant of \$18.7 million for 70 new "Jersey Arrow II" cars from General Electric Company to retire the last MP54's. (Headlights)
May 1970	Erie Lackawanna Railway and Norfolk & Western Railway inaugurate <i>Cannonball</i> through freight train between Jersey City (Croxtan) and St. Louis via Buffalo. (AR, Striplin)
May 16, 1970	Underwriters distribute the revised circular on Pennsylvania Company offering that contains information on Penn Central's commercial paper runoff; text contains statements revealing the existence of commercial paper crisis, namely that amount of debt maturing between Apr. 22 and May 8, 1970 had exceeded the sales of new commercial paper by \$41.3 million. (SEC)
May 17, 1970	Additional trains begin stopping at Capital Beltway Station. (A-sheet)
May 17, 1970	<i>Newark Star Ledger</i> criticizes N.J. DOT "Jersey Arrow" cars as

- uncomfortable and unsafe; to save money, no spare parts were ordered, so that repairs have to be made by cannibalizing other cars; about 40% of the cars are out of service on an average day. (MrkrLmp)
- May 18, 1970 Penn Central admits has been operating diesels into Grand Central, contrary to prior assertions; says failures on FL-9's require diesel power, which is legal in emergencies. (NYT)
- May 18, 1970 Federal Reserve Chairman Arthur Burns (-) breaks with the Nixon Administration and calls for wage and price guidelines to control inflation. (NYT)
- May 19, 1970 Saunders and Bevan meet with Treasury Secretary David Kennedy regarding the possibility of government loan guarantees; raise fear that failure of Penn Central might spark a general liquidity crisis; Penn Central spokesman says he knows of no reason for stock's decline. (SEC)
- May 19, 1970 Investors Mutual, Inc., sells another block of 60,100 shares of Penn Central. (SEC)
- May 20, 1970 Goldman, Sachs & Co. stops offering Penn Central commercial paper.
- May 20, 1970 Chase Manhattan Bank begins selling its over 198,000 shares of Penn Central stock. (Patman)
- May 21, 1970 David Bevan meets with representatives of Chemical Bank and First National City Bank; tells them of Penn Central's intent to postpone issue of Pennsylvania Company debentures and secure \$225 million in government guaranteed loans instead; also asks to draw down remaining \$50 million of Penn Central's \$300 million revolving credit; banks stop further drawdowns while they consult their lawyers and the other members of the banking consortium. (SEC)
- May 21, 1970 UTU seeks court order vs. Penn Central operating diesels and RDC's into Grand Central Terminal as a health hazard; railroad denies operating live RDC's, saying are towed by electrics. (NYT)
- May 22, 1970 Failure of Pennsylvania Company debenture scheme is announced to the public. (SEC)
- May 22, 1970 Analyst at Chase Manhattan Bank concludes that Penn Central's 1970 loss will exceed \$100 million and recommends changing status to "sell"; Chase dumps 125,400 shares of Penn Central. (SEC, Patman)
- May 23, 1970 Penn Central stock hits new low; rumors spread about financial

difficulties; Butcher & Sherrerd, which had been pushing Penn Central as late as Jan. 1970, is rumored to have sold off all its holdings. (SEC Rept)

- May 25, 1970 Penn Central officials again meet with Treasury Secretary David Kennedy and Federal Reserve Chairman Arthur Burns in Washington. (SEC)
- May 25, 1970 Canadian National resumes running United Aircraft *Turbos* in revenue service with a single trip each way between Montreal and Toronto. (Trains, Moodys)
- May 26, 1970 Dow drops to 621 in two days of panic selling; down over 100 points since April; market rebounds on following day when Nixon personally reassures business leaders; market recovery continues into 1971. (Matusow)
- May 26, 1970 David Bevan and others meet with representatives from Chemical Bank, First National City, and other 51 banks involved in the \$300 million revolving credit agreement to discuss the government guaranteed loan; call meeting of all banks for May 28, at which Bevan is to explain situation. (SEC)
- May 26, 1970 Chase Manhattan Bank's Investment Dept. officially changes its recommendation on Penn Central stock to "sell." (SEC, Patman)
- May 26, 1970 Penn Central begins meetings with U.S. DOT to work out a proposed "Metroliner" research and development program to correct the many problems with the "Metroliner" cars, in effect introducing rigorous prototype testing after the fact; Penn Central proposes that one General Electric and one Westinghouse car are to be used to test necessary changes, followed by the modification of 4 more cars to make a 6-car test train, and the modification of the rest of the cars following the tests; DOT agrees to fund part of the program but will make no definite commitment prior to signing the demonstration contract; later, DOT begins negotiating with General Electric and Westinghouse directly. (WatsonPapers)
- May 26, 1970 Penn Central distributes questionnaires to Philadelphia commuters re schedules, alternate routes, etc., including preference for smoking or non-smoking cars. (PhlInq)
- May 26, 1970 Penn Central and Port of New York Authority announce plans for a new rail-water container facility at Port Newark to be completed in Dec. 1970.
- May 26, 1970 ICC orders Penn Central to continue operating No. 65-66 between

- Chicago and Cincinnati for another six months; trains continue until Amtrak. (Sanders)
- May 27, 1970 Dow Jones industrial average bottoms at 631 and rises 32.04 points, the biggest one-day percentage gain thus far. (Trager)
- May 27, 1970 *Wall Street Journal* breaks news of Penn Central commercial paper runoff as contained in the revised Pennsylvania Company prospectus. (SEC)
- May 27, 1970 Penn Central Transportation Company Finance Committee meets; David Bevan announces that the cash loss for 1969 was \$220 million, vs. \$140 million for 1968, and the first quarter loss for 1970 is \$100 million; since the merger, Penn Central has borrowed \$993 million and repaid only \$240 million; \$22 million in commercial paper will come due by June 5, and the company requires \$263 million in cash to get through the year; full Board meets at 11:00 AM; the directors are still unaware of the talks with the government; Saunders tells the Board that he is calling off the Pennsylvania Company debenture offering and stopping all further issues of commercial paper; also that the first quarter loss for the railroad is \$30 million over earlier projections; Board approves management's request for unlimited authority to pledge assets and enter financing arrangements; Perlman orders all departments to cut employment by 10% by Sept. 1; Saunders takes 10% cut in contingent compensation. (MB, SEC)
- May 27, 1970 ICC approves 5% interim rate increase effective June 10.
- May 27, 1970 Continental Illinois National Bank & Trust Company sells 19,000 shares of Penn Central; Alleghany Corporation sells 96,000 shares, and Investors Mutual, Inc. sells 116,300 shares, liquidating its holdings of Penn Central common before the public announcement of the failure of the Pennsylvania Company loan. (SEC, Patman)
- May 28, 1970 David Bevan and others meet with the 53 banks providing Penn Central with revolving credit to brief them on financial status and negotiations with government; at 1:20 PM Penn Central announces it will withdraw proposed offering of \$100 million in Pennsylvania Company debentures; unable to continue short-term debt financing in face of mounting losses; this leaves no other option but a government loan, the political price of which is the removal of Saunders and Bevan. (SEC, Patman)
- May 28, 1970 Louis W. Cabot resigns as Penn Central director. (MB)
- May 29, 1970 Paul P. Lehr of Chase Manhattan Bank, N.A., issues a report

- announcing the cancellation of the Pennsylvania Company debentures. (SEC)
- May 29, 1970 First National City Bank hosts the first of a series of meetings between a committee representing 53 banks and Penn Central officials to work out details of government guaranteed loan. (SEC, Patman)
- May 29, 1970 Morgan Guaranty Trust Company orders the sale of all Penn Central stock in discretionary accounts and begins the sale of about 360,000 shares over next few days. (SEC)
- May 1970 Penn Central acquires first of 10 deluxe coaches for long-distance service from Rock Island, Denver & Rio Grande Western and Union Pacific.
- May 31, 1970 Stock of Great Southwest Corporation falls to 6, down from 14 in Mar. 1970.
- June 1, 1970 Lake Erie & Pittsburgh Railroad, Cherry Tree & Dixonville Railroad merged into Penn Central Transportation Company. (MB)
- June 1, 1970 Assistant VP-Pricing George R. Wallace named VP-Coal & Ore, replacing A. Paul Funkhouser, promoted; Frank L. Manganaro named to new post of Manager-Environmental Control; G.C. Vaughan named VP-Operations-Staff; ex-VP-Traffic Henry W. Large retires; Carl A. Korn (1917-2006) named Superintendent-Equipment. (MB, PR)
- June 1, 1970 National Credit Office withdraws "prime" rating on Penn Central Transportation Company's paper. (SEC)
- June 1, 1970 Railway Express Agency, Inc. renamed REA Express, Inc. to dissociate itself from the railroad industry.
- June 1, 1970 U.S. Supreme Court declines to set aside Greyhound Corporation's control of Armour & Company. (NYT)
- June 2, 1970 Penn Central announces that First National City Bank heads group of 74 banks applying for government guarantee of \$225 million in loans for Penn Central; consortium applies to Federal Reserve for a guarantee for a \$225 million loan, to be guaranteed by the Navy Dept. under the Defense Production Act; later reduced to \$200 million. (SEC, Patman)
- June 2, 1970 Northern Central sells Canton grain elevator to Central Soya Company.
- June 3, 1970 First National City Bank calls a meeting of the 10 largest lenders to Penn Central to review the situation. (SEC)

- June 3, 1970 Pennsylvania PUC Commissioner James M. Kelly issues preliminary report on Penn Central's Philadelphia suburban service demanding various improvements, including at Paoli Shops.
- June 3, 1970 Transportation Secretary John A. Volpe announces \$10.2 million federal grant to New Jersey to finance second phase of Penn Central improvements; includes 2/3 financing for 45 more "Jersey Arrow" cars.
- June 3, 1970 Richard King Mellon (1899-1970), former Penn Central director and David Bevan's chief defender, dies at Pittsburgh at age 70; was a key figure in the so-called "Pittsburgh Renaissance." (NYT)
- June 3, 1970 David C. Bevan reports to the Pennsylvania Company Board that the plan to issue \$100 million in debentures has fallen through; the \$50 million loan from The Chemical Bank in anticipation of the debenture issue matures on June 11 but will be extended for one year at 1% over the prime rate; the loan will be increased to \$75 million using stock of the Detroit, Toledo & Ironton Railroad as extra collateral; extends Stockton, Whatley & Davin's option to purchase 223,331 shares of Arvida Corporation at 7.80 for 90 days at 7.96, but no further, because of the cash situation; Bevan reports negotiations to sell the American Contract Company's stock in Executive Jet Aviation, Inc., now held in trust by the Detroit Bank & Trust Company; the prospective purchasers have access to foreign funds and will pay \$18 million in debentures subject to CAB approval; these parties will advance \$500,000 to \$1 million to keep the company operating but demand that the Pennsylvania Company sell them \$20.8 million in Norfolk & Western Railway debentures for \$27 million in letters of credit maturing in 9-10 years; on Bevan's recommendation, these terms are accepted. (MB)
- June 5, 1970 Stuart Saunders is summoned to New York to meet with Walter Wriston, Chairman of First National City Bank; Saunders apparently attempts to throw the blame for the financial crisis on Bevan, and Wriston insists on Bevan's ouster. (Salsbury)
- June 5, 1970 Penn Central issues a memorandum of agreement for the R&D project to select four "Metroliners" for further experimentation to reduce the number of cars out of service from 40-50% to 10-20% and the operation of defective "dead" cars in trains from 16-50% for 80% of runs to 16-32% for 10% of total runs. (WatsonPapers)
- June 6, 1970 Representatives from consortium of banks meet with officials of government and Federal Reserve on Saturday and Sunday at the Federal Reserve Bank in New York; bankers are briefed on fact that major changes will be made at Penn Central Board meeting on

Monday. (SEC, Patman, Salsbury)

- June 7, 1970 In a last minute telephone bargaining among the bankers, defenders of Bevan win the concession that Saunders also be fired. (Salsbury)
- June 8, 1970 Penn Central Board meets; Bevan reports company has drawn down the last of \$300 million in revolving credit; Pres. Gorman reads a statement that further aid from the banks is dependent on a change in management; the officers then withdraw; Perlman did not know what was afoot, and Saunders and Bevan each thought the other was to be sacrificed; the Board considers a motion to fire Bevan and Perlman and kick Saunders upstairs; Gorman is called in for his opinion, which is that all three have to go, which the Board accepts; the Board then appoints a committee to inform Saunders, Bevan and Perlman and to draft a press release; Perlman is already en route back to New York and demands to fill out his term as set by contract; finally a press release is composed and released at 4:45 PM stating that Perlman is fired as Vice Chairman but is allowed to remain on the Board until Nov. 30, and that Saunders and Bevan were "told to resign" all posts and directorships; Paul Albert Gorman promoted from President to President, Chairman and CEO. (MB, Salsbury)
- June 9, 1970 Nixon Administration announces plan for Dept. of Defense guarantee \$50 million in short-term loans to Penn Central under Defense Production Act, until legislation can be passed allowing up to \$750 million in permanent loans from DOT to ailing railroads. (NYT)
- June 9, 1970 Representative of the Treasury Dept. calls a meeting of Congressional leaders regarding aid to Penn Central; meets with resistance from old New Dealers, including Congressman Wright Patman (1893-1976), who hold that the purpose of the Defense Production Act is to stimulate small defense manufacturing firms, not bail out bankrupt big corporations; Patman also wants the government loan to be a first lien, not subordinate to the existing bank loans. (Patman)
- June 9, 1970 The Philadelphia *Daily News* editorializes, "The sacking of Stuart T. Saunders as the Penn Central's chief executive brings not a single tear to our eye." (Trains)
- June 9, 1970 ICC authorizes tentative rate increase of 5%.
- June 9, 1970 PATH opens a new mezzanine and entrance kiosk in a redesigned Fitzgerald-Holota Memorial Park at Grove Street station; removal of old entrance, which was in the center of Railroad Avenue under the PRR el on the west side of Grove Street permits opening the street as a truck route and boulevard. (PtAuth)

- June 10, 1970 Two articles in *Wall Street Journal* note the risk of a Penn Central collapse.
- June 10, 1970 Representatives of the 10 largest Penn Central creditor banks meet at the Federal Reserve Bank in New York with Chairman Paul Gorman and Treasury Undersecretary Paul Volcker; agree to a \$225 million loan and a temporary loan under the Defense Production Act. (SEC)
- June 10, 1970 Deputy Defense Secretary David Packard announces that the Dept. of Defense will support a \$200 million loan guarantee for Penn Central through Oct. 31, pending new legislation authorizing a total of \$750 million; representatives of 64 banks that are creditors of Penn Central meet with Federal Reserve officials and pledge not to call any Penn Central loans for next 10 days. (PhlInq, SEC, Patman)
- June 10, 1970 Chase Manhattan Bank, N.A., completes the sale of 543,550 shares of Penn Central from its pension trust accounts. (SEC)
- June 11, 1970 Terms for government guaranteed loan approved by 10-bank steering committee. (Patman)
- June 11, 1970 John T. Dorrance, Jr. and Thomas L. Perkins resign as Penn Central directors as they are also directors of creditor banks. (MB)
- June 12, 1970 First draft of government guaranteed loan completed. (Patman)
- June 12, 1970 Gubernatorial candidate Milton Shapp denounces the federal loan guarantee as a bailout of a corrupt institution and calls it “a preposterous insult to the people of Pennsylvania and the nation.” (PhlInq)
- June 12, 1970 Articles in *Wall Street Journal* note that Congressman Wright Patman, Chairman of the House Banking & Currency Committee and the Senate Commerce Committee are opposed to the Nixon Administration plan to support Penn Central through Dept. of Defense loans; Patman issues a statement that Penn Central may not be able to repay the loans should they be made, and notes the law requires an investigation by the Federal Reserve. (PhlInq)
- June 12, 1970 Continental Illinois National Bank & Trust Company's Trust Dept. issues a sell order and begins unloading its 300,000 shares of Penn Central stock held in discretionary accounts; Chase Manhattan sells an additional 90,700 shares. (SEC, Patman)
- June 12, 1970 Saunders's and Perlman's resignations from Penn Central Board take

effect; Perlman retires early to remove conflict of interest as he is also a bank director. (MB)

- June 12, 1970 Stuart T. Saunders and David C. Bevan resign from the Pennsylvania Company Board; Paul A. Gorman is elected Pres.; \$50 million credit arrangement with The Chemical Bank of Mar. 2, 1970 is extended to June 11, 1972; Pennsylvania Company Board orders the election of Pennsylvania Company officers to the Great Southwest Corporation Board. (MB)
- June 12, 1970 Chairman Paul Gorman reports that Pennsylvania Company has suspended the sale of its indirect holdings in Executive Jet Aviation, Inc., as the terms of the arrangement are different from those approved by the Pennsylvania Company. (Patman)
- June 12, 1970 Penn Central Board accepts resignations of directors Louis W. Cabot (eff. May 28), Thomas L. Perkins and John T. Dorrance, Jr. (eff. June 11) to remove and suspicion of conflict of interest regarding proposed \$200 million in new bank loans. (MB)
- June 12, 1970 A letter from former director Robert G. Odell is presented at the Penn Central Board meeting requesting a list of stockholders for the purpose of calling a special stockholders' meeting. (Patman)
- June 1970 Penn Central closes regional accounting offices in Buffalo and functions assumed by office in Philadelphia.
- June 1970 LIRR completes platform alterations at Flatbush Avenue Terminal, permitting post-1946 cars to operate between Jamaica and Brooklyn for the first time. (Keystone)
- June 15, 1970 Four days of meetings begin between the 10-bank steering committee, Penn Central, government and Federal Reserve officials. (Patman)
- June 15, 1970 Penn Central suspends negotiations on completing the sale of its investment in Executive Jet Aviation, Inc., to Sidney Zimet. (Patman)
- June 15, 1970 Sen. William Proxmire (1915-2005) attacks a government guaranteed loan to Penn Central. (NYT)
- June 15, 1970 Atlanta's Terminal Station closes, and Southern Railway trains begin stopping only at suburban Peachtree Station. (A-sheet)
- June 1970 Tropicana Products, Inc., begins running a 65-car unit train of refrigerator cars in special white livery for orange juice once every eight days between Bradenton, Fla., and Kearny, N.J. (AR)

- June 1970 MTA creates the Staten Island Rapid Transit Operating Authority to assume the passenger service from the B&O; modern subway cars are to replace the old BMT design of the 1920s. (MTA AR)
- June 16, 1970 ICC rules to delay C&O-N&W merger pending further studies on the traffic implications for Penn Central. (Rdg AR)
- June 16, 1970 Nixon Administration sends proposed bill to Congress granting railroads federal credits of up to 15 years when are unable to borrow on own credit. (NYT)
- June 16, 1970 S.H. Knox resigns as Penn Central director. (MB)
- June 17, 1970 Federal Reserve Bank of New York issues report on Penn Central; has grave doubts that the government could recover the \$225 million loan guarantee; predicts Penn Central could go bankrupt by Oct. 31, 1970 unless it receives over \$500 million; the report is not made public until after the bankruptcy. (Patman)
- June 17, 1970 Pres. Nixon calls on business and labor leaders to display "social responsibility" to curb inflation; will establish an "inflation alert" system but Nixon refuses to establish mandatory wage and price guidelines called for by the Democrats. (NYT)
- June 18, 1970 Rep. Patman publicly insists there be no loan guarantee to Penn Central until his committee conducts probe of the "deal"; summons leading bankers to testify.
- June 18, 1970 Penn Central Board accepts resignations of Perlman (eff. June 12), Bevan (eff. June 18), S.H. Knox (eff. June 16) and W.A. Marting (eff. June 18) as are also bank directors; done to remove conflict of interest over proposed \$200 million government guaranteed loan; Perlman was to have remained on Board until Nov. 30, 1970. (MB)
- June 18, 1970 Jonathan O'Herron promoted from VP-Finance to Executive VP in charge of Finance, replacing David Bevan; presents a revised loss projection for 1970 increased from \$56 million to \$168 million; announces have arranged temporary \$50 million loan, pending \$200 million "V-loan". (MB)
- June 1970 Old PRR Hawthorne Yard and engine terminal near Indianapolis razed.
- June 19, 1970 Nixon Administration withdraws offer of \$225 million government-guaranteed loan, including first \$50 million installment, because of opposition in Congress and inability to secure new legislation for aid to

railroads; announcement made at 5:00 PM after close of business day; representatives of banks were waiting in the Penn Central office in Philadelphia for call from Washington; with the announcement, rumors of impending bankruptcy spread. (NYT, Binzen, SEC, PhlInq)

- June 19, 1970 Federal Reserve Bank agrees to emergency lending to commercial banks to prevent impending Penn Central collapse from rippling through commercial paper market; in next month Federal Reserve loans \$2 billion to banks to help corporations pay off commercial paper. (SEC)
- June 19, 1970 Transportation Secretary John A. Volpe announces \$20 million grant to LIRR to cover two-thirds of the cost of 120 M-1 "Metropolitan" cars. (NYT)
- June 20, 1970 Last-minute meetings between Administration and Penn Central officials and Rep. Patman fails to change the latter's views on bailout of Penn Central.
- June 21, 1970 After a special Board meeting, Penn Central Transportation Company files for Chapter 77 bankruptcy at 5:35 PM; largest corporate bankruptcy up to that time. (MB)
- June 22, 1970 On first trading day after bankruptcy, price of Penn Central stock falls from 11-1/8 to 6-1/2, an all-time low; Federal Reserve Board holds emergency meeting and agrees to make emergency loans to banks and raise permissible interest limit on large CD's. (PhlInq,)
- June 22, 1870 Sen. Vance Hartke and Rep. Wright Patman promise a full government investigation of Penn Central. (PhlInq)
- June 22, 1970 Penn Central asks SEPTA for 20% fare increase.
- June 22, 1970 Otto N. Frenzel resigns as Penn Central director. (MB)
- June 22, 1970 Canadian National Railway adds a second *Turbo* round trip between Montreal and Toronto. (Moody's)
- June 23, 1970 Judge John P. Fullam (1917-1988) named to preside over Penn Central bankruptcy after being chosen by lot from among 13 U.S. District Court judges; however, other judges later say that he is chosen because at 51 he is the youngest and hardest of the judges, as the process is expected to be a long and difficult one. (Moody's, PhlInq)
- June 23, 1970 Responding to Penn Central bankruptcy, TWU calls for nationalization of railroads.

June 23, 1970 Penn Central asks for 20% fare increase on Philadelphia commuter lines.

June 23, 1970 R. George Rincliffe resigns as Penn Central director. (MB)

June 25, 1970 Certain banks which had loaned \$50 million to Pennsylvania Company earlier in the year and which is now due, offset it with \$4.8 million in Pennsylvania Company deposits, leaving \$45.2 million outstanding. (AR)

June 26, 1970 Extra weekend *Turboservice* restored through Oct. 18; No. 3004-3005 on Fridays and No. 3006-3007 on Sundays. (A-sheet)

June 26, 1970 Post Office Dept. discontinues remaining Buffalo-Cleveland-Chicago portion of ex-NYC New York & Chicago RPO, Pittsburgh & Chicago RPO via PRR, Pittsburgh & St. Louis RPO (No. 30-31); ends all RPO service on ex-NYC main lines. (Kay)

June 28, 1970 Sen. Clifford Case of New Jersey urges government to allocate \$5 million to overhaul "Metroliner" cars, starting with redesign and testing on five cars; at present 20 of 49 cars are out of service with electrical problems at any one time.

June 29, 1970 U.S. Supreme Court by 4-2 ruling agrees that liquidation value of New Haven is \$178 million vs. \$140.6 million set by ICC; notes additional proceedings will be necessary to determine the method of payment to the New Haven Estate; amount is never paid because of Penn Central bankruptcy. (Moody's,)

June 29, 1970 Judge Fullam orders issue of \$50 million in Trustee's certificates to raise capital; bars 10 banks from foreclosing on \$50 million in debts owed by railroad.

June 29, 1970 Westbound *Penn Texas* No. 3 and eastbound "*Spirit of St. Louis*" No. 30 make last runs; eastbound *Cincinnati Limited* combined with *The Penn Texas* east of Columbus. (A-sheet, tt)

June 30, 1970 New York-Washington sleeping car line, shortest in U.S., makes last run. (A-sheet)

June 30, 1970 Stockholders of Southwestern Oil & Refining Co. and Royal Petroleum Corp. demand Penn Central cancel the purchase contract and return their shares.

June 30, 1970 Rep. Wright Patman issues an interim report on the role of banks in the

- Penn Central collapse, charging use of insider information obtained through bankers who were members of Penn Central Board; Patman issues the results of his investigations in installments to maximize their political impact and make headlines. (Patman, NYT)
- June 30, 1970 Fred Harvey Systems closes station restaurant in St. Louis Union Station for lack of traffic.
- June 30, 1970 America's Sound Transportation Review Organization (ASTRO), established by ARR in 1969 to review federal transportation policy, makes first report; calls for use of 10% of Highway Trust Fund for grade crossing elimination, \$400 million a year in federal aid for track and terminal improvements; loan guarantees and tax credits for equipment modernization; federal loans to weak roads; and federally-funded corporation to own a freight car pool. (Rept)
- July 1, 1970 H. Porter Morgan named Assistant VP-Freight Services, replacing William G. Dorwart, retired aft 44 years; James A. Angert named Purchasing Agent. (RyAge, MB)
- July 1, 1970 Penn Central announces that it will lay off 4,500 office workers, a 10% reduction, by the end of the year. (PhlInq)
- July 1, 1970 Budd Company sues to collect \$4 million due on 49 "Metroliner" cars sold to Lease Financing Corp.
- July 1, 1970 On evidence of General Olbert Lassiter's diversion of Executive Jet Aviation's funds to his own use, EJA counsel Bruce Sundlun gets a court order to vote Penn Central's EJA shares to fire Lassiter and two of his cronies; Sundlun is named President of EJA, and at midnight he seizes EJA's headquarters in Columbus, where he discovers further evidence of Lassiter's manipulations. (Patman)
- July 1, 1970 Pennsylvania Dept. of Transportation (PennDOT) formed to combine the Highway Dept. with responsibility for rail passenger service; the agency was to have managed the \$2 million appropriation for "Metroliner" type cars for Philadelphia-Harrisburg service, but the bankruptcy of Penn Central prevents it from contributing its \$2.5 million to the program; instead, PennDOT spends \$100,000 to upgrade Philadelphia-owned "Silverliners" Nos. 220-229 on condition they be confined to Philadelphia-Harrisburg service except in emergencies. (PTJ)
- July 1, 1970 Metropolitan Transportation Authority buys the portion of the Staten Island Rapid Transit Railway between St. George and Tottenville under an agreement with the B&O dated May 29, 1970; operated by Staten

- Island Rapid Transit Operating Authority. (Moody's)
- July 1, 1970 Norfolk & Western Railway and C&O/B&O cut off all further cash, credit and in-kind advances to CNJ.
- July 1, 1970 F.I. du Pont & Co. merges with Glore, Forgan, Wm. A. Staats, Inc., to form F.I. du Pont, Glore, Forgan & Co., the country's third largest brokerage house. (NYT)
- July 2, 1970 ICC announces it will conduct a full investigation of Penn Central.
- July 3, 1970 Penn Central reapplies to New York PSC for fare increases and zoned tickets on New Haven line. (NYT)
- July 3, 1970 David Bevan sells his last 8,146 shares of Penn Central. (SEC)
- July 3, 1970 Penn Central Employee Mutual Savings Association, an employee credit union, notifies its 22,000 members that it is barring further immediate withdrawals on less than 30 days notice, new deposits and loans because of heavy withdrawals in the wake of the bankruptcy; if withdrawals continue at the present rate, they will break the bank. (PhlInq)
- July 4, 1970 Philadelphia submits a report to US DOT citing projected beneficial effects of the Center City Commuter Connection, including tripling of commuter traffic, in bid for \$2.8 million federal grant for engineering studies; cost of project now placed at \$87 million. (NYT)
- July 4, 1970 Race riots rock the west side of Asbury Park, N.J.; the 100-year old resort goes into a tailspin as vacationers, especially day-trippers who came by train, shun it for other beaches rendered accessible by automobiles and the Garden State Parkway. (NYT)
- July 4, 1970 Harold S. Vanderbilt (1884-1970), last Vanderbilt director of the NYC and inventor of contract bridge, dies at Newport, R.I. (Trager)
- July 6, 1970 First National City Bank petitions court to take title to all the stock of the Pennsylvania Company, which is pledged as collateral to a consortium of banks for a \$300 million loan made in Apr. 1969, placed in trust for the consortium. (PhlInq)
- July 7, 1970 New Haven Trustees petition court to have New Haven's claim for payment made a first lien ahead of claims of Penn Central bondholders. (NYT)
- July 7, 1970 Penn Central extends "Glamour Route" Ladies' Day service to

- Philadelphia-Washington through Labor Day. (PR)
- July 7, 1970 Pittsburgh, Fort Wayne & Chicago Railway Company (PFW&C) ends dividend payments upon failure of Penn Central. (PR)
- July 7, 1970 Daniel E. Taylor resigns as Penn Central director. (MB)
- July 8, 1970 Judge Fullam denies the petition of the bank consortium led by First National City Bank to seize all Pennsylvania Company stock; orders a freeze on transfer of any assets from Pennsylvania Company to Penn Central Transportation Company, or paying dividends on common stock held by PCTC. (NYT)
- July 8, 1970 United New Jersey Railroad & Canal Company ends dividend payments because of failure of Penn Central. (PR)
- July 9, 1970 Penn Central Transportation Company Board holds its last meeting; authorizes additional \$2.24 million stock of PW&B and \$1.46 million stock of United New Jersey to pay for Northeast Corridor upgrade. (MB)
- July 9, 1970 Beech Creek Railroad, New York & Harlem, and Philadelphia & Trenton end dividend payments because of failure of Penn Central. (PR)
- July 10, 1970 Assistant VP-Pricing George R. Wallace named VP-Coal & Ore Traffic; James E. Musslewhite named Assistant VP-Pricing. (date of press release)
- July 11, 1970 Last run of 10-6 Saturday sleeper between New York and Boston on *The Federal*. (A-sheet)
- July 14, 1974 Congress reveals that certain officers have sold all or part of their Penn Central stock before the bankruptcy. (PhlInq)
- July 14, 1974 Northern Central Railway ends dividend payments because of failure of Penn Central. (PR)
- July 1970 LIRR acquires two Erie Lackawanna observation lounge cars, formerly used on the *Phoebe Snow*, for East End parlor car service; renamed *Aquebogue* and *Asharoken*. (Wayner)
- July 1970 Penn Central acquires four Chicago & Eastern Illinois main line coaches for commuter service. (Wayner)
- July 16, 1970 Congressman Patman orders House Banking & Currency Committee

staff to conduct a full investigation of the Penn Central collapse with emphasis on the role of the banks and other financial institutions. (Patman)

- July 16, 1970 Consumer advocate Ralph Nader (1934-), Anthony Haswell and others meet in Philadelphia and ask Judge Fullam to appoint one trustee to represent the interests of consumers. (PhlInq)
- July 17, 1970 A N.J. PUC official notes that testimony on hearings on the “Jersey Arrow” MU cars, which have been going on for three months, should conclude in Aug.; the first 35 cars were purchased by the State of New Jersey from the St. Louis Car Company and leased to Penn Central without cost in return for maintaining and improved service; since late 1969 the cars have suffered 5 battery fires that have destroyed 2 cars; the state charges Penn Central with inadequate maintenance; if found unsafe, Penn Central will lose an additional 45 cars on order for the NY&LB and 520 other cars for the CNJ and Erie Lackawanna. (PhlInq)
- July 19, 1970 Philadelphia 1976 Bicentennial Corporation tells the press that if the Penn Central Trustees can’t negotiate for air rights at 30th Street Station, they will go elsewhere. (PhlInq)
- July 21, 1970 Former Chairman Stuart T. Saunders testifies before the House subcommittee; Rep. Daniel Kuykendall of Tennessee calls his testimony “double talk”; Saunders says he took a paper loss of \$4 million and an out of pocket loss of \$275,000 on Penn Central, more than any other officer. (PhlInq)
- July 21, 1970 Penn Central tells the ICC that it may run out of cash unless it is forced to continue operation of 24 of its 34 east-west trains. (PhlInq)
- July 21, 1970 Washington-Asheville sleeper on *The Piedmont* makes last run; remnant of former *Asheville Special* (No. 15-16) rerouted from Greensboro-Winston-Salem to tri-weekly coach train between Salisbury and Asheville starting July 22. (A-sheet)
- July 21, 1970 American Contract Company, prompted by concern of the Berliner Bank for the security of its loan after the Penn Central bankruptcy, demands that First Financial Trust account for its \$4 million supposedly deposited in Liechtenstein. (Patman)
- July 22, 1970 U.S. District Court Judge John P. Fullam of Philadelphia appoints four trustees for Penn Central Transportation Company: Jervis Langdon, Jr. (1905-2004), ex-CEO of Rock Island; W. Willard Wirtz (1912-2010), ex-Secretary of Labor; George Pierce Baker (1903-1995), Dean of the Harvard Business School; and Richard C. Bond (1927-), retired head

of Wanamakers; Langdon, who has made a reputation as a fixer of sick railroads on the B&O and Rock Island, becomes the leader of the Trustees and the one who oversees actual operations; Langdon commutes from his home in Baltimore; other persons under consideration include former Secretary of Defense Robert S. McNamara, former Mayor Joseph S. Clark, former Gov. William W. Scranton (1917-), William T. Coleman, Thomas M. Goodfellow and C. Douglas Dillon; Trustees are to develop a reorganization plan by Sep. 21, 1971. (Moody's, PhlInq)

- July 22, 1970 Penn Central stockholder L.W. Goodkind sues company, officers and directors for failing to disclose condition of company to stockholders; charges nine officers and directors sold \$1.7 million in stock since Jan. 1969.
- July 22, 1970 Penn Central's President's Task Force makes report on chaotic conditions at field offices; notes that Central Region, which is largely ex-PRR with little changeover in staff, is still functioning reasonably well, while Western Region has broken down through merging ex-PRR and ex-NYC terminals.
- July 22, 1970 Joseph H. Rosenbaum instructs Peter Marxer to inform the American Contract Company that its \$4 million deposit with the First Financial Trust in Liechtenstein is offset by amounts owed by Penn Central to other parties. (Patman)
- July 22, 1970 SEPTA appoints William R. Eaton, 47, an executive of the General Electric Company, replacing David M. Phillips, who has been acting General Manager since the takeover of the Philadelphia Transportation Company in 1968. (PhlInq)
- July 23, 1970 Penn Central Trustees hold their first meeting. (PhlInq)
- July 23, 1970 Gen. Olbert F. Lassiter attempts to evict Bruce Sundlun from control of Executive Jet Aviation's headquarters using armed guards, but fails. (Patman)
- July 23, 1970 Penn Central stockholders R. and M. Ullman sue company, officers and directors for violating securities laws for paying big dividends during company's collapse. (PhlInq)
- July 23, 1970 Mayer S. Reich of Cherry Hill, N.J., who owns one share of the Penn Central Company, sues in U.S. District Court to have the profits made by Howard Butcher III, the University of Pennsylvania and others who sold their stocks before the bankruptcy divided among the other stockholders. (PhlInq)

- July 24, 1970 Penn Central signs an amended Northeast Corridor Demonstration Project contract with the U.S. DOT reducing the government payments from \$11.2 million to \$10.7 million in light of the fewer trains to be operated. (WatsonPapers)
- July 24, 1970 Lehigh Valley Railroad enters Chapter 77 bankruptcy, having been deprived of cash advances from Penn Central; also comes under supervision of Judge Fullam. (Moody's)
- July 25, 1970 Last run of 14-4 Saturday sleeper between Boston and Washington on *The Federal*. (A-sheet)
- July 27, 1970 Third rail fire in Park Avenue tunnel delays 25,000 commuters; 1,000 trapped in tunnel for 45 minutes with thick smoke and sparks. (NYT)
- July 27, 1970 Post Office Dept. discontinues Washington & Charlotte RPO and Washington & Florence RPO, ending RPO service on the Southern Railway and Atlantic Coast Line respectively. (Kay)
- July 28, 1970 CNJ petitions ICC for inclusion in C&O/B&O; causes B&O and Western Maryland Railway to end coordination studies. (Trains)
- July 29, 1970 Former Penn Central Pres. Al Perlman testifies before the Senate Commerce Subcommittee; calls the merger "less of a merger than a takeover" of the NYC by the PRR; denies Stuart T. Saunders's testimony that he, Perlman, had complete authority to run things; says that the ex-PRR officers were more interested in real estate deals than in the railroad's profitability; notes that all his experience has been on railroads in financial trouble, while Saunders's was in those that made money; blames the generally poor state of the industry on "overregulation" by the ICC. (PhlInq)
- July 29, 1970 Robert W. Blanchette (1932-2001), formerly counsel to the New Haven Trustees, named Counsel for Penn Central Trustees; E. Clayton Gengras resigns as director. (PhlInq)
- July 29, 1970 U.S. District Court Judge Thomas M. Clary freezes the \$16 million in assets of the Penn Central Employees Mutual Savings Association, which has 22,000 depositors. (PhlInq)
- July 30, 1971 CNJ files reorganization plan. (Moody's - verify date)
- July 31, 1970 Cleveland & Pittsburgh, Cleveland, Cincinnati, Chicago & St. Louis, Michigan Central, and Canada Southern end dividend payments because of failure of Penn Central. (PR)

Summer 1970 N.J. DOT places 27 ex-Santa Fe cars in service on PRR trains of NY&LB. (MrkrLmp, Dereco AR says 26 cars?)

Aug. 1, 1970 AAR rules that no rolling stock over 50 years of age will be accepted in interchange service. (Trains)

Aug. 2, 1970 Last trip of Norfolk & Western Railway portion of the former *Pelican* Nos. 11-12 between Lynchburg and Bristol. (A-sheet)

Aug. 3, 1970 Three commuter trains trapped in Park Avenue tunnel by third rail fire. (NYT)

Aug. 4, 1970 United States Steel Corporation announces it will raise tin mill prices 11.8%. (AmrcnDcda)

Aug. 5, 1970 Penn Central announces first through piggyback rates with Canadian National and Canadian Pacific via Buffalo. (PR)

Aug. 5, 1970 Judge Fullam orders nine banks to restore \$4.5 million of Penn Central deposits they have seized to offset Penn Central's debts to them.

Aug. 5, 1970 Great Southwest Corporation announces a \$3.5 million loss for the first half of 1970, versus \$20.7 million profit in the first half of 1969, realized in part by \$17.5 million from sale of Six Flags theme parks.

Aug. 6, 1970 Penn Central Company announces a second-quarter consolidated loss of \$105.9 million vs. a \$21.9 million profit for the same quarter in 1969, including \$50 million write-off of Lehigh Valley and Executive Jet Aviation. (PR, NYT)

Aug. 6, 1970 David Bevan appears before the Senate Commerce Subcommittee, where he reads a 24-page statement defending the diversification program as providing the cash and credits to offset the railroad's losses; Bevan is chided by Sen. Vance Hartke (1919-2003) of Indiana for blaming everyone but himself; Hartke dwells on the Executive Jet Aviation episode; Bevan says he has a "completely clear conscience" over selling his Penn Central stock before the crash. (NYT, Patman Rept)

Aug. 6, 1970 Penn Central staff recommends that the Trustees approve the revised Northeast Corridor Demonstration Project agreement in the hope of beginning the test period on Aug. 24; project a net gain to Penn Central of \$16.9 million over three years. (WatsonPapers)

Aug. 6, 1970 ICC makes 6% interim rate rise granted in Nov. 1969 permanent.

- Aug. 7, 1970 Paul Gorman announces he will resign as Penn Central Chairman, President & CEO.
- Aug. 7, 1970 *Turboservice* extended from Back Bay to South Station, Boston; second round trip of *Turboservice* Nos. 3014-3015 added on Saturdays and Sundays, between New York and Boston. (A-sheet)
- Aug. 9, 1970 Through cars restored between New York and Springfield after numerous complaints.
- Aug. 9, 1970 Short circuit fire in an FL-9 sends clouds of smoke into Grand Central and forces evacuation of Biltmore Hotel lobby. (NYT)
- Aug. 10, 1970 Pittsburgh, Youngstown & Ashtabula Railway ends dividend payments because of failure of Penn Central. (PR)
- Aug. 11, 1970 Paul Gorman resigns as President, Chairman & CEO of Penn Central Company and Penn Central Transportation Company.
- Aug. 11, 1970 ICC orders Penn Central to continue 24 of 34 trains west of Harrisburg and Albany.
- Aug. 11, 1970 Last run of Southern Railway's *Birmingham Special* Nos. 7-8 in the state of Tennessee; cut to Washington-Bristol and Valley Head, Ala.,- Birmingham sections. (A-sheet)
- Aug. 11, 1970 New York PSC again bars fare increase on New Haven line, citing some increases of 100%; was to have been implemented Sep. 1. (NYT)
- Aug. 12, 1970 Penn Central Trustees appoint William Harreld Moore (1916-1992), now VP-Operations of Southern Railway, as Pres. and CEO pending approval by Judge Fullam; office of Chairman abolished. (PR)
- Aug. 12, 1970 In response to the Penn Central bankruptcy, PRSL reduces the number of directors from 13 to 5, 3 from PC and 2 from the Reading. (MB)
- Aug. 13, 1970 In a speech to the Rotary Club of Houston, John W. Barriger III calls for merger of all U.S. railroads into from 2 to 10 systems; says, "Penn Central constitutes no disproof of the efficacy of consolidation; it was a Civil War, not a merger." (Trains)
- Aug. 1970 Penn Central acquires four Rock Island main line coaches for commuter service; only one is rebuilt with additional seating. (Wayner)
- Aug. 15, 1970 Savarin Cafeteria in Washington Union Station closes. (A-sheet)

Aug. 1970 N.J. DOT places first 6 locomotives and 20 cars of order of 23 locomotives and 105 cars to reequip Erie Lackawanna Railway diesel lines. (AR, MrkrLmp - cars start in Aug, locos in Oct?)

Aug. 1970 Reading discontinues tugs and car floats at Philadelphia-Camden. (StmbtBlI)

Aug. 17, 1970 Eastern and western railroads agree to seek 15% rate increase, largest in about 50 years, from ICC.

Aug. 17, 1970 Pres. Nixon reluctantly signs a bill extending the Defense Production Act; the House has inserted provisions giving Pres. Nixon the authority to impose wage and price controls, knowing he is opposed to them. (NYT, Samuelson)

Aug. 20, 1970 Penn Central Company (holding company) reveals that it does not have enough money to pay off the \$59 million loan coming due next year. (PhlInq)

Aug. 20, 1970 Penphil Company stockholders hold special meeting and vote to liquidate. (Patman)

Aug. 21, 1970 Penn Central opens piggyback yard for refrigerated meat trailers at Weehawken. (PR)

Aug. 24, 1970 Seventh "Metroliner" round trip Nos. 112-113 placed in service in order to begin the formal two-year demonstration project on a revised basis; Penn Central is still unable to predict when they can have enough cars working to operate the 9 round trips required by the original demonstration project. (A-sheet, WatsonPapers)

Aug. 24, 1970 David C. Bevan resigns as Pres., VP or director of Cleveland & Pittsburgh Railroad, PFW&C and other subsidiaries. (MB)

Aug. 25, 1970 Penn Central Company elects Gaylord P. Harwell (1903-1982), Pres. of the University of Pennsylvania, as Pres., effective Sep. 1; management of the holding company, which remains solvent, is separated from that of the railroad. (PhlInq)

Aug. 28, 1970 Penn Central Trustees ask Judge Fullam to defer paying \$45 million in state and local taxes. (PhlInq)

Aug. 28, 1970 "Metroliner" running three hours late rams rear end of New Jersey commuter train standing in Penn Station at 6:00 PM; 10 people hurt. (NYT)

- Aug. 29, 1970 Pres.-elect William H. Moore pledges improved freight service and willingness to hear customer complaints; favors use of "run-through" trains that bypass yards. (PR)
- Aug. 31, 1970 Lowest bid for 144 "Cosmopolitan" MU cars for New Haven lines comes in at \$61.9 million, \$25 million higher than budgeted; General Electric Company makes the winning bid, although it is not currently building heavy-rail passenger cars; Pullman-Standard bids \$68.5 million. (PhlInq)
- Aug. 31, 1970 Joseph H. Rosenbaum writes to Adolf Goop requesting a statement that the transfer of American Contract Company's \$4 million to Vileda Anstalt was legal under Liechtenstein law. (Patman)
- Sep. 1, 1970 William H. Moore, VP-Operations of Southern Railway, becomes President & CEO of Penn Central Transportation Company, replacing Paul Gorman, on a five-year, \$165,000 a year contract; Gaylord P. Harnwell (1903-1982), Pres. of the University of Pennsylvania, becomes President, Chairman & CEO of Penn Central Company; Moore continues to live in Potomac, Md. and works out of a business car in Washington Union Station. (PhlInq, Trains)
- Sep. 1, 1970 Penn Central signs new contract with NJ DOT for \$650,000 in state funds for plant improvements over next six months.
- Sep. 1, 1970 Eastern and western railroads ask ICC for 15% rate increase; 8% on Sep. 15 and 7% on Nov. 1.
- Sep. 1, 1970 East-west non-commuter fares increased by 10%. (Cinders)
- Sep. 1, 1970 Philadelphia commuter fares increased by 20% or \$3-8.50 per month. (PhlInq)
- Sep. 1, 1970 Pennsylvania Democratic gubernatorial candidate Milton Shapp (1912-1994) files in U.S. District Court to block the Penn Central from discontinuing passenger trains west of Harrisburg. (PhlInq)
- Sep. 1, 1970 International Association of Railroad Employees, a union for African American employees excluded by the historic whites-only policies of the main brotherhoods, merged into the United Transportation Union. (utu.org)
- Sep. 2, 1970 ICC begins study of adequacy of freight rates.
- Sep. 4, 1970 Committee on Information Disclosure & Conflict of Interest and law

- firm of Skadden, Arps, Slate, Meagher & Flom submit report on the activities of the Penphil Company to the Penn Central Trustees; contains no recommendation for action. (Patman)
- Sep. 4, 1970 *Jersey Jet* placed in service between Jersey City and Chicago via the Alphabet Route as an all-piggyback train. (X2200Sou)
- Sep. 8, 1970 John B. Ransom, Moore's assistant on the Southern, named Assistant to President of Penn Central Transportation Company.
- Sep. 8, 1970 Penn Central announces a \$9.4 million equipment repair program at the Samuel Rea and Beech Grove Shops.
- Sep. 8, 1970 Last trip of New York-Atlanta sleeper on *The Southern Crescent*. (A-sheet)
- Sep. 9, 1970 Pres. William H. Moore announces he will buy 3,000-6,000 freight cars. (PhlInq)
- Sep. 10, 1970 MTA retains Parsons, Brinckerhoff, Quade & Douglas and Gibbs & Hill to make plans for high-speed LIRR line from Penn Station to Kennedy Airport via Rego Park and the old Ozone Park-Rockaway line.
- Sep. 11, 1970 Amended US DOT contract for Northeast Corridor service submitted to Penn Central and Judge Fullam for approval. (Watson)
- Sep. 11, 1970 With FRA approval, PRSL and PRR remove automatic block and automatic traffic control between Delair and Lindenwold; Delair-Haddonfield downgraded to "secondary" status; only one local freight train now operates over the line. (PRSL)
- Sep. 11, 1970 ICC denies reconsideration of Southern Divisions Case and orders new division to be effective Nov. 1.
- Sep. 11, 1970 United Parcel Service begins dedicated piggyback train between Jersey City and Chicago via Erie Lackawanna Railway after dissatisfaction with Penn Central's poor service.
- Sep. 12, 1970 Ross Rowland's High Iron Company runs 15-car steam excursion with ex-Nickel Plate 2-8-4 No. 759 between Harrisburg and Horseshoe Curve; second trip run on Sep. 13; Berkshire is able to climb the Eastern Slope without a helper, although slowed to 7 MPH around Horseshoe Curve. (Trains, Wood)
- Sep. 12, 1970 Trackside canteen serving free refreshments to troops moving by rail

- located in the former PRR station at Fort Wayne closes. (PennsyWest)
- Sep. 13, 1970 Coach reservations dropped on *James Whitcomb Riley*.
- Sep. 14, 1970 Penn Central gives all piggyback trains new "TV" (Trailvan) symbols., replacing "TT" or "SV." (PR)
- Sep. 15, 1970 Rep. Patman issues another statement offering evidence of additional insider trading in Penn Central and denouncing the company's diversification policies.
- Sep. 15, 1970 Speaking in Philadelphia, Secretary of Transportation John A. Volpe says Center City Commuter Connection is not dead, but \$100 million price tag is too high. (SEPTA)
- Sep. 15, 1970 United Auto Workers begin six-week strike against General Motors; loss to GNP of \$12 billion. (NYT)
- Sep. 1970 Edwin P. Rome (1915-1987), special counsel for the Penn Central Trustees, begins investigating the \$4 million missing in Liechtenstein; as an officer of the federal courts, Rome has broad powers of investigation. (Salsbury)
- Sep. 1970 Altoona Shops rebuilds 24 "dead" MP54 MU cars into 3 push-pull trains to be powered by a GG1 for New York-Trenton and New York-South Amboy rush hour service because of shortage of serviceable equipment, including delays in receiving "Jersey Arrow" cars and the need to move live MP54's to Philadelphia service; although tested in push-pull mode, it is operated in revenue service by running the locomotive around because of concern over the structural integrity of the old cars; an MP54 in the center of the train has its pantograph raised to provide lights and heat; cars are worn out and prone to mechanical and electrical failures, bringing complaints from commuters; two similar trains are later made from old surplus New Haven heavyweight MU cars. (KystnChrncs, Cinders, Watson)
- Sep. 1970 At request of Penn Central, ICC defers any action on C&O-N&W merger until Jan. 15, 1971. (Bias)
- Sep. 16, 1970 In first reorganization move, Pres. Moore appoints VP-Transportation Edward L. Claypole VP-Operations-East with supervision of Northeastern, Eastern and Central Regions; VP-Metropolitan Region Edward P. Frasher named VP-Operations-West with supervision of Northern, Western and Southern Regions; both report to Executive VP-Operations Robert G. Flannery; Assistant VP-Transportation Richard B. Hasselman named VP-Transportation; E. Robert Adams named VP-

Metropolitan Region.

- Sep. 17, 1970 Judge Fullam approves the amended contract with U.S. DOT covering “Metroliner” service. (Watson)
- Sep. 18, 1970 Edwin P. Rome meets with David Bevan and his lawyer about the Liechtenstein affair; Bevan claims the money belongs to Penn Central and should be returned. (Salsbury)
- Sep. 18, 1970 U.S. DOT announces it will give Penn Central \$4.6 million as the first payment on the “Metroliner” project. (PhlInq)
- Sep. 20, 1970 Milton J. Shapp, Democratic candidate for Governor of Pennsylvania and longtime Penn Central critic leaves Harrisburg on an 800-mile whistle stop campaign; Shapp names his train the *Penn Central Lamented* and uses its shoddy condition to vilify the Penn Central.
- Sep. 20, 1970 Keystone Shortway (I-80) officially dedicated at Milesburg, Pa, after being completed between Stroudsburg and Sharon, Pa., on Aug. 29; creates shorter, toll-free truck route between New York and the Midwest that is cheaper and more direct than the Pennsylvania Turnpike or New York Thruway. (NYT)
- Sep. 21, 1970 Penn Central reroutes all New York-Boston trains except *Turboservice* from Grand Central Terminal to Penn Station because of MTA and Conn. DOT taking over operation of the Metropolitan Region; new zoned system of stops and fares replaces old local schedules on ex-New Haven lines, causing confusion among commuters. (A-sheet, NYT)
- Sep. 21, 1970 Penn Central notifies the U.S. DOT that it is ready to begin the formal “Metroliner” Demonstration Project within 60 days. (Watson)
- Sep. 21, 1970 Reading Company petitions for inclusion with the Western Maryland Railway in the C&O-B&O. (AR)
- Sep. 22, 1970 Kirby family of Alleghany Corporation sells its 390,130 shares of Penn Central. (SEC)
- Sep. 22, 1970 ICC permits Penn Central to discontinue 14 long distance passenger trains, including the *The Manhattan Limited*, immediately but must continue *The Broadway Limited* and *The Pennsylvania Limited* for six months; may also discontinue Nos. 63-54 between Buffalo and Chicago effective Oct. 1, leaving one other train to Chicago on the ex-NYC route; federal judge in Pittsburgh then stays order, and all trains continue until Amtrak. (PR, Sanders, PhlInq - decision published 9/30)

- Sep. 22, 1970 Penn Central Trustees petition Judge Fullam for \$4.4 million for 144 new MU cars for Philadelphia service; the state is to provide \$11.5 million. (PhlInq)
- Sep. 22, 1970 All the old directors of the Pennsylvania Company resign; number of directors is cut from 10 to 3, Samuel H. Hellenbrand, Jonathan O'Herron and Bayard H. Roberts. (MB)
- Sep. 23, 1970 Penn Central begins running Wednesday "Glamour Route" excursions from Philadelphia to New York on the "Metroliner" at a 25% discount through Nov. 11. (PR)
- Sep. 23, 1970 Penn Central Trustees ask Judge Fullam for permission to sell the New Haven main line between Woodlawn Jct. and Port Chester to New York's MTA and to lease the suburban service in Connecticut to the Connecticut Dept. of Transportation. (PhlInq)
- Sep. 23, 1970 Another third rail fire in Park Avenue tunnel halts morning rush for 30 minutes. (NYT)
- Sep. 23, 1970 Samuel H. Hellenbrand (1916-) named Pres. of Pennsylvania Company; John McArthur of the Harvard Business School is elected a fourth director; the company passes its quarterly dividend. (MB).
- Sep. 29, 1970 Penn Central inaugurates "History Trail" for Ladies' Day runs between Philadelphia and Washington through Dec. 16 at 50% under regular coach fare; features lectures on local history and museums, plus bingo games and door prizes; operates to Washington on Tuesdays and Philadelphia on Wednesdays. (NYT)
- Sep. 29, 1970 Penn Central announces "Metroliners" will offer reduced fares on weekends and off-peak hours. (PR)
- Sep. 30, 1970 Executive VP-Operations R. G. Flannery sends Pres. William H. Moore a comprehensive memo on the history of the "Metroliner" project and its many problems; notes that the Budd Company has spent \$10.5 million in excess of the selling price to refine the equipment; blames most of the problems on pressure from the Johnson Administration to have the project in operation before the 1968 elections; notes that passenger loads on the Northeast Corridor have increased 48% in 1969, but the cars are still plagued by problems, with the number of cars out of service ranging from 33% to 45%. (WatsonPapers)
- Sep. 30, 1970 Last day of local Canadian service on Nos. 14, 17, 52 & 351 on Canada Southern line; Penn Central had sought to discontinue operation

entirely but settles for running non-stop between Buffalo and Detroit. (A-sheet, Shappell)

- Sep. 30, 1970 ICC denies Penn Central petition to discontinue 34 long-distance passenger trains on day before cuts were to have been made; permits discontinuance of 14 trains, including *Manhattan Limited* and last service between Baltimore and Harrisburg, Columbus and Cincinnati, and Cleveland and Indianapolis; orders 20 trains continued until at least Mar, 22, 1971, including *Broadway Limited*, "*Spirit of St. Louis*", *Pennsylvania Limited*, and *The Duquesne*; Federal court issues injunction against implementing ICC decision to discontinue 14 of 34 long-distance trains; trains continue to run until implementation of Railpax (Amtrak).
- Oct. 1, 1970 Penn Central and the U.S. DOT begin the official two-year "Metroliner" demonstration project; delayed by mechanical and electrical difficulties; plans to introduce hostesses, better station lounges and other improvements on an experimental basis. (WatsonPapers,)
- Oct. 1, 1970 Eastbound *Penn Texas* No. 4 renamed "*Spirit of St. Louis*". (A-sheet)
- Oct. 1, 1970 Penn Central files in the federal courts to set aside the injunction that blocks the discontinuance of 14 long-distance passenger trains. (PhlInq)
- Oct. 1, 1970 New Penn Central organization to reduce number of VP's from 35 to 11, eliminating entire an management level of Executive and Senior VP's; all VP's will now report directly to the President; all VP & General Managers of Regions downgraded to General Managers; Basil Cole named VP-Legal Administration; A. Paul Funkhouser named VP-Public Affairs; Malcolm P. Richards named VP-Purchases & Materials; J.J. Maher named VP-Labor Relations; F.L. Kattau named VP-Personnel; William A. Lashley named VP-Public Relations; Senior VP-Legal & Governmental Affairs R.W. Minor leaves to join a private law firm; VP-Operating Administration George C. Vaughn takes early retirement.
- Oct. 1, 1970 New organization of Operating Dept.; Robert G. Flannery named VP-Operation; supervises Assistant VP-Operation-East Edward L. Claypole (1924-2011) ; Assistant VP-Operation-West E.P. Frasher; Assistant VP-Operation-Staff R.B. Hasselman; Assistant VP-Operating Administration H.C. Kohout; Assistant VP-Passenger Operation R.D. Timpany; Assistant VP-Mail & TrailVan Services W.F. Kirk; and Assistant VP-Research J.J. Wright.
- Oct. 1, 1970 New organization of Sales & Marketing Dept.; Edward G. Kreyling

named VP-Sales & Marketing; supervises Assistant VP-Freight Sales J.G. Patten; Assistant VP-Marketing J.R. Sullivan; Assistant VP-Coal & Ore G.R. Wallace; as well as Directors of Industrial Development V.J. Floyd and O.W. Pongrace.

- Oct. 1, 1970 New organization in Finance Dept.; VP-Finance Jonathan O'Herron supervises Assistant VP's Robert W. Loder, A.V. Martinelli and Robert Haslett, plus Treasurer John H. Shaffer, Controller Charles S. Hill and Director-Insurance G.A. Royce. (PR)
- Oct. 1, 1970 New organization in executive staff; James A. McDonald named VP-Staff to oversee passenger subsidies and abandonment of branch lines; supervises Assistant VP-Systems Development J.M. Ostrow; Assistant VP-Planning Coordination A.M. Schofield; and Director-Cost & Profit Analysis V.A. Cano.
- Oct. 1, 1970 Pres. William H. Moore, on tour of Penn Central facilities in 15 cities, notes "bad facilities outnumber good" but can get the company "back on its feet". (NYT)
- Oct. 1, 1970 U.S. DOT three-year Northeast Corridor Demonstration Project officially begins; federally-sponsored service includes all "Metroliners" and intercity conventional trains. (Watson)
- Oct. 1, 1970 J. Earle Dermond resigns as Pres. of the Erie & Pittsburgh Railroad; the presidency remains vacant into 1971. (MB)
- Oct. 1, 1970 Canadian Transport Commission approves discontinuance of Penn Central passenger trains between Fort Erie and Windsor, Ont., over the old Canada Southern Railway main line. (Trains)
- Oct. 2, 1970 Canada Southern Railway resumes dividend payments.
- Oct. 2, 1970 Pres. Nixon establishes the Environmental Protection Agency. (AmrcnDcDs)
- Oct. 3, 1970 Penn Central and Rock Island establish piggyback train TV-10M for meat from Omaha to Weehawken running through in 46 hours. (PR)
- Oct. 5, 1970 Penphil Company directors rescind order for liquidation of company on the grounds of possible unfavorable publicity. (Patman)
- Oct. 5, 1970 First Financial Trust finally presents accounts to the American Contract Company showing 16.8 million Deutsche marks transferred to Vileda Anstalt and about DM 78,000 paid out in fees. (Patman)

- Oct. 6, 1970 MTA head William Ronan attends launching at Port Deposit, Md. of first of four sections of two-level 63rd Street tunnel under East River; upper level is to be for subway and lower for new LIRR line from Long Island City to an uptown east side terminal; sections are to be floated into place and set in trench in river bottom. (NYT)
- Oct. 7, 1970 U.S. House Commerce Committee approves its own version of the Railpax bill which increases the amount of grants and loans to \$340 million. (Edmonson)
- Oct. 12, 1970 At a campaign speech in Hartford, Pres. Nixon orders *Turboservice* runs to continue beyond original Oct. 22 termination date. (Trains)
- Oct. 12, 1970 Penn Central begins laying the *Broadway Limited* overnight at Chicago instead of Sunnyside Yard; henceforth No. 48 turns at New York as No. 49 on the same day; all equipment assigned is now capable of operating at 100 MPH; it is now mixed Tuscan red and Hunter green. (PassDept, Welsh)
- Oct. 12, 1970 Penn Central establishes train TV-9M from North Bergen to Englewood; eighth New York-Chicago TrailVan run. (NYT)
- Oct. 12, 1970 Industrial Valley Bank & Trust Company of Philadelphia announces it has agreed to acquire the assets of the Penn Central Employees Mutual Savings Association, on which payments have been suspended since July 2; depositors will receive 100% of savings with interest.
- Oct. 12, 1970 Two *Philadelphia Inquirer* reporters stage a race by "Metroliner" and air from the *Inquirer* office on North Broad Street to their Washington bureau at 14th & F Streets; total time by plane is 2:15 vs. 2:30 by train, and total fares including taxis are \$12.75 by train and \$28.75 by plane. (PhlInq)
- Oct. 13, 1970 Gov. Nelson Rockefeller presides over opening ceremony for extension of LIRR electrification from Mineola to Huntington on Port Jefferson Branch. (NYT)
- Oct. 14, 1970 Following the collapse of Penn Central, the House passes its more generous version of the Railpax bill, the Rail Passenger Service Act of 1970, by a voice vote, which is immediately confirmed by the Senate. (Sanders, Edmonson)
- Oct. 14, 1970 Planners unveil a model showing a proposed Bicentennial exhibition to be built over the Penn Coach Yard north of 30th Street Station. (PhlInq)
- Oct. 15, 1970 Victor Palmieri/Bruce Juell & Co. sign contract to manage Great

- Southwest Corporation for \$25,000 per month pending approval of final terms. (AR)
- Oct. 15, 1970 J. Hanford Sharp, President of Terminal Railroad Association of St. Louis, named to new post of Assistant VP-Yards & Terminals in Operating Dept.
- Oct. 15, 1970 Pennsylvania Company passes dividend on its preferred stock. (AR)
- Oct. 1970 Under ICC order, Penn Central exchanges its Wabash stock for 671,692 shares of Norfolk & Western Railway. (AR)
- Oct. 1970 Penn Central acquires first of 7 Frisco and 11 L&N main line coaches for conversion to commuter service.
- Oct. 1970 Under pressure from Penn Central Trustees, Great Southwest Corporation agrees to dispose of almost all of its California real estate and the Texas property owned by I. C. Deal Companies, Inc.; later agrees to retain certain holdings; eventually retains about 5,000 acres in Orange County. (AR)
- Oct. 16, 1970 Pullman and General Electric enter bids for 144 MU cars for SEPTA and __ for New Jersey DOT. (RyAge)
- Oct. 18, 1970 Dr. Muller, a Liechtenstein lawyer, calls on Edwin P. Rome in Philadelphia, where they meet with David Bevan and his lawyer and Joseph H. Rosenbaum; Muller reports that the money is still on deposit with First Financial Trust in Liechtenstein; Rome then telephones Dr. Peter Marxer in Liechtenstein requesting the immediate return of the \$4 million and threatening legal action; Marxer then becomes evasive and Rome demands a reply by next day. (Salsbury, Patman Rept)
- Oct. 19, 1970 Dr. Marxer cables Edwin P. Rome that there has been no breach of contract, that all actions were taken under instructions from a Penn Central attorney (Francis H. Rosenbaum), and that he is under no obligation to return the \$4 million. (Patman, Salsbury)
- Oct. 19, 1970 MTA begins regular electric revenue service to Huntington on LIRR's Port Jefferson Branch; elimination of "change at Jamaica" saves 15 minutes from most schedules. (NYT)
- Oct. 19, 1970 First run of tri-weekly New York-Los Angeles sleeper on *Southern Crescent* and *Sunset Limited*. (A-sheet)
- Oct. 20, 1970 Judge Fullam issues order relieving Penn Central of paying state and local property taxes, except for those on certain non-railroad properties

in New York City, which are to be paid directly by tenants in lieu of payments to the Trustees.

- Oct. 20, 1970 Edwin P. Rome cables Dr. Marxer demanding a full disclosure of what happened to the \$4 million, noting that he is the only bona fide Penn Central attorney and has already reported him to the Berliner Bank and will contact government authorities; David Bevan, Joseph H. Rosenbaum and their attorneys leave immediately for Liechtenstein. (Salsbury, Patman)
- Oct. 20, 1970 Date for discontinuing New London-Worcester local passenger service; given last-minute reprieve.
- Oct. 22, 1970 Victor H. Palmieri elected Pres. of Great Southwest Corporation after Pennsylvania Company ousts Angus Wynne; Palmieri (1929?-?) is a young California lawyer recruited by Goldman, Sachs & Co.; Palmieri and his partner Bruce Juell agree to take over management in return for option to buy 750,000 shares at market price of \$1.75; Palmieri also insists on a seat on the Pennsylvania Company Board, which proves essential in securing commitment to keep Great Southwest solvent.
- Oct. 22, 1970 Victor H. Palmieri and George K. Whitney are elected to the Pennsylvania Company Board, which is expanded to 6 members to accommodate them. (MB)
- Oct. 23, 1970 U.S. Supreme Court rules that Penn Central must continue to operate passenger trains over Canada Southern to maintain through service, even though U.S. has no jurisdiction over local service.
- Oct. 23, 1970 Four shop crafts unions shut down LIRR for 10 hours in surprise strike. (NYT)
- Oct. 24, 1970 Last run of through coach and sleeper between New York and Toronto; TH&B train Nos. 371-376 becomes a daylight round trip between Buffalo and Toronto. (A-sheet)
- Oct. 25, 1970 RDCs replace conventional passenger trains on new daylight schedule on Toronto, Hamilton & Buffalo between Buffalo and Toronto. (A-sheet, PTJ)
- Oct. 25, 1970 Penn Central reduces the number of smoking cars on all its commuter trains in line with the response to May's poll; 69.6% are non-smokers; number of smokers on 4-car trains from 2 to 1, to 2 smokers on trains of 6-8 cars, and 3 smokers on trains of 9-12 cars. (Phllnq)
- Oct. 26, 1970 Penn Central inaugurates TV-25/TV-26; piggyback train between

- Detroit and the East Coast; runs Detroit-Harrisburg in 19:30. (PR, Trains)
- Oct. 27, 1970 Penn Central signs contract with Metropolitan Transportation Authority and Connecticut Transportation Authority for states to assume operation of ex-New Haven commuter lines effective Jan. 1, 1971; still negotiating for Hudson and Harlem Lines.
- Oct. 27, 1970 According to his later testimony before a federal grand jury, Edwin P. Rome arrives in Liechtenstein and meets with Marxer, Goetz, their associates and attorneys, plus Bevan's attorney; Marxer produces all of his documents, and Rome discovers the true nature of the First Financial Trust and the fact that it is owned by the Rosenbaums; Rome concludes that Marxer and his legal associates had acted within the bounds set by Liechtenstein law; Goetz is unable to produce any evidence that anyone at Penn Central had recognized his claim against the company for 19 million Deutsche marks. (Salsbury)
- Oct. 28, 1970 Penn Central adopts "TrailVan" as name for piggyback service, replacing "TrucTrain" of PRR and "Super Van" of NYC; symbol freights changed to TV-. (see above - both from press release)
- Oct. 28, 1970 US DOT makes additional grant of \$11.6 million to New York and Connecticut for New Haven lines, permitting order for new cars.
- Oct. 29, 1970 After considerable conflict within the Administration between Nixon's domestic advisers and the DOT over whether to veto the National Rail Passenger Service Act, a conference between the two sides is held in the White House. (Edmonson)
- Oct. 29, 1970 MTA and CTA contract with GE for 144 M-2 "Cosmopolitan" MU cars.
- Oct. 29, 1970 U.S. District Court sets aside ICC award in Southern Divisions Case and remands to ICC a second time.
- Oct. 30, 1970 President Nixon signs National Rail Passenger Service Act of 1970 creating the National Railroad Passenger Corporation (Railpax), a mixed private-public corporation, to operate all intercity passenger train service on routes to be designated by the Secretary of Transportation; to begin operations May 1, 1971 and maintain service level until July 1, 1973; railroads are not allowed to discontinue any passenger trains until the new national network is in place; Section 403 (b) allows states to establish additional trains in return for picking up 67% (later 50%) of the loss; grants \$40 million for start-up costs and \$100 million in government-guaranteed loans for improvements; the common stock is

to be owned by the railroads that are transferring their passenger service at the rate of 50% their fully-distributed 1969 passenger deficits, most of which is paid in passenger equipment; Penn Central's assessment is \$52.38 million; of the 15 directors, 8 are appointed by the Pres. with the consent of the Senate, 3 by the railroad common stockholders, and 4 by the preferred stockholders.. (NYT, Amtk, Guide, Sanders, Moodys, Gallamore, Wilner, Zimmermann)

- Nov. 1, 1970 Ralph N. Cramer (ex-NYC) named Assistant VP-Freight Sales, replacing John G. Patten, retired.
- Nov. 1, 1970 William R. Gore and Raymond C. Lepley named Assistant Treasurers, replacing Benjamin F. Hinkle and Robert W. Loder. (MB)
- Nov. 1, 1970 In news conference, Rep. Patman issues the first part of his staff's report on Penn Central, charging that Bevan's diversification program contributed heavily to the collapse by draining \$175 million from the railroad, although this is insignificant compared to the operating losses from the railroad; the report is actually dated Nov. 2. (PhInq, Salsbury, Patman).
- Nov. 2, 1970 Last trip of Chesapeake & Ohio Railway mixed trains Nos. 303-310 to Hot Springs, ending passenger service to the Homestead resort hotel. (Cinders, A-sheet)
- Nov. 3, 1970 In the midterm elections, Republicans gain 3 seats in the Senate and lose 9 in the House instead of the overall gain Pres. Nixon was hoping for; Nixon attributes this to the rise in unemployment and changes his economic policies. (Samuelson)
- Nov. 3, 1970 Milton J. Shapp (1912-1994) elected Governor of Pennsylvania. (Sobel)
- Nov. 3, 1970 Four trains stall in Park Avenue tunnel during morning rush for 3½ hours after one train loses third rail shoe. (NYT)
- Nov. 4, 1970 Penn Central Company issues third quarter figures; consolidated loss is \$70.34 million vs. \$8.85 million in 1969 (); railroad grosses \$1.18 billion vs. \$1.03 billion in 1969, but deficit increases from \$49 million in 1969 to \$233.7 million in 1970. (Trains)
- Nov. 5, 1970 ICC clears way for 8% freight rate increase in East within about 15 days.
- Nov. 6, 1970 White House domestic affairs adviser John D. Ehrlichman tells DOT Secretary John Volpe that the Office of Management & Budget, headed

by Caspar Weinberger (-), and the White House Domestic Council must approve all Railpax routes and not to make any public announcements unless approved by the White House. (Edmonson, Zimmermann)

- Nov. 8, 1970 Coach-lounge car (and twin-unit diner?) dropped from *Broadway Limited*; 12 duplex-room-4DB sleeping cars in the *Creek* series withdrawn; all spaces are now either roomettes or double bedrooms; diner and 10-6 sleeping car on "*Spirit of St. Louis*" cut back to Indianapolis, leaving only double bedrooms west of Indianapolis. (A-sheet, Cinders)
- Nov. 8, 1970 ICC issues study of Penn Central's diversification; finds a total cash outlay of \$209 million and \$56.6 million cash returned, or about what it would have earned if loaned at regular interest. (Patman)
- Nov. 9, 1970 Presidential Emergency Board awards record 37% increase over three years to non-operating unions, but with major concessions to companies in matter of work rules; unions reject settlement and threaten strike.
- Nov. 9, 1970 US DOT promises that it will soon begin to correct electrical and mechanical problems on "Metroliners"; GE and Westinghouse will conduct own studies at cost of \$50,000 each.
- Nov. 9, 1970 Penn Central designates one full "Metroliner" coach per train and the first car of "Turbo-service" as no-smoking cars. (WatsonPapers)
- Nov. 9, 1970 Detroit Edison Company inaugurates a total unit coal train between the Consolidation Coal Company's Blacksville No. 1 and Blacksville No. 2 (on the Wana Branch) mines on the Waynesburg Southern Railroad and Detroit Edison's generating plant at Monroe, Mich.; whole train of aluminum 125-ton hoppers and SD-40's is owned by Detroit Edison. (PR)
- Nov. 1970 Judge Fullam approves a letter of intent for the MTA to purchase the portion of the New Haven Line between Woodlawn Jct. and Port Chester and for ConnDOT to lease the portion from the New York state line to New Haven; in return they will rehabilitate the line with new plant and equipment. (MTA AR)
- Nov. 1970 Former PRR presidential business car No. 120 *Pennsylvania* repainted in dark green as Penn Central No. 8. (Cinders)
- Nov. 1970 Economic downturn of 1969-1970 bottoms out; recovery begins lasting until 1973. (NBER)

- Nov. 1970 In a comment on the Penn Central's fallen status, a stripper at Philadelphia's Trocadero burlesque house performs under the name of "Penny Central." (Cinders)
- Nov. 19, 1970 Penn Central announces that it will concentrate data processing at Philadelphia, Pittsburgh and Detroit and eliminate at New Haven, Chicago and Indianapolis; starting Dec. 1, regional accounting officials will report to headquarters and not regional general managers. (PR)
- Nov. 19, 1970 Alfred W. Martinelli is elected to the Pennsylvania Company Board, replacing Bayard H. Roberts, resigned; Board considers the sale of Buckeye Pipe Line Company, Great Southwest Corporation and Arvida Corporation. (MB)
- Nov. 20, 1970 ICC grants eastern and western railroads an 8% temporary rate increase. (PCPost)
- Nov. 23, 1970 Penn Central Trustees inform Senate Commerce Committee hearings on a bill to offer \$750 million in loans to bankrupt railroads that there is a "reasonable prospect" of return to self-sustaining operation within three to five years if they can receive \$175 to \$250 million in public and private funds within next 36 months; announce that they will sell off most non-railroad holdings and abandon over 3,800 miles of line; project savings of \$17 million in maintenance and recover \$50.9 million in salvage of materials; Pres. Moore testifies that Trustees have recently failed to raise \$50 million in private money market.
- Nov. 23, 1970 Reading files reorganization plan. (Moody's)
- Nov. 24, 1970 Nixon Administration scales down proposed railroad loan guarantees from \$750 million to \$500 million; accepts further restrictions that should apply only to trustee's certificates of bankrupt railroads and only where service is endangered.
- Nov. 24, 1970 New Jersey Commuter Operating Agency grants Penn Central 25% fare increase on intrastate tickets. (NYT)
- Nov. 24, 1970 Railroads accept 37% wage increase proposed by Presidential Emergency Board in return for drastic changes in work rules.
- Nov. 25, 1970 Another locomotive fire in Park Avenue tunnel halts evening rush hour for 2 hours; 1,000 commuters evacuated from tunnel through emergency exits; 15 treated for smoke inhalation. (NYT)
- Nov. 25, 1970 Director of the Office of Management & Budget George P. Shultz (-) orders DOT Secretary John Volpe to announce a skeleton passenger

- system without routes Chicago-San Francisco, Chicago-Detroit, Chicago-St. Louis and Washington-Chicago. (Edmonson)
- Nov. 27, 1970 Penn Central Trustees disaffirm Perlman's salary, pension and consulting contract.
- Nov. 27, 1970 DOT Secretary Volpe refutes most of Shultz's arguments and recommending many routes left out by the Office of Management & Budget. (Edmonson)
- Nov. 28, 1970 In the last year of main line specials to Army-Navy Game, Penn Central operates three long-distance specials and one each using MU cars from Paoli and Trenton; hereafter Penn Central only operates specials to game from Philadelphia suburban points.
- Nov. 30, 1970 On the day of the deadline set by the National Rail Passenger Service Act of 1970, Secretary of Transportation John A. Volpe (1908-1994) announces the preliminary network of Railpax routes; all but one of the 21 routes radiate from either New York or Chicago; Volpe has restored Chicago-San Francisco, Chicago-Detroit, and Chicago-St. Louis service; on the same day, the ICC and the National Association of Railroad Passengers issue press releases proposing larger systems. (Amtk, Edmonson, NYT)
- Nov. 30, 1970 Penn Central drops New York-Washington parlor cars from Nos. 126, 130, 131, 154, 155 and 158. (A-sheet)
- Dec. 1, 1970 Penn Central de-regionalizes maintenance-of-way, maintenance of equipment, accounting, industrial engineering, personnel and labor relations, etc., leaving only transportation on a regional basis; simplified into six operating regions and 23 divisions; Regions are: Northeastern (New Haven), Eastern (Philadelphia), Central (Pittsburgh), Northern (Detroit), Southern (Indianapolis) and Western (Chicago). (PR)
- Dec. 1, 1970 Penn Central adopts General Electric's "Lexan" as standard window material in passenger cars, locomotives and cabin cars; is bulletproof, but early versions of "Lexan" become scratched and translucent with repeated washings, making it next to impossible for passengers to see where they are. (PhlInq)
- Dec. 1, 1970 Alfred E. Perlman becomes Pres. of Western Pacific Railroad; restores it to profitability in his first year; Robert G. Flannery submits his resignation as VP-Operations of Penn Central without advance notice effective Jan. 1, to follow Perlman to the Western Pacific, where Perlman creates the new post of Executive VP for him; Flannery

- succeeds Perlman on his retirement in 1972 and later becomes President of Union Pacific in the 1980s. (PCPost, PhInq, Trains)
- Dec. 1, 1970 VP & General Counsel Edward A. Kaier (1908-1981) takes early retirement to enter private practice. (MB)
- Dec. 1, 1970 New organization in Mechanical Dept.; General Mechanical Superintendent-Locomotives E. Thomas Harley named General Mechanical Superintendent-Research & Engineering Planning, replacing James J. Wright, who assumes Harley's old job; Ormond R. Pandy named Director-Equipment Engineering, replacing George R. Weaver, retired after 41 years service; under Harley, the Cleveland Technical Center is to concentrate entirely on railroad problems and research in nuclear physics and other areas is to be phased out.
- Dec. 1, 1970 Pres. Nixon appoints Railpax's 15-member Financial Advisory Board. (Edmonson)
- Dec. 4, 1970 Judge Fullam issues 90-day injunction against Providence & Worcester Railroad in its suit to become independent of Penn Central.
- Dec. 4, 1970 Government announces unemployment has risen to 5.8%;, the highest in seven and a half years; Nixon Administration ends contraction and lowers interest rates. (Matusow, NYT)
- Dec. 4, 1970 W.R. Divine appointed VP-Finance & Accounting, replacing Jonathan O'Herron, resigned to take a position with Lazard Freres & Co. (date of press rel.)
- Dec. 4, 1970 Red cap service at South Station, Boston, discontinued. (A-sheet)
- Dec. 4, 1970 Penn Central Park, Inc. Board authorizes sale of its entire interest in land in Penn Central Park for up to \$937,930; makes grant to PennDOT for right of way for Crosstown Boulevard. (MB)
- Dec. 6, 1970 New York-Washington parlor car cuts of Nov. 30 restored after protests. (A-sheet)
- Dec. 6, 1970 Auto-Train Corporation begins service between Lorton, Va., outside Washington, and Orlando, Fla. (Zimmermann - verify)
- Dec. 9, 1970 UTU, Clerks, MofW employees and hotel workers unions begin nationwide rail strike in defiance of the government; all PRR lines affected; LIRR continues to run except into Penn Station. (NYT)
- Dec. 9, 1970 Penn Central inaugurates TV-15/TV-16, new second-morning

piggyback train between Kalamazoo and East Coast. (PR)

- Dec. 9, 1970 Henry G. Allyn (1920-2006) named Chairman and CEO of P&LE, and all duplication of officers with Penn Central eliminated; PL&E then immediately writes off \$15.2 million claim against Penn Central for advances as a bad debt. (McLean)
- Dec. 9, 1970 Penphil Company stockholders meet in Philadelphia and agree not to dissolve the company and keep in business indefinitely; Thomas R. Bevan replaced as Pres. by Samuel Breene. (Patman)
- Dec. 10, 1970 Congress passes interim strike settlement awarding unions an immediate 13½% increase with continued bargaining to Mar. 1, 1971 deadline; clerks call off strike after 18 hours; Pres. Nixon criticizes Congress for imposing a settlement and notes its inflationary nature; increased cost to Penn Central of \$46.5 million in 1970 and \$136 million in 1971; means cash will be exhausted in Jan. 1971 instead of March. (NYT, Trains)
- Dec. 10, 1970 Senate subcommittee approves emergency legislation granting Penn Central \$100 million in loans; Sen. Vance Hartke of Indiana, a former critic, now states that loans are necessary to keep railroad operating in light of the wage increase.
- Dec. 11, 1970 Penn Central resumes full passenger service after strike. (Phllnq)
- Dec. 11, 1970 Jonathan O'Herron resigns from the Pennsylvania Company Board; Board approves the Real Estate Research Corporation's report on Arvida Corporation. (MB)
- Dec. 11, 1970 Seaboard Coast Line Railroad restores the *Florida Special* for a last season of private operation; features recreation car with bingo, movies, color television, mobile phone service, fashion shows and complimentary champagne. (Goolsby, Trains)
- Dec. 15, 1970 J.A. McDonald named Pres. of Toronto, Hamilton & Buffalo. (pres. rel.)
- Dec. 15, 1970 Penn Central Trustees inform House Subcommittee on Transportation & Aeronautics that must shut down within 30 to 45 days if do not receive \$100 million in emergency aid. (Trains,)
- Dec. 15, 1970 First tenants move into 10th & 11th floors of the North Tower of the World Trade Center. (Gillespie)
- Dec. 1970 Feasibility studies begin on a program to upgrade "Metroliners" for

- higher sustained running speeds. (Watson)
- Dec. 1970 Unemployment crests at 6%.
- Dec. 18, 1970 Judge Fullam grants the Penn Central Trustees an extension to Mar. 21, 1971 to file a reorganization plan. (PhlInq)
- Dec. 18, 1970 ICC denies eastern railroads' request for additional 7% rate increase.
- Dec. 18, 1970 Pres. Nixon appoints the 8 incorporators of the National Railroad Passenger Corporation: David W. Kendall of Chrysler Corporation, retired Gen. Frank S. Besson, Jr., former New York City transit commissioner John J. Gilhooley; former Eastern Air Lines Pres. Arthur D. Lewis, Illinois lawyer David E. Bradshaw, deputy Undersecretary of Transportation John P. Olsson, former Congresswoman May Bedall and UTU Pres. Charles Luna (1906-1992); after their confirmation by the Senate on Dec. 30, they engage management consultants McKinsey & Co. to design the organization and consulting engineers Louis T. Klauder & Associates to plan capital improvements. (Edmonson, Wilner)
- Dec. 20, 1970 House Banking & Currency Committee issues Part II of Patman Report dealing with Executive Jet Aviation, Inc.; Patman holds Bevan responsible for all of the problems with EJA; includes testimony that an EJA employee procured female companions for David Bevan, Charles J. Hodge, et al., during business flights. (Patman Rept., PhlBltn)
- Dec. 21, 1970 Through his lawyer, David Bevan denies all misconduct in relation to Executive Jet Aviation, Inc., blaming the false testimony of a disgruntled former employee. (PhlInq)
- Dec. 21, 1970 Penn Central installs central public address system at stations on Chestnut Hill and Paoli lines; operated from Suburban Station to give up-to-date information on delays, etc.
- Dec. 23, 1970 North tower of World Trade Center is topped out; at 110 stories is for a short time the world's tallest building, surpassing the Empire State Building. (NYT)
- Dec. 28, 1970 Transformer fire at Penn Station halts LIRR service west of Woodside during morning rush hour; 50,000 commuters delayed and 23,000 crowd onto subway at Woodside. (NYT)
- Dec. 28, 1970 Penn Central defaults on rent paid to the Delaware Railroad. (MB)
- Dec. 28, 1970 Greyhound Corporation completes the purchase of the remaining 14%

of Armour & Company; old Armour & Company is merged into Greyhound subsidiary 111 Corporation, which changes its name to Armour & Company; within 5 years Greyhound sells off \$225 million of Armour's \$355 million assets, including all of Baldwin-Lima-Hamilton Corporation, to pay down its acquisition debt; there is no bidder for BLH as a unit, so it is sold piece-meal; most of the Construction Equipment Division, formerly Lima-Hamilton Corporation and Austin-Western plant at Aurora, Ill., are sold to the Clark Equipment Company; Standard Steel Division is sold to Allegheny-Ludlam Industries, Inc., and later becomes a division of Freedom Forge Corporation; Greyhound CEO Gerald H. Trautman continues diversification efforts until stopped by rising interest rates in 1978; Armour's food operations provide Greyhound's main revenue stream until 1982. (Moody's, DirObsSec, Kirkland, Schisgall, Hirsimaki)

- Dec. 30, 1970 Congress passes Emergency Rail Services Act granting \$125 million in emergency loan guarantees to bankrupt railroads headed by Penn Central. (PhlInq)
- Dec. 30, 1970 Rep. Patman alerts ICC to falsification in Penn Central's 1969 annual report which shows the \$4 million missing in Liechtenstein as a cash deposit in the Berliner Bank. (Patman)
- Dec. 30, 1970 Penn Central unveils a new 40-foot bay window cabin car. (PhlInq)
- Dec. 31, 1970 Pres. Nixon signs National Air Quality Control Act; is to cut air pollution levels 90% by 1975. (AmrcnDcads)
- Dec. 31, 1970 Chicago's Railroad Transfer Service ceases operation; passengers must now take cabs or buses between terminals. (Trains)
- 1970 U.S. railroads post an average return on investment of only 1.77%, the worst since 1.62% in 1938. (Trains)
- 1970 Penn Central Transportation Company loses \$431.2 million or \$13.67 a second. (Trains)
- 1970 In first 10 months of 1970, vandals in New York City break 8,229 windows of Penn Central trains; New York City accounts for 18% of PC injuries to crews and patrons, 30% of all major obstructions placed on tracks, 15% of all tampering with switches and signals, and 9% of freight theft; 100 tons of debris dumped on PC property within the city. (Trains)
- 1970 Increase in inner city crime; stonings and mass lootings of Penn Central

trains in South Bronx and Roxbury.

- 1970 New Jersey's commuter rail subsidies are \$70 million for the year; up from only \$4.5 million in 1961; the program is funded by an Emergency Transportation Tax on New Yorkers working in N.J. (NJDOT)
- 1970? Altoona station razed for urban renewal development. (Trains - possibly 1971)
- 1970 Penn Central donates Mechanical Dept. photographs to the Altoona Area Public Library.
- 1970 Last Class DD1 electric locomotive retired to Railroad Museum of Pennsylvania; replaced on wire train by ex-NYC T-Motor.
- 1970 SEPTA rehabilitates its first 28 Penn Central MP54 MU cars.
- 1970 Headquarters of Northern Division moved from Buffalo to Williamsport. (prob. 12/1)
- 1970 LIRR completes high-level platforms at all stations in the electrified zone, as the new M-1 "Metropolitan" MU cars lack steps. (MTA AR)
- 1970 MTA drops the LIRR "Dashing Dan" herald in favor of its own "M." (MrkrLmp)
- 1970 MTA orders 80 M-1 "Metropolitan" MU cars for the Hudson and Harlem Lines. (MTA AR)
- 1970 TRAIN, nationwide car-tracing computer network, becomes operational. (AAR)
- late 1970/1971 Penn Central converts 22 old New Haven standard MU cars to regular coach service operated with GG1's to compensate for delays in receiving Jersey Arrows and need to move MP54's to Philadelphia service to cover shortages; project of M.E. Dept. over protests of NJDOT; operate one train to New Brunswick and one to Trenton; power for train light and heat taken from pantograph of power cars of which usually two per train; cars are worn out and prone to mechanical and electrical failures, bringing complaints from commuters.
- 1970 Glen Burn Colliery at Shamokin, once Cameron Colliery and a PRR property, closes after 134 years of operation, during which it produced 33,353,000 tons of anthracite coal; as one of the last working deep anthracite mines, it had offered summer tours since 1968.

(HistCameronColl)

- 1970 Yawata and Fuji Steel merge to form Nippon Kokan Kabushiki Kaisha (Nippon Steel), which takes the title of world's largest steel company, held by the United States Steel Corporation since 1901; U.S. Steel, once the first billion dollar corporation, is now only the 11th-largest U.S. company, with an asset value less than one-third of Standard Oil Company (.N.J.). (Warren)
- 1970 U.S. share of world steel production has fallen to 20.1%, down from a high of 54.1% in 1946. (Hoerr)