

DANVILLE FLYER

A PUBLICATION OF THE DANVILLE JUNCTION CHAPTER, NRHS

The **DANVILLE FLYER** is published monthly by the **DANVILLE JUNCTION CHAPTER** of the **NATIONAL RAILWAY HISTORICAL SOCIETY** for its members and other interested persons.

The **DANVILLE JUNCTION CHAPTER, NRHS**, is a not-for-profit corporation organized to preserve the history of railroading in Eastern Illinois and Western Indiana and operates a museum located in the former Chicago and Eastern Illinois Railroad depot on East Benton Street in Rossville, Illinois. The museum is open weekends from Memorial Day to Labor Day and features many railroad displays plus a large operating HO model railroad.

Membership in the Chapter is open to anyone having an interest in any aspect of railroading. Dues per year are \$12.00 for Chapter membership in addition to \$14.00 for NRHS membership. Meetings are held on the third (3rd) Thursday of each month (except July, August and December) at the Palmer American National Bank, corner of Vermilion and Main St., downtown Danville, Il. beginning at 7:30 PM Central Time.

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Our 27th Year

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SECRETARY: Doug Nipper

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Cooke Business Forms, Inc.

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Volume 27

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Number 9

COMING EVENTS

October 19, 1995

Monthly meeting beginning at 7:30 PM, Palmer American National Bank in downtown Danville.

October 21, 1995

Joliet, Illinois - GM&O HS Annual Railroadiana Show - Days Inn on frontage road at I-55, Route 52 exit. 10-4 PM

October 22, 1995

Kankakee Model Railroad Club Swap Meet - Greensfelder Recreation Complex, 550 Weidman Road 10-3 \$2 for adults.

October 27-31, 1995

Monticello Railway Museum - Ghost

Trains each night from 7-9:30 PM.

November 12, 1995

Bloomington, IL - Central Illinois Railroad Club Train Show - National Guard Armory, Rt.. Bus 51 south, 9-3 PM

November 12, 1995

Wheaton, IL - Great Midwest Train Show, DuPage Co. Fairgrounds 10-4

November 12, 1995

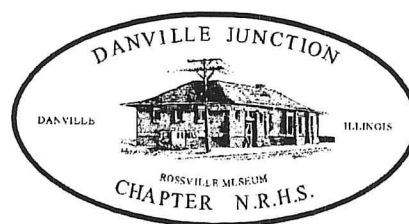
Tuscola, IL - Douglas County Model Railroaders Train Show - Tuscola Community Building, 10-4 1\$.

December 3, 1995

Danville, IL - Annual Chapter Christmas Dinner - Railroad decor Pizza Inn at the corner of Gilbert and Williams Street. We will meet from 1 to 5 PM and we will order from the menu. Program to be announced.

NEXT MEETING

The next meeting will be held on Thursday, October 19, at the Palmer American National Bank, corner of Vermilion and Main Street in down-



town Danville beginning at 7:30 PM. Enter at the east door and take the elevator to the second floor meeting room.

Discussion will include plans for work on the museum this fall. We need to finish the tuckpointing on the trackside of the building and sealing the brick. Some interior walls need work as well as painting. After Thanksgiving we will probably begin working on the layout. Some minor changes are planned but most of the work will be adding to the scenery.

The program will be announced at the meeting.

SHORT LINES

Wabash Caboose

On the 7th of October the Wabash Railroad Historical Society dedicated their caboose, number 2834. Our caboose, number 2824, was added to the train ahead of their caboose. Member Randy Rippey, also president of the WRHS, dedicated the caboose at the Monticello by breaking a bottle of champagne across the coupler. Randy is getting very good at this feat. However, he says this is his last restoration project (we've heard this before, Randy).

About 50 members and guests of the society rode the special train that crossed Route 105 and had a runby at the park on the west side of town. The museum was running their usual train for Depot Days and the special train was worked in between runs. Chapter members Doug Nipper and Rick Schroeder staffed the chapter's caboose. Members Dave and Carol Lieder from the Chicago area rode the caboose for the first time. Despite the cloudy and cool weather everyone had a great time.

Museum News

The chapter recently received some donations of railroadiana material.

Last month we had visitors from the Philadelphia area. The older gentleman was very impressed with the museum and spent time looking at the displays, the layout and talking with your editor. During the conversation he said he had two hand lanterns in the basement that he had tried to give to railroad friends but no one wanted them. He asks if we would be interested and I said yes.

Last week the two lanterns arrived at Allen Cooke's house. One is a B&O while the other is from the Western Maryland. Both have the steel weight base that indicates they were used in locomotives. They will be proudly displayed in the north room.

The second donation was from long-time friend of my uncle. He donated two lights from the interior of one of the C & E I parlor cars. They have found their place next to the Pullman cup dispenser.

Over the past few weeks we have been adding new signs to many of the displays. The fonts that Doug obtained on Internet have been used to describe more of the items on display. At the same time we have been upgrading many of the present signs.

Illinois Central

If you remember some months back we announced that the IC would be placing some SD70's in service this fall. Well, fall made it and according to a note on Internet the first two units were spotted traveling through Michigan on CP Rail train Z531. The date was October 1 and the two units were #1000 and 1004 (prime only). By the time you read this others should be on the railroad or at VMV (we assume) getting painted. This is the first new power in years for the IC.

Keep your camera's ready for the new power plus the E-units that are now on the system.

CHAMPAIGN NEWS

In addition to "getting" AC units, the IC is also hosting WC SD45s on a regular basis now! Have seen the 1718, 1756, and two others that I could not get numbers for in the past week alone. Apparently they are here from the ore trains that IC/WC are running from Minntac to Birmingham. The 1756 was in the lead southbound on Sat. around 11 AM, but on a general freight, not an ore train. You know, I really wouldn't mind the WC and IC merging as the paint scheme would probably get just a little more colorful.

Via Bruce Bird

MOVING THE OLYMPIC FLAME

Union Pacific Railroad is contributing a 19-car passenger train to help carry the Olympic flame across the United States on its way to the 1996 Centennial Olympic Games in Atlanta. It is the first time the torch has ever moved by rail in the United States.

The train will transport the Olympic flame for more than 3500 miles of the 1996 Olympic Torch Relay's 15,000 mile journey between Los Angeles and Atlanta.

"Railroads are in a particularly unique position to substantially increase the opportunities for Americans to see the torch," said UP Corp'n Chairman and CEO, Drew Lewis. "I am pleased we will play a part in making the Centennial Olympic Games a nationwide celebration."

A specially-built "cauldron car" will bring up the rear of the unique train. It will carry the flame between events as well as display it at hundreds of communities along the rail route.

Union Pacific is joining the eight other railroads in a major cooperation effort to operate the "Olympic Torch Relay Train" on 11 segments.

Working with Union Pacific on the project are the Arizona & California RR Co., AT&SF, BN, CP Rail/Soo Line, IC, KCS, SP, and Washington Central RR.

The train will be powered by UP diesel locomotives. In addition to the cauldron car, the train includes 18 passenger cars. These cars are part of the Union Pacific's fleet normally used for inspection trips, customer relations and civic events.

Via NRHS News

LEON GOSSETT

Many of you did not know Leon Gossett. I first met Leon in the 1960's when I was in the Army Reserve. At the same time I was working in the Hoopston area on construction projects and Leon worked for Mills Publications. Our paths crossed many time in that city.

In later years Leon moved to Rossville and along with his son Pete joined the chapter. They became interested in the model layout. During the summer both Pete and Leon mowed the yard. As business at the Frame Shop increased, and Pete moved on in school, they drifted away from the chapter. However, Leon was always a supporter and helped by framing many of our photos now on display. Leon designed the cover of the museum brochure and they both built a scale model of the depot and grounds, it displayed in the waiting room.

On September 25 Leon Gossett passed away at the age of 58. Leon is survived by his wife Sharol and sons Pete and Kara. Our sympathy goes to the family left behind. Leon's name will be added to the memorial plaque in the museum.

UP, SP FINALIZING MERGER FOR LARGEST U.S. RAILROAD

Challenged by the recent marriage between Burlington Northern Railroad and the Atchison, Topeka and Santa Fe Railway Co., Union Pacific Corp. and Southern Pacific Rail Corp. are finalizing a merger of their own that would create the nation's largest railroad with nearly one-third of the industry's revenue.

The combination of Union Pacific Railroad and Southern Pacific Lines is far from certain. The move would have far-reaching commercial, legal and personal implications ranging from the governmental review process to the level of service competition for Texas chemical shippers.

Reported terms call for UP to pay about \$25 a share for SP stock, a total value of \$3.8 billion.

With the acquisition of the holding company, SP rail assets could be placed in a voting trust during government regulatory review. That arrangement would allow the current SP management to retain control over that railroad's fortunes.

Rumors of a UP/SP merger have swirled periodically since Burlington Northern Railroad revealed plans 14 months ago to acquire the Atchison, Topeka and Santa Fe Railway.

A UP/SP deal is the competitive response to that \$4 billion transaction. UP pursued Santa Fe for four months before pulling out in January from the bidding war that raised BN's purchase price by 50%.



The combined UP/SP is on track to generate \$9.7 billion in revenue this year, with operating income of \$1.7 billion. From a competitive standpoint, a merger makes UP/SP 25% larger in revenue than BN/Santa Fe. The combined companies' 53,000 employees would be 20% larger than BN/Santa Fe.



Linking UP and SP cuts the number of major U.S. Western railroads to two. Just 15 months ago, there were five Western railroads with annual revenue above \$1 billion. Since then, UP acquired Chicago & North Western for \$1.1 billion, and BN and Santa Fe made their deal.

It will take several months. It took six months in the BN/Santa Fe case - to compile the application to be submitted for government review. After a written decision is issued, another 30-day waiting period for appeals is likely, taking the process into the latter part of 1996 before possible completion.

With the future of a standalone Interstate Commerce Commission in doubt because of funding cuts, the merger could be considered by that agency, its successor, the Department of Justice or the Department of Transportation that UP Chairman Drew Lewis headed during the Reagan Administration.

Analysts were upbeat about the developments. "There is a lot falling into place here that apparently makes a lot of sense." said James Higgins, an analyst for Donaldson, Lufkin and Jenrette. Steve Lewins of Gruntal and Co., said "If Union Pacific, in fact, acquired Southern Pacific, it could do lots with the property after upgrading it."

He proposed that SP could have greater overall value if it is sold in pieces. Another merger should rekindle talk of an East-West combination and increase the pressure on two North-South lines, Illinois Central and Kansas City Southern, to find partners.

UP's board announced that UP Resources, the company's oil and gas subsidiary, would be spun off. The announcement fueled speculation that a larger deal was in the works. A UP Resources spinoff could generate some of the cash needed to buy SP.

A report circulated by Mr. Lewins speculated that Mr. Lewis and SP Chairman Philip Anschutz met at a New York hotel two weeks ago to discuss a deal. That location apparently was the Waldorf Astoria, where both companies routinely meet Wall Street analysts.

The deal could become a financial coup for Mr. Anschutz, who purchased SP for \$1 billion in 1988. He stands to gain approximately \$1.1 billion by selling the 45 million shares he still controls.

UP has long coveted SP's route between Los Angeles and New Orleans via El Paso. UP owns a little-used line from Dallas-Ft. Worth to El Paso that makes a natural connection between central Texas and the West Coast. A UP/SP linkup also cements control of border crossings with Mexico.

Both UP and SP have a strong presence in the Chicago-Texas market, including the lion's share of Texas chemical traffic. That could spark efforts to sell off the St. Louis Southwestern Railway, a SP rail subsidiary to an Eastern carrier that received freight from chemical plants.

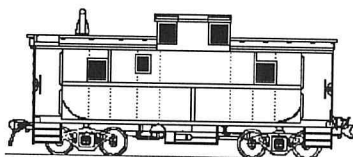
By acquiring SP, UP would gain the only rail route along the Pacific Coast, but a combination creates parallel lines in the corridor between the Midwest and California.

UP has the shorter and faster route there, raising questions in analysts' minds about the future of another SP rail unit, the Denver & Rio Grande Western in Colorado and Utah. UP and SP are major intermodal players, whose combined volumes last year were larger than Santa Fe and BN's 2.2 million annual shipments.

The personal impact could be wrenching, because railroad mergers traditionally gut staff departments and clerical forces. Since UP acquired CNW, a reduction equal to 25% of CNW's former work force has been announced.

A similar approach would cost 4,500 SP jobs. The current work force of the two companies is over 53,000 with two-thirds of that total at UP.

Via CBOT Transportation Newsletter



WHEEL REPORT

UNION PACIFIC has opened its new locomotive facility in Kansas City. The new \$13 million facility is located in the former MoPac yard. It will enable the UP to make minor repairs to locomotives instead of sending them to other shops. The state-of-the-art facility includes a new fueling facility with provisions for waste water treatment and waste oil storage.

FREIGHT REVENUE is still ahead of last year. Revenue is 7.1 percent ahead of 1994 for the first 27 weeks of this year. Car loadings are only up 3.8 percent and intermodal is up only 7.1 percent from last year. Railroad employment stood at 190,768 as of May of this year. That is a gain of 0.05 percent from May 1994. For the first time in

many years employment is actually going up. The bulk of the gain has been in the transportation sector.

NORFOLK SOUTHERN has begun a new service into Kansas City. In late September the railroad began operating #461 as a westbound move hauling new Ford vehicles from assembly plants in the east to a staging facility in Kansas City. The train runs 6 days a week westbound. There is no eastbound counterpart as empty cars move back on other trains.

SOUTHERN PACIFIC has begun operating via the former Santa Fe line between Kansas City and Chicago. Effective September 21 the railroad started the process of moving their trains from the former BN line between the two cities to the Santa Fe route. It will save about 8 hours of travel time for the railroad. The move will be slow as crews will need to be qualified on the new route.

RUMORS ARE STILL FLYING ABOUT THE C&IM. A few months back there were rumors that the UP was interested in the C&IM. The owner of the railroad, the Northwestern Life Insurance Co, have stated that the railroad is on the block. In July the Genesee and Wyoming came looking at the property. The Anacostia and Pacific followed with Rail America the third to look the railroad over. Then in September came the rumor that the UP was interested again.

According to sources, the SP people in charge of the division that operates through Springfield have been moved from Popular Bluff to Omaha already. The UP then began looking at routing trains off the former CNW line near Athens, down the C&IM with trackage rights to Springfield and then onto the SP at Ridgley. The connection would also allow coal to move to Powerton, Kincaid and Havana. They plan to keep only the portion of the CNW from the mines south of Carlinville to St.

Louis for coal movements. Oh, the changing map of the railroad industry.

CSX DECATUR SUBDIVISION-Over the next three years the Hillsdale, Indiana to Decatur, Illinois "branch" of CSXT will be rebuilt to handle ADM traffic. The company has already started rebuilding some of the bridges. A total of 22 structures will be completely rebuilt with either new pre-cast structures, steel structures or culverts. This winter the railroad hopes to let contracts to replace all of the bridges. Presently the first bridge work is being completed east of Chrisman.

After the bridge work is completed the railroad will start a rehabilitation of the track. Plans call for most of the rail to be replaced with 136 pound CWR. All turnouts on the mainline will be replaced with No. 10 turnouts or larger. ADM has told the railroad they plan to start shipping more via Hillsdale plus many of the elevators on the line are now controlled by ADM.

CONRAIL

Like it or not, Conrail finds itself caught in a whirlwind of merger rumors despite management's insistence that the road intends to stay independent. Last month, the Wall Street Journal, Philadelphia Inquirer and other publications carried major articles pointing to the likelihood of a takeover within the next two years.

The most often-mentioned buyer is former suitor Norfolk Southern which is said to be ready to increase the price it offered earlier for CR stock, though rival CSX could play a wild-card role by demanding numerous concessions or line sales to reach the New York market. Even soon-to-be-combined Burlington Northern-Santa Fe is thought to be eyeing Conrail to beat out its giant competitor Union Pacific. One analyst quoted in Forbes said: "I think it'll be bought by Norfolk Southern

or Union Pacific over the next year. Doesn't matter. Earnings will continue to grow despite weakness in the economy. Conrail's a cash machine." Nonetheless, word has recently leaked out that Conrail itself is looking to expand, specifically toward acquiring Southern Pacific's Cotton Belt subsidiary from St. Louis to reach the lucrative chemical industry in Texas. This is a line that UP may well be forced to sell as part of its proposed merger with SP.



Clearance work in the Allegheny tunnel at Gallitzin, PA should be completed this month, allowing double-stack trains to roll across Pennsylvania, though the actual start date is unknown. They won't reach the Port of Philadelphia for a while yet, as Conrail has just begun work to lower the track through the Girard Avenue tunnel at "Zoo".

Conrail expects to start receiving 28 new 5,000-hp AC-drive SD80MAC locomotives from EMD next month (#4100-4127). In addition to the revised paint scheme, the units will sport huge flared radiators reminiscent of the old SD45's, (with a silver band across the nose).

Via Philadelphia Express

UP TO TRANSFER 450 MILES OF LINE TO SP CONTROL

By November 1, the Union Pacific expects to complete a transfer of dispatching and maintenance operations to the Southern Pacific of 450 miles of line between Pueblo, Colorado and Herington, Kansas.

The SP has trackage rights over the line and its traffic accounts for more than 98% of the traffic on the route. The Denver and Rio Grande Western, now part of the SP, acquired trackage rights on the route as a condi-

tion of the Missouri Pacific - Union Pacific merger. The UP will transfer all operating and maintenance responsibilities to the SP, which has seen growth on the route, and the SP will begin planning for upgrading of the line. The SP says it is willing to talk with current employees about transferring to the SP. UP, meanwhile, says it plans to seek bids for a short line operator to serve the local customers on the line, under a lease arrangement. The line is still owned by the Missouri Pacific.

Via Railway Age

Editor: Recent news coming from the proposed merger of the Union Pacific and the Southern Pacific indicates that this line may be sold off as surplus baggage. For several years the Tennessee Pass line of the former D & R G W has been rumored for abandonment. Under the merger this line would cease operation in favor of the Moffit line. If this happens, the Pueblo line will also be access. Selling to a short line at this time will save the hassle after the merger.

SHORT-STAFFING HOBBLES ILLINOIS CENTRAL TALKS

Illinois Central Railroad's bid to complete contract negotiations has hit a red signal after union leaders reached their boiling point over working conditions caused by blazing summer heat and manpower shortages.

"Our people are literally being worked to death at certain locations," said John Hales, general chairman of the United Transportation Union, adding that prolonged temperatures over 100 degrees were hurting workers operating in trains that lack air conditioning.

Jim McCoy, general chairman of the Brotherhood of Locomotive Engineers, said the carrier is 70 engineers short of full staffing, leading to a situation where one em-

ployee was forced to work 57 consecutive days without a day off.

IC already has contracts with clerks, car-men, boilermakers, electrical workers, sheet metal workers, signalmen and machinists that will raise wages 18% by the end of 1999.

"What has happened is that they have so much more business than they have employees that trains are stacked up from one place to another," Mr.. Hales said. "We are trying to address the manpower issues in the negotiations."

Describing what he termed "a cascading effect," Mr.. Hales said train crews are running out of service hours after starting their regular runs late because of delayed arrivals at scheduled crew change points, such as Jackson, Mississippi.

"Those quality-of-life issues are something we have been very willing to discuss and have been discussing with UTU for the past two years," said James Harrell, the railroad's vice president of human resources.

Mr.. Harrell said the railroad is now hiring engineers and trainmen.

Mr.. McCoy said the 24 engineers being added now still are short of the contract terms that govern the engineers' staffing levels.

Contract talks may be a factor in recent service interruptions on passenger lines in the Chicago area.

A notice distributed to Chicago commuters said "the delays last week which were experienced by nearly all of you were caused by Illinois Central freight operations. Management advises us that they are experiencing heavier-than-usual freight traffic coupled with a heavier-than-usual number of employees out sick."

An IC spokesman said "that (com-

muter) corridor has been a long-term problem. We don't have full control over traffic moving there. We've been moving record volumes. We've had some problems in terms of keeping everything moving. We're working to manage that."

The National Mediation Board is mediating talks with the Brotherhood of Maintenance of Way Employees and the UTU.

IC's negotiations could have wider impact because the terms can influence national talks involving all major carriers except Southern Pacific Lines.



Despite differences of opinion over staffing, Mr.. McCoy said, "We are very confident we can come to terms with IC. If they are honest and sincere, and I think they are, then we will come to terms with them."

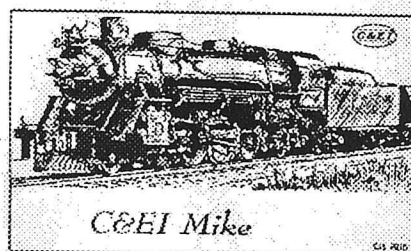
Mr.. Harrell said, "We have made very good progress, but we are not quite there. I am extremely pleased and proud we have reached agreement with eight unions."

BMW members are upset about higher costs for health and welfare benefits and provisions to contract out work to nonunion employers.

Talks with maintenance of way workers also have been snagged on the question of a no-strike clause, said Haywood Granier, the BMW's general chairman on the IC.

That no-strike clause is contrary to the negotiating strategy on a national level for the union, Mr.. Granier said.

Via CBOT Transportation Newsletter



DANVILLE CAR SHOP OPENS

The former Itel Car Shop, ex C&E Oaklawn Shops, has reopened for business.

On October 2 the new company began operations at the facility located on Danville's east side. The Itel plant closed about 4 years ago after building several new buildings and the most modern paint shop at the time. Freight Car Services opened with about 60 union employees, many from the former facility. They hope to rebuild about 40 cars in their first month.

The company, NORAM Railcar Industries, Inc. Is owned by Chicago based Johnstown America Corporation. They hope to have about 200 employees on the payroll in the next 18 months. To start the company will rebuild freight cars. The first work will involve rebuilding former Clinchfield hopper cars. In the months ahead the company hopes to get into the new car building field.

Some modifications are being made to the existing buildings. A connection is being made between the former "backshop" and the car shop to move rebuilt cars between the buildings. Former owners move cars onto the transfer table and then to the car shop. The direct move will save time. It is not known if the two locomotives, formerly used by Danville Industries and Itel, are to be used by the new company. The DI centercab GE, still in red-white-blue, has been seen outside in recent months.

With the recent closing of GM's Tilton plant this new venture is a shot in the arm for the area. We in the railfan community also welcome the facility as it preserves one of our favorite landmarks. We hope that in the months ahead we may be able to tour the facility as a chapter function.

\$1,000.00 REWARD

FOR INFORMATION LEADING TO THE RECOVERY OF BUILDER'S PLATES STOLEN FROM THE LAKE SHORE RAILWAY MUSEUM AND THE CONVICTION OF THE THIEVES WHO STOLE THE BUILDER'S PLATES.

On Sunday afternoon, May 7, 1995, a rectangular engraved cast-aluminum General Electric locomotive builder's plate approximately five (5) inches by fourteen (14) inches, and bearing the serial number "35059", model "U28C", and date "April 1965", was stolen from the Lake Shore Railway Museum in North East, Pennsylvania. This plate is unique in that the plate is a one-of-a-kind item, and had never been affixed to a locomotive.

On Wednesday afternoon, August 2, 1995, a rectangular cast-iron American Locomotive - General Electric locomotive builder's plate approximately six (6) inches by twelve (12) inches, and bearing the serial number "78431", location "Schenectady, N.Y.", and date "December 1950", was stolen from the Lake Shore Railway Museum in North East, Pennsylvania. This plate is unique in that the matching plate with that same serial number is still in the possession of the Museum.

Because these builder's plates are one-of-a-kind items, whoever has a plate matching these descriptions in their possession is guilty of receiving stolen goods, if not being the thief himself.

The Lake Shore Railway Historical Society may be contacted at the address below, or by calling (814) 825-2724 and leaving a message on our answering service.

L.S. C., N R H S, P. O. Box 571,
North East, Pennsylvania 16428-0571

NS CONTINUES TO CHALK UP RECORD EARNINGS AND REVENUE

Norfolk Southern Corp. Reports another record earnings and revenue performance in the second quarter. Revenue rose 2%, to \$1.01 billion, producing operating income of \$283.7 million. The ratio of expense to revenue (operating ratio) was reduced 1 percentage point, to 72.1%, the second best in the industry.

North American Van Lines increased revenue by 6%, to 173.8 million. Operating income was \$6.4 million, up 11%.

David Goode, chairman, was optimistic that the year-to-year improvement would continue through the balance of 1995 at a pace similar to the first six months of 1995.

During the first half of 1995, NS pushed earnings up 9%, to \$351.9 million, or \$2.67 a share. Revenue increased 4% at the railroad, to \$2.015 billion, while sales at the van line were 5% higher at \$313.3 million.

William Bales, vice president of coal marketing, said, "Our customers are telling us that the summer may be weak, but how long this will persist we don't know. We do think that we will see a resumption of faster growth in the fourth quarter." The 13% rise in second-quarter intermodal traffic and 12% revenue growth in that segment led individual freight groups.

EMP, NS' joint intermodal venture with Conrail Inc., and Union Pacific Railroad, increased shipments per month to 8,000 in June from 1,400 in January.

Automotive revenue and car loadings both were 8% higher. Mr. Bales said automotive gains were achieved by higher shipments from plants such as Toyota's facility at Georgetown, Kentucky, that more than made up for a drop in shipments from Ford plants closed for retooling.

Revenue increased 3% in other non-coal commodity groups such as paper and forest products. Chemicals revenue was off 3%, as fertilizer shipments declined due to heavy rains during the Midwest planting season. Coal traffic, traditionally the bellwether of NS' success, was down 6%, with a 3% decline in revenue.

The second quarter continued a downward trend in coal revenue that should be reversed later this year because of higher export shipments and a recent heat wave that increased utility coal burning at a time when stockpiles were low.

Unfavorable revenue comparisons earlier this year were tied to mild winter and early summer weather that kept stockpiles at higher than normal levels. Export business should continue to improve, Mr. Bales said, as the European economy continues to recover.

Start-up of a new joint venture plant built by Virginia Power Co. And the Old Dominion Electric Co.-Op also should help second-half coal traffic. The new facility at Clover, Virginia, has the lowest operating cost in Virginia Power's system, which means it will run at full capacity, Mr. Bales said.

The operating ratio would have been reduced to 71.4% if more than \$7 million in expenses relating to the closing of two car shops had been excluded.

Second-quarter operating expense was 1% higher overall, including a \$14.9 million rise in compensation and benefits related to wage increases and higher health-care costs. Casualties and other claim expenses were \$8.7 million lower than last year, which included expenses related to a tank car leak at Chattanooga, Tennessee.

Via CBOT Transportation Newsletter

AMTRAK

The Cardinal has won a reprieve, though, and will continue to operate on the days it now runs, but as a Washington-Chicago Superliner-equipped train. It will carry coaches, sleeper and a lounge serving tray meals. Train 79 will provide the southbound connection from New York and Philadelphia, and Train 66 will provide the northbound connection in the evening. An on-time arrival at Washington would allow a connection to the Tidewater, but the advertised connection will be to the Night Owl. Anticipated schedule for the Cardinal:

Westbound	Leave Washington	
11:00 AM		
	Leave	White
Sulphur	4:32 PM	
	Leave	Charleston
8:05 PM		
	Leave	Cincinnati
1:55 AM		
	Leave	Indianapolis
4:05 AM		
	Arrive	Chicago
9:15 AM		
Eastbound	Leave Chicago	
8:10 PM		
	Leave	Indianapolis
1:05 AM		
	Leave	Cincinnati
5:55 AM		
	Leave	Charleston
10:35 AM		
	Leave	White
Sulphur	1:46 PM	
	Arrive	Washington
8:10 PM		

The Hoosier State between Chicago and Indianapolis will be discontinued, leaving only tri-weekly service between those two cities.

The Crescent will change its days of operation. It will remain a daily train to and from Atlanta, and will depart Philadelphia for New Orleans on Tuesday, Thursday and Saturday. It will depart New Orleans for New York on Sunday, Wednesday and Friday. On October 29, Slumber coach service on Trains 19 and 20 will be discontinued. There will be two New York-Atlanta sleepers and a New York-New Orleans car three days a week.

The City of New Orleans will be rerouted between Memphis, TN and Jackson, MS, making stops at Yazoo City and Greenwood, MS. Service will be discontinued to Canton, Durant, Winona, Grenada and Batesville, MS.

Via Cinders

A NEW ATLAS FOR RAILFANS

Railfans have historically relied on maps to help them ferret out locations. But now there's a map that goes a bit further - it shows how busy a line is. It's the U.S. Railroad Traffic Atlas, published by Ladd Publications, a 98-page soft-bound on quality stock showing virtually every railroad in the country-even Hawaii.

Harry Ladd, with a degree in geography and an interest in trains, is surely living the best of both worlds by presenting this atlas. It updates an earlier hand-drawn version by employing the modern benefits of a computer. Each rail corridor is keyed by density (see example) with the busiest lines the most bold. There are seven categories, each determined by tonnage.

These are not topo maps, and there are no highways juxtaposed with

the rail lines. What you have, then, is a map showing only railroads - with emphasis on which are the busiest. Maps are included for each state - or clusters of states - and there are also system maps for 14 major railroads. (The system map for Amtrak is keyed to frequency rather than tonnage.)

The U.S. Railroad Atlas will be a valuable tool to those in the field; also to those riding Amtrak who can quickly identify adjoining or adjacent lines en route. (Allow some orientation time to study the symbols and instructions; they read like a tax form.)

The atlas lists for \$27. For further information write Ladd Publications, P. O. Box 1671, Orange, California 92668-0671, or call 714-639-8639.

Via The Bull Sheet

UP MERGER PLAN ELICITS MIXED REACTION

The \$5.4 billion merger of Union Pacific Railroad and Southern Pacific Lines is receiving a low-key reception from shippers and competitors, who are assessing the impact of the new carrier should the combination be approved.

Union Pacific Corp., which signed a definitive merger agreement with Southern Pacific Rail Corp., will acquire SP in a two-step process that includes a \$25 a share tender offer for 25% of SP stock. The offer is slated to begin August 9.

The \$5.4 billion price includes assumption of \$1.4 billion in debt. Sixty percent of SP stock will be converted into Union Pacific stock at a ratio of 0.41 shares of UP stock per SP share. The balance of the transaction will be done in a cash deal.

The merger could produce operating savings of \$500 million annually

within four years for a combined company whose first-half performance indicates it will have \$9.7 billion in operating income this year.

"The merger is pretty impressive, assuming everything goes as planned as far as the approvals are concerned," said Merrill Lynch analyst Mike Lloyd. A spokesman for Burlington Northern Railroad, whose merger deal with Atchison, Topeka and Santa Fe sparked the UP/SP combination, declined to comment.

The 25% of shares purchased in the tender offer will be placed in voting trust, while the case is reviewed by government regulators. A formal merger application is to be filed at the Interstate Commerce Commission by Dec. 1. But with Congress still debating the future nature and home of the ICC's functions should lawmakers legislate an end to its funding, how the merger application proceeds is uncertain.

Prospects for participating in the review include the ICC in its current independent form or a possible successor unit within another federal agency. The Department of Transportation and the Department of Justice also may review the transaction.

The coming months should produce a wave of requests from shippers and possible other railroads, for merger concessions.

Dick Davidson, president of Union Pacific Corp., said "There are many areas of concern and we will address those. We will address them up front before the ICC decision." Two areas he cited were the Texas Gulf Coast, where major chemical companies have facilities, and Utah, where UP and SP are the only carriers. Mr. Davidson said UP had no plans to sell SP's rail subsidiary known as the Cotton Belt.

Jerry R. Davis, president and chief executive officer of SP, said, "This is a very positive move for the shippers. It will be excellent for the

customer. It will be very competitive." Mr. Davis said his role at the helm of SP will not change as the merger process moves forward, noting the company will continue to operate on its own in the interim and concentrate on reducing costs by \$65 million this year and improving service at the same time.

The National Industrial Transportation League, which represents major shippers, had a cautious response. "We are going to look at this transaction," said Bob Voltmann, director of policy development for the trade association. "We will poll the railroad committee, and if there is interest, we will commission another study to see where the problem points are where competition is reduced and look for solutions to those problems. We hope UP/SP will proceed in the same way as BN and Santa Fe to meet with shippers and interested groups and try to work through these problems."

In a related development, Union Pacific said it filed a registration statement at the Securities and Exchange Commission for a public offering of 37 million shares of stock in its UP Resources subsidiary. The offering, which will leave Union Pacific Corp. with an 86% holding, follows a previously announced spinoff of the Resources Group.

Via CBOT Transportation Newsletter

HOT NEWS

Illinois Central

The Illinois Central will hold an openhouse in Centralia, Illinois on October 28, 1995. Actually, this is a Halloween activity in conjunction with the local community. The hours that the railroad will have equipment available is 11 AM to 4 PM.

What will be on display? None other than one of the new SD-70's, one of

the E-units and two passenger cars. The railroad held a similar openhouse at their yard in Chicago last week and about 8,000 people showed up. They expect around the same number down south. To date 10 of the new units are on the property with the rest to come by the middle of next month.

SOUTHERNPACIFIC

The SP has dropped the Operation Lifesaver program effective the first of October. The word is out from the UP to trim the railroad of unneeded programs. One of the program that fell to the ax was Operation Lifesaver. Once the UP gains full control, about 12 months or more, the program will be started again with UP people at the helm.

This is not the only program to be cut. Everything that is not needed to run trains is being cut. People are being let go and all work scaled back. As far as it is known, the same thing did not happen when the UP acquired the CNW.

Operation Lifesaver

For those of you that had the 60 day license plate last year the program in Illinois is looking to have the plate again in 1996. Don't write to Don for information yet. They are just getting the dates set and the request in to the Secretary of State's office. I will keep you posted. If you are interested (members only), let me know and I will put you on the list early next year.

CONRAIL ALLOWS

"TUNNEL WALKERS"

On September 12, 1995, Conrail allowed thousands of railfans to walk in part of the 3,595 foot Allegheny Tunnels in Gallitzin, Pa. This was a once-in-a-lifetime experience for all fans and local citizens.

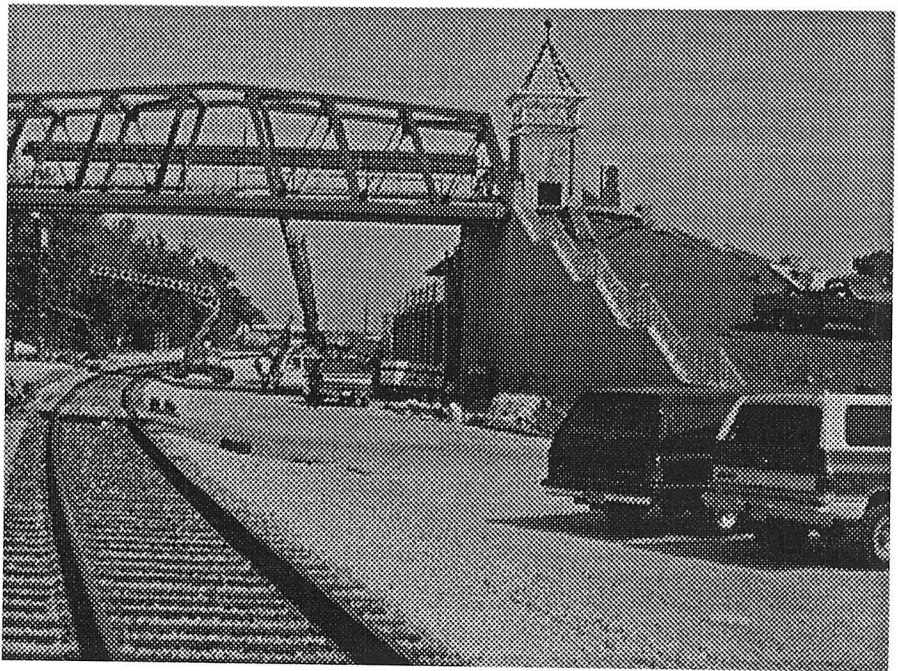
Neighbor greet neighbor as they passed inside the 6-foot space between the double track main line that will permit trains to haul double-stack cars. Train watchers traditionally have been restricted to the Jackson Street bridge to watch train entering and exiting the two tunnels. As many as 80 homes sit directly above the tunnel that pass beneath the town. Residents say that if the night is quiet and you are lying in bed you can hear and feel the trains passing below.

More than 4,000 people toured the tunnels 45 minutes after they were opened to the public. The original tunnel was completed in 1854. Next year the tourist council hopes to have a new section that will enable the tourist to bet a view from above the tunnels.

Via Dayton Railway H.S.

TRACKS AHEAD

Once again PBS has started showing additional programs of the Tracks Ahead series. Local channel 12, WILL, is showing the series at 2:30 PM on Saturday. The series started about the first of the month and will contain 13 parts. The program will cover model railroading, museums and the freight hauling railroads of North America. Be sure to get the VHS going and record these great shows. For a complete listing see the TV section of your paper or become a member of WILL and receive Pattern's each month. Only \$40 will make you a member of a great PBS station.



Lafayette, Indiana. The depot complex along CSX is nearing completion in this late September photo. The restored station sits to the right behind the tower (top of elevator shaft). The bridge is the access to the Main Street Bridge over the Wabash River and West Lafayette. Dedication is expected around the middle of November.

CONSTRUCTION PROJECTS

Most of the projects I manage are still going strong. A few of the minor bridge projects do not require our involvement now, but Route 231, Conrail and Lafayette still require almost full time work.

In Lafayette, as you can see from the photo, the depot is nearly ready to open. Also, CSX is in the process of getting the contractor started on removing the old Monon Shop buildings (almost fallen down now). The girders for the Ninth Street bridge for CSX are in Lafayette and the NS girders will arrive about the time you read this. They will be set on Nov. 8 and 9. If you are in the area stop by, setting 110 foot girders off of flat cars is interesting. The Wabash Avenue bridges are about 70 % complete with most welding finished.

Route 231 is seeing excavation of the piers and construction of the abutments. They are hoping for all concrete work to be completed by December to allow steel erection during the winter months. The CSX part of the project is still on hold.

Danville Junction Chapter National Railway Historical Society

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Photographer Railfan
HO - O Scale - LGB



Shown at left is a sample of a "business card" that is available to members. Your name and information will be substituted for mine. On the back is the listing of the location and hours for the museum in Rossville. If interested, send your information to the editor and we will send you 10 free cards.



CSXT Locomotive Roster

[as of 8/23/95]

<u>CW44AC</u>	2055	3292-3293	6037-6046	6718	8324
1- 115	2058	3301-3303	6048-6068	6724-6725	8328
	2061	3305	6070-6076	6729	8331
<u>FP7B</u>	2063-2065	3309-3310	6078-6160	6737	8334-8338
117	2067-2068	3314	6201	6739-6740	8340
	2072	3324	6203-6207	6742	8342-8343
<u>FP7A</u>	2082-2083		6209-6249	6744	8349-8352
118	2085-2086		6276	6752	8354
	2091	<u>GP30M</u>	6279-6280	6754-6756	8356-8357
<u>SWMT</u>	2102	4200-4201	6295-6297	6761-6764	8360-8362
1010-1029	2104	4203-4204	6300-6301	6770	8364-8365
1038-1050	2107-2109	4207-4209	6318	6772-6773	8367-8370
	2111-2115	4211-4214	6341	6775-6776	8373
<u>SW1500</u>	2117-2119	4216-4218	6346-6365	6778-6780	8376
1100-1119	2121-2123	4220	6388-6499	6782-6785	8380
	2125	4222-4225		6792-6794	8383
<u>MP15AC</u>	2127-2128	4227-4231	<u>GP40</u>	6796	8386-8388
1130-1139	2131-2132	4233	6504	6799	8392
	2134	4235-4239	6506	6801	8394-8395
<u>MP15</u>	2136-2137	4242	6516	6806-6807	8400
1140-1149	2141-2147	4245-4246	6522-6524	6809-6810	8404-8410
	2150-2158	4248-4249	6528-6529	6813	8413-8415
<u>MP15AC</u>	2160-2161	4251	6533	6816	8417-8421
1150-1194	2163-2167	4253	6537	6824	8423-8427
	2169	4258-4260	6539-6542	6828	8429-8432
<u>MP15T</u>	2172-2176	4262	6544	6834	8435-8437
1200-1241	2179-2180		6549-6550	6839	8439-8488
	2188	<u>GP39</u>	6553	6847-6849	
<u>GP15T</u>		4280	6557	6852	<u>SD50</u>
1500-1524	<u>RDSLUG</u>	4282-4283	6561	6854-6855	8500-8643
	2200-2240	4285-4291	6565	6857-6860	
<u>U18B</u>	2242-2301	4293-4295	6567		<u>SD60</u>
1905	2303-2330	4297-4299	6570-6571		8700-8709
1912			6574	<u>GP40-2</u>	
1926	<u>SD20-2</u>	<u>GP39-2</u>	6576	6900-6943	<u>SD45-2</u>
1932-1934	2400-2404	4300-4319	6584	6947	8951-8952
1940			6587-6589		8954
1942	<u>SD35M</u>	<u>SD35</u>	6593-6595		8972
1947-1949	2420	4519	6597-6598	<u>C30-7</u>	
1956		4559	6601-6605	7000-7008	<u>CW44-9</u>
1958	<u>SD38-2</u>		6608	7010-7094	9000-9052
1973	2450-2454	<u>SD40</u>	6610-6611		
1983		4600-4603	6614-6615		<u>U18B</u>
1987	<u>GP38-2</u>	4606-4618	6618	<u>C40-8</u>	9500-9503
	2500-2527	4621	6620-6621	7500-7646	9505
<u>GP38</u>	2529-2579		6623		
2001-2002	2609-2716	<u>B30-7</u>	6625-6629	<u>CW40-8</u>	<u>U23B</u>
2004		5500-5521	6632	7650-7769	9550-9553
2006-2007	<u>BQ23-7</u>	5523-5580	6634-6636	7771-7917	
2009	3001-3004		6638-6639		<u>GP30M</u>
2011-2015	3006-3008	<u>B36-7</u>	6641		9600
2019		5806-5925	6643-6645	<u>SD40-2</u>	
2021-2025	<u>B23-7</u>		6649	8000-8244	<u>GP38</u>
2027-2028	3100-3114	<u>B40-8</u>	6661	8246-8263	9650-9651
2032-2034	3129-3143	5930-5949	6675	8302	9653-9656
2040			6677	8304-8305	
2045	<u>U23B</u>	<u>GP40-2</u>	6680	8312	<u>GP40</u>
2049-2050	3265-3266	6000-6020	6696-6697	8315	9700-9704
2052	3270	6022-6035	6705	8317-8321	9707-9708

*Units in
Each Class*

B23-7	30
B30-7	80
B36-7	120
B40-8	20
BQ23-7	7
C30-7	94
C40-8	147
CW40-8	267
CW44-9	53
CW44AC	115
FP7A	1
FP7B	1
GP15T	25
GP30M	42
GP38	103
GP38-2	187
GP39	16
GP39-2	20
GP40	134
GP40-2	390
MP15	10
MP15AC	55
MP15T	42
RDSLUG	129
SD20-2	5
SD35	2
SD35M	1
SD38-2	5
SD40	18
SD40-2	388
SD45-2	4
SD50	144
SD60	10
SW1500	20
SWMT	33
U18B	21
U23B	17
Total	2,756

NOTE:
ROSTER IS
AS OF
8/23/95
AND DOES
NOT INCLUDE
ANY CHANGES
SINCE THAT
DATE.