



# The great Northeast railroad



# debacle

One of history's great scams — Penn Central — caused a crisis whose solution led to the rebirth of American railroading

By Don Phillips

**O**n Sunday morning June 21, 1970, the Penn Central Transportation Co.'s life as a going concern came to an abrupt halt after only 873 days. PC attorneys appeared at the Philadelphia-area home of U.S. District Judge C. William Craft Jr. that morning to file bankruptcy papers. Once the darling of Wall Street, the giant product of the merger of the Pennsylvania Railroad and New York Central collapsed into what then was the largest corporate bankruptcy in history. PC's failure was the catalyst for the creation, six years later, of the government-sponsored Consolidated Rail Corp. — Conrail. Other, much smaller railroads in the Northeast were in trouble, but the failure of Penn Central sent shivers through the railroad industry, and it carried the threat, should PC shut down, of a body blow to the national economy.

It was also the end of one of history's great scams. PC Chairman Stuart Saun-

ders fooled everyone who made any difference, including himself, until the weight of the growing deception overwhelmed him.

Saunders, chairman of the Pennsylvania Railroad since the early 1960s, had pulled every trick he knew to ramrod the PC merger through the regulatory process. The Interstate Commerce Commission slowly approved the union, in 1966, but the Justice Department had objections, and various lawsuits lengthened the delay. The Supreme Court had the final say, and PRR and NYC merged on February 1, 1968. There were still critics of the merger, but the well-connected Saunders flicked them aside. In 1968, the new PC actually paid a stock dividend amounting to 63 percent of reported net income. The dividend was for nothing more than to keep alive PRR's streak of dividend payments — the longest on the New York Stock Exchange — and to mask the company's true condition.

It is still difficult to understand why Saunders wanted the merger so much that he ignored clear signs that the combined railroad was doomed. He even agreed with an ICC mandate to include the New Haven Railroad in the merged properties, despite NH's heavy losses. He

also agreed with the railroads' unions to provide all their members with a guaranteed job until retirement and to call back 5,000 furloughed employees! Perhaps Saunders saw how easy it was to fool government officials, and that made it easy to fool himself. A true disaster lay ahead, but almost everyone wanted to close his eyes to the inevitable.

One of the most thorough books ever written about this era was John E. Harr's *The Great Railway Crisis*, published in 1978 in limited numbers by the National Academy of Public Administration. This book, now a collector's item, summed up the closing days of the decade this way:

"[A]s the late 1960s wore on, actual government policy toward the railroads still consisted of excessive regulation, no promotion, 'muddling through,' and hoping for the best. In a democracy, it often takes a crisis . . . to galvanize action and create the conditions for a decisive breakthrough. The railroad men had been staving off disaster for so long, it began to seem as if they could do so forever. The longer they did, the more that dire predictions of imminent disaster could be written off as expressions of doom and gloom. Moreover, so long as there was not a manifest breakdown, any

**A spectacular pileup of three Penn Central trains near Leetonia, Ohio, on June 7, 1975, symbolizes the woes afflicting PC and other Northeastern railroads.**

Shankle Photographics, John B. Corns collection

Lost glory: The Pennsylvania's *Broadway* has a slight lead on New York Central's *20th Century* as the two New York-bound limiteds race out of Chicago in the 1930s.

Kaufmann & Fabry



**NEW YORK, NEW HAVEN & HARTFORD**  
1,547 miles • Bankrupt: July 7, 1961

Greatly dependent on commuters and intercity passengers for revenue, and saddled with an immense physical plant, the New Haven was the first major Northeast road to enter bankruptcy in the run-up to Conrail. NH's forced inclusion in Penn Central accelerated PC's collapse. At New Rochelle, N.Y., in July 1965, an M.U. train loads at the station as a dual-mode FL9 passes. Both trains are bound for Grand Central Terminal, New York, which they will enter on third-rail power.

William Harry

level of performance might be regarded as satisfactory or at least tolerable.

“But the manifest breakdown soon came.”

## A blizzard of troubles

Hardly anyone in government had any hint as to how close Penn Central was to disaster. As the severe winter of 1969–70 hammered the East, Saunders dropped in to see the new transportation secretary, John Volpe, mentioning that PC needed a \$50 million loan to bridge it over this temporary problem, but that no private lender would make such a loan without a government guarantee. The winter was indeed horrible. In one case, an entire coal train had been buried under the snow, and the crew didn't remember where it was after being rescued through the blinding storm. Management trainees were sent out with snowshoes and long probes to search for it. Volpe said he would talk with Treasury Secretary David Kennedy and others about the loan.

Volpe told Transportation Undersecretary James Beggs to look into the situation and report back before the government took any action. Getting straight information out of PC was not easy. When Beggs finally pried the data out of the railroad, he was shocked. He reported to Volpe that \$50 million was seriously inadequate, and at least \$200 million was needed to prevent immediate bankruptcy. Rather than getting better, PC's financial position was rapidly deteriorating. Losses of \$250,000 a day rose to \$1 million a day (more than \$6 million in 2016 terms), and kept getting worse. There was no hope of improvement.

The Penn Central matter was kicked up to the White House. President Nixon



Harsh weather during Penn Central's second winter, 1969–70, exposed the carrier's fundamental weaknesses. In the early '70s, an RSD5 and GP9B work PC's Frontier Yard in Buffalo.

Ken Kraemer

faced a dilemma. Many top administration officials had long-standing business and personal relationships with major PC creditors. A former Nixon law partner, Robert Guthrie, had been retained by Penn Central. Bankruptcy was not an acceptable choice. Nixon aides came up with a convoluted solution that would save the railroad, at least for a while, and no one but top administration officials would know. First, the Defense Department would supply \$200 million under a twisted interpretation of the Defense Production Act. That amount would quietly be paid back from new legislation to authorize \$750 million in loans to railroads.

But that plan ran into opposition that brought down the twisted house of cards. At the time, no one knew what really happened and why. Rep. Wright Patman of Texas, chairman of the House Committee on Banking and Currency, put his

foot down and said his committee would not even consider the legislation. The stubborn Democrat told no one why, but he would not reconsider his decision.

I happen to know why. For years, I pledged to keep the secret, but by the end of the 20th century the people to whom I pledged were all dead, and there was no more reason for secrecy. I learned the truth late one night when the House of Representatives was working late. Someone from my then-organization, United Press International, was required to be on duty when the House was in session, even if nothing of interest was happening. That night was my turn.

I was bored, so I walked over to the Banking Committee, where a senior member of the staff kept a bottle of good bourbon. As we got more and more tipsy, my friend said, “Want to see something?” He pulled out a key, opened a



**CENTRAL RAILROAD OF NEW JERSEY**  
526 miles • Bankrupt: March 22, 1967

The Jersey Central, hit hard by the decline in anthracite coal traffic, also was burdened with commuters, short freight hauls, excess facilities, and high real-estate taxes. In April 1960, a dozen years before CNJ ended operations in Pennsylvania, one of the road's five A-B-A sets of rare Baldwin “Babyface” freight diesels leads a westbound train into Easton, Pa. Only two other roads had such units: MoPac (four sets) and NYC (two).

Bob Krone



**Amtrak 267 (an ex-NYC E8 still in tattered PC paint) passes Montrose, N.Y., with Albany-bound train 73 in May 1975. Amtrak was formed in large part to relieve PC of passenger deficits.**

J. W. Swanberg

when increased government regulation, improving motor vehicles, and an expanding highway network began to have negative effects on railroads. As World War II ended, the railroads were physically worn out but proud. They looked forward to sharing in the prosperity that lay ahead. They poured many millions of dollars into new streamlined passenger trains that became less and less relevant as the public embraced automobiles and airliners. High-value freight was diverted to ever-larger trucks.

America spent a lot of money for new highways and aviation facilities, but seemed to count the railroads as a cash cow to build them. Local and state governments often taxed railroad property at a higher rate than other property. Medium- and long-distance rail travel never stood a chance, but the ICC ordered the railroads to keep running passenger trains and to pay for them with profits from freight. As time went on, freight traffic became less profitable.

Eastern railroading fell into a period of consolidation and retrenchment. The Pennsylvania and New York Central began merger talks in 1957. Blanketing the most populous and industrialized region of the country, together they constituted, in broad terms, about 20 percent of U.S. railroading. The giants' size and illustrious histories tended to mask their problems. The much smaller New Haven, whose traffic was abnormally skewed toward passenger service, slipped into bankruptcy on July 7, 1961. Combined into Penn Central, these three troubled roads became a single immense one.

The Lackawanna and Erie railroads, which substantially paralleled each other east of Buffalo, merged on October 17, 1960. The Erie had been the weakest of

cabinet, and grabbed a big brown envelope. Inside were photos of naked female "stewardesses" aboard the Penn Central corporate plane. The photos were taken by top PC officials whose minds were not on business. Saunders was not among these officials — he was too busy trying to keep Penn Central afloat. Congressman Patman was a political liberal, but on a personal level he was quite conservative. He could not aid a firm whose officials engaged in such behavior.

Slowly, word leaked about Penn Central's sad state, triggering a run on PC stock. The board of directors fired Saunders and other top officers. The board

voted to seek protection under Section 77 of the Bankruptcy Act, sending PC's attorneys to Judge Craft's home on that morning in June 1970.

### PC was not alone

Penn Central wasn't the only Northeastern railroad with problems. The decline in the industrial economy of the region, passenger-service losses, the collapse of anthracite coal traffic, burdensome taxation and regulation, outdated labor agreements, and increasing costs were driving railroad after railroad into bankruptcy.

The crisis had roots in the 1910s,



### PENN CENTRAL

19,000 miles • Bankrupt: June 21, 1970

Denial and duplicity highlighted the 1968 creation and 1970 failure of Penn Central, but even clear-eyed, forthright management probably could not have saved PC from structural ills such as the clash of PRR and NYC cultures, a changing economy, and heavy regulation. In route-miles, PC was four times the size of all the other Conrail components combined. At North Judson, Ind., where PRR, Erie, NYC, and C&O lines converged, a former NYC GP40 leads three units on a southbound freight in fall 1975.

Ed DeRouin

the four New York–Chicago roads (Baltimore & Ohio being the fourth), while the Lackawanna was reeling from anthracite’s decline; both had large New Jersey commuter operations. Erie-Lackawanna (its initial name, before the hyphen was dropped) turned profits in 1965 and ’66, then was acquired by Dereco, a Norfolk & Western holding company that also owned the Delaware & Hudson. On June 22, 1972, days after being ravaged by Hurricane Agnes, EL declared bankruptcy.

Two other anthracite carriers, Lehigh Valley and the Central Railroad of New Jersey, consolidated their routes along the Lehigh River in northeast Pennsylvania in 1965, abandoning portions of each line. CNJ, saddled with commuters and short freight hauls, went bankrupt on March 22, 1967, and five years later, in 1972, pulled out of Pennsylvania, ceding its operations there to LV. By then, the New York–Buffalo LV was insolvent too, having followed its parent Penn Central into bankruptcy on June 24, 1970.

Another anthracite road, the Reading, was chartered in 1833 and became one of the nation’s most powerful companies. But by the 1960s it, too, was burdened with short hauls and heavy suburban operations. It tried its hand at new types of business, including bridge traffic as part of the Chicago–New England “Alphabet Route,” but it finally succumbed, entering bankruptcy on November 23, 1971.

The 90-mile Lehigh & Hudson River was by far the smallest of the ailing Northeast Class 1s. It, too, had been an Alphabet Route partner dependent on bridge traffic as its on-line industries waned, but L&HR lost revenue when traffic patterns changed in the wake of the EL and PC mergers. L&HR went bankrupt on April 18, 1972.



**PC trainmen watch a Boston–Selkirk freight at Springfield, Mass., in 1972. The following year, a PC labor dispute prompted Congress to order a plan for preserving Northeast rail service.**

Scott A. Hartley

Despite the many players in the Northeast railroad crisis (northern New England roads are yet another story), Penn Central was so much bigger than all the others put together that it was the dominant factor in the search for a solution.

### **One phase ends, another begins**

The June 21, 1970, bankruptcy filing ended one phase of Penn Central’s life

and began another. The Fifth Amendment to the Constitution says the government cannot take property without just compensation. But PC began reorganizing under Section 77, which provides protection from creditors while a railroad reorganizes, with the proviso that the reorganization cannot result in serious erosion of the bankrupt estate.

Onto the scene appeared one of the



### **LEHIGH VALLEY**

988 miles • Bankrupt: June 24, 1970

Once prosperous with anthracite and general freight traffic, the Lehigh Valley was simply one of too many New York–Buffalo railroads. The PRR affiliate exited the intercity passenger trade in 1961 and, alone among the major Conrail components, had no commuters. Being relatively unencumbered, LV’s line across New Jersey became Conrail’s main route from the west to the New York area. The engineer of Alco FA 588 looks back as his eastbound train crosses the Reading diamond at Bethlehem, Pa., in May ’57.

Bob Krone

legendary figures of railroading: Judge John P. Fullam of the U.S. District Court for the Eastern District of Pennsylvania. Fullam was named as the judge in charge of the Penn Central bankruptcy. He repeatedly pushed everyone to do something soon about the PC. Otherwise, he said, he would be forced to allow the railroad's creditors to liquidate the property. That statement was intended to pressure the government to take action, but if the government had dragged its feet, Fullam would have ordered liquidation.

Amtrak came into being on May 1, 1971, as a means of relieving the North-eastern railroads — particularly Penn Central, the nation's biggest intercity passenger carrier — of heavy losses, and to take the "passenger problem" pressure off railroads nationwide. Saving passenger trains was an afterthought — it was widely assumed that Amtrak would go away within two or three years.

Meanwhile, the American political system proved once again it can act decisively in a crisis. Onto the scene stepped a gang of risk-takers — railroaders, congressmen, and top officials of the White House, the Federal Railroad Administration, and the Department of Transportation.

But as time went by, Judge Fullam began to see Penn Central as a nearly insurmountable problem. It became clear to him in early 1973 that a standard reorganization would not work. The huge railroad was too burdened with excess employees and excess track for the bankruptcy trustees to make any progress in shedding. Penn Central was in the firm grip of the ICC and state public service commissions, and the labor unions. None of these entities saw any need to move rapidly, and in fact they didn't

seem interested in moving at all.

Penn Central's trustees decided in early 1973 to make a move born of desperation. They ordered that train-crew consists be slashed arbitrarily. Freight crews in those days consisted of five or six members: three on the locomotive and two or three on the caboose. When the new crew levels were implemented on February 6, the unions went on strike.

The walkout lasted only a few hours. By 4 p.m., Congress had passed Senate Joint Resolution 59 ordering the strikers back to work. The resolution put a freeze on crew consists for 90 days, but more significantly it ordered the Secretary of Transportation to submit a plan for preserving essential rail services in the Northeast. The PC bankruptcy trustees could not have hoped for more.

It was as if Washington had awakened from a deep sleep. Suddenly the railroad crisis was on the front burner. Rep. Harley Staggers (D-W.Va.) summed up the matter during a brief House speech, saying, "I believe this crew consist dispute was a dramatic way to bring the matter to the attention of the Congress in an effort to have something done." Whether the trustees' action was deliberate or not, it had the desired effect.

A month later, on March 6, 1973, Fullam laid on even more pressure. He ordered the trustees to come up with either a reorganization plan or a liquidation plan by July 2. Fullam said he doubted he could properly allow the railroad to keep running past October 1. "It seems clear that the point of unconstitutionality is fast approaching if it has not already arrived," Fullam wrote in his order. The judge would prove extremely flexible many times over the next few months, as long as he could see solid progress. But



Fullam made clear that his patience was limited, and indeed, the government felt his hot breath every step of the way.

## Unusual brilliance in Congress

There is a saying: If you want something done, give it to a busy person. This was a busy time for everyone in Washington. The Watergate crisis began to unravel in March 1973, leading to President Nixon's resignation 17 months later. During this period, the nation's capital was preoccupied with other issues as well. Nevertheless, over five months, Congress cooperated on the PC situation with the rail industry, the courts, the White House, creditors, shippers, and others to develop solutions. The end result was the Regional Rail Reorganization Act of 1973 — the "3-R Act." The bill passed the House on December 20, and the Senate the next day, even though

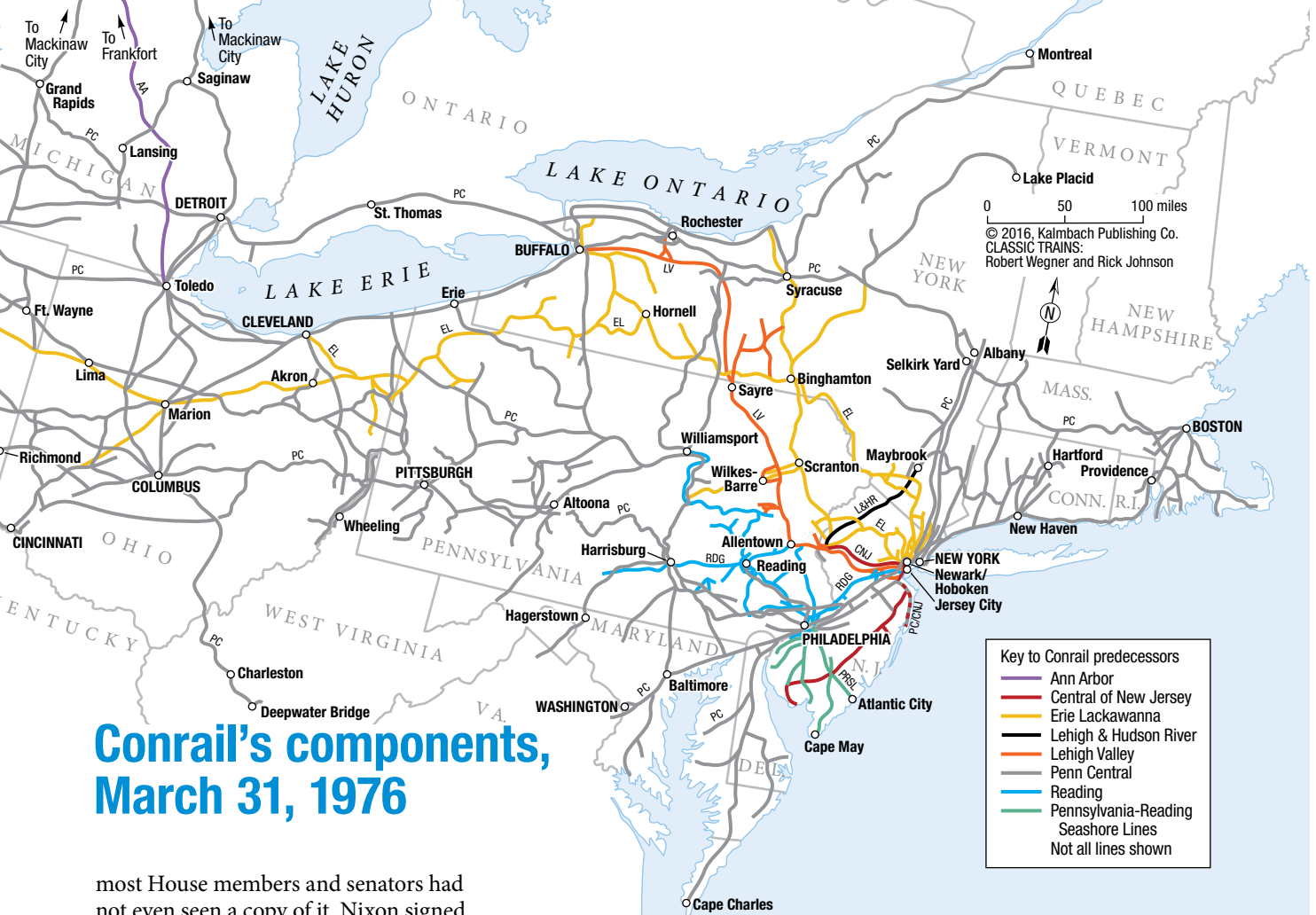


### READING COMPANY

1,149 miles • Bankrupt: November 23, 1971

With shops that produced 2-10-2s and 4-8-4s in quantity, massive facilities around Philadelphia that included five electrified suburban lines, and extensive coal-country landholdings, the Reading loomed larger than its route-mileage would suggest. By the 1960s such attributes were no longer signs of strength, and the road was headed for the rocks. Near Norristown, Pa., in the Schuylkill River valley west of Philadelphia, a four-unit set of FT diesels hauls empty hoppers back toward the mines in the early '60s.

Jim McClellan



## Conrail's components, March 31, 1976

most House members and senators had not even seen a copy of it. Nixon signed it into law on January 2, 1974, saying that while it spent more money than he liked, and he did not agree with all of its aspects, "the act represents an appropriate legislative compromise."

The 3-R Act created the United States Railway Association, a temporary agency with a new set of powers that included the abandonment of track without the permission of the ICC or any state body. Congress could approve or reject the plan at the end, but the body had no

power to even make suggestions to the USRA. Congress was unusually brilliant in setting things up that way. If the body approved the plan, its members could say they had no choice because if they rejected it, Fullam would immediately order the Penn Central liquidated.

In *The Great Railway Crisis*, John Harr described the bill as a remarkable act of faith by Congress: "A great deal of

money, hope, and faith were thereby placed in an organization [USRA] which did not yet exist, to be run by people not yet hired, to be governed by a board not yet selected, with its operations to be conducted according to policies, methods, rules, and regulations, the majority of which had not yet been devised."

Working against a tight deadline, as the USRA began feverishly hiring a staff,



### LEHIGH & HUDSON RIVER 90 miles • Bankrupt: April 18, 1972

Pint-sized Lehigh & Hudson River fed traffic from several roads to the New Haven at Maybrook, N.Y. As mergers diverted this business, and on-line shipments declined, L&HR faltered. The road was owned, in varying percentages, by the other five Class 1 Conrail components. Running on CNJ trackage rights at Bethlehem, Pa., three RS3s pass JU Tower in June 1961.

Dave Augsburger





In a 1970 scene foreshadowing Congress's role in untangling the Northeast railroad mess, two PC GG1s (one still in PRR livery) pass the U.S. Capitol with a freight bound for Potomac Yard.

Fred W. Schneider III

the Federal Railroad Administration began preliminary work to give USRA a head start. The FRA's first task was to determine how much of Penn Central's 61,184 miles of track could be abandoned. As the planning continued, it became clear to FRA staffers that they were working with unreliable information, and that the proposed cuts could not be considered final. Instead, they produced what became known as the "Orange Line Report," which contained a color-coded map showing 15,575 miles of "potentially excess" PC track that probably could

be abandoned. The continuous public concern was whether some lines could be saved with state or local subsidies.

The new USRA could guarantee no future for its employees. There were no retirement benefits, no future job rights, and at the end of its task it was to go out of business. The USRA therefore attracted exactly the kind of people it needed: self-confident risk-takers who loved excitement and a challenge. The people who took such an insecure job understood how important their task was. Jim McClellan, who moved from the FRA to

the USRA, called the USRA the "last-chance saloon," an establishment that naturally attracted "gunslingers." The type of employees it attracted were talented, self-assured, stubborn, and politically savvy. Seldom have so many of the right people been put in place at the right time. USRA's president was Edward G. Jordan, a California insurance executive with no railroad experience.

McClellan was a perfect example. After USRA, he became one of the top people in the railroad industry, still a gunslinger who put together some of the biggest deals of the century as executive vice president of Norfolk Southern. Another prime example was Charles Hoppe, later president of the Long Island Rail Road, who boasted, "I wasn't sure we were going to succeed in our mission, but I was sure we were going to have a good time at it."

The USRA was living under a tight requirement that it must declare that its plan would lead to a free-enterprise solution, or else declare that the only solution was government ownership and operation. None of the staffers paid much attention to the requirement until weeks into the process, when they slowly began to see that nothing they could develop would work. There was a growing feeling of impending doom. One evening, the usual gang headed across the street to the usual bar, Dankers. The standard joke was that as many decisions were made at Dankers as at USRA headquarters.

McClellan and Gary Collins, USRA's chief of interstate routes, ordered the standard drink, Wild Turkey bourbon, and began doodling on cocktail napkins. As the night wore on, the doodling grew more serious, and a sense of excitement began to grow. Using one napkin after



### ERIE LACKAWANNA

2,807 miles • Bankrupt: June 26, 1972

The product of a 1960 merger, Erie Lackawanna adopted a modified version of the Erie's circle-in-diamond herald and, after a few years, settled on the Lackawanna's maroon-gray-yellow for its diesels. The New York-Chicago EL was a colorful, if marginal foil to Penn Central, but was swamped by Hurricane Agnes in June 1972. At Port Jervis, N.Y., on the former Erie, EL 6361 (an ex-Lackawanna F7) and 3321 (a 1971-built U36C) idle on an October 1973 night.

Roger Cook

another, McClellan and Collins drew up a plan under which Eastern railroading would be divided into a new company to replace PC, minus some chunks of Erie Lackawanna, Reading, and other bankrupt roads which would go to Chessie System and Norfolk & Western. The two men headed back across the street to USRA headquarters where they found that, surprisingly, no one had left, including the head of the operations planning section, Jim Hagen. As McClellan and Collins spread out the napkins and explained their plan, a sense of excitement grew. It became known as the “Three Systems Plan.”

Like many great ideas, the Three Systems Plan fell on its face, but not until some months had passed. However, it allowed the USRA to honestly report that it had found a plan that would work. That kept the process going.

### One final drama

At the end of the process, with Christmas 1975 approaching, there was one last drama. President Ford was considering a veto of the legislation setting up Conrail, the Railroad Revitalization and Regulatory Reform Act, known as the “4-R Act.” But Sen. Vance Hartke (D-Ind.), chairman of the Senate subcommittee on Surface Transportation, had a trick up his sleeve. He had the bill “held at the desk” in the Senate, denying Ford a chance to veto it. He cut a deal with Ford that would allow a slightly revised bill to be drafted in consultation with the White House and then quickly passed again. A final compromise was reached and signed by Ford on February 5, 1976. Less than



Under U.S. Railway Association President Edward G. Jordan (left), operations planning staffers like Jim McClellan (center) and his boss, James A. Hagen, crafted Conrail.

Three photos, CLASSIC TRAINS collection

two months later — on April 1, 1976 — ConRail (initially with a capital R) came into being.

Overnight, the flags of six Class 1 railroads fell: Penn Central, Erie Lackawanna, Reading, Lehigh Valley, Jersey Central, and Lehigh & Hudson River. Some subsidiaries of PC and the others vanished too, including 300-mile Pennsylvania-Reading Seashore Lines, Peoria & Eastern, Niagara Junction, Indianapolis Union, Chicago River & Indiana, and Detroit Terminal (but not PC’s still-solvent Pittsburgh & Lake Erie, which became independent). The bankrupt Ann Arbor Railroad, a Class 1 affiliated indirectly with PRR/PC, was run by CR for a time before Michigan purchased the property and brought in local operators. To provide a semblance of competition in Conrail territory, the Delaware & Hudson — still solvent, but struggling — had its reach dramatically extended by trackage rights over the new railroad.

Because excessive track was such a major factor in the sinking of the North-

east’s railroads, the USRA’s Final System Plan excluded from the new Conrail thousands of miles of the old railroads’ lines. For example, most of the Erie Lackawanna main line west of Marion, Ohio, was left out.

Some lines found new operators, but most ended up being abandoned. The lines deemed unnecessary for Conrail were transferred to the trustees of the respective companies. There were roughly 3,000 disputes between the trustees and the

USRA, all of them about decisions made by USRA planner Victor Hand and his staff. Hand was a railfan who was also an experienced railroad real-estate consultant. Whether the trustees asked higher USRA officials to reverse Hand’s decisions or took him to court, not one of his decisions was ever overturned.

The 4-R Act was more than just a bill setting up Conrail. It was the beginning of the deregulation of the railroads. It



Consolidated Rail Corp.’s original, short-lived “ConRail” logo.

protected all railroads from discriminatory taxation. It set tight deadlines for the ICC to approve or reject mergers, and it established the principle that if unprofitable rail service

was mandated in the public interest, the public would pay for the service.

Many other events happened over the next few decades, including nearly total deregulation of the railroads in 1980, and numerous mergers. The railroad revolution began with the United States Railway Association — created to address the Northeast’s 1970s railroad crisis — and it’s still going on. ■



### ANN ARBOR

300 miles • Bankrupt: October 16, 1973

The Ann Arbor spanned from Toledo, Ohio, to the carferry docks at Frankfort/Elberta on Lake Michigan. Once a Wabash affiliate, the road was owned after 1963 by Detroit, Toledo & Ironton, which applied its solid-orange scheme to AA units. Ten years later, the Annie went bankrupt. The road ceased operations on April 1, 1976, and Conrail operated it for 18 months before a short line took over. Two GP35s, AA 390 and DT&I 351, work south out of Owosso, Mich., in 1966.

Jim Hediger