

THE TRAINMASTER

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 NATIONAL RAILWAY HISTORICAL SOCIETY
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Articles which appear in "The Trainmaster" do not express the official National Railway Historical Society attitude on any subject unless specifically designated as such.

All exchange news letters should be sent to the Chapter's business address:

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THE TRAINMASTER

Number 167 - September 1973

PNW CHAPTER TIMETABLE

- Friday REGULAR MONTHLY MEETING (3rd Friday of each month)
- 21 September PNW Chapter returns to the Burlington Northern Safety Assembly Room for the first scheduled meeting after the summer recess. This is located in the east freight house building about two blocks north of the intersection of N W Hoyt Street with 11th Avenue (almost under the Lovejoy ramp to the Broadway Bridge.
- 8 PM
- Following the business portion of the meeting refreshments will be available, provided by Cora Jackson.
- A three-fold program will follow the intermission which will feature:
1. "Partners With Nature", a new Burlington Northern movie dealing with the railroad's contributions to its environment.
 2. A "premiere" showing of a slide program produced by Burlington Northern Explorer Post 826 members for showing at high schools in the Portland Metropolitan area.
 3. "Summer Rail Activities" - members are invited to bring five or ten slides for sharing with the audience. A projector will be made available.
- Friday REGULAR MONTHLY MEETING
- 19 October The BN Safety Assembly Room will also be the location of the October meeting. Program details to be announced. Refreshments as usual
- 8 PM
- Reserve the date now.

AN AMTRAK QUIZ

"But Amtrak hasn't been around long enough to develop any material for a quiz" you might say to yourself. If so the following quiz should be a breeze for the knowledgeable rail passenger fan.

Match the names with the Amtrak train numbers listed below:

- | | |
|-------------------|-----------------------------|
| 1 & 2 = _____ | A. Mount Rainier |
| 3 & 4 = _____ | B. Interamerican |
| 5 & 6 = _____ | C. The Montrealer |
| 7 & 8 = _____ | D. Panama Limited |
| 9 & 10 = _____ | E. Coast Starlight/Daylight |
| 11 & 12 = _____ | F. Pacific International |
| 13 & 14 = _____ | G. Broadway Limited |
| 15 & 16 = _____ | H. North Coast Hiawatha |
| 21 & 22 = _____ | I. San Francisco Zephyr |
| 60 = _____ | J. Empire Builder |
| 61 = _____ | K. San Diegan |
| 30 & 31 = _____ | L. Super Chief |
| 40 & 41 = _____ | M. Puget Sound |
| 793 & 794 = _____ | N. The Washingtonian |
| 795 & 796 = _____ | O. Texas Chief |
| 798 & 799 = _____ | P. National Limited |
| | Q. Sunset Limited |

See page six for the answers.

"THAT'S A HELL OF A WAY TO RUN A RAILROAD"

by Ed Immel*

Headlined by the plight of the Penn Central (1972 net loss of \$222.8 million) many railroads in the United States are either sinking with the Penn Central or are only a slip away from falling into the same sea of red ink. Is railroading a case of pouring money down a hole or are some companies still making money running a railroad?

According to "Fortune" magazine's list of the fifty largest transportation companies in the United States, money can still be made by moving freight over steel rails. Taking the top fifty transportation companies as a whole, no one really strikes it rich running a transportation company, but that is another story which is not within the parameters of this article.

According to "Fortune" the following are the top ten railroads in the United States ranked by operating revenue:

1	Penn Central	\$ 1,825,456,000
2	Southern Pacific	1,449,389,000
3	Burlington Northern	1,194,997,000
4	Seaboard Coast Line	1,122,099,000
5	Union Pacific	1,095,497,000
6	Chesapeake & Ohio	1,025,390,000
7	Santa Fe Industries	972,841,000
8	Norfolk & Western	850,765,000
9	Southern	723,798,000
10	Missouri Pacific	642,919,000

In the past, Penn Central has usually ranked number one of all transportation companies, but this year was nosed out by United Airlines which made three million dollars more than PC. As can be seen, the Southern Pacific manages to earn a few dollars with a railroad bereft of needless branch lines, four-track mains, and high industrial density.

We all know that the Penn Central loses a pile of money, so let's see how the railroads rank according to net income:

1	Southern Pacific	\$ 108,208,000
2	Union Pacific	104,470,000
3	Seaboard Coast Line	82,396,000
4	Santa Fe Industries	80,966,000
5	Southern Railway	59,449,000
6	Chesapeake & Ohio	52,793,000
7	Burlington Northern	48,711,000
8	Norfolk & Western	20,325,000
9	Missouri Pacific	16,630,000
10	Chicago & Northwestern	15,876,000

* "European Bureau Chief"

"Hell of a Way to Run a Railroad", cont'd

The Penn Central's net loss was almost equal to the St Louis and San Francisco's (Frisco) total operating revenue. If the net income is compared with total operating revenue, it can be seen that some railroads may make more money initially than smaller ones, but end up taking less money to the bank.

To get a better idea as to which railroad makes the money, we must examine net income as a percentage of operating revenue:

1	Rio Grande	10.7 %
2	Union Pacific	9.5
3	Santa Fe Industries	8.3
4	Southern	8.2
5	Southern Pacific	7.5
6	Seaboard Coast Line	7.3
7	Soo Line	5.8
8	Kansas City Southern	5.1
9	Chicago & Northwestern	4.3
10	Burlington Northern	4.1

The Rio Grande is a remarkable railroad since it operates through some of the most rugged country in North America, the Rocky Mountains. It appears that the Rio Grande's short, fast trains are its answer to a large operating problem. It comes off well enough to give them a good return from their revenues.

Southern Pacific may have made more money than Union Pacific, but SP finds their rugged operating conditions costs them more money to run a railroad than Union Pacific's easy grades over the Rockies and through the Great Basin area.

The Southern is one of the few transportation companies that has not become a conglomerate or branched out into other forms of transportation.

Burlington Northern is probably still meeting costs accrued during merger. With grain and coal revenues up for the first part of 1973, BN's position should improve strongly this year.

Evaluating the performance of each railroad takes into account many different influences that each firm must face. Thus, trying to say which one is the best operated, or which one is the better investment becomes very difficult. However, this writer would probably have to pick the Union Pacific. One could tear up most of the railroads serving the West, leave the Union Pacific, and few major cities would be without rail service (San Francisco being the major exception).

Of particular note is that eight out of the ten lines which receive a high percentage of income from operating revenues are west of the Mississippi River. Compared to industry as a whole, running a railroad is a poor return on investment, and one could probably do better investing in savings bonds than hauling freight.

Number 167 - September 1973

"Hell of a Way to Run a Railroad", cont'd

A closer examination of each of the top ten railroads would show that many of them earn only a small percentage from the railroad operations. Most depend upon non-rail revenues to boost their total earnings.

Hopefully, the railroads will still see running trains as a means to make money rather than using their assets to borrow money as the rail plant gradually falls apart from lack of investment. But as "Fortune" shows, some rails still make money and need not follow the Penn Central into bankruptcy. Also, that under the correct set of circumstances the industry needn't worry about nationalization or paying their bills.

PNW CHAPTER NRHS

Minutes of Regular Meeting, 15 June 1973

The meeting was called to order by Chapter President John Holloway at 8:25 PM.

Minutes of the April meeting were read and approved. No business was conducted at the May meeting in Salem.

Mechanical Superintendent Jim Gilmore reported that the Shay "Peggy" display at the Western Forestry Center was dedicated on June 2. Before the dedication; painting of the locomotive was completed, the headlight was replaced and attached to permanent wiring, and the bell was mounted. Future projects include: 1. General cleanup of the locomotive display at The Oaks Park, and 2. Completion of necessary work on the sleeper-lounge car Mount Hood (at the OP&E in Cottage Grove, Oregon).

Library Committee Chairman Al Zimmerman reported that \$19 worth of magazines and other surplus railroadiana had been sold at Railcon '73. Al wants more contributions of magazines to sell to support the library.

Ed Berntsen reported that the Chapter's Board of Directors had decided that the move of LP&N locomotive 680 could not be done by the Chapter due to the expense involved as well as lack of manpower to assist with the move. The LP&N and the Western Forestry Center have been notified of the Board's decision along with the Chapter's recommendation that the 680 be moved to the OP&E at Cottage Grove as we had planned.

Chuck Storz reported that the West Coast Railway Association has requested the return of the Rocky Mountain Observation car 598 and that the Chapter Officers are negotiating with WCRA about details involved with setting up movement of the car.

Ed Berntsen reported that the Chapter's collection of books and railroad records has grown to the point that larger quarters are needed for the library.

"Minutes of June Meeting", cont'd

The Chapter has asked the Portland Terminal Railroad Company for rental terms for the former Union Pacific locker room in the Union Station Annex. The Terminal Company advised that they will rent the space for \$50 per month. In addition, the Chapter will be required to provide at its own expense liability insurance of \$25,000/\$50,000. The Chapter would have unlimited access to the new room. The Chapter's Board hopes to cover half of the cost for at least one year with contributions so that the drain to the Chapter treasury would be a maximum of \$25 per month. The Board will take final action when the Terminal Company furnishes a rental agreement and the insurance cost has been determined.

Ed Berntsen reported on the proposed luncheon for the opening of the movie "Emperor of the North". The Chapter was approached by 20th Century Fox to sponsor a luncheon which would feature one of the stars of the movie, Ernest Borgnine. After the Chapter's Board agreed to sponsor the luncheon the studio could not produce Borgnine for the day it was scheduled. The luncheon was then cancelled, but there is still a possibility of a preview night on June 28th for railfans only.

Chuck Storz, Chapter Secretary

TRAIN CONVENTION

The Tourist Railway Association, Inc. (TRAIN) will hold its second annual convention in Philadelphia, Penna. on Nov. 9-10-11. TRAIN is an association of tourist railway operators, railroad museums, and main line excursion organizations. The convention will be headquartered at the Holiday Inn Penn Center, 18th and Market Streets, Philadelphia. The major activity is a number of technical sessions including mechanical-locomotives, mechanical-cars, physical plant security, safety and standards, TRAIN insurance program, and promotion, advertising and public relations. The convention is open to non-members who wish to attend. For complete details write to George R. Greenacre, Convention Chairman, 305 Lawson St., Hurricane, West Virginia 25526.

Answers to Amtrak Quiz

1 & 2 = Q; 3 & 4 = L; 5 & 6 = I; 7 & 8 = J; 9 & 10 = H; 11 & 12/13 & 14 = E;
 15 & 16 = O; 21 & 22 = B; 60 = C; 61 = N; 30 & 31 = P; 40 & 41 = G;
 793 & 794 = F; 795 & 796 = A; 798 & 799 = M. There are two extra train names.