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- - Billings GAZETTE photo

NP ARTIST - Displaying one of his recently exhibited paintings in Billings St. Vincent Hospital lobby is Don Powers, Northern Pacific general agent at Billings. Powers says his painting is mostly "a hobby or sideline," but he's sold pictures to people who've seen his work at his home or in homes of friends. He prefers oil as a medium now, but used water-colors during World War II. "You could stick a box of watercolor paints next to your mess kit in a full field pack without being too encumbered," he said. Powers, who began with the NP in 1935 in his hometown, Duluth, was appointed Billings general agent in 1955.

### Our Cover . . .

• • • bridge timber being air-dried is seen at South Tacoma store's lumber yard. Approximately 10 million board feet move through this yard annually to supply nearly all the lumber used on the Northern Pacific system. A complete story on NP's stores department, beginning on page 4 of this issue, gives the details of this and other stores department operations.

# MEMO ... FROM THE PRESIDENT

On a national average, 1965 was a better year for the railroads than 1964. Freight revenue was up 5 per cent, total operating revenues were up 3 per cent and net income rose by 12 per cent.

Northern Pacific fared better than the national average. NP freight revenue was up 8.43 per cent, operating revenues were up 7.39 per cent and net income was up approximately 20 per cent.

While we can be encouraged by these gains, we must not lose sight of the fact that America's railroads still moved only an approximate 43 per cent of the total intercity freight traffic in 1965.

In view of this, it seems that the real measure of our progress, and the progress of the entire industry, will be determined by the increased percentage of intercity freight traffic that is won back to the railroads. This is a goal that is vitally important to the future of every railroad and to every railroad employe.

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In spite of the fact that NP has been engaged in a long-term program of car building and purchasing of cars, and has contributed more than its share of freight cars, we are still plagued by a car shortage. On December 13, 1965, the percentage reached an all-time low with only 50.2 per cent of our boxcar fleet ownership on our line.

It is obvious, of course, that there is an adverse effect on our revenues when shippers are forced to use other modes of transportation because we cannot supply the necessary cars. The not so obvious, is the loss of goodwill we sustain when we cannot provide the needed service.

In my opinion, relief will come only when the per diem is raised to a realistic figure which will make it more profitable for other roads to build or buy their own cars, in preference to paying the higher per diem. I am hopeful that there will be legislative action this year which will make possible a higher per diem rate.

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Northern Pacific has taken a major step forward with the creation of a new freight traffic research department in St. Paul.

The new department centralizes the company's present traffic research functions in one section. It will gather data and prepare analyses of markets for the promotion of freight business.

Through this centralized research, the freight traffic research department will be in a position to more clearly define our present markets, explore new markets for new business and provide more accurate direction to our sales and service efforts in developing increased freight business for NP.

Harfaclarlane



AWARD PRESENTATION - Henry H. Fowler, U.S. Secretary of the Treasury, left, presents the "Silver Patriots" award to Robert S. Macfarlane, president Northern Pacific Railway, for his efforts on behalf of the 1965 U.S. Industrial Payroll Savings Bond Campaign.

## Northern Pacific Centralizes Research Operations for Better Freight Business

Northern Pacific has established a new freight traffic research department in a move to better promote the railroad's freight business.

S. E. Collum heads the new department as manager of research in the St. Paul general office.

The new research center will gather and analyze marketing data which will be used by traffic officers in arriving at management decisions. Ultimate objective is to improve the company's position in the highly competitive transportation field.

Department duties will include analyses of current business and economic factors; preparation of market penetration studies; follow up determinations of the effectiveness of traffic department projects; research assignments and special traffic study projects.

One of the new section's primary functions will be to work with accounting and data processing officers in the development of current traffic information. By obtaining and providing better and more accurate statistics, the department can determine how much of the total transportation market NP handles and how much more is available to the railway.

### NP President Cited for Savings Bond Work

Robert S. Macfarlane, president of the Northern Pacific Railway, was honored recently in Washington, D.C., for his work on behalf of the United States Payroll Savings Bond Program.

Macfarlane, a member of the National Industrial Savings Bond Committee and chairman for the Minnesota industrial campaign, was presented with the "Silver Patriots" award for outstanding service.

Macfarlane will serve again as Minnesota chairman for the U.S. Industrial Payroll Savings Bond Campaign in 1966.

# Nipper news bits

BEVERLY SMITH, daughter of Mrs. C.L.Smith, NP steno in the Tacoma division assistant superintendent's office in Seattle, has been named as one of 1,000 Camp Fire girls in the United States to attend a 20-day Horizon Club Conference Afloat this summer.

Beverly, an active Camp Fire member for eight years, is president of her local Horizon Group, "Takota", in Federal Way, Wash.

FARGO division's Sixth Annual Washington's Birthday Bowling party is scheduled for February 22 at the Bowler in Fargo.

C. L. Vincent, manager-wire chief at Fargo, will be in charge of the arrangements. Last year, 81 keglers participated in this event.



G. N. PAGE, general manager of Northern Pacific Transport Company in St. Paul, was recently elected secretary of the National Railroad Piggyback Association at its annual election held in Chicago.

Meeting quarterly, the NRPA strives to promote the interests of railroads engaged in piggyback and containerization traffic; the standardization and utilization of piggyback equipment, and better working conditions and cooperation between piggyback participants.

Page, a 38-year NP veteran, formerly served on the association's by-laws committee.



STORAGE RACKS of freight car parts and material stored at Laurel, Mont., one of three local stores operated by Northern Pacific's stores department.

## **NP Stores Deliver the Goods**

# Aim for having right quantity, at the right place, at the right time

Vital to the efficient operation of the Northern Pacific in today's competitive transportation market is the storage and distribution of supplies and materiel which keep the railroad's equipment rolling and offices humming.

Without supplies and materiel, Northern Pacific operations would soon come to a standstill. And one department which must be constantly prepared to deliver these goods day and night is NP's far-flung stores department.

Having the right quantity at the right place at the right time is the ideal aim of the department's operations according to E. L. Jensen, general storekeeper in St. Paul, who directs the flow of the vast amount of materiel used by the NP. Assisting Jensen in the distribution task is a staff including assistant general storekeeper, K. C. Thompson; D. H. Spitz, assistant to general storekeeper in St. Paul, and R. L. Johnson, assistant general storekeeper headquartered at South Tacoma.

A look at last year's \$21 million inventory gives the scope of the department's role in the company's function. More than 50,000 items are catalogued and maintained in a master file in the St. Paul general office with 430 store employes servicing NP's supply needs over the entire rail system.

During 1965, 81 million gallons of diesel fuel were consumed by NP trains. Ordered by the stores department, the fuel is stored at various fueling points along the main line having a total storage capacity of over three million gallons. Over 100 tank cars, supervised by the stores department, move diesel fuel from on-line refineries to the various fueling stations.

To facilitate the distribution of supplies and materiel, Northern Pacific maintains four district stores, one each at St. Paul, Brainerd, Livingston and South Tacoma. Supplementing these stores are division units located at St. Paul's Mississippi St. shops, Duluth, Jamestown, Missoula, Parkwater and Auburn, Wash. Each supplies all shops and line points on their respective divisions with all materiel, delivered either by rail or truck, depending on the nature of the material.

all stationery supply orders from the entire NP system are filled and shipped from the Mississippi St. store in St. Paul. A \$140,000 inventory of paper stock, forms and office supplies are stocked on the second floor and in one-half of the building's basement.

In addition, Northern Pacific operates three local stores. Located at Minneapolis Northtown, Laurel and Pasco, these facilities supply car shops and roundhouses at their respective points.

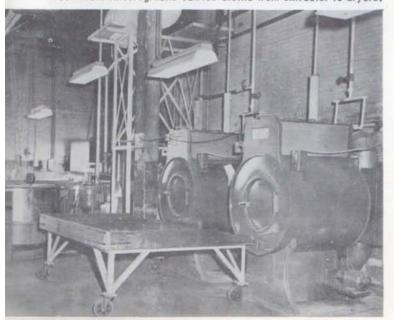
St. Paul's Como district store carries an annual inventory valued at nearly \$750,000. The Como store supplies all passenger car and signal materiel for the whole system. Car items stocked here range from air conditioning equipment to carpeting and draperies to wheels. Signal parts stock includes copper wire, units for signal devices as well as for centralized traffic control systems.

Inventory at the Brainerd district store averages \$3.5 million. This store supplies all freight car materiel for the entire NP system; track supplies for the east end of the line; bridge timber and pilings for the Lake Superior, St. Paul and Fargo divisions and many other miscellaneous items for system use.

Another facet of the Brainerd store operations is a scrap and dismantling yard. Old and worn-out freight car and passenger equipment processed here results in approximately 25,000 tons of scrap metal per year. From this operation, the stores department submits a monthly list of scrap material to NP's purchasing department which, in turn, disposes of it by sale. The value of material salvaged and reclaimed, such as old switch stands, rail anchors, track tools and miscellaneous freight car parts, amounts to approximately \$250,000 per year. No opportunity for savings is over-looked. For example, about one thousand troy ounces of pure silver are salvaged annually from worn diesel engine piston pins, bushings and carriers, which have a thin coating of silver.

NP's district store at Livingston supplies the Yellowstone and Rocky Mountain divisions with bridge timber and pilings, as well as track equipment, and is the system source of supply for all diesel parts and replacement material. All roadway and off-track equipment,

LIVINGSTON SHOP-CLOTH laundry includes dryers, in right foreground, backed up by long stainless steel washer in far background and moisture extractor at the left. Washer holds 350 pounds of rags and 14 pounds of detergents per load. Portable table in foreground carries cloths from extractor to dryers.



such as caterpillars, compressors, tie tampers and line construction equipment is repaired at Livingston. Parts for this roadway machinery are stocked at the district store in a separate roadway store. Its 45 employes are responsible for a \$1-1/4 million inventory.

Other large operations headquartered at Livingston's store are NP's system oil reclamation plant and a modern wiping-cloth and shop rag laundry. Northern Pacific re-refines 300,000 gallons of diesel lubricating oil each year at this plant. The drain oil is reprocessed by modern methods; additives and special detergents are added. Each batch is tested to meet the rigid specifications for new oil. At the shop laundry, soiled wiping cloths and rags from all points of the system are cleaned and redistributed at the rate of 20 tons each month.

South Tacoma, the site of Northern Pacific's west coast district store, has an annual inventory of supplies and materiel averaging \$2-1/4 million. This store supplies the Tacoma and Idaho divisions with track and various miscellaneous supplies and furnishes all lumber products, except hardwood, used by the railway. South Tacoma's store features the company's only lumber drying facilities and steel rolling mill.

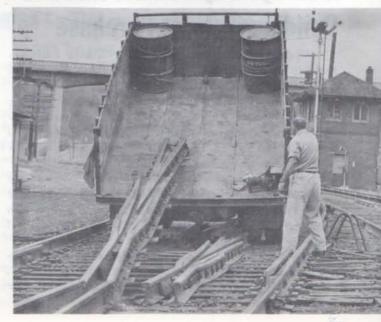
Green lumber, purchased on the west coast, is either air-dried or dried in the store's huge kiln, then moved to the shop mill where it is surfaced and framed prior to shipment at Laurel, Brainerd and other points as required for building and repairing freight cars.

The rolling mill produces about 500 tons of steel annually in sizes 3/8 by 1-1/2 inches to 5/8 by 2-1/2 inches in bar stock and in round stock from 1/2 inch to

### **NP Stores**

Continued on Page 8

STORES DEPARTMENT truck delivers track materiel near Spokane, Wash. New frog lies on ties in the foreground, ready for installation by section gang. Bad order frog is loaded on stores truck by driver using electrically-operated winch and hauled to the department's reclamation plant.





Northern Pacific has named seven new appointments in the company's freight traffic department in St. Paul together with several personnel changes in its on and off-line traffic offices around the country.

S. E. Collum, research analyst, has been appointed manager of research for Northern Pacific's new freight traffic research department in St. Paul.

W. H. Egan, special sales representative for traileron-flatcar-service, and G. P. Churchill, chief of divisions bureau, have been named research analysts in the new department.

Named to succeed Egan as special sales representative (T.O.F.C.) is C. L. Kath, city freight agent in St. Paul. J. M. Kelly, chief clerk in NP's Milwaukee, Wis., traffic office, has been appointed to Kath's post in St. Paul.

R. M. Montbriand, traveling freight and passenger agent at Detroit, and W. R. Bathen, chief of rate analysis in St. Paul, have been appointed assistant general freight agents with offices in St. Paul.

Succeeding Montbriand in NP's Detroit office is T. E. Slater, city freight agent in Fargo, No. Dak. S. G. Wangen has been appointed to Slater's post in Fargo.

In other traffic department changes, C. B. Wagner was appointed traveling freight and passenger agent in the San Francisco office to succeed E. F. O'Neil. O'Neil recently became assistant general freight agent (rates) in the Seattle office.

Appointed to Wagner's post as city freight and passenger agent in the Bay City was R. E. Lovendusky.

### Railways Buy St. Paul Bank Building in Joint Purchase

Northern Pacific and the Great Northern Railways recently purchased the Federal Land Bank building at 346 Jackson St. in St. Paul.

Constructed in 1916 when the Railroad building housing the Northern Pacific was built, the three-story structure consisting of 50,620 square feet of floor area will be used by the new owners for railway purposes when vacated by the bank late this year.

Now rising in the Capital Centre redevelopment area on Jackson between Fifth and Sixth, is the future home of the Federal Land Bank, being constructed jointly with the Federal Intermediate Credit Bank and the St. Paul Bank for Cooperatives.

The latter two currently are NP tenants in the Railroad building, the largest office building in the city. Northern Pacific utilizes 350,000 square feet on the Fifth street side of the building.



NP PRINCESS Ellen Perham and her Winter Carnival escort, R. A. Clemmensen of Northern Pacific's valuation department, were among the honored guests at recent diner luncheon at the St. Paul commissary. NP annually sponsors this event for the St. Paul Winter Carnival Royalty.

# Safety Score Board

Year 1965 (Man hours estimated for Dec.)

		(Man hours estimated for Dec.)			
RA	NK	REPORTABLE INJURIES 1965 1964		CAS. 1965	RATIO 1964
ST.	ANDING BY DISTRICT				
1.	Western District Eastern District	16 2 157	1 10 140	14.58 14.58	9.60 12.48
ST	ANDING BY DIVISION				
1. 2. 3. 4. 5. 6. 7.	Idaho Yellowstone Fargo Lake Superior St. Paul	22 39 39 25 26 67 10 1	21 25 33 14 29 64 64	7.86 11.47 11.62 12.62 13.99 18.78 20.58	7.10 7.10 9.33 6.88 15.50 16.95 12.86
ST	ANDING BY MAIN SHOP				
2.	Como Livingston South Tacoma Brainerd	1 1 2 3	8 3 1 2	2.05 2.21 3.95 4.79	15.68 6.49 1.96 3.14
ST	ANDING BY CLASS OF E	MPLOYE	S		
1. 2. 3. 4. 5.	Stationmen Shopmen Enginemen Bridgemen Carmen Trackmen Trainmen	18 9 13 8 20 51 87 113	17 7 14 14 15 33 56 94	3.20 5.44 5.58 8.17 8.40 11.33 35.61 57.45	3.06 4.11 5.18 13.32 6.31 6.95 23.05 44.50
MIS	CELLANEOUS DEPARTA	MENTS			
4.	General Office & Miscl, Signal Dining Car Chief Special Agent Store Communications Electrical Engr.	0 4 2 5 2 9 5 1 9	0 0 2 4 0 6 2 1	0.00 1.20 4.10 8.25 9.29 10.69 11.78 11.93 21.44	0.00 0.00 4.31 6.66 0.00 6.88 4.30 11.17 9.67
TO	TAL FOR SYSTEM	363	291	11.88	9.15



ST. PAULITE RETIRES - Miss B. V. Gibson, transportation steno, holds gift presented her at recent party in St. Paul office, honoring her 48 years with the NP. Grouped around her from left are transportation department employes: H. L. Bradbury, H. O. Whitten, F. A. Nentwig, and general superintendent transportation E. S. Ulyatt, seated.



RETIREMENT BANQUET - J. H. Bennett, left, roadway equipment shop foreman at South Tacoma, is congratulated by shop superintendent R. H. Spellmeyer at recent retirement party at Tacoma. Bennett retired after more than 42 years of NP service.



52-YEAR SERVICE ENDS - Roadmaster J. L. Jefferies, left, presents section foreman H. W. Sorensen a gift from fellow employes at his recent retirement party held at Logan. Watching the presentation are Mrs. Sorensen and track supervisor W. A. Tecca.



# Retirements



	20 0		
John H. Bennett	Roadway Equipment Shop Foreman	So. Tacoma	48
Stanley E. Dvorak	Upholsterer	St. Paul	23
Joseph W. Gray	Crossing Gateman	Jamestown	40
James L. Hawthorne	Telegrapher	Wapato	59
Clarence R. Morris	Assistant B&B Supervisor	Tacoma	43
Harvey S. Olson	Leading Car Inspector	Missoula	43
Henry M. Shiels	Signal Maintainer	Casselton	31
Michael Shingler	Section Laborer	Minneapolis	29
Henry W. Sorenson	Section Foreman	Logan	53
Edward H. Zander	Boilermaker Helper	Mandan	35



NEW GIFT SHOP----- First customer at the newly opened St. Paul Hospital gift facilities was Virgil Sylvester, NP employe at Brainerd. Sylvester inspects a greeting card from the large assortment displayed here in the remodeled gift shop.

### NPBA Auxiliary Opens Hospital Gift Shop

NPBA Hospital Auxiliary recently opened its temporarily located gift and coffee shops in the St. Paul NPBA Hospital.

Housed on the first floor, the attractively remodeled shops will provide facilities for gift selection and refreshment service to patients, visitors and hospital personnel. The gift shop carries a complete assortment of greeting and get-well cards, candy and gift items including men's billfolds and handkerchiefs, pens, and jewelry and dishware for women.

All proceeds from gift and refreshment sales are used for purchasing equipment and improving facilities at the St. Paul hospital.

Presently located in rooms 20 and 21 in the west wing, both shops will be situated adjacent to the hospital's main floor lobby after future remodeling of the original building is completed.



TOWERING TANKS, part of diesel oil processing system, stand out among maze of pipes and equipment at Livingston store's oil reclamation plant. Plant operates 16 hours daily, 5 days-a-week, re-refining four different types of diesel lubricating oil.

### **NP Stores**

Continued from Page 5

1-1/8 inches in diameter. This steel is made from scrap freight car axles which are cut into billets, heated white hot, then rolled to make various sizes of bar or round iron rods. From the round iron produced by the mill, NP manufactures approximately 200,000 pounds of bolts annually for use on freight equipment and bridges.

Track frogs, switch points, switch lamps, track spikes, freight car parts and tinware are among the items salvaged at So. Tacoma. The scrap yard annually produces 14,000 tons of scrap, recovered for the most part from dismantled freight cars.

Northern Pacific was the first railroad to use truck delivery of frog crossovers, switches and other truck equipment to the exact point of use. In former days, all heavy track equipment was handled via flat cars to the nearest siding to point of delivery. From there, it was moved on push cars to its destination.

The stores department operates a fleet of trucks, which are literally storehouses on wheels, and makes deliveries as far as 200 miles away from respective district and division stores, They deliver supplies and materiel to station agents, signal maintainers, section crews and traveling gangs. In emergency cases, deliveries are available day or night, 365 days a year.

Northern Pacific's store department is a multifunctional operation. Indeed, a story can be written about almost every separate stores operation. But this one would not be complete without the following unique service performed by this department.

In addition to its usual functions, the St. Paul Como district store manufactures all the cleaning compounds used by the Northern Pacific. Last year alone, it made 300,000 pounds of powdered cleaning compound and 40,000 gallons of liquid cleaning fluids.

'No other railroad to our knowledge,' concluded general storekeeper E. L. Jensen, 'produces its own cleaning materials.'

SCRAP AXLES, stacked in foreground, are ready for furnace heating at South Tacoma store's steel rolling mill. A white hot axle, at the left, leaves furnace on its way to final rolling operation.

