

An Amtrak conductor checks his watch to verify departure time of the Superliner. (See "Amtrak crews rated outstanding", page two)



3rd Quarter, 1985

When is a rail yard like the eye of a pig?

See "St. Paul Yard" (page eight)

CHANGE! "big deal", or BIG DEAL!?

See "Change in direction" (page four)

SHORT SUBJECTS

Key management changes announced for Corporation, railroads

The board of directors of Soo Line made several key changes to the management structure of the Corporation at their meeting October 16th. Dennis M. Cavanaugh was elected chairman of the board, president and chief executive officer of the Corporation. He was also named Chairman of the Board and CEO of the two railroads.

Robert C. Gilmore, who is currently executive vice president of CP Rail, Calgary, Alberta, Canada, was elected president and chief operating officer of the Soo Line and Milwaukee Road railroads on January 1, 1986. Mr. Gilmore currently serves on the board of directors of the Corporation.

Earl L. Currie was elected executive vice president operations for Soo Line and Milwaukee Road. Mr. Currie is currently senior vice president maintenance and transportation for

Burlington Northern Railroad Company. He moved into the new position November 1.

Harold J. Ness was elected senior vice president finance and chief financial officer for the Corporation and both railroads. Mr. Ness had been vice president finance and chief financial officer for the three companies prior to his promotion.

James F. Johnson was named senior vice president Wisconsin Division, and will head a unit which will conduct railroad operations throughout Wisconsin and Upper Michigan, and in portions of Minnesota. He had been vice president executive department for the railroads.

Wayne C. Serkland was named senior vice president labor relations and personnel. He had been vice president labor relations prior to his appointment.



(Above): Chairman & CEO Dennis Cavanaugh (left) and President Robert Gilmore.
(Right): Executive VP Operations Earl Currie.



Cavanaugh elected to boards

Soo chairman and CEO Dennis Cavanaugh has been elected to serve on the University of Minnesota's School of Management board of overseers and the Seaway Port Authority of Duluth's advisory board. Both appointments took place this summer.

Cavanaugh was appointed to serve a three-year term on the university's school of management board of overseers June 30. The board serves as a formal link between the school and the management community it serves, said Preston Townley, dean of the school. "The board members consist of leaders from business and other appropriate segments of the community who have a deep concern for the management education at the University of Minnesota and its

importance to the economy," he emphasized. "In that respect, I'm sure Mr. Cavanaugh's participation on the board will be most valuable to the school."

The Seaway Port Authority of Duluth elected Cavanaugh to the advisory council during its monthly meeting in July. The Authority's responsibilities include regulating shipments in the Duluth harbor and expanding and updating the city's cargo handling facilities.

Amtrak crews rated outstanding

Most passengers aboard company-operated Amtrak trains during the month of August could count on arriving at their destinations on time, according to Bill Bickley, director — corporate relations.

"The company posted an impressive 96.8% on-time performance record for the month, and quality service of that sort guarantees satisfied customers," he emphasized.

Only eight of the 247 Amtrak trains operated between Chicago and the Twin Cities and Chicago and Milwaukee in August failed to arrive on schedule, Bickley indicated.

"Our performance so far this year has consistently been in the top three for the 20 carriers who operate Amtrak trains nation-wide," he pointed out.

<i>Editor</i>	Laurie Hennings
<i>Staff</i>	Tim Turner
	Bill Bickley
	Dick Schultz
	<i>Retired Communications Representative</i>

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Cus'tom * er (kus'te-mer): In the rail industry, one who dictates the state of operations, pricing, and duties.

One who demands more, and causes —

CHANGE

in direction

**"Times are changing in the rail industry."
Big deal.**

Employees are fully aware that these are different times. Whether the best or worst of times, or somewhere in between, is an individual interpretation. A coal shoveler would obviously feel pretty hopeless about today's industry. A computer expert might be ecstatic.

Perhaps to both individuals, however, a basic understanding of why — why the industry is changing, why change can be expected to continue — can help them also understand why almost every employee's career is or will be in a state of change.

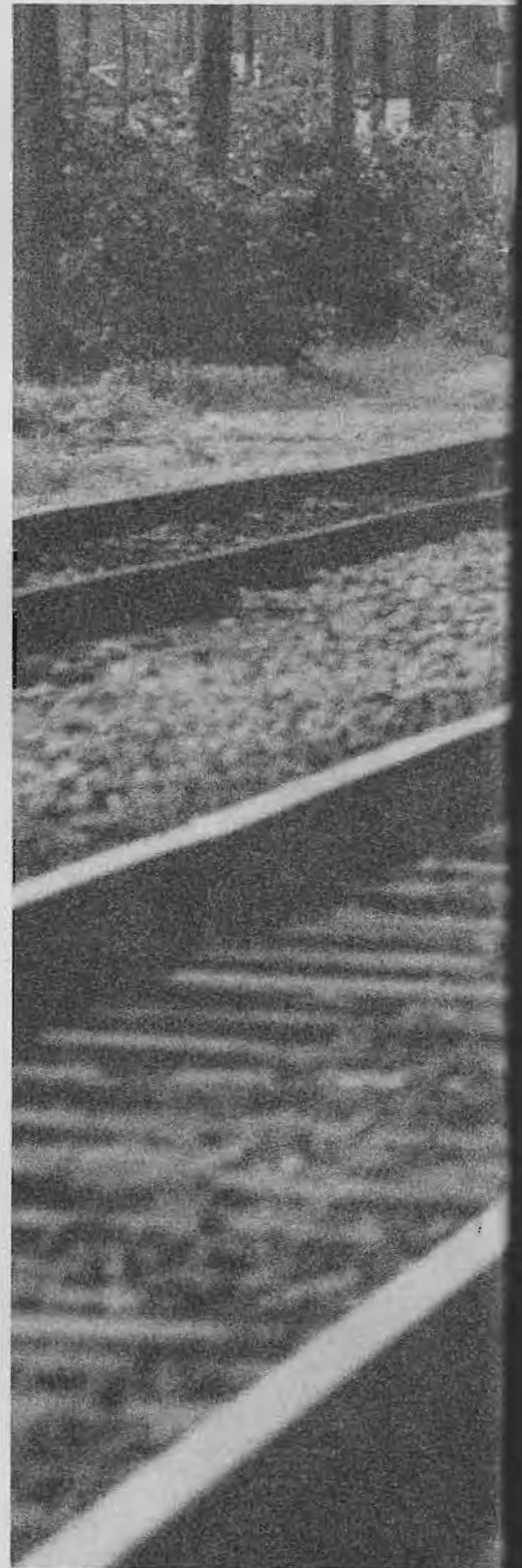
To best explain the nature of change in railroading, the story of railroad marketing personnel exemplifies the forces which have shaped it. Although the world of marketing seems far removed from that of most employees, it is the area responsible for dictating a host of changes, which in turn, are felt by many employees.

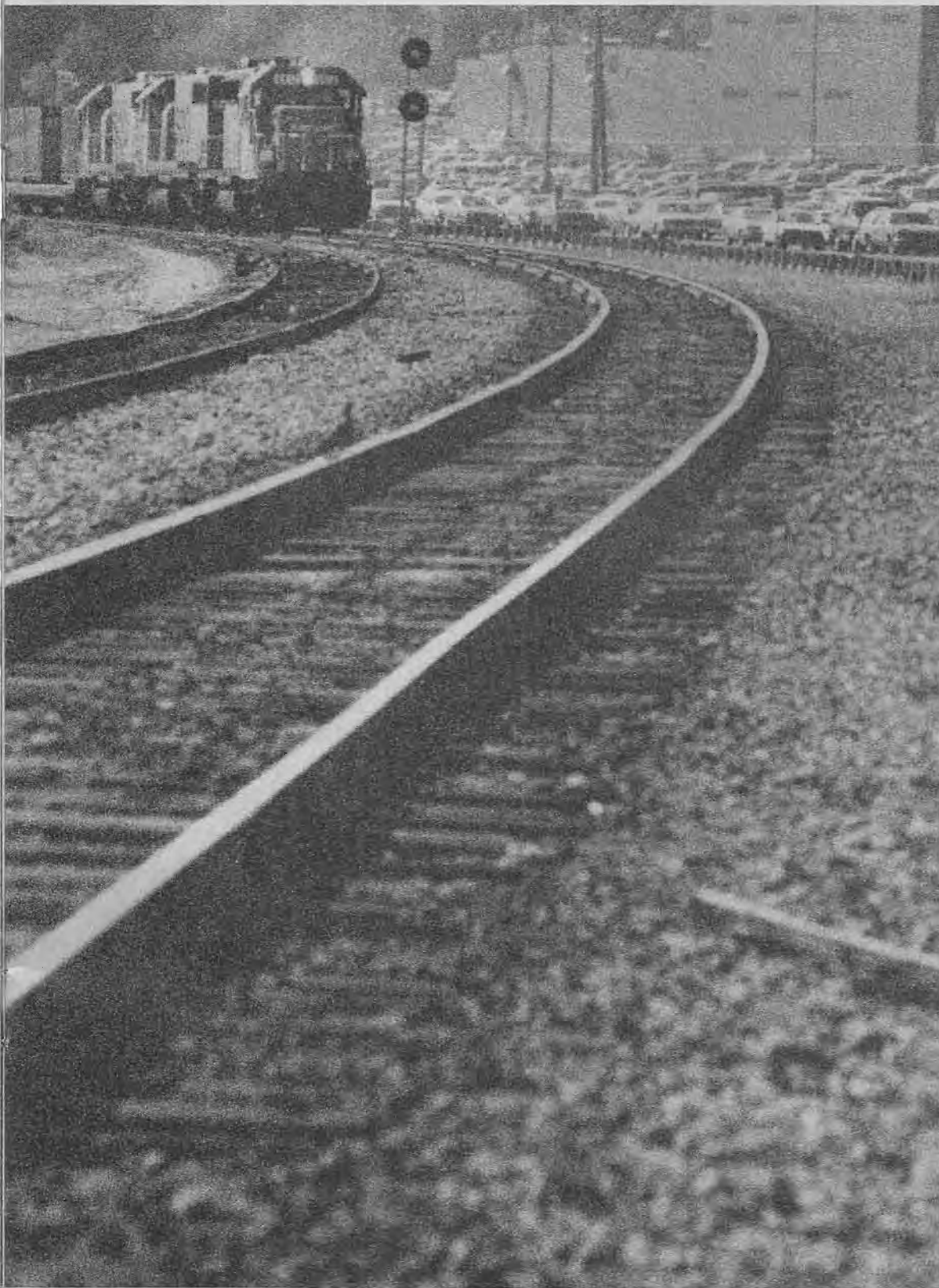
Very few people make changes to a system that is working well and pleasing most. Railroads, in particular, have historically been cited for reluctance to change.

This accusation was not necessarily accurate. Before being deregulated in 1980, the government so strictly dictated changes that the industry could make, that even filing for a small change could mean months of red tape.

But that's not the way today. Government's no longer king; the customer is.

As king, the customer is telling railroads what he wants. What he usually wants is: fast delivery, guaranteed handling, competitive price. Sometimes, special service.





No one in the industry feels the weight of these demands and the pressure of others trying to meet them more than the railroad marketing specialist. It is specifically her or his job to work out ways in which the Soo can meet those demands better than its competition.

The basic facts are simple. Trucking companies, since their deregulation just shortly before the rail industry's, have increasingly gained a greater share of the transportation market. In the 1940's, railroads peaked in market share by carrying 65% of the nation's freight. In 1983, rails carried about 35%.

The picture takes on even more severity when the 35% rail market share is sized up with only 20% taken by railroads of the gross revenues paid for freight transportation.

Freight with higher value, greater time sensitivity, or special handling needs, has increasingly gone to other modes of transportation. At the same time, more and more freight, and more and more customers, are demanding special handling.

Meanwhile, rail rates have stayed constant since 1980. The shipper's place in all this is an enviable one. It's his market. Often accused of being an industry embedded in tradition, policy, and history, the shipper today expects and finds quite a different attitude from marketers of rail services. With all freight carriers hungry for the shipper's business, the carrier must tailor the service to the individual need.

The puzzle's not complete without the piece which accounts for railroads being in business in the first place — profit. Not least in marketers' minds is the escalating cost of running a railroad. Where trucks run on state and federally-funded highway systems — and barges on tax-supported waterways — railroad track, terminals, machinery, equipment and staff eat up more and more of the rail revenue pie.

Therein, then, lies the railroad marketers' mission. Given that formula, it strikes even non-marketing transportation personnel that the business *must* change.

One highly visible approach to the circumstances has been the physical re-shuffling of railroads. Twenty years ago, the country was a complicated network of mostly regionalized rail companies. It worked at the time.

As new financial realities have revealed themselves to railroads, however, the economics of doing business have caused the nation to shed much of its non-profitable rail, and mergers and consolidations to take place for the sake of greater efficiencies. The U.S. is down to less than a dozen major rail companies, and that might well shrink before year-end.

In themselves, however, consolidations of railroads are not enough and Soo marketing officials say much more change must take place before the industry raises itself as a profit-healthy transportation segment.

One of the first rules of change to the newly-formed system according to Lee Larson, Vice President Marketing, is to *not* change everything. "We must stick to our knitting," says Larson. "In other words, we have to first look at what it is we do best and figure out how we can do it better. Grain handling makes up 25% of our combined revenues. Now we have to look at that market and figure out why we don't have more of it."

Pete White, Senior Vice President of Sales & Marketing, tells how serving some long-time customers is not just a "straight knit" anymore. More and more often, marketing officials are finding themselves doing a little fancy stitching.





White



Larson

"If our shippers don't thrive, we don't thrive," says White. "We have 32 coal mines on our railroad; coal which is used in many types of power facilities."

"The mines are in Indiana, but many of the plants which could utilize that coal are in Illinois, Wisconsin and Minnesota. We went out and talked with plant managers about buying coal from the mines on our line, then worked out a price and service package which made our mines competitive with other suppliers."

"The upshot of that whole project is best displayed in the Black Beauty Mine's new, continuous loading facility. They're pouring it into our hoppers as fast as we can pull the trains around their new, circular track."

Of a corn-producing line in southern Minnesota, White says, "We almost slated the line for abandonment. It just wasn't supporting the cost of maintaining the service."

"When we got deeper into it, we found that the line represented one heck of a corn source. We rolled up our sleeves, went in with the shippers and the state, and gave each other an education in corn marketing. The line's doing well."

"It can get tricky," adds Larson. "But you don't sit around today and wait for your sand distributor in Wisconsin to find a big buyer in Canada. You learn the sand business, what your customer offers, what his competition offers."

"You figure out how your customer can beat his competition based on good rail rates and service. Then you match the buyer with your shipper, and work out the details of the connection that satisfy them both."

Speaking of Canada brings up yet other changes taking place on the system; changes that employees can see and feel more directly than most other marketing strategies. "Rail Runner", the company's new direct service between Canada and Kansas City, recently rerouted part of the system's mainline traffic.

"Rail Runner is a good example of what the company and the industry will be seeing more of," Larson explains. "Railroads are increasingly cooperating where it can serve their mutual good and the good of the customers. The shipper today already knows he's going to get a good price, what he wants to hear is how you're going to serve him. Tell him it's going to take you five days to move his freight 800 miles and he'll ask what century you come from."

How fast can we get?

"Naturally, a railroad has certain inherent limitations on speed," says White. "We're never going to be airplanes."

"But we're going to have to get faster without doubt. The automotive industry is starting to demand 'just-in-time delivery', meaning they want their parts delivered within 24 hours or less before they're put into assembly. They can't afford to keep large inventories anymore. We either comply with their demands, or we lose the business to someone who can. That means cutting the red tape and moving those trains."

Faster — and more efficient — says Larson.

"We can't have an ounce of fat to deal with. When I'm out trying to cut a deal against a lean, mean trucker or a mega-railroad, I need every bit of leverage my associates can give me. By associates, I mean everyone working for the railroad."

"This isn't just locker room hype. This is reality."

"The rail industry is changing. Everyone connected with it is or will be affected a great deal."

St. Paul Yard



(Alias "Pig's Eye")

(Opposite): Pig's Eye's "piggyback" facility just outside of downtown St. Paul.

The city of St. Paul had less-than-saintly beginnings.

In honor of the first settler to the area — a bootlegger chased from Fort Snelling for selling illegal concoction — the little community was named Pig's Eye. Pig's Eye Parrant made camp in a tiny hut on an island in what is now Pig's Eye Lake, really a backwater to the Mississippi River. According to

legend, Parrant also set up shop out of his little hut and profits were good from settlers rowing to his island of bliss.

Today, Pig's Eye Lake provides a natural boundary for Soo's second-largest rail yard. Officially registered as St. Paul Yard in the timetable, like most else in the eastern section of St. Paul, it's unofficially known as "Pig's Eye" Yard.

The yard, Soo's first humpyard, has 35 classification tracks which are fed by one main hump track. The hump is a 20-foot rise in grade leading into the yard over which freight cars are dropped onto the classification tracks to be made up into new trains. "Humping" cars is a simple but highly efficient method of accomplishing train make-up by gravity.

Soo has more than doubled its east-bound traffic in recent months. The mainline through St. Paul over double track to Bensenville, provides the company with a highly competitive, fast route from the Canadian border to Chicago. Bensenville becomes Soo's second humpyard, and the hump-to-hump advantage now offered gives Soo shippers even further time savings, time being an increasingly important factor to rail customers today.

With the addition of two trains through Pig's Eye from Canadian connections, crews have achieved a maximum of 1,800 cars switched in one day over the Pig's Eye hump. An average day sees in the range of 1,200 cars being dropped for alignment into new trains.

What is known as the "top" end of the yard is the end opposite the hump end, or the western half or so of the 120 acres that make up Pig's Eye Yard. It's at this end that the yard and freight offices share quarters in a three-story building, and that the car repair facilities and roundhouse are located.

Attached to the roundhouse is an extra diesel repair facility, somewhat unique in that it was designed to make running repairs to the units for



A prefabricated structure attached to the St. Paul roundhouse is designed to make quick running repairs to locomotives.

quick servicing. Whole locomotive consists are brought into the prefabricated structure on elevated tracks. Below the tracks, repair crews can do their work handily, sending the units out the other end when completed.

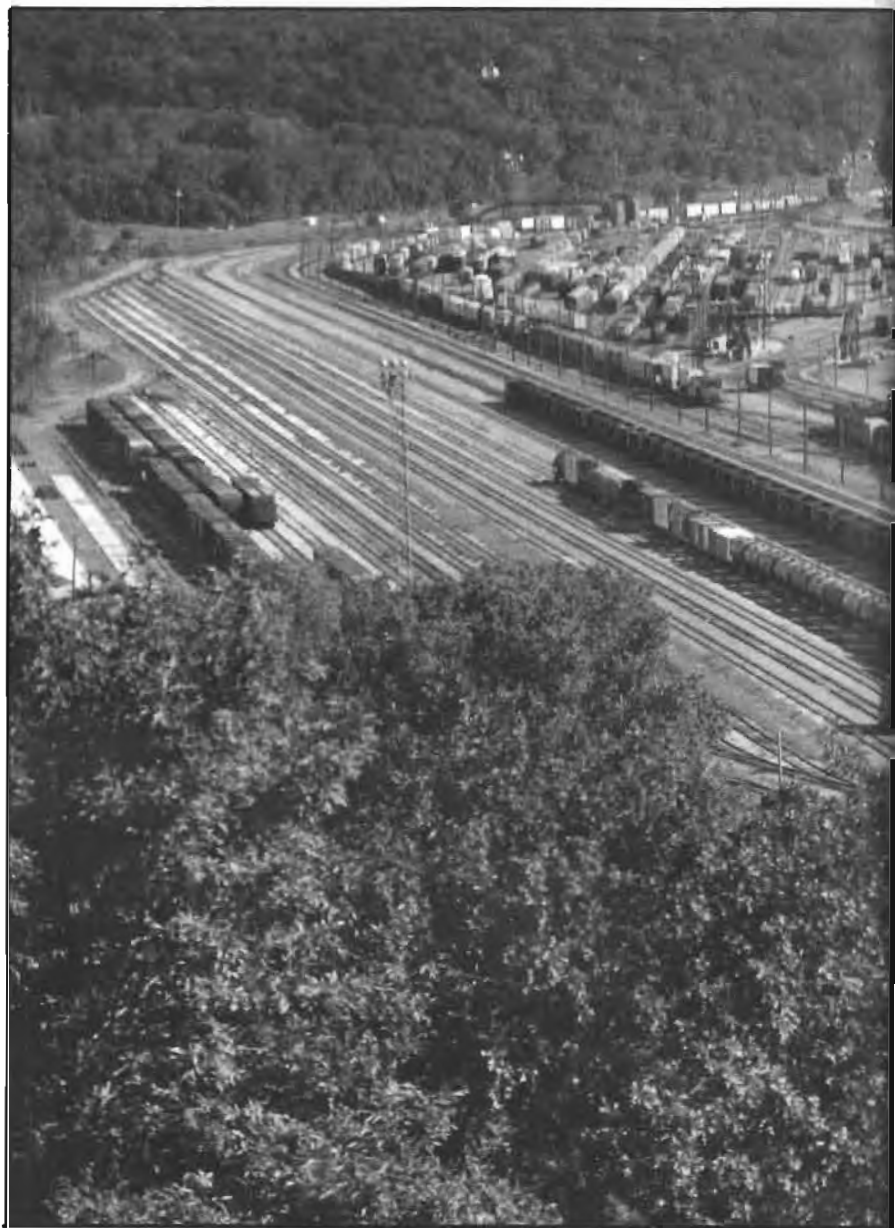
Also designed for high productivity are the outside repair tracks where a stationery wrecker lifts each car to the repair person. Formerly, crew members moved with tools to each car, hoisting the car with jacks to get to the problems. The wrecker is not only a time but a muscle-saver for employees and was conceived by one of Pig's Eye's quality circle groups comprised of labor and management employees.

Original plans of the Milwaukee acquisition had called for the preponderance of locomotive work to be done at Shoreham and car repair at Pig's Eye. The plan has been modified, however, due to many factors; chief among them the time and convenience of getting equipment from yard to yard over BN-owned trackage. Plans now call for work on both equipment types to be carried out approximately as before the consolidation, with some relatively minor adjustments made. Such an adjustment is likely to be the moving of work on double-stack auto racks to be handled at Shoreham at the indoor facility. Shoreham will also see the bulk of work equipment; ballast cars, crew bunk cars and equipment having special repair needs.

Connected by tracks but separated from the main yard by highways, is the Pig's Eye intermodal yard. Lying just outside the perimeter of downtown St. Paul, the yard is a triangle bordered by tree-covered bluffs, a main highway into town and

the skyscrapers of St. Paul's loop area. It's here that the Sprint trains are made up and begin quickshot service to Chicago. Arriving at Pig's

Eye from Chicago, Sprints and regular intermodal business is handled expeditiously by lift operators and set onto trucks for final delivery.





bowl is actually a two-block wide bridge with the tail end of Pig's Eye lake passing underneath.

Natural bluffs and tree-covered layers surround the expanse in all directions and provide natural sound barriers to the bustling activity of train business.

Overlooking the main yard from the west bluffs is a lovely but perplexing park. Dozens of large mounds covered with cleanly-shaved grass rise and fall throughout the park. It takes an area native to explain that the mounds are burial sites of many tribal leaders from a more primitive century. The question comes to mind, then, was Pig's Eye Parrant really the first resident of St. Paul, and just how alone was he?

In any case, it feels slightly ironic to stand above in the peaceful cemetery and look down on life at its busiest. With 577 employees seeing to the movement of 25 road trains now passing daily over the mainlines of the yard, and more than 10 transfer jobs at work each day, "Pig's Eye" is the depiction of a railroad humming at full speed.

Despite the uncomplimentary name, Pig's Eye Yard is, all in all, quite scenic for a heavy industrial sight. The middle section of the yard

is called "the bowl" because of its obvious shape and use for the mixing of cars into trains. Not so obvious is the fact that a good portion of the



Soo profit predicted

as restructuring moves forward



The company's financial year got off to a bleak start. Employees wonder why, and more importantly, when will the profit picture brighten?

Jim Mogen, Assistant Vice President Financial & Cost Analysis, answers some of the questions of concerned employees.

Revenues minus expenses equalled a net loss for Soo in the second quarter of this year.

The news came as more than a mild letdown for many looking at the newly-expanded Soo system as an expected boon to profitability. Red results amounting to \$4.2 million surprised employees perhaps most of all.

To company officials the final figures, while not predicted in their extremity until the quarter progressed, were not wholly unexpected. According to Jim Mogen, Assistant Vice President-Financial & Cost Analysis, "We knew '85 would be a year in which profits were unusually depressed.

"You simply don't pick up \$12 million a year in additional debt payments, obtain an entire rail system as large as the Milwaukee in one swoop, and count on business to immediately pick up to adequate levels to cover all that."

What officials were not counting on, at least not until the symptoms began to show themselves, were the low levels of business in most major commodity groups. Of those groups, grain, coal and paper products were leaders in the decline during the second quarter over 1984. Mogen explains that these declines were not necessarily evidence of any one economic condition, but each had a unique set of circumstances which accounted for its lower activity.

"Grain is not moving due to several factors, leading among them the fact that Europe has now become a competing exporter of grain to that hemisphere," says Mogen.

"Russia, of course, has historically been a heavy importer, but this year



Jim Mogen

the Soviet Union has had good moisture and not experienced the crop failures of the past so their demand for U.S. grain is low. On top of that, South America has had good luck with its crops this year and are exporting heavily. Of course, we don't wish crop failure on countries but when they grow their own, we don't move it out of here."

Mogen also explains that grain bound for Europe has historically left via the Twin Ports/Great Lakes gateway, a gateway heavily served by the Soo. What grain is leaving the country this year is destined for locations best served by the Pacific Northwest or the Gulf ports.

Coal took a 13% plunge from 1984 in the quarter. Reduced loadings were largely due to the temporary shutdowns of some power plants on the system. Plants were closed for routine maintenance in May and June, reopening after completion of the work.

Paper products, especially sanitary papers, are increasingly going truck.

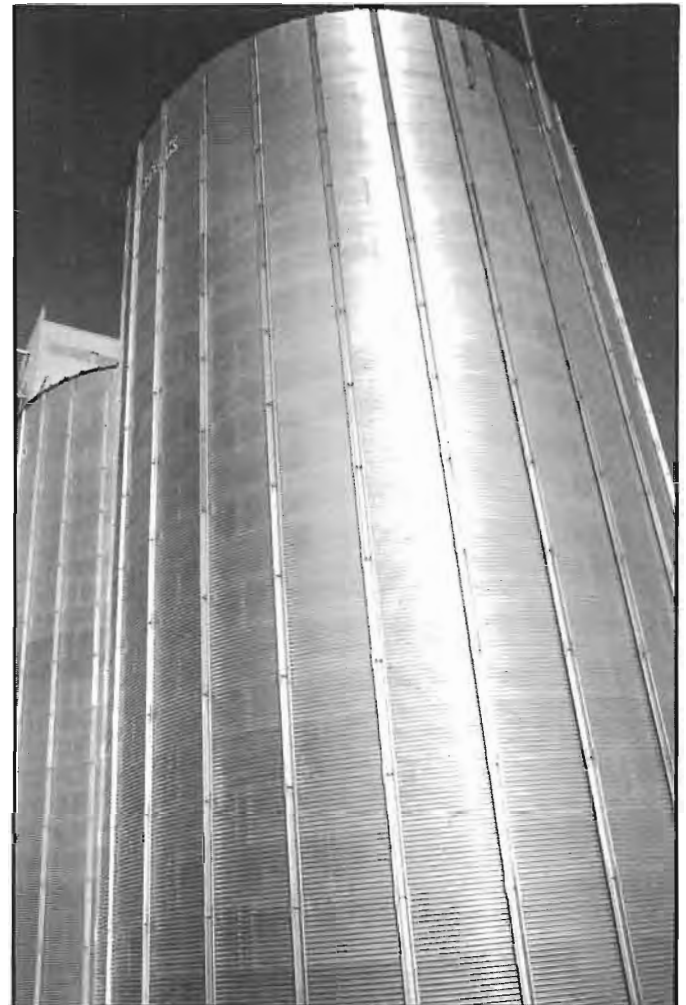
"Our decline in paper is not attributable to a slack in paper buying," Mogen says. "The paper mills are turning it out as fast as they can. But more and more, high-volume retailers of paper products are opening up. The warehouse concept of a retail store cuts out the need for an intermediate distribution warehouse. "The store buys the product direct from the manufacturer — by the truckload."

As for lumber, the product fell very slightly behind a year ago. But even

though not a leader among losses, this category disappointed railroad forecasters greatly.

"Lumber we looked to surge," Mogen says. "U.S. building was

predicted to rise dramatically chiefly because of a drop in interest rates. With the strength of the American over the Canadian dollar currently, we thought we'd be bringing lumber in from western Canada like crazy."



The good luck of foreign growers has reduced demand for American grain



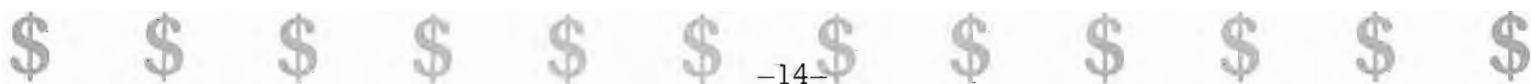
The demand for lumber has not surged as expected.

But the surge didn't happen, says Mogen. "Building did not pick up like it should have due to a host of complex reasons. Much of the lumber that did come in from Canada was trucked over the border further west, then transloaded onto our competitors' rail cars in the western states."

Of all ten leading commodity groups, only two did not drop during the quarter; chemicals and transportation equipment. But even with eight categories in a slump, the financial blow would not have struck with such force were it not for the recent acquisition of the Milwaukee.

"Unpreparedness is not a reason that companies want to claim for a certain part of the losses," Mogen says.

"It's nevertheless a valid one in this case. After our competition for the Milwaukee upped the ante by two hundred million dollars, we felt it was time to place our energies and time in



the direction we appeared to be headed; toward being a stand-alone railroad. We discontinued major preparations for acquiring another company.

"Consequently, when the judge stated his preference just less than two weeks before the final award, we were not in a position to merge and immediately take advantage of the cost efficiencies offered by the two properties.

"It's very expensive to run two separate companies, especially when business is slack and you're faced with a 500% increase in interest payments."

Even the best-laid forecasts for the future of rail business are speculative at best. Too many undeterminable factors go into whether grain will start to move again, where interest rates will come to rest, when housing starts will start. Even Truman wished for a one-armed economist, saying of his two-armed advisors, "Every time they tell me what the economy's going to do, they follow up with 'but then on the other hand . . .'"

Some things are predictable, however. This fall, the process of merging the two railroads into one Soo system will accelerate.

Six months were necessary to rebuild, revise and refine the plans after closing the rail acquisition, and now those plans become action. Operating costs will be reduced by the consolidation of facilities, rerouting of traffic and greater mechanization of paperwork.

"We have to bring our operating ratio down to below 90% as soon as we can," Mogen says. "The Soo was down in the low 80's before the acquisition and we're looking to be back in that range by 1989."

Handling of transportation equipment and chemicals exceeded 1984 levels.



Once efficiencies are in place and working in the company's favor, they will give the Soo needed leverage in bidding on contract movements when the current contracts are expired.

"With so much rail traffic moving on contract today, we're just going to have to wait until those contracts run out and we have an opportunity to bid," says Mogen. "This is where the real benefits of the larger system are going to be realized.

"It was always known that the financial payback of the acquisition would come down the road."

But the analyst will say that 1986 will should show significant financial improvement over this year. Mogen

will also say that he and other company financial types are carefully constructing plans for greater profitability in 1990 and beyond.

"Railroads are returning to financial strength," he says. "We don't have all the advantages of the mega-systems in that a significant portion of our traffic is still overhead; originating, terminating or both on other rail lines.

"But we can and will be prosperous through one quality — efficiency. That's the basis of all our plans, all our marketing strategies.

"Our predecessors have always made efficiency a Soo trademark. Now we're going to show how well they taught us."

"AFTER HOURS. . ."



VP's reveal strong ties to racquet



A golfing expert, a hockey coach and a bike rider. What's their connection?

Obviously all three enjoy sporting activity, and it so happens that they're all vice presidents or assistant VP for the Soo.

But beyond that, Pat McPartland, Wayne Serkland and Stan Mrosak get together two or three times a week to beat the devil out of a helpless blue ball and an innocent bare wall. They do this with a tool that looks like a tennis racquet that shrunk in the wash.

It doesn't sound like a very dignified game from the description but the sport has blossomed in popularity in recent years, and for the VP's mentioned, the reasons are these:



"Racquetball takes one hour and it's one of the most strenuous workouts you can get," says McPartland of the exercise benefits of the game.

"The game is highly competitive," says Wayne Serkland, vice president labor relations. "You can be playing with one of your best friends, but for that one hour, you just want to beat him."

"I just plain feel good when I play regularly," says Stan Mrosak, vice president real estate development & management. "I sleep much better on the nights I play."



The three VP's meet after work at the Minneapolis Athletic Club. Pre- and post-game talk is congenial; the families, the kids, life in the normal lane.

Congeniality remains in the locker room, however, as the tennis shoes, sweatbands and safety goggles enter the plexi-enclosed cube.

Serkland and McPartland, both lawyers, go up against each other in a court where the judge and jury is a little rubber ball. McPartland steps forward to the service line as

Serkland drops back on the court, knees crouched, racquet poised.

McPartland looks ready to serve a real Irish whammer and Serkland falls back a few steps further, anticipating the power.

But it's a fake. The serving lawyer taps one gently off the wall and forces Serkland to race forward and scoop under the ball just in time.

The fake failing, McPartland slams the rubber back to the corner sending Serkland flying into the plexiglass for the save. From then on, it's hard to judge who has the upper hand as ball, racquets and legs ricochet through the cubicle.

"In a good, hard game the ball will travel at about 140 miles an hour," says Mrosak, more knowledgeable on the history and statistics of the game than the others. "It may look like the



(Left to right): Stan Mrosak, Vice President Real Estate Development & Management; Wayne Serkland, Sr. Vice President Labor Relations & Personnel; and Pat McPartland, Asst. Vice President & Sr. General Counsel



ball's being hit willy-nilly against the wall but there is strategy. What makes the game fun are the split-second decisions on whether to make a "roll-out kill", a "corner pinch", or to bang it off the ceiling."

Mrosak claims he's not as fast as McPartland or Serkland so he has to rely more heavily on cunning to win. If it's true that he's really not as quick on his feet as the others, Mrosak's opponents aren't giving him any handicap.

"Stan hits hard," is about all McPartland can say of Mrosak's game. But he winces a little when he says it.

"You don't want to get hit by one of Mrosak's shots unless you're wearing total body padding," says Serkland. "A racquetball ball is soft-centered and generally doesn't cause injury if you're hit. But with Stan that little ball becomes a missile."

What causes a relatively mild-mannered real estate official to turn fiend on the racquetball court?

"Most days I come to work thinking about the things I want to accomplish in the hours ahead," says Mrosak. "My energy is up and I dig into the priorities."

"Then the phone starts to ring, my priorities get shifted, people interrupt the schedule, construction workers present problems not anticipated... by five o'clock I look forward to banging that ball around."

McPartland, as second-in-command of company legal affairs,

develops his own needs for activity during the day. "Working in law takes a great deal of patience and study; requirements that can leave you with a lot of pent-up energy."



"It's healthy to release it. I feel much more exhausted from working all day and going home with the mental wheels still turning, than if I go over and run it off for an hour. It starts everything in motion again."

The three company officials have been playing the game for years but feel that for anyone just beginning a recreational program, racquetball's a great sport.

"For one thing, it's easy," says McPartland. "The first-time player can get right into it. Trick shots come with time, but the object of the game is still to hit the ball against the wall."

"It's convenient," says Serkland. "I carry my gym equipment in a little

bag, I walk a block to the court and I'm playing 15 minutes after I leave the office. No getting in the car, driving to the golf course, lugging heavy clubs, or waiting to tee-off."

"Almost every community has a number of athletic clubs with racquetball courts these days," says Mrosak. "I take my bag on the road with me and I've played in gyms all over the system."

"It's inexpensive," says McPartland. "You can get started with a pair of tennis shoes and a \$15 racquet from the local discount store. That's how I got started. Now I've got a \$50 racquet so I guess I've probably blown a hundred bucks in almost 10 years' time."





Besides racquetball, all three gentlemen pursue other forms of physical activity. Mrosak, for instance, is not a man who goes from bed in the morning into suit and tie. Not directly, anyway.

When the alarm rings, Mrosak and his golden retriever warm up for the day with a brisk bike ride through the neighborhood. "We do at least two miles every morning," says Mrosak.

McPartland, on the other hand, takes to the blades. He and his wife were once midwest ice dancing competitors. More recently, however, the lawyer's turned his attention to the tangle of aggressive young hockey hopefuls. He's coached regional hockey teams throughout his own son's growth in the sport. McPartland's also helped his two daughters excel in figure skating with one of the young ladies scheduled to

appear in national competition this year.

Serkland, who lists the drawbacks of golf, is actually one of the area's better players of the game. He's taken about every title the Soo Line's had to offer through its own golf tournaments and has been granted handicaps as low as three strokes in local matches.

But the vice president has been neck-deep in labor negotiations for several months, and admits he hasn't been taking time out for recreation like he used to. After listening to all the good reasons he got involved in racquetball, however, he talks himself into getting back in the swing.

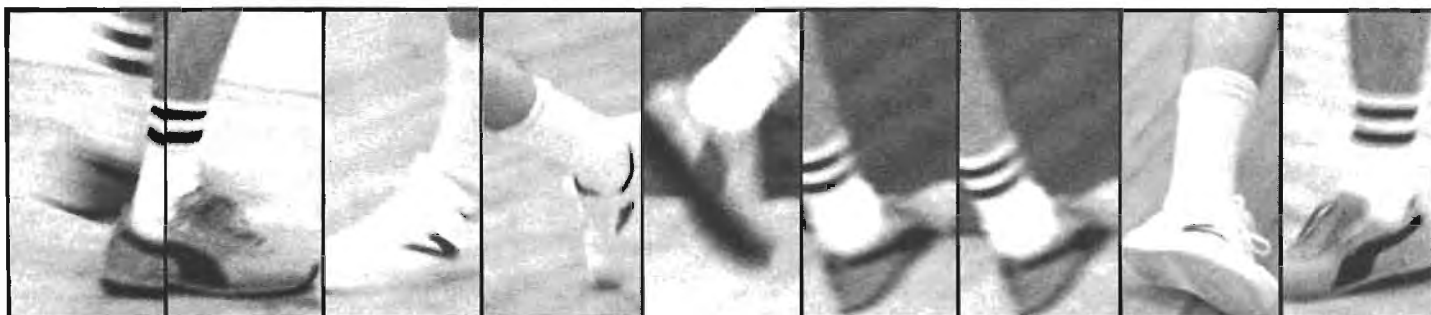
"Pat's absolutely right that working the body together with the mind is to the individual's physical and mental

benefit," Serkland says. "Sometimes the mind likes to ignore everything else and demands all the attention.

"It's then when a little self-discipline — the kind that tells the mind, 'Hey, we're going to take an hour out here and see to some other needs' — is necessary to get you up from behind that desk. And almost invariably, the mind's appreciative for the break."

So sincere is Serkland that Mrosak invites him to appear courtside that evening. So convinced by his own sermon is Serkland that he accepts. Mrosak and Serkland take just a moment to exchange the cold, competitive glare which foretells of the energy to be played out that night.

One will win, one won't. But the clear loser of this scenario is sure to be one little blue rubber ball.



Return of the Tigers

When you mention *Flying Tigers* to a veteran of World War II, the mind conjures thoughts of mystic China, the heat and humidity of Burma, and the enchantment of Singapore.

Add to this the reputation of a flying force of Americans that were the first to meet the challenge of the Japanese Air Force, and you come to the conclusion that, if a war can be romanticized, the Flying Tigers were the romanticists of the 1940's.

One of our own Soo Liners, Rollie Burr, was a member of that elite unit which was part of the 14th Air Force. His assignment was as radio operator on a C-47 cargo plane which carried supplies from Burma to India and China. General Claire Chennault, an air force legend, led his unit.

Each year the Flying Tigers hold a reunion in various cities in the U.S. In commemoration of the 40th year since the end of hostilities, the group scheduled their 1985 reunion and memorial services with their Chinese friends in Taiwan. Rollie, along with 614 members of the organization, made the trip in May.

Rollie was Supervisor of Demurrage in Revenue Accounting prior to his retirement in 1982. He found the May trip fascinating and relived many memories.

In his words, "Hong Kong has over five and a half million people and every one of them must own an automobile. The traffic jams are unbelievable and they are the same at noon or at midnight. A better aspect of the city is the bargains on jewelry and clothing; fantastic by any standards."

Rollie's group toured the harbor with its thousands of boats from around the world waiting to be unloaded. Containers at the harbor were stacked sky-high, he says. "Millions," is the estimated number of containers awaiting delivery according to Burr.

In Bangkok, Thailand, it was six and a half million people creating the traffic jams, he says. The most interesting attractions to Rollie were the Buddha temples. All were built with hand labor, some requiring 50 years to complete.

On the less religious side, Rollie took time out for a "Thai Massage", where the oriental girls gently walk up and down the spine. "Not bad at all," he reports of the experience.



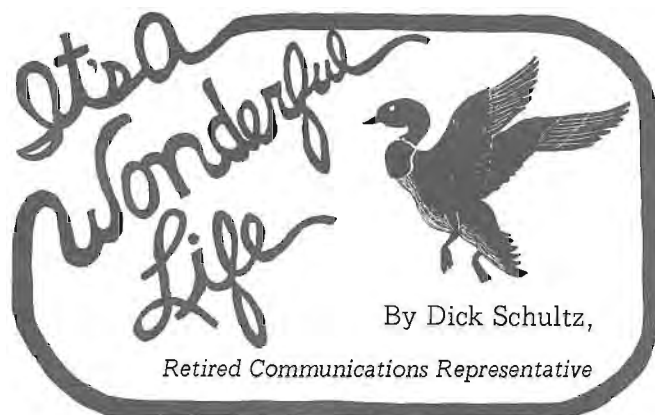
Rollie Burr

Overall impressions of the cities he visited led Rollie to say that Singapore hit the senses immediately with its cleanliness and beautiful, modern buildings. Its population is youthful, averaging between 30 and 40 years of age. Much of the old culture, expected to be evident to a tourist, has been abandoned. Western-style clothing and architecture have replaced it.

Taipei, Taiwan, will be most remembered for its warm treatment of Flying Tigers veterans. The group was met at the airport by welcome banners and an official delegation of the Taiwan government. The visit started with a welcoming dinner party hosted by the Association of the Chinese Air Force and the six days that followed included a banquet

hosted by the Republic of China Veterans, a dinner put on by China Air lines and another hosted by the Ministry of National Defense.

TV cameras followed the group wherever they gathered and they were received with uncommon warmth by the Chinese everywhere in the city.



On the final day in Taipei, a memorial service for those Flying Tigers killed in service and those who'd died since the wars end was held at the National Revolutionary Martyr's Shrine. Also memorialized were Chiang Kai-Shek and deceased members of the Chinese Air Force.

For retirees who enjoy travel and may have considered the Orient as a destination some day, Rollie says that accommodations in each city are air-conditioned and modern. Tourists can feel safe to just randomly walk the streets. People were gracious and kind throughout the cities visited.

In fact, Rollie says, the pace seems slower and days last longer in the Far East. All part of the fascination of this ancient, yet modern, world.

SHORT SUBJECTS

Radio dispatching improves efficiency, safety

A new method of train dispatching that replaces the train order method was instituted over 142 miles of line September 16.

The new system is called Track Warrant Control (TWC), and enables a train dispatcher to control train movements via radio contact with the engineer or conductor on a moving train, Dan Lyons, assistant to the general superintendent — transportation, explained.

"As railroad traffic patterns shift, these changes can be monitored by the dispatcher and instructions given to the moving train at a much faster rate than by train order," Lyons said in pointing

out one of the benefits of TWC. "It's a more efficient, economical and dynamic train dispatching method and also allows the dispatcher to control the train with pinpoint accuracy," he emphasized.

"I'm impressed with TWC, primarily because meets can be planned much better and the dispatcher has direct control over train movements," emphasized Stan Braun, Shoreham east-end dispatcher. "In addition, errors have the potential of being reduced when a radio system of communication is used."

The system is in operation between Paynesville and Glenwood and Ottumwa and Laredo. Train dispatchers at Shoreham monitor the Paynesville-Glenwood line and dispatchers at Union Station the Ottumwa-Laredo line.

The new radio dispatching system will also operate between Glenwood and Noyes, between Ottumwa and Muscatine, and will run on the Brooten-Twin Ports line in the near future, Lyons said.

"Dispatchers and on-board train personnel have received TWC training," Lyons said, "which incidentally is a very easy system to both learn and operate."

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