



Conrail advertising portfolio 2514

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Manuscripts and Archives

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Summary Information

Repository:	Manuscripts and Archives
Creator:	ConRail
Creator:	Ogilvy & Mather
Title:	Conrail advertising portfolio
ID:	2514
Date [inclusive]:	1976-1997
Date [bulk]:	1976-1990
Physical Description:	1 volume(s)
Language of the Material:	English .
Abstract:	The Consolidated Rail Corporation (Conrail) was incorporated in October 1974. It was formed under the auspices of the United States Railway Association, a quasi-public agency established for the purpose of solving the problems of bankrupt railroads in the Northeast and Midwest. The portfolio contains sixty-eight examples of proof copies of advertisements created by the advertising agency of Ogilvy & Mather, Inc. (later Ogilvy & Mather Partners, Inc.), between Conrail's start up in April 1976 and 1990. There are also two pages of proxy instructions that appear to date from the first CSX takeover bid in 1997.

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Historical Note

The Consolidated Rail Corporation (Conrail) was incorporated under the laws of Pennsylvania on Oct. 25, 1974. It was formed under the auspices of the United States Railway Association (USRA), a quasi-public agency established for the purpose of solving the problems of bankrupt railroads in the Northeast and Midwest. The USRA conducted elaborate studies to determine which portions of the rail network could be made self-supporting. Additional so-called light-density mileage was also preserved under political pressure from shippers and communities. Those portions of the assets of six major bankrupt railroads--the Penn Central Transportation Company (itself a merger of the Pennsylvania, New York Central, and New York, New Haven & Hartford Railroads); the Erie Lackawanna Railway Co.; the

Reading Co.; the Lehigh Valley Railroad Co.; the Central Railroad Co. of New Jersey; and the Lehigh & Hudson River Railway Co.--were transferred to Conrail at condemnation value on April 1, 1976.

The resulting Conrail system, covering about 20,000 route-miles, received over \$2 billion in government advances for capital improvements. Most of Conrail's lines, as well as its Philadelphia headquarters, were inherited from Penn Central. Despite the infusion of government money, Conrail inherited many of the structural problems of the old bankrupt railroads and remained unprofitable until the Staggers Act of 1983 deregulated railroad rates. The Reagan Administration then began a campaign to return Conrail to the private sector by means of a sale to the Norfolk Southern Corp., only to back down after more than two years of political pressure and counteroffers. Conrail's stock instead was sold at what was then a record IPO on March 25, 1987, for a total of \$1.6 billion. On July 1, 1993, a new holding company, Conrail, Inc., was incorporated, and Consolidate Rail Corporation became an operating subsidiary. During the mid-1990s boom, pressure for rail mergers intensified, and on October 15, 1996, Conrail, Inc. announced plans to merge into CSX Corporation, which would have left only two major rail systems east of the Mississippi. The other system, Norfolk Southern, would have been dwarfed by the combined CSX-Conrail, and a bidding war ensued that drove the price of Conrail to absurd heights. On March 7, 1997, CSX and Norfolk Southern signed an agreement to divide Conrail between them for a total purchase price of \$10.3 billion. Consolidated Rail Corporation remains as a joint subsidiary and the owner of certain terminal trackage that has to be shared by Norfolk Southern and CSX.

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Scope and Contents

The portfolio contains sixty-eight examples of proof copies of advertisements created by the advertising agency of Ogilvy & Mather, Inc. (later Ogilvy & Mather Partners, Inc.), between Conrail's start up in April 1976 and 1990. There are also two pages of proxy instructions that appear to date from the first CSX takeover bid in 1997. The ads were designed to appear in newspapers and publications read by shippers and thus lack the bold graphics and color found in advertisements for consumer goods. The ads are all heavy with text and are crafted to persuade shippers that Conrail is different from its run-down and decrepit predecessors, whose names had become bywords for derailments, late or lost shipments, and managerial ineptitude. This was true even as Conrail struggled against the same limitations in the late 1970s, but the ads become more confident as Conrail became more efficient and innovative after 1980.

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Administrative Information

Publication Statement

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Revision Description

Laurie Sather 2020

Access Restrictions

This collection is open for research.

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Related Materials

Related Materials

Conrail photographs (Accession 1993.231), Audiovisual Collections and Digital Initiatives Department, Hagley Museum and Library.

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Controlled Access Headings

- Railroads.
- Advertisements
- Railroads -- Rolling stock