

U.S. Congress.  
UNITED STATES



OF AMERICA

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 92<sup>d</sup> CONGRESS  
SECOND SESSION

VOLUME 118—PART 12

APRIL 27, 1972 TO MAY 3, 1972

(PAGES 14557 TO 15776)

Others said that he is "extremely intelligent," "hardworking," "a deep thinker who isn't carried away by the problems of the moment," and "a man with a great deal of common sense."

Before going to the White House, General Scowcroft, then a colonel, was special assistant to the director of staff of the Joint Chiefs of Staff, Gen. John W. Vogt. General Vogt has just gone to Saigon to command the Seventh Air Force and direct the bombing of North Vietnam.

While in the Pentagon, an associate said, General Scowcroft took interest in the enlisted men there. "He was deeply concerned about the welfare of the men," the associate said.

To keep trim, the general goes skiing, plays golf, tennis and squash, and swims when he has time. He is also a crack shot with a pistol and has won medals in sharpshooting competitions.

His wife said that he won a medal at a ski meet while they were in Yugoslavia, where he was an assistant air attaché from 1959 to 1961. Yugoslav military officers invited all the military attachés to a skiing party and General Scowcroft won first prize in the races. "When I tell people this," Mrs. Scowcroft said, "he says that it embarrasses him. He says that it's not fair to compete with Indonesians in skiing."

General Scowcroft was born in Ogden, Utah, on March 19, 1925, and attended the Ogden city schools. He graduated from West Point in 1947 and entered the Air Force, in which he earned the wings of a fighter pilot in 1948.

The general and Marian Horner were married on Sept. 17, 1951. They have a daughter, Karen, who is 13.

General Scowcroft received his master's degree in 1953 from Columbia and a doctorate there in 1967, and he studied at the Georgetown University School of Language and Linguistics. In addition to Russian, he speaks Serbian and Croatian.

He has attended the Naval Strategic Intelligence School, the Armed Forces Staff College and the National War College. He has served in the Defense Department's Office of International Security Affairs, which has been called the Pentagon's State Department, and in the Air Force's headquarters dealing with matters concerning the National Security Council.

Inquiries about General Scowcroft brought a string of plaudits from officials in the White House and the Pentagon, and a compliment from his wife: "He's a modest man. But I'm not modest about him."

#### RAILROAD BRANCH LINE ABANDONMENT—A THREAT TO ALL OF RURAL AMERICA

Mr. MONDALE. Mr. President, the abandonment of rural railroad branch lines is a widespread problem. Unless something is done about it now, it could get much worse. Ultimately, we could end up with many communities throughout rural America having no rail service.

For the information of Senators, I would like to submit, for the RECORD, a selection I have made of some recent news articles concerning the issue of abandonments.

Recently, a comprehensive series was written by Tom Weyandt and published by the Mankato Free Press, Mankato, Minn. Also, the Farmers Union Herald, in its March 14, 1972, edition carried an article by Eric Rasmussen, about rail abandonments in the State of Nebraska. The Worthington Daily Globe, another

of Minnesota's fine papers, on April 12, 1972, had a startling article which pointed out that 1,425 miles of rail in Iowa may be abandoned. And nationally, Farm Journal's Top Op featured an article by Bob Coffman and Gene Logsdon on "What To Do With a Pair of Rusty Rails?"

Mr. President, I ask unanimous consent that these articles be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD as follows:

[From the Mankato (Minn.) Free Press, Mar. 23, 1972]

#### ECONOMIC ILLNESS OF RAILROAD IS SPREAD TO RURAL AREAS

(By Tom Weyandt)

The Wabash Cannonball, The Super Chief and The Soo are dead.

Rural freight service in Minnesota is dying. Those who give a damn about the decline of railroad service seem to be an extremely small minority.

Railroads carry 41 per cent of the nation's freight, they only turned a profit of 2.367 per cent in 1970, the worst profit margin of any major industry.

Railroads carry 46 per cent of all meat and dairy products, and 74 per cent of all canned goods and frozen foods.

Labor Department officials claim that if the nation's railroads closed down for one week, the Gross National Product would be off by 6 per cent, and an eight week shutdown would cut the GNP by 24 per cent and unemployment would go up by 22 per cent.

Railroads today pay more than 24 per cent of their revenues in taxes, while truck lines pay 5 per cent, buses just under 5 per cent, airlines 4 per cent and barge lines nothing. The nation's railroads are sick, and some of the disease is likely to spread to an already shaky rural economy.

In February the railroads got the green light to close 16 stations in the Mankato area. Track abandonments are being considered from Sanborn to Wanda and from Albert Lea to Hollandale.

The Public Service Commission (PSC) chairman, Ron Anderson, says his department has no jurisdiction in track abandonment cases. The Interstate Commerce Commission (ICC) makes the determination in track abandonments.

"There have been a great many of these abandonments in the past four or five years. We've opposed almost all of them and we lost every case."

The ICC wants a certain amount of revenue shown to prove it should force the companies to keep the lines open. It usually relies on the figures the companies present, and the formula generally only consists of the question of whether or not the companies say they are making money.

No one disputes the fact railroads are losing money on some of the rural trunk lines, but the big question is whether the companies should be allowed to abandon the lines with a low profit margin and only retain the highly profitable lines.

Cy Carpenter, acting president of the Minnesota Farmers Union, says his group has asked for a moratorium on track abandonments in the Midwest.

"We feel that there should be an investigation of the entire transportation business. Congress should study the problem closely to see what is practical and feasible in correcting the problems."

A look has to be taken at the total financial picture of the rural community, he believes, and this has to be put into a relationship to the total input into railroads from

agri-business. The railroad companies can't have all the cream and not take the skim milk too."

Carpenter said the same factors that spurred the growth of railroads in the 19th Century exist today.

Communities have an even larger amount of grain and agricultural products to ship out to the nation, and the nation needs them more and faster than ever, he declared.

Congress has been considering the Surface Transportation Act of 1971 for several months. The bill, also known as the Hartke-Adams bill after the authors, U.S. Sen. Vance Hartke, D-Ind., and U.S. Rep. Brock Adams, D-Wash. would shift the major emphasis of federal programs from other forms of transportation to railroads.

The Hartke-Adams bill is designed to help insure the survival and continuing improvement of all surface transportation modes. Part of the bill is planned to allow carriers to improve and expand their equipment and facilities without being forced to borrow at unreasonable or prohibitive rates.

The plan would establish a government corporation to lend railroads and other carriers up to a total of \$5 billion in actual loans or loan guarantees. Loans would be repaid over a 15-year period, to the Treasury Department, which would be in charge of the program.

Railroads say this money would give the needed shot in the arm to start a renovation program. Estimates are that the railroads would have to spend \$36 billion over the next 10 years to improve and modernize their facilities.

Two other provisions of the bill would provide railroads with the ability to circumvent some of the federal red tape they claim has caused so many problems.

One of the provisions would make it possible for carriers to adjust rates quickly to comply with needs and demands of the markets. The ICC would retain the authority to reject rates if it determined they were out of line, but the cumbersome machinery now in use would be abolished.

The second sweeping provision of the Hartke-Adams proposal, and the part that is meeting the most opposition, would make it possible for the railroads to abandon track-age that is losing money by notifying the ICC 45 days in advance.

On its own initiative, or on a complaint of a customer, the ICC could hold up the abandonment for as much as six months. The abandonment would take effect after this period unless the ICC found first that it was against public policy and secondly that the railroad could at least get back its operating expenses.

This provision would speed up the abandonment procedure, which the railroads claim is one of the biggest problems to date.

States would also be required to spend at least 5 per cent of all federal highway funds allocated to them for grade-crossing improvements. There are still 180,000 unguarded crossings in the nation where 1,500 deaths and 3,700 injuries occur annually.

Members of the Minnesota congressional delegation don't look favorably on the bill. One said the abandonment clause as it stands in the Hartke-Adams bill, would make the abandonment procedure too easy.

Further study should be made of the situation before any action is taken, he said.

The Nixon administration has sponsored a similar bill through the Department of Transportation.

Two provisions of this bill are viewed with alarm by several groups. This bill would make it possible for railroads to abandon lines with 30 days notice, as compared to 45 days notice under the Hartke bill.

From the consumer's standpoint the Nixon bill offers a very succulent provision.

The provision would remove the anti-trust exemption of the transportation industry's rate making bureau.

The rate making bureau is a quasi-judicial body that meets regularly to set the freight rates for the nation's carriers. The group, which in effect fixes prices for the entire transportation system, meets under the auspices of the ICC. But since awarded the exemption from anti-trust legislation the companies have been able to set prices arbitrarily, but uniformly, across parts of the nation.

The removal of the anti-trust exemption is a two-sided coin, however.

It would make the carriers more competitive, which would probably result in a drop in freight charges. This drop would cut the cost of consumer goods, and presumably the cut would be passed on to the consumer.

On the other side the increased competition would speed up the demise of some of the rail companies, which is exactly what is affecting rail service to rural areas.

Railroads claim their profit margin is so slim that any reduction would put them out of business. The companies are unable to update their equipment to meet current needs, they claim, and experts say there is going to be a 40 per cent increase in the amount of merchandise that will have to be shipped by rail in 1980.

The Nixon proposal also provides for \$3 billion in loans and loan guarantees, and direct grants of \$35 million to the rail companies.

Local officials are wary of these provisions for grants and loans contained in both proposals. They feel the money will be spent to maintain the main lines in the highly profitable areas, and not provide any relief for the rural communities. They even claim these infusions of funds may increase track abandonments.

[From the Mankato (Minn.) Free Press, Mar. 24, 1972]

#### OFFICIALS ASK TEMPORARY END TO RAIL ABANDONMENT

(By Tom Weyandt)

Minnesota's DFL Sens. Hubert H. Humphrey, and Walter F. Mondale, have co-sponsored a concurrent resolution calling for a moratorium until the end of 1972 on all railroad track abandonments in the nation.

Humphrey said it was inconsistent to start federal programs designed to encourage rural growth through federal departments when other federal departments are allowing the railroads to choke off rural America.

Mondale contended recent attempts to produce an SST aircraft and a space shuttle were aimed at providing jobs.

"The main argument for the SST and the shuttle is that these projects will create jobs and boost the economy," he says. "Revitalization of the railroads serving America would create jobs, too, and it would directly benefit more people by bringing new life to rural areas."

The senators asked that all abandonments cease until investigations can be started to produce an overall comprehensive notion of the needs of the country in regards to transportation.

Such a study has been quietly started in Minnesota by Gov. Wendell Anderson.

Anderson sent a letter to the heads of five state departments asking them to investigate and determine the criteria for measuring the impact of railroad abandonments on the economic activity in Minnesota. The objective of the study is to set up a state policy on abandonments that is practical, reasonable and equitable to all concerned parties.

The group will attempt to gather data from a variety of sources, but the biggest obstacle will be trying to gather information from the railroads themselves.

Many officials privately admit they are skeptical about validity of the economic data railroads give during line abandonment procedures.

The formula that has come under the most fire is the contention of the railroad companies that they must ship a minimum of 34 car loads of freight a year for every mile of track in operation. The provision has been incorporated into the guidelines used by the ICC, who recently proposed to raise the rate.

Anderson intervened in this case and asked for public hearings on the proposal. The public hearings are being set up and Roger Baker of the Department of Economic Development is collecting data for an orderly presentation.

One case where the governor intervened provides an insight to the problems. The governor asked that hearings be held on the track abandonment from Sanborn to Wanda. In December of last year the governor received a letter from an ICC official that stated that hearings would be held, but that testimony would only be accepted in writing.

The governor's office learned that the Chicago and Northwestern Railroad had requested that no public hearings be held. The governor again requested hearings in the area, and, in a strongly worded letter, said input from all concerned parties should be accepted. The hearing was finally granted, and the case is still being studied.

Anderson is also sending Agriculture Commissioner Jon Wefald to the hearing April 24 in Redwood Falls to offer suggestions in the abandonment case at Wanda. Wefald presumably will oppose the abandonment, and will once again ask that abandonments be halted for the rest of the year.

Wefald offered several remedies to the rail problem.

His first suggestion would be federal subsidy.

"People are just going to have to realize how important rail service is to the country, and they are going to have to see that certain amounts of money are going to be spent on transportation."

His second alternative would be the nationalization of rail beds, with the rail companies paying an annual charge for the use of tracks.

The most innovative suggestion that Wefald made was that co-operatives be set up to provide the needed services.

"Something on the line of the REA, which everyone claimed wouldn't work back in the 1930's, could conceivably be set up to deal with the problem.

"Farmers and businessman in rural communities could band together with the help of the government, and they could start operations that would at least get the rail service extended out to the main transportation lines."

Wefald said that for decades railroads have used the profits that they made shipping agricultural related goods to invest in non-railroad enterprises rather than purchasing and repairing equipment.

"I think it is about time that we reverse the trends, rather than let the trends dictate to us."

[From the Mankato Free Press, Mar. 25, 1972]

#### FIRMS, SHIPPERS HIT BY RAIL PROBLEMS

(By Tom Weyandt)

The main problem with saying railroads can't abandon any trackage is that this type of measure would almost force the government to subsidize the rail industry for unprofitable trackage.

The cost of buying existing facilities would be anywhere from \$28 to \$60 billion at the current fair market value.

The money would have to come from taxpayers, and equipment that would be purchased is largely outdated or obsolete. The cost to repair and replace the needed equip-

ment is estimated at \$36 billion over the next 10 years. The money would come from the taxpayers.

These figures, when combined with the past records of attempted nationalization of an industry, usually choke off any type of serious debate on the issue.

Locally the situation varies.

Some communities would feel the impact of lost rail service much greater than others.

Gordon Frank, manager of Frank Brothers elevator in Winnebago, says his operation would be hurt by a loss of service, especially at harvest time.

"When the roads are closed because of high water, or when we have a large volume of shipments, it's nice to have two outlets," Frank says.

"That way we can choose between trucks or rail, and over the long run, rail usually is cheaper."

Loyal Koenck at Huntley Feed and Grain says the removal of rail service would be disastrous.

"During April and May when there are load restrictions on the highways we wouldn't be able to ship a thing," Koenck says. "If the Milwaukee Road left, we wouldn't be able to ship any grain, fertilizer, anhydrous ammonia, or anything, and that would put us right out of business."

One place where the railroads have proposed service discontinuance is from Sanborn to Wanda.

In 1966, the Farmer's Elevator in Wanda was assured rail service would be continued.

On this promise the co-op spent more than \$200,000 for a new corn handling unit which was completed in October. Now the railroads are proposing that the line be abandoned, and if they are forced to keep the line open it would be the first time the ICC ruled in favor of the local businessmen.

Joe Welder at the Blue Earth Farmer Elevator says he has been very happy with the railroads for the past four or five months.

"We've shipped 385 cars since May 1, and we've had real good service so far," Welder says. He added that his company would have to invest considerable sums in trucking equipment if the rail service was discontinued.

Several grain elevator officials claimed that they wouldn't miss the rail service, mainly because they either are on a major highway with direct access to their market, or their shipments are so small that they can just as profitably ship by truck.

Carpenter says he is concerned that many members of the Farmers Union, and people in the rural communities in general, don't seriously consider the impact of a loss of rail service.

"What we need to do is develop a practical service for today's needs and services," Carpenter says.

Carpenter says the ever increasing influx of rural families into urban areas is cause for major concern. He says increased costs in government services will outstrip the possible revenues than can be obtained through current taxing methods.

"The average family on welfare in New York has a higher annual income than the average farm family in Minnesota. This is a very unhealthy and unfortunate situation, and the decline of rail service is going to ensure that such things continue," Carpenter said.

The rail companies rest their case for abandonment on an economic basis, and also on the poor condition of the track beds.

Rotting ties and bent rails have been cited the factors in a number of abandonment cases. The companies claim that to repair or replace the tracks according to specifications would cost more than what it's worth.

Carpenter says this assumption is true in some cases, but that the companies use specifications for the tracks that would pro-

vide adequate service for trains that travel at 60 miles an hour.

"No freight train travels at 60 mph, so why spend all that money to repair the beds to this level," Carpenter asks.

Some proponents have called for nationalization of the rail beds, with the companies paying annual fees for the use of the beds. This would allow federal spending to repair the beds and meet the necessary specifications.

This provision would place the same emphasis on railroads that the trucking industry has enjoyed in the construction of highways.

The costs of highways are increased by 20 per cent on the average to provide adequate beds for heavy trucks that carry freight across the nation, and airline taxes will fall \$3.2 billion short of paying for airport improvements that will be needed in the next 10 years.

Trains can move one ton of freight for a fifth the fuel, a sixth the accidents, and a tenth of the land required by trucks.

When the government starts paying as much attention to freight service as they have to passenger service through Amtrak rural freight service will start to thrive.

The President of the Southern Pacific Co. proposed the nation's passenger service be reduced.

"In my view, Amtrak's function should be to provide for an orderly shrinkage of rail passenger service," says Benjamin F. Biaggini.

"Amtrak is trying to operate far too many miles of service to fit either the money or the demand it has."

He proposed that instead railroads be allowed to provide service in a "few appropriate places—such as New York, Boston, and Washington."

Railroads are the only way that the amounts of input and output goods that flow in Southern Minnesota, as well as rural areas of the entire nation, can be shipped. To do all the work by truck would increase highway congestion to the strangulation point.

The comprehensive plan proposed by Humphrey and Mondale will have to be completed to provide the needed information that will convince officials of the need for rail service.

The record of Amtrak doesn't provide an admirable model to date, but it is doubtful current trends in rail operations are going to prove beneficial to rural Minnesotans.

#### BRANCH LINE FORECAST BLEAK (By Eric Rasmussen)

Abandonment! Not a pretty word to anyone. Not a word any of us like to think about, much less say it out loud—but, I'll say it again. Abandonment!

In 1930, Nebraska had around 6,200 miles of railroad track. Now, we have about 5,500. That's a difference of about 700 miles—not too big a deal over a 40-year span. The ICC is presently considering applications for abandonment of 176 miles of track in Nebraska. Again—not too very big of a deal.

But wait a minute. The Nebraska Railway Commission recently asked the Northwestern railroad to give us a long-range plan of their expected operation. They admitted that during the next ten years they plan to abandon over half their track mileage in Nebraska. The Burlington Northern will give us their report shortly, and we expect it and all other lines to submit similar reports.

There are a little over 2,000 miles of mainline track in Nebraska today; these are lines which go to the state's borders and then continue beyond. This means there are about 3,500 miles of secondary and branch line track today. If the railroads proceed with the abandonment schedules which are indicated, in 1980 there will be only about 700 miles of railroad track in Nebraska which is not on these mainline routes.

If this happens, Nebraska becomes merely a flag stop state. All the Great Plains states will be in the same position.

It hasn't come as a surprise that abandonments are taking place at a faster and faster pace. Not too long ago, an official of the Burlington Northern stated publicly: "The day of train service to country elevators is almost gone."

How did we get into such a mess? Everybody deserves a share of the blame. Deterioration of the branch lines and of the entire railroad operation progressed on a gradual scale for many years. During World War II, we were busy with other interests; after that, we were pretty apathetic until, all of a sudden, the problem stares us in the face.

The result of public disinterest has been that the laws have become totally outmoded and many times completely unrealistic. Railroad management has been rightfully blamed for many of the problems concerning the industry, and mile after mile of track has been allowed to deteriorate to the point where salvage value nearly exceeds revenue-producing ability.

Let me give you some examples of the inequitable laws and frustrating circumstances which confront those who are responsible for railroad regulation.

Nebraska law presently states that if a railroad does not maintain quality tracks and standards, they can be ordered to cease operation. Fifty years ago, that law was appropriate, but today it only speeds up the pace of abandonments.

A branch line in Nebraska had a bridge wash-out last year. The Railway Commission directed that the bridge be repaired and service restored. The railroad filed for abandonment of the line, stating this would create an unsupportable burden on their revenues; the case is now being considered by our supreme court.

These are illustrations of outmoded laws. What about new legislation? The previous law stated that no railroad crew would work a route requiring more than 16 hours to complete. Congress has now changed this to 14 hours and in another year the restriction will be reduced to a 12-hour continuous operation. It is easy to see that next year's 12-hour rule will reduce service on marginal lines even further; lines where a round trip cannot be made in 12 hours.

One more factor is that of attitude; the attitude of railroad management, of labor, of the customer, of the lawmakers and of the people responsible for regulation. A spirit of cooperation has not always existed, but surely the time has come when it must exist.

After all, the farmer depends on the local elevator, which depends on the transporter and the merchandiser, who depends on industry, which depends on the consumer. The important question is not who is at fault, but what can be done about it. There are many ideas, theories and proposals; here are a few:

Nationalization is one alternative. It would cost the federal government at least \$60 billion to purchase the nation's railroads, and the government still would have to pay for the improvements so desperately needed.

Another program has been suggested by America's Sound Transportation Review Organization, known as ASTRO. This study has the full support of all the nation's railroads. Here are some of the proposals contained in this report:

Elimination of state and local property taxes against railroads.

Creation of a single transportation trust fund to apply to the needs of all modes of transport.

Government guarantees of up to \$400 million annually on private loans to railroads. Aid in getting locomotives and cars that a railroad is unable to finance on its own.

Funds for more research.

Relaxation of rate regulations, and crea-

tion of a single government agency to regulate all forms of transportation equitably and impartially.

It is estimated that this program would cost \$36 billion by 1980, and that the railroads would themselves generate three-fourths of the cost.

We've taken a look at some of the proposals on the federal level. Is there anything we need to consider on an individual basis? I think so. We in the midwest have merged farms for a more efficient operation, but have been extremely slow to merge grain elevator operations for similar efficiency. Before we add to our investments in a widespread country elevator system, we had better take a long, hard look at the problems of the railroads and gauge our actions accordingly.

One elevator network and the railroad branch line network have similar futures, but the agricultural community has a lot more at stake financially than the railroads in the solution of this branch line problem. We'd better wake up and make sure our voice is heard; we'd better all become politicians—and darn good ones.

[From the Worthington (Minn.) Globe,  
Apr. 12, 1972]

#### ABOUT 1,425 MILES OF RAIL IN IOWA MAY BE ABANDONED

DES MOINES.—Representatives of three railroads testified before the Iowa Commerce Commission Tuesday that they may abandon as much as 1,425 miles of track in Iowa.

Most of that would be abandoned by the Chicago and North Western Railroad. Officials of the C&NW told the ICC it has 1,200 miles of track in Iowa regarded as unprofitable and without potential for future profits.

J. R. Feddick, general market manager of the C&NW, said the 1,213 miles of line the railroad eventually plans to abandon constitutes 46.3 per cent of the company's total trackage in the state, mostly branch lines.

The management regards the abandonment of the unprofitable lines as necessary to establish a "viable railroad system," he said.

The C&NW was the first railroad to present testimony at the meeting. Most of the morning was taken up with a slide presentation.

Commission Chairman Maurice Van Nostrand said the commission is concerned about planned railroad right-of-way abandonment in the next five years. Since the 1972 legislature did not act on legislation to establish a Department of Transportation, he said, any planning toward a comprehensive state transportation system must be done by the commission.

"This commission does not have the authority to compel the railroads to continue operations on those branch lines that are clearly unprofitable," Van Nostrand said, and he added that it wouldn't do that if it could.

"Our mission here," Van Nostrand explained, "is not to abuse Iowa's railroads, but to try to develop plans and programs that will make it possible to expand into the future the contributions historically made by those organizations to the economic well being of this state and its people."

He said the commission wants to know if an Interstate Commerce Commission proposed standard of 34 cars per mile per year as the dividing line between profitable and unprofitable railroad operation, is valid.

Van Nostrand noted that 72 per cent of the intra-state revenue of Iowa railroads comes from grain shipments.

But he said the commission needs to know why, with more grain being produced and more freight being moved by rail every year, "the railroads appear to be convinced that their success depends on an ever-contracting plant."

It also needs information on the part the Iowa property tax structure and railroad union work rules play in weakening the rail-

roads' ability to compete with other modes of transportation.

Feddick said a relatively large per cent of the grain produced in Iowa is moved by truck "because of market and price." This is true because the railroads have a "static" freight structure while the rate structure for trucks and barge lines is more flexible, he said.

The railroads have considered developing a system of moving grain to river points on both Iowa borders for further shipment via barge to terminal markets and have handled some business this way, Feddick said.

But on short mileage hauls, he said, "trucks have a definite advantage" over railroads on money making potential.

Van Nostrand questioned Feddick about the location of the Sara Lee plant at New Hampton on a C&NW line the railroad now says is being considered for abandonment.

Feddick said he knew railroad officials recommended against Sara Lee's location on that line when the plant was built but it built there anyway.

Van Nostrand, however, read into the record a statement he said came from a letter to him, written by a person who was "closely involved" in negotiations to get Sara Lee to locate in New Hampton.

The letter said C&NW urged Sara Lee to locate on the railroad's line in New Hampton, but that after the plant was built it then balked at running sidings to the plant until reminded of commitments the railroad had made in writing.

Van Nostrand also questioned Feddick about the C&NW line through Harlan, another marked for closing. He said Harlan is a good business town of 5,500 and it seems incredible to him that it can't produce sufficient rail business to make railroad service profitable.

M. J. Reid, C&NW assistant chief engineer, said the Interstate Commerce Commission's 34 cars per mile standard for profitable railroad operation is "quite comparable" to the railroad's standard, which calls for abandonment of a line that does not earn \$7,000 a mile.

Asked by Van Nostrand why the C&NW has had "derailment problems" on its line from Des Moines to Kansas City, Reid replied that this was a line taken over by C&NW when it merged with the Chicago Great Western in 1968.

The former CGW line wasn't built for the heavy traffic it suddenly absorbed after the merger, Reid said. But he said the C&NW has been upgrading it and "I think we're pretty well out of the woods now."

Donald H. King of Chicago, vice president of the Burlington Northern Railroad, said his company has no formal "master plan" for wholesale abandonment of rail lines in Iowa or any other state.

He said the Burlington doesn't regard the 34-car rule as an "operational standard" for abandonment of lines, but as a "procedural" standard.

#### WHAT TO DO WITH A PAIR OF RUSTY RAILS?

(By Bob Coffman and Gene Logsdon)

America's railroads are in a mess. And if the problem isn't solved soon, you, and the businesses that serve you, are going to bleed again, right through your pocketbook. As one angry grainman remarked, watching trucks bypass his gutted elevator because he couldn't get freight cars, "It's not enough for agriculture to be an efficient business. We have to rely on railroads, government and labor—the most inefficient humpty-dumpties in the whole darn country."

Bills are now being submitted to Congress which would do something about that inefficiency and they come not a moment too soon. While the Department of Transportation (DOT) estimates that our transport system must be equipped to handle a 40% increase in freight ton-miles over current levels

by 1980, railroads are predicting they will have to abandon 35% to 40% of their branch lines over the next 10 years. "For Iowa, I'd say that's conservative," says Maurice Van Nostrand, chairman of the state's Commerce Commission. "We'll lose that much in five years."

A railroad map of Iowa looks like a fish net made to catch very small minnows. The cross-hatching is so close, almost every farmer is within 12 miles of a railroad market depot. But whereas a novice might consider that an advantage, it's a catastrophe by modern transportation standards—something left from the horse and buggy days when trucks were just a Henry Ford dream.

Even the railroad's detractors admit that the basic problem is simply that many short-haul lines have been made obsolete, especially by the awesome federally-funded, new highway system. And barges can beat the rails on some long hauls. As railroads lose business, rates rise to compensate, causing further loss of business. Service diminishes; maintenance becomes appalling. Derailments are rising. Track and roadbeds are deteriorating, increasing the number of "slow orders." Some cars are in such poor shape, the shipper has to turn them back to the railroad, then wait forever for a replacement. Even when railroads try to modernize they can't always follow through. The big new 100-ton hopper cars could relieve the freight car shortage, but many branch lines and trestles are too weak to handle them.

But the problem runs deeper. (The railroads say that they cannot cope with change fast enough because of too many government regulations—and almost everyone agrees.) "Some carriers, notably railroads, are in severe financial straits," James Beggs, acting Secretary of Transportation, said last year. "A major cause appears to be the presence of outmoded regulatory constraints."

To combat the situation, new transportation bills are breaking out like hives in Washington. Some of them itch more than others. The two most important proposals Congress is now hearing testimony for and against, are the Surface Transportation Act (S 2362) and a tongue twister called the Transportation Regulatory Modernization Act (S 2842). The former is a bill proposed by the carriers themselves; the latter is DOT's proposal, often called the Administration's bill. In essence, the DOT bill would ease regulations in an effort to create a more competitive climate between various modes of transportation. The carriers want more regulations in some areas, a freer hand in others.

The bills concern themselves with the whole spectrum of transportation problems, but would directly affect farmers in at least two areas: rate regulation and rail abandonment procedures.

Rates: Railroads' cost advantage lies in long hauls. But regulations now in effect inhibit their ability to attract more long haul traffic because they cannot lower rates to remain competitive with other carriers. Conversely, short haul rates are regulated below cost and cannot be raised to an efficient operating level. The DOT bill calls for a gradual change, with appropriate safeguards, to a rate structure based on cost.

Carriers are not so keen on moving towards a more competitive climate. One of the crucial points in their proposal—for farmers—is to change present rules that exempt truckers of ordinary livestock, processed poultry, milk and eggs, redried tobacco and shelled peanuts from regulation.

"This is particularly alarming," says James Krzyminski, assistant general counsel of the National Council of Farmer Cooperatives. "It would represent only the first step in what might become an attempt to remove the exemption for all agricultural products. Actually, it's the same kind of move that almost brought drivers of farm trucks under regulation last summer. It could only mean in-

creased costs and less flexibility of operation. For those farmers who are going to lose rail service anyway, this move to regulate trucking in agriculture could be a death blow. We're urging farmers everywhere to oppose the carriers' bill forcefully. We see little in it to help shippers."

Assistant Secretary of Agriculture Richard Lyng, testifying before the Subcommittee for Surface Transportation, spoke sharply against this section of the carrier's bill. "USDA studies of frozen fruits and vegetables before and after being declared exempt show that without regulation rates were lower and service better. With regulation, rates increased, and service became poorer."

Railroad Abandonment: Both bills would make it easier for railroads to abandon unprofitable lines. Carriers propose abandonment upon 45 days notice unless the ICC ordered an investigation; in that event, the Commission would have to reach a decision in six months. "This means that a country elevator operator might find himself out of business 7½ months after he found out his line was being abandoned," says Krzyminski.

The DOT bill would require a 30-day public notice and a Commission decision within six months. However, where abandonment was found justified, and yet substantial injury to shippers or receivers would result, the carrier would be required to maintain service for an additional six months. The carrier could then legally abandon the line, but the parties involved would be free to negotiate an arrangement among themselves whereby service could be continued.

"No one is arguing that all branch lines must be saved," says Robert Graves, director of transportation for FS Services, Inc., a four-state regional farm supply cooperative which uses railroads to ship some 600,000 tons of fertilizer every year. "But we are worried by some of the formulas being advanced to determine eligibility for abandonment. One put forth suggested that less than 34 freight cars per mile of track per year would qualify for abandonment. That's a lot of cars. We think a better gauge might be the value of commodities shipped."

"We don't think railroads should be saddled with loss," agrees Krzyminski, "but we don't want shippers to take a beating either. Since they are talking about a \$5 billion subsidy to the railroads, we want it set up to benefit shippers, too."

"Also, we object to the way railroads consistently refuse to give prior notice of abandonment. It usually comes as a complete surprise. We are urging that railroads be required to file publicly those branch lines that are candidates for abandonment 12 to 24 months ahead of time, so shippers have time to make other plans."

"We have asked the five railroads operating in Iowa for maps showing which lines will probably be abandoned in the next five years," says Van Nostrand. "Some lines are cooperating."

One reason railroads are hesitant to publish plans for future abandonment is mergers. "If two roads have parallel lines and they merge, you can be on a mainline today, and a branch line tomorrow," says Graves.

What can you, a producer, a shipper do? If your elevator is next to rusty rails, start thinking trucks. And let your congressman know why you need the agricultural exemption from regulation in motor freight. Push for subsidies that help shippers, too, not just the railroads.

#### NOBODY'S WAR BUT HANOI'S

Mr. BENNETT. Mr. President, the more I see President Nixon in action, the more I am convinced he will be recorded in history as one of America's greatest Chief Executives.

When the controversies of the mo-