

Interview with Senator George McGovern 9/1/2000. Senator McGovern is the US Ambassador to the United Nations Food Resources program. He spends nine months a year in Rome, and three months a year living at his daughter's in the Bitterroot Valley of Montana.

SOL: Senator, I appreciate you taking this time to speak with me on your memories of the Milwaukee Railroad, and particularly on your recollection of the Milwaukee Railroad Restructuring Act.

SENATOR McGOVERN: Well certainly, as I mentioned last night, I grew up in Mitchell, South Dakota, a block away from the Milwaukee depot there. So, most of my childhood memories are of the trains, the Milwaukee Road, the people that worked for it, and its important role in the life of the town and of South Dakota.

SOL: So you found yourself with these memories, involved in 1979 in trying to find a way to save the Milwaukee Road in bankruptcy.

SENATOR McGOVERN: Well, yes. At the time, I was on the Senate Agriculture Committee, also on Foreign Relations and the Joint Economic Committee. The Milwaukee Road hearings were conducted by the Committee on Transportation, Interstate and Foreign Commerce.

SOL: How did you appear on this committee?

McGOVERN: Well, since I was a senator from an affected state, I asked to be able to attend the hearing and examine witnesses. This is a courtesy that is extended in the Senate.

SOL: The newspaper accounts of those hearings indicated that the Trustee of the Milwaukee Road, Stanley Hillman, appeared and testified.

SENATOR McGOVERN: Well, yes, he was proposing to abandon all of this line that was of such great importance to South Dakota and to the Western States that the Milwaukee served, and he was asked to come and testify to explain the basis for his proposal to abandon these lines.

SOL: You reportedly asked him to explain how he came to his decision and he reportedly answered it wasn't profitable for the railroad. You reportedly asked him what the revenues for the line were, and he reportedly answered that he didn't know. You reportedly asked him what the expenses were, then, and he said he didn't know that either. How did you react to this?

SENATOR McGOVERN: Well, Senator Magnuson of Washington had called it the largest abandonment of railway mileage in American history, which it was, and here is this trustee who doesn't even have any figures on why. It struck me that here is this man, in charge of such an important situation, and seemed to know so little about the facts. You would think that he wouldn't appear before a Senate Committee to explain his rationale for abandonment without having the figures of revenues and expenses, of profits and losses. It was frustrating, I can tell you, I was irritated and angry about it. That road was vital to South Dakota, and the other states

through which it passed. I couldn't believe that this man didn't have the answers to what seemed to be rather elementary questions. Without that information, we weren't in a very good position to move on to say or understand why are you abandoning this line? How could we know what to do at the federal level without that kind of information. It was a vital rail link for South Dakota. It provided a vital service for South Dakota, both for freight and for passengers. I was very upset at this idea of closing down this line, and that hearing didn't do anything to quiet my resentment at the closing of the line, quite the contrary, I wondered how the decision could have been made in the first place if these people seemed to lack even basic information about what their operating situation was. This trustee didn't seem to know anything at all about it, and I found this remarkable and appalling. The other members of the committee shared my view.

SOL: The Milwaukee Road receivership took place at the same time that Chrysler had encountered severe problems and had received substantial government assistance. Did this affect the attitude of Congress regarding assistance.

SENATOR McGOVERN: Well, you know, I'm kind of known as a liberal, but on many matters I'm much more of a conservative. I've got some conservative instincts, and one of them is that I hate to see old, established institutions disappear. I don't want to see Chrysler Motors go under. I don't want to see Lockheed Aircraft fail. I don't want to see the Rockefeller Center in New York sold to the Japanese. Most of all, I don't want to see the Milwaukee Railroad in South Dakota close. Those are my instincts on it; I'm always ready to fight to preserve old institutions that are intertwined with people's lives. It's not just the economic factors, but the Milwaukee Railroad was a social and political and economic force in South Dakota. It had a lot to do with the development of the state and with the prosperity of the state. It wasn't just a matter of dollars and cents, there were lives on the line. The workers that worked on the railroad, the passengers that relied on the railroad for most of a century, the shepards, people along the right-of-way. It was a major concern of people in our state.

SOL: Since it left Montana, my calculations show that Montana wheat farmers pay about 30% more to ship their wheat than the farmer's in Nebraska pay to ship wheat through Montana to the same Pacific Coast ports. It costs them over a third of the value of their entire crop, and that was when wheat was at \$3.80 a bushel. Now that wheat is under \$2.00, I'm not sure how much wheat Montana farmers can even afford to ship.

SENATOR McGOVERN: That just kills the farmers. Those figures are just heartbreaking. Farmers just can't make with this combination of current prices and high freight charges.

SOL: Do you believe there a need to reregulate the freight rail industry?

SENATOR McGOVERN: Absolutely I do. I'm not sure we did the airlines a favor by deregulating them, and I know we didn't do the country as a whole a service by deregulating the railroads. Deregulation hasn't been all that its cracked up to be. I think these vital arteries of public transportation should be under public regulation.

SOL: At the time the Milwaukee was in receivership, and its fate being argued in the Congress

during the debates over the Milwaukee Railroad Restructuring Act, I heard that some eastern Senators, after they had gotten their Conrail bailout, weren't supportive of assisting the Milwaukee.

SENATOR McGOVERN: There is no question that was the view of some people. But, that didn't embrace all of them from the east. Some of them were very supportive. I wish I could recall all of them. I think Senator Kennedy was very supportive, John Pastore of Rhode Island, Claiborne Pell. There were several of the eastern senators that stood with us on the fight, but I'm afraid that the majority of eastern senators, after they saved Conrail, didn't really involve themselves in this fight.

SOL: Did you have any sense in terms of the Milwaukee itself, as an enterprise, was this receivership the result of self-inflicted wounds, or an inevitable evolution within the rail industry itself?

SENATOR McGOVERN: I would like to think that it shouldn't be laid at the door of management alone. I didn't know all of the Milwaukee's top executives, but I knew some of them, and they impressed me as good men. I guess I had a sense there might have been some management problems, but I can't really give you a professional answer on that one. I was ready to save that railroad no matter what the cost.

SOL: Like you, I grew up very close to the Milwaukee tracks, and so in addition the economic considerations, there's always a personal feeling about what happened. What's your personal feelings about the Milwaukee Road disappearing from our history?

SENATOR McGOVERN: It's a sad thing to me. We moved into that house in Mitchell just a short block away from the Milwaukee line when I was just six years old. We lived there for a number of years. Then we moved about three blocks away and lived there until I went into the service for World War II. I knew the workers there, some of the engineers, some of the people at the depot, so I was personally heartbroken when we lost that line. There was something about the Milwaukee Railroad that no other railroad seemed to have for me. My father had the same feeling about it. As you know he was a Methodist minister, in those days he was kind of a traveling minister, and he visited a number of different churches in the Dakotas. He always traveled on the Milwaukee line; in those days they used to give clergymen a pass, maybe they still do, I don't know. Well, he thought the Milwaukee Railroad could do no wrong. He thought it was just a wonderful railway. He died in 1944 while I was overseas, and the Milwaukee was going great guns, then, at capacity. So my father didn't live to see what happened, but he would have been crushed if anyone had ever told him that line was going to go under. I felt the same way. It's terribly sad. I spent a lot of hours riding the Milwaukee. They had that great train, the Hiawatha. It went from Sioux Falls to Chicago. I feel sorry for kids today, they can't ride those trains, they don't know what a steam engine is. That was where the real romance was; I can't get much out of these diesel trains. Those steam trains were something.

SOL: Before the Milwaukee Railroad Restructuring Act, was the 4R act of any effective assistance to the railroads.

SENATOR McGOVERN: The 4R act made sense, the railroads were in trouble in the mid-1970's, I voted for it, but I don't know the long term effects of the act, though.

SOL: Were there any other senators you recall working to save the Milwaukee out west?

SENATOR McGOVERN: Well, certainly Senator Mansfield, he might have been retired by then, but I remember him taking a real strong interest in this. Senator Magnuson of Washington, Quentin Burdick of North Dakota, Scoop Jackson, Baucus. Magnuson was very good. He worked very hard on this, he was a railway lover, and his heart was in it.

SOL: Senator, I surely appreciate you taking this time to talk with me about this.

SENATOR McGOVERN: Well, I enjoyed this chance to reminisce. You should talk to Steve Ambrose about this, he's been working on railroad history recently and just came out with this book on the first transcontinental railroad just this week. I saw it at Barnes & Nobles in Missoula and bought a copy. I've just read part of it and its pretty good. He lives in Helena part of the year; he's a good friend of mine and I know he would like to talk to you about what you're doing.