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Homesteader, Winnebago, Mn  
October 19, 1982

## Oct. 14 - Historic Date For Winnebago's Rail Service

For shippers on the Milwaukee railroad line from Austin to Jackson the date, October 14, 1982 will remain in their memory for years to come. Especially so for two Winnebago men, Pudge Bottomley and Dar Hall, who were instrumental in making October 14 and the rail rehabilitation program a reality.

Hall and Bottomley, presidents of the shippers associations, worked on seeing the estimated 111 miles of rail line renovated under the Minnesota Rail Rehabilitation Program. Hall was President of the Corn Belt Shippers Association. Bottomley was president of Pioneerland Shippers Association.

On Thursday, October 14 about 250 persons gathered near the former Winnebago depot to welcome the train as it passed through. This was part of the official ceremony for completion of the rehabilitation program. Politicians, farmers, elevator operators, housewives, teachers, and school children gathered together in the sunshine to hear officials speak, involved in the \$22.5 million rail rehabilitation.

Other events to commemorate the occasion was held in Austin, and other sites along the route to Jackson.

The ceremonies marked the culmination of five years of work including signing of five separate contracts.

Project participants are: Minnesota

Department of Transportation (Mn/DOT), Milwaukee Road, and three shippers groups.

With the completion of the work over 111 miles of rail line through one of the richest agricultural areas in the United States have been rehabilitated.

The line will carry products such as grain, meat products, and meat by products as well as canned foods, fertilizer, machinery, coal, paper, cement and plastic products.

Total cost of the project is \$22,477 including about \$5,600 in state funds; \$9,272, federal funds; shippers organizations, \$2,765; and Milwaukee Road, \$4,814.

The Milwaukee Road must repay all of the shippers money and about one-third of the state's share. The shippers' loan will be repaid on a \$65-85 per car basis. Under the rehabilitation plan agreement, if the Milwaukee road is liquidated through bankruptcy to pay its creditors, the shippers corporation will be a preferred creditor and the state will have salvage rights to retain construction materials.

Worthington Smith, president Milwaukee Railroad told persons "You are participating in a historic event. This is the largest Cooperative rail line rehabilitation program in the state between shippers, the railroad, and the State of Minnesota." It was 'touch and go' for a period of time but the shippers group came together and got the program rolling. Special attention should be give to Senator Tim Penny, Representative Henry Kalis, and U.S. Senator Dave Durenberger for their legislative efforts in seeing the project accomplished.

In speaking to the crowd at The Winnebago depot, Lt. Governor, Lou Wanberg noted the young people present were seeing history being made. He told The Winnebago audience, this is important to your future if you are going to have an economically visable community. "Todays event is symobolic of a strong economic past and a strong economic future."

Thanks to Pudge Bottomley, Dar Hall, Henry Kalis, Tim Penny, and the work of many other persons over the past five years, Winnebago on October 14 saw a dream become a reality.

Jackson County Pilot  
 Jackson, Mn  
 October 21, 1982

Will be on "Today" show --

## Celebrate railway completion

According to two cameramen from Chicago, who were filming for the "Today" program on NBC, a segment on the rail project is scheduled to be shown Thursday, Oct. 21, in the 7:20 a.m. to 7:25 a.m. time slot.

The cameramen were here for the entire Jackson ceremony.

On a warm, sunny Oct. 14, a train and two passenger cars arrived here, signaling the completion of the \$26 million, 85-mile Austin to Jackson Milwaukee railway project. Golden spikes were driven here in the 5:30 p.m. ceremony before a crowd of around 80 persons. A banquet followed at the Farmers Co-Operative Association elevator.

Negotiations began in 1977 and resulted in the signing of five contracts among the three shippers organizations, the Milwaukee Road and Mn/DOT. The first contract was signed in August 1978 and the last one in April 1982.

The Milwaukee Road is to repay all of the shippers' money.

The Minnesota Department of Transportation has called the project "the largest cooperative rail line rehabilitation effort in state history."

### CORNBELT'S PART

Forrest Mariner, Jackson, vice-chairman of the Cornbelt Shippers Association, said Monday that he was glad the event was over but pointed out it's something that has been looked ahead to for years.

"I'm glad it worked out as well as it did."

In phase one of the renovation, the Cornbelt Shippers were responsible for laying of new rail ties and rail bed along the route of 36 miles from Winnebago to Jackson. Phase two involved the laying of new rails. Shipper, state, federal, county, city and railroad money was used in the project. Contributions also came from other civic organizations and area shippers.

The first phase involved a share of \$647,367 by Cornbelt. Cornbelt helped put \$423,000 into the second phase, according to Mariner.

Payment will be refunded at the rate of \$65 per railcar the first year, \$70 per car the second year, \$75 the third year, \$80 the fourth year and \$85 for the fifth through tenth years.

### STARTED IN AUSTIN

Representatives of three railroad shippers groups, the Milwaukee Road and government officials participated in the ceremonies that began at 11:30 a.m. in Austin. Dignitaries included U.S. Senator Dave Durenberger, Lt. Gov. Lou Wangberg, Mn/DOT Commissioner Richard Braun, Worthington Smith, president of the Milwaukee Road; Jim Barber, Austin, president of the Southern Minnesota Rail Shippers Corporation; Pudge Bottomley, Winnebago, president, Pioneerland Shippers Association and Darwin Hall, Winnebago, president, Cornbelt Shippers Association.

The train stopped in Winnebago where school children helped to form a large crowd to welcome the train.

Wangberg said he was delighted to see all the young people. Bottomley pointed out that the project took the effort of "hundreds and hundreds of people."

The speakers also joked about Hall telling them that there were to be no political speeches.

Once the train ride from Winnebago was underway, Hall pointed out the whole event was a gratifying experience for him.

"One of the best parts was all of the people we met," Hall commented.

Other train riders from Jackson included Merle Thompson, Farmers Co-Operative Elevator; Jeff Handevit, Cargill, Inc., Alpha manager; Walt Olson, county commissioner, Ed Yonker, county commissioner; Mayor Arv Schultz and alderman Carl "Bud" Lere.

Handevit said at one time it was thought federal funds were going to be lost to the project due to cuts, but it did not happen.

The arrival in Jackson marked the end of a rehabilitation project that took five years.

Steaks and beverages for the banquet were served by Farmers Co-Op. The rest of the food was provided by the Chamber of Commerce.

Fairmont, Mn Sentinel  
October 14, 1982

# Ceremonial train ride to mark end of rail project

By JANE McCLURE  
Sentinel Writer

A train with two passenger cars will be passing through the area this afternoon. That may not strike many people as significant. But the train trip is part of a ceremony commemorating the restoration of railroad line between Jackson and Austin — a rail line its promoters hope will mean increased grain shipments out of the area.

Passengers in the cars will include numerous state and local dignitaries, who will join and leave the train ride along the route.

Darwin Hall of Winnebago, chairman of the Cornbelt Shippers Association, said the train will be passing through Fairmont around 4 p.m. A rail restoration program that began 49 months ago is now officially done, Hall said. Today's train trip is set to recognize the completion of restoration.

"There will be a little cleanup work

in the summer," Hall said, "but there's already traffic on the line and it's done." He said backers of the line hope to see more train traffic. The line can now handle 50-ton hopper cars at 30 miles per hour.

When the restoration work by Cornbelt Shippers began, Hall said, the group had 60 days to raise \$646,000. Less than two years ago, the group raised another \$423,000. Hall said the Cornbelt Shippers are continuing to support transportation of

farm commodities by urging Minnesotans to vote for constitutional amendments for bonding for improvement and rehabilitation of railroads, and to remove restrictions on highway bonds.

Hall said the train will stop at Welcome around 4:30 p.m. to load and unload passengers. The train can carry about 30 of its invited guests at a time.

The trip starts in Austin at 10:30 a.m., with ceremonies there. The train will leave Austin in the early afternoon, and will arrive in Winnebago at 2:30 p.m., go through Fairmont, and stop in Welcome around 4:30 p.m. The trip will end in Jackson after 5 p.m., with a spiking ceremony and dinner.

The train is expected to travel at about 30 mph. Sherburn Police, who expect the train to go through that community at about 5 p.m., ask that motorists use caution at the four railroad crossings in that community. The crossings do not have warning lights.

Chicago Tribune  
October 26, 1982

## Chicago Milwaukee stake hiked

A group including Oppenheimer & Co. and members of the Billid family said they boosted their holdings in Chicago Milwaukee Corp. to 39.23 percent of the company's common stock outstanding. The group said in a filing with the Securities and Exchange Commission that it holds 961,700 Chicago Milwaukee shares, including 32,500 shares bought on the New York Stock Exchange from the middle of June through the first week in October at prices ranging from \$45.12 to \$59.25 a share. Chicago Milwaukee Corp. is a diversified holding company involved in transportation, real estate, timber, highway paving and food businesses. Its major subsidiary is the Chicago, Milwaukee, St. Paul & Pacific Railroad Co., which is being reorganized under federal bankruptcy laws.

Chicago Tribune  
October 25, 1982

## Suburban report

### Schaumburg rail depot to open

AT LONG LAST, Schaumburg will have its own commuter railroad station next Monday. The station, at 2000 Springingsguth Rd., was built to ease overcrowding at commuter stations in Roselle and Hanover Park, but ridership on the Milwaukee Road line, run by the Regional Transportation Authority, has dropped because of sharp fare increases last year. The \$223,000 construction cost was funded by the state and federal governments. A 1,300-car parking lot costing \$1.6 million was funded by the village along with the federal and state governments. Village officials are planning a 7 a.m. ribbon-cutting ceremony.

# Shippers buy railroad line

Rail service will soon be restored to an important railroad track in Iowa. That good news was announced Sept. 29, by Roger Koppen, president of Shippers Consortium, Inc., an organization that has purchased the 100.2-mile section of Milwaukee track from Council Bluffs to slightly east of Bayard.

Koppen is general manager of Mid Iowa Cooperative, which has an elevator on the newly-purchased line at Bayard.

"We expect railroad service to be restored on the line by November 1,"

said Koppen. "The papers signed today -- wherein we purchased the line from the Milwaukee and leased it to the Burlington Northern for operation -- mark the end of a 12-month period of negotiation which involved 21 shippers on the line, several banks and community leaders of the towns located on this segment of the Milwaukee."

Koppen added, "Without the help of the Iowa DOT, and the time and money contributed by interested people along the line, the negotiations could not have been successful."

The Morrison & Knudsen

Company of Boise, Idaho, conducted a study of the line, after which the shippers concluded that the railroad could be operated profitably. The cost of the entire project, including the purchase from the Milwaukee and an extensive upgrade program to be carried out over the next five years, is about \$10 million.

"We feel fortunate that the Burlington Northern has agreed to lease the line from us, with an option to buy it," Koppen said. "The BN operates a 29,500-mile rail system which serves both the Gulf of Mexico and ports in the Pacific Northwest and had revenues last year in excess of \$4 billion."

The 100.2-mile segment of Milwaukee line purchased by Shippers Consortium serves the communities of Underwood, Neola, Persia, Portsmouth, Panama, Earling, Defiance, Manilla, Aspinwall, Manning, Templeton, Dedham, Coon Rapids and Bayard.

"We think the shippers on this line can forge a relationship with the Burlington Northern that can be mutually advantageous," Koppen said. "And among the greatest beneficiaries will be area farmers; the operation of this line by the BN will give our farmers better access to domestic and export markets for their grain. It will also give them improved transportation for the fertilizer and other production items they use on their farms."

TRAFFIC WORLD • OCTOBER 25, 1982

## BN Asks ICC Approval Of Iowa Line Purchase

The Burlington Northern Railroad Co. has asked the Commission to exempt from its prior approval a proposed \$8.8 million transaction under which BN would operate over, and could eventually own, an approximately 95-mile former Chicago, St. Paul & Pacific Railroad Co. line between Council Bluffs and Bayard, Ia.

There has been no service over the abandoned line since April, 1981, when the Chicago & North Western Transportation Co. dropped its interim service. No railroads were interested in directly purchasing the tracks, so a group of 21 local shippers known as the Shippers Consortium, Inc., was formed to try and find a way to get rail service back. This summer, SCI signed an agreement with BN under which the BN would operate over the line under lease, would guarantee acquisition and rehabilitation financing, and would build up equity in the line for a possible outright purchase in the future.

BN asked the Commission to approve the proposed agreement without a formal proceeding in a recent petition docketed as Finance 30051.

Under the agreement, SCI will pay the Milwaukee Road a total of \$7,650,000 for the Council Bluffs-Bayard line, and BN will operate over the line under a 20-year lease. BN will pay 90 per cent of the costs of acquisition, rehabilitation, and organization, or about \$8.8 million, that SCI has committed itself to. At the end of the 20-year lease, BN has the option to purchase the line from SCI for \$1.

BN told the Commission an exemption is warranted because the shippers need resumed rail service over the line and because its operations over the line will not result in any abuses of market power.

# Wirth misses final deadline

By Jacqui Banaszynski  
Staff Writer

Harry Wirth has missed his final deadline for buying the Milwaukee Road Depot property in downtown Minneapolis, and may forfeit the \$2.2 million he already has paid the railroad.

Thursday was Wirth's final deadline, set by a judge, to complete his \$9.5 million cash purchase of the depot site. He failed to do so, according to Michael Sullivan, an attorney for the bankrupt Milwaukee Road, and railroad officials therefore are no longer authorized to sell the 15.5-acre site to Wirth. The deal is under supervision of a federal judge because of the railroad's bankruptcy.

However, Wirth called railroad officials early yesterday to report he was "still working on" gathering funds for the property, Sullivan said. He speculated that Wirth may yet try to convince the judge to grant him extra time to get the cash.

U.S. District Judge Thomas McMillen, who is overseeing the financial reorganization of the Milwaukee Road, routinely holds Monday court sessions in Chicago to discuss matters involving the railroad. If Wirth is ready to close the deal next Monday, it's possible the judge would approve the sale, Sullivan said.

"But if he (Wirth) is not in a position to say something by Monday, I expect the judge will have something to say," Sullivan said.

Wirth could not be reached for comment. He reportedly was in Minneapolis attending a series of business meetings yesterday, but did not return telephone calls.

Despite yesterday's lapsed deadline, railroad officials did not say that Wirth had lost all chances of buying the depot property.

"With Harry Wirth, who knows?" Sullivan said. "There are too many things that can happen in this world."

It is not certain what would happen to the depot site if Wirth is ruled out as a buyer. The property, at the corner of Washington and 3rd Aves. S., is considered a key to the city's plans for renewal of the riverfront district. At least three other developers are interested in the site.

Yesterday was the eighth time since February that Wirth failed to meet purchase deadlines set by the court. Each time, he has requested an extension, arguing that he was close to securing the necessary cash but needed to nail down details with various investors and development partners. In return for those extensions, Wirth has made more than \$2.2 million in nonrefundable cash deposits. He continues to pay interest on the remaining purchase price.

Wirth announced in early September that he had formed a partnership

with a London-based investment firm that would provide as much as \$50 million to purchase and develop the depot site. However, he then failed to meet a closing deadline later in the month and also failed to provide evidence of his financial deal.

It was then that McMillen told Wirth to have his cash by Oct. 21 or abandon his dream to rebuild the Minneapolis waterfront.

Wirth, a California real-estate investor with property interests in Wisconsin and upper Michigan, won the right to buy the depot property last November after offering the railroad \$9.5 million in cash. At the time, he said he would build a \$220-million commercial and residential complex on the depot site and eventually would renovate more than 100 acres of riverfront property at a cost of \$1.2 billion.

Wirth's lack of development experience and his failure to complete the depot purchase has prompted city officials and other developers to question his ability to carry through on his plans for the site.

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## Wall Street Journal October 26, 1982 *Group Boosts Holding In Chicago Milwaukee*

*By a Wall Street Journal Staff Reporter*  
WASHINGTON—A group including Oppenheimer & Co. said it boosted its stake in Chicago Milwaukee Corp. to 39.23% from 37.9% of the common shares outstanding.

In a filing with the Securities and Exchange Commission, the group said it holds 961,700 Chicago Milwaukee shares, including 32,500 purchased from June 15 through Oct. 8 at \$45.125 to \$59.25 a share on the New York Stock Exchange.

Chicago Milwaukee, based in Chicago, owns most of the common shares of the Chicago, Milwaukee, St. Paul & Pacific Railroad, which is being reorganized in bankruptcy court. Oppenheimer is a New York brokerage house.

Chicago Milwaukee officials were unavailable for comment. Previously, Chicago Milwaukee has said it believed that purchases by the group were for investment purposes only.

## The four state constitutional amendments

Attempts to amend Minnesota's state constitution often fail not because of opposition to the changes but because too many voters ignore them. In 1980, for example, all five constitutional amendments on the state ballot won substantial majorities of yes votes. But only one of the five actually passed.

That's because passage of a Minnesota constitutional amendment requires the approval of a majority voting in that election, not just a majority of those who vote on the amendment. Not voting on an amendment is the same as voting no.

Even noncontroversial amendments are vulnerable because they attract so little attention. Thus a widely supported and utterly innocent amendment to relieve the state Senate of the burden of ratifying notary public appointments was defeated in 1980.

None of the four amendments on this year's ballot is that innocuous. As the following analyses reveal, each would have a significant impact on the state. Each therefore deserves thoughtful attention from people who go to the polls. Each also deserves a vote.

### Amendment 4, railroad bonding: Yes

Like Amendment 2, this change would enable state government to borrow money to make needed improvements in Minnesota's transportation system — in this case 2,000 miles of railroad lines that might otherwise be abandoned by their operators within the next 10 years. The constitution now prohibits the state from going into debt for work on private property. The amendment would make rail improvements an exception and give them a status comparable to highway and airport projects, which already can be financed by public bonding.

Also like Amendment 2, the rail-bonding proposal would allow legislation already enacted to be put into effect. The 1980 Legislature authorized \$13.5

million in general obligation bonds for the state's rail service improvement program (the amendment calls for a \$200 million limit on the amount of bonds outstanding). The money could be used only for projects that have joint financial participation from the railroad and a group of shippers.

In theory, the state's investment would be repaid by funds collected from increased car loadings. But it's probably more realistic to say that the state would get its money back through general economic benefits from maintaining a balanced transportation system — reason enough to vote yes on Amendment 4.

TRAFFIC WORLD • OCTOBER 25, 1982

### NAPA Charges of Illegal Control of Cast by CN Rejected by Commission

U.S. port interests have failed to convince the Interstate Commerce Commission that the government-owned Canadian National Railways unlawfully controls Cast North America, Ltd., Montreal.

The North Atlantic Ports Association has been fighting Cast's penetration into the U.S. freight market for several years, fearing that the intermodal carrier is diverting export and import traffic that would otherwise be handled through U.S. ports.

Cast holds extensive trucking authority in several states, where it picks up freight and hauls it to Montreal for containerized shipping to Europe. NAPA and other port groups have tried to stop Cast's trucking operations at the ICC and in the courts, and have pushed for legislation aimed at restricting Cast's operations, all to no avail so far.

Earlier, NAPA complained to the Commission that Cast should not be allowed to hold U.S. trucking rights because it is unlawfully controlled by CN. The Commission decided to investigate NAPA's allegations in June (T.W., June 21, p. 30).

In a decision served October 21, the Commission ruled that CN does not control Cast—although it may possibly move to take control in the future—and dismissed the complaint.

NAPA based its charges on the fact that CN has obtained an option to purchase 75 per cent of the stock of Cast Containers, Ltd., which wholly owns Cast, and that CN also holds an 18-per-cent stock interest in Eurocanadian Shipholdings, Ltd., which in turn owns Cast Containers.

But the Commission said there are other facts in the case which "strongly indicate" that CN does not control Cast. Most significant, the Commission said, is that while CN does hold 18 per cent of Eurocanadian's stock, the controlling 82 per cent of the stock is held by two Bermuda corporations. In addition, it noted that

CN only has one representative on Eurocanadian's board of directors and no representatives on the boards of Cast Containers or Cast.

The Commission noted that CN does have an option to exchange all its Eurocanadian stock for 75 per cent of the voting stock of Cast Containers, but it cannot exercise the option until 1985 at the earliest.

"CN acknowledges that prior Commission approval is needed if its stock purchase option is exercised," the Commission said. "At this time, however, it is uncertain whether CN has actually obtained or will choose to exercise its option."

"We will not require a part to file a control application now just because some further event might later require it," the Commission added. "This would be a waste of resources for both us and the carrier."

The Commission acted in Finance 29960.

# Study: highway costs not equally distributed

By CLIFF MILLER  
Press-Gazette Madison Bureau

MADISON — Owners of large automobiles, single-unit trucks and farm trucks are subsidizing motorcycle, small car and heavy semi-truck owners in paying costs of Wisconsin highways, a Department of Transportation study has found.

A team of department engineers, analysts, economists and computer specialists Tuesday announced findings of a study ordered by the Legislature.

The study attempts to compare the cost of highway facilities and services required to operate each type of vehicle with the revenues — from sources including vehicle registration fees and motor fuel taxes — paid by each class of vehicle.

The committee said yearly revenues collected on the average car weighing less than 3,000 pounds are \$23.23 less than highway costs to

serve that vehicle.

Motorcycles are undercharged \$8.22, semi-truck tractors in the lower and highest weight classes are undercharged \$17.88 to \$604.67 depending on size, and larger dairy truck tractors are undercharged \$68.39 to \$195.21.

Larger automobiles are overcharged \$4.27 per year; single-unit trucks \$3.67 to \$1,173; single-unit dairy trucks heavier than 26,000 pounds \$55.54 to \$195.03 and single-unit farm trucks \$22.08 to \$177.84.

The extent of public subsidies to urban bus systems is evident in the \$753.07 annual undercharge for each bus.

According to Division of Highways research engineer Fred Ross, study team chairman, the difference between small and large autos is explained chiefly by fuel efficiency.

The average mileage of

cars under 3,000 pounds is 25.4 miles per gallon while larger cars average 15.5 mpg.

Ross cautioned against assuming that equalizing revenues collected from different classes of vehicles would balance the state's transportation budget.

The underpayments of semi-truck tractors weighing 62,000 to 80,000 pounds total \$8.1 million while the overpayment of single-unit trucks in all classes is \$25.3 million, because of the greater number of single-unit trucks, Ross explained.

Total underpayments of motorcycles is \$1.5 million, small cars \$18.8 million and smaller semi-truck trailers \$300,000.

Overpayments total \$7.4 million for larger cars, \$1.6 million for smaller semi-truck tractors, \$500,000 for larger semi-trailers, \$300,000 for dairy trucks, \$3.2 million for farm trucks and \$500,000 for motor homes.

Chicago Tribune

October 22, 1982

## Earnings report

### Rail strike hits C&NW; quarter loss \$2.5 million

THE FOUR-DAY nationwide railroad strike by the Brotherhood of Locomotive Engineers took its toll on the Chicago & North Western Transportation Co., resulting in a \$2.5 million loss in the third quarter.

In the quarter ended Sept. 30, the company reported a net loss \$2.5 million compared with net income of \$10 million, or 71 cents a share, in the 1981 period.

Revenues in the period declined 15 percent to \$206.5 million from \$244 million in the year-earlier period.

For the first nine months, the company had a net loss of \$13.2 million, compared with net income of \$41 million, or \$2.92 a share, in the first nine months of 1981. Revenues in the first three quarters were down 19 percent to \$608.5 million from \$755 million in the year-ago period.

North Western President James R. Wolfe said the third quarter "would have been profitable" had it not been for the strike.

He added, however, "general business conditions, as reflected by current carloadings, continue to demonstrate a weak economy. Nevertheless the company's financial condition remains healthy, including a very strong cash position."

# Can trucks be slowed?

Iowa needs to get serious about one of its major highway-safety problems, speeding trucks. Truckers are not the only willful violators of the 55-mph speed limit, but there is one crucial distinction: 35 tons highballing at 65 or 70 mph packs an awesome wallop. In a collision between an 18-wheeler and a one-ton car, there's no contest.

Recognizing the special danger, the Iowa Department of Public Safety has suggested the possibility of denying intrastate trucking firms authority to operate in Iowa when their drivers accumulate too many speeding tickets. That approach has several drawbacks, the main one being that it wouldn't affect interstate trucks.

But Iowa is not defenseless.

The state Transportation Regulation Authority could reject applications for new intrastate authority from Iowa-based interstate carriers with bad speeding records. In extreme cases, the TRA could use its ultimate weapon, revocation of an intrastate carrier's authority to operate anywhere in Iowa — although establishing a legal basis for that might be difficult.

The best way to force truckers to slow down would be strict regulation by the Interstate Commerce Commission: Trucking firms whose safety records show them to be a menace ought to be denied operating authority nationwide. The truck-speeding problem is ripe for a federal solution

because it transcends state borders and because many states seem unwilling to address it. Moreover, the 55-mph speed limit was enacted by the states at the federal government's behest; it should have a hand in the enforcement.

The chances of the ICC's getting tough with speeding truckers are remote, however, so Iowa is left to do what it can. One thing it can do is heavily fine truckers who are caught speeding. Iowa's puny speeding fines amount to no more than a minor overhead item on the ledgers of many trucking firms. The total penalty for driving 75 mph in a 55-mph zone is only about \$55.

Raising fines to meaningful levels for truckers — say \$500 for the violator in that example — should make some truckers ease up a little on the gas pedal. Drivers forced to pay heavy fines by company-imposed schedules that can't be met at 55 mph might complain so loudly that their bosses would set schedules compatible with speed limits.

Iowa legislators who drive 55 mph on their way to convene in Des Moines in January should become familiar enough with the problem of speeding trucks — especially if they take the Interstates — to do something effective about it when they get to the Statehouse. Making fines for truckers more commensurate with the danger they create by excessive speed is a place to start.

# Amtrak Gets Accords With Engineers to Cut Its Costs in Northeast

By G WALL STREET JOURNAL Staff Reporter  
WASHINGTON — Amtrak announced agreements with the Brotherhood of Locomotive Engineers that the passenger-train service said will cut costs on its busy Boston-Washington corridor.

For the first time, Amtrak will be hiring its own engineers on the route and will pay them by the hour rather than according to a mileage-based formula that has been in effect in the railroad industry for more than 60 years.

About 250 engineers to be hired by Amtrak are employed by Consolidated Rail Corp., which runs the Amtrak trains. Currently, these engineers are paid a full day's pay for each 100 miles their trains travel. This often leads to engineers' working 2½ days a week while getting a full week's pay. Graham Claytor, Amtrak president, told a news conference.

Officials of the union couldn't be reached for comment.

The result of the work-rules change will be that Amtrak will need fewer engineers, who will make the same wage but work longer hours than at present, Mr. Claytor said. To soften the impact of the change, engineers on certain Amtrak trains will have their working hours increase gradually over three years.

The new agreements contain other work-rules changes that will permit greater operating flexibility and efficiency, Amtrak said. The government-financed passenger-train corporation also is seeking to achieve such hourly pay and other changes in contract negotiations with the United Transportation Union, which represents such operating employees as brakemen, flagmen and conductors.

Earlier this year, nonoperating unions agreed to contracts designed to hold down wage increases and ease work rules in the interest of more efficiency and lower costs. Amtrak has been under pressure from Congress and the Reagan administration to lower its expenses. Meanwhile, Congress and the administration have agreed to forgo any sizable trimming of Amtrak's route network.

Amtrak said that cutting labor costs and trimming headquarters staff helped it reach the congressionally mandated goal of covering 50% of its costs from fares in fiscal 1982. Amtrak also increased its revenue in fiscal 1982 by 10% to \$558 million, despite a 9% drop in ridership, through fare increases.



## Debate on 102-Inch Trailer Widths Highlights Issues

Arguments by proponents and opponents of the 102-inch trailer width amendment during the Senate's floor debate provide some insight into the discussion expected when Congress again considers the vehicle width standard, possibly along with the companion issues of truck gross weight, highway cost allocation and highway user fees.

The positions staked out by senators during the Oct. 1 debate generally were based on the issues of states rights, highway safety, truck gross weight and its impact on highway damage, and truck efficiency and competitive advantage.

As explained by Sen. Mark Andrews (R-N.D.), sponsor of the width amendment to the highway funding bill (see related story), the bottom line of his amendment was \$4 billion to the American consumers and a more efficient transportation system.

His efficiency argument was supported by Sen. Charles Percy (R-Ill.), a long-time opponent of efforts to increase truck size and weight limits. Mr. Percy's home state of Illinois remains one of the three "barrier" states that have refused to adopt the 80,000-pound truck weight limit.

"The matter before us is not an issue of highway safety or truck sizes and weights," he said. "It is a question of whether we will make our transportation system more efficient . . . and modernize a width standard that was more appropriate in an era of narrower highways."

"In my judgment, increasing the width limitation will lower trucking costs and prove to be beneficial to the national economy," he added.

However, Sen. Robert T. Stafford (R-Vt.), chairman of the Senate Environment and Public Works Committee, which has jurisdiction

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*'The matter before us is not an issue of highway safety or truck sizes and weights. It is a question of whether we will make our transportation system more efficient.'*

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The standard size of the loading pallet, commonly used for goods such as forest products, glass products, grocery products and household moving items, is four feet by eight feet. However, the 90-inch interior of the current 96-inch dry van precludes side-by-side loads of the 48-inch wide pallets, he pointed out. And loading these standard pallets end to end "means that trucks fill by volume before they reach legally allowable weights," he said.

This not only increases fuel consumption and transportation costs to consumers, but also increases highway damage, he told the Senate.

"Given trucks' modern suspension, a truck flows best over the road when it is loaded at its proper design weight," he said. "If the truck is empty, it hammers and bounces up and down and actually causes more deterioration than a properly loaded truck."

over highway funding but not vehicle size and weight issues, objected to the amendment.

"It is obvious to me that the issues of truck sizes and weights, pavement damage, road repair costs and road user taxes are all related and should be considered as a major legislative package next year when there will be an opportunity for a thorough discussion of these important policy issues," he said.

Mr. Stafford also pointed out that the Transportation Department's recent Highway Cost Allocation Study indicated that heavy trucks currently underpay their share of federal highway taxes. Therefore, further relaxation of size and weight standards could seriously threaten rail transportation, he indicated.

"By some estimates as much as 70% of the rail revenue is derived from truck competitive freight," he said. "If trucks are making as large

an underpayment as the studies indicate, this obviously gives them an enormous competitive advantage."

Sen. Harrison Schmitt (R-N.M.), co-sponsor of an amendment with Sen. Thomas Eagleton (D-Mo.) to water down the Andrews amendment to a permissive instead of mandatory standard, said the width relief would result in heavier trucks and more highway damage.

"The average axle weight on trucks traversing the nation's highways will increase under this amendment, even though it does not deal directly with weight," he said. "There will be greater loading in those trucks and the actual weight will increase."

However, Sen. James A. McClure (R-Idaho), speaking in defense of the Andrews amendment, said that gross truck weight will remain governed by the federal bridge formula. "It (the width amendment) may increase the weights, but only within the weight limitations established already under federal and state law," he said.

Mr. Schmitt also noted that the American Automobile Assn. had stated that adoption of the Andrews amendment could cause serious highway safety problems. Mr. McClure countered that the same arguments used now against modernization of the trailer width standard had been raised when Congress considered the bus width expansion. To date, there have been no problems, no adverse reaction, no accidents attributed to the width relief, and no additional highway congestion as a result of the 102-inch bus width, he said.

"It has been a very good development with respect to buses," he said.

Mr. Eagleton raised the issue of states rights and lightly chastised Sen. Andrews for introducing legislation "which does such violence to the right of states."

"After all the (Republican) rhetoric about states rights and new federalism, here we stand considering an amendment which would use the familiar old club of cutting off federal aid if states did not knuckle under to dictates from Washington," he said.

Mr. Andrews responded that the states lost their rights "when we mandated 96-inch width trucks." He added that his amendment falls in line with the U.S. Constitution, and cited Article I, Section 8, which empowers Congress to "regulate commerce with foreign nations and among the several states."

# Lewis high on future of deregulated rails

By Paul Stearns  
WASHINGTON TIMES STAFF

Secretary of Transportation Drew Lewis said yesterday that the rail industry faces a bright future as a result of deregulation and a changing transportation market.

"I believe we have made real progress in the past two years in restoring the railroads to their former vitality," Lewis said at the annual meeting of the Railway Progress Institute at the Washington Hilton.

"A great deal has been accomplished as a result of the Staggers Act, and the railroads are benefiting from the freedom to operate more competitively and in a less-regulated environment," he said.

Lewis cited statistics that the railways had increased their share of the total transportation market as evidence that the industry was making a comeback.

Other industry officials at the same Journal of Commerce October 27, 1982

## Reagan Renews Rail Pension Efforts

United Press International

President Reagan has renewed his efforts to remove the railroad pension from government regulation and place it in the hands of labor and management.

Mr. Reagan submitted the latest annual report of the railroad retirement board to Congress, where opposition to abolition of the agency has protected it from administration budget cuts.

The Chicago-based board manages a fund that pays benefits to approximately 1 million retirees.

Steps to improve the fund's financial situation have not yet been successful, said the president.

"The railroad retirement system faces severe financial difficulty," he said.

meeting, while optimistic about the long-term prospects of the industry, told of a changing transportation market that will accommodate only the most fit.

Lawrence Cena, president and chief executive officer of the Santa Fe Railway, said "Despite the new pricing freedom under the Staggers Act, only a lean and mean operating philosophy will allow many rail systems to survive in the next 20 years.

"There is no doubt that by the year 2000 the rail industry will be comprised of dramatically fewer companies, and I foresee the emergence of an integrated, trans-continental railway that will dominate the market."

The Railway Progress Institute is a trade association comprised of about 150 companies that sell railway equipment, such as locomotives, rolling stock cars and signal systems to railroads and rapid-transit systems.

Yesterday it announced a legislative platform calling for:

- The imposition of the equivalent of a 5-cent-per-gallon increase in highway user charges.
- Extension of the investment tax credit to public transportation purchases.
- Expansion of the safe harbor leasing

provisions of the Economic Recovery Tax Act of 1981 for mass transit systems; and

- A continuation of federal capital assistance for mass transit.

While withholding unconditional support for the program, Lewis pledged support for the continuation of capital assistance of public transit.

Washington Post  
October 16, 1982

## Engineer Denies Yielding Throttle

BATON ROUGE, Oct. 15 (UPI)

—The engineer of a train that derailed and exploded, forcing 2,500 residents of Livingston, La., from their homes for two weeks, denied today that he had allowed a woman clerk to drive the train through the rural town.

In an article in The Baton Rouge State-Times, engineer Edward Peyton Robertson denied that anyone but himself drove the Illinois Central Gulf train through Livingston on Sept. 28.

Robertson, the train brakeman and a clerk from the Baton Rouge roundhouse were arrested Thursday and charged with reckless handling of hazardous materials.

State police said the three had

been drinking. They also said the railroad company clerk, Janet Brumfield Byrd, was at the controls when the train jumped the tracks in downtown Livingston and lit up the sky with a predawn explosion.

Robertson admitted having a drink during a several-hour layover in Baton Rouge, but denied that he was drunk or that the train was speeding.

Robertson, 42, Byrd, 34, and brakeman James Russell Reeves, 31, were released from the Livingston Parish Jail Thursday night after posting bond—\$25,000 each for the two men and \$10,000 for Byrd.

In an interview today, Robertson said Byrd was hitching a ride to another station but never had control of the train.

## 97th Congress: Shorter Session, Fewer Laws

Beyond the appropriations bills, several other controversial measures could be enacted during the lame-duck session. These include bills to create a government disposal plan for highly radioactive nuclear waste, stem the flow of illegal aliens, authorize federal funding for highways and mass transit, reform the federal regulation-making process and limit the scope of the Federal Trade Commission.

**Highways, Mass Transit.** The chairmen of two House committees will try during the lame-duck session to resolve a dispute that resulted in more limited highway funding than was originally intended.

James J. Howard, D-N.J., chairman of the Public Works and Transportation Committee, contended that highway tax legislation (HR 7092) approved by the Ways and Means Committee would give that panel authority over highway authorizations. Ways and Means Chairman Dan Rostenkowski, D-Ill., denied that his panel wanted jurisdiction over highway programs.

The disagreement resulted in a bill (S 2574), cleared Oct. 1, authorizing about \$5 billion for Interstate Highway construction and other road programs. The funding would carry states for only three to six months. Howard wants to work out a compromise with Rostenkowski that would lead to more substantial highway legislation. (*Weekly Report* p. 2635)

**Railroad Strike.** Congress Sept. 22 passed legislation (S J Res 250 — PL 97-262) ending a four-day national railroad strike. The measure, requested by President Reagan, ordered the 26,000 striking members of the Brotherhood of Locomotive Engineers back to work and imposed the settlement recommended earlier by a presidential Emergency Board. The settlement prohibited the union from striking through June 30, 1984.

Although some members of Congress had misgivings about imposing a settlement containing a no-strike provision, they also were concerned that the strike eventually might throw a million people out of work and cost the economy \$1 billion a day. (*Weekly Report* p. 2367)

**Coal Slurry.** Coal slurry pipeline proponents are optimistic that legislation (HR 4230, S 1844) making it easier to secure rights-of-way through railroad properties for the construction of the pipelines will move through the House and Senate after the November elections. They said some members of Congress did not want to incur the wrath of the railroad industry before the elections.

Coal slurry is pulverized coal mixed with water that is then carried by underground pipes. Railroads, the major haulers of coal, oppose the legislation, contending that the pipelines would skim off the best coal business. (*Weekly Report* pp. 1943, 1867)

# Temporary Highway Funding Authorization Is Passed by Congress

Congress has approved a "bare bones" temporary highway funding bill providing a one-year authorization at fiscal year 1982 funding levels for Interstate construction and Interstate 4-R programs, but only a three-month extension, also at 1982 levels, for the remaining federal highway programs.

The Oct. 1 action forces Congress to deal with highway funding legislation during the post-election "lame duck" session, expected to convene in late November. The three-month authorizations expire Dec. 31, 1982.

Although the Senate earlier in the day had passed a one-year interim funding bill for the entire federal highway program, a jurisdictional battle in the House prevented consideration by that body of the full Senate bill. The Senate bill included a provision that would have permitted states to adopt a 102-inch trailer width standard, but that provision was deleted from the final bill.

If Congress had failed to approve the stop-gap measure, states technically would have been without road-building funds for the new fiscal year, which began Oct. 1. Although some states had enough money in unobligated funds to continue highway operations for a while, about 30 states had exhausted their funds and would not have been able to make new commitments to highway programs, according to the Federal Highway Administration.

During floor debate on the Senate bill, Sen. Mark Andrews (R-N.D.) offered an amendment that would have required states to adopt a 102-inch trailer width for truck Interstate operations.

Senators Harrison Schmitt (R-N.M.) and Thomas Eagleton (D-Mo.) then offered a substitute amendment, which would make the 102-inch width standard permissive rather than mandatory. The amendment passed by a 47-45 vote, and the Senate proceeded to approve the one-year bill at the 1982 levels.

However, the feud between House Public Works and Transportation Committee Chairman James J. Howard (D-N.J.) and House Ways and Means Committee Chairman Dan Rostenkowski kept the full House from acting on the Senate's one-year bill.

At issue in the House power struggle is control of trust fund expenditures. Complicating matters is the fact that under present law, the transfer of highway taxes to, and expenditure authority from, the trust fund expires Sept. 30, 1984. The mechanics of the trust fund operation necessitate an extension of the life of the trust fund and its taxes in order to allow the full amount of fiscal year 1983 trust fund authorizations to be apportioned. Failure to extend the trust fund could trigger the Byrd Amendment, a provision adopted in 1956 to prevent the trust fund from operating in a deficit posture.

Public Works traditionally has been the authorizing committee for highway program expenditures and, in line with that responsibility, the committee several weeks ago appealed to the tax-writing Ways and Means Committee for a one-year extension of current trust fund excise tax rates. Both the House Public Works Committee and the Senate Environment and Public Works Committee, which has jurisdiction in the Senate over highway program expenditures, repeatedly have pledged a long-term extension of the trust fund, but have deferred that action pending changes in the user fee structure.

However, instead of a simple one-year extension of the trust fund, Mr. Rostenkowski offered a bill, H.R. 7092, that would transfer the trust fund provisions to the Trust Fund Code of the Internal Revenue Service, thereby giving Ways and Means — as well as the tax-writing Senate Finance Committee — review over highway programs.

"In transferring the trust fund provisions, certain modernizing and conforming changes would have been made — none intended to have substantive effect," said Mr. Rostenkowski.

Mr. Howard sees it differently. Mr. Rostenkowski's action is an attempt to usurp Public Works' authorizing jurisdiction, he has stated.

"We requested a simple one-year extension of the trust fund from the Ways and Means Committee, but were confronted with a one-year extension accompanied by a substantial rewrite of the Highway Revenue Act," Mr. Howard stated Oct. 1 on the House floor. "It would have made it impossible for the Public Works and Transportation Committee to exercise its authorizing jurisdiction affecting expenditures of funds from the Highway Trust Fund."

"This would have disrupted a partnership which has prevailed ever since enactment of the Highway Revenue Act of 1956 and in effect reconstituted the Committee on Ways and Means as the authorizing committee for the Federal-aid highway program."

"We do not believe that the House would intend such a radical restructuring of committee responsibilities; not without adequate notice, not without hearings, not without a vote of the full House under an open rule when alternatives could at least be considered."

However, under rules adopted by the House to expedite business in the final hours of the legislative session, Mr. Rostenkowski blocked consideration of the one-year bill that had been approved by the Senate. The three-month measure then was proposed by Mr. Howard and approved.

# Officials fear train accidents will increase

By RANDY EVANS

Register Staff Writer

AMES, IA. — Iowa officials are part of a chorus of critics around the United States who are alarmed that changes in federal safety standards for railroad tracks, which take effect Nov. 1, will endanger people's lives and make derailments a more frequent problem.

Neil Volmer, who heads the Iowa Department of Transportation's rail safety program, said the changes are "kind of scary."

The new set of track standards "gives a railroad the opportunity, if money is tight and economic conditions are tough, to gamble with the safety on a line, and that line might be through any community in Iowa," Volmer said. "When a company is fighting for its survival, the decisions it makes are not necessarily the ones that are in the best interests of the residents of a community."

Officials of the National Transportation Safety Board, the federal government's independent transportation investigating agency, have made even more blunt assessments of the revisions being made by the Federal Railroad Administration, the agency responsible for ensuring that the nation's railroads are operated safely.

## Margin Not "Adequate"

"The safety board believes that the standards, which are not as stringent as current standards, do not provide an adequate margin for safety," said Patricia Goldman, a member of the safety board. "We are particularly concerned since the lower track standards will increase the likelihood of a derailment and subsequent catastrophic release of hazardous materials."

The chief of the safety board's rail accident division, Harold Storey, said it is "unconscionable to public safety, and to the safety of railroad employees, to dilute the present track safety standards."

The FRA sets minimum standards for train equipment and tracks, and its inspectors and those working for states such as Iowa under agreements with the FRA have the authority to halt traffic on lines that do not comply with the standards.

The track regulations, which vary according to the speed at which trains are operated on a particular segment, have spelled out such things as the maximum number of defective ties that can be present in a section of track and the frequency with which they can occur up and down a line.

Among the changes, however, are the removal of that frequency limitation and the creation of a new category of "excepted" track that essentially is exempt from the minimum track standards.

Those are the two changes that most concern Iowa transportation officials.

Volmer, the DOT official, said the revisions mean it will be acceptable in the eyes of the FRA for a 23-foot-long cluster of rotten ties to appear in every 39-foot segment of track authorized for use by freight trains traveling up to 80 mph — such as the Burlington Northern Railroad's main line across southern Iowa, which also is used by Amtrak's passenger trains.

And the exempt tracks are worrisome, Volmer said, because the FRA's new regulations will allow railroads to haul up to five cars of hazardous materials at a time on them. The regulations will not permit trains to travel faster than 10 mph there, however, or allow the tracks to be used by passenger trains.

## 900 Miles in Iowa

The Iowa DOT's railroad specialists have identified 900 miles of track — about one-fifth of Iowa's total rail network — that would qualify as exempted tracks. They include lines that pass through or near such cities as Davenport, Des Moines, Dubuque, Cedar Falls, Clinton and Mason City.

"Just about every train we have in the state carries hazardous materials," Volmer said. "I don't care whether you only have five cars of hazardous materials. If there's an accident in a community, one or two cars can be devastating."

The existing FRA track standards and the DOT's three rail inspectors are credited by transportation department officials with helping cut by two-thirds the number of derailments in the state in the last three years. The railroad accident rate nationally has declined, too.

Top officials of the FRA do not believe derailments will increase in Iowa or elsewhere as a result of the changes in track standards, and they are sensitive to criticism of the modifications.

An agency spokesman, John Winston, bristled recently at the suggestion by some state rail officials that the FRA is too closely aligned with the rail companies it regulates to look out for the public's best interests.

But Winston acknowledged that the revisions were suggested to the FRA by two railroad industry organizations at the invitation of the FRA's administrator, Robert Blanchette.

The old safety standards were antiquated, Winston said, and had to be changed to improve the efficiency and finances of the rail industry — changes that would be reflected in the freight rates the companies charge shippers.

"We think this is good for the industry," he said. "We don't think it is going to affect safety."

# State has no plans to buy rail track

PIERRE, S.D. (AP) — South Dakota has no plans to buy more railroad track because the existing state rail system and the Chicago & North Western track east of Pierre have a good future, Gov. Bill Janklow said Wednesday.

The fate of the C&NW track west of Pierre remains uncertain, Janklow said, and hinges on the amount of traffic that can be generated on the line.

If state water development plans go forward, irrigation programs will increase crop production, providing the freight needed to keep the western C&NW route alive, the governor said.

The C&NW track slices across the state from the eastern border to Rapid City and then turns south.

"The Chicago & North Western has made a definite commitment," Janklow said. "I've got a firm commitment that they'll stay from Pierre east."

The governor said the commitment came from C&NW president James Wolfe.

Speaking to a state Chamber of Commerce issues forum, Janklow defended his rail deal and his water development plan, including plans to sell Missouri River water to

Energy Transportation Systems Inc.

"When you look at our situation ... we're in the best of all possible positions right now," in the area of rail transportation, Janklow said. "We've never in our state been able to ship grain west at a competitive rate and now we can."

Democratic gubernatorial candidate Mike O'Connor, who faces Janklow in the Nov. 2 election, has criticized Janklow's conduct on railroads and ETSI.

Journal of Commerce  
October 26, 1982

## Soo Mulls Entering Holding Structure

Journal of Commerce Staff

The Soo Line Railroad of Minneapolis, Minn. is beginning to study entering a holding company structure similar to the type which almost every other Class I railroad already has adopted.

Thomas M. Beckley, the railroad's president, said the study should be completed within a few months. Mr. Beckley said the structure "reduces governmental restrictions on financing and provides more flexibility in the management of non-carrier related assets."

Other railroads have taken advantage of the holding company structure to diversify into other lines of business. The Soo Line operates in seven states in the upper Midwest.

Chicago Tribune

October 23, 1982

# C&NW must pay to use Burlington line

THE INTERSTATE Commerce Commission ruled Friday that the Chicago & North Western Transportation Co. must pay Burlington Northern Railroad \$76.2 million if it wants access over a joint line to the coal rich Powder River basin of Wyoming.

The two railroads have been battling each other before the ICC, in the courts, and in Congress since 1973 over whether the C&NW would have access to the coal fields over a new line the Burlington built through the area.

The ICC ruled as early as 1976 that the then proposed, 94-mile line should be jointly operated by the two railroads to avoid environmental problems and duplication.

Although the line was completed in 1979, the C&NW has had difficulty raising money to upgrade its lines in Wyoming and Nebraska to enable them to connect with the new Powder River line and haul heavy coal traffic.

HOWEVER, THE Burlington, which has not been eager to share the line with C&NW, first successfully opposed the C&NW's attempts to obtain low-interest federal financing to upgrade the access lines. Later it successfully blocked C&NW's efforts with the Burlington's arch rival Union Pacific Railroad to jointly finance the access lines with the C&NW.

"The public interest would be best served by having the potential competitors join forces in building this line yet remain

competitors in serving the companies relying on this coal.

The ICC ruling Friday sets a deadline of Nov. 5 for the C&NW to "demonstrate" it can obtain the financing "with evidence of an irrevocable line of credit from its lender." The C&NW has 15 days after the Burlington accepts the offer to make the payment.

A Burlington spokesman said its executives have not seen the ICC ruling and have not decided whether or not to accept the price. However, ICC officials said the Burlington has agreed not to challenge the ICC ruling if it accepts the money.

"We are pleased and expect to meet those deadlines," a C&NW spokesman said.

# Port Closures In Canada Hit Railroads

By MARK WILSON

Journal of Commerce Special

VANCOUVER, British Columbia — Canadian National Railways, CP Rail and British Columbia Railway have laid off 1,872 workers as a direct result of the shutdown of British Columbia ports. The British Columbia Maritime Employers Association locked out 3,500 members of the International Longshoremen's and Warehousemen's Union on Oct. 19. The dock closures affects Vancouver, Fraser Port, Port Alberni, Nanaimo, Victoria, Prince Rupert and Squamish.

CNR spokesman Alex Rennie said his railway has laid off 1,326 of the 10,000 employees in its mountain

division, which embraces British Columbia, Alberta and a sliver of Saskatchewan. "Manning requirements will be under daily review from now on," Mr. Rennie said.

CP Rail spokesman Donald Bower said his railway has laid off 490 employees, 270 in British Columbia and 220 in Alberta.

Barrie Wall, British Columbia Railway spokesman, said the provincially owned carrier has laid off 56 people as a result of the docks closure. This adds to 500 shopcraft workers and trainmen previously laid off because of diminished traffic from a depressed forest industry. British Columbia Railway has a total of 2,500 employees.

Southbound freight traffic over British Columbia Railway's mainline between Prince George and Vancouver has declined from three trains a day to one since the docks closed.

The CP Rail, which has 7,100 employees in British Columbia and Alberta, was running 11 freight trains a day in each direction over its mainline between Vancouver and Calgary before the employers association move. The number had dropped to eight trains by Oct. 22 and is expected to decline further to five trains a day, each way.

The CNR had a total movement of between 25 and 30 freight trains a day over its mainline between Edmonton and Vancouver before the ports shutdown. The number had fallen to 17 a day by Friday and is expected to decline further to 10 trains a day once grain deliveries to the Port of Vancouver come to a standstill, because terminal grain elevators are plugged and there is no further room in the Vancouver port area to store loaded grain cars.

Aberdeen American News  
October 24, 1982

## *Pipelines might get second look*

SIoux FALLS, S.D. (AP) — Federal eminent domain authority for coal slurry pipelines might get a second look from the Reagan administration, says Sen. Larry Pressler, R-S.D.

Eminent domain gives companies the power to condemn property if they can't negotiate to buy the land they need.

Reagan has opposed granting such powers to the slurry lines, but Pressler said high-level lobbying might prompt a change in attitude. Pro-slurry groups have pressured Reagan to change his mind, including a visit from Steven Bechtel, head of the giant Bechtel construction company, Pressler said. Bechtel is a partner in Energy Transportation Systems Inc., a company that wants to build a coal slurry line from Wyoming to southern states. Slurry is a mixture

of crushed coal and water that can be shipped through a pipeline.

The ETSI project would include a water line from Lake Oahe near Pierre to eastern Wyoming coal fields.

"I think the administration is going to reconsider its position on eminent domain," he said.

Railroads say their grain-shipping rates would rise if they lose coal traffic to slurry lines, but slurry companies contend the railroads shouldn't fear competition.

## Shultz seeks to improve tattered Canadian ties

OTTAWA, ONTARIO (AP) — The United States won't tell Canadians how to run their country, and "don't you try to tell us how to run ours," Secretary of State George Shultz told Canadians Monday.

At the same time, Shultz said the United States would like Canada to beef up its armed forces and make sure its foreign investment rules are fair to U.S. investors.

In an official working visit to the Canadian capital, Shultz made it clear that the United States does not intend to ignore its own national interests to mend U.S.-Canadian relations strained by economic and environmental issues.

Later, Shultz and Canadian Foreign Secretary Allan MacEachen said they believe that they improved the atmosphere and tone of U.S.-Canadian relations and made progress in understanding each other's position on specific issues.

MacEachen said both agreed the nations should resist pressures toward "protectionism" in their economic relations. "If it is not resisted, both of us will be the loser," he said.

MacEachen said he was pleased that Shultz appeared to agree that Canada was not necessarily discriminating against U.S. investors by adopting foreign investment policies not identical with those of the United States.

Earlier, Shultz told Canadian reporters, "We're not trying to tell you how to run your country, and don't you try to tell us how to run ours.

"But, each running our countries the way we want, we nevertheless have successfully worked at the issues that come up between us. . . . Our ties and our involvement with each other are so strong and enduring that, in the end, we'll find answers to these things," Shultz said.

He said he believes the host of problems facing the two North American neighbors should be discussed thoroughly and resolved at the highest levels.

Shultz and MacEachen said they will remain in close contact and will meet at least four times a year to continue their dialogue on issues blamed for straining relations.

Those issues include attempts in the U.S. Congress to protect American interests against Canadian trucking, lumber and timber operations, acid rain pollution and American investment in Canada, particularly in the energy field in which U.S. interests hold a 72 percent share.

In addition to his talks with MacEachen, Shultz met with Canadian Prime Minister Pierre Elliot Trudeau during his 24-hour visit to Ottawa.

One Canadian official, who asked not to be identified, said there was more to the discussions than a simple exploration of the issues and an exchange of views. But he said no formal agreements were reached.

Responding to questions at a breakfast session, Shultz said the United States wishes Canada would do more to build up its armed forces.

Shultz expressed U.S. concern over Canada's foreign investment rules, which another U.S. official has described as part of a campaign of "economic nationalism."

The Canadian Parliament created a Foreign Investment Review Agency to dictate new rules for investment from abroad, and that caused unhappiness in the Reagan administration and among U.S. investors.

While the United States recognizes Canada's sovereign right to set whatever rules it wishes, Shultz said, it also believes that Americans can ask that those rules be fair.