

EDITORIAL PAGE — editorials, letters, opinion

milwaukee road's problems bad news for montana

The Milwaukee Road is broke and has filed a petition in federal court to be reorganized under the Federal Bankruptcy Act.

One news story said that "government officials immediately made plans that could lead to a major midwestern rail merger" as a result of the bankruptcy.

The Milwaukee Road for several years has been pushing for merger with the Burlington Northern. Its efforts have been resisted by BN, and were rejected last March by the Interstate Commerce Commission (ICC).

But Milwaukee's present condition of financial disrepair could consummate a merger with BN. When the BN was formed by a merger of the Burlington, Northern Pacific, Great Northern and other lines, the ICC kept jurisdiction to include additional railroads in the BN, whether or not BN wanted the newcomers.

The time for "inclusion" could now be at hand. Observers do not believe Milwaukee's present straits will mean creation of a regional hybrid rail system, as happened in the Northeast when a bunch of lines went broke and Conrail was created to keep them

rolling.

But Milwaukee's condition could have important repercussions for Montana. Among them:

- A merger with the BN would almost surely mean doing away with line duplication where it exists. That means in Missoula and large parts of western Montana.

- That would mean less competition, possibly higher freight rates, and loss of jobs. Milwaukee employs 11,400 people. Those jobs are safe for now. But an inclusion or merger would eventually do away with jobs.

- It is almost certain that service would be cut to many Milwaukee-served areas. Even if one large railroad were created on condition of continuing Milwaukee's service 100 percent, pressure would quickly build to cut unprofitable trackage. Why should a new, merged line operate duplicating freight facilities in Missoula, for example? Why operate two major east-west lines serving roughly the same areas?

- An end of duplication in Missoula would be a mixed blessing. Gone would be competition. Gone would be Milwaukee's

property tax payments. Gone would be supply purchases and jobs. But possibly up for grabs would be Milwaukee's beautiful real estate along the Clark Fork River in the city's heart. Missoulians have viewed that land covetously for many years. It would make a stunning community park. That would be a happy fallout from an otherwise unhappy event.

- If large stretches of Milwaukee's rural right-of-way were abandoned, other opportunities would be presented. Cross-country bikeways come immediately to mind. So do power line corridors along land already dedicated to provide a service. Those too could be silvery linings to an otherwise cloudy event.

But the bad clearly outweighs the good if Milwaukee is included in the BN system.

Some resentment is justified over Milwaukee's bankruptcy because there is strong evidence the holding company that owns both the railroad and the Milwaukee Land Co. milked them both. In other words, the Milwaukee Road's plight at least in part is likely the fault of its top management.

Congress and the ICC should look closely at the possibility of keeping Milwaukee going as an independent railroad. At some point somebody's going to lose money at this, and it's probably the taxpayer.

If that's the case, then let's repair Milwaukee's delapidated tracks and equipment and keep it going, so the taxpayer emerges from his soaking at least with the rail service and the jobs he now enjoys.

— Reynolds