

From: "david S." <dtsagtgv@juno.com>
Subject: Milw/BN funnies

The following is condensed version of Shelby Scates' column on the editorial page of the Seattle PI, 12-11-79:(Emphasis in capital letters is mine) --

Such good friends, Taul Watanabe and Gov. Dixy Lee Ray, downright buddies when it comes to campaign fund-raising if not railroading.

And it's come to that. Gov. Ray is up for re-election next year and eager for campaign funds. The New Milwaukee Lines, a railroad, is fighting for its life across the northern tier states to Puget Sound as a competitor to Burlington Northern Railroad. The old Milwaukee Railroad, built before the Panama Canal, is in bankruptcy. Its court-appointed trustee, a midwesterner, wants to liquidate the line west of Miles City, Mont.

That's good news for Milwaukee stockholders because the bankrupt road has \$900 million in assets, and \$430 million in debts. It's a lousy Christmas gift for employees, however.

It's also good news for the Burlington Northern, the railroad running from Seattle to Chicago that employe Watanabe as ONE OF ITS VICE PRESIDENTS. If the Milwaukee folds, the BN moves into what some describe as a dominant position to carry cargo.

Watanabe is also one of Gov. Ray's CLOSEST ADVISERS, her appointee to the University of Washington Board of Regents, and the state Personnel Board.

The Governor may be generously regarded as lukewarm toward the idea of a New Milwaukee Lines. The idea is being pushed by a group of Milwaukee Railroad shippers and employees with muscle from Sen. Warren Magnuson. This would keep the line alive from Miles City to Puget Sound.

For the record, Ray did write on Nov 8: "I will support any plan to continue the Milwaukee line IF it is feasible, capable of being funded, and has long-term viability." That apparently does not mean she'll give it help. When Jim McCabe, Ray's liason to the federal government, was proposed as Washington state's representative to the New Milwaukee's board of directors, the governor told him to FORGET IT.

This was in late August in a meeting in the governors' office. Mc Cabe, a tough guy out of Montana, recalls: "She said there was NO NEED to proceed on this matter because THERE IS NOT GOING TO BE ANY NEW RAILROAD."

Under the New Milwaukee's proposed reorganization plan, each state in its area has been asked to name a representative to the new railroad's board of directors. Each state in the west has done so, except for Washington and Oregon. Oregon is not much affected by loss of the Milwaukee.

Each state has also been asked to kick in \$200,000.00 to help save the railroad. Montana, North Dakota, South Dakota and Wyoming have done so. Washington has not, despite despite the urging of Ray's fellow western governors. Privately, they are angry at her. "

(The story then expends several paragraphs castigating one Fred Tolan, who used to be a man-about-town with the self-appointed title, "Traffic Consultant." Tolan was principally just another BN lackey and friend of Governor Ray who helped used his "office" to heap disdain on any thoughts of Milwaukee survival. The story ends thusly):

"Tolan and Watanabe co-chaired a 1978 "Friends of Dixie Lee Ray" fund-raising event. They were still on track a year later as members of the committee bringing in money for "An evening with Dixie Lee Ray." With their help, Ray has raised about \$350,000 for her re-election campaign. Such dear friends."

Shelby Scates' most recent book is a biography of Sen Magnuson. In that book he tells about how one of Magnuson's trusted advisers at one time (and a big help in Magnuson's anti-BN-merger campaign of the sixties) was a young man named Gerald Grinstein. How times change. Of course as we all know, the following year the voters of Washington ejected Sen. Magnuson, as well as "Miss Plutonium", and Jerry Grinstein then reviewed his philosophy a bit and moved on to "greener" pastures, pun intended.
= Dave Sprau