

Chicago, December 31, 1965

File S-1132

Mr. William J. Quinn:

The Port Townsend Railroad extends from Discovery Junction to Port Townsend, a distance of 12 miles, where there is a barge landing owned and maintained by our railroad. We have about 39 miles of railroad between Port Angeles and Discovery Junction where we connect with the Port Townsend Railroad.

I am attaching letter dated December 27, from Mr. Anderson, regarding a long standing controversy with the Port Townsend Railroad concerning the insistence of Mr. Fox that the compensation we pay the Port Townsend Railroad be increased from \$1.75 to \$5.53 per load for switching Milwaukee cars to and from the barges at Port Townsend. We do not care to give in to the demands of Mr. Fox and there appears to be no prospect of resolving the controversy.

Mr. Anderson suggests, and I concur in it, that consideration be given to acquiring the Port Townsend Railroad which might involve a price in the neighborhood of \$300,000.

I understand back in 1944 there was serious consideration given by our railroad to purchasing the property, but nothing was done as it was understood at that time we would probably have to apply to the ICC for abandonment of the 12 miles of track in three or four years. Subsequently, Mr. Joshua Green disposed of the railroad to Mr. Robert Fox and his associates.

I note from the Accounting Department statement of loaded cars interchanged with the Port Townsend Railroad during the year 1964, we received 1,081 loads for our line haul and delivered 242 loads at Port Townsend.

It may be well for you to consider appointing a

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Committee to make a study of revenues and expenses to determine if it would be to our benefit to acquire the property.

This for your consideration.

W. J. McQuinn

cc:-Mr. L. V. Anderson

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