3-25-1971

Congressional Record S. 3888 - Railpax in Montana II

Mike Mansfield 1903-2001
RAILPAX PLAN IN MONTANA—II

Mr. MANSFIELD. Mr. President, on Tuesday, I addressed myself to the problem of what I consider to be the unwise decision—to put it very mildly—of the National Railroad Passenger Corporation in selecting routes for the Railpax plan throughout the Nation. The people of Montana were stunned when they learned that the Corporation recommended that over two-thirds of Montana would have to give up rail passenger services.

Alternate methods of public transportation has apparently been the major factor in their decision. A State like Montana does have other public transportation, but in very limited quantities. A number of these communities affected do not have airline service and in the case of cities like Missoula and Butte, cannot depend on scheduled airlines because of fluctuating and often times, difficult weather conditions. These same areas are mountainous and during the winter there are days when it is impossible to travel by highway, for those the one possible method of transportation, would be the railroads. After May 1, the people of western Montana will not have this option.

Mr. President, I am taking this opportunity to restate my unaltered opposition to the Railpax plan. I ask unanimous consent to have the following documents printed in the RECORD:

Telegram of protest to the Secretary of Transportation, John Volpe and David Kendall, Chairman of the National Railroad Passenger Corporation; my statement of March 23; the text of legislation introduced by Senator METCALF and myself affecting this issue; a letter my colleague and I addressed to the Council of Environmental Quality, raising questions about the Council's lack of involvement in this decision; and a letter which we are at the present time drawing up and will send later today to the distinguished chairman of the Subcommittee on Transportation of the Appropriations Committee, the distinguished Senator from West Virginia (Mr. BYRD).

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Hon. JOHN R. VOLPE, Secretary, Department of Transportation, Washington, D.C.

Extremely disappointed at Railpax' decision which allows only one transcontinental road across Montana and, in effect, eliminates the old Northern Pacific route. Montana is a state 700 miles wide and over 400 miles long and the need for a two rail lines transportation over Montana is apparent to all. I hope that you will reconsider this decision which will impose a tremendous hardship on Montana because of previous losses in bus, rail and air service. Would suggest that instead of asking funds for supersonic transport that money would be better spent to keep both passenger rail lines in service in Montana, that their passenger service be up-graded and that the administration show more interest in developing and maintaining railroad passenger service to serve all the people, thereby maintaining a tax and employment base rather than not prestigious and long-range items such as the SST.

I personally request that you reconsider
March 25, 1971

CONGRESSIONAL RECORD — SENATE

S 3889

Rail Passenger Service Act

To amend the Rail Passenger Service Act of 1970 in order to require every grant of any kind of service to another state, other than rights of way, which were received as a grant from the Federal Government, in return for the discontinuance of passenger or freight service.

That title IV of the Rail Passenger Service Act of 1970 is amended by inserting at the end thereof a new section as follows:

“Sec. 406. Public Consideration in Return for Discontinuance of Service.

(a) Notwithstanding any provision of this Act, any reduction in passenger or freight service regularly provided prior to such date unless such railroad reverts to the United States all right, title, and interest (including mineral rights) held by such railroad in an amount of such land equal to one hundred acres for each mile of service discontinued.

(b) For the purpose of this section the term ‘rights of way’ means land within 300 feet on either side of a railroad track regularly used on May 1, 1971, for the provision of freight or passenger transportation service to the public.”

March 23, 1971

Mr. RUSSELL TRAIN, Chairman, Council on Environmental Quality, Washington, D.C.

Dear Mr. Chairman: At the press conference called yesterday to announce the National Railroad Passenger Corporation's rail plan, Mr. John F. Olsson, one of the incorporators, said that the General Council of the Department of Transportation had ruled that “unnecessary in this case” a report on the environmental impact of the system. The Acting General Council today confirmed that the Environmental Council was applying environmental impact recommendations for a basic system. Apparently the ruling has been held to obtain as well from the Corporation.

We are deeply concerned that a decision of such magnitude has been taken without the tests called for in the National Environmental Policy Act of 1969.

The rail plan, which Mr. David Kendall, will operate about half of the current passenger trains. The probabilities are that the railroads will choose to join a deregulation and discontinue the remaining trains.

If a large segment of a transportation system is thus abandoned, it does not follow that bumper to bumper traffic will return all land to the federal government, where they have abandoned rail services. On the contrary, it appears to be a drastic measure, but these railroads were given the original land grants as an incentive to provide railroad services to the people of the United States. If they abandon this intention, I see no reason why they should benefit from the land grants. It is my distinct impression that in many instances, the railroads are more interested in investments than in service, and that they have no business of running a railroad.

Mr. President, I ask unanimous consent, to have printed with this part of my remarks, the proposed amendments to the Railroad Passenger Service Act of 1970, which Senator MECALF and I introduced.

Before concluding my remarks today, I wish to express my opposition and views on another matter. The Inter-State Commerce Commission has directed eastern and western railroads to increase their current freight rates by about 11.6%, without any comment or accounting service. Here again, we see an example of the reasoning why I have advocated the abolishment of this anemic, but now I am speaking of a comprehensive overhauling of the agency.

Mike Mansfield Papers, Series 21, Box 47, Folder 23, Mansfield Library, University of Montana
environment," as stated in Public Law 91-190.

Will you please advise us what position the Council on Environmental Quality has taken on the Railpax matter and what steps were taken or might be taken to assess the impact on our environment of the rail system that is to become effective on 1 May?

Very truly yours,

M. MANSFIELD

Hon. ALLEN J. ELLENBERG,
Chairman, Committee on Appropriations,
U.S. Senate, Washington, D.C.

DEAR CHAIRMAN ELLENBERG: We are writing to convey our determined opposition to the granting of any appropriation to the National Railroad Passenger Corporation. In our opinion, the proposed routings of national railroad passenger travel announced by the Railpax directors on March 23 show a blatant disregard for both the will of Congress and the needs of the traveling public.

The Rail Passenger Service Act of 1971 clearly expressed the desire of Congress to make available efficient, clean and convenient rail passenger service that the railroads were seemingly unable or unwilling to provide. It was our understanding that in return for a substantial Federal subsidy, Railpax was to improve the clearly inadequate existing service.

Instead, we are shocked and appalled to discover vast areas of this nation, including Montana, South Dakota, Idaho, Wyoming and other areas, will lose what meager passenger service that still existed after years of neglect. This appears to be almost a great leap backwards in available public transportation, eliminating by half the trains now running.

Indeed, the taxpayers will be paying more to continue appropriations for Railpax are approved. We urge that no further monies be approved for Railpax until its directors demonstrate more sensitivity to the desperate needs of persons dependent on the railroads for transportation services.

Assuring you of our deep personal concern and interest and with best personal wishes,

Sincerely yours,

MIKE MANSFIELD
LEE METCALF
U.S. Senators

Mr. BYRD of West Virginia. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I am delighted to yield to the Senator from West Virginia.

Mr. BYRD of West Virginia. Mr. President, I share the sentiments which have been voiced by the distinguished majority leader and express my disappointment with respect to my own State.

West Virginia loses half to two-thirds of the passenger service it had prior to Railpax. The new plan will have to produce a miracle if it comes anywhere near to serving the real needs of the traveling public. Cities like Wheeling, Morgantown, Fairmont, Clarksburg, Martinsburg, Parkersburg, Bluefield, and Williamson are not included in the route—selected.

Compared with some States in which service was eliminated altogether, one may say that West Virginia is fortunate to have been given one route across the State, serving the capital of Charleston and the State’s largest city, Huntington.

But the State has two other major rail lines in addition to the C. & O.—and they are the B. & O. and the N. & W. These lines extend from the populous areas of the Eastern Seaboard to the Midwest, and in any logical restoration of railway passenger service will surely have to be included.

There will be no way to reach any of the cities I have mentioned from Washington by rail. Railpax thus far has pleased no one, with the possible exception of the railroads which wanted to get out of the passenger business. I fully understand the widespread dissatisfaction that is being expressed with the routing as announced.

I am told that the B & O also proposes to reduce the number of commuter trains running into Washington from the Eastern Panhandle of West Virginia. Three trains are now being operated—one of them is the Capitol Limited, a through train which comes off in the Railpax plan. Only one commuter train will remain between Washington and Martinsburg. Cancelling existing and needed service which is being patronized such as this is not the way to launch the Railpax experiment. I have grave doubts as to whether the experiment will succeed. Rail travel must be made more convenient if it is to succeed. It seems to me that Railpax is making it less convenient.

Mr. President, I want to assure the distinguished majority leader that my Subcommittee on Appropriations will be asking some questions regarding this matter, not only on behalf of West Virginia but also on behalf of the States served by other Senators.

Mr. MANSFIELD. Mr. President, may I say that I want to thank the distinguished Senator from West Virginia, the chairman of the Committee on Appropriations Subcommittee on Transportation. I feel that I have been had because in voting for this Corporation I had no idea that this would be the outcome.

So far as I am concerned, I do not intend to vote for any further appropriations for this Corporation until and unless this situation in Montana—Wyoming and South Dakota especially, as well as in other States of the Union, including specifically West Virginia and cities like Cleveland, which has been cut off with no rail service, and the like—is clarified.

If we can spend money for round trips to the moon, I think we can spend a little money to take care of surface transportation in this country and face up to the needs of the people on this planet.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the distinguished Senator from Minnesota (Mr. HUMPHREY) is now recognized for 1 hour for remarks and colloquy.

SENATE RESOLUTION 87—SUBMISSION OF A RESOLUTION RELATING TO ARMS LIMITATIONS

A CHANCE TO HALT THE ARMS RACE NOW

Mr. HUMPHREY. Mr. President, I rise to address the Senate on a subject of great importance: namely, national security.

The United States and the Soviet
By Mr. METCALF (for himself and Mr. MANSFIELD):

S. 1380. A bill to amend the Rail Passenger Service Act of 1970. Referred to the Committee on Commerce.

(The remarks of Mr. MANSFIELD appear at the beginning of today's Record.)

Mr. METCALF. Mr. President, this morning, the distinguished majority leader mentioned that he and I, the two Senators from Montana, had introduced legislation to correct some of the transportation difficulties in the Railpax program.

I concur heartily in the remarks my colleague made this morning, and it was my impression that the bill had been introduced. However, I find now that although the text of the bill was printed in the Record, it was not formally introduced.

I ask unanimous consent that the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1380
A bill to amend the Rail Passenger Service Act of 1970

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title IV of the Rail Passenger Service Act of 1970 is amended by inserting at the end thereof a new section as follows:

"SEC. 406. PUBLIC CONSIDERATION IN RETURN FOR DISCONTINUANCE OF SERVICE.

"(a) Notwithstanding any provision of this or any other Act no railroad holding title of any kind to lands, other than rights of way, which were received as a grant (not including any purchase) from the Federal Government shall discontinue, after May 1, 1971, any passenger or freight service regularly provided prior to such date unless such railroad reconveys to the United States all right, title, and interest (including mineral rights) held by such railroad in an amount of such land equal to one hundred acres for each mile of service discontinued.

"(b) For the purpose of this section the term 'rights of way' means land within 300 feet on either side of a railroad track regularly used on May 1, 1971, for the provision of freight or passenger transportation service to the public."
Mr. MANSFIELD. Mr. President, on April 6, I appeared before the Senate Subcommittee on Department of Transportation Appropriations discussing the Railpax plan and the many misgivings that my colleague, Senator Lee Metcalf, many Montanans, and I have about its effect on the future of surface transportation in Montana. In an effort to keep the people of Montana informed, I ask unanimous consent to have my statement printed at this point in the Record.
CONGRESSIONAL RECORD — SENATE
April 14, 1971

STATEMENT OF SENATOR MANSFIELD

Thank you, Mr. Chairman, and Gentlemen of the Senate. The full Senate will be one line along the northern rim of Dakota extending along the high line, the northern rim of Montana which has the Big Sky country populated or central sections of Montana.

Many residents of Montana will be required to travel 200 miles or more to get to a passenger stop on the northern route. The northern Pacific line which has for years attempted to limit Montana's service to the northern route is indicative of a lack of interest in the whole state.

Again I wish to re-state I have not and will not choose between service on either the Great Northern or the Northern Pacific line. We need and deserve service on both.

For many years Montana has supported a railroad and has been an outstandingly populous state. I have just been informed that he be associated with the Montana Ice Company.

In the future of the nation, will it be the same thing: a railroad to the Big Sky country, the management of our national forests.

Now the citizen who needs the railroads? You do, that is a very, very familiar refrain. This is in a view towards also summarizing what we can accomplish by the Bicentennial Plan and other programs designed to assist the nation's railroads.

The events of the past two weeks seem to indicate the results are quite the opposite, quite conclusively indicate the results. As of May 1st we will have a totally inadequate system of rail passenger service still to be operated by the same railroad which has for years attempted to abandon their responsibility to the traveling public.

If Railpax is not interested in starting off on the right foot perhaps it would be best to withdraw all funds already appropriated which I understand have been imposed and amount to something on the order of $38 million out of the $40 million originally appropriated by the Congress, so that the National Railroad Passenger Corporation will not be able to operate after May 1st.

What one is to give the railroad a vehicle for massive discontinuation which avoids the traditional process of filing application with the ICC in itself an unsatisfactory process.

There is this preliminary announcement on proposed routes under Railpax and under subsequent modifications in the final report the rail passenger transportation drains most areas of the nation to believe that the west and the north for many years Montana has supported have been an outstandingly populous state.

In Montana it appears to be an accommodation to the interests of the Burlington Northern Railroad which has been anxious to get out of the passenger train business for a number of years.

In September of last year newly merged Burlington Northern Railroad issued a special report called a new kind of American Railroad. Unfortunately this report of the railroad corporation more interested in various investments than in running a railroad to serve the people.

I believe it was intended that this incentive would both construct the railroad service and keep it running for the people of the Western States. The part of the plan would succeed.

The Montana largest cities including the capital will be without service. What are the senior citizens of these areas to do? Traditionally these people make considerable use of the trains.

We have two veterans hospitals in Montana, one at each end of the state, but neither will have rail passenger service.

Montana has 11 colleges and universities, only 1 of which will be served by Railpax. The 1 University will have no Railpass passenger service.

It is a deplorable situation, Montana's largest cities including the capital will be without service. What are the senior citizens of these areas to do? Traditionally these people make considerable use of the trains.

We have two veterans hospitals in Montana, one at each end of the state, but neither will have rail passenger service.

How are passenger railroads supported from these centers for special treatment at other hospitals? As the Big Sky country is often faced with difficult weather conditions, travel by air or highway is hazardous or impossible, at times. An alternate means of travel is essential.

One is to give the railroad a vehicle for massive discontinuation which avoids the traditional process of filing application with the ICC in itself an unsatisfactory process.

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If Railpax proceeds it is gravely to the rails would succeed.

The Metroliner is an example, even though the Federal Government has had a difficult time convincing Penn-Central of this. In our own country has for many years now a multi-faceted system of public transportation for instance, buses and airplanes.

Mr. Chairman, we are here today to discuss the future of the Railpax. If Railpax is not going to succeed in a very short time it means the 48 contiguous states, then it should not begin. As proposed only the northeast corridor from Washington, D.C to Boston will receive more than skeletal scheduling of passenger trains.

If Railpax proceeds I would like to know how they are progressing in the hiring of professional management staff, personnel with competence and know-how in transportation. As I have stated on a number of occasions this nation faces a transportation crisis of monumental proportions.

This subcommittee and its chairman are to be commended for meeting this situation head on. I sincerely hope that the committee on commerce will also be able to address itself to these problems in depth and in the near future.

Mr. Chairman, and gentlemen of the Committee, may I conclude once again by reminding you that I hear every day over the radio and the TV.

Who needs the railroads? You do. We all do. Truer words were never spoken but the
April 14, 1971

CONGRESSIONAL RECORD - SENATE

way we are going the railroads are disappear­
ing like the buffalo and the ox cart.

Mr. MANSFIELD. Mr. President, I also am anxious to have all the
eral articles printed in the Record which will give our colleagues here in the Sen­
ate a capsule opinion of how people in Montana and South Dakota feel about the decisions of sev­
eral national news columnists.

First, is an editorial from the Inde­
pendent Record published in Helena, Mon­
daugust 31, 1971, relative to the rail­
road's efforts to seek Federal help.

S E N A T E
April 14, 1971
A number of articles printed in the Wall Street Journal appeared in the Helenaian an an article appearing in the Wall Street Journal on March 25, 1971.

At least a couple of months ago, one of the great benefits of a successful rail passenger system would be the reduction of air pollution from automobiles as more people rode the rails instead of the highways.

There are already a lot more autos travel­
ing between the population centers of southern Montana than the prairies of the north. Buses will be even more when southern Montana has no rail transportation at all after May 1.

The Hi-Line rail line will serve Glacier National Park. Pine. Glacier needs rail service. But what about Yellowstone Park? It attracts the number of visitors to Glacier, but the closest they will be able to get to by train is Havre instead of Bozeman.

Among the defenses for the exclusive Hi­
Line route there is the one-hour difference in the trip between Chicago and Seattle (41 hours vs. 42).

Come off it. If a traveler was anxious to save an hour, he'd take a plane and save 36 or 37 hours.

[From the Helena (Mont.) Independent Record, March 30, 1971]

RAILPAK GEMMATSINS

Some more thoughts on the ridiculous Rail­
pack decision to route the only Chicago­
seattle passenger train across Montana's Hi­
Line.

We don't think anyone in populated south­
ern Montana would be penalized by the Hi­
Line decision, the decision certainly took
ons. Mike Mansfield and Lee Metcalf, Congress­
man Richard Shoup off the hook.

It spares the politically delicate clash between Hel­
­zer Montana.

They can't complain about the Hi-Line route because they have constituencies up there, too. All they can do is holler because they are not going to get their road in.

When Donald Deuster, the Department of Transportation's Rail­
pax spokesman spoke in Helena a couple of months ago, he said one of the great benefits of a successful rail passenger system would be the reduction of air pollution from automobiles as more people rode the rails instead of the highways.

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[From the Helena (Mont.) Independent Record, March 30, 1971]
The answer may seem to be that if the railroads had monopoly power they would use it to make a profit. Yet the law is that Railpax too shall be a for profit corporation. Moreover, it is not to be a shy, different enterprise that will preside over the demise of the old Railpax.

One could argue that the government will use monopoly power in the public interest which the companies will not. Yet there is nothing in the law to indicate that the government will do this. It is directed to "provide the public with the most comfortable, transportable, accessible, and that is impressively impressive. It might have been directed to consider the possible externalities of passenger travel, to lessen a polluting of pollution and of congestion on highways and airports. But except for a few calls of duty, such external considerations were ignored.

There is a fanciful notion that the American car could not be made to travel by train even though they don't. The railroads, so the fancy runs, don't like passengers, do everything they can to discourage them, and leave them no way to travel except by airplane, bus and automobile. The fancy is heightened by recollections of the glorious age of railroading, evocations of Pacific 990, and how the breakfasts were served while the train was passing through the Feather River Canyon. These glories could be restored, and with profit, if only one passenger business were operated by an organization dedicated to passenger service. Congress has created one—Railpax.

But Railpax in fact is going to face the same problems the railroads have faced. To say they "want out" of passenger service is no good reason is quite erroneous. No company wants out of a source of profit. If the company happens to be managed by people who are incompetent, mulish and not fond of customers, they will be removed by the shareholders. The railroad shareholders are no different from those who hold stock in any other company. They all want a suitable rate of return.

The railroads have wanted to curtail passenger service because it is not as profitable as it should be. On a company basis that means that they make too little use labor and capital more efficiently to transport goods than people. That is just what is happening now, except if clear evidence to the contrary can be shown. There are such reasons in welfare economics, and they concern the railroads to which is irrelevant to passenger trains. But they have not been brought forward in the law, which, remember, directs Railpax to be profitable.

One reason that the railroads have been profitable is the obvious decline in the demand for rail passenger service. It has disappear for private over public means of transporation by people who can afford both, a number that increases as the economy grows. The preference goes far back into the history of transportation and will not be altered by the marketing genius of Railpax.

Before the age of railroads, people who could afford to do so traveled by private carriage rather than by the railroads. The railroads displaced the carriage because they were faster than the automobile.

The automobile is also the principal cause of the public transportation system's troubles inside the cities. The public service was subsidized for years by the profits on long routes. That was economic folly and now is nearly ended. The consequence is that traffic on short routes has declined, and the airlines have discontinued many short flights. The only kind of travel that the automobile has not challenged is travel over long distances. Here the airlines have an advantage. But the interstate highway system nears completion. Distances that once were long are now as "long" as they have always been.

The passenger trains will have difficulty in finding a place for themselves between the automobile and the airlines. The place may be short runs and itineraries. The problem of locating it will not, however, be as difficult for Railpax as it was for the railroads. The rules on determining service and fares is the other reason that the rail passenger business has been unprofitable and declined, they were not able to reduce supply sufficiently. They then looked for other ways to reduce their service, such as allowing the traffic to deteriorate. The results were the familiar aggravations of traffic, by people, fares and service, unnecessarily scheduled.

Railpax hopes to end all of this. It will be directed by a board of 15. The President appoints eight, one of whom must be the Secretary of Transportation, and another a representative of consumers. Seven are elected by shareholders. The common stock will at first be held by the participating railroads. The preferred (6%, cumulative, convertible) will be first be held only by non-railroads, so owned by the government, but the government will provide a $40 million subsidy and guarantee loans up to that amount.

In its financial structure, Railpax resembles a merger, but with odd features. Its assets will be provided by the railroads, which are free to participate or not. If one does not, it must operate its present service until 1975 irrespective of the loss. If a railroad participates, it makes a payment to Railpax and receives common stock. The payment is represented as a consideration for the railroad's being released from the obligation to provide passenger service. The amount of payment may be computed in any of three ways, and all are a fraction of the 1969 losses from passenger service. Railpax determines whether the payment is to be in cash, equipment or provision of service for it.

The most profitable railroads will make the largest payments and become the largest and common stock will not, however, have a proportionately large authority in Railpax. Its voting rules will minimize the influence of the largest. Each of them will elect three of the seven directors not chosen by the government (the other four will be elected by the shareholders). None of the three may vote on any matter between Railpax and a railroad. The conditions seem to be designed to get the railroads for a kind of public rebuke, just as the commercial banks were singled out when Reserve banks were privatized and the limited the membership of bankers on the boards of the Reserve Banks.

CONGRESSIONAL RECORD — SENATE
April 14, 1971

WASHINGTON—Sometimes there are traffic jams on the little underground railroad that runs between the offices of the New York Times and the Capitol. People push, shove and jump over one another to get seats.

One day last week the National Railroad Passenger Corporation, which runs its railroad as it is the way the Chicago Tribune quoted him. It was The Daily News that reported he said, "The public be damned." Whatever his language actually was, his meaning was simple. He meant to operate his passenger trains at a profit. So does Railpax.

From the New York Post, Mar. 30, 1971

TRANSPORTATION

WASHINGTON—Sometimes there are traffic jams on the little underground railroad that runs between the offices of the New York Times and the Capitol. People push, shove and jump over one another to get seats.

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TRAIN SERVICE IN NORTHEAST CORRIDOR

(From the New York Times, Apr. 4, 1971)

WASHINGTON, April 3—The National Railroad Passenger Corporation, which will drop half of the nation's intercity trains when it begins operation next month, is also planning to increase frequency of service on the Boston-New York-Washington corridor that could largely supplant air shuttles before the middle of the decade.

The corporation will continue service in the Northeast region with only minor changes on May 1, but key officials have given the fewest indications of how they will make a busier era.

A major element in their plans is the calculation that the airlines now flying the congested corridor lanes have lost their battle to make the service profitable, even at sharply rising fares, and will support public investments in radical track improvements and possibly retire from the competition.

Eastern Airlines' unsuccessful effort to drop its Newark-Washington shuttle last year and American Airlines' help in designing the service, their food and reservations services are both cited as more than symbolic evidence of historic transition.

With less than a month to go before it will sever the nation's troubled passenger links, the new corporation has not yet announced how it intends to change its plans or what it will want the railroads to do.

Yet, there is seeming confidence at the headquarters here that, given its rather desperate assignment, the corporation has made a sound start—that it has struck a reasonable bargain with the railroads for the operation of its trains, and that its route map and schedule can be defended against possible attack.

The special importance assigned to the Northeast Corridor is a central element in the corporation's plans, and in the defense.

Board members and staff at the corporation acknowledge that the Northeast Corridor is the heart of their system, that it is not simple to reorganize and still capable of maintaining a service less than half of that the railroads were providing in the opening national network will run within this region.

The route of the four high-speed trains to the West Coast, that have no prospect of breakeven will be subsidized at least partially by revenues from the Northeast Corridor. The new corporation will be able to expand corridor service elsewhere—between Chicago and St. Louis, for example—will hang largely on the success of this pilot project.

The corporation's service proposal has clearly forecasted the early interest among users in the Northeast, its 184 daily trains and 56 stations there.

Powerful spokesmen for a number of a Central and Western states, on the other hand, have been more bitter about new service reductions, but they are not committed to the idea in terms of prospects for a change in the corporation's plans.

"I feel that I have been had," moaned Senator Mike Mansfield, the Democratic leader, when he discovered that the one surviving train through his home state of Montana was about to be canceled, and that the state's six largest cities completely. At Mr. Mansfield's urging the Senate Appropriations Committee has summoned the corporation, unofficially known as "railpax," to public hearings on Tuesday to explain the moves.

It will argue, for example, that the Northeast Corridor is faster and shorter than that it in writing the rail passenger law last year, Congress carefully excluded itself from route-selection decisions and offered a fairly simple remedy for areas that consider themselves undeserved: communities and states in any contracts receiving additional trains if they are willing to pay two-thirds of the extra deficit incurred.

The corporation is being ordered to make heavy demands on Congress for capital improvements to pay for the restoration of routes that have poor economic prospects over the long term.

The very lean financing with which Con- gress has helped the rail passenger organization has strengthened the board's hand in contract negotiations with the railroads that will continue to provide service, and lines for passenger trains.

In the original discussions, the railroads demanded reimbursement for their direct expenses and, in addition, a management fee and some return on their own capital investment.

The Corporation, pleading poverty, insisted that it could only pay the railroads for their direct costs, with a small addition to cover some shared expenses—like track maintenance, available to freight and passenger operations.

The railroads, fearful that a protracted dispute over the issue would delay their deliveries from passenger deficits, acceded to the corporation. The formal signing of operating contracts awaits only a final resolution of the relative responsibilities for severance pay and job protection for men who lose their jobs as a result of train discontinuance.

The rail corporation will be heavily burdened at the outset with the expense of maintaining huge capacity built for a busier era. It will cost $13.7 million a year just to run Washington's union station; $7.6 million for the station in St. Louis; $4.5 million for the station in Cincinnati.

Unneeded capacity in old-railroad stations is expected to cost the corporation $50 million in its first year—or half of the projected $100 million in deficits. But the corporation proposes to move swiftly, as the railroads never did, to modify the stations to suit modern needs. "Tons of million of dollars can be saved," one official remarked last week, "by actually knocking a lot of these stations back to their original模els.

The corporation has chosen its colors, its official nickname and its advertising symbol, and will still remember a familiar name, "railpax" and all other variations on the "rail" base are known to have been rejected because of what are considered the unfavorable connotations associated with recent railroad history.

It is clear, also, that he search for a chief executive is being steered deep of rabbit holes, looking instead to the airline industry and men with marketing experience in particular.

Arthur D. Lewis, a former president of Eastern Airlines, turned down a fee last two weeks ago. Senator Mike Mansfield, the Democratic leader, when he discovered that the one surviving train through his home state of Montana was about to be canceled, and that the state's six largest cities completely. At Mr. Mansfield's urging the Senate Appropriations Committee has summoned the corporation, unofficially known as "railpax," to public hearings on Tuesday to explain the moves.

For the right man who is willing, the corporation is understood to have a multiannual salary that includes $10,000 in direct and deferred benefits.

WASHINGTON, D.C.,
April 5, 1971

Dear Senator Mansfield:

There are quite a number of people in Billings who have studied the rail passenger law as a model for mass transit, and there would have been a lion for mass transit, and there would have been a

With best regards,

John Volpe,

Under Secretary of Transportation,

American Airlines, has been urged by fellow

Governors of the Northeast Corridor service elsewhere-between Chicago and St. Louis, for example—a special name, "railpax" and all other variations on the "rail" base are known to have been rejected because of what are considered the unfavorable connotations associated with recent railroad history.

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WASHINGTON, D.C.,
April 5, 1971

Dear Ms. Secretary:

Since my appearance before the Senate Subcommittee on Appropriations, April 6, I have had an opportunity to give the Railpass plan some further thought and consideration. I appreciate your letter of April 5, but it would be most helpful if you could provide me with an up-to-date summary of the status of this decision made by the National Railroad Passenger Corporation.
WASHINGTON, D.C.,
April 13, 1971.

HON. WARREN MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate.

Dear Mr. Chairman: The Railpax plan recently announced by the National Railroad Passenger Corporation disturbs me greatly and it has generated a great deal of opposition in the State of Montana. The plan does not give minimal service to the State; in fact, it ignores about 80 percent of the population.

As you know, I am greatly concerned about what I consider to be a rapidly approaching crisis in public transportation. The Railpax plan does not offer any solutions and, in fact, will probably compound the crisis.

I am firmly convinced that we have all been too willing to give in to the pleadings of the railroad corporations. The railroads have been too willing to keep on the competition in public transportation; in fact, they have retreated through unimaginative management, misleading accounting systems, and neglect of service responsibilities. The Interstate Commerce Commission has gone along with their requests for discontinuances, freight rate increases and has refrained too frequently from counseling the industry. I am slightly encouraged by their current activities, especially their willingness to recognize intra-industry refusal to cooperate on the boxcar shortage. Also, I think their recommendations to Railpax were quite sound. I think the Congress has been too lenient. I believe that the time has come when we must give a very thorough and serious look at the transportation industry.

It was for these reasons that I introduced legislation, S. 649, to abolish the Interstate Commerce Commission, and S. 1380, requiring the return of certain Federal land grants by the railroads when they abandon transportation services. I ask that the Committee on Commerce give these transportation problems immediate attention and schedule public hearings on these legislative proposals and associated problems. As Chairman of the Committee, you are in the position to do a great service to the nation in helping to preserve an adequate surface transportation system.

With best personal wishes, I am,
Sincerely yours,

MIKE MANSFIELD.
April 29, 1971

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMTRAK

Mr. MANSFIELD. Mr. President, at this time I employ all the technicalities known to Congress; however, obviously we can have legislation after law suit. The Federal Government, I would think, would have to honor these contracts which are being completed.

It is not my intention to do anything to discourage the maintenance of adequate train service in Montana or in any section of the country.

The PRESIDING OFFICER. The Senator from Montana referred twice to this resolution. It has been submitted in the form of a bill. Since different ramifications follow, the Chair would appreciate clarification as to the Senator's intent.

Mr. MANSFIELD. Mr. President, the clause will be introduced in the form of a bill, and will thus have the effect of law if and when enacted.

The PRESIDING OFFICER. The resolution will go over under the rule, observation having been heard to its immediate consideration.

Mr. MANSFIELD. Mr. President, I was interested in the remarks of the distinguished Senator from Vermont because, as far as I can see, he has no chance of getting any service under any circumstances. Railpax would not operate there. Maine, Vermont, and New Hampshire have lost their service over the years past. However, as far as Montana and the Midwest are concerned, the Heartland of America, we will lose what we have already paid for, what the Government paid for in the form of land grants. And as far as I can recall, the G.N. and the N. and N. Railroads have not been operating at a loss, as have some of the eastern railroads such as Penn Central.

There is a great need, as my colleague has brought out, to take care of the needs of our veterans and college students and 80 percent of our people, not only in connection with the NP, but also along the short line from Butte to Salt Lake City.

I would like the Senator to know that I concur completely in the remarks of my distinguished colleague, as he has worked night and day to bring about rectification of this situation.

I would like to state that in my opinion what Railpax, now Amtrak, has done is not to follow the intent of Congress, but to place emphasis on the urban areas of this Nation and to ignore the rural sections of the country.

Let me read, if I may, an editorial from the Billings Gazette of April 25, last Sunday. It is written by an old student of mine at the University of Montana, Doc Bowlar, a good friend of my colleague's. He is editor of the Gazette.

I read what he says:

The end of an era will come to Billings next weekend unless Congress can be prevailed upon to delay the start of Railpax. Railpax, or the new national railroad passenger corporation is known, starts operation May 1 in what well may spell the end of much of the rail traffic in much of the nation.

In southern Montana, Wyoming, South Dakota, and most of North Dakota and Idaho, Railpax spells the End. That's all.

It doesn't mean that all will be abandoned and it shouldn't happen. Vast segments of the nation should not be left without passenger train service.

When Railpax chiefs got their figures on passenger travel, and what they are for that matter, is unknown. It can be presumed, but not certified, that they got them from the railways that had been hauling passengers.

Railpax tells us that the northern route was chosen across Montana because of more ridership, whatever that means. At this writing, the term has not been given definition or explanation.

It certainly is not advocated here that the northern route across Montana and North Dakota be abandoned in favor of the southern, more populous, route. Both are needed.

That expresses my feelings of my colleague and me. I continue to read:

There is growing evidence that high officials of the Burlington Northern were just as amused as most people in the area when they left along with the rest of us, that only the northern or Hi-Line route would be used.

Insiders thought both would be used, perhaps on alternate days, to serve both Yellowstone and Glacier parks and the people of the areas. The Interstate Commerce Commission recommended it.

The Interstate Commerce Commission, of all groups, recommended it. I continue to read:

Whether Congress will be responsible to the will of the people is not known. Energetic forces are at work in Montana now to seek a delay, starting May 1. Another 90 days is sought in which to make a case.

Senators Mike Mansfield and Lee Metcalf and Representatives John Melcher and Dick Shoup are trying to persuade their fellow congressmen that Railpax is not doing what it said it would. More time is needed.

It was, as one of them states, the intent of the Railway Passenger Service Act to bring about rejuvenated passenger service that would replace deteriorating and stagnant facilities that the majority of railroad in this country are obviously unable and unwilling to improve.

That is not what is happening under Railpax.
Senators. I would hope for action tomorrow.

The PRESIDING OFFICER. The clerk will read the bill.

The assistant legislative clerk read as follows:

S. 1698

A bill to postpone for seven months the date on which the National Railroad Passenger Corporation is authorized to contract for provision of intercity rail passenger service; to postpone for seven months the date on which the Corporation is required to begin providing intercity rail passenger service, and for other purposes.

Mr. PROUTY. Mr. President, I object to further consideration of the bill.

The PRESIDING OFFICER. Second reading will go over until the next legislative day.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield briefly?

Mr. BYRD of West Virginia. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to withdraw the resolution previously introduced, in favor of the bill S. 1698, just introduced.

The PRESIDING OFFICER. Without objection, the resolution is withdrawn.
Mr. President; when the National Railroad Passenger Corporation announced the details of the unified passenger system, I was amazed and shocked with the total lack of understanding and consideration given to the less populated, rural states in the Nation.

When the Congress enacted legislation establishing this new corporation, it was done to bring about a new vigorous approach to railroad passenger service as a replacement for the deteriorating and stagnant passenger service provided by the majority of the railroads in the country. Railroad passenger service has been reduced to such a state that something had to be done to preserve this mode of transportation. If this recent announcement is any indication, the corporation is merely perpetuating what we had hoped to replace.

Fifteen years ago, passenger service was available on three transcontinental railroads through Montana. In recent years, this has been reduced to service on the old Northern Pacific and Great Northern lines. Under the Railpax plan, the only passenger service would be on the Great Northern line, across the Northern edge of Montana. Two-thirds of the State will be without rail passenger service, Montana's six largest cities will not have access to rail service and it will be over three hundred miles from any point in Montana to a rail depot.

In the past several years there has been a great deal of conversation about the migration of Americans from rural areas to metropolitan centers. If we are to make a sincere effort to reverse this trend, the Railpax plan is not going to help. The route selected through Montana gives every indication of what I feared might happen. It gives primary consideration to the railroad corporation, not the
Statement of Senator Mike Mansfield (D-Montana)  
Page Two  
March 23, 1971

needs of the traveling public. This route through Montana is the shortest and the least costly to maintain. This supports my fear that the Burlington Northern views Montana as a necessary roadbed between the Twin Cities and Seattle. I fear that there will now be reductions in freight service on the Northern Pacific lines, now that they will not be required to maintain these roads for passenger trains.

As my colleagues here in the Senate know, I have been objecting to the reduced services offered by the railroads for a number of years. I still believe they have purposely reduced their services and discouraged public use of their lines, in an effort to bring about abandonment of their responsibilities in passenger service. The Railpax Plan, appears to support this philosophy and I do not see how it can provide a suitable alternative.

It is quite ironic, that the Congress is considering the appropriation of billions of dollars for the Super Sonic Transport to fly people to Europe and other parts of the world in less than four hours, when it will be virtually impossible to get out of Montana by public surface transportation in order to take advantage of Super Sonic travel. The corporation officials may feel that the remainder of Montana has adequate alternatives of public transportation. However, I wish to remind these officials that air service does not include many of the smaller cities and at some points, the airlines are attempting to reduce their schedule. Bus lines offer about fifty percent less public transportation than they did a few years ago. Under the Railpax Plan, Montana does have one line which will be available to very few people, but I am certain that constituents in the States of Idaho, Wyoming and South Dakota, find this plan even less comforting.

Originally I had felt that the National Railroad Passenger Corporation could
be the answer to the deteriorating surface transportation needs of our nation.

I realize that we can economically maintain railroad passenger service now available without a tightened up system aided by improved service for the traveling public.

In the State of Montana, we could have survived reasonably well, with alternating day service on the Northern Pacific and Great Northern lines, between the Twin Cities and points in Montana, even if on a reduced basis. Also, in looking at the map of the new improved passenger routes, there is not one North-South connection between Chicago and the West Coast. The Corporation thoroughly ignored such existing routes from Butte to Salt Lake City.

For sometime I have been considering a plan to require the railroads to abide by their public responsibilities and today I have introduced legislation which would require railroads who benefited by land grants, to return all these lands to the federal government, where they have abandoned rail services. On the surface, this may appear to be a drastic measure, but these railroads were given the original land grants as an incentive to provide railroad services to the people of the United States. If they abandon this intention, I see no reason why they should benefit from the land grants. It is my distinct impression, that in many instances, the railroads are more interested in investments and benefits associated with these lands, than they are with the business of running a railroad.

Mr. President, I ask unanimous consent, to have printed with this part of my remarks, the proposed amendment to the Railroad Passenger Service Act of 1970.

Before concluding my remarks today, I wish to express my opposition and views on another matter. The Inter-State Commerce Commission has authorized Eastern and Western railroads to increase their current freight rates by about 11.6%, with-
out any comments or controls over deteriorating service. Here again, we see an
eexample of the reasoning why I have advocated the abolishment of this regulatory
agency, or a comprehensive overhauling of the agency. If the railroad industry
is in as serious condition as they would like us to believe, they certainly
still have a great deal of control over those who should be assisting and
counselling them on their future.