

Statement by Secretary of Transportation Brock Adams
April 23, 1979

The Milwaukee Road announcement is the inevitable result of a railroad industry left with too much track and too little traffic. Enactment of President Carter's proposed railroad deregulation bill is the first step needed to save the freight railroads.

As I have been telling railroad presidents for the past year, they must take the break up of a far-flung system as a challenge. The private sector has to pick up the essential pieces of the Milwaukee system and make it work. If the railroads themselves don't do it, the decisions will be made for them on Capitol Hill. And that will be the beginning of nationalization of the rail industry.

There is no easy solution to the immediate problems of the Milwaukee. We will make an independent examination of the Trustee's core plan, and, if warranted, provide additional assistance from Emergency Rail Services Act funds. But the Federal government's role is to provide a framework for a healthy industry, not pour endless subsidies into unprofitable lines.