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THE WHITE HOUSE  
WASHINGTON

3/18/75

Attached given to Bob Hartmann  
by President, in turn given to  
Jim Cannon. No further action  
required.

↓  
How do you  
know?

Bob H

This was given  
to me by the Michigan  
G.O.P. who was  
concerned about R.R. track  
abandonment.

Refer to  
May 1962  
Domestic  
Council.

THE WHITE HOUSE  
WASHINGTON

From: Robert T. Hartmann

To: \_\_\_\_\_

Date: \_\_\_\_\_ Time \_\_\_\_\_ a.m.  
p.m.

Herb Phillipson  
Republican Chairman  
Cass County

So. Madison  
Youth Bend/GOP meeting

TO: THE PRESIDENT OF THE UNITED STATES

FROM: JESSUP DOOR COMPANY  
SUNDSTRAND HEAT TRANSFER  
THE CITY OF DOWAGIAC  
REPRESENTED BY HERBERT PHILLIPSON, JR.

PROPOSITION:

Emergency legislation is needed to preserve our railroad system (1) because of the necessity to maintain the railroad lines during the energy crisis, and (2) the need to encourage industry and production, the abandonment of railroad lines, would immediately cause loss of jobs and production.

Emergency legislation could take the following form:

(1) Allow takeover of portions of insolvent railroads by solvent railroads (including, if necessary, the allowance of coast to coast railroad systems).

(2) Subsidization by Federal or State of such portions of insolvent railroads where:

(a) Production served by the line exceeds in the national interest, the cost of subsidization.

(b) It appears that in the future the continuance of the existing line will encourage production which in the near future will exceed the cost of the subsidization of the line.

[We have always subsidized the mails and railroads, why not now?]

WHAT HAS HAPPENED TO THE CITY OF DOWAGIAC?

The United States Railway Association, the Board of Directors of which includes the Undersecretary of Transportation and the Undersecretary of Treasury, has proposed:

I. To include all of the Chicago to Detroit line of the Penn Central (formerly owned by the Michigan Central Railroad) EXCEPT a segment from Dowagiac to Kalamazoo effectively:

A. Breaking up the shortest rail route from Chicago to New York and adding about 50 miles and one hour to the travel time between these places;

B. Elimination of competition in rail service between Detroit and Chicago.

Originally service was not provided to Dowagiac and when it was pointed out that the three major industries would die, then a computer error was found, and rather than put in the Chicago-Buchanan segment, service was proposed between Niles and Dowagiac only connecting with a little used spur between Niles and South Bend, still breaking up the Michigan Central.

II. It appears that the USRA, using personnel formerly used by DOT, and looking only to making a commercially viable railroad, ignores:

A. The energy crunch:

1. Elimination of rail traffic will require substitution of trucks--4 trucks to each car load--consuming oil and gas, contrary to national interests and increasing the cost of maintaining highways.

B. The line from Detroit to Chicago is salable to several railroads, including the Santa Fe and other solvent railroads, which would continue to maintain most of the lines in Michigan, and saving the taxpayers:

1. The archaic thinking that the ICC would prevent this because of anti-trust implications is foolish when railroads are not able to survive in the East at all;

2. Regulation can allow competition, and the CONRAIL system actually is elimination of all competition;

3. The USRA, using DOT personnel, is now trying to make a commercially solvent railroad but has ignored the national interest:

(a) Energy demands the expansion instead of contraction of our rail system;

(b) Production should be encouraged instead of contracted, and delivery is part of production.

4. Emergency legislation should be offered to preserve our railroads, including the Rock Island and others, immediately, and CONRAIL, with all the dangers of government ownership, will be a monopoly and will not be responsive to the people through their legislators.

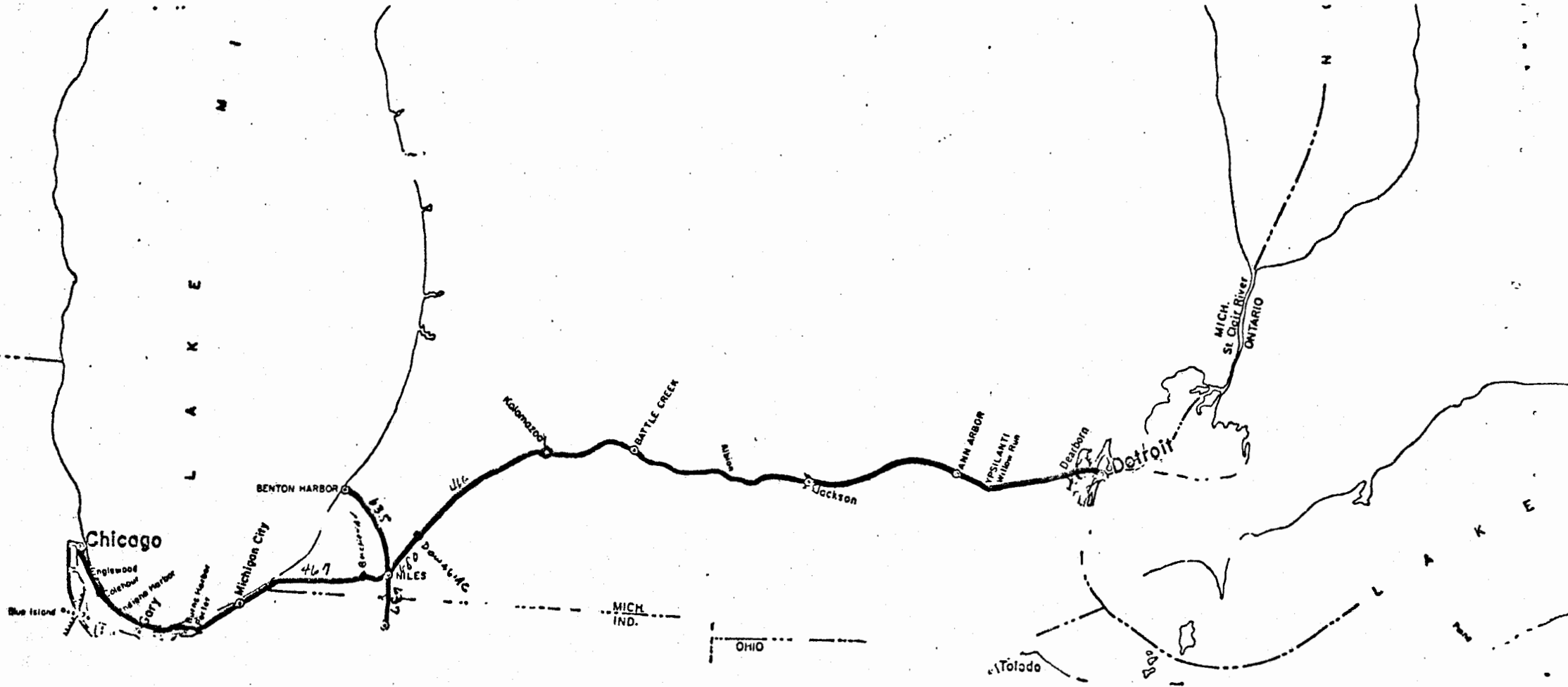
On behalf of the people of the City of Dowagiac, we believe that the entire Michigan Central mainline (now Penn Central) system must be included in CONRAIL, not only for the present, but for the future, if there is no possibility of the entire line being taken over by a solvent railroad.

Respectfully submitted,

  
Herbert Phillipson, Jr.  
City Attorney

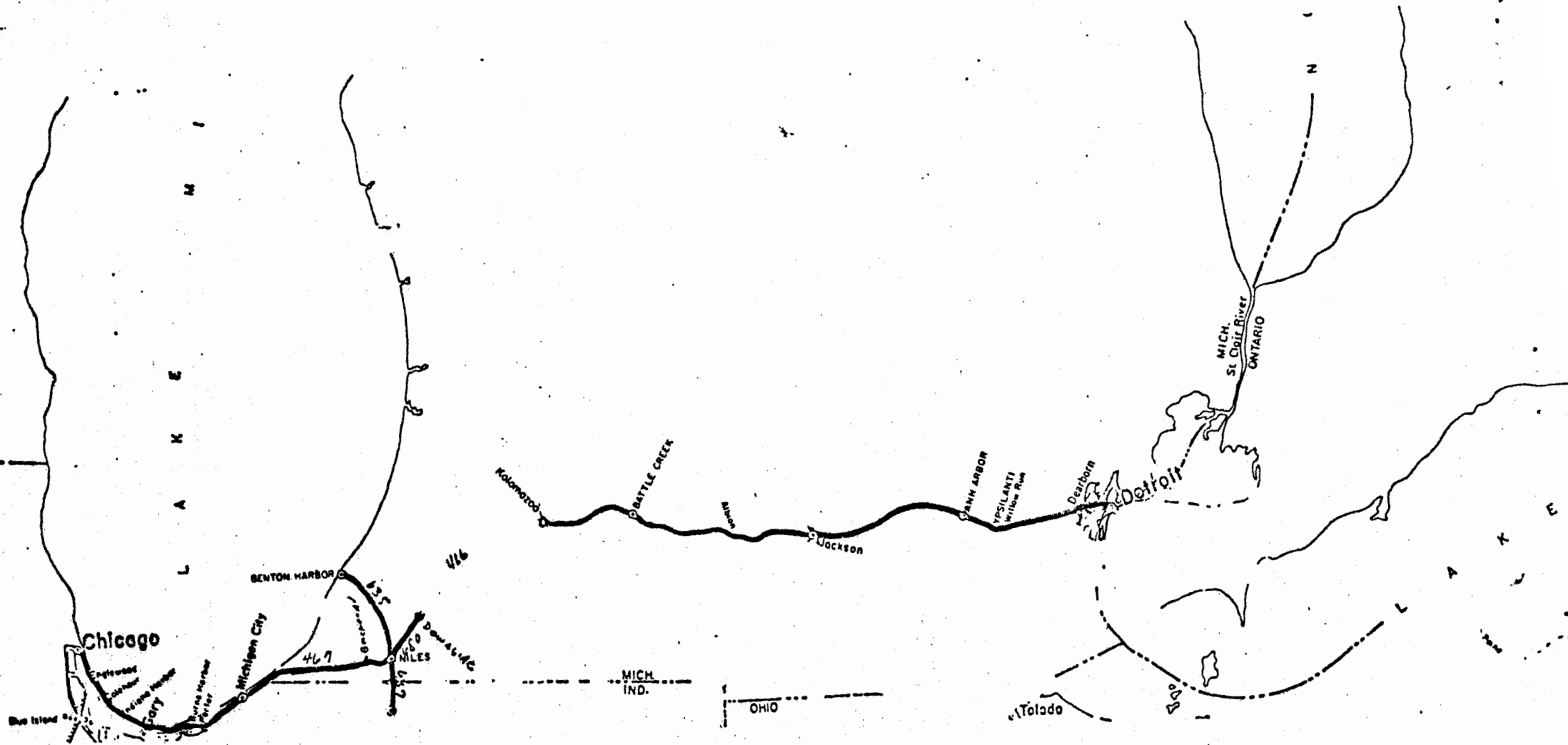
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204 Commercial Street  
P. O. Box 359  
Dowagiac, Michigan 49047

Phone: 616-782-5144



CHICAGO - DETROIT MAIN LINE

BEFORE



AFTER