

HAL: Now I'm talking with Verne Jackson and this is about the Nez Perse railroad.

HAL: On the NP, I was up there a year ago and saw all these box cars. Previous to that, was the railroad operating in any fashion right up to the point where they put the box cars on there?

VJ: This is the NP RR? It's owned by Jule Lox and he ships basically his own products out of there, which is wheat. He's a big farmer and he owns the RR. Well, in 1981, the latter part of the year, big companies like the UP and BN formed a rail box company which built box cars and each company put in so much money. When the business began to slack off they didn't have the shipments for these cars and they had to store them someplace so embargoed Joe Lox's RR which was the NP RR.

HAL: Who embargoed?

VJ: The rail box group. They embargoed his RR.

HAL: Who did?

VJ: Well, I think Joe Lux did, had the say of it at least. They needed a place to store these cars. If they stored them on their own tracks they were paying high demerage so they got a RR they could embargo and store him for a smaller rate. I think it started at \$1.25 a day then eventually dropped down to 75¢ a day per car, whereas they would have been paying \$10 on their own roads every day that they held those cars and then it doubles after so long. So they put an embargo on it and store cars at a lesser rate.

HAL: I still haven't got this clear--when you say "they embargoed his RR" who is "they"? ~~THE OWNERS OF THE CARS.~~

VJ: The owners of the cars.

HAL: He allowed them to do that?

VJ: Right. It might be UP, BN and all the RRs went together on these cars.

HAL: What's the legality of that? How can you embargo a RR? What do you have to go through to do that?

VJ: Have a tariff set up, cancelling all your business. There was a tariff especially set up for that, federal tariff.

HAL: What does a tariff mean?

VJ: All RRs operate under tariffs. It means rates--rates for logs, for instance is called a tariff. And there was a tariff set up, embargoing this RR. It comes over the wire all the time, "Embargo such and such RR." for certain items. They stored 1500 cars up there and they were there until the fall of 82. PUC in Boise got on Joe Lox for not handling his business--some farmers wanted some things hauled in. Here the RR was all tied up with 1500 cars and the PUC claimed he wasn't maintaining the track and not furnishing service. I don't know whether the PUC ordered it, or not, but the cars were removed from the NP RR.

HAL: There seems to be conflicting things here: The PUC says one thing.

VJ: The PUC has control of how the tracks are maintained, if the shipments are being handled right and since deregulation of the RRs the PUC has more or less taken over.

HAL: Ok, what arm of the government allows the RR to be embargoed?

VJ: ICC was the one that put out the embargo.

HAL: So, in a sense, PUC and ICC are at odds, aren't they?

VJ: Right. Correct. The PUC stepped in because the farmers weren't receiving any service.

HAL: Could you put it this way: Since he was classed as a common carrier that if he is so classed, then he's got to carry, huh? And this overrides the ICC, allowing it to be embargoed.

VJ: And that's what they was claiming--that his RR wasn't being kept in decent shape. Rocks under the track and barely able to run trains.

VJ: I can see Joe Lox's point of view--with so little freight business, he could make a lot more money storing box cars.

HAL: Up until the time the line was embargoed, was he operating?

VJ: Oh yes.

HAL: Do you have any idea how extensively?

VJ: No, I would say that he had 30 cars a year of wheat out of there. That was in the last 4-5 years.

HAL: But he was there, available to serve the farmers until it was embargoed?

VJ: Then you got to look at the fact that the farmers are taking these semis out in the fields and trucking into the Port of Lewiston and putting them on barges. All Joe was going to get was whatever occurred on his tracks, which would be very little.

HAL: Do you know how long he has owned that?

VJ: At least 30 years or longer.

HAL: One question I wanted to ask him if I ever talked with him was why did he buy it in the first place?

VJ: He was a good businessman. He's a big farmer, and to handle his wheat. He had to have a way of getting his wheat to market.

HAL: Seems to me that would be more expensive than paying the truckers.

VJ: What at the time he bought it, they didn't have trucks running like they do now. He had to have a way of getting his grain out of their at a cheap rate, so he bought the RR. And he saw a chance where they'd be other commodities he could handle. He handled machinery into Nez Perse and some lumber.

HAL: How many miles long is that RR?

VJ: I think its about 15 miles.

HAL: Do you think he'll file for abandonment?

VJ: No, I don't think he ever will. It's a good tax ~~xxx~~ write-off as far as he's concerned. I don't blame him for embargoing the RR either because it was a chance for him--he made more off these stored box cars.

HAL: When did this embargo go into effect?

VJ: It was in 81. It was prior to Ron Jones retiring and he retired in July 1, 1981, so it was the early part of the year. I think sometime around March. They put those cars in there 25 at a time. CP handled them to Craigmont and they put them on the side track at Craigmont and Joe Lutt's small engines put 25 of them in their at a time.

HAL: So they were stored there roughly a year and a half, werent they?

VJ: About that. They started taking them out in the fall of 82.

HAL: It was the economy that did this?

VJ: You could see miles of cars sitting on sidings--BN, miles and miles of cars.

HAL: What RRs do you know of that are involved in the ownership of Rail Box Corporation?

VJ: The UP is involved; the BN and SP, anyone who belongs to the American Railroad Association was involved.

HAL: What was shipped in them?

VJ: A variety of things--merchandise cars, paper cars, lumber. They all had wide doors. Machinery. Finished products.

HAL: What did they do, lease these to companies who wanted to ship or lease them to RRs?

VJ: The companies that used them if they ran short of cars, they'd pay for the use of those cars.

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