

merger is going to be allowed?

SENATOR BRASHEAR: No.

SENATOR CHAMBERS: By the federal government.

SENATOR BRASHEAR: No, I don't think it's a foregone conclusion, Senator Chambers, but I very much appreciate your fairness in indicating the substantial support.

SENATOR CHAMBERS: Now you added the word substantial, but I won't quibble about that because...

SENATOR BRASHEAR: ...I can give you the numbers. I will at any time I can work them in here.

SENATOR CHAMBERS: ...all of these are subjective terms. But the fact of the matter is that this merger would produce the largest rail operation on the face of this earth. Isn't that correct?

SENATOR BRASHEAR: I believe that's correct.

SENATOR CHAMBERS: If that is correct, and I agree that it is, Union Pacific, despite its protestations, may be willing...if it's necessary to do so in order to have the merger approved, Union Pacific may be willing to divest itself of some of these lucrative lines that the Southern Pacific has now. Would you agree with that, or you disagree, or you're not sure?

SENATOR BRASHEAR: Well, I certainly have no knowledge, but tactically you could be correct.

SENATOR CHAMBERS: If you were their lawyer, would you tell them that giving up these lines is a fair trade-off for the merger, or might these lines be so significant to the overall profit picture that without them, the merger would not have the sugar that Union Pacific wants.

SENATOR BRASHEAR: I don't have specific information upon which I could premise any advice to them. There is a possibility that they could...that the...the economics of the total merger could allow it, or that it would ruin the merger.