

34
THE SECRETARY OF WAR-GOVERNOR

INLAND WATERWAYS
CORPORATION

OPERATING THE

Federal Barge Lines

MAJOR GENERAL T. Q. ASHBURN, U. S. A.,
Chairman and President



TRAVEL AND TRANSPORT BUILDING
CENTURY OF PROGRESS EXPOSITION
CHICAGO, ILLINOIS
1933 - 1934

HISTORY

The Inland Waterways Corporation operating the Federal Barge Lines, is one of the least known but most interesting agencies of the United States Government.

For fifteen years it has been restoring to the people of the United States the use of its natural inland waterways for cheap, common-carrier transportation.

From time immemorial Europe has been improving and utilizing its streams to the fullest extent to furnish an outlet for its products to the markets of the world. Despite the fact that the United States has the finest system of natural waterways in the world; that they were the most potent factor in the early development of our vast inland territory; and that the Government had been expending vast sums for the improvement of these streams, nevertheless this form of transportation had practically ceased to exist by 1900. This decadence was due partly to the rapid development of co-ordinated service on the various railroad systems of the country but principally to the low rates established to meet actual and "potential water competition." Privately owned boats had lost out in the long, unequal struggle. Government operation was the last resort.

Altho the re-establishment of barge service had been advocated in the Mississippi Valley for twenty years, the World War furnished the immediate incentive for its realization. The economic distress of the Middle West due to the congestion of freight on the railroads imperatively demanded another outlet for its agricultural and industrial products.

In 1918, therefore, the Mississippi Warrior Service was established by the Federal Railroad Administration to operate boats and barges on the Mississippi and Warrior River systems.

When the Railroad Administration ceased to exist on March 1st, 1920, this service was transferred to the War Department and reorganized under the title of "The Inland and Coastwise Waterways Service" as provided in the Transportation Act of 1920. In 1924, by authority of an Act of Congress known as Public No. 185-68th Congress, it was incorporated under the name of Inland Waterways Corporation with an appropriation of \$5,000,000 for the purchase of its capital stock, all of which was taken by the United States Government. In 1928 an appropriation of \$10,000,000 more was authorized by Congress for the same purpose. Out of the total of \$15,000,000, only \$12,000,000 has thus far been withdrawn from the Treasury.

PURPOSE

The objects of the Corporation were twofold:

First, as a pioneering and experimental agency, it was intended to prove or disprove the feasibility and economy of transportation on our inland streams, and thus settle the controversy in Congress, as to further appropriations for river improvements.

Secondly, it was expected to restore, as far as possible, the economic parity of the Middle West, which had been unbalanced by the opening of the Panama Canal. The cheap rates afforded by this short route between the East and West coasts had left the vast interior of the country land-locked with disproportionate rates which were strangling its agriculture, commerce and industry. Factories and population were gradually shifting to seaboard territory.

In order to accomplish these results it was necessary to cooperate with the railroads in accordance with the policy announced by Congress to "foster and preserve in full vigor both rail and water transportation."

DIFFICULTIES AND PROBLEMS

This was no easy task. Port to port service on the rivers could not succeed alone any more than a single railroad could survive without interchange arrangements with other carriers. Thru routes and joint rates had to be established in order to extend the benefits of cheap water rates to inland points. Thus the project was of vital importance to the entire nation. It could not be justified on any other basis.

Years of experimentation were required to determine the best type of equipment for the various river channels. Pioneering on partially developed streams was, and still is, a tedious and unprofitable operation.

SPLENDID RECORD

Yet the success of the undertaking is attested by the efficient, reliable service afforded today from the Twin Cities and Chicago to New Orleans, and from New Orleans via the Gulf and Warrior River to Birmingham, Alabama.

The value of this service to the public in direct savings on freight handled by the Federal Barge Lines up to December 31, 1933, has been computed by the Comptroller of the Corporation to be \$20,-

664,000. There is no way of determining definitely the additional saving to the public from rate reductions made by other carriers to meet water competition, but it is safe to say that it is many times this amount.

OPPOSITION

The Inland Waterways Corporation has been the object of unceasing attack since its inception, chiefly on the ground that it constitutes governmental competition with private enterprise. This charge is answered by the self-evident fact that a great people cannot be denied the right to protect its own best interests.

The fact that this agency has had the support of every President, every Secretary of War, and the majority of each Congress from the beginning, is evidence of the fact that its objects are of more than local or partisan interest.

Furthermore it is not intended to injure other forms of transportation but to aid them. It is a fallacy to argue that the total amount of traffic is fixed and that this organization simply takes business away from competitors. Cheap transportation creates new business. It also increases the general prosperity of the communities served. The railroads benefit from this more than the Barge Line, for its proportion of the total rail traffic is only 134/1000 of 1%. The record of the Barge Line operations shows that it has added more to the total volume of traffic than it has taken away.

Altho the Inland Waterways Corporation antedates the New Deal by fifteen years, it is as much a part of it in spirit and performance as any of the later governmental agencies, such as the N. R. A., R. F. C., P. W. A., T. V. A., etc. It has proven its worth by actual experience.

After many years of deep study and experience, Jos. B. Eastman, Federal Coordinator of Transportation, has finally recommended ultimate government ownership of railroads and immediate Federal regulation of all forms of transportation.

Major General T. Q. Ashburn, President of the Inland Waterways Corporation, after fourteen years as the active head of the organization, is in full accord with the latter recommendation as a solution to the present complex national transportation problem.

EQUIPMENT

The experience of our nearly sixteen years of successful river operations has been embodied in barges especially designed for the safe and economical carriage of commodities entrusted to our care. These barges, and the powerful towboats which propel them, are constructed entirely of steel and are fitted with every known device for the protected transportation of every character of freight, except livestock and perishables.

On the Upper Mississippi Division, between St. Louis and the Twin Cities, where there is a present limitation of six feet depth of channel, there are five towboats ranging from 600 to 1000 horsepower; the Lower Mississippi Division, between Chicago, St. Louis and New Orleans, is equipped with fifteen towboats of from 600 to 2700 horsepower, and three self-propelled cargo barges of 800 horsepower capable of carrying 1600 tons of freight each. The Warrior Division, between New Orleans, Mobile and Birmingham, operates four towboats of from 800 to 1000 horsepower, and one of the self-propelled cargo barges.

The barge equipment on the three divisions consists of:

19 open	all-steel barges 3000 tons each
20 covered	all-steel barges 3000 tons each
111 covered	all-steel barges 2000 tons each
116 covered	all-steel barges 500 tons each

Other incidental pieces of floating equipment in active use bring a total of 339 units at your service for the handling of your freight.

All power boats are equipped with wireless, and the tows on the Mississippi River are in constant touch with the shore radio stations at Minneapolis and Memphis. Reports of the position of tows are furnished every three hours and shippers may ascertain the exact location of their freight at any time while it is in our possession.

TONNAGE

During the ten years ended December 31, 1933, the sum total of freight moved by the three divisions of the Federal Barge Lines was about 15,000,000 tons. The shipping public who routed this freight via the Barge Line paid approximately Twenty Millions Dollars less in freight charges than they would have paid if the Barge Line service had not

been available, and the freight had been moved via all-rail. In providing the service which made possible this saving in freight charges, the Federal Barge Lines were merely carrying out the wishes of the whole people, as expressed through the Congress of the United States, which ordered that this service be put on the rivers and operated to a successful conclusion.

Railroad rates have been reduced on practically every commodity carried by the Federal Barge Lines. As a result (due to the reluctance of this, a government organization, to enter into a rate war), most of the traffic in bulk commodities, such as sugar, cotton, ore, etc., which the Barge Line originally carried in large volume and which it is particularly fitted to handle, was lost, but this loss has been made up in an increase in miscellaneous freight. For this reason, the total tonnage carried by the entire system during the past seven years has remained practically stationary, at a figure between one and one-half and two million tons per year.

RATES

Federal Barge Line rates are generally made with relation to, and twenty per cent less than, corresponding all-rail rates. Substantially the same savings are available under joint barge-and-rail and rail-and-barge rates as are afforded by the all-water rates between Barge Line ports.

As an example: If the all-rail rate on a given commodity from New Orleans to St. Louis was \$5.00 per ton, the Barge Line rate would normally be eighty per cent of that, or \$4.00 per ton. If the all-rail rate from New Orleans to Detroit, Mich., on the same commodity was \$7.00 per ton, the barge-rail rate from New Orleans to Detroit would be arrived at by deducting the water saving to St. Louis—\$1.00 per ton—and the barge-rail rate from New Orleans would be \$6.00 per ton to Detroit. It is apparent from this that the opportunity to benefit by the reduced freight charges made possible by the Barge Line is not limited to those living on the banks of the rivers, for the same savings in dollars and cents are available to those living in the interior who route their freight via the Federal Barge Lines. As a result of long and continued effort on our part, we have joint rates with 135 railroads, and through these joint rates the people of 42 of the 48 states may share in the economical benefits of water transportation.

It is not amiss to say here that there is a concerted effort on the part of the railroads to curtail these joint rates in order to deprive the shippers and receivers residing in the interior, and not located directly on the waterways, of the benefits of the savings made possible by the use of water transportation. We should not lose sight of the fact that these people, while not directly located on the banks of navigable streams, have nevertheless borne their proportion of the costs of the development of such streams, and are certainly entitled to participate in the benefits accruing from such improvements.

The Federal Barge Lines publish tariffs containing through rates on domestic traffic (in connection with railroads beyond their terminals) between New Orleans and practically all points in the United States, north to the Canadian Border, east to a line drawn north and south through Pittsburgh, Pa., and west to the Rocky Mountains.

There are also in effect special export and import rates, applying on traffic imported from or exported to foreign countries, in addition to special rates applicable on traffic moving between Atlantic and Pacific Coast ports and ports on the Mississippi River, New Orleans to the Twin Cities, Peoria and Chicago on the Illinois River, on the Warrior Division between Mobile and Birmingham, and between New Orleans and Mobile.

All the above rates reflect attractive savings under corresponding all-rail rates.

Freight in possession of the Federal Barge Lines is fully covered by insurance.

The Barge Line bill-of-lading affords a more complete protection, while goods are in its possession, than does the bill-of-lading tendered by any other carrier. In addition to all the safeguards of the standard form, it also protects against the so-called "Acts of God."

HANDLING

Since the inauguration of this river transportation line in 1918, there has been a constant improvement in the types of barges and towboats, and the equipment now in use incorporates the very latest developments for safe transportation. The personnel which supervises the transfer and loading of cargoes has in almost every instance been with the organization since its inception, and through years of experience has reached an expertness in

this phase of the work which insures the forwarding and receipt of consignments in the best possible condition.

The Federal Barge Lines have an enviable record with respect to the settlement of claims, which are bound to arise from time to time in connection with any transportation service. Such matters are handled with promptness and in accordance with the practices of the American Railway Association's Freight Claim Division.

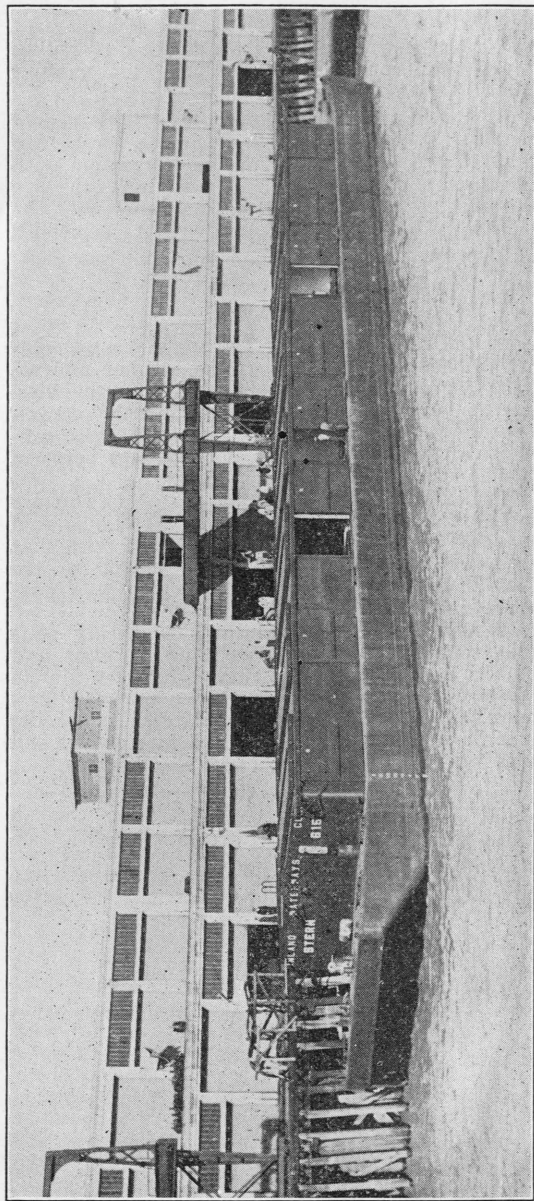
SCHEDULES

One of the most important factors of transportation, from the point of view of the shipper and receiver, is regularity and dependability of schedules. We have a very satisfactory record in this respect.

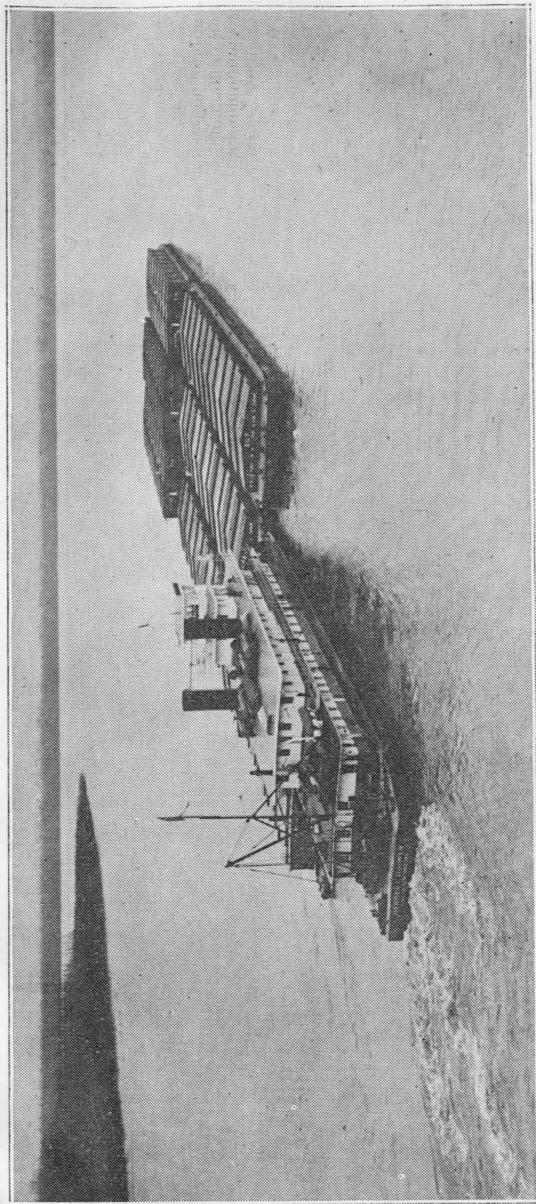
On the Lower Mississippi Division the service consists of two tows per week in each direction between New Orleans, Saint Louis and Chicago.

The Upper Mississippi Division operates two tows per week in each direction between St. Louis and Minneapolis. This service is synchronized with that on the Lower Mississippi and close connections are made at St. Louis, avoiding delay incident to transfer between the two divisions.

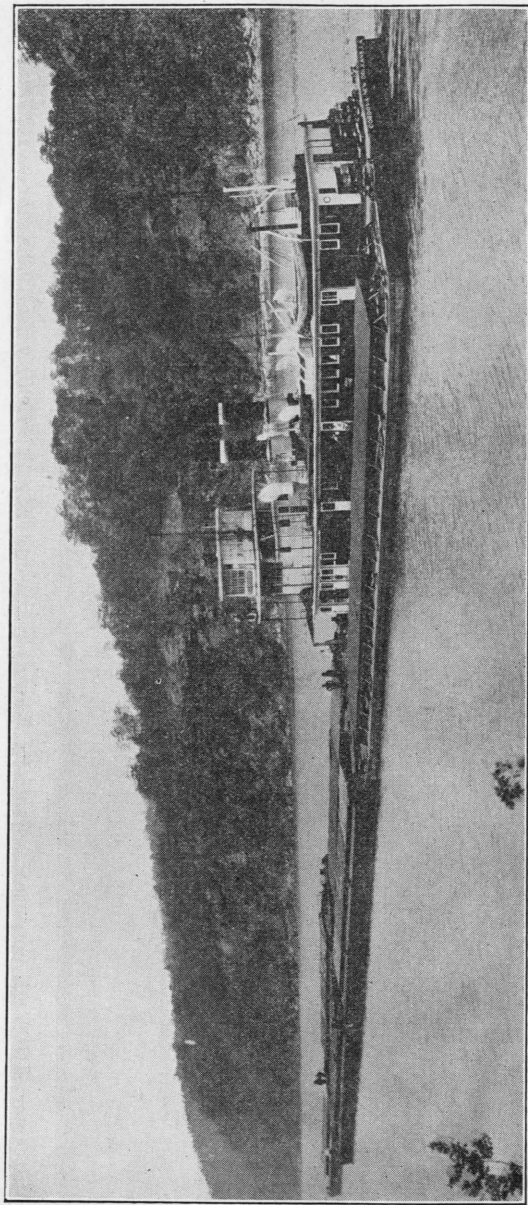
The Warrior Division maintains a weekly self-propelled barge service between New Orleans and Mobile and a weekly towboat service between Mobile and Birmingham, which is the river port for Birmingham, Alabama, and connected with it by the Warrior River Terminal, a railroad line owned and operated by the Inland Waterway Corporation.



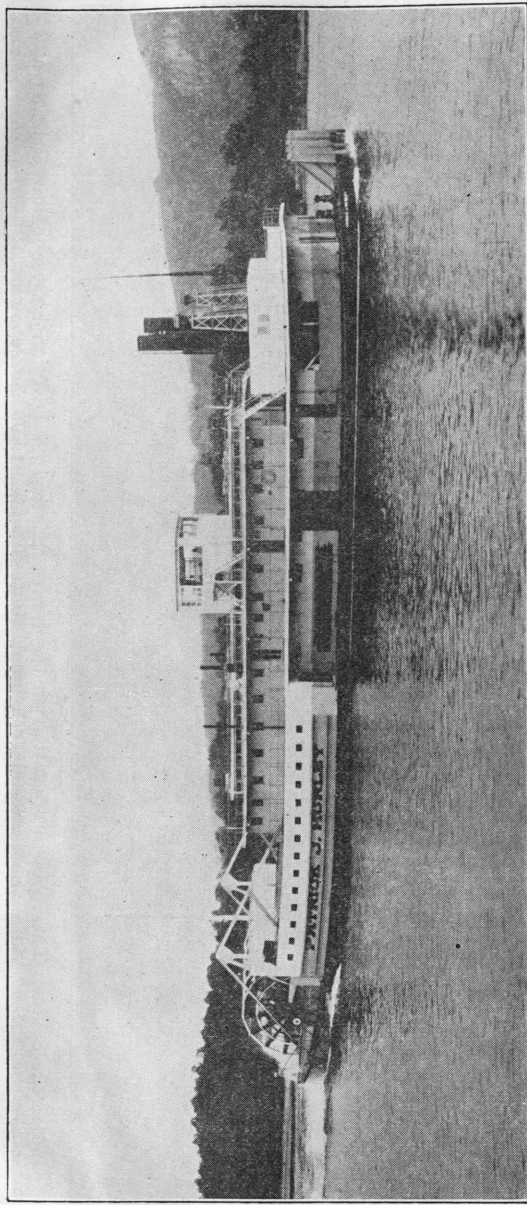
Typical Inland Waterways Corporation Cargo Barge. All-steel, double bottoms, 29 watertight compartments. 230 feet long, 45 feet wide, capacity 2,000 tons each.



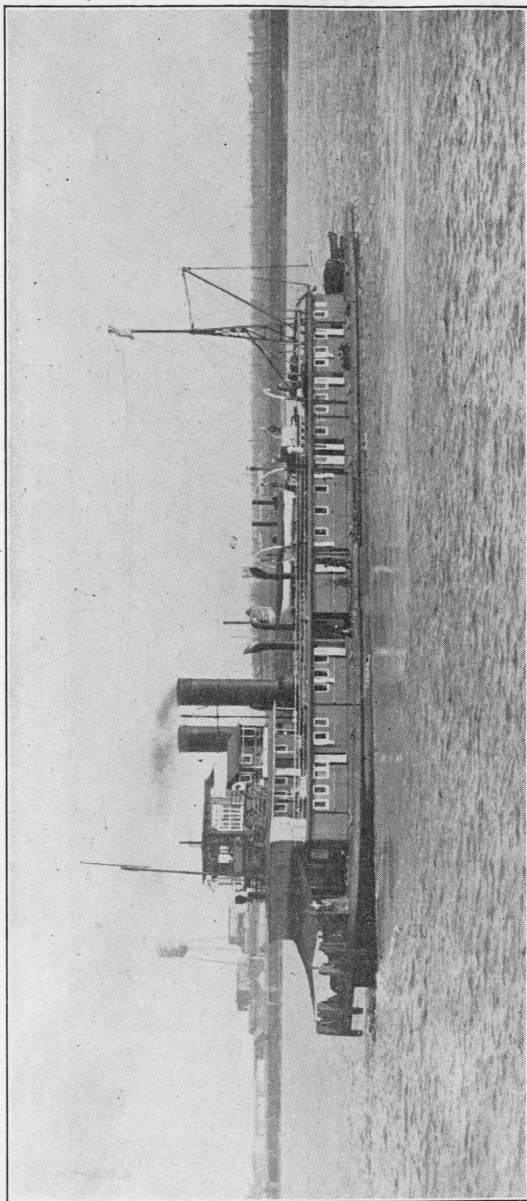
Steamer HOOVER enroute St. Louis to New Orleans January 31, 1933, with 10,000 tons of grain, a midwinter record.



A Warrior River Division Tow, enroute—to Birmingham, Alabama, from Mobile, Alabama.



A towboat of the type operated in the Upper River between St. Louis and Minneapolis. 192 feet long, 42 feet wide, 1,000 horsepower.



One of the Sixteen Towboats in operation on the Lower Mississippi Division between New Orleans and Saint Louis. 200 feet long, 40 feet wide, 1,800 horsepower.

REPRESENTATIVES SOLICITATION DEPARTMENT

St. Louis, Mo. J. P. Higgins, J. F. Ward,	1207 Boatmens Bank Bldg. General Traffic Manager. General Agent.
Chicago, Ill. H. E. Ruddiman, E. H. Cordes,	1948 Straus Building. Asst. Gen. Traffic Manager. General Agent.
New Orleans, La. C. E. Becker, L. I. Bourgeois,	211 Camp Street. Asst. Gen. Traffic Manager. General Agent.
Minneapolis, Minn. J. S. Earley,	Foot Washington Ave. Brdg. Asst. General Freight Agent.
San Francisco, Cal. T. B. Esty,	1019 Matson Building. Pacific Coast Representative.
Los Angeles, Calif. D. E. Fee,	622-3 Central Building. General Agent.
New York, N. Y. W. F. Johnson,	401 Chrysler Building. General Agent.
St. Paul, Minn. G. E. Bachrodt,	913 Pioneer Building. General Agent.
Memphis, Tenn. H. T. Anderson,	510 Cotton Exchange Bldg. General Agent.
Birmingham, Ala. N. W. Guice,	1316 Watts Building. General Agent.
Houston, Tex. J. H. Golden,	1301 Shell Building. General Agent.
Peoria, Ill. W. J. Power,	Foot of Main Street. General Agent.
Dallas, Texas. L. W. Carson,	831-2 Allen Building. Commercial Agent.
Mobile, Ala. S. J. Peregoy,	804 Merchants Nat'l Bank. Commercial Agent.
Indianapolis, Ind. W. M. Holland, Jr.,	407 Meyer Kiser Bank. Traffic Representative.
Kansas City, Mo. R. L. Thompson,	1724 Market Street. Commercial Agent.

