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EFFECT ON PRESENT AND FUTURE WELFARE OF U.S.

In the early days of the development of the country inland waterways formed an important part of the transportation system, but in the eighties the public mind began to be turned to the railroads as the only important source of transportation, and steamboating began to be spoken of as a thing which had served its purpose and was ready to be relegated to the realm of discarded things. It was natural for the public to be easily lead into this state of mind. The greater interior areas were being rapidly peopled and necessarily came in contact only with the railroads as a means of transportation.

The railroads so framed their policy that no joint relations of any public value were maintained between the railroads and the steamboat lines on the Mississippi and its tributaries, or the rivers of the Southeast.

Generally speaking joint rates, through bills of lading and extensive interchange relations between the railroads and the steamboats of that day were unknown. The public of the interior knew only the railroads. The shippers, manufacturers and public of the river communities were gradually brought to see the railroads as the masters of transportation business, in actual control of the destinies of the waterways. The time came when the older

barge and steamboat projects which railroad men are wont to speak of as having died a natural death were ruthlessly put out of business by the dominating influence of the railroads.

This passing out of the national transportation scheme of the inland waterways has had but one result, i.e., an advance in the aggregate cost of transportation to the shipping public.

Through common carriage entirely disappeared from the lower Mississippi River for nearly twenty years, thus the country's great system of inland waterways over which freight can be handled many times cheaper than via rail lines was rendered practically valueless as a means of transportation and the shipping public was forced to depend entirely upon the rail carriers and pay the rail carriers the higher rates charged for the costlier service. This fact has undoubtedly had its effect upon the prosperity of our country at large.

All great changes come gradually -- and again the importance of water transportation to the prosperity of our country began to be realized by the public. The reestablishment of barge service has been advocated in the Mississippi Valley for a number of years. The yearly appropriations for maintenance and improvement of the channel of the Mississippi has had this as one of its prime objectives.

As rail transportation facilities became yearly less able to handle promptly the aggregate business of the country and annual periods of shortage of equipment brought loss to the mercantile communities of the central West, the public interest began to be more and more directed to the interior river system.

Some sporadic efforts at inauguration of independent lines, where funds and faith in the venture were not sufficient to weather the period of initial losses, showed clearly that any such effort must have ample capital and broad public support.

In the winter of 1917 traffic conditions in the Mississippi Valley became acute and shortly thereafter by authority of the Federal Control Act a barge line was created by the government to operate upon the Mississippi and Warrior Rivers. This barge line became known as the Mississippi-Warrior Service and the Transportation Act of 1920 provided for the continuance of said Barge Line; and in Section 500 of said Act "It is hereby declared to be the policy of Congress to promote, encourage and develop water transportation, service and facilities in connection with the Commerce of the United States, and to foster and preserve in full vigor both rail and water transportation," thus the great economic value to the country at large of our natural arteries of transportation was again recognized,

and the following quotation taken from page 356 of the Commission's report in *77 I.C.C. 317 is very significant:

"Nor do we believe that the rail lines will in the long run suffer in such situations from more liberal divisions to water carriers. As the REPRESENTATIVE of the ILLINOIS CENTRAL, the rail line which is most closely competitive with the barge line, well stated:

'The Illinois Central, of course, recognizes that the barge line offers competition paralleling it on the Mississippi River, but our interests are clearly indontified with the interests of the people in the Mississippi Valley.

We have regarded the inauguration of this Service on the Mississippi River as more or less experimental. I do not believe anybody knows whether it can be permanent. A great many people have faith in its permanency, but if it is a good thing for the people of the Mississippi Valley, it, in some way, will probably operate as a good thing for the Illinois Central System.

If it supplies additional transportation that is needed, and may be needed in the future, that we cannot supply, or if it supplies cheaper transportation than we can supply, and all for the prosperity of the people in that section of the country where our interests are bound up in some way, that will work back to our own selfish interests. Perhaps it will increase the population, increase the amount of business that everybody does down in that territory. If it does operate that way, we are going to reap some benefits, too."

* Decision of Interstate Commerce Commission in Case involving relations between Barge Line and Railroads.

No one denies that it is the intent of Congress that our national railroad system shall be preserved in full vigor, however, a few conscientious people point this fact out and advance the theory that if the rail carriers are forced to

join with the Barge Line in through routes and rates the ultimate effect will be the diminishing of the rail carriers' revenue to such an extent that the public will have to bear whatever burden is entailed thereby, bearing in mind the provisions of Section 15-A of the Interstate Commerce Act. This theory is quite a contrast to that voiced by the representative of the Illinois Central Railroad, quoted above, and which was predicated by the statement of the Commission, "Nor do we believe that the rail lines will in the long run suffer in such situations from more liberal divisions to water carriers."

The records clearly show that the foregoing belief of the Commission as well as views expressed by representative of the Illinois Central have proven true. The Federal Barge Service has been operating for more than a decade, and NOT A SINGLE RAIL LINE IN THE MISSISSIPPI VALLEY HAS BEEN HARMED BY THE WATER SERVICE during any one of these years. On the contrary, its PRINCIPAL COMPETITORS, the Missouri Pacific and Illinois Central, have CONTINUED TO ENJOY SUCCESSFUL OPERATION AND MARKED PROSPERITY.

A study of the situation demonstrates that presence of the Barge Line has greatly increased the foreign and coastwise traffic to and from Mississippi Valley territory

trans-shipped at the Gulf, a goodly share of which NEW TONNAGE has been handled via all-rail routes, and on practically all of the remainder the rail carriers have enjoyed hauls beyond the Barge Service, thus the cheaper transportation costs have been the means of BRINGING PROSPERITY TO THE CARRIERS as well as a large number of producers, manufacturers and consumers in the middle west.

A coordination of the rail and water transportation agencies will beyond question have the effect of affording the shipping public a more adequate system of transportation, and by such a coordination it is obvious that the public interest will be served, but because the waterways furnish a cheaper means of transportation than the rail lines the insertion of the waterways into the National Transportation System can only have but one result, i.e., a reduction of the aggregate cost of transportation to the shipping public.

It may be argued that this reduction will work to the advantage of the users of water transportation only and to the disadvantage of the users of rail transportation. This argument is without foundation, however, as a more adequate and cheaper national transportation system will increase the prosperity of the whole country. The change will be gradual, but eventually, the lower aggregate costs to producers for getting their materials to market and to

the sea, will ULTIMATELY RESULT IN LOWER COSTS TO OUR DOMESTIC CONSUMERS, and the placing of our exports on a more favorable basis with respect to world competition, which is becoming more intensive year by year. The rail carriers of the country will undoubtedly reap some of the benefits entailed thereby. Certainly such results are in the interests of the public at large.

In recent years conservation of natural resources has been recognized to be of vital importance to the future welfare of our country. Our navigable rivers are natural resources of inestimable value to future generations and the failure to make proper use of our inland waterways constitutes an extravagant waste of our natural resources, which should be reclaimed, and carefully preserved for future generations in full accord with the principles of Americanism.