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STATEMENT OF SENATOR MIKE MANSFIELD
AT
CAB HEARINGS
IN
BELLINGH, MONTANA, MAY 29, 1963
"USE IT OR LOSE IT" AIR SERVICE CASE

MR. CHAIRMAN: I wish to thank the examiners for reserving a few minutes for me so that I may present a statement in behalf of continued air service to several Eastern Montana communities.

I first testified on this subject as a Senator in 1954. The arguments given then are equally valid today. In fact, in some cases, they are even more compelling. Arguments cited then included the need to overcome vast distances in cases of emergency; the increasing population in certain cities; the growth of commercial activity throughout Eastern Montana, especially in the field of petroleum; the lack of adequate north-south transportation in an area where the principal surface carriers run east to west, and concern for adequate communications for proposed national defense installations.

Today, the distances confronting cities with emergency cases is no less great. Commercial enterprises are no less dependent today on outside sources for spare parts or rapid transportation of employees. Cities with expanded populations - such as Glasgow - are no less in need of air service.

The lack of good north-south transportation is just as acute as in 1954. And serious doubt has been cast on the future of railroad service throughout the area. The Milwaukee Railroad has petitioned to drop passenger service in Eastern Montana, and the

proposed merger of the Great Northern and Northern Pacific will almost certainly bring about a further curtailment of service.

Finally, the boom in national defense activity in Eastern Montana - the extent of which could not be imagined a few years back - makes it imperative that we have first-class communications throughout the area of the installations. It is true that the military has its own air facilities. But the rapid flow of contractors, subcontractors, and workers back and forth between the work sites is equally important to our defense effort. As you know, a large part of this activity is concentrated up on the "high-line".

At this point, I would like to quote an excerpt from the 1959 ruling of the CAB to extend service to the hi-line. Essentially, the same argument was used for servicing Frontier's other routes.

"Public convenience and necessity require authorization of Frontier to service "high-line" route extending between Great Falls, Mont., and Williston, N.Dak...since estimated annual subsidy cost is outweighed by benefits flowing from route, taking into consideration promotion of national defense, relief of strong community of interest, rapidly developing economy and growing population of area, prospective reduction in subsidy cost due to increased volume of traffic, more efficient equipment utilization by Frontier over integrated Eastern Montana route, and additional strength to trunkline operations..."

During the intervening period, little has happened which would negate this line of reasoning. If anything, as I have already pointed out, the arguments for airline service are even stronger.

One segment of the excerpt deals with subsidies. In 1959, according to my figures, 13 local service carriers in the nation were receiving over \$36 million in subsidies as determined by the CAB. For fiscal 1964, this figure is expected to total more than \$66 million.

I do not quarrel with the concept of aid to carriers which service the more remote areas of our country. The federal government has traditionally extended aid to all forms of commercial transportation, from stagecoaches to railroads, through the medium of contracts to carry the mail. I might also point out that railroads received rights-of-way of land which are worth millions of dollars today. The effect of this aid was to encourage carriers to penetrate into nearly all parts of the United States and pull those areas into the main stream of the nation's economic activity. Without this wise policy of spreading the nation's resources, thereby permitting residents in remote areas to contribute more effectively to their own economic development, the West would still occupy a semi-colonial status today. Subsidies have in effect been investments in our underdeveloped areas - investments which have paid handsome dividends for the entire nation.

Mr. Chairman, subsidies paid to Frontier Airlines climbed from approximately \$3.9 million in 1959 to more than \$7 million in 1963. Residents in communities where air service is being threatened are justified in questioning the logic of possible curtailed service

at a time when the airline company is benefiting from a substantial increase in aid. I do not feel that reduced service is the answer. I realize that a change of ownership in Frontier Airlines may have caused some temporary difficulties. But I would encourage the new owners, as well as the communities involved, to cultivate new passengers by more effective advertising of the benefits of air travel - and the provision of the ultimate in personal service.

In conclusion, Mr. Chairman, I want to thank you for giving me the opportunity to present my views. I strongly urge that vitally needed air service to these few Eastern Montana communities which enjoy it not be reduced. Thank you.