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Congressional Record - Freight Rate Increase

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RAILROADS REQUEST INCREASE IN FREIGHT RATES

Mr. MANSFIELD. Mr. President, I note in the Montana press that the eastern and western railroads once again propose to raise freight rates, this time by 15 percent, in addition to the 6 percent and 5 percent increases granted earlier.

I do not know where this is going to stop. The Presiding Officer, the distinguished Senator from North Dakota (Mr. BURDICK), is just as much interested in this problem as am I. This is outrageous—the railroads asking for a 15-

RAILROADS REQUEST INCREASE IN FREIGHT RATES

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percent across-the-board increase in their freight rates. It means that Montana, which has been referred to by Prof. Richard J. McKennon, of Montana State University, as the "land of the long haul," may well be called the "land of the light haul," because we just cannot assume this extra burden.

What this amounts to in the State of Montana is a petition—of course, it applies to other States as well—a petition for a 15-percent increase in freight rates across the board. What it means is that this rate increase, in addition to the perennial boxcar shortage, will make it most difficult for Montana farmers to ship their wheat and feed grains. It means that, in desperation, Montana farmers in the so-called triangle area and elsewhere in the State are grouping together and buying trucks in which to ship their wheat to ports along the Columbia River.

The net result of all this is that it will be more difficult for the small wheat rancher to survive; not to mention the fact that if this rate increase is allowed, it will cost the State of Montana \$25.8 million. We do not have that kind of money to spend out there. Our farmers are entitled to a little more in the way of protection than they have been getting.

When we consider the fact that we have had an extensive rise in freight rates, when we have a very difficult boxcar shortage, and when we have so far to haul our grain, I think it is time for the ICC to step in and do something, rather than, as is its custom, just give in to these demands month after month, year after year.

Again I repeat my belief that the ICC should be abolished and its function transferred to the Department of Transportation, where I am sure, under the excellent leadership of Secretary John Volpe, something will be done to bring relief to the farmers of Montana, the Dakotas, and other States, and this spiraling cost factor alleviated, if not done away with.

Mr. BURDICK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BYRD of West Virginia). Does the Senator from Montana yield to the Senator from North Dakota?

Mr. MANSFIELD. I yield to the distinguished Senator from North Dakota.

Mr. BURDICK. I commend the able Senator from Montana for bringing before this body a most important question. The distinguished Senator has outlined the increases that have taken place in the past 2 or 3 years. He has enumerated the cost-price squeeze that is upon the farmers of our region and has pointed out that they just cannot bear another freight rate increase at this time.

I wonder whether the Senator has calculated what this means in returns to the farmer. I have been advised by several elevator managers representing farmers in my State that a 15-percent increase on top of the other increases would mean an additional 6 cents a bushel loss in the price of grain.

Mr. MANSFIELD. I think the Senator is being conservative in his estimate. I

think the figure is more than 6 cents—at least in Montana. This is just another burden placed on the shoulders of the farmer, whose costs are increasing and whose prices are not keeping pace but, as a matter of fact, insofar as wheat is concerned, are fluctuating up and down—mostly down.

Mr. BURDICK. Whatever the rate increase is, it would certainly reflect itself in a very serious loss at this time.

I share the Senator's great concern. I hope that by some means we can get a denial of this freight rate request as soon as possible, and I will join with the Senator to do all we can to accomplish this end.

Mr. MANSFIELD. I thank the distinguished Senator.

May I say that I have been in contact with the chairman of the Committee on Commerce, the Senator from Washington (Mr. MAGNUSON), whose State also will be affected. He has indicated an interest and a desire to do something.

May I point out that, according to George Lackman, the Commissioner of Agriculture for the State of Montana, the following may be of note:

When the 15 percent proposal is included with the other increases, the direct effect on grain growers, including wheat and barley growers, would total \$12.9 million annually. Using the theory of Montana State University economists, each \$1 change results in an overall \$2 effect on the State's economy.

So I am hopeful that the ICC will get this message and that the Committee on Commerce, under the chairmanship of the distinguished Senator from Washington, will undertake hearings on this and related matters, to the end that the situation can be faced up to and that the matter of an increase in freight rates will be brought to a halt.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The ACTING PRESIDENT pro tempore (Mr. BURDICK). Without objection, it is so ordered.