

BOB DOLE
1ST DISTRICT, KANSAS

COMMITTEE:
AGRICULTURE

DISTRICT OFFICES:
ROOMS 210-211
FEDERAL BUILDING
HUTCHINSON, KANSAS

BOX 31
RUSSELL, KANSAS

Congress of the United States
House of Representatives
Washington, D. C.

COUNTIES:		
BARBER	HODGEMAN	RAWLINS
BARTON	JEWELL	RENO
CHEYENNE	KEARNEY	REPUBLIC
CLARK	KINGMAN	RICE
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COMANCHE	LANE	RUSH
DECATUR	LINCOLN	RUSSELL
EDWARDS	LOGAN	SALINE
ELLIS	MEADE	SCOTT
ELLSWORTH	MITCHELL	SEWARD
FINNEY	MORTON	SHERIDAN
FORD	NESS	SHERMAN
GOVE	NORTON	SMITH
GRAHAM	OSBORNE	STAFFORD
GRANT	OTTAWA	STANTON
GRAY	PAWNEE	STEVENS
GREELEY	PHILLIPS	THOMAS
HAMILTON	PRATT	TREGO
HARPER		WALLACE
HASKELL		WICHITA

Rm. 244
Ext. 2715

Immediate Release
April 25, 1963

Congressman Bob Dole (R-Kansas) urged the Interstate Commerce Commission to take immediate steps to relieve the critical boxcar shortage which is blocking the movement of grain from Kansas, Nebraska and Colorado.

Dole strongly supported the position of a group of grain shippers and grain storage operators from Kansas and Nebraska who are appearing before the I.C.C. at 2 p.m. today at an informal hearing on the boxcar situation.

(Attached, for your information, is a copy of their statement and Dole's letter to Chairman Laurence K. Walrath of I.C.C.)

(more)

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April 25, 1963

Honorable Laurence K. Walrath
Chairman
Interstate Commerce Commission
Washington, D. C.

Dear Mr. Chairman:

I regret House consideration today of the Feed Grains legislation makes my personal appearance with representatives of the grain trade impossible. The boxcar shortage is critical and is seriously affecting the movement of grain in Kansas and other Great Plains states, and while not present, I am in accord with the written recommendations officials of the trade are submitting to you and strongly urge favorable consideration of the measures suggested.

In light of recent experience it appears obvious nothing short of an I.C.C. order will return needed boxcars to the affected western railroads. Unless several million bushels of wheat can be moved to export positions promptly, United States wheat exports will suffer. Importing countries will naturally turn to other suppliers who can promise early shipment which would be damaging at the very time attempts are being made to increase exports.

The U.S. Department of Agriculture continues to issue loading orders on grain which cannot be moved because of the boxcar shortage and I therefore urgently request immediate steps to stop the inequity be taken by the Interstate Commerce Commission.

Sincerely yours,

s/ Bob Dole

BOB DOLE, M.C.

BD:VP

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PREPARED STATEMENT OF THE UNDERSIGNED
TO
INTERSTATE COMMERCE COMMISSION
WASHINGTON, D. C.
APRIL 25, 1963
RE:
BOXCAR SHORTAGE

We, the undersigned grain shippers, own and operate grain storage and handling facilities at sub-terminal locations, as well as country locations, in the states of Nebraska, Kansas and Colorado and are, we believe, representative shippers of that area.

We are here on our own accord and at our own expense to speak to you regarding the boxcar supply in our areas of operation and to state that, in our opinion, the supply of boxcars has dwindled to a point of emergency. This is particularly true on the CB&Q Railroad in the state of Nebraska.

As grain warehousemen and shippers, operating under Uniform Grain Storage Agreements with Commodity Credit Corporation, we are obligated to load out and ship grain for the account of CCC whenever they issue loading orders. As of April 22, 1963, the Kansas City Commodity Office of CCC has ordered an estimated 6750 cars of grain to be loaded at various terminal and sub-terminal points and estimates that there will be an additional 8250 cars ordered loaded and shipped from these same points, which makes a total of 15,000 cars scheduled for export. In addition to these shipments which are scheduled for export, CCC has, at the present time, ordered shipped from various country elevators an estimated 26,500 cars and expects soon to issue orders to country elevators for another 18,750 cars. These shipments, which total 60,250, will originate in the states of Nebraska, Kansas, Colorado, Missouri and Wyoming. In part, these shipments are to position grain at terminal and sub-terminal points for inspection and disposition and include certain necessary reconcentrations of grain which CCC must make from country locations so that there will be ample space for the storing and handling of new crop grain. To further support this demand for boxcars, the Nebraska State ASCS Office ran an independent survey in all counties of the state of Nebraska of boxcars needed, but not available, as of April 15, 1963. Their survey showed there was a need for 23,078 cars for the movement of CCC grain in Nebraska and a need for 4166 cars to move privately owned grain, or a total of 27, 244 cars. Breaking this total down by railroads, the survey shows a need, as follows:

CB&Q	13,291 cars
CNW	3,541 cars
MP	515 cars
RI	403 cars
UP	<u>9,494 cars</u>
Total	27,244 cars

(more)

As warehousemen and shippers operating on the CB&Q Railroad, we are, of course, keenly aware of this demand for boxcars and have witnessed an ever-increasing disparity between the supply and demand over the period of the past two years. Due to the existing acute shortage and unequal distribution of boxcars throughout the country, we have been unable, as have many other shippers in the same area, to fulfill our obligations on time to CCC and our other customers in the private trade.

This has and is causing a disruption in our government's export program plus serious losses of revenue to the CB&Q Railroad and other carriers similarly affected. In turn, this lack of boxcar equipment has forced the grain shippers and the Kansas City CCC Office to resort to abnormal means of getting the grain moved and positioned on time.

It should be carefully noted that of the total number of plain boxcars owned by the CB&Q, less than 70% of their total ownership is now on their lines. In other words, the CB&Q has barely 14,000 plain boxcars at the present time with which to operate while their needs for grain in the state of Nebraska alone are in excess of 13,000. This is the lowest percentage of ownership on line ever experienced by the CB&Q and truly represents an emergency. At this same time, many large eastern railroads have well in excess of 100% of their individual car ownership on line. This, to us, seems to be an unequal distribution and represents an injustice to the CB&Q.

On March 29, 1963, the Association of American Railroads issued a service order, their number 105, which became effective April 5, 1963, calling for the return of plain boxcars to the CB&Q, CNW, GN, NP, SP&S, Sool, and UP. This order has not proven to be effective to any appreciable degree. It is our considered opinion and feeling that it cannot be effective because the AAR cannot assess penalties to those railroads which do not comply with their order.

As provided for in Section 1 of the Interstate Commerce Act, paragraphs (14) and (17), the ICC is empowered to issue a car service order, containing penalties for non-compliance, to correct this critical situation that now exists. We strongly urge the immediate issuance of such an order by the Commission embodying the requirements as contained in A/R Special Car Order No. 105, to terminate this critical shortage of boxcars on the CB&Q and other affected lines, and to continue the order in force whenever a carrier has less than 90% car ownership on their respective line.

(more)

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While the above action, if taken by the Commission, would correct the present emergency, it must be recognized that other measures are necessary for the long-range period. The supply of serviceable boxcars has decreased from 701,711 on January 1, 1958, to 584,746 by January 1, 1963--a reduction of 116,965 serviceable boxcars. Obviously, this continuing decline, coupled with an increasing demand, can only result in a serious restriction in the movements of grain and other products by rail. At present there is no incentive for western lines to build or buy new boxcar equipment when they lose it off-line and cannot recover it. Nor is there any incentive for eastern lines to build new equipment when they can rent it for \$2.88 per day. It is imperative that some action be taken to remedy this situation and encourage return of equipment on line and also to encourage the building of new boxcars.

Garrett B. Dudden, representing
DUDDEN ELEVATORS, INC.
Venango, Nebraska

S. Dean Evans, Sr., representing
EVANS GRAIN COMPANY
Salina, Kansas

Sam A. Darrough, representing
LINCOLN GRAIN, INC.
Lincoln, Nebraska

Milton R. Klint, representing
MORRISON-QUIRK GRAIN CORPORATION
Hastings, Nebraska

Robert F. Miller, representing
NEBRASKA-KANSAS-COLORADO GRAIN COMPANY
Salina, Kansas