

TRANSPORTATION--THE FUTURE OF NEW ENGLAND AND THE PORT OF BOSTON

Address before New England Shippers Advisory Board
by Ralph E. Flanders
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Mr. Chairman and members of the Shippers Advisory Board:

On May first of this year, I came to Boston to live for the term of my office in the Federal Reserve Bank. While I continue to miss the satisfactions, human and natural, which have been so delightful during my last thirty-four-year stretch of residence in Vermont, yet the sorrows of separation are mitigated by the discovery that Boston is not at all a bad city to live in.

This statement will be understandable to you who live here or in the metropolitan area, but a word or two of explanation may be useful to those who live in the outlying regions of the New England states.

More than in any other great city of this country, life in Boston preserves the influence of an education which shows itself in a certain clarity of thinking, in willingness to look at both sides of the question, and in an interest in fundamental rather than short-range or emotional decisions and solutions to problems of public interest. The foundation of this characteristic, if it be real and not imaginary, is to be found in that great network of educational institutions which surrounds the city and whose associated elements are scattered throughout the New England states.

Here is education in its most fundamental form. It is no accident that we find with pleasure and interest, but without surprise, that our taxicab driver uses excellent English and has sound ideas on subjects whose very existence is unknown to the taxicab drivers of less

fortunate cities. If any of you gentlemen haven't formed the habit of chatting with your taxi driver, you've missed something. Of course, the habit, like all habits, has to be pursued with discretion, since it is unwise to take his mind completely off the task of driving the car.

Along with the great institutions of learning go the libraries and the museums. These things are here because the citizens of Boston wanted them and worked for them. Here also we have the world's greatest orchestra and the world's greatest conductor. These things did not happen by chance.

In the business atmosphere of this community, again, there is somehow made evident a sense of fundamental strength and soundness. There is to be found both the strength of experience and the exhibition of energy and enterprise. Centered in the Boston region are nationally known and internationally operating business enterprises which had their beginnings here. The great retail establishments of the city are known the country over for their initiative and good management. World markets for some of the great commodities of world trade are focused in this city--notably, wool and leather.

A walk through the business district confirms these observations. The business buildings are neither flamboyant nor down-at-the-heel. They are solid and useful. In particular, there is no wholesale or importing district in any city within my knowledge which is as orderly and substantial as that which stretches between Boston's financial district and the Atlantic Avenue docks.

Boston has graces and charms as well as solid strength. What a fine combination it was of public enterprise and private benevolence which gave to the region the Charles River Basin, with

its beautiful and continuing development! Look at that stretch from the State House down to the Esplanade and along the Charles; in what spot in the Western Hemisphere has the hand of man rested for a longer time to greater advantage than here? We who live here are rightfully proud of this city.

But there is a seamy side to Boston. And the seamiest part of that seamy side is the ocean side of Atlantic Avenue.

A few weeks ago, I was invited to visit the Port of Embarkation. I was thrilled by the great scale of its operations and the efficiency with which they were being carried out by Army management and a Boston labor force. Unfortunately for a day of satisfaction, we wound up by taking a cruise along the water front of Boston harbor.

The Army base is fine in location, structures, and equipment. The Commonwealth Pier is a credit to the Commonwealth. The Fish Pier with its storage warehouse is worthy of the greatest fishing port in the Western world. Gentlemen, the rest of Boston's water front is a mess. It isn't even picturesque. It's just shabby. Not one citizen or visitor in a thousand knows it, because he hasn't seen it. To take such a disillusioning trip should be a "must" for every responsible Bostonian and for every visitor interested in the future of New England. The revulsion caused by this visit was what led to a change in the original plan for this talk and a change in the title which was originally announced.

On my return from covering the water front, I set to work to find out something about the port of Boston. There is plenty of information. It is easy to find out what has been happening here.

Before the first World War, in the late 1800's and early 1900's, Boston was a busy port. More than two hundred schooners operated out of the port, not merely on the coastal trade, but on

routes extending to Africa, Europe, and South America. Over a score of steamship lines called at Boston on regular schedules. These covered not merely the Atlantic and Gulf coasts, but regular scheduled sailings to South America and our own West Coast. But the older established steamship lines to Europe began to run into increasing difficulties. The trouble lay largely in the lack of export goods from this port, which still retained its importance in import. This tended to reduce Boston, at the best, to a port of call on the inbound voyage of ships whose real destination was New York, where their return cargoes were loaded.

This tendency increased in the period from 1920 to 1939. The peak of exports was 588,000 tons in 1922. The figure for 1939 was around 430,000 tons. Since then, war exports have upset the pattern. The import tonnage has done little more than hold its own. Leaving out the unusual year of 1922, it has consistently varied from around 1,700,000 to around 3,000,000 tons at the maximum, and the later years have shown a slight decline.

These figures would not be so bad if the rest of the country had stood still meanwhile. This has not been the case. New York, Philadelphia, Baltimore, and the Gulf ports have greatly increased their operations. We have stood still.

Two things are responsible for this. One is the ocean and domestic railroad rate structure which handicaps New England ports. The other is the state into which our port facilities have fallen, preventing us from giving such service as will enable us to compete for business under equal rate conditions.

The coastwise situation is not so bad. This traffic has been badly hit by the war situation, and its backbone still remains the coal

and oil shipments which keep New England's homes heated and her war industries going. But even before the war, these figures showed a healthy increase, running from some 7,000,000 tons in 1920 up to more than 15,000,000 tons in 1939, with a peak of about the same volume maintained for a brief period in 1929. Even in the depths of the depression in 1932, the 11,800,000-odd tons compare favorably with any of the years before 1925.

It is to be hoped and expected that the general merchandise coastwise traffic, both in and outward bound, can be brought back again at the war's end, to add to the coal and oil trade. // These will be stimulated still further by whatever constructive moves are taken to build up our foreign commerce; but it is in the foreign commerce that our problem lies.

Whether this can be done is more than doubtful, unless the present antiquated facilities are replaced by modern equipment.

Anyone who gets interested in the port of Boston will find that a lot of good men and strong institutions have been already concerned with the matter and that enough intelligent thinking has been done on the subject to guide positive action. The last few months have been especially fruitful in public discussions, particularly in the Boston newspapers. I can have little hope of adding constructive ideas to those already advanced. There are, nevertheless, two or three points which seem to me worthwhile discussing. One of them is that question of the Port Authority.

The Port Authority we have has performed valiant service with insufficient powers and meager finances. It has fought the battle of domestic railroad rates to this port and, at the worst, has prevented them from getting worse than they are. Many people with whom I have talked feel that if superior facilities and a high degree of intelligence and energy in their operation were available here, the existing rates

would not be a bar to greatly expanding our foreign commerce in this port, although we still would labor under rate handicaps which are not faced by the ports south of New York.

Our Port Authority is not a port authority in any real sense of that word, or in the sense in which the word is used in describing the Port Authorities, for instance, of New York and London. It needs the right to condemn property. It needs the right to make loans and embark on construction. It needs the right to guide the operations of the properties and equipment it provides, and to lease those assets to reliable firms on an amortizing or at least a conservatively self-sustaining basis. While most of these powers reside in the State Department of Public Works, that body is responsible for highways and many other things besides port development. The interest and the powers need to be concentrated in the port problems.

It was by boards with such authority that the port of London was rescued from dissolution and decay of a degree to which our own port has almost sunk. It was on such a basis that the Port Authority of New York, working in two states, has been able to unify the railroad, highway, and water transportation of the region into a coordinated whole. Those powers the Port Authority of Boston should receive.

Among the immediate steps to be taken is the building of new wharves, preferably by a newly constituted Authority; but should that lag, by the Commonwealth. The place where these are most needed is on the site of the present Mystic and Hoosac terminals and the New Haven piers. One of these terminals is already authorized, but waiting for post-war relaxation on materials. From all I can learn, advantage has not been taken of the waiting time to prepare the blueprints for the development. This is inexcusable. If there is any other comparable contribution which can be made to the post-war future of the metropolitan district and the State of Massachusetts, I, at least, cannot think what project might be. The designs for new terminals should be started immediately

and prosecuted with vigor until they are completed. The time may be upon us sooner than we now think when material and labor will be available for their construction.

That these publicly owned facilities would be tax-free disturbs some people. There is no need to be worried. If our shipping revives, real property will increase in value and taxes will rise. If nothing is done about the port, the City of Boston will suffer fiscally, as well as commercially.

Another essential is stable and satisfactory labor relations with the cargo handlers and their unions. I saw no evidence at the Port of Embarkation of anything other than efficient labor, efficiently directed. While the stimulus of war draws forth the best energies of all of us, there should still be a sufficient stimulus in building up the employment opportunities of the port of Boston to make this a port preferred by shippers and shipping companies so far as labor conditions are concerned. The choice is so clear as between an area in which employment opportunities are going downhill and one in which they are on the up grade, that we may be sure that union labor will continue the spirit which appears to the casual observer to be in action at the Port of Embarkation.

The worst looking mess as seen from the water front is the docks along Atlantic Avenue, which used to be the site of the most adventurous and the most profitable shipping industry in the world. Scarcely an improvement has been made since the Civil War. The docks are in decay, the warehouses are falling down, and there are no facilities worthy of attracting vigorous and active freight or passenger traffic, whether coastwise or foreign. This whole area should be rebuilt, and it should be done under the auspices of a Port Authority

which can develop that water front as a unit instead of having it done by separate parcels, miscellaneously motivated, heterogeneously constructed, and operated at cross purposes.

The whole reconstruction of the Boston water front wants to be done on the basis of the new ships which are going to rule the ocean traffic of the post-war world. These Victory ships take longer docks, more modern loading equipment, deeper channels, larger turning and anchoring spaces, than the old vessels current at the time when our dock system was being built. If Boston is to have a rebirth of ocean-going traffic, that traffic will be carried by modern ships. If the traffic is to be carried by modern ships, our docks will have to be built to receive them and to load and unload them with the greatest speed and at the lowest cost.

Among the many needs of this port, the final one which I will mention is that of steamship lines locally owned and operated from Boston as their regular home port. American shipping lines are going to be profitably operated on some basis. Why should not that profitable operation be centered in a city with the ancient and honorable maritime history that Boston possesses? The decisions must be made soon, for it will not be many months, at the longest, before the opportunity will arise and quickly pass of obtaining from the United States Maritime Commission, on terms of equality with other enterprising operators, the splendid vessels which our shipyards are now turning out. This opportunity must not be allowed to slip from our hands. The pattern of the future will be set in a few months, and will be set so solidly that Boston's future may drop into the hands of those who have no interest in her destiny.

Some of you may be wondering what excuse there is for discussing the local problems of the port of Boston with a group of men coming from all over the six New England states. That question is easily answered. The first part of the answer is that Boston and New England are not independent. They are going up and down together. If the port of Boston goes down as a port, to that extent her commerce and her transportation and other elements of her prosperity will go down. If the prosperity of Boston goes down, the prosperity of New England agriculture, which is so largely concerned with providing the Boston market, will go down with it. If New England agriculture goes down, New England markets for general goods and services go down; and as they go down, New England industry goes down. This is only one of the networks of influence which tie the fortunes of our largest city with the fortunes of our smallest country village.

However, the connections between the shippers of New England and the port of Boston are closer than this. As was said earlier, the great deficiency of this port is in export business. Boston's foreign imports hold up fairly well, though there is danger of loss in many items, such as wool and hides, which were peculiarly our own, since other ports have had the experience of handling such goods under the redirection of ocean traffic in wartime conditions. We can never feel that the position of our ocean commerce is secure until Boston is a loading port as well as an unloading port. It must not be that a ship which unloads here has to go to New York to find a return cargo. If proper facilities are provided here, and if a sufficient volume of export goods is offered, then the position of this port is secure.

Those are the two requirements--that suitable facilities be provided and that a sufficient quantity of export goods be offered.

We have been talking about the first of these requirements. Let's look at the second for a bit.

With proper facilities, it will be the duty of the transportation companies bringing goods to Boston to sell the facilities of its port and greatly increase the goods sent here for ocean shipment. It will be the duty of the management and labor of this port to provide efficient services to match the facilities. But even with facilities and services and active work on the part of the transportation companies, the whole problem of finding outbound cargoes will not be solved. New England shippers themselves must take the initiative in routing their export goods through this port. They should begin doing so as soon as comparable service here is in sight. They should continue doing so with redoubled attention when that competent service induces the volume of traffic which begins to build up outbound cargoes. When all these steps are taken, Boston will have a busy, profitable port. The city will grow; its markets will demand more goods; and the cities, towns, and villages of the six states will feel the reviving power of the ground swell of Boston's shipping.

Boston and the New England states are tied together. They go up and down together. They can help or hinder each other. That is why it is important for all of us that Boston have a fine, modern port, well organized and well operated, and that is why New England industry and agriculture must play their part in supporting the new port with sufficient outbound freight. We can furnish it. We must furnish it. Boston and New England go up and down together.

If there are any of you who feel no concern with this aspect of New England's future, I would advise you to engage a launch, a

dinghy with a "kicker," or even a flat-bottomed rowboat, and take a look at the port of Boston as it now is. You won't need a second look!

Ralph E. Flanders
30 Pearl Street
Boston 6, Mass.