

C.P.R. Freight Differentials.

The arbitrators on the question of whether the C.P.R. should be allowed a 10% differential on transcontinental freight rates, held a preliminary meeting at the Auditorium in Chicago, Oct. 11. J. W. Midgely, ex-Chairman of the Western Freight Association, represented the C.P.R., W. R. Day, Special Counsel to the Interstate Commerce Commission, represented the U.S. lines, & E. S. Washburn, President & General Manager of the Kansas City, Fort Scott & Memphis Ry., was the third arbitrator, chosen by the other two. It is said considerable friction arose over the question of whether the hearing should be an open one, & it was decided that it should be behind closed doors.

The arbitration opened Oct. 12, when R. Kerr, Traffic Manager of the C.P.R. lines west of Lake Superior, & Freight Traffic Manager Bosworth, presented the case for their Co. They argued that the C.P.R. labors under many disadvantages in laying down freight on the Pacific coast, particularly at San Francisco & at points farther south. The road has no direct inlet to the country south of Vancouver & Portland, Ore., & it is obliged to reload from cars to boats & break bulk in order to make shipments to points off its own rails. For these reasons it contends that it should be permitted to make lower rates than competitors which do not labor under such disadvantages.

Third Vice-President Stubbs, of the Southern Pacific, occupied the whole of Oct. 13 & part of Oct. 14 in stating the case for the U.S. lines. He said that at first the C.P.R. might have labored under serious disadvantages as compared with its U.S. competitors. It had no direct connections to the district south of its terminal on Puget Sound, its track was new & not in good condition, it could not make as fast time as the other roads, & it was new to the field. For that reason it was permitted to make lower rates than the U.S. lines, not by agreement, but by sufferance. Ever since its inauguration as a transcontinental line it had insisted upon making rates lower by 10% than its U.S. competitors. He argued that the disadvantages under which the C.P. line labored at first no longer are in evidence. He claimed that it operated on an equal basis with the roads of the U.S. If it is at a disadvantage as compared with the Southern Pacific for south Pacific coast traffic, the Southern Pacific is at an equal disadvantage in competing with it for north Pacific coast traffic. For these reasons he argued that the C.P.R. should be obliged to make as high rates for hauling freight from points in the U.S. to Pacific coast territory within the bounds of the U.S. as the U.S. lines make. He pointed out that while Congress makes every provision for domestic shipments in U.S. ships it permits a foreign railway to enter the U.S. & take freight destined to other points in the U.S. at rates which U.S. roads cannot make. Mr. Stubbs' argument was for the entire abolition of a differential in favor of the C.P., & an insistence that it should be compelled in freight business, as in passenger business, to make the same rates as are used by the roads of the U.S.

On Oct. 19 it was announced that the arbitrators had decided that the C.P.R. was not entitled to a differential, the decision being worded as follows:—

The undersigned, who were appointed arbitrators, under the following resolution, adopted at a meeting of interested lines, which convened at Brown's Palace Hotel, Denver, Colo., Aug. 22, 1898, viz.:

"Resolved, That provided the C.P.R. will join with the U.S. lines in a co-operative agreement designed to secure the maintenance of reasonable rates on the freight traffic interchanged with San Francisco, Cal., by other points in the U. S. & Canada, that the

lines here represented will submit to arbitration the question of whether the C.P.R. is or should be entitled to a differential under the rates made by the U. S. lines for the carriage of the freight in question, and if any differentials, what those differentials shall be. The board of arbitration to consist of 3 members, 1 to be selected by the C.P.R., 1 to be selected by the American lines interested, they 2 to select a 3rd, & that the decision of 2 members of said board of arbitration shall be final, conclusive & binding upon all."

After hearing the evidence & arguments of the interested parties, & having duly considered the same, respectfully submit their decision as follows:—The C. P. R. is not nor should it be entitled to a differential under the rates made by the U. S. lines for the carriage of the freight in question.

EDW. S. WASHBURN, W. A. DAY.

I do not concur in the above conclusion.

J. W. MIDGLEY.

THE C.P.R.'S POSITION.

On Oct. 21 Vice-President Shaughnessy made the following statement in regard to the decision:—"The arbitrators have rendered a decision adverse to the C.P.R., but we are told that the decision is based upon a technical construction of the language of the resolution that purported to describe the question which was to be left to arbitration. That resolution, after reciting certain provisions, reads:—"That the lines here represented will submit to arbitration the question of whether the C. P. R. is, or should be, entitled to a differential under the rates made by the U.S. lines for the carriage of the freight in question." It appears that the arbitrators held that, under this language, the only question they could try was whether the C.P.R. had an inherent title to a differential, & that they could not go into the question as to whether, under existing conditions in accordance with railway practice on this continent, the Vancouver route should be considered a differential. The Co.'s Traffic Manager, who attended the Denver meeting at which the resolution was passed, clearly understood that it contemplated a bona fide submission to arbitration of the material business question, & not merely a technical philological interpretation of the word 'entitled.' No sane man would claim that the C.P.R., or any other railway, had an inherent title to any differential.

"If we are correctly informed as to the basis of the arbitrators' decision the question must be submitted again in such form as to obtain a decision on the broad merits.

Intercolonial West Bound Freight.

It was recently stated in Montreal that arrangements had been made whereby all west bound through freight originating on the Government system would be turned over to the G. T. R. at Montreal, instead of being given to the C. P. R. at St. John, N. B., as was heretofore the case, & that in return for this the G. T. R. would give the I. C. R. its share of freight bound east, more especially export cargoes of grain & the like.

Enquiry at Intercolonial headquarters fails to elicit any further information than that "part of the statement is true & part is not."

The Traffic Manager of the G. T. R. informs us that the statement is not altogether correct, & that the facts are that the G.T.R.'s agreement with the Government system is based upon the ordinary railway principles of exchange, & contemplates that the Government line will take advantage of its long haul from the East to Montreal, & there exchange the traffic with the G.T.R., the latter agreeing to give the Government railway traffic at Montreal instead of hauling it to Chaudiere Jct., as was done in the past.

The U. S. Roadmasters Association.

At the annual meeting of this Association at Denver, Sept. 13 & 14, the following officers were elected: President, T. Hickey, Michigan Central; 1st Vice-President, J. M. Meade, P.R.R.; 2nd Vice-President, C. B. Teller, D. L. & G.; Sec.-Treas., J. B. Dickson, C. & N. W. President Hickey is Roadmaster of the M.C.R., at St. Thomas, Ont. The Times of that place says he is a native of Ireland & came to America with his parents when 7 years old, settling at Angona, Indiana. In 1872 he took his spade in hand & began to transfer gravel & real estate from one point to another. At night he found rest in one of the sleeping cars attached to a work train, afterwards he became a section boss & was promoted to be a Lake Shore road train conductor. Not long afterward he secured a position as extra gang foreman on the M.C.R., then became Assistant Roadmaster & finally General Roadmaster, which position he has held ever since. He has been prominent in the history of the Roadmasters Association during the past 15 years.

I. C. R. Official Changes.

Since pgs. 204 & 205 of this issue, on which some appointments, &c., were announced, were printed, the following information has reached us.

General Freight Agent Wallace issued the following circular Oct. 19:—"W. Robinson has been transferred to Toronto as General Traveling Agent. W. G. Robertson has been appointed Division Freight Agent, St. John, N.B. His district will extend St. John to Moncton inclusive, north of Moncton to and including Eel River, east of Moncton to and including Spring Hill Jct. and Point du Chene Branch. D. A. Story has been appointed Division Freight Agent with headquarters at Halifax, N.S. His district will extend Halifax to Salt Springs inclusive, Truro to Sidney and North Sydney, and the Oxford, Pictou & Pictou Landing branches."

Further particulars about Messrs. Robinson & Robertson will be found on pg. 205. Mr. Story was station agent at Halifax.

General Passenger Agent Lyons issued the following circular Oct. 21:—"H. A. Price, District Passenger Agent, Halifax, has been transferred to Montreal, with headquarters at 143 St. James St. Territory, Dalhousie and west. J. B. Lambkin, District Passenger Agent, Montreal, has been transferred to Halifax, N.S., with headquarters at 132 Hollis St. Territory, east of Dalhousie."

It is said M. L. Tracey, Moncton, becomes Superintendent of car cleaning over the whole system.

Intercolonial Equipment.

Contracts for 3 postal & baggage cars, & 4 baggage cars, all 60 ft. long, have been awarded to Rhodes, Curry & Co., Amherst, N.S. A contract has also been let for 6 second-class sleeping cars. There are not any particularly new features on any of these cars.

The Railroad Car Journal stated in its October issue that a contract had been given the Wagner Palace Car Co. for 28 passenger cars. General Manager Pottinger informed us on Oct. 17 that this information was not correct.

Tenders have been asked for 15 consolidation locomotives, which will be modern in every respect, & conform to the best American practice. They will weigh, in working order 160,000 lbs., & have driving wheels 56 ins. diameter. One of them will be fitted with the Cleveland patent cylinder as a further experiment. Tender & engine truck wheels to be wrought iron; main driving