

CORRESPONDENCE

Dictated by the Chairman of the Freight Rates
Committee re "Owner's Risk."

HON. A. G. BLAIR,

Minister of Railways,

Parliament Buildings, Ottawa, Ont.

TORONTO, April 5th, 1900.

DEAR SIR,—At a meeting of the Committee on Freight Rates of the Board of Trade of the City of Toronto, I was instructed to write you with reference to the Canadian Joint Freight Classification No. 11 (a copy of which I send you by separate post), which apparently was approved by the Governor-General-in-Council on December 19th, 1899, and issued and to go into effect on January 1st, 1900.

Rule No. 7 on page 6 reads as follows :

"All articles marked at O.R. in this Classification must be receipted for by agents, and the words 'Owner's Risk' written in full on the shipping notes and receipts. Articles marked 'Released' must also be so receipted for and shippers or owners must duly execute a Release in Duplicate on the Company's Forms. Provided, however, that in cases where shippers decline to accept such receipts endorsed 'Owner's Risk,' or to sign such releases, the goods may be received for shipment on ordinary shipping notes and receipts, without above endorsement at 50 per cent. in addition to the rates which would be charged if shipped at owner's risk released, with the exception of plate or mirror glass, which will be as specified herein."

Under this rule the railway companies have been charging 50 per cent. in addition to the tariff rates on goods marked O.R. in the Classification, where shippers have refused to have the words implied by O.R., viz :—"Owner's Risk," entered on the shipping note. In some instances the railway teamsters collecting freights have insisted upon entering these words upon the shipping note themselves, while in other cases they have refused to receive the goods because the shippers declined to allow the words to be used. The position was taken by several merchants that goods in transit were owned by the consignee, and that shippers were not justified in making such conditions, and that if the carriers had the right to enforce this rule it must be done as between the carrying company and the consignee, who is the owner.

I have, however, been more particularly instructed to ascertain from you under what authority this rule was adopted. From a cursory glance at the Railway Act I cannot find anything that would authorize it. It appears to me, contrary to the spirit of the Act and to the principle upon which the common carrier obtains the right to do business, the very foundation of a carrier's engagement to the public is a contract of indemnity.

I would like to point out that this is not a freight charge for the carriage of goods ; it is a charge for what has always been, in my opinion, the very essence of a railway company's contract with the public, the franchise being the compensation. It is in the nature of a charge entirely new and would seem to be not only unauthorized, but also opposed to the most obvious duty of public carriers, viz :—To deliver goods safely at destina-