

Increased Demurrage Charges Authorized by Board of Railway Commissioners.

The Canadian Pacific, Grand Trunk, Michigan Central and Toronto, Hamilton & Buffalo Railway Companies on behalf of themselves and other railway companies in Canada applied to the Board of Railway Commissioners, on Dec. 20, for an order amending General Order 1, known as "The Canadian Car Service Rules," so as to provide that the demurrage charge for each 24 hours as provided in rule 1 be increased from \$1 to \$4, and also that the additional free time beyond 48 hours authorized by exception (a) to rule 2 be cancelled. The reasons were stated as follows:—That a shortage of cars exists at present and there is good reason to apprehend that this will increase, due to the heavy demands upon the companies' equipment and to the fact that cars are detained by shippers and consignees for unreasonably long periods when they should be released and put back into service. That the congestion of cars interferes seriously with the speedy conveyance of war munitions and thereby constitutes very serious danger. That the present charges provided under the Canadian Car Service Rules are so low as not to offer any inducement to shippers and consignees in their own interest to load and unload cars as speedily as possible, and it is the opinion of the applicant companies largely due to the neglect of shippers and consignees to do so that the car shortage does and will exist. That under the present scale of charges it often much cheaper for shippers and consignees to retain cars in their possession, using them as temporary warehouses, and for the purpose of distributing freight therefrom in small quantities, instead of providing proper warehouse facilities or utilizing public warehouses for storing freight. That such improper use of the companies' equipment is most pronounced and the consequent congestion most severe in large terminals. That the value of a freight car to a railway company under normal conditions is much greater than the daily amount which it is allowed to collect as demurrage, and such value becomes much greater in times such as the present, when the companies' facilities and equipment are taxed to their fullest capacity. Moreover, in large terminals, the track space actually occupied by a car is of very great value in itself, and consequently must and should be used to its maximum capacity, in the interests of all shippers and consignees, rather than that its use should be restricted by the improper detention of cars in the interests of one shipper or consignee. That this application is not made because the companies wish to collect increased demurrage charges, but solely with a view to compelling shippers and consignees to permit all available rolling stock to remain in active service continuously, or as nearly continuously as possible, and consequently to facilitate the expeditious handling of freight generally.

The Board's Judgment.

The application was heard by the Board in Toronto, Dec. 11 and 12, and, on Dec. 23, the Chief Railway Commissioner, Sir Henry Drayton, gave the following judgment:—At the Board's request, the many shippers and shipping associations represented at the hearing met the railways in an effort to arrive at an agreement. On the following day the shippers' associations, with the exception of the Toronto Retail Coal Dealers' Association and the Lumbermen's Asso-

ciations, reported that they had arrived at an agreement with the railways, as a result of which the present application was abandoned, that the free time of 48 hours should be allowed after cars had been spotted for unloading and that at the expiration of this free time the charge should be \$1 for the 1st day's default, \$1 for the 2nd, \$3 for the 3rd, and \$5 for the 4th and each succeeding day; computation of the free unloading time of 48 hours to be from 7 a.m. of the day following the day on which placement, actual or constructive, had been effected. In order to give effect to the arrangement, the following changes must be made:—

Rules 1, 2, 5 and 15 of the Canadian Car Service Rules are suspended in their entirety from Jan. 1 to Apr. 30, 1917, both inclusive, and the following rules bearing the same numbers are submitted. Rule 11 is also suspended for the same period.

Rule 1.—When cars are held under load, or awaiting loads, beyond the free time allowed by rule 2, for any reason for which the consignee or shipper is responsible, the following tolls for each day of 24 hours, or any part thereof, shall be charged to, and paid by, the shipper, consignee or other party responsible therefor, in addition to all other tolls paid, or payable, in respect of the goods carried, or to be carried, in or on each such car, viz.: For the 1st day \$1, for the 2nd day \$1, for the 3rd day \$3, for the 4th and each succeeding day \$5.

Rule 2.—(a) After notice of arrival of a car at its destination, or in the outside break-up or sorting yard, if such be used for the purpose, all consignees shall be allowed 24 hours within which to pay the tolls or charges (if any), to give order for special placing or delivery if such orders be necessary, and for customs entry of freight in bond. If more than 24 hours be used for these purposes, the excess time shall be deducted from the succeeding unloading period, except as provided in rule 15. (b) Forty-eight hours free time shall be allowed for loading or unloading all commodities, computed from 7 a.m. of the day following the day on which the actual or constructive (see rule 13) placement has been effected, provided that any portion of such placement day may be utilized by the shipper or consignee, in addition to the said 48 hours, without charge. Exceptions:—(a) Five days free time shall be allowed at Montreal and at tide-water ports for unloading lumber and hay for export. (b) In the portion of Canada in which the Canada Grain Act prescribes a specified time for loading grain the said act shall apply. (c) If the destination is not a port of entry, 48 hours shall be allowed for clearance of customs at the outside port of entry.

Rule 6.—If wet or inclement weather, according to local conditions, renders loading or unloading impracticable during business hours, or exposes the goods to damage, the time allowance shall be extended so as to give the full free time of suitable weather. But if the parties neglect or fail to avail themselves of the herein authorized free time of suitable weather, they shall not be allowed additional free time by reason of such neglect.

Rule 15.—If after arrival at destination a car is reconsigned under switching arrangements, the original consignee alone shall have 24 hours in which to give order for placing or delivery, and he shall

pay the tolls prescribed in rule 1 for all time in excess of the 24 hours, so that the final free time allowed by rule 2 (b) shall still remain to the party who accepts delivery.

Both the Toronto Retail Coal Dealers' Association and the lumber shippers objected to the settlement arrived at, insisting in each case that 3 days free time should be allowed for unloading. The settlement arrived at has since been taken up with the boards of trade in the west and the western section of the Canadian Manufacturers' Association. The boards of trade of Winnipeg, Saskatoon, Calgary, Regina, Edmonton, Lethbridge, Vancouver and Fort William concur in the arrangements made, some of the boards suggesting that the demurrage rates should be even higher, in order that rolling stock may be kept constantly in service, as is urgently required. The Board is of the view that notwithstanding the objections raised by the protesting associations, the settlement arrived at must be adopted.

In so far as coal is concerned, it well may be that large cars of coal unloaded by hand cannot be released under certain conditions within 48 hours; but as a matter of fact, under the settlement arrived at, in most instances, more than 48 hours will be available, as free time does not commence until 7 a.m. of the day after the car has been spotted, and apart from this, the settlement after all only imposes upon the local coal dealers without proper facilities a penalty of \$1 for the 3rd day, or about 2c. a ton. The coal situation at present is one of peculiar difficulty, the traders complaining of lack of deliveries, and of embargoes against the movement of coal into Canada placed by U.S. carriers who object to the free use of their cars in Canada for a longer time than consignees are allowed in their own territory. It must be borne in mind that all of the coal delivered in Toronto—which is the only place to protest—originates in U.S. mines, and is hauled to a very large extent in U.S. cars. A much larger proportion of the coal brought into Toronto is unloaded mechanically than is unloaded by hand, but in any event, in the public interest, the settlement must be given effect to and the movement of coal facilitated, even if local Toronto dealers are penalized an extra 2c. a ton for the 3rd day coal cars may be held.

In so far as the lumber situation is concerned, it well may be that certain lumber merchants will be unable to unload within 48 hours. The admission, however, of a protesting shipper, Mr. Rutherford, of Montreal, that with 2 teams and 4 men a large car can be unloaded in 8 hours, robs the protests of much force which they otherwise might have. It is quite true that this unloading is predicated upon a proper yard, and proper facilities, and easy access to the tracks. It is also quite true that some consignees have not these facilities, and have not lumber yards conveniently placed. However, the absence of these facilities cannot be made a justification at present for a refusal to put into effect regulations accepted by a majority of Canadian shippers and calculated to assist traffic conditions at a time of great emergency. The whole issue is merely as to whether the lumber merchant shall have, or shall not have, an extra day. If he does not get the 3rd day he is merely charged \$1, which amounts to a small sum per thousand feet.