

Freight rates

6. Reference was made in the Annual Report for 1950 to the application filed with the Board of Transport Commissioners on December 21, 1950, by the Railway Association of Canada, seeking authority for an immediate general increase of 5% in freight rates, with provision for specific increases of 10c. per ton on coal and coke. Hearings began on January 19, and on January 25 the Board reserved judgment.

7. Subsequently, on April 23rd, the Railway Association filed a supplementary application based on the increased operating expenses anticipated from inauguration of the 5-day 40-hour week for non-operating employees on June 1st. This application sought authority for an additional general increase of 14% and amended the previous application in respect of coal and coke rates to 10¢, 15¢, and 20¢ per ton for rates up to \$1.00, up to \$2.00, and over \$2.00 per ton respectively. As an alternative and having regard to the conclusions of the Royal Commission on Transportation (1951) in the matter of horizontal increases, the Railway Association proposed an increase of 15% with a list of exceptions on certain basic commodities such as lumber, pulpwood, stone, gravel, etc., for which maximum increases would be provided in some cases and flat increases in others.

8. Taken together with the 5% application mentioned above, the total increase applied for under the first alternative was 19.7% without exceptions, other than coal and coke, and under the second alternative, 20.75% with exceptions on a number of basic commodities.

9. Pursuant to these applications the Board, on July 4th, issued an Order authorizing an interim increase of 12% with specific advances in the rates on coal and coke of 10¢, 15¢, and 20¢ for rates up to \$1.00, up to \$2.00, and over \$2.00 respectively. These rate increases became effective on July 26th.

10. On October 29th a further application was made to the Board seeking a 17% increase in substitution of the 14% previously applied for, or 18% in place of the alternative 15% application. Under this amended application the total increase sought was 22.85% without exceptions, other than coal and coke, or alternatively 23.9% with exceptions on certain commodities.

11. The Board's decision in this latter case, issued on January 25th and amended on February 4th, 1952, authorized (in lieu of the 12% interim increase awarded on July 4th) an increase of 17% in class and commodity rates and charges for ancillary services. In addition, confirmation was given to the above mentioned graduated scale of increases on coal and coke; cordwood and other wood for fuel purposes only was made subject to a maximum increase, and rates on potatoes were restricted to an increase of 12%. The authority granted under this Order was restricted to a period of time ending on August 31st, 1953, this limitation being subject to such further direction as may be found necessary by the Board. The increases granted by this decision were made effective on February 11th, 1952.

12. In all of the foregoing awards no change was made in the statutory Crowsnest Pass rates on grain or grain products originating in Western Canada.

13. In two successive Orders of the Board an interim increase ranging from 2% to 4% on international and related traffic, effective April 4th, was raised to an increase ranging from 6% to 9% effective August 28th. These Orders paralleled two decisions by the Interstate Commerce Commission on an application by American railroads for a 6% increase, which application was later amended to 15%. In all of the foregoing cases there were certain exceptions to the general rate increases. Both in Canada and the United States the latest increases are subject to expiry on February 28th, 1953. Meanwhile, upon petition from American railroads, further hearings by the Interstate Commerce Commission have been held and a decision is now pending.