

Canadian Freight Rate Cases.

The Board of Railway Commissioners delivered judgment, Oct. 9, 11, and 12, on a number of applications made in connection with the freight charges of railway companies.

The Canadian Freight Association, acting on behalf of all Canadian railways, asked power from the Commission to make concessions from the current freight rates on material for construction and equipment of new industrial plants. This practice has been in existence for years, the custom being to grant a reduction of 25% on shipments of this class so as to build up future business when the new factories got under way. The Commissioners declined to sanction the continuance of this custom, on the ground that it might lead to serious discrimination.

The G.T.R. asked for a ruling on the question whether or not it would be permitted to continue granting certain manufacturers a difference of 10c. a ton on bituminous coal from Suspension Bridge. The rate to dealers was 90c. a ton between the same points, and the railway contended that certain manufacturers would be unable to pay the higher rate and continue to do a profitable business. The judgment of the Commissioners was that the application must be denied on the ground that no evidence had been given that the manufacturers would be prejudiced if they were not given the 10c. difference; there being a threat that the manufacturers would have their coal delivered by water unless the rate was given. The judgment was under sec. 252 of the Railway Act, providing that railway tolls shall be charged equally to all persons, and no reduction or advance shall be made in favor of or against any particular person or company.

Upon complaint of the Ontario Fruit Growers' Association at the meetings of the Railway Commissioners in Toronto during the summer, the question of freight charges upon fruit from points on the Niagara Peninsula to various points in Canada was discussed. After the hearing the railway companies came to an agreement by which a number of reductions in rates and concessions in regard to classification were made. The Commissioners gave judgment confirming the concessions, and as regards the charges for icing perishable shipments the Commissioners found that the old system followed by the railways was based upon an unsound principle. Hereafter the company must make its charge for refrigeration conform to the actual cost of the service. Instead, therefore, of a fixed charge per car irrespective of the distance to be covered, the railways will have to adapt their rates for cold storage to the quantity of ice required. Judgment was reserved in regard to certain other matters complained of by the Fruit Growers' Association.

In the matter of the complaint of the United Factories Co. (Ltd.), of Newmarket, Ont., against the G.T.R. for an order to compel the railway to reduce its rate on logs from Penetanguishene to Newmarket, the Commissioners gave judgment Oct. 9. The rate up to Nov., 1903, was 3c. per 100 lbs., but was then increased to 4c., and this though the total carload movement from Penetanguishene to Newmarket had increased from 150 cars in 1894 to 707 cars in 1903. The object of the railroad company in aiding the industry, it was said, was accomplished. The board held that the 4c. rate, with the condition attached of a second haul, is in force on the principal railways in Eastern Canada, and is not unreasonable. That, compared with the usual rate of 7½c. per 100 by the ordinary embargo tariff, the 4c. rate is low. The tariff not being unjust or unreasonable, the board had to disallow the application.

In the matter of the complaint of the Almonte Knitting Co., Almonte, Ont., complaining that the rates on coal from the

Niagara and Detroit frontier are unreasonably high as compared with the rates from the same shipping points to Carleton Junction, Ottawa, and other adjacent stations on the Canadian Pacific Railway intermediate to Ottawa. The case of Carleton Junction, Ashton, Stittsville, and Ottawa are specially referred to. The Almonte rate is 40c. a ton higher than to the Junction point, Carleton Jct., distance 7 miles. Ashton and Stittsville are on the line between Carleton Jct. and Ottawa. Almonte is north of Carleton Junction, on the main line to Pembroke, Sudbury, etc. Ashton is four miles from Carleton Jct., Stittsville 13 miles, Ottawa 28 miles, and the rates to Ashton, Stittsville, and Ottawa are the same as to Carleton Jct. The Commissioners, in their judgment, say:—"Almonte is made higher than Carleton Jct. because all points on the line north of Carleton Jct., to Sudbury, etc., take arbitraries, or additional rates, over and above the rates to Carleton Jct. This has been the practice of the C.P.R. ever since it began to operate these lines. The C.P.R. contends that Ottawa and Almonte get in their coal supplies by way of the St. Lawrence frontier, viz., through Prescott or Massena Springs, or, to Ottawa, by canal direct; and that the only object in complaining of the rates from Black Rock and Detroit must be, by getting the rates from these shipping points reduced, to force shippers to reduce their prices at Prescott. They further claim that no reasonable reductions that might be made in the rates from Black Rock and Detroit would have any effect on the price at Prescott, as even at the reduced rates no coal could be profitably shipped through Black Rock or Detroit. The contention of the C.P.R. may be correct, but the board does not consider that it justifies the railways in publishing discriminatory rates from Black Rock, Suspension Bridge, and Detroit, to Almonte. They should publish relatively proportionate rates, and let commercial conditions determine by which route the coal will be imported. The board considers that railway custom warrants the C.P.R. in making a higher rate to Almonte than to Carleton Junction, Stittsville, and even Ottawa. Ottawa is the terminus of the through route from the west, and rates generally to Ottawa are more or less determined by competition. In breaking from a lower to a higher rate one advantage is usually taken of junction points, and Almonte being, as regards shipments from the west, situated on a lateral line, has a disadvantage of situation entailing some additional expense. On the other hand, the rates to Almonte should not be unreasonably or disproportionately higher than to main route points nearer thereto. As mentioned above, the C.P.R. has a schedule of arbitraries from Carleton Jct., which they add to the Carleton Jct. rates to make through rates to points on the Pembroke, Sudbury, etc., line. On 10th class traffic from points west of Smith's Falls (such as Toronto, etc.) covered by special tariffs, or specially advised rates to Carleton Jct., the additional rate to Almonte would be 1c. per 100 lbs., or 20c. a ton of 2,000 lbs., and the board is of opinion that the C.P.R. and the Michigan Central Rd. ought not to exceed this difference over Carleton Jct. in making their through rate on coal from Suspension Bridge, Black Rock, Buffalo, Detroit, Toledo, etc., to Almonte; the rates from these points to Carleton Jct. not to be higher than to Ottawa. The board, therefore, accordingly so orders."

The date fixed by the Railway Commission for filing standard rate tariffs to govern the railways of Canada, expired Oct. 1, and an extension of time has been granted, on the grounds that the Commission has not had time to take up the subject, and that the Canadian Manufacturers' Association, which is specially interested, has asked that the temporary tariff sanctioned during the sum-

mer be continued until the manufacturers can express an opinion as to its working.

The railway companies applied to the Commission for an interim order sanctioning the use of forms now employed until a hearing can be arranged for a permanent determination of the question. The Chief Commissioner, in stating that the Commissioners would make the order asked, said all railway companies should file at once the forms of contract now used, and advised the railway interests to meet and frame a uniform set of forms for this purpose.

Continuous Rail Joints.—The Jury of Awards of the Louisiana Purchase Exposition has awarded the gold medal for rail fastenings to the Continuous Rail Joint Co. of America, for its display of rail joint products in the Transportation Building. The exhibit shows various types of rail joints produced by patented machinery controlled by the company in the U.S. The company advises us that the careful manufacture and perfect fit, giving three points of contact in one piece of metal, thus forming a rail joint of two symmetrical pieces, obtained as the result of these patents, has secured for it, both from steam and electric railways, the appreciation of the great value of this device, and that further acknowledgment of the merits of the continuous rail joint is shown in the fact that over 20,000 miles of railway track have been equipped within the past 10 years. The company owns and operates the Albany Iron & Steel Works at Troy, N.Y. It has on the market types of joints for tee rails and girder rails that are made of rolled steel. It also manufactures step or compromise joints to connect rails of different sections and obtain a perfect surface and gauge for abutting rails. These are made of cast steel. The company is bringing out a new type of insulated rail joint, and also an electric bonding joint to be placed upon the market. The development of the business has made it necessary to organize a company in Canada for the exclusive use of Canadian patents originally owned by the U.S. company and another corporation in London, England. This appliance has already been introduced in many foreign countries. The general offices of the company have always been at Newark, N.J.

Railway Taxation in Ontario.—The Ontario Commission on the taxation of railways, recently heard arguments for the railway companies upon the question of the taxation of railways. The general contention was that at present railways in Ontario already paid more taxes in proportion to their ability to pay than the railways in the U.S. The average net earnings of U.S. railways per mile in 1902 were \$4,029, and in Canada \$1,395, while the average taxes paid by the former were \$274 per mile, and by the railways running through or in Ontario between \$80 and \$90. Of the latter, about \$56 was municipal taxation and about \$30 Provincial taxation. But Canadian railways also paid tax to the Dominion Government in the way of the duty on coal. This averaged from \$235 to \$372 per mile. The aggregate figures in this respect last year were: G.T.R., \$663,000; C.P.R., \$565,973, and Canada Southern Ry., \$142,353. The railways could not stand additional taxation at the present time without cutting down the already small returns to the shareholders.

The Canadian Northern Ry. has issued a folder dealing with the wheat-growing lands of the Saskatchewan Valley opened up by it. The illustrations show the wheat-fields of the country, and the towns that are springing up as the line is pushed through, and of the company's terminal elevator at Port Arthur, Ont. Information relating to immigration and the land regulations are also given.