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Per Diem Charges for Freight Cars.

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Having spent over 48 years in railway service on the G.T.R.—the first few years in car building, and a large part of the balance in the more congenial work of car accounting, it is perhaps scarcely necessary to confess, that I have for a long time taken an active interest in the agitation for an improved method of settlement between railways for the use of freight cars. Many years' experience in the working of the mileage system revealed its many serious defects, and strengthened my convictions in favor of a more equitable plan: the subject was discussed in all its bearings year after year, and the advocates of "per diem" multiplied at each annual meeting, until at the Car Accountants' convention of 1899, I had the honor to move a resolution—"That this Association is in favor of a per diem method of settlement for use of cars," which was unanimously carried, and committed the International Association of Car Accountants and Car Service Officers to the principle of per diem.

The "mileage" method served a useful purpose in giving car interchange an easy start forward at the infancy of car service, but it lacked the necessary elasticity to meet the ever varying conditions arising from the gigantic development of interchange traffic; and owing to this want of adaptability, it had not the element of permanence, but was merely educative in character, to be superseded—as a matter of progress and evolution—by a more equitable and perfect plan. Dissatisfaction with the mileage basis would not, however, have become so general, if, as originally intended, cars had been run promptly to destination and returned to owners with a minimum of delay, but its tendency was to take account only of the interest of the "user," and often that interest was considered best served by a tie up of cars for a number of days, weeks, or even months; as there was no recognition of the fact that each car represents about \$500 of the owner's capital, on which a reasonable return should be made; but such cars were too often looked upon as players view pieces on a chess-board, to be moved so as to win the traffic game for the users, and not infrequently with little or no regard for the interest or advantage of the owners.

One great defect, therefore, of the mileage system was, that it practically estimated a foreign car to be of value to its owner only when in transit, and the deadening result on

the railway conscience is illustrated by the fact that the very long detention of, say, 1,000 to 4,000 of such cars at a railway terminal 8 to 10 months of the year, with hay, grain or other freight, and especially at the seaboard was, as a rule, only considered by the users in relation to the inconvenience caused, or the extra expense for yard space and tracks for their accommodation. Merchants and dealers also were not slow to appreciate and take advantage of this situation, and through the element of railway competition

which paralysed the business of the entire continent.

Much has been said of the unreliable character of mileage as a basis of settlement for use of cars, as it was almost, if not quite impossible, to institute a check sufficiently close to ascertain if all mileage earned was paid for; it was hoped that no intentional errors were made, but its defects were so serious that errors might occur through the employment of incompetent clerks, and a sample case of this nature came to the writer's notice during the past year, in which a car accountant, failing to obtain satisfactory explanation of apparent shortages, sent a clerk to check up, and found errors in the additions of columns in mileage books, extending over a few months, amounting to a shortage of nearly 300,000 miles. The fatal defect of the mileage plan, however, was that instead of favoring the early return of cars to their owners, it, in a large percentage of cases, worked in the opposite direction, especially in long distance traffic, as there was naturally a disinclination to pay mileage on the return empty haul of cars, if by a longer or shorter wait, loads in the direction of home could be secured.

The fact that side-tracked foreign cars under mileage involved the user road in no expense, was known to all train and station employes, and in consequence they were not likely to be educated into prompt handling of such cars; it is no wonder, therefore, that the average daily performance per railway freight car on foreign lines did not exceed 25 miles a day. Taking the average speed of freight trains at the very low figure of $8\frac{1}{2}$ miles an hour, it will be seen that even at this low rate of speed these cars have been kept moving on the average only about 3 hours out of each 24. It is reasonable, therefore, to expect that the adoption of an improved plan will largely reverse these conditions, as few, if any, roads will be disposed to allow foreign cars to lie around idle, when a daily rate of 20 cents has to be paid for them, and even if only 6 hours average running is secured out of each 24, the movement of these cars will be accelerated 100%.

Two alternative plans were offered as substitutes for the "mileage" basis—first, "mixed per diem—and mileage," and second, straight "per diem"; each had its zealous advocates, the campaign—in annual conventions, in the American Railway Association, and in the various railway journals—having been carried on for several years, and the decision was finally given in favor of straight per diem. The "mixed" plan, however, as operated between British and other European



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they secured free "hold over" privileges, enabling them to make warehouses of thousands of cars at various points, for almost unlimited periods, loaded with hay, grain, cotton, lumber, coal, etc., often consigned to curbstone brokers, to wait sale or reconignment after advice of arrival at fictitious destinations, and this state of things together with the delays at terminals already referred to, and more or less laxity in enforcing car service rules, were to a large extent the prolific causes of those oft-recurring car famines,