

Decision No. 14732

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA
- - - - -

The Los Angeles Lumber Products Company.)
Complainant.)

vs.)

Southern Pacific Company.)

Defendant.)

sup
CASE NO. 1951

Madera Sugar Pine Company
Sugar Pine Lumber Company
Yosemite Lumber Company.

Complainants.)

vs.)

Minarets & Western Railway Company
Southern Pacific Company
Yosemite Valley Railroad Company.

Defendants.)

CASE No. 1973

H.M.Wade, for Los Angeles Lumber Products Company, Complainant.
Gwyn H.Baker, for Madera Sugar Pine Company and Sugar Pine
Lumber Company, Complainants.

Max Thelen, for Yosemite Lumber Company, Complainant

McCutchen, Olney, Mannon & Greene, by Allan P. Matthew and
John O. Moran, for Hobart Estate Company, Intervener.

Sanborn, Roehl & Smith, for Big Lakes Box Company; Castle
Crag Lumber Company; Ewauna Box Company; Hutchinson

Lumber Company; Klamath Lumber & Box Company; Lamm Lumber

Company; Lassen Lumber & Box Company; Likely Lumber Company;

McCloud River Lumber Company; Michigan-California Lumber

Company; Modoc Lumber Company; Pelican Bay Lumber Company;

M.J.Scanlon Lumber Company; Standard Lumber Company;

Swayne Lumber Company; Weed Lumber Company; Clover Valley

Lumber Company and Spanish Peak Lumber Company, Interveners.

F.A.Jones, Lloyd F. Jones and Charles E. Blaine, for Saginaw & Manistee Lumber Company; Flagstaff Lumber Company, and Arizona Lumber & Timber Company, Interveners.

H.M.Remington, for California Growers & Shippers Protective League, Intervener.

F.P.Gregson and R.S.Sawyer, for Los Angeles Chamber of Commerce, Intervener.

Seth Mann, for San Francisco Chamber of Commerce, Intervener.

A.Larsson, for the Red River Lumber Company; Algoma Lumber Company; Pacific Lumber Company; Tarter, Webster & Johnson, Inc.; F.P.Doe Lumber Company; Stockton Box Company; E.W.Wheelock, Inc., and Larsson Traffic Service, Interveners.

A.C.Lowell, for Redwood Manufacturers Company, Intervener.

Elmer Westlake, A.A.Johnson, V.S.Andrus, for Southern Pacific Company, Defendant.

E.W.Camp, for Atchison, Topeka & Santa Fe Railway Company, Defendant.

Joseph N. Teal and William C. McCulloch, for Anderson & Middleton Lumber Company; Willamette Lumbermen's Association and others, Interveners.

E.W.Hollingsworth and Bishop & Bahler, for Pacific Box Factory; Coos Bay Lumber Company; Mercantile Box Company; Pacific Tank & Pipe Company and National Mill & Lumber Company, Interveners.

BY THE COMMISSION:

O P I N I O N

The hearings in these two proceedings were conducted in Los Angeles and San Francisco jointly with the Interstate Commerce Commission in connection with I.C.C.Docket No.15303. Commissioner B.H.Meyer and Examiner J.F.Eshelman, representing the Interstate Commission, and Commissioner Clyde L.Seavey and Examiner W.P.Geary the California Commission.

I.C.C.Docket No.15303 was filed with the Interstate Commerce Commission October 8, 1923 by the Los Angeles Lumber Products Company and alleges that the carload rates applying to lumber

and lumber products, of the Southern Pacific Company, from Westwood, California, Portland, Grants Pass, Medford and Klamath Falls, Oregon, and other named points to Sacramento and other points in California, are unjustly and unreasonably low as compared with the rates published from San Pedro to the same destinations; that they are discriminatory against San Pedro and preferential to Westwood, California, Portland, Grants Pass, Medford and Klamath Falls, Oregon and other points taking the same rates, therefore in violation of Sections 2 and 3 of the Interstate Commerce Act. Complainants ask the Commission to establish rates between all of the points involved which will be non-discriminatory, non-preferential, just and reasonable.

The complaint in Case No. 1951 was filed with the California Commission October 4, 1923 by the Los Angeles Lumber Products Company vs. Southern Pacific Company. The allegations are to the effect that the intrastate rates now published and applying on carload shipments of lumber, lumber products and box and crate material (shook) are unjust and unreasonable per se, and discriminatory and unduly prejudicial to San Pedro when compared with the rates from other lumber shipping stations within California serving the same consuming points; also that the interstate rates now in effect give undue preference to interstate shipping points, such as Westwood, California (movement being, in part, through Nevada), Portland, Grants Pass, Medford, Klamath Falls, Oregon and other points taking the same rates. The intrastate rates are alleged to be in violation of the provisions of the Public Utilities Act and the Constitution of the State of California. Reparation is demanded in connection with all carload shipments forwarded by complainants from San Pedro to destinations in

California from May 1, 1923 to the date upon which the just and reasonable rates are put in force.

Case No. 1973 was filed with the California Commission January 11, 1924 by the Madera Sugar Pine Company, Sugar Pine Lumber Company and Yosemite Lumber Company as complainants vs. Minarets & Western Railway Company, Southern Pacific Company and Yosemite Valley Railroad Company as defendants. The allegations of these complainants are that all the intrastate rates in the tariffs of the defendants, for the transportation of carloads of lumber and lumber products from complainants' plants to destinations on or reached via the lines of the Southern Pacific Company in the State of California are unreasonable and excessive in violation of Section 13 of the Public Utilities Act of the State of California. It is further alleged that the rates assessed and collected for the transportation of lumber and lumber products from Madera, Pinedale and Merced Falls to the destinations of consumption within California are excessive, unreasonable, unjust and discriminatory and are preferential to complainants' competitors having mills at points in Oregon and California.

The following interested parties intervened in Case No. 1951:

Atchison, Topeka & Santa Fe Railway Company

San Francisco Chamber of Commerce

The Lumbermen's Exchange

Weed Lumber Company
McCloud River Lumber Company
Lassen Lumber & Box Company
Swayne Lumber Company
Spanish Peak Lumber Company
Big Lakes Box Company
Michigan-California Lumber Company
Castle Crag Lumber Company
Ewauna Box Company
Lamm Lumber Company
Modoc Lumber Company
Likely Lumber Company

Hutchinson Lumber Company
M. J. Scanlon Lumber Company
Standard Lumber Company
Klamath Lumber & Box Company
Pelican Bay Lumber Company
Clover Valley Lumber Company

Madera Sugar Pine Company
Sugar Pine Lumber Company
Yosemite Lumber Company

The Pacific Lumber Company

The Red River Lumber Company
Tarter, Webster & Johnson, Inc.
Wendling, Nathan Company
E.U. Wheelock, Incorporated
Sacramento Box Company
Stockton Box Company
Algoma Lumber Company
Frank P. Doe Lumber Company
Larsson Traffic Service.

The Anderson & Middleton Lumber Company of Oregon

Booth-Kelly Lumber Company
Brighton Mills Company
Brownlee-Olds Lumber Company
Clark & Wilson Lumber Company
Coast Range Lumber Company
Dollar Portland Lumber Company
Duluth-Oregon Lumber Company
Eastern and Western Lumber Company
East Side Mill & Lumber Company
Fischer Lumber Company
G.H.P. Lumber Company
Inman-Poulsen Lumber Company
L.B. Menefee Lumber Company
Peninsula Lumber Company
Silverton Lumber Company
Silver Falls Timber Company
Standard Box & Lumber Company
Tomlin Box Company
West Oregon Lumber Company
Wheeler Lumber Company
Winchester Bay Lumber Company
Willamette Valley Lumbermen's Association

The interveners in Case No. 1973 are:

Atchison, Topeka & Santa Fe Railway Company
San Francisco Chamber of Commerce
Los Angeles Lumber Products Company
Big Lakes Lumber Company
Michigan-California Lumber Company
Swayne Lumber Company
Weed Lumber Company
McCloud River Lumber Company
Spanish Peak Lumber Company
Lassen Lumber & Box Company
Castle Crag Lumber Company
Ewauna Box Company
Lamm Lumber Company
Modoc Lumber Company
Likely Lumber Company
Hutchinson Lumber Company
M.J. Scanlon Lumber Company
Standard Lumber Company
Klamath Lumber & Box Company
Pelican Bay Lumber Company
Clover Valley Lumber Company

JURISDICTION

At the outset of the hearings attorneys representing eighteen interveners raised the question of the right and jurisdiction of the Interstate Commerce Commission and the Railroad Commission of the State of California conducting joint hearings in these proceedings. In the opening brief for these interveners, filed by Sanborn & Roehl and DeLancey C. Smith, the question of the jurisdiction of each Commission was argued. We have given careful consideration to the citations and the arguments presented, but fail to see the necessity of entering into any extensive discussion of this jurisdictional question. We find nothing in the Statutes, either Federal or State, prohibiting Commissions co-operating in conducting joint hearings whenever in their judgment it appears profitable to do so. Neither Commission is bound by the action of the other one, and it would not be at all strange if different conclusions were reached upon the same record; in fact, different results obtain in many rate proceedings involving closely interwoven State and interstate rates where there are independent hearings, but where practically the same exhibits and testimony are offered.

We conclude the right and authority exists for conducting these joint hearings and that same are necessary, practicable and of value to all interested parties.

LOCATION OF MILLS AMOUNT OF TIMBER and OUTPUT

The Los Angeles Lumber Products Company (Case 1951) controls some 89000 acres of timber lands on the Queen Charlotte Islands, 1400 miles north of San Pedro, in British Columbia.

located west of Prince Rupert, with an estimated timber stand of 3,500,000,000 feet, consisting of hemlock, spruce, white cedar and red cedar. The trees are cut in the forest, the logs brought to the mills on the island and there squared into cants; these cants of an average size, approximately 18'x24x24", are transported to San Pedro on vessels owned by the complainants, where they are sawed into lumber and other products. The manufacturing plant at San Pedro consists of a saw mill, planing mill, box factory, dry kilns and other improvements necessary for fabrication of the timber. The saw mill has an average output of 250,000 feet for each shift of eight hours, employs at San Pedro between 500 and 600 men, with an annual payroll of approximately \$750,000., but it has never been operated to capacity.

The Madera Sugar Pine Company (Case No.1973) has a saw mill located at Sugar Pine, 65 miles from the main line of the Southern Pacific. Lumber manufactured at Sugar Pine is moved to Madera by flume, where it is remanufactured for distribution. This company is engaged in cutting about one-half billion feet of timber, of which approximately twenty per cent is privately owned and eighty per cent government timber, consisting of sugar pine, California White Pine, White Fir and California Cedar. The operations are in rough mountainous country during a period of about seven months in the year. This complainant employs about five hundred men.

The Sugar Pine Lumber Company (Case No.1973) is operating in about 5,000,000,000 feet of timber similar to that being cut by the Madera Sugar Pine Company, and it is estimated that at the present rate of cutting the mills will continue operation for fifty years. This timber is taken from the forests 45 miles

from Pinedale, and is moved to Pinedale over the Minarets & Western Railway. The plant at Pinedale employs about 1500 men.

The Yosemite Lumber Company (Case No.1973) has approximately 1,600,000,000 feet of timber located in Mariposa, Tuolumne and Merced counties and expects to operate, at the present rate of cutting, for about thirty years. The timber consists of Sugar Pine, White Pine, Fir and Cedar, running approximately from 60,000 to 65,000 feet per acre, the logs being transported via a lumber railroad and an incline to El Portal Station on the Yosemite Valley Railroad, and from that point to Merced Falls for manufacture. The total number of employees is about 1200 and the plant operates for approximately nine months of the year.

The California interveners have lumber mills in Northern California at Standard, Camino, Oroville, Grays Flat, Loyalton, Likely, Sasanville, Westwood, Castella, Sisson, McCloud, Weed and other points; also at Klamath Falls, Oregon.

The Oregon interveners have mills in the extreme southern part of Oregon operating in very extensive timber regions, owned privately and by the government, producing principally White Pine, Sugar Pine, Cedar and Redwood. They also operate in the Willamette Valley and in Northern Oregon, with mills producing Douglas Fir, Hemlock and Spruce. These mills are all in competition with each other in supplying the California consumers.

The lumber consumed in California is obtained in two ways, all rail from the mills in California and from the mills located outside the State, principally in Oregon and Washington, and that moved by carriers by water from the mills having access to the Pacific ocean.

From the testimony it appears that a great number of the Pacific Coast mills are so located that they can conveniently ship either rail or water, and exhibits filed by the Oregon interveners show that the water-borne lumber is steadily on the increase. The shipments by rail to California, Arizona and New Mexico from mills located west of the Cascade Mountains in Oregon and Washington were, in 1916, by rail 221,367,000 feet; by water 1,001,098,725 feet; in 1923 the total by rail was 656,853,000 feet; by water 1,812,234,973 feet, an increase over this period of 435,486,000 feet by rail, and 811,136,248 feet by water; in other words, the increased water-borne lumber was almost 100 per cent greater than the increased rail tonnage. The movement by water in 1923, of 1,812,234,973 feet, is equivalent to 72,489 carloads of 25,000 feet each.

An exhibit filed by defendant Southern Pacific Company, gives the totals of water-borne lumber received at San Francisco bay points and at Los Angeles harbor during the year 1923 as 2,624,546,944 feet, equal to 4,323,807 tons.

Another exhibit gives the total lumber production of the California mills in the year 1923 as 2,475,867,000 feet, showing that the water-borne lumber passing through these two important ports was greater by 148,679,944 feet than the total amount of lumber produced by all of the California mills during the year 1923.

Evidence was very strongly to the point that there is heavy movement of lumber into California, not only from the California ports, but from Oregon and Washington, by vessels not under the jurisdiction of this or the Interstate Commerce Commission and, to a very large extent, on vessels owned by the

lumber producers. The record clearly discloses that carriers by water are transporting practically all the lumber consumed at or near the ports and this is particularly emphasized in connection with the consumption at San Francisco and Los Angeles, Los Angeles being one of the largest lumber consuming districts in the United States.

The Los Angeles Lumber Products Company produces Spruce, Hemlock, White and Red Cedar, approximating 40 per cent Hemlock, 30 per cent Spruce and 30 per cent Cedar. Of this output about 60 per cent is low grade and 40 per cent uppers. The upper grades of Spruce can be used for practically the same purposes as Fir, with the exception of heavy building construction; it is also suitable for interior finishing and for manufacturing purposes, and Hemlock may be used in the same manner. When building conditions are active much low grade lumber is used for that purpose, but under ordinary circumstances a large part of the 60 per cent of lowers goes into box shooks.

The Madera Sugar Pine Company, the Sugar Pine Lumber Company and the Yosemite Lumber Company operate in the same general territory and produce Sugar Pine, White Pine, White Fir and Cedar, divided approximately 40 per cent Sugar Pine, 30 per cent White Pine, 20 per cent White Fir and 10 per cent Cedar.

Of the lumber produced by the Madera Sugar Pine Company and the Sugar Pine Lumber Company about 40 per cent is high grade and is shipped to markets outside the State of California, while the balance is used to a large extent locally in close proximity to the mills or, in other words, principally in the San Joaquin Valley, only about 20 per cent of this low grade material reaching the Los Angeles territory. As distinguished from the output of the Los Angeles Lumber Products Company, only 5 per cent of

these mills' output is used for shook, the testimony being to the effect that a larger profit is secured for low grade lumber in the local territory than obtains from the sale of shook.

The Yosemite Lumber Company ships 30 per cent of its products to points outside the State of California. Of the 70 per cent sold within California 25 per cent is upper grade material and 75 per cent low. Box shook constitutes approximately 15 per cent of the low grade material.

The mills located at Klamath Falls, Oregon and at Sisson, California, produce 30 per cent upper and 70 per cent low grade lumber. Of the upper grades but very little reaches Southern California points. Practically all of the low grades, or twenty million feet, is manufactured into box shook, of which 25 per cent reaches Southern California territory and 40 per cent San Joaquin Valley points.

The Weed Lumber Company operates a large re-manufacturing plant and forwards much of its tonnage in the shape of sash, doors, moldings and high grade lumber. Of the lumber produced in the Weed territory approximately 35 per cent is shook and 65 per cent lumber and finished products. Practically no low grade lumber reaches the California consuming points, most of this commodity being converted into box shook and disposed of throughout the State, principally in the San Joaquin, Sacramento and Santa Clara Valleys and the Los Angeles territory. Witness for this company, as did witnesses for the other similarly located mills, testified that if they were unable to dispose of their box shook financial results would be most unsatisfactory and, in some instances, even result in suspension of operations.

Testimony was also to the effect that because of water competition none of the lumber of the Weed Lumber Company is

ever sold in San Francisco or in the San Francisco Bay region.

The lumber produced in the Susanville-Westwood territory consists principally of White Pine, Fir and Sugar Pine, running 25 per cent high grade and 75 per cent low, the lower grades being used chiefly for box shoo, and is distributed throughout California, about 35 per cent going into the territory south of Bakersfield.

Box shoo is a lumber product cut into convenient lengths and thicknesses to meet the requirements of the various box and crate users, and, with the exception of heavier loading, presents no transportation difficulties which would justify rates different from those on lumber.

California, because of its diversified climatic conditions, uses box shoo during the entire twelve months of the year. In the southern part of the State there is a heavy demand from the citrus fruit shippers, beginning in January and lasting until the middle of the summer, while in the northern district the deciduous fruits move from May to December. The principal territory, roughly described, comprises the Sacramento, Santa Clara and San Joaquin Valleys and the Southern California territories south of the Tehachapi, approximately one-fourth of the shoo being used in each of these sections.

In addition to the shoo requirements of the fruit producers, large quantities are consumed by the vegetable, melon, butter, egg, oil and other industries. The shoo is sold as a general rule under contract for quantity deliveries at fixed periods of time to meet the growers needs and covers terms of from one to five years.

The testimony further shows that in the transportation

of shook the carriers must place the commodity on the preferential list, it being absolutely necessary to keep the producers supplied with box material in order that the fruits and other perishable commodities shall have prompt and continuous service. A carload of shook averages 25,000 feet and the boxes for a carload of fruit require 2,000 feet, therefore it takes between twelve and thirteen carloads of fruit to consume one carload of shook.

The testimony would further indicate that Oregon Fir lumber, because of its special qualifications, is in demand in the State of California for particular kinds of construction and is not, therefore, in direct competition with the local lumber, such as Hemlock, Spruce, Cedar and Redwood. The testimony also shows that the railroads do not carry any box shook from Oregon points to California consuming points.

The average tonnage of carload shipments of lumber and shook varies per 1000 feet in the different producing and shipping territories, dependent upon the kinds of material transported. This difference in weight makes the transportation cost on the same number of feet and at the same rate greater on one variety of lumber than on the other and is likewise reflected in the earning per carload of the defendant carriers, for cars of like size load the same number of thousand feet regardless of the total weight of the shipments.

Lumber from San Pedro, where complainant, Los Angeles Lumber Products Company, operates its mills, loads an average of 52,000 pounds (26 tons); in the Madera and Pinedale districts the average is 46,000 pounds (23 tons); at Weed 48,000 pounds (24 tons); at Willamette Valley and other northern shipping points 66,000 pounds (33 tons). It is therefore apparent that

in arriving at freight rates these weight-loading differences must be given consideration.

COST OF SERVICE

Complainants attempted to show by carefully prepared exhibits and the testimony of expert witnesses the approximate operating cost per ton of transporting lumber, and in arriving at the figures they used the average operating cost divided between freight and passenger service, in accordance with the rules of the Interstate Commerce Commission, and segregating the freight costs into component parts chargeable to line haul, yard, terminal, etc. The principal exhibit dealing with this cost study is very elaborate in detail and covers some forty-five pages, giving the cost not only as to the line haul and terminal expenses, but also that involved in branch line service as compared with main line and mountain against valley. The result of this cost study was to attempt to set a reasonable rate per mile per 100 pounds. Many of the rates arrived at by use of this cost study are found to be higher than the mileage rates proposed by this applicant. This condition leads us to the obvious conclusion that while the actual cost of transportation is of importance and value, it cannot be used as an accurate determining factor in the construction of rates for an entire territory where blanket-ing of rates is necessary and where water competition must be met, for the cost item is only one of the factors to be given consideration in solving a problem of this kind.

HISTORY OF RATES - BLANKETED RATES

Much testimony was offered by complainants, defendants and interveners, and especially by the defendants, dealing with the origin of the lumber rates between points within the State

of California and from points outside of California to the California destinations.

The defendant, Southern Pacific Company, through its Assistant General Freight Agent, introduced Exhibits Nos. 118 and 119, giving the history of the lumber rates beginning with the year 1894 to the present tariffs and show the rates to San Francisco, Sacramento, Bakersfield and other selected points from Portland, Eugene, Grants Pass and Medford, Oregon, and Westwood, California, Westwood being illustrative of the blanketed California territory Newcastle to Westwood and Red Bluff to Dorris. The distance from Westwood to Sacramento is 323 miles, from Grants Pass 386 miles and from Medford 353 miles. Another exhibit, No. 131, carries the rates to San Francisco, Stockton, Sacramento, Hanford, Fresno, Tulare, Bakersfield, Los Angeles and Colton from selected lumber shipping points, such as San Francisco, Oakland, Placerville, Westwood, Weed and Madera.

The intent of the exhibits and the testimony in explanation were to the effect that the lumber rates were established in the first instance and have been changed from time to time over this period of thirty years to meet the varying conditions created by reason of the grouped and contiguous locations of the producing mills, competition of the carriers by water, and the contest between defendant Southern Pacific Company and the Western Pacific for the lumber tonnage to California consuming points, all of these elements being strong factors in the making of the rates. The rates under attack are blanketed over great areas at points of origin and in certain districts to the points of destination.

Lumber is produced in immense quantities in many of the interior districts in Northern California and in much of the territory along the Pacific ocean, from San Francisco Bay to the Canadian line, the principal port shipping points in Northern California 177

being Albion, Fort Bragg and Eureka.

Many of the railroad rates published during the last three decades are illustrative of the efforts made to secure tonnage in competition with lumber-carrying boat lines operating on the Pacific Ocean to the California points, principally to the wharves at San Francisco and Los Angeles.

It would not be possible and, also, would serve no good purpose to deal with all of the rate situations, same being fairly illustrated by reviewing adjustments at a few of the pivotal points.

In the year 1893 the rate from Boca to Sacramento, a distance of 128 miles, was 14½ cents; this rate remained in effect until February 1911, when it was reduced to 10 cents, the explanation being that the adjustment was necessary to meet the rates published by the Western Pacific from mills operating in the Feather River Canyon. The 10 cent rate continued until the war-time changes, when it was made 12½ cents by General Order No.28, effective June 25, 1918; became 15½ cents August 25, 1920 by reason of Ex Parte No.74 and was reduced to 14 cents July 1, 1922 in the general rate reductions of that year. The rate is 14 cents at the present time.

In the year 1906, because of water competition, the rates from Northern California producing points to the port of San Francisco were reduced, but no corresponding changes were made to the intermediate consuming points, such as Stockton and Sacramento, the competitive conditions being different and, also, at that early date carriers built rates upon methods entirely different from those employed after the passage of the positive State regulatory statutes, beginning in 1911.

The Western Pacific Railroad commenced operations

early in 1911 and established the rate of 10 cents from Boca to Sacramento, which was met by the Southern Pacific in February, 1911, as heretofore stated. The Boca to Sacramento rate of 10 cents was not published as the rate from Westwood to Sacramento until 1913, and the same rate was not established from Weed-Dorris to Sacramento until 1915.

The distance Boca to Sacramento is 128 miles; Westwood to Sacramento 323 miles and Weed-Dorris to Sacramento 324 miles. At the time the Westwood rates were published by the Southern Pacific Company the Western Pacific tracks passed through Keddle, from which point the construction of a branch line of from 25 to 35 miles in length would have put that company's rails into the Westwood timber belt via a short route, approximating 175 miles to Sacramento, as compared with the Southern Pacific line through Fernley, Nevada, to Sacramento of 323 miles.

The logging road of the Westwood mill operators is now within ten miles of Crescent Mills, on the Indian Valley Railroad, having connection with the Western Pacific at Paxton, a point 5.4 miles closer to Sacramento than is Keddle. This is the competition the Southern Pacific alleges influenced the Westwood and Weed-Dorris rate adjustments. The Westwood-Sacramento rate of 10 cents in 1913, now 14 cents, blankets from Newcastle, a point 31 miles east of Sacramento, or for 292 miles. The same rate is in effect from Dorris-Weed to Sacramento, 324 miles, covering the territory Oroville and north, a blanket of 246 miles. In the San Joaquin Valley the 14 cent rate applies from Sanger-Madera, a blanket of 36 miles for an average haul of 160 miles. From Western Pacific points the blanket is from Oroville to Hackstaff, a distance of 166 miles.

The Southern Pacific also has in effect an 11 cent rate

to Sacramento, blanketed from such points as San Francisco, Oakland, Bay Point, Placerville, Marysville and Oakdale. This blanketed territory covers the closeby lumber shipping points, where the distance varies between 88 miles from San Francisco to a minimum of 52 miles from Marysville. Water competition is also held mainly responsible for the alleged depressed rates and the large territorial blankets reflected in the rates from the interior California mills.

As early as 1907 rates in violation of the long and short haul provisions of the State Constitution were made from interior mills to Southern California points. As illustrative, 32½ cents was published from Weed to Los Angeles, with 39½ cents from Weed to Bakersfield, and these rates were blanketed from practically all Northern California points, beginning at Placerville, Newcastle, Boca, Red Bluff, extending to the California-Oregon line.

Rates without number might be quoted to all points throughout the State where water-carrier competition plays a part, but the picture would be very little different from that in connection with the rates to the San Francisco and Los Angeles territories, where the competition is the most severe. Rail carriers maintain that the entire adjustment of the lumber rates and particularly those to the San Francisco Bay and the Los Angeles harbor territories are greatly depressed, but such rates, they allege, are the highest they can charge and continue to receive a reasonable share of the lumber tonnage from the interior mills.

There was much testimony and many exhibits dealing with the lumber rates from the Oregon mills located at Portland, Eugene, Grants Pass and Medford to California consuming points. This

Oregon territory became a factor in the California trade about the year 1898, when the Southern Pacific Company put in rates from the Willamette Valley territory to meet the competition of lumber moving via the ocean carriers. The Willamette Valley territory covers an area of approximately 150 miles in length, extending from Portland to Eugene, in Oregon.

The adjustment of these rates has been before the Interstate Commerce Commission in a number of formal proceedings and the rates prevailing at the present time are those reflecting certain orders of the Federal Commission.

We will not enter into a discussion of the Oregon-California adjustments, leaving that subject to the Interstate Commerce Commission in its analysis of Docket No. 15303. It is sufficient here to state that the Oregon shipping mills supply vast quantities of lumber to California consumers, principally Douglas Fir, and this tonnage is of great importance to the rail carriers.

Complainant bases its main contention upon a comparison of the rates and of the per ton mile earnings applying to their lumber with the rates from the competing mills on shipments from the northern territory and particularly in connection with the blanketed rate of 14 cents applying to the Sacramento gateway.

Much of complainant's testimony was grounded upon a proposed mileage scale of rates measured in part by the adjustment now in effect from Westwood-Weed to Sacramento, 323 miles, but apparently without sufficient regard for the blanketed area, of which such rate is only a part, and of the circumstances and conditions under which it was established. Complainant's plant is entirely differently situated from that of its California competitors in the northern part of the State; the timber regions

extend from the vicinity of Fresno to the Oregon line, a distance of approximately 500 miles.

The manufacture of lumber in Southern California from locally grown logs is of no commercial importance, there being no large forests and, therefore, no local mill competition. In the northern half of the State the circumstances are entirely dissimilar, the mills there being compelled to conduct their local business in competition with each other, lumber being produced in heavy quantities at the very front door of some of the large consuming centers, particularly in the San Joaquin and Sacramento Valleys. The user of lumber and shoo is, of course, interested in the transportation charges and if rates were based on mileage only would purchase the necessary supply from the mill having the lowest freight rate, provided the nearby mills could furnish the quantity required. The testimony indicates that no group of nearby mills can meet trade requirements at the peak of the season and the result must be a reaching out into long-haul points, with a constant increase in the transportation costs. A slight decrease in rates from points of limited local production would serve but a poor offset to consumers, by reason of the narrowed purchasing markets.

Commodities, such as oil, coal, lumber, etc., can only be secured from their natural source and are limited in productive area which cannot be shifted, but they are consumed throughout widely extended markets and, therefore, the practice has grown, over a long period of years, of blanketing rates from the sources of supply to the consuming markets. Blankets of this kind usually disregard actual mileage, although they involve rates apparently high from points on the edge nearest the consuming markets in comparison with those from the most distant point in

the blanket, but if such adjustments be properly balanced they must provide rates not unreasonable from either a carrier or a shipper view point.

The competition under which the Northern California mills are compelled to conduct their local business is the important consideration given to the blanketed rates established by carriers in that territory. This Northern California territory has not been attacked by any consumer and since carriers may make rates to meet competitive conditions, so long as the rates are reasonably compensatory and do not create undue preference or prejudice, this Commission must give careful consideration to any action looking to a disruption of blanket adjustments of long standing apparently satisfactory to the producers and consumers in the territory to be affected and upon the faith of which large industrial plants have been established.

Complainants, at the outset of the hearings, by the testimony of competent witnesses, stated that the sale of their lumber had been restricted in the territories immediately beyond Los Angeles by reason of the rates from San Pedro being higher than the traffic could afford to pay in competition with lumber moving from other and more distant producing points. Numerous exhibits were introduced setting forth a comparison of these lumber rates from San Pedro with those applying from other points to the same destinations, also with other lumber rates throughout the country for equi-mileage hauls.

In addition, there were comparative exhibits showing mileage rates for such commodities as lumber, cottonseed oil, fertilizer, cement, grain, lime, brick, etc. These exhibits are interesting and profitable, but the distance of haul is only one of the many factors entering into freight rates, and unless the

circumstances and conditions of transportation are similar and the rate relationship adversely affects traffic of complainants, no unlawful discrimination may predicate upon the mere differences in rates found to exist as between communities entirely differently located.

The following table, prepared from exhibit of record and from filed tariffs, gives the present lumber and shock rates from San Pedro and those from representative competing points of origin to typical destinations, showing differentials in favor of San Pedro:

FROM	TO					
	Los Angeles	Pomona	Riverside	El Centro	Santa Paula	
	<u>A & B</u>	<u>A&B</u>	<u>A & B</u>	<u>A & B</u>	<u>A & B</u>	
Oroville)						
Weed)						
Dorris) Calif.	39½	39½	39½	56½	39½	
Massack)						
Loyalton)						
Westwood)						
San Pedro	<u>4</u>	<u>11½</u>	<u>16½</u>	<u>36½</u>	<u>17½</u>	
Differential	35½	28	23	20	22	
McCloud, Calif.	43	43	43	60½	43	
San Pedro. "	<u>4</u>	<u>11½</u>	<u>16½</u>	<u>36½</u>	<u>17½</u>	
Differential	39	31½	26½	24	25½	
Sonora) Calif.	34	34	34	<u>A</u> 65 <u>B</u> 56½		
Standard)						
San Pedro. "	<u>4</u>	<u>11½</u>	<u>16½</u>	<u>36½</u> <u>36½</u>		
Differential	30	22½	17½	28½ 20		
Placerville, Calif.:	35	35	35	56½	<u>A</u> 48½ <u>B</u> 39½	
San Pedro	<u>4</u>	<u>11½</u>	<u>16½</u>	<u>36½</u>	<u>17½</u> <u>17½</u>	
Differential	31	23½	18½	20	31 22	

A - Lumber
B - Shock

SAN JOAQUIN VALLEY MILLS
(Compared with San Pedro)

FROM	TO									
	Los Angeles		Pomona		Riverside		El Centro		Santa Paula	
	A	B	A	B	A	B	A	B	A	B
Merced Falls:	34	34	34	34	34	34	60	60	#	37
San Pedro :	4	4	11½	11½	16½	16½	36½	36½	-	17½
Differential:	30	30	22½	22½	17½	17½	23½	23½	-	19½
Madera :	29	29	29	29	29	29	52	52	34	25
San Pedro :	4	4	11½	11½	16½	16½	36½	36½	17½	17½
Differential:	25	25	17½	17½	12½	12½	15½	15½	16½	7½
Pinedale :	30	30	30	30	30	30	53½	53½	35½	26½
San Pedro :	4	4	11½	11½	16½	16½	36½	36½	17½	17½
Differential:	26	26	18½	18½	13½	13½	17	17	18	8

No thru rate published; combination rates apply.

A Lumber

B Shook

OREGON MILLS
(Compared with San Pedro)

FROM	TO											
	Los Angeles			Pomona			Riverside			El Centro		
	A	A	B	A	A	B	A	A	B	A	A	B
Portland	*60	50	50	*60	50	50	*60	50	50	*67½	62	67
San Pedro	4	4	4	11½	11½	11½	16½	16½	16½	36½	36½	36½
Differential:	*56	46	46	*48½	38½	38½	*43½	33½	33½	*31	25½	30½
Grants Pass :	41½	41½		41½	41½		41½	41½		59	59	
San Pedro :	4	4		11½	11½		16½	16½		36½	36½	
Differential	37½	37½		30	30		25	25		22½	22½	
Klamath Falls:	40	40		40	40		40	40		57½	57½	
San Pedro :	4	4		11½	11½		16½	16½		36½	36½	
Differential	36	36		28½	28½		23½	23½		21	21	

A Lumber

B Shook

* Manufactured Lumber

No through rate published; Combination rates apply.

NORTHERN CALIFORNIA MILLS
(Compared with Madera)

TO

FROM	Los Angeles		Pomona		Riverside		El Centro		Santa Paula	
	A	B	A	B	A	B	A	B	A	B
Weed	39½	39½	39½	39½	39½	39½	56½	56½	39½	39½
*Westwood)										
Madera	29	29	29	29	29	29	52	52	34	25
Differential	10½	10½	10½	10½	10½	10½	4½	4½	5½	14½

McCloud	43	43	43	43	43	43	60½	60½	43	43
Madera	29	29	29	29	29	29	52	52	34	25
Differential	14	14	14	14	14	14	8½	8½	9	18

Placerville	35	35	35	35	35	35	56½	56½	48½	39½
Madera	29	29	29	29	29	29	52	52	34	25
Differential	6	6	6	6	6	6	4½	4½	14½	14½

OREGON MILLS
(Compared with Madera)

TO

	Los Angeles			Pomona			Riverside			El Centro			Santa Paula		
	A	A	B	A	A	B	A	A	B	A	A	B	A	A	B
Portland	*60	50	50	*60	50	50	*60	50	50	*67½	62	67	*60	50	50
Madera	29	29	29	29	29	29	29	29	29	52	52	52	34	34	25
Differential	*31	21	21	*31	21	21	*31	21	21	*15½	10	15	*26	16	25

Grants Pass	41½	41½	41½	41½	41½	41½	50	59	41½	41½
Madera	29	29	29	29	29	29	52	52	34	25
Differential	12½	12½	12½	12½	12½	12½	7	7	7½	16½

Klamath Falls	40	40	40	40	40	40	57½	57½	40	40
Madera	29	29	29	29	29	29	52	52	34	25
Differential	11	11	11	11	11	11	5½	5½	6	15

A - Lumber

B - Shook

* - Manufactured Lumber

The Los Angeles Lumber Products Company (Case No.1951) now has railroad rate differentials from San Pedro to Southern California points. in competition with the Northern California mills, ranging from \$3.50 to \$7.80 per ton from San Joaquin Valley mills, Pinedale, Madera and Merced, of from \$1.50 to \$6.00 per ton, and from Oregon mills of from \$4.20 to \$11.20 per ton. Complainants, Madera Sugar Pine Company, Sugar Pine Lumber Company and Yosemite Lumber Company (Case No.1973) have favorable differentials, based on Madera, of from 90 cents to \$3.60 against Northern California mills, and from \$1.10 to \$6.20 against Oregon mills.

The following table, compiled from exhibits, is illustrative of the present rates on lumber from San Pedro to consuming destinations compared with the rates from the named competing points:

<u>LUMBER</u>				
<u>FROM</u>	:	<u>TO</u>	:	<u>MILES : RATE</u>
San Pedro	:	Fresno	:	300 : 46½
Pinedale (1)	:	"	:	21 : 7
Madera	:	"	:	22 : 7
Merced Falls (2)	:	"	:	79 : 17
San Francisco-Oakland (3):	:	"	:	189 : 25
San Pedro	:	Exeter	:	264 : 45
Pinedale (1)	:	"	:	72 : 16
Madera	:	"	:	73 : 15
Merced Falls (2)	:	"	:	130 : 23
San Francisco-Oakland (3):	:	"	:	240 : 31½
San Pedro	:	Bakersfield:	:	193 : 37½
Pinedale (1)	:	"	:	128 : 18
Madera	:	"	:	129 : 17
Merced Falls (2)	:	"	:	186 : 25
San Francisco-Oakland (3):	:	"	:	296 : 31½
San Pedro	:	Merced	:	355 : 49
Pinedale (1)	:	"	:	76 : 15½
Madera	:	"	:	33 : 8½
Merced Falls (2)	:	"	:	24 : 11
San Francisco-Oakland (3):	:	"	:	133 : 17½

LUMBER

FROM	:	TO	:	MILES	:	RATE
San Pedro	:	Sacramento	:	470	:	42 $\frac{1}{2}$
Pinedale (1)	:	"	:	186	:	15 $\frac{1}{2}$
Madera	:	"	:	149	:	14
Merced Falls (2)	:	"	:	139	:	22
San Francisco-Oakland (3):	:	"	:	84	:	11
San Pedro	:	San Jose	:	445	:	42 $\frac{1}{2}$
Pinedale (1)	:	"	:	203	:	20
Madera	:	"	:	161	:	18 $\frac{1}{2}$
Merced Falls (2)	:	"	:	151	:	20
San Francisco-Oakland (3):	:	"	:	41	:	4 $\frac{1}{2}$
San Pedro	:	Santa Barbara:	:	126	:	25
Pinedale (1)	:	"	:	344	:	35 $\frac{1}{2}$
Madera	:	"	:	345	:	34
Merced Falls (2)	:	"	:	402	:	50
San Francisco-Oakland (3):	:	"	:	360	:	31 $\frac{1}{2}$
San Pedro	:	Los Angeles	:	24	:	4
Pinedale (1)	:	"	:	297	:	30
Madera	:	"	:	298	:	29
Merced Falls (2)	:	"	:	355	:	34
San Francisco-Oakland (3):	:	"	:	462	:	31 $\frac{1}{2}$
San Pedro	:	Colton	:	81	:	16 $\frac{1}{2}$
Pinedale (1)	:	"	:	354	:	30
Madera	:	"	:	355	:	29
Merced Falls (2)	:	"	:	413	:	34
San Francisco-Oakland (3):	:	"	:	519	:	31 $\frac{1}{2}$
San Pedro	:	Colorado	:	274	:	40 $\frac{1}{2}$
Pinedale (1)	:	"	:	548	:	49
Madera	:	"	:	549	:	52
Merced Falls (2)	:	"	:	606	:	60
San Francisco-Oakland (3):	:	"	:	712	:	51
San Pedro	:	Calexico	:	250	:	37 $\frac{1}{2}$
Pinedale (1)	:	"	:	524	:	53 $\frac{1}{2}$
Madera	:	"	:	525	:	52
Merced Falls (2)	:	"	:	582	:	60
San Francisco-Oakland (3):	:	"	:	689	:	56 $\frac{1}{2}$

- (1) Located on Minarets & Western Ry.
 (2) Located on Yosemite Valley RR.
 (3) Oakland mileage.

The rate of $31\frac{1}{2}$ cents San Francisco to Los Angeles-San Pedro is blanketed over a large territory with Los Angeles as the central point. This rate blanket now covers the territory from Tarusa, in the San Joaquin Valley, and Templeton, on the Coast Line, each 250 miles north of Los Angeles, to Greenspot, a point 71 miles south of Los Angeles, or for 321 miles. The short line mileage San Francisco to Greenspot is 539 miles. The rate in the opposite direction, from San Pedro to San Francisco, for a distance of 490 miles, is the Class B non-intermediate rate of $42\frac{1}{2}$ cents.

Attention is directed to the rate of $31\frac{1}{2}$ cents from San Francisco to Bakersfield, 296 miles, and the rate of $46\frac{1}{2}$ cents from San Pedro to Fresno, 300 miles. However, the rate from San Francisco going south reflects the water competition to Stockton, a distance of 90 miles, which is not a controlling factor in the rate northbound to the same destination territory.

Carriers, in their testimony, explained that the $31\frac{1}{2}$ cent rate from San Francisco to Los Angeles and the surrounding territory, was originally published non-intermediate in application to meet the water competition through San Pedro and, later, because of changed conditions, due principally to competition of the redwood lumber moving through Pittsburg on the San Francisco Bay, this rate was made to apply at all of the intermediate points. The other points appearing in the above table are further illustrative of the situation.

In the transportation of lumber, rail carriers recognize the strong competition existing in the Northern California territory, due in large measure to the vast timber regions with their many producing mills, augmented by the competition of vessels

transporting lumber from the river and ocean fronts, a situation creating forced rate adjustments, where of necessity blanket zones have been established in disregard to a greater or less extent of the actual mileage of the haul. Here is a situation not existing in other parts of the State and the blanket rates throughout the northern timber regions cannot be employed as a yard stick to measure mileage rates where circumstances and conditions are totally different. There has been no complaint by consumers of lumber in Northern California and we are of the opinion nothing in this record requires our disturbing the local northern situation in order to decide the reasonable, just, non-discriminatory and non-prejudicial rates to apply on lumber from San Pedro (Case No.1951) and from Pinedale, Madera and Merced Falls (Case No.1973).

Neither transportation nor traffic conditions as shown by this record warrant distinction in the rates between Lumber and box shock. To only a limited number of stations are the lumber rates now higher than the shock rates and it is our conclusion that a difference in the rates has not been justified and should be discontinued.

The present adjustment of lumber rates from San Pedro to points in the San Joaquin Valley and into the territory south of Los Angeles lacks uniformity. A consistent and reasonable tariff cannot be constructed by basing upon the Sacramento and San Francisco adjustments, where entirely different conditions exist and where carriers meet water, rail and production competition. A comprehensive study of complainants proposed rates keyed under the 14 cent scale, Westwood-Sacramento, for 323 miles, leaves no doubt that these rates would be too low in territory where transportation is not influenced by the same factors responsible for

rates in the Northern California timber regions.

Upon consideration of all the facts of record, we are of the opinion and find that the present rates on lumber and shook, in carloads, minimum weight 30000 pounds, from San Pedro, Pinedale, Madera and Merced Falls to the representative points enumerated below are and for the future will be excessive, unreasonable, unjust, discriminatory and prejudicial to the extent they differ from the following rates, in cents per 100 pounds:

		<u>FROM</u>						
		<u>San Pedro:Pinedale:Madera:Merced Falls</u>						
<u>TO</u>								
San Francisco	:	31½	:	20	:	18½	:	20
Niles	:	31½	:	20	:	18½	:	20
San Jose	:	31½	:	20	:	18½	:	20
Livermore	:	31½	:	20	:	18½	:	20
Port Costa	:	31½	:	20	:	18½	:	20
Tracy	:	31½	:	15½	:	14	:	17½
Stockton	:	31½	:	15½	:	14	:	17½
Lodi	:	31½	:	15½	:	14	:	17½
Galt	:	31½	:	15½	:	14	:	17½
Sacramento	:	31½	:	15½	:	14	:	17½
Suisun-Fairfield	:	31½	:	23½	:	22	:	23½
<hr/>								
Orford	:	31	:	15½	:	14	:	17½
Oakdale	:	31	:	15½	:	14	:	14
<hr/>								
Lyeth	:	31	:	15½	:	14	:	18
Volta	:	31	:	15½	:	14	:	22½
Los Banos	:	30	:	15½	:	14	:	22½
Silaxe	:	30	:	15½	:	14	:	22½
Firebaugh	:	30	:	13	:	11½	:	20
Ingle	:	30	:	13	:	11½	:	20
<hr/>								
Kerman	:	30	:	10	:	8½	:	17
Armona	:	30	:	15½	:	14	:	22½
Hanford	:	30	:	13	:	11½	:	20
<hr/>								
Manteca	:	31	:	15½	:	14	:	17½
Modesto	:	31	:	15½	:	14	:	14
Merced	:	30	:	15½	:	8½	:	-
Madera	:	30	:	10	:	-	:	14
Fresno	:	29	:	7	:	7	:	15½

FROM

San Pedro:Pinedale:Madera:Merced Falls

TO

Fargo	:	29	:	10	:	8 $\frac{1}{2}$:	17
Klink	:	29	:	13	:	11 $\frac{1}{2}$:	20
Exeter	:	29	:	15	:	13 $\frac{1}{2}$:	22
Porterville	:	29	:	16	:	14 $\frac{1}{2}$:	22 $\frac{1}{2}$
Kingsburg	:	29	:	10	:	8 $\frac{1}{2}$:	17
Goshen Junction	:	29	:	13	:	11 $\frac{1}{2}$:	20
Visalia	:	29	:	15	:	13 $\frac{1}{2}$:	22
Tulare	:	29	:	15	:	13 $\frac{1}{2}$:	22
Famosa	:	29	:	16	:	14 $\frac{1}{2}$:	22 $\frac{1}{2}$

Bakersfield	:	29	:	18 $\frac{1}{2}$:	17	:	25
Mojave	:	19	:	26	:	25	:	32
Lancaster	:	16	:	26	:	25	:	32
Sangus	:	11	:	26	:	25	:	32
Los Angeles	:	-	:	30	:	29	:	34

Pasadena	:	-	:	30	:	29	:	34
Pomona	:	11 $\frac{1}{2}$:	30	:	29	:	34
Colton	:	14	:	30	:	29	:	34
Greenspot	:	16	:	30	:	29	:	34
Niland	:	29	:	43 $\frac{1}{2}$:	43	:	44 $\frac{1}{2}$

Brawley	:	33	:	45 $\frac{1}{2}$:	45	:	46 $\frac{1}{2}$
El Centro	:	33	:	45 $\frac{1}{2}$:	45	:	46 $\frac{1}{2}$
Calexico	:	33	:	45 $\frac{1}{2}$:	45	:	46 $\frac{1}{2}$

Colorado	:	35	:	46 $\frac{1}{2}$:	46	:	47 $\frac{1}{2}$
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Redwood City	:	31 $\frac{1}{2}$:	20	:	18 $\frac{1}{2}$:	20
Lick	:	31	:	23 $\frac{1}{2}$:	22 $\frac{1}{2}$:	23 $\frac{1}{2}$
Coyote	:	31	:	23 $\frac{1}{2}$:	22 $\frac{1}{2}$:	23 $\frac{1}{2}$
Morgan Hill	:	31	:	25	:	24	:	25
Carnadero	:	31	:	27	:	26	:	27
Watsonville	:	30	:	29	:	28	:	29
Camphoria	:	30	:	32	:	31	:	32
Metz	:	30	:	33	:	32	:	33
King City	:	29	:	34	:	33	:	34
Bradley	:	29	:	36	:	35	:	36
Atascadero	:	29	:	38	:	37	:	38
Eaglet	:	29	:	38	:	37	:	38
San Luis Obispo	:	29	:	40	:	39	:	40
Oceano	:	29	:	40	:	39	:	40
Guadalupe	:	28	:	41	:	40	:	41
Surf	:	26	:	41	:	40	:	41

Santa Barbara	:	19	:	34	:	33	:	38
Ventura	:	16	:	32 $\frac{1}{2}$:	31 $\frac{1}{2}$:	36 $\frac{1}{2}$
Montalvo	:	16	:	32 $\frac{1}{2}$:	31 $\frac{1}{2}$:	36 $\frac{1}{2}$
Oxnard	:	16	:	32 $\frac{1}{2}$:	31 $\frac{1}{2}$:	36 $\frac{1}{2}$
Chatsworth	:	11	:	32 $\frac{1}{2}$:	31 $\frac{1}{2}$:	36 $\frac{1}{2}$
Fillmore	:	14	:	30	:	29	:	34

In an investigation covering so large a scope as this proceeding it is impossible to determine the rate which should apply to each point in the destination territory. Defendants will be expected to revise the rates, in addition to those specifically prescribed. The rates prescribed will be used as a guide and rates adjusted at intermediate points, giving due regard to distance.

The rates here ordered into effect and those fixed by defendants at the intermediate points shall not be subject to the Rules of Constructing Combination Rates, as provided in Agent B.T.Jones' Freight Tariff No.228,Cal.R.C. No.1.

Reparation is asked by complainants, Los Angeles Lumber Company (Case No.1951) against shipments of lumber forwarded from San Pedro to various points.

The port of San Pedro (Los Angeles Harbor) has for many years been the largest lumber trans-shipping point in California, if not on the Pacific Coast, and the present lumber rates reflect the adjustments over a long period of time. In an extensive readjustment of rates as that here involved, in which are included increases as well as decreases, reparation may not properly be awarded and the same is hereby denied.

As heretofore stated, these proceedings were heard jointly with the representatives of the Interstate Commerce Commission and submitted on a common record. The Interstate Commerce Commission has rendered its tentative opinion and order and, therefore, this proceeding will be held open for a supplementary order, should the same appear necessary following argument and final conclusion by the Federal authority.

O R D E R

These cases being at issue upon complaints and answers on file, having been duly heard and submitted by the parties, full investigation of the matters and things involved having been had, and the Commission having, on the date hereof, made and filed its opinion containing its findings of fact and conclusions thereon, which said opinion is hereby referred to and made a part hereof:

IT IS HEREBY ORDERED that the above named defendants, according as they participate in the transportation, be, and they are hereby notified and requested to desist, on or before June 15, 1925 and thereafter abstain from publishing, maintaining and applying rates not in accordance with the opinion which precedes this order.

IT IS HEREBY FURTHER ORDERED that the above named defendants, according as they participate in the transportation, be, and they are hereby notified and required to establish, on or before June 15, 1925, upon notice to this Commission and to the general public, by not less than fifteen (15) days filing and posting in the manner prescribed in section fourteen (14) of the Public Utilities Act, and thereafter to maintain and apply to the transportation of lumber, in carloads, the rates as described in the opinion which precedes this order.

Dated at San Francisco, California, this 1st day of April, 1925.

H. B. Burdick
C. L. Seaver
Edgar D. Smith
George D. Tamm
Ernest Scott
Commissioners.