

ORIGINAL

Decision No. 5623

BEFORE THE RAILROAD COMMISSION  
OF THE STATE OF CALIFORNIA.

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In the Matter of the Application of )  
CALIFORNIA NAVIGATION AND IMPROVEMENT )  
COMPANY for authority to increase ) Application No. 3899  
rates for warehouse service at Stockton. )

In the Matter of the Application of )  
STATE WAREHOUSE COMPANY for authority )  
to increase rates for warehouse service ) Application No. 3900  
at Stockton. )

In the Matter of the Application of )  
KEYS AND ASHER for authority to increase )  
rates for warehouse service at Stockton. ) Application No. 3902

In the Matter of the Application of )  
DICKINSON-NEELSON COMPANY for authority )  
to increase rates for warehouse service ) Application No. 3904  
at Stockton and Romain. )

In the Matter of the Application of )  
FARMERS UNION & MILLING COMPANY for )  
authority to increase rates for warehouse ) Application No. 3905  
service at Stockton. )

In the Matter of the Application of )  
GIRVIN WAREHOUSE COMPANY for authority )  
to increase rates for warehouse service )  
at Stockton. ) Application No. 3906

In the Matter of the Application of )  
CALIFORNIA WHARF AND WAREHOUSE COMPANY )  
for authority to increase rates for ware- )  
house service at Stockton. ) Application No. 3953.

- Sanborn and Roehl for California
- Navigation and Improvement Company.
- Neumiller and Dietz for State Warehouse Co.
- E.M. Bainbridge for Keys and Asher.
- E.C. Dickinson for Dickinson-Nelson Co.
- E.C. Stowe for Farmers Union and Milling Co.
- Thos L. Louttit for Girvin Warehouse Co.
- E.F. Fortune for California Wharf and Warehouse
- Company.

GORDON, Commissioner:

O P I N I O N

Petitioners in this proceeding operate public warehouses in the city of Stockton, commodities stored consisting very largely of grain, beans, and other farm products. One of the petitioners, Dickinson-Nelson Company also owns and operates a grain warehouse at Romain Station located some 30 miles from Stockton on the line of Southern Pacific Company. Petitioners' requests are practically identical, with the exception of State Warehouse Company and Dickinson-Nelson Company, and the allegations in support thereof relate generally to increased cost of operations with special reference to the item labor. No increase in storage rates is contemplated by the petitioners. With the exceptions noted, petitioners ask authority to establish the following service charges to apply in addition to rates at present in effect, which rates include the classes of service enumerated, to-wit:-

	<u>All commodities other than potatoes &amp; Onions</u>	<u>Potatoes &amp; Onions</u>
For labor in receiving, storing or handling commodities arriving by rail, water or team . . . . .	22¢ per ton	1¢ per sack
For labor in delivering or loading commodities shipped out by rail, water or team . . . . .	25¢ per ton	1¢ per sack

State Warehouse Company stores grain only, and has no interest in the establishment of rates for handling potatoes and onions. This petitioner's request differs in other respects from that of the majority, as appears from the following proposed rates:

Unloading and Weighing .....	25¢ per ton additional to present storage rates
Loading out .....	20¢ per ton additional to present storage rates
Transferring (incl. 10 days storage) .....	75¢ per ton
Loading or unloading "gondola" cars	25¢ per ton
Stenciling sacks	5¢ per ton
Delivering in lots less than 2 tons	50¢ per ton

Dickinson-Nelson Company asks for authority to collect the same additional charges for labor in receiving, handling and delivering grain, beans, etc. as are covered by petitions of its competitors, and also to alter the present minimum storage charge of 50¢ per ton, which includes 2 months' storage, applicable at Stockton, so as to allow but one month's storage under this rate. This petitioner does not store potatoes or onions.

Rates now in effect by petitioners were prescribed by the Commission after public hearings held in the city of Stockton on individual applications and are, of course, based upon conditions existing at the time of such hearings. In the majority of instances the rates so established were authorized between July and November, 1917, and therefore prior to the existing abnormal labor situation. For an understanding of the basis upon which the present rates were authorized, reference is made to the decisions and records where also will be found a description of the properties involved. (Opinions and Orders of the Railroad Commission of California, Decision 3279, Vol. 9, p. 797; Decision 4492, Vol. 13, p. 605; Decision 4706, Vol. 14, p. 189; Decision 4717, Vol. 14, p. 204; Decision 4890, Vol. 14, p. 575; Decision 4910, Vol. 14, p. 626; Decision 5359,

unbound).

As stated, petitioners' requests are based upon alleged increases in the cost of operating their properties, with particular reference to labor which has advanced since June 1, 1918, from 40¢ per hour for a 9 hour day and 50¢ per hour for overtime, to 50¢ per hour for an 8 hour day and 75¢ per hour for overtime; or an increase from \$3.60 per day of 9 hours to \$4.75, being approximately 32%. It is also claimed that the inefficiency of labor procurable at the present time, due to inexperience, disinclination to work and other causes, would approximate 18%, so that the actual present additional outlay for labor alone would be 50% greater than wages paid in 1917. Other operating expenses are alleged to have increased from 15 to 300%.

As will be observed, the chief item of expense, labor, did not reach its present maximum until June 1, 1918, the beginning of the new storage season, and to that extent does not effect operating results for the 1917-18 storage period. Nevertheless, operating statements submitted by petitioners with two exceptions, show substantial losses for periods ending May 31, 1918, or prior thereto, as follows:

<u>Name</u>	<u>For Year Ending</u>	<u>Operating Revenue</u>	<u>Operating Expense</u>	<u>Gain</u>	<u>Loss</u>
Cal Nav & Imp Co	12/31/17	\$17,677.35	\$20,613.18	--	2,936.53
State Whse Co.	4/30/18	16,562.60	17,617.94	--	1,055.34
Keys & Asher	*7/1/17-1/1/18	1,925.00	1,850.00	75.00	----
Dickinson-Nelson Co	5/31/18	3,000.00	4,301.91	--	1,301.91
Farmers Un. & Mill. Co	12/31/17	10,203.59	9,938.20	265.39	----
Girvin Whse Co.	5/31/18	13,410.28	13,912.20	--	501.92
Cal. Whf & Whse Co.	5/31/18	6,942.62	7,085.98	--	143.36

\* Six months only.

A public hearing was held in the city of Stockton on July 18, 1918, at which time petitioners presented testimony in support of their prayer for increased rates. No one appeared at the hearing to protest the proposed increases, notwithstanding

the fact that individual written notice had been mailed to each patron of the various warehouses. The testimony showed beyond question that the cost of labor and all materials and supplies entering into the expense of warehouse operations has materially advanced and that additional burdens along the same lines will have to be met in the future. I am convinced that increases in rates have been justified and should be granted.

While, as previously noted, applications presented by two of the petitioners vary somewhat from the other five, they are in the main identical; and there was nothing in the evidence to show dissimilarity of service at any of the warehouses which would call for the establishment of a scale of rates at one warehouse at variance with the general schedule. For this reason, State Warehouse Company's request for specific increases for incidental service will be denied, but the proposed increase for unloading, weighing and loading out will be advanced to the rate requested by all other petitioners and justified by the testimony.

In the interest of uniformity, Dickinson-Nelson Company in addition to the increase for receiving and delivering commodities, will be permitted to modify the minimum charge applicable in its Stockton warehouse, so as to make the present rate of 50¢ for two months apply for one month only.

I recommend the following form of order:

ORDER.

California Navigation Improvement Co., State Warehouse Company, Keys and Asher, Dickinson-Nelson Co., Farmers Union & Milling Co., Girvin Warehouse Co and California Wharf and Warehouse Co. having applied to this Commission for an order authorizing an increase in warehouse charges, a public hearing having been held thereon, and the Commission being fully ad-

vised in the premises,

IT IS HEREBY FOUND AS A FACT that the rates now in effect at warehouses operated by petitioners at Stockton and Romain, in so far as they differ from the rates herein set forth, are unjust and unreasonable, and that the rates herein established are just and reasonable rates,

IT IS HEREBY ORDERED that the above named petitioners be and they are hereby authorized to charge and collect, in addition to rates at present in effect, the following charge for the service indicated, to-wit:

For labor of receiving, trucking, piling weighing and handling commodities arriving at petitioners' warehouses via rail, vessel or team	All Com- modities other than potatoes&onions	Pota- toes and onions
-----	22¢ per ton	1¢ per sack

For labor of handling, trucking, delivering and loading out commodities delivered from petitioners' warehouses to car, vessel or team	-----	25¢ per ton	1¢ per sack
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IT IS FURTHER ORDERED that schedules embracing the rates herein authorized may be filed with this Commission to take effect on August 1, 1918.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 26th day of July, 1918.

Edwin C. Edinger  
H. B. Fordland  
Alex. Gordon

Commissioners.