

In the application are also set forth other rates which it is desired to establish for storing commodities not heretofore covered by schedule; but, no specific authority being necessary for filing such rates, they need not be here considered. The above rates pertaining to the storage of grain were authorized by the Commission in its Decision No. 3295 dated April 29, 1916, previous to which time lower rates prevailed; rates now in effect cover, in addition to ordinary warehouse service, the cost of loading grain from warehouse to car and the expense of resacking the same, plus sacks and materials used. Under the application no increase is contemplated in the rates for the storage of grain, except that a minimum storage charge of \$1.00 would be established, the plan being to establish a separate schedule of charges for service now included in the storage rates. These proposed additional charges to be assessed wherever the service to which they apply is rendered are as follows:

Loading commodities from warehouse to cars, except to gondolas -	\$.25 per ton
" gondola cars	.35 "
Delivering commodities in lots less than one ton	.25 each delivery.
Keeping commodities separate when received in small lots for making up carloads - - - - -	.50 per ton
Reweighing - - - - -	.25 "
Sampling - - - - -	.25 per sample
Stenciling or marking bags, - for each stencil used	.15 per ton
Conditioning cars for loading under U. S. Government Regulations.	2.50 per car
Minimum charge for reweighing or stenciling bags - -	.25
Resacking, - At owner's expense.	

The basis for the assessment of rates applying to the storage of potatoes would be changed to the following scale:

Storage, for first month	\$.05 per sack
" " each month after first	.02 " "
Minimum charge	1.00

The request for increased rates is based upon the contention that operating costs have greatly increased since 1916. It is alleged in the application that warehouse truckers formerly employed for \$2.50 per day now receive \$4.00, and that pilers heretofore paid \$3.00 per day are now paid \$4.50; also that warehouse equipment and supplies have likewise advanced abnormally, in some instances more than 100%.

A hearing on the application was held at Merced on June 5, 1919, at which time oral testimony was offered in support of the petition. With a single exception no one appeared at the hearing to question the reasonableness of the rates which applicant seeks to establish, notwithstanding the usual publicity and personal notice to patrons. Mr. G. W. Baxter, a farmer in the district appeared in his own interest and unofficially on behalf of other neighboring growers; he was not present, he said, for the purpose of opposing a reasonable increase, but rather to ascertain the exact manner in which the proposed increases were to be applied, if authorized.

Applicant claims for its warehouse properties a present value as follows:

At Merced - 2 warehouses, owned	\$15,000.
2 warehouse lots, annual rental	330.
At Tuttle - 1 warehouse and lot, owned	5,250.
1 " " " " , annual rental	175.
At Planada 2 warehouses, owned	8,000.
2 warehouse lots, annual rental -	10.

At Le Grand -	2 warehouses, owned	\$11,000.00
	1 warehouse lot, owned	250.00
	1 warehouse lot, annual rental	5.00
At Dickinson -	1 warehouse and lot, owned	3,000.00
At Marguerite-	1 warehouse and lot, owned	5,250.00
	TOTAL - -	<u>\$48,270.00</u>

While this statement does not show the value of equipment in use it would, doubtless, raise the total to a figure well above the \$50,000. mark. Applicant also submitted statements showing the result of the operation of its local warehouses for the storage years 1917 and 1918, respectively. The figures covering all of the warehouses operated by applicant in Merced County, are as follows:

	<u>Year ending May 31, 1917</u>	<u>Year ending May 31, 1918</u>
Receipts	\$ 11,789.31	\$ 15,190.32
Expenses	10,826.66	12,210.82
Balance	962.65	2,979.50

Average Annual operating profit \$1971.07

Notwithstanding the rate increases authorized by this Commission in the year 1916, the last two years have shown a reduction in net operating revenue brought about by the increased operating costs and the lesser tonnage being stored.

According to the testimony, a reduction in the operating expenses at applicant's warehouses for the year 1919 is not at all probable, nor is the supply of labor or its efficiency likely to improve. It appears that the more desirable class of labor is drawn to the farms during the harvest season because of the steady employment and better conditions prevailing.

The farmers and those who actually store the commodities

in warehouses of this applicant apparently were not opposed to the readjustment of the rates and while some comment was made upon the attitude of dealers in the commodities stored and their position with reference to the rates, I am of the opinion that their objections, had they been presented, would not have been controlling, for it is patent to all that incidental expenses, including warehouse charges, are given consideration by them when the commodity is purchased and that the actual parties affected are the growers of the grain.

Under all the circumstances as developed at the hearing, I am of the opinion that the present warehouse rates are non-compensatory and that the application should be granted, with such modifications of the proposed rates as are contained in the schedule set forth in the accompanying order.

O R D E R

California Wharf & Warehouse Company having applied to the Railroad Commission for authority to increase and adjust warehouse rates at Merced and other points in Merced County, a hearing having been held thereon, the matter having been submitted and the Commission being fully apprised in the premises,

IT IS HEREBY FOUND A FACT, that the rates now in effect by applicant, insofar as they differ from those set forth in the schedule embodied in this order, are unjust, unreasonable and non-compensatory for the services rendered.

Basing its order upon the foregoing finding of fact and upon other facts set forth in the opinion preceding this order,

IT IS HEREBY ORDERED that California Wharf & Warehouse Company be, and the same hereby is authorized to publish and file with this Commission within 30 days from the date hereof and there-

after enforce and collect rates in conformity with the following schedule: which rates are found to be just and reasonable:

S T O R A G E

Item Nos.

1- Alfalfa Meal

a- First 30 days or fraction thereof	\$.60 per ton
b- Over 30 days but not to exceed 60 days	.90 " "
c- Over 60 days but not to exceed the season ending May 31st	1.20 " "
d- Minimum storage charge - - - - -	1.00

2- Grain

a- First 30 days or fraction thereof	.50 per ton
b- Over 30 days but not to exceed 60 days	.75 " "
c- Over 60 days but not to exceed the season ending May 31st - - - - -	1.00 " "
d- Minimum Storage charge - - - - -	1.00

3- Rice

a- First 30 days or fraction thereof	\$.75 per ton
b- Over 30 days but not to exceed 60 days	1.00 " "
c- Over 60 days but not to exceed the season ending May 31st - - - - -	1.25 " "
d- Above rates will be doubled when rice is ricked, materials for this purpose to be furnished by owner -	
e- Minimum storage charge - - - - -	1.00

4- Alfalfa Seed

a- Per season ending May 31, or any part thereof - - - - -	2.00 per ton
b- Minimum storage charge - - - - -	1.00

5- Beans

a- Per season ending May 31, or any part thereof - - - - -	1.00 per ton
b- Minimum storage charge - - - - -	1.00

6- Hay

a- First season ending May 31, or any part thereof	1.25 per ton
b- Second season or any part thereof - -	1.00 " "

Note: Hay referred to herein means oat, wheat, barley and alfalfa in the ordinary bales.

7- Dried Fruits, Potatoes, Onions, in Bags

a- First 30 days	.03 per bag
b- Each 30 days or fraction thereof after first 30 days	.01 " "
c- Minimum storage charge - - - - -	1.00

Item Nos.

8-

L O A D I N G

- a- Grain, Beans, Alfalfa Meal,
Alfalfa Seed and Rice,
Loaded into box cars - - - \$.25 per ton
- " " gondola cars - - - .35 " "
- b- Hay - - - - - .35 " "
- c- Dried fruits, Potatoes or Onions in bags - .02 " bag

- 9- a- Reweighing at owner's request any commodity
in storage - - - .25 " ton
- b- Minimum weighing charge - - - .25

MISCELLANEOUS CHARGES

- 10- a- Deliveries to vehicles other than railroad
cars .25 per ton
- b- Minimum charge for lots less than one ton .25
- c- Conditioning cars for loading in conformity
with U. S. Food Administration Regulations 2.50 per car
- d- Stenciling, marking, sampling, resacking and
other incidental warehouse service involving
an extra expense to warehouseman, when per-
formed upon specific request, or when re-
quired by governmental regulations, if not
otherwise rated in this schedule, will be
performed at the actual cost to warehouseman
of labor employed and material used.

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 25th day of

June, 1919.

Edwin U. Edgerly

Frank R. DeLeon

David M. Martin
Commissioners.