

Decision No. 7892 .

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

In the matter of the Application of)
Ducor Warehouse Company for)
authority to increase rates for)
storing and handling grain at Ducor)

Application No 5756.

Guy Knupp for applicant.

BY THE COMMISSION.

O P I N I O N

Applicant is a corporation controlled by farmers engaged in growing grain in the vicinity of Ducor. Prior to June 1914 the warehouse at Ducor was one of several operated by Valley Grain and Warehouse Company in Fresno and Tulare Counties along the line of the Southern Pacific Company. Rates filed at that time are still ⁱⁿ effect, such rates together with those proposed in the application being as follows:

	<u>Present Rates</u>	<u>Proposed Rates</u>
<u>Storage</u> , per season, per ton	\$1.00	\$1.50
<u>Unloading, weighing & delivering</u> per ton	.35	.50

The property involved, in addition to trucks, scales and other usual warehouse equipment, consists of one corrugated iron building 50x200 feet, having a capacity of 200 tons of grain, and costing in 1914 \$5000.00. Annual rental of \$31.70 is paid to Southern Pacific Company for land on which the warehouse is located.

The application is based upon alleged increased operating costs, with particular reference to labor. Owing to

the sudden decease of its former manager, applicant has not been able to assemble its records so as to show operating results prior to 1919, except that an income statement for 1918 shows a loss of \$231.00. For the fiscal year ending May 31, 1920, a profit of \$39.17 was realized.

A hearing on the application was held at Delano on June 29, 1920. The testimony showed that the increase in cost of warehouse labor since 1914 has been 100% or more, the daily wage being in 1914 \$3.00 per day against \$6.00 at the present time, - to which should be added the well known inefficiency of labor now obtainable for warehouse work. In the loading of cars under existing maximum tonnage rules, the evidence showed that three men are required, where only one man was formerly needed. In further justification of the proposed season rate of \$1.50 per ton as against that of \$1.25 requested in application to increase rates for warehouse service at Delano (See Application No. 5670), applicant contends that labor conditions are entirely different and fully justify the higher charge at Ducor. There is no hotel or other boarding place at Ducor and no extra labor obtainable; temporary labor picked up at other places must be taken a distance of six miles for meals. It is applicants opinion that increased operating cost will absorb whatever additional revenue may result from the proposed rates.

The application contains a list of eleven patrons who store the greater portion of the tonnage involved and who state over their signatures that they consider the rates proposed fair and reasonable. No one appeared at the hearing or other wise indicated opposition to the rates sought, although the usual publicity was given including personal notice to each patron.

We are of the opinion that the rates proposed have been justified and should be authorized.

O R D E R

Ducor Warehouse Company having applied to the Railroad Commission for authority to increase warehouse rates, a hearing having been held thereon, the matter having been submitted, and the Commission being fully advised as to the merits of the request.

IT IS HEREBY FOUND AS A FACT that the rates proposed by applicant and set out in this order are just and reasonable; and that the rates now in effect in so far as they conflict with said rates herein authorized are unjust and non-compensatory.

Basing this order upon the foregoing findings of fact and upon other facts stated in the preceding opinion,

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that Ducor Warehouse Company be, and the same hereby is, authorized to publish, file and thereafter collect the following rates for storing and handling grain at Ducor:

- GRAIN -

<u>Storage</u> , per season ending May 31, per ton	\$1.50
<u>Unloading</u> , weighing and delivering (without storage) per ton	.50

Dated at San Francisco, California, this 22nd day of July, 1920.

Edwin C. Ely
H. D. Lawrence
Frank R. K. K. K.
J. W. Martin
Commissioners.