

Decision No. 28001.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
THE ATCHISON, TOPEKA AND SANTA FE RAILWAY  
COMPANY, GREAT NORTHERN RAILWAY COMPANY,  
LOS ANGELES & SALT LAKE RAILROAD COMPANY,  
NORTHWESTERN PACIFIC RAILROAD COMPANY,  
SAN DIEGO & ARIZONA EASTERN RAILWAY COMPANY,  
SOUTHERN PACIFIC COMPANY, and THE WESTERN  
PACIFIC RAILROAD COMPANY, on behalf of them-  
selves and all other carriers similarly sit-  
uated, for an order authorizing an increase  
in certain freight rates and charges.

Supplemental  
Application  
No. 19610.

BY THE COMMISSION:

### THIRD SUPPLEMENTAL ORDER

By supplemental applications filed April 30, May 8 and May 17, 1935, applicants on behalf of the carriers participating in Pacific Coastwise Freight Tariff Bureau Tariffs 1-B, 12-A and 21, C.R.C. Nos. 4, 19 and 21, Los Angeles-Long Beach Despatch Line Tariffs 8-A, 9-A, 13 and 11-B, C.R.C. Nos. 12, 16, 18 and 21, and San Diego-San Francisco Steamship Company Tariffs 3 and 2, C.R.C. Nos. 3 and 5, seek authority to increase the freight rates and charges shown in said tariffs to the extent set forth specifically in the supplemental applications. It is stated that the proposed increases will have the effect of maintaining substantially the same relationship between the intrastate rail rates and charges and the steamer line rates and charges as prevailed prior to the increases in rail rates made pursuant to this Commission's Decision No. 27889, dated April 12, 1935, in the above entitled proceeding. By that decision this Commission authorized rail carriers

to increase intrastate rates and charges by amounts which, with certain exceptions, correspond with the increases authorized by the Interstate Commerce Commission in its Docket Ex Parte No. 115, decided March 26, 1935, In the Matter of Increases in Freight Rates and Charges, 208 I.C.C. 4.

In support of these supplemental applications applicants represent that the coastwise steamer lines are confronted with substantial increases in their operating expenses, due principally to increased wages of crews and stevedores and the prices of fuel oil, provisions and stores. These increased operating expenses, it is contended, threaten to deplete the water carriers' financial resources and create a situation which will impair their ability to serve the public efficiently and adequately.

Applicants allege that the cost of four principal items of vessel operation, to-wit, fuel oil, provisions, wages of crew and wages of stevedores for the period September, October and November, 1934, increased substantially over a like period in 1933. When applied to the cargo carried by six of these lines, the increase is said to average 80 cents per ton. Another company reports increases amounting to 26% on fuel oil, 49% on stevedoring costs, 23½% on crews' wages, 41½% on meats and 20% on other ship supplies. It is claimed that the experience of other coastwise steamship lines has been practically the same and that if present day costs were used the contrast would be still greater.

The annual reports on file with this Commission disclose that even under costs heretofore prevailing many of these operations were conducted at a loss.

Upon further consideration of the record and the supplemental applications filed April 30, May 8 and May 17, 1935, we are of the

opinion that the increases in rates proposed have been justified and that the relief sought should be granted, subject to the same qualifications, conditions and limitations as were set forth in our original order (Decision 27889, dated April 12, 1935) in this proceeding. Therefore, good cause appearing,

IT IS HEREBY ORDERED that the supplemental applications in the above entitled proceeding filed April 30, May 8 and May 17, 1935, on behalf of the carriers parties to Pacific Coastwise Freight Tariff Bureau Tariffs 1-B, 12-A and 21, C.R.C. Nos. 4, 19 and 21, Los Angeles-Long Beach Despatch Line Tariffs 8-A, 9-A, 13 and 11-B, C.R.C. Nos. 12, 16, 18 and 21, and San Diego-San Francisco Steamship Company Tariffs 3 and 2, C.R.C. Nos. 3 and 5, be and they are hereby granted, subject to the qualifications, conditions and limitations set forth in our original order in this proceeding.

IT IS HEREBY FURTHER ORDERED that the changes herein authorized may be established within thirty (30) days from the date of this order on one day's notice to the Commission and the public, and as expiring June 30, 1936.

Dated at San Francisco, California, this 27<sup>th</sup> day of May, 1935.

Leon A. Curry  
W. B. Harris  
W. B. Harris  
W. B. Harris  
W. B. Harris  
Commissioners.