

TRAFFIC DEPARTMENT

DEPARTMENT
BRANCH
OR WORKS

Gen'l. Office Dept. Heads,

CHICAGO, ILL.,

March 10, 1938

U. S. Works

FOR MR. U. S. Branches

U. S. Transfer Houses

5: Increased Rates Ex Parte 123

YOUR LETTER

SUBJECT
OR FILE NO.

Both carload and less carload rail freight rates will be increased within the next two or three weeks. The increase was authorized by the Interstate Commerce Commission and will amount to about 10 percent with some exceptions which are outlined below. Every effort should be made to ship as much goods as possible before these increases go into effect.

Agricultural Implements, Tractors, Binder Twine and other farm equipment have been made subject to the 10 percent increase, except that no increase can be made in rates that were increased 10 percent on December 20, 1937. We furnished a statement of rates to all branches and works involved when increases were made December 20.

Rates on Trucks, Chassis and Truck Repairs will be increased 10 percent.

The Commission refused to authorize any increases in the present rates on Bituminous Coal, Coke, Lignite and Iron Ore.

On Iron and Steel, including Steel Bars, Billets, Pig Iron, Scrap Iron and other related articles, 10 percent increase will be applied on the rates that were in effect as of November 14, 1937. To explain further this particular increase, it should be understood that on November 15 rates on these articles were increased on a percentage basis subject to certain maxima. Now the Commission has authorized that a further increase can be made so as to bring up the total increase to 10 percent.

Lumber and articles generally grouped therewith will be increased 5%.

Rates on most of the other commodities in which this company is interested will be increased 10 percent except where increases have been made effective since November 14, 1937, in which case the increases will be based on the November 14 rates in the same manner as above outlined on iron and steel, etc.

Similar increases will be made in barge and barge-rail rates throughout the country. Steamships operating in the intercoastal and coastwise trade have indicated that they will make similar increases. It is also expected that rates of the various trucking companies will be similarly increased in due time, but at this writing we are unable to furnish any definite information in this respect.

The 10 percent increase applies to all other charges such as switching (except switching between carriers in the Chicago Switching District), stopping in transit, storage in transit, reconsigning, etc.

All of these increases are authorized to apply only on interstate traffic, but it is generally expected that the intrastate rates will be increased on the same basis by appropriate action of the various State Railroad Commissions.

Considering everything, it is estimated that the new rates will average approximately 5-1/2% higher than our present rates.

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CC to Harness and Griggs.

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T. J. MALONEY,
Manager Traffic Department