

been so low that goods could be taken to them and sent forward after handling, or even returned for a certain distance over the same line, at a less aggregate rate of freight than the smaller places could obtain on the same goods from the same initial point. The ability to do this has developed very important business houses, and has largely controlled business methods in some sections of the country, but it no longer exists when the 4th section has been literally applied. The rate from the initial point to the given city—as, for example, from Baltimore or Philadelphia to Danville, Va.—added to the rate from that point to smaller points beyond, will then be more than the through-rates from the initial point to the latter places, and at the same time the rate to the given city will be as great or greater than the rates to the intermediate points on the same line; and the natural effect is to depress the wholesale business at all such points, and to throw the trade into the hands of metropolitan dealers. This fact is clearly seen in some of the cases now pending before the Commission. There are compensations for all such incidental injuries, and, the question involved being one of legislative policy, the Commission deems it sufficient to state the facts as they exist, without comment upon them.

The Commission, on the 20th October, caused a circular letter to be sent to the various carriers subject to the provisions of the Act throughout the United States, inquiring concerning the practical application of the 4th section in making the tariffs in use upon the lines of each respectively. This circular has been very generally answered, and the replies give full information in respect to the manner in which the provisions of the “long- and short-haul” clause are now being observed by the carriers. A very large number of railroad companies, lines, and systems answer unequivocally that there are no points upon their respective lines to or from which inter-State rates for passengers or freights are greater than to or from more distant points in the same direction over the same line. Others, slightly misapprehending the inquiry made, state that no such instances exist upon their own roads, but that joint tariffs are made by them to points upon other roads where variations from the rule exist. Still others state the points upon their lines which are exceptionally treated, and give the reasons which are claimed to justify them in the rates made. The statements and explanations of the different companies, so far as they are other than a simple negative reply, present the situation so clearly and directly from the standpoint of the carriers, and show so distinctly the various circumstances and conditions found in different parts of the country which are claimed by them to affect their traffic to an extent warranting a departure from the letter of the statutory rule, that the Commission has determined to lay the entire series before Congress as an appendix to this report. This appendix, which is marked “E,” contains the following documents: 1. Circular letter to carriers of the 20th October, 1887. 2. List of carriers who reply that they do not make inter-State rates where a greater sum is charged for a shorter than for a longer distance in the same direction over the same line to or from any point on their respective roads. 3. Letters and documents from carriers which accepted the invitation of the Commission to make a statement concerning the circumstances and conditions of traffic which they claimed made their case exceptional.

Reviewing railway operations during the period which has elapsed since the Act took effect, the Commission feels warranted in saying that, while less has been done in the direction of bringing the freight tariffs into conformity with the general rule prescribed by the 4th section than some persons perhaps expected, there has, nevertheless, been a gratifying advance in that direction, and there is every reason to believe that this will continue. That substantial benefits will flow from making the rule as general as shall be found practicable cannot be doubted; and, even when the circumstances and conditions of long- and short-haul traffic are dissimilar, the desirability of avoiding any considerable disparity in the charges is great and obvious. So far, therefore, and so fast as business prudence and a proper regard to the interests of the communities which would be disturbed and injured by precipitate changes will admit of its being done, such railroad companies as do not now conform to the statutory rule should make their rates on these two classes of traffic more obviously just and more proportional than they have hitherto been or now are.

III.—THE FILING AND PUBLICATION OF TARIFFS.

In addition to the publication of the freight and passenger tariffs, each carrier is also required to file with the Commission copies of its schedules of rates, fares, and charges, and promptly to notify the Commission of all changes made in the same; also to file with the Commission copies of all contracts, agreements, or arrangements with other carriers in relation to any traffic affected by the provisions of the Act to which it may be a party. And in cases where passengers and freight pass over continuous lines or routes operated by more than one common carrier, and the several common carriers operating such lines or routes establish joint tariffs of rates, or fares, or charges for such continuous lines or routes, copies of the same are, in like manner, required to be filed, and the Commission is empowered to require their publication in so far as it shall be found practicable, and to determine the measure of publicity to be given to such rates, fares, and charges. With these provisions there has been general, but not in all cases satisfactory, compliance on the part of the carriers, and the Commission, acting under the discretionary authority conferred upon it to require the publication of joint tariffs, has made order for their publication in all cases where the joint tariff is competitive to that which is taken by a single line between the same points, the publication under such circumstances being important to the interests of fair and open competition.

But though the carriers make and file their tariffs as required by the Act, there is no general uniformity to the tariffs or to the classifications, either in form or in general method of preparation. This is unfortunate for several reasons, but especially because the public, who have to deal with many carriers, are likely to be confused between the different methods of giving information, and, possibly, to be misled in some cases. The difficulty of making use of them for the purposes of the Commission is also greatly enhanced by the want of uniformity, and the Commission would be very glad to correct it if that were possible. The force of assistants which the appropriation made by the Act enabled the Commission to engage is so small that any steps in this direction have up to this time been quite out of the question. Some idea of the labour devolved upon this