Efforts to Secure Better Shipping Facilities and Rates.

By B. J. C. Chase.

Mr. President, Ladies and Gentlemen:

It is recognized that we have entered upon an era of economy all over the world. The factor of shipping facilities and freight rates is important in the cost of an article to the consumer. The less value there is in an article the greater the importance of the element of freight cost. We do not undertake to say that the rates in general are too high or too low. All we ask is a square deal and equitable rates compared with other sections. Rates that are given to other similarly situated localities producing commodities that are marketed in competition with ours. This is a very complex question and we do not undertake to pass judgment on whether general freight rates are too low or too high. We merely say that when rates are established, Florida and Florida products are entitled to equitable consideration.

The Florida Fruit and Vegetable Shippers' Protective Association was organized in Jacksonville, Fla., January 30, 1907, by Florida growers and shippers upon a call issued by the Gainesville Melon Growers' Association to co-operate in the establishment of carload rates and carload minimums on Florida vegetables to eastern markets. The purpose of the organization was afterwards changed to secure more equitable rates of transportation to all markets on all Florida fruits and vegetables, material and supplies pertaining thereto and to otherwise protect the interests of the fruit and vegetable growers and shippers of the State of Florida.

Investigation developed the fact that Florida fruits and vegetables were called upon to meet constantly increasing competition from like commodities from Cuba, Jamaica and Porto Rico, California, Mississippi and other states marketing competitive products at the same time. Upon comparing rates it was found that these like commodities grown elsewhere were favored with lower freight rates whether based upon the package or upon the hundred weight and whether transported by water, by rail and water, or by all-rail.

At the time of the formation of this association Florida rates had been in effect between twenty and thirty years and little or no effort had been made during that time to better conditions. While carload rates and carload minimums were in effect to western markets no carload rates or carload minimums (except on cantaloupes) were in effect to eastern markets. In spite of the alleged water competition, rates were and still are high-
er in proportion to the haul to the east than to the western markets. For instance:

It costs 53½c to ship a crate of tomatoes from Palmetto, Fla., to Chicago, Ill., a distance of 1,384 miles, while the transportation charges on a crate from Palmetto, Fla., to Boston, Mass., are 69c covering a distance of 1,449 miles, although Boston is supposed to receive the benefit of competitive rates by water.

Crystal Springs, Miss., can ship a crate of tomatoes to Chicago (a distance of 763 miles) for 26c and to Boston (a distance of 1,773 miles) for 39½c or 29½c per crate less than from Palmetto, Fla., although the Crystal Springs crate travels 323 miles more than the crate from Palmetto to Boston.

Like discrimination was found to exist against practically all Florida fruits and vegetables when compared with freight charges on the same products grown elsewhere and going into the same markets.

Comparative statements were submitted to the Traffic Departments of the Florida transportation companies showing freight rates on Florida perishable products, and similar products grown elsewhere, to the principal markets of the country and efforts were made to arrive at an amicable adjustment of the differences in order to put Florida fruits and vegetables on an equal footing in the markets of the country.

It is to be regretted that those in control of the Florida transportation companies failed to meet the growers and shippers in a spirit of fairness or to show the slightest desire to encourage and promote Florida fruit and vegetable industries. As a last resort, the association was compelled to file a complaint before the Interstate Commerce Commission and the case was heard in Washington, D. C., continued and completed in Jacksonville, Fla. Under the decisions and orders of the Interstate Commerce Commission Florida growers have made the following substantial gains in freight rates:

ORANGES, GRAPEFRUIT AND PINEAPPLES.

On all-rail shipments to Atlantic seacoast and interior eastern markets, in a territory bounded on the west by Pittsburg and Buffalo and east including the New England States, the carriers are requested to establish carload rates with a minimum of 300 boxes or crates and rates have been reduced from 4½c as high as fifteen (15) cents per box and per crate as follows:

- Baltimore, reduced from 47½c to 43c
- Philadelphia, reduced from 48½c to 44c
- New York, reduced from 50½c to 46c
- Boston, reduced from 59c to 51c
- Buffalo, reduced from 60.8c to 53c
- Pittsburg, reduced from 60.4c to 52c
- Providence, reduced from 69c to 51c

VEGETABLES.

The reduction by the commission on shipments of vegetables via rail and water to Philadelphia, Baltimore, New York and Boston is five cents (5c) per crate of fifty pounds, which is a reduction from the old rates of fifteen to twenty-five per cent. On cabbage and potatoes via rail and water the rates have been reduced as follows:

CABBAGE—To Baltimore, Philadelphia and New York reduced from 54c to 44c and to Boston from 63c to 52c per barrel or barrel crate of 120 pounds.

POTATOES—To Baltimore, Philadelphia and New York reduced from 60c to 50c and to Boston from 70c to 60c per
barrel or per barrel crate of 185 pounds. The all-rail rate to Boston was reduced from 53c to 49c per crate of 50 pounds, and from $1.06 to 98c per barrel.

**Strawberries**—The minimum loading of two hundred crates at the rate of $1.80 per crate from Starke and Lawtey to New York was reduced to a minimum of one hundred and seventy-five crates.

The above rates have been in effect during the past shipping season and will be instrumental in saving hundreds of thousands of dollars to Florida growers. During the past season, we estimate that 4,429 cars of oranges and grapefruit passed through the Potomac yards to markets supplied through that gateway upon which there was a saving of over $100,000.

We have every reason to believe that a great saving will be made to the pineapple growers on all-rail shipments into the same territory although the volume of the pineapple shipments will not aggregate as many carloads as the orange shipments. Even if no further concessions are had these reductions mean much to the Florida growers.

In addition to the reductions in rates this association has also been instrumental in securing consideration from the transportation companies in the matter of diverting cars in transit and protecting through carload rates in order to avoid over supplying one market and leaving other markets comparatively bare.

Transportation companies have also withdrawn altogether, and modified, other objectionable clauses that interfered with the proper distribution of Florida products.

At the suggestion of this association, the Florida East Coast Railway has inserted in its tariff a clause providing for the shipment of mixed carloads of fruits and vegetables making the carload rate on each commodity apply and we feel reasonably assured that other transportation companies operating in Florida will follow the lead of this road. This will enable Florida growers and shippers to place mixed cars of Florida products in the small markets of the country that are not in a position to handle to advantage a straight car of the different commodities.

In its report the commission stated that “all-rail rates on vegetables were too high.” It suggested that the Florida railroads put into effect to Atlantic sea coasts and interior eastern markets an all-rail minimum carload and all-rail rates from Florida base points approximately as follows:

- 33c per crate of 50 lbs. to Baltimore ... now 40c
- 34c per crate of 50 lbs. to Philadelphia . now 41c
- 36c per crate of 50 lbs. to New York ... now 43c
- 42c per crate of 50 lbs. to Boston ...... now 49c

with corresponding rates to interior points.

The Interstate Commerce Commission also stated that “in their opinion rates on oranges to the west from Florida ought to be less perhaps to the Ohio River points and ought to be less from Ohio River points to destination, and ought not to be higher on the average than rates from California.” In event the carriers do not put reduced rates into effect the Commission’s attention may be called to the matter later on.”

As the transportation companies have failed to act upon the suggestions of the Commission, the Association has filed an amended complaint covering vegetable rates and minimums under ventilation and
refrigeration to eastern markets, and rates on oranges, pineapples and vegetables into markets north of the Ohio and west of the Mississippi Rivers.

Please understand that we are not asking for lower rates on Florida products compared with rates from other sections but only want to be permitted to go into the markets of the country on an equal, or the same, basis as competitive products produced elsewhere. We have confidence in the merits of Florida products winning out with a fair profit to the producer, provided they are not badly handicapped and discriminated against in the way of freight and refrigeration charges.

At the present time the Florida pineapple growers are treated to an object lesson in preferred attention and expedited service given to Cuban pineapples at a time when Florida pineapples and Cuban pineapples are moving into the markets of the country in open competition.

Is it fair that a product produced with American labor should have to pay a higher freight rate over the same rails and on a shorter haul to reach the American markets than a product produced by cheap foreign labor? The rate on Cuban pineapples (in crates) from Havana to Chicago, via Knights Key, is 66½c per crate with a minimum of 250 crates per car while the rate on a crate of Florida pineapples from Miami, Fla., to Chicago, with a minimum carload of 300 crates, is 92.6c per crate or a greater charge of 26 cents per crate, or $78 a car more on Florida pineapples for a shorter haul by nearly 250 miles than on Cuban pineapples. The same railroads are giving the Cuban pineapples special attention and running special trains through to Chicago on a schedule of 2½ days whereas it takes a car of Florida pineapples, moving over the same route, from Miami to Chicago anywhere from five (5) to eight (8) days. When you take into consideration the fact that Cuban pineapples cost less to produce and less to ship than Florida pineapples the outlook is not encouraging for the Florida growers. Under the circumstances, it is not surprising that the Florida grower feels that he is not getting a square deal.

While this association was not formed to handle the tariff on Florida products, it was called upon to do so. Members of the association appeared before the Ways and Means Committee and filed briefs on Florida fruits and vegetables. The present duty of one cent (1c) a pound on citrus fruits will undoubtedly be confirmed in the pending tariff bill, but it looks doubtful if the pineapple growers would receive the protection they are entitled to. Strong pressure has been brought to bear from the importers and canners of Cuban pineapples and it does not look hopeful for Florida pineapple growers, who are asking for a duty of ½c per pound on Cuban pineapples.

In closing, let me request closer cooperation amongst the Florida growers in questions pertaining to the general good of all interests. It is not fair that the burden be borne by a few and not shared by all. In California the growers authorize the marketing organizations to deduct a fraction of a cent per package from all products shipped as individual contributions toward a general fund to be used in securing equitable freight rates, proper tariff and correcting abuses and bettering conditions.