HOW TO SAVE MONEY ON FREIGHT

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How to Save Money on Freight by John Stuart Grant

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CHICAGO, ILL.

PUBLICITY.

"In the interest of the public the Government should have the right to inspect and examine the workings of the great corporations engaged in interstate business. Publicity is the only sure remedy we can now invoke. . . . The first requisite is knowledge, full and complete,—knowledge which may be made public to the world."

PRESIDENT ROOSEVELT.

INTRODUCTORY

There is a new department in business known as the Traffic Department The man in charge of this department is known as the Traffic Manager or ex-

pert.

The Traffic Manager for private shippers is, like the Traffic Manager for a railroad, a student of railroad conditions, but he differs from his brother in transportation service in this one particular, the railroad traffic manager seeks to charge as much as possible, the private traffic expert to pay as little as necessary.

To many of the readers of this book it will appear queer that there should be any question about what the shipper should pay for the carriage of his

freight.

It is my purpose to show that there is a question, and a very grave question, that shippers are frequently charged too much, and it is the aim of this book to show why this is the case, how it comes about and to suggest how it can be remedied.

The study of freight traffic is made possible by the Inter-State Commerce Act;—it is made necessary by the attitude of the carriers of the country

towards this Act.

The purpose of the act regulating inter-state commerce was to compel the railroads to offer the same facilities and the same rates to all shippers, whether small or great. The attitude of the railroads is directly antagonistic to this. Their position is very clearly defined by the president of a prominent eastern road who says that there is no more justice in regulating the price which the carriers should charge for transporting freight than there would be in fixing the price at which one of the mills along the line of his road should sell its product.

This being the position taken by the railroads it will be seen that if there is any way in which they can comply with the requirements of the law and at the same time prevent the attainment of the ends which it sought to accomplish, they would

adopt that plan.

I have no animus against the carriers. I hold no brief for the shippers. It is my purpose in plain and simple language to show how out of this conflict of position has arisen a plan, cleverly devised and skillfully executed, whereby the carriers may conform to the letter of the law without yielding in any marked degree the advantages they possessed before the enactment of the Inter-State Commerce Act.

I shall make clear how in many cases there has gradually crept into existence two sets of rates for carrying freight, a "list" and a "net" price, the one a high rate, the other a lower one, both pub-

lished in due form and both legal rates.

I shall show that of these two rates one, the higher, is known to every one, while the lower is known to but few, and in doing this it will be made clear how the few secure advantages over the many without securing rebates or any concession to which all are not entitled.

I will show how this can be done without conflicting with the law, yet in a manner that precludes most shippers from securing the very bene-

fits which the law sought to assure to them.

I will make it clear that almost every shipper, (at least 90 per cent of all), are at some time and in some way losing money through errors which a careful study and understanding of the traffic situation would correct; losses which it is not always possible and which at no time is it the business of

the railroads to prevent.

And in pointing out these things, things which are of positive and real benefit to every shipper, I shall show that the vital weakness of the Inter-State Commerce Act, so far as the great mass of shippers is concerned, lies in the measure of publicity given to the published rates of the carriers and not in the want of power vested in the Commission to enforce its decisions, for if the public were to know to just what extent it had been hoodwinked in the matter of freight charges, there would be no force on earth that could stop them from securing legislation which would empower some authority to readjust rates when it could be shown that they worked an injustice to any shipper or any body of shippers.

How to Save Money on Freight

THE TRAFFIC MANAGER.

CHAPTER I.

This is the story of the private traffic manager, the man who looks after the shipper's interests.

Created by the Inter-State Commerce Act, nurtured by the necessities of business, he has grown to full stature and become an important factor in modern business building through an ability to secure profit,-decrease expense and increase revenue,-by the study of the freight question as it affects the shipping interests of the country. does not secure rebates. It would be foolish to entrust that duty to him as it would put a powerful club in his hands without giving any hold on him as an accomplice. He does, however, study railroad methods of meeting the conditions which have faced them since the passage of the Inter-State Commerce Act, and if, in doing so, he secures profit for his employer through the application of rates, which were not intended to be applied to his traffic, but were designed for special traffic. he has full warrant of the law for so doing and is amply justified.

What is the use of employing a traffic manager?

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What can he do that any shipper cannot do? These are questions that are very frequently asked by many shippers who would like to secure the benefits of expert traffic service, but who are doubtful as to whether its employment would be profitable to them. I answer, that the traffic manager can do nothing that any shipper cannot do, provided, however, the shipper has the same knowledge. But the traffic manager does accomplish things that the average shipper does not, and he possesses a knowledge of peculiar conditions that frequently produce

lower freight rates.

He knows how to classify goods to secure the lowest rates; he knows when it is necessary to route shipments in order to protect the lowest rates; he understands the method of railroads in handling claims and in consequence is able to collect more claims than the average shipper. knows when the classification of a product works an injustice to the shipper and to whom to make an appeal and how to make that appeal to secure the desired result; he understands the combinations that produce lower freight rates, and he knows when it is possible to secure lower rates or special concession on large shipments and how to proceed for the purpose of securing such concessions. In short, a traffic manager possesses a knowledge which produces a profit to his employer over and above what is spent upon his salary. If this were not true the demand for traffic men would not be increasing out of all proportion to the supply and the keenest business men in the country would not be paying salaries ranging from \$2,500 to \$10,000 per year to men who are equipped with this knowledge.

It is the purpose of this little book to portray the conditions that make the employment of traffic managers imperative for those concerns which would win in the race for business, which wish to les-