

Financial and Corporate.

BELLINGHAM BAY & BRITISH COLUMBIA.—This road, running from Bellingham north to Glacier, Wash., 44 miles, is said to have been sold to the Canadian Pacific to be operated in competition with the Great Northern, giving the Canadian Pacific a direct outlet to Puget Sound and enabling it to tap the mining and lumber regions of western Washington.

CHICAGO GREAT WESTERN.—It is announced that payment of interest on preferred "A" stock is to be resumed next January, whether at the rate of 4 or 5 per cent has not been decided.

DETROIT RIVER TUNNEL.—Under this name the Canadian Tunnel Company and the Michigan Tunnel Company have been combined, in conformity with Canadian law, with a nominal capitalization of \$3,000,000, to build a tunnel under the Detroit River, which will cost a much larger amount. It is expected to start the work of construction in October, and that the first shaft will be completed in two years and a half and the second in three years.

GRAND TRUNK.—Negotiations are said to be in progress by this company for acquiring the Crosby steamers, operating the Grand Trunk car ferry line between Grand Haven and Milwaukee.

MEXICAN CENTRAL.—On September 1 this company will exercise its option for the purchase of 95 per cent of the stocks of the Mexican National Construction Company, which will give it 59 miles of railroad between Colima and Manzanillo, on the Pacific Coast, and also 30 miles between Zacatecas and Caliente. This adds 89 miles of road to the system, besides the Coahuila & Pacific road, 204 miles, which was recently purchased.

MEXICAN CENTRAL.—The arrangements which have been completed for substituting crude petroleum for coal as fuel for locomotives are expected to make a saving of 35 per cent in fuel charges. Forty locomotives are now being changed from coal to oil burners and 40 coal tank cars, with a capacity of 10,000 gallons each, have been ordered. It is announced that \$9,000,000 of 5 per cent, 3-year notes, out of an issue of \$10,000,000, have been sold in New York and Berlin.

MINNEAPOLIS ST. PAUL & SAULT STE. MARIE.—The directors on August 22, a month before the usual time, voted to declare the annual 4 per cent dividend on the common stock, payable on October 15. The road is said to be earning at a rate of 11 per cent and has a surplus of \$2,063,415. The directors voted not to increase the dividend, but will use the surplus in betterments and as a precaution in case of loss from the recent reduction in grain rates. The Canadian Pacific owns 21 per cent of the stock.

PANAMA CANAL.—Of the \$10,000,000 appropriated by Congress toward the construction of the Panama Canal, there remains unexpended \$3,816,713. The average expenditure per month, not including the purchase of two ships at \$650,000 each, was about \$650,000. At that rate the appropriation will last until early in January. Chairman Shontz, of the Isthmian commission, who has lately returned to Washington, it is stated, found the Panama Railroad operated to only 60 per cent of its capacity, and intends to correct this, although it is not practicable to double track the road at this time without seriously interfering with the canal construction.

RAILROAD SECURITIES.—On April 1, 1906, the Railroad Securities Company will retire at 105 its issue of \$8,000,000 4 per cent, collateral interim certificates. The company is said to have sold 80,000 shares of Illinois Central stock to Union Pacific interests at 175.

ST. JOSEPH & GRAND ISLAND.—From the great improvement in earnings and the very favorable crop prospects, officers of this road expect to show earnings equivalent to 5 per cent on first preferred stock during the present year. Meantime the physical condition of the property has been improved in respect to strengthening bridges, relaying with heavy rails and adding larger locomotives.

SEABOARD.—This company has notified the holders of subscriptions that no dividend will be declared on the first preferred stock deliverable to July 6, but in lieu of dividend the subscriber will receive on January 1, 1906, interest to that date, if earned by the Seaboard Company, upon the installments paid.

TONOPAH.—The gauge of this road, running from a junction with the Carson & Colorado road to the mining

camp of Tonopah, Nev., 60 miles, has been changed to standard, the road having been laid with standard gauge ties when built last year. The widening of the Carson & Colorado track from Moundhouse to Tonopah Junction having also been completed, freight and passengers are now forwarded from the Southern Pacific road to Tonopah without transfer of cars.

Oil Rate Hearing in Texas.

The Texas Commission has under advisement the novel and important questions whether the commission can and should permit railroads in Texas, either to allow a division of their freight rates on oil to pipe lines or to "absorb" pipe line charges as terminal and other allowances are absorbed to an extent necessary to equalize through rates via various routes. In an amended petition the International & Great Northern, which first requested the former, now asks the latter privilege. On August 15 the commission listened to extended testimony on the application of this road for authority to absorb a pipe line charge of five cents per barrel on oil from Humble, Tex., a station on the Houston East & West Texas near an important oil field, to Houston, a distance of 8 or 10 miles, reached by the International & Great Northern and other lines. The International & Great Northern wishes to secure some of the traffic in Humble oil destined to Texas points, and to this end desires to absorb the difference between the pipe line charges from the oil wells to the loading rack at the station of Humble and that to its own loading racks at Houston, namely: Five cents per barrel when destined to points to which the rates from Humble and Houston are the same or when the rate from Humble is lower; when the rate from Houston is lower than from Humble to absorb only so much of the difference of 5 cents per barrel as will equalize the total charges from the two points.

The testimony brought out the views of various opposing interests. The Union Pacific was declared to exercise a monopoly in the transportation of oil, and to favor certain shippers in the supply of cars, among them the Rio Bravo Company, which it was declared is merely the oil purchasing agency for the railroad. This discrimination the Southern Pacific denied, declaring that it owned more tank cars than any other railroad in the country and had done more for southwestern oil fields than any other road. It was urged on behalf of the oil shippers who have pipe lines that the "absorption" plan would enable them to market their oil when the Houston East & West Texas is compelled to hold it in storage from inability or unwillingness to handle it.

Counsel for the shippers declared that oil fields being short lived, it could not be expected that the railroads would build to them, but that pipe lines constitute the common ground for relief, as they are not expensive, can be changed and the pipe sold if there is no further use for it. It is the small shippers who want this, as they have no pipe line to the Gulf or railroad, and are now at the mercy of the big pipe lines. He predicted that half a dozen pipe lines would be contracted almost immediately following an approval of the application. He called attention to the fact that previous to finding oil at Beaumont capitalists refused to erect factories in Texas because there was no cheap fuel, but that oil had solved the problem, and the factories ought to have the cheap fuel.

Counsel representing the Union Pacific regarded the proposed allowance as a rebate. He said it is proposed to permit the giving back of something to the pipe line, a producer, which is entirely without the province of the commission. He said that the first proposition was to rebate 2 cents per 100 pounds to one concern, the Texas company, and the new "absorption" plan is to the old as tweedle dee to tweedle dum. He read from an old opinion of Commissioner Mayfield, refusing recognition to logging roads as statutory roads entitled to receive divisions, on the ground that it was a rebate to the saw mills owning the logging roads, and asked if rebating is to be revived in Texas, and, if so, the little producers would soon be crushed by the big pipe line companies, also producers. He declared that while pipe lines asked a concession to-day they may offer defiance to-morrow. He argued that if the pipe line charge is to be absorbed, a rice farmer should be allowed so much per sack for hauling to a road is his farm is near another line.

A union interurban station at Toledo, O., will have to be built within a few months, according to a reported statement of L. E. Bellstein, manager of the Toledo Railways & Light Company. Bacon & Huber, architects, have prepared preliminary plans for such a building, but nothing definite has yet been decided regarding the work.