

MAY 1 TO AUGUST 31, 1917

monthly records. But ratio of net to gross fails to show anything like the improvement it should show as result of the large gain in gross and highly efficient management under Receiver Jackson for the reason that traffic is congested and wages, cost of materials and taxes are much higher. What the company most needs right away is more cars, principally because it cannot get its cars home from foreign lines. The company owns 17,000 coal cars, coal being 40% of its normal freight volume, and yet it has on its tracks less than 10,000 coal cars and there are available at the mines less than 1,000.

(2) Earnings.— 1917 1916
April gross..... \$1,850,851 \$1,153,161
Net after taxes..... 207,721 90,242
4 mos. gross..... 6,481,854 5,431,357
Net after taxes..... 1,129,040 894,067
(3) Last Obstacle to Reorganization Removed by Court Decision.—On June 22, 1917, a Chicago dispatch stated that the last obstacle to the reorganization of this company had been removed by Judge Carpenter's decision on June 21, 1917, on Chicago & Indiana Coal Ry. Co. bonds.

Metropolitan Trust Co. of New York, representing bondholders of Chicago & Indiana Coal Ry., claimed the bonds were a lien over property of Chicago & Eastern Illinois and its acquired property. Their claim was based on the consolidation agreement in 1894, which recognized the lien of existing mortgages on companies and referred to them as first mortgages executed by the Consolidated Co.

Central Trust Co. contended that the coal road bonds were a lien only on the coal road and that such was the meaning of the agreement and intention of those negotiating consolidation. In this Judge Carpenter agreed.

The merger of 1894 was attacked because the roads were parallel and competing lines. The court held that because for 30 years they have operated together and for 20 years under consolidated agreement, no one could claim the consolidation illegal, except the public authorities of Illinois and Indiana.

This ruling of the court insures the coal road bonds a first lien only on their own road and makes the holders thereof general unsecured creditors of the entire system.

(4) Interest on Receiver's Certificate.—Sale July 17.—Receiver Wm. J. Jackson, of this company, announced June 27, 1917, that he would pay at the office of the Equitable Trust Co., New York, on July 1, 1917, the semi-annual interest due on \$6,000,000 outstanding receiver's certificates issued by him and bearing date July 1, 1916, as the court has set July 17 as the date of sale of the property, and as an early reorganization is contemplated.

—July

(1) Earnings.— 1917 1916
May gross..... \$1,767,630 \$1,207,111
Net after taxes..... 305,018 210,490
5 mos. gross..... 8,240,485 6,728,468
Net after taxes..... 1,434,058 1,104,547

(2) Appeal Granted From Sale Decision.—On July 12, 1917, the "Chicago Daily Tribune" stated that Judge Carpenter, of that city, had granted a petition by the Metropolitan Trust Co., trustee of the Chicago & Indiana Coal Ry. Co. for appeal to the United States cent decision ordering the sale of the Chicago & Eastern Illinois R. R. on July 17. The decision also disallowed the claim of the Metropolitan Trust Co. on the entire property of the Chicago & Eastern Illinois R. R.

The order granting the petition gives the trust company 40 days in which to perfect its appeal providing that it files a bond of \$3,000,000 in case it desires to hold up the sale of the railroad property. As it already had been agreed to postpone the sale until Sept. 4, the bond holding up the proceedings may not be required.

(3) Foreclosure Sale Postponed.—It was stated on July 30, 1917, that the foreclosure sale of the Chicago & Eastern Illinois, which was to have been

held this month, had been postponed until Sept. 4. It will be held at Danville, Ill.

—Aug.

(1) Earnings.— 1917 1916
June gross..... \$1,797,835 \$1,316,543
Net after taxes..... 352,207 329,733
6 mos. gross..... 10,047,319 8,045,011
Net after taxes..... 1,788,265 1,434,280

CHICAGO & ERIE R. R. CO.

(1) Earnings.— 1917 1916
March gross..... \$708,802 \$658,045
Net after taxes..... 170,939 219,499
3 mos. gross..... 1,869,429 1,915,492
Net after taxes..... 305,100 635,803

—June

(1) Earnings.— 1917 1916
April gross..... \$772,551 \$703,246
Net after taxes..... 223,496 227,116
4 mos. gross..... 2,641,980 2,618,738
Net after taxes..... 528,597 862,720

—July

(1) Earnings.— 1917 1916
May gross..... \$790,342 \$739,819
Net after taxes..... 251,163 267,999
5 mos. gross..... 3,432,322 3,358,557
Net after taxes..... 779,769 1,130,718

—Aug.

(1) Earnings.— 1917 1916
June gross..... \$775,790 \$690,506
Net after taxes..... 217,933 257,654
6 mos. gross..... 4,208,112 4,049,062
Net after taxes..... 997,602 1,388,373

CHICAGO GREAT WESTERN R. R. COMPANY.

(1) Earnings.— 1917 1916
March gross..... \$1,357,722 \$1,378,535
Net after taxes..... 278,873 391,733
3 months' gross..... 3,787,589 3,856,514
Net after taxes..... 674,079 1,039,853

(2) Earnings.— 1917 1916
April gross..... \$1,260,665 \$1,179,305
Net 231,700 259,209
Surp. aft. chgs. 34,459 36,683
10 mos. gross..... 13,696,653 12,619,870
Net 3,745,338 3,591,074
Surp. aft. chgs. 1,042,191 1,375,000

(3) Earnings, New Fiscal Year Ended Dec. 31, 1916, as shown in the supplement to the seventh annual report, compare as follows:

1916 1915
Gross..... \$16,131,692 \$14,119,321
Net after taxes..... 4,292,013 3,092,646
Surp. aft. chgs. 2,335,368 1,009,497
Bal. after pfd. dividends..... 1,458,010 570,833

(4) Consolidated Balance Sheet, as of Dec. 31, 1916, shows a profit and loss surplus of \$6,214,210, compared with \$5,316,953 June 30, 1916, and \$4,524,255 June 30, 1915.

(5) Earned \$1.27 a Share on Common in 1916.—This company's 1916 net income of \$2,335,368 is equivalent to \$1.27 a share on 452,105 shares of common stock, after allowing for full dividend requirements on the pfd. stock.

(6) Earnings.— 1917 1916
April gross..... \$1,260,665 \$1,179,305
Net after taxes..... 179,903 212,533
4 mos. gross..... 5,048,254 5,035,819
Net after taxes..... 854,882 1,252,386

—July

(1) New Director.—A Chicago dispatch July 2, 1917, stated that E. N. Hurley, had been elected a director of this company, succeeding John R. Morron, re-

(2) Earnings.— 1917 1916
May gross..... \$1,358,782 \$1,185,814
Net after taxes..... 175,321 198,660
5 mos. gross..... 6,407,036 6,221,633
Net after taxes..... 1,030,203 1,451,046

—Aug.

(1) No Pfd. Dividend Action Expected.—Dow, Jones & Co. on Aug. 1, 1917, said that Great Western's July earnings increased 5% to 6%. Directors meet Aug. 6. If quorum is obtainable, which is said to be doubtful. Even if directors meet this month no action on pfd. dividends is expected.

(2) Earnings.— 1917 1916
June gross..... \$1,427,841 \$1,261,660
Net after taxes..... 462,145 462,650
6 mos. gross..... 7,834,877 7,455,293
Net after taxes..... 1,492,348 1,913,698

CHICAGO HARDWARE FOUNDRY CO., CHICAGO.

(1) Capital Increased to \$400,000.—On May 7, 1917, the company filed notice at Springfield, Ill., of an increase in capital stock from \$300,000 to \$400,000.

CHICAGO & INDIANA COAL RY. CO.

(1) Bonds a Lien Only on Coal Road.—See Chicago & Eastern Illinois R. R.—Item No. 3.

—July

(1) Appeal Granted From Decision Ordering Sale of Chicago & Eastern Illinois R. R.—See Chicago & Eastern Illinois R. R.—Item No. 1.

CHICAGO, INDIANAPOLIS & LOUISVILLE RY. CO.

(1) Earnings.— 1917 1916
March gross..... \$750,966 \$676,893
Net aft. taxes..... 220,814 236,685
9 months' gross..... 6,461,581 5,672,458
Net aft. taxes..... 2,141,887 1,883,481

(2) Three New Engines Ordered.—See American Locomotive Co.—Item No. 6.

—June

(1) Earnings.— 1917 1916
April gross..... \$788,854 \$648,660
Net after taxes..... 252,330 185,548
4 mos. gross..... 2,918,081 2,496,283
Net after taxes..... 744,910 698,430

—July

(1) Earnings.— 1917 1916
May gross..... \$761,123 \$704,080
Net 244,122 245,342
11 mos. gross..... 8,011,559 7,025,125
Net 2,679,562 2,352,965

(2) New Engines Ordered.—See American Locomotive Co.—Item No. 1.

CHICAGO LUMBER & COAL CO. OF WASHINGTON.

(1) Change in Name.—On May 16, 1917, the company filed notice at Olympia, Wash., of a change in name to the Chicago Lumber Co., of Washington.

CHICAGO LUMBER CO. OF WASHINGTON.

(1) New Name.—See Chicago Coal Co. of Washington. Item No. 1.

CHICAGO, MILWAUKEE & ST. PAUL RY. CO.

(1) Earnings.— 1917 1916
March gross..... \$8,757,232 \$8,840,829
Net after taxes..... 2,115,399 2,953,833
9 months' gross..... 82,988,921 78,622,717
Net after taxes..... 22,762,608 24,935,911

(2) Suffered Most of All Railroads in Northwest from Severe Weather.—On May 18, 1917, the "Boston News Bureau" said that of all railroads operating in the Northwest this company was the greatest sufferer from the severe weather of the 1916-17 winter—the worst in two decades. As a result the earnings were severely affected.

Electrification of about 400 miles has been about completed, while work has started on another section of 140 miles. Montana Power Co. has contracts for supplying power for the finished section, but will not furnish the motive power for the proposed extension, which will not be completed before end of 1919.

Traffic situation on the St. Paul system has begun to show improvement over earlier months of 1917, with daily loadings getting back to a more normal basis.

(3) Report, Year Ended Dec. 31, 1916, shows: 1916 1915
Gross..... \$110,600,688 \$97,048,650
Net after taxes..... 31,364,518 20,842,114
Surp. after fixed chgs. 16,068,260 16,557,804

(4) Balance Sheet, as of Dec. 31, 1916, shows a profit and loss surplus of \$42,247,364, compared with \$38,749,292 June 30, 1916.

This information, while not guaranteed, is believed to be correct.

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*(5) Earned \$6.77 on Common in 1916.—This company's 1916 surplus after charges of \$16,088,290 is equal to \$6.77 earned on 1,174,060 shares of common stock after allowing \$3,109,206 on the 1,158,458 shares of 7% pfd.

*(6) Operating Revenue in 1916 Exceeded Every Previous Period, Says Pres. Earling.—In his remarks to stockholders in connection with the 1916 report Pres. Earling, of this company, said: "It will be noted that the operating revenues for the 12 months ended Dec. 31, 1916, exceed those of any previous period, being \$110,609,688, an increase over the previous year of \$12,561,538, or 13.97%.

"In connection with this, however, special attention is directed to the radical increase in operating expenses, due primarily to increases in the cost of fuel and other materials used in the maintenance and operation of the property, which averaged about 30% during the year and have steadily advanced since; also to a great many increases necessarily granted to labor during the year, and other increases resulting from congestions due to embargoes, all of which it will be noted produced an increase in operating expenses of \$11,593,518, or 18.65%.

"It will also be noted that there was an increase in taxes of \$445,715, or 8.85%. This was due largely to an increase in the Federal income tax rate from 1% to 2% per annum, applicable to the year in question; (b) the Federal capital stock tax, and (c) considerable increases in State taxes, the full effect of which will be felt in the coming calendar year.

"The Choteau Line, extending from Great Falls to Agawam, Mont., a distance of 70 miles, is practically completed. The track laying was finished prior to Dec. 31, 1916, but the line was only partially ballasted and a limited amount of commercial business was done. The ballasting, buildings and other construction work will be completed and the line placed in full operation early this summer.

"An extension from Grass Range to Winnetta, Mont., a distance of 23.04 miles, was started last summer, and the grading was about 90% completed on Dec. 31, 1916. The work will be completed this spring and track will be laid as soon as possible.

"Grading on the extension of the Big Blackfoot line from Blackfoot Junction to Clearwater, Mont., a distance of 22.10 miles, was 90% completed and 1.25 miles of track were laid on Dec. 31, 1916. The remainder of the grading and track laying will be undertaken in the spring as soon as weather conditions permit."

*(7) Electrification Extension Started.—A Tacoma, Wash., dispatch May 21, 1917, stated that to meet the increasing cost of fuel oil this company had started to electrify the Puget Sound end of the transcontinental line. This part of the system traverses the great virgin forests of Washington, and oil has been used to avoid danger of forest fire from sparks.

Electrification of the stretch from Othello to Cle Elum had been started, but the crews have been shifted to Cle Elum, to work from there to the Puget Sound terminals.

*(8) Large Colonist Movement Reported.—A Chicago dispatch May 22, 1917, stated that this company's passenger department had reported the largest movement of colonists from the East and Middle West in 1917 in its history, with the possible exception of 1916 and 1908, and the best quality of settlement ever seen in the Northwest. The 1917 movement is principally to South Dakota and Montana, which got many thousands, mostly young farmers with plenty of cash and experience.

—June

	1917	1916
*(1) Earnings—		
April gross.....	\$9,330,909	\$8,748,558
Net after taxes.....	2,155,094	2,132,729
4 mos. gross.....	32,953,588	32,969,530
Net after taxes.....	5,782,419	8,036,631

*(2) Directors and Officers Re-elected.—A Milwaukee dispatch June 1, 1917, stated that directors of this company had been elected at the annual meeting. At the subsequent organization meeting the officers were re-elected.

*(3) Right of Way Case Lost.—On June 5, 1917, the "Wall Street Journal" stated that this company had lost its case in the United States Supreme Court involving its title to right of way over the Coeur d'Alene forest reserve.

*(4) Application to List \$25,000,000 Additional 4½% Refunding Bonds in New York.—On June 21, 1917, the New York Stock Exchange announced that application had been made to list \$25,000,000 additional of this company's general and refunding 4½% bonds, Series A, due Jan. 1, 1914.

*(5) Earnings Affected by Weather Troubles.—A Butte, Mont., dispatch to the "Philadelphia News Bureau," June 22, 1917, stated that this company's weather troubles of the first half of 1917 did not end with the unprecedented snow storms of the winter. The road has been having more than its share of washouts, principally just east of the Rockies, where a stretch of about 60 miles is more or less under water and some track has been giving way in spots. Passenger train service has been maintained fairly well, but freight movement has been delayed.

Nevertheless the system's earnings are breaking even, or better. Traffic is unusually balanced and loading gains are well distributed.

Such experiences are expected in the Spring by transcontinentals, and the St. Paul is no exception in 1917.

Expectation of continued high pressure upon transportation facilities is based upon crop prospects, as well as war time activities. Irregularity in the car loadings is partially due to mining labor disturbance. The St. Paul will be compensated for its traffic losses by snow and water through the enriched condition of the soil, which is thoroughly soaked.

Electrification has proved a great asset. Results on the 440 miles between Avery and Harlowtown are even better than the official estimates the previous year. Work on the projected 200 odd additional miles in Washington, as far as Seattle, will be pushed as rapidly as the supply of labor and materials will permit. Travel on the St. Paul, which has always specialized on its passenger department, holds up well, and the electrified ride is an attraction.

*(6) \$25,000,000 Additional Mortgage 4½%, Listed in New York.—The New York Stock Exchange announced June 28, 1917, that it had listed \$25,000,000 additional of this company's mortgage 4½% making the total amount authorized \$43,089,000.

—July

	1917	1916
*(1) Earnings—		
May gross.....	\$9,917,911	\$9,110,463
Net after taxes.....	2,746,028	2,298,146
5 mos. gross.....	42,871,791	42,079,993
Net after taxes.....	8,528,447	10,334,827

*(2) Temporary Refunding Bonds, Series A, Stricken from List in New York.—The New York Stock Exchange July 3, 1917, announced that it had stricken from the list this company's temporary general refunding 4½% bonds, Series A, due 1914.

*(3) \$25,000,000 Additional 4½% Bonds Admitted to List in New York.—The New York Stock Exchange July 3, 1917, announced that it had admitted to the list \$25,000,000 additional of this company's general and refunding 4½% bonds, Series A, due 1914.

*(4) New Vice Pres.—A Chicago dispatch July 5, 1917, stated that Charles A. Goodnow, assistant to Pres. Earling, had been elected a Vice Pres. of this company.

*(5) Increase Shown in May Gross and Net.—The "Economist," Chicago, July 7, 1917, stated that the heavy decrease in net earnings of this company for the first five months of 1917 as compared with the statement for the correspond-

ing period in 1916 and the denial by the Interstate Commerce Commission of the 15% advance in freight rates were partially responsible for the lowest quotation for St. Paul stock for a period of practically 20 years.

For the month of May alone, an increase was shown both for gross and net as compared with the corresponding month in 1916.

Already rumors are afloat that the dividend rate will be decreased at the director's meeting in July.

*(6) Change in Management Demanded.—A Chicago dispatch July 18, 1917, to the "Boston News Bureau" stated that J. Ogden Armour and some of the other younger members of this company's directorate were demanding a change in the management. The dispatch added that it was rumored they would get it the latter part of July.

*(7) Declaration of Regular Dividend of 2½% on Common in Doubt.—The "Wall Street Journal," July 19, 1917, stated that the meeting of directors of this company for dividend action would be held July 26. It added that although the directors were non-committal on the possible action, persons well known in financial circles regarded the declaration of the regular dividend of 2½% on the common as in question.

Current crop reports are generally favorable and if directors base their action upon the outlook for business, the chances are better that the regular rate will be declared. Directors might find additional hope in the fact that St. Paul benefited to a small extent by the ruling of the Interstate Commerce Commission granting western railroads higher charges on coal.

The road carries about 5,000,000 tons of coal a year, which will probably increase net earnings by \$500,000 a year. This alone is equal to nearly ½ of 1% upon the common stock.

If the record of St. Paul in the last eight years is any criterion, it would be conservatism to reduce the dividend rate. The road, since the completion of the Puget Sound extension in 1909, has not averaged a comfortable surplus upon dividends.

In only three of the fiscal years since 1909 has St. Paul earned what might be regarded as a substantial surplus over dividends were more than earned, the road has had to go into accumulated resources to make up dividend payments not covered by current earnings.

In seven of the nine years in which dividends were more than earned, the total balance was about \$16,000,000. Offsetting this were the two poor years, when the total deficit was more than \$7,000,000, leaving an undistributed balance of something over \$9,000,000 for nine years operations.

*(8) No Change in Common Dividend Rate July 26, States Director.—"Financial America," July 20, 1917, stated no change would be made in the dividend rate of 2½% semi-annually on the St. Paul common stock at the meeting of the directors on July 26, according to one of the most influential members of the board in an interview.

"The rate will not be cut, but the regular dividend will be paid," this director said: "The earnings of the road for the first four months of the present year were not up to expectations on account of the severe winter in the Northwest and the shortage of cars. However, a great improvement has been shown in the last two months."

This director likewise stated that A. J. Earling would be retained as Pres. of the St. Paul road despite the movement on foot to oust him from the position. "Mr. Earling wanted to retire eight months ago," he said, "on account of ill health, but the directors prevailed upon him to stay. Mr. Earling has been a railroad man for more than 50 years."

*(9) June Earnings Reported as Similar to Those of May.—A Chicago dispatch July 20, 1917, stated that this company's preliminary June figures indicated gross and net comparisons similar to those of May. The 12 months

This information, while not guaranteed, is believed to be correct.

MAY 1 TO AUGUST 31, 1917

should show some margin over dividends. Officers will not discuss dividends but believe that directors will be influenced July 26 largely by what Pres. Earling tells them.

The principal complaint of the St. Paul stockholders is that the management does not make detailed statements.

The company has new high record traffic ahead and its principal need is more cars. It is building many thousands of them at its own shops, including 25,000 coal cars at Milwaukee and Tacoma. The average loaded car movement is more than that of 1916 and the average haul is longer. The Puget Sound extension does as well in results, relatively, as the old system.

The June statement will show effect of the floods east of the Rockies and more wage advances than in May, but otherwise the performance was fully as good and July is better.

Flood damage was not serious and has all been repaired.

St. Paul's rail requirements for 1917 were all contracted for at \$30 a ton. The wage advances to trainmen and engineers under the Adamson law was \$2,000,000. Advances to other operatives and mechanical forces aggregate nearly \$3,000,000 and advances to unorganized employees will aggregate nearly another \$1,000,000 or a total wage advance of between \$5,000,000 and \$6,000,000.

Increased cost of materials, on basis of 1916 purchases, is more than the addition to the payroll, but the management is buying much less. It must handle an immense amount of additional tonnage, however, to offset, say, \$10,000,000 increase in operating expenses. Officials feel sure of the tonnage and the road's capacity.

(10) Cars Made on Pacific Coast.—A Tacoma, Wash., dispatch July 24, 1917, to the "Wall Street Journal" stated that this company's shops at that place, which are turning out ten gondola cars a day filling an order for 1,000 cars which will be completed in August, had received a new order for 500 more cars of the same type to be turned out at the rate the present order is being filled. The cost of the new 500 will aggregate \$650,000.

The St. Paul road has begun construction of a 15-mile line to connect with the army cantonment at American Lake, near Tacoma. The Northern Pacific also has tracks serving the cantonment at which more than 40,000 troops will be stationed.

(11) Semi-Annual Dividend on Common Reduced to 2%.—This company July 28, 1917, announced that it had declared a semi-annual dividend of 2% on the common stock. This a reduction of $\frac{1}{4}$ of 1% from the last previous dividend declared in January, 1917.

The company also declared the regular semi-annual dividend of $3\frac{1}{4}\%$ on the pfd.

All dividends are payable Sept. 1, to stock of record Aug. 7.

(12) Committee Appointed to Make Changes in By-Laws.—On July 26, 1917, the following statement was issued by this company:

"In line with the desire expressed by Mr. Earling last Autumn, that he be relieved of some of the duties of his office, the board today at its first full meeting since the annual meeting authorized the Pres. to appoint a committee to co-operate with him in making the changes in the by-laws and organization of the company necessary to carry out his wishes.

"The Pres. thereupon appointed Messrs P. A. Rockefeller, John D. Ryan and J. Odgen Armour."

Mr. Earling has not handed in his resignation and expressly stated that he would not sever his connection entirely with the company. It is indicated that he will remain with the road probably as chairman of the board as soon as necessary changes in the by-laws and organization are effected.

(13) Cause of Dividend Reduction.—The Board of Directors of this company July 27, 1917, issued the following announcement to stockholders:

"The board of directors at their monthly meeting Thursday, July 26, deemed it advisable to reduce the rate of dividend on the common stock of the company from 5% to 4%. The reasons for this action are as follows:

"The evolution of the transportation industry and the changes in ownership of the railroads of the northwest rendered it imperative that your company should own its own line to the Pacific coast. This new main track mileage amounts to about 3,045 miles, which together with improvements on existing lines, necessitated an expenditure in round figures of \$200,000,000. Aside from this increased mileage, the St. Paul Co. has constructed about 658 miles of second main line track, at an expenditure of \$38,000,000.

This increase in mileage and track and terminal facilities has necessitated the purchase and acquisition of large additions to the motive power and rolling stock of the company, involving an expenditure of \$61,000,000.

To meet these expenditures, the company, from time to time, issued its mortgage bonds, amounting to \$234,000,000, and also its capital stock, amounting to \$125,800,000. With the exception of about \$50,000,000 of these bonds, which bear an interest rate of 5%, the interest rate ranges from 4% to $4\frac{1}{2}\%$ per annum. No short time notes or car trust certificates have been issued.

It will thus be seen that the fixed annual charges of the company on account of interest on bonds have been increased approximately \$9,500,000. The greater part of these expenditures was made in constructing and equipping the Puget Sound extension. At the time this extension was determined upon, the board deemed its construction necessary in order to maintain and insure the future prosperity of the company, and subsequent events have fully confirmed its judgment in that respect.

"This extension serves a large manufacturing, agricultural, mining and heavily timbered territory, which, so far, has been but partially developed. The resources of this vast domain of territory, tributary to this extension, are immeasurable, and have already furnished a large traffic, both freight and passenger, and will continue to furnish an increasingly larger traffic from year to year.

"And if conditions which had prevailed in the past, in respect of the cost of maintaining and operating railroads, such as labor, fuel, material and supplies, had not radically changed as they have within the last year or two, this company would have easily earned its interest charges, its usual dividends, and a substantial amount as surplus, for use in the betterment and improvement of its property.

"The increase in wages alone paid to the employees of this company, for the half year ending June 30 last amounted to approximately \$2,000,000. Because of this radical change in operating conditions, the board has deemed it wise to pursue a conservative course and has voted to reduce the amount of the common dividend to the rate of 4% per annum."

—Aug.

(1) To Increase Rolling Stock.—Announcement was made on July 31, 1917, that this company was to build 500 gondola cars in its shops at Tacoma, Wash., in addition to the 1,000 cars now under construction. The cost of the new cars will be approximately \$650,000.

	1917	1916
(2) Earnings.—		
June gross	\$9,410,507	\$9,163,746
Net after taxes	2,318,821	1,888,268
6 mos. gross	52,282,358	51,243,734
Net after taxes	10,834,640	12,206,470

(3) Statement on Electrification.—Vice President Goodnow of this company, in charge of electrification project, returned on Aug. 9, 1917, from the West and said to Dow, Jones & Co. regarding the new undertaking through

cascades: "Operations are now actively under way, and rapid progress is being made, poles are being erected and work of bonding rails will soon be started. It will not be long before our trains are operating by electricity through the Cascades. This is the best testimony possible as to the satisfactory results already achieved by electrical operation in the Rock Mountains, Montana."

Another St. Paul officer said: "When President Earling decided upon conversion from steam to electric power in the Western mountains his step was looked upon as one of the most progressive and courageous in the history of railway development."

(4) 1917 Grain Tonnage as Large as Previous Year.—A Chicago dispatch Aug. 21, 1917, to the "Wall Street Journal" quoted Pres. Earling, of this company as follows: "New grain has begun to move, and it looks now like a quite active movement from this time. Freshing reports indicate larger yields than expected, and the average is materially larger than last year. St. Paul will have as large a grain tonnage this year as last, but not so much long haul, because in South Dakota and west of the Missouri river the yield is only 60%. This is true in larger part of Montana and Washington on account of drought. Our territory is pretty well fixed for coal.

"One feature of our freight traffic is the much heavier loading per car. During the past few months revenues show increases even when loading, measured by number of cars, shows a decrease. The reason for improvement is the co-operation of shippers, who have found that, regardless of classifications or maximum weights fixed by legislatures or commissions, it pays them to load to the car's capacity or as near it as possible.

"Our average train load also continues satisfactory. Average car movement is 35 to 36 miles daily, which is substantially better than last year. St. Paul's passenger business holds up relatively even better than the freight."

(5) Wm. Sproule Considered for Presidency.—The "Chicago Daily Tribune," Aug. 21, 1917, said:

"It was received from an authoritative source yesterday that there is little probability of F. D. Underwood, Pres. of the Erie, being made the successor of Pres. Earling of the St. Paul. The committee appointed by Pres. Earling to choose his successor has made no report yet, but it is known that the name of William Sproule, Pres. of the Southern Pacific, has been considered."

(6) Transportation Contracts Cartalled.—See Chicago, Rock Island & Pacific Ry. Co.—Item No. 12.

CHICAGO, NORTH SHORE & MILWAUKEE R. R. CO.

(1) Issue of \$940,000 Bonds Authorized.—A Madison, Wis., dispatch June 6, 1917, stated that the Wisconsin Railroad commission had authorized this company to issue \$940,000 first mortgage bonds to cover cost of additions and extensions since July, 1916. This formerly was the Chicago-Milwaukee Electric R. R.

(2) Bond Issue of \$940,000 for Extensions.—The "Electrical World," New York, June 9, 1917, stated that the Illinois Public Utilities Commission had granted this company permission to issue \$940,000 in bonds, the proceeds to be used for extensions and general rehabilitation of its system.

—July

(1) \$885,000 6% Notes Offered.—"Financial America" July 26, 1917, stated that the National City Co. and the Halsey Stuart Co. had purchased and offered \$885,000 6% serial gold notes of the Chicago, North Shore & Milwaukee R. R., a high-speed interurban line extending from Evanston, Ill., to Milwaukee, Wis. Notes of a par value of \$180,000 mature in one year and are unsecured. The balance of issue, \$705,000 notes, mature in two and three years, and are collaterally secured by

This information, while not guaranteed, is believed to be correct.