

Railway Financial News.

BUFFALO & SUSQUEHANNA.—A protective committee, consisting of William Salomon, chairman; Gordon Abbott, Alexander Brown, Harvey E. Fisk, Benjamin Strong, Jr., Asa S. Wing, with H. G. Henry, secretary, has been formed. The committee asks holders of the first mortgage $4\frac{1}{2}$ per cent. bonds of 1903 to deposit their bonds with the Bankers' Trust Co., New York. If a reorganization plan is prepared, depositing bondholders will be given three weeks in which to withdraw their bonds if they disapprove of the plan. The Buffalo & Susquehanna is one of the properties in which Fisk & Robinson, who failed recently, were largely interested.

CANADIAN PACIFIC.—The \$37,000,000 realized from the sale of new stock is to be used for double-tracking existing lines, enlarging stations and general improvements, and not for building new mileage. The 600 miles of new single-track now being built is to be paid for from the sale of the debenture stock.

CHICAGO, MILWAUKEE & ST. PAUL.—A press despatch from St. Joe, Idaho, says that the Milwaukee Land Co., which is a subsidiary of the C., M. & St. P., bought timber lands in Washington, along the line of the Pacific coast extension before this road was built, paying in the neighborhood of \$12,000,000 for them, and that these lands are now worth in the neighborhood of \$30,000,000. The Milwaukee Land Co. is the holding company for all of the land owned by the St. Paul, but outside of this timber land in Idaho and Washington these holdings are not extensive. Of the stocks and bonds owned, carried on the balance sheet at \$115,000,000, it is supposed that \$100,000,000 is accounted for by first mortgage bonds of the Chicago, Milwaukee & Puget Sound.

CINCINNATI, HAMILTON & DAYTON.—Harry Bronner has been elected a director to represent the $4\frac{1}{2}$ per cent. noteholders, succeeding H. S. Redmond, deceased.

GRAND TRUNK PACIFIC BRANCH LINES.—The Grand Trunk is offering in London £1,270,500 (\$6,352,500) 4 per cent. first mortgage bonds, due 1939, of the Grand Trunk Pacific Branch Lines Co., guaranteed principal and interest by the province of Saskatchewan. The offering price is £98 10s. per £100 bond, or 98½.

KANSAS CITY, MEXICO & ORIENT.—P. H. McMillan has been elected a director of the Kansas City, Mexico & Orient.

LAKE SHORE & MICHIGAN SOUTHERN.—The *Commercial and Financial Chronicle* says that the total amount of Lake Shore notes recently sold in Paris was \$8,500,000. The notes run for less than one year and bear interest at 4 per cent.

METROPOLITAN STREET RAILWAY (NEW YORK).—The property is advertised to be sold under foreclosure of the general collateral trust mortgage on May 12. The upset price is fixed at \$10,000,000.

NORTHERN PACIFIC.—The Northwestern Improvement Co. has filed a certificate in New Jersey showing that \$6,775,000 capital stock has been paid in. The Improvement company was incorporated a number of years ago. All its stock is held by the Northern Pacific. It was from the profits of this Improvement company that 11.26 per cent. extra dividend was declared in 1908 on Northern Pacific stock. The *Wall Street Journal* says that contrary to common belief, the property assets of the Improvement company were not touched when the big distribution was made, and that the Improvement company now holds valuable coal properties and some timber and other lands.

SOUTHERN RAILWAY.—George F. Baker, Jr., has been elected a director, succeeding James T. Woodward, deceased.

TERMINAL RAILROAD ASSOCIATION OF ST. LOUIS.—At the annual meeting the following new directors were elected: C. S. Clarke, to succeed A. G. Cochran; C. R. Gray, St. Louis & San Francisco, to succeed A. J. Davidson; W. L. Park, Illinois Central, to succeed I. G. Rawn, and F. O. Melcher, Rock Island, to succeed H. U. Mudge.

WABASH-PITTSBURGH TERMINAL.—Pittsburgh holders of the first mortgage bonds say that they intend to form a protec-

tive committee to look out for the interests of the first mortgage Wabash-Pittsburgh Terminal bonds, independently of the committee of which the president of the Central Trust Co. of New York is chairman. The Pittsburgh bondholders have sent out a circular letter saying that they intend to employ counsel and to ask other bondholders to agree to a first assessment of $1\frac{1}{4}$ per cent. to defray expenses. The circular letter calls attention to the fact that the first mortgage bonds are "fully secured by traffic and trackage contracts between the Wabash Railroad, the Wheeling & Lake Erie and the Terminal Company."

"The Central Trust Co., as the trustees of \$12,000,000 of alleged outstanding general mortgage bonds of the Wheeling & Lake Erie that are held in the interest of the Wabash Railroad as collateral for \$8,000,000 of notes of the Wheeling & Lake Erie, originally guaranteed and now owned by the Wabash, is claiming in the pending proceeding that the trackage and traffic agreements above referred to are subject to this mortgage, and is not only seeking to deprive the Wabash Terminal first mortgage bondholders of the security of these agreements, but to cut out the stock ownership of the Wheeling Co. by a foreclosure.

"The president of the Central Trust Co. is, as you know, the chairman of the first mortgage bondholders' committee, and the distinguished counsel who are advancing the claim of the Central Trust Co. that the first mortgage bondholders are not entitled to the security of these agreements and are seeking to cut out the stock ownership in the Wheeling Co., are the same as the counsel for the bondholders' committee, whose duty it is to sustain those agreements and protect in every way the interests of the Terminal bondholders.

"In calling attention to this manifest inconsistency, we do not for a moment intend to reflect upon any of these eminent gentlemen. We are merely performing an unpleasant duty in explaining our reason for having reached the conclusion that there should be independent action, which we have no doubt will be quite a relief to the bondholders' committee. * * *

The Railway Law of Costa Rica.

On December 8, 1909, the President of Costa Rica promulgated the railway law, which provides that no railway for the transportation of passengers and freight shall be built in the Republic without the consent of the congress, and that on the expiration of a railway concession, which in no case shall be granted for a longer term than 99 years, the entire railway, including rolling stock, buildings and grounds, shall become the property of the nation. All railway concessions are subject to the laws and regulations of Costa Rica now in force or which in future may be enacted, and no foreign contractor shall have the right to appeal to any laws other than those of Costa Rica in the settlement of any disputed questions that may arise in the construction, exploitation or management of the railway. No railway concession shall confer a monopoly upon any railway company, and the state reserves the right to parallel any railway for which a concession has been granted. Nevertheless, the concession may prohibit the construction of a parallel railway within certain limits for a period of ten years.

The sale or transfer of a railway concession before becoming valid is subject to the approval of the congress. In no case shall a railway concession, railway, telegraph or telephone line be sold, mortgaged or leased to any foreign power, nor shall a foreign government become a partner or owner of the stock or bonds of any railway company.

Companies or persons desiring to secure a railway concession must apply to the secretary of fomento, accompanying the application with a general plan or sketch of the line, showing the length of the road, the bridges, stations, culverts, etc., to be constructed, and the estimated cost of the road, all of which shall be subject, in case the concession is granted, to modification by the government. All railways operating in the Republic, whether organized abroad or not, are considered Costa Rican companies, and are subject to the laws of the land. The law provides for government inspection of railways, and specifies the manner in which freight and passenger tariffs shall be issued.