

U. S. GOVERNMENT OPERATION OF RAILROADS.

In a brief submitted to the Inter-State Commerce Commission at Washington last week, in the 15 per cent advance freight rate case, Clifford Thorne, leading counsel for the shippers, suggests that the Commission recommend that the Government take over the operation of the railroads for the duration of the war.

Mr. Thorne pointed to the fact that Frank A. Vanderlip, New York Banker, testified that he believed the rate increase would act only as a poultice and not cure the railroads trouble, and to the statement of Samuel Rea, president of the Pennsylvania Railroad, that he did not believe the roads should attempt large bond flotations when the Government was putting out loans.

After asking that if the Government can buy several hundred million dollars worth of cars and engines for France and Russia, "why can't she buy some cars and engines for American railroads," Mr. Thorne said: "If our Government takes over the operation of the railroads for the period of the war, and guarantees the dividends that were paid during the pre-war period, we should be entitled to the profits over and above those dividends, for we will be substituting a Government bond, in effect, for a railroad stock. In surplus this would mean an earning that would go to the Government of approximately \$100,000,000 annually in official classification territory alone."

NO REDUCTION IN FREIGHT RATES.

"Certainly no reductions in freight and passenger rates in Canada are being looked for as the result of railway economics now being effected by the Canadian Railway Association for National Defence." This statement was issued from the office of the association last week. It continues:

"Canada is to-day getting the best and cheapest railway service in the western world. In spite of the car shortage created by the abnormal balance south-bound over north-bound traffic, in spite of war requirements, higher labor charges, the necessity of importing coal for engines, and the low efficiency of the coal due to lower winter temperatures in Canada, there is a greater degree of efficiency reached in the operation of Canadian railways than anywhere else in the new world. Car shortage is being reduced day by day. The percentage of freight cars out of service for repairs in Canada is lower than the percentage on American roads, and the average cost to the Canadian traveller or shipper is less.

"For the year ending June 30th, 1916, the charge for moving an average ton of freight one mile in the United States was .716 of a cent. In Canada it was .653 of a cent. In the United States the average passenger mile cost the passenger 2.006 cents. In Canada it cost him 1.954 cents. At the same time the Canadian railways were hauling their coal from foreign mines and paying duty on it. They were getting less work from the same coal because of the lower winter temperatures in Canada. They paid more for labor and yet charged the public less for their services than any of the other roads on this continent."

Commenting on the statement at Washington that the American railways have curtailed passenger service by over 20,000,000 passenger train miles per annum, the Canadian Railways, through their association, point to a reduction of over 10,000,000 passenger miles per annum in Canada, which, in view of the lower total mileage in the Dominion as compared to the United States is a vastly greater pro-rata reduction.

AMERICANS ALL.

Pennsylvania Railroad has about 160,000 employees of whom 26,000 were born in foreign countries. The country which has the greatest representation is Italy, with over 8,000, almost one-third of the total of foreign born. There are about 4000 Austro-Hungarians, 3,000 Irish, and almost 2,500 Russians and Poles. Around 2,000 are of German birth. Other nationalities represented are English, Scotch, Canadians, Spaniards, Swedes, Swiss, Bohemians, Roumanians, Danes, Cubans, Hollanders, Greeks, Finns, Serbs, Portuguese, West Indians, Syrians, Arabs, Armenians, Persians, Costa Ricans, Ukrainians and Croats. The "Pennsy" could put on a "Show of all Nations" without going outside of its own ranks, and very few countries would be missing.—The Wall Street Journal.

THE C.N.R. AGREEMENT.

An official statement given out on Tuesday by the Government dealing with the agreement recently arrived at with the C.N.R. to arbitrate the value of the 600,000 shares of the company to become the property of the Government, consumes previous reports in regard to the same, and adds some new details. No arbitrator is named in the agreement, but the appointment of Sir William Meredith, chief justice of Ontario, to represent the Government, is officially confirmed.

The agreement, as has already been stated, provides that no greater sum than \$10,000,000 can be paid for the C.N.R. shares. If the value is found to be less than ten million, then the less sum will be paid.

"It is understood," says the announcement, "that Mackenzie, Mann and Company, Limited, own approximately five-sixths of these shares. Consequently the maximum that can be paid to them will be something over eight million dollars. As, however, these shares are pledged to their bankers as part security for advances of various kinds the monies doubtless will be paid to the banks."

The announcement states that the agreement does not call upon the arbitrators to adopt any particular method. They are simply an aid to get at the fair value of the stock in the best way possible. It is further provided that if the arbitrators should see fit to take into consideration the reproduction cost of the system, they must not include in their interest value due to war conditions. The company will be required to disclose all liabilities. Pending the award nothing but ordinary operating obligations shall be entailed, and no obligations shall be entered into not to be completely executed within six months, with the approval of the Minister of Railways. All costs are to be in the discretion of the arbitrators and to be taxed by an officer to be named by them.

U. S. RAILROAD EARNINGS.

Gross earnings of twenty steam railroads for the fourth week of October, as reported to the "Wall Street Journal," aggregated \$15,397,884, comparing with \$13,492,973 for the corresponding week of last year. This is an increase of \$1,904,911, or 14.11 per cent, and on a percentage basis compares with 12.62 per cent and 9.48 per cent increases for the same week of 1916 and 1915 respectively.

OPERATING RESULTS FOR AUGUST, 1917.

The net operating income of the railways of the United States for August, 1917, was less than August, 1916, by \$35 per mile, or 7.5 per cent.

Total operating revenues, \$365,316,147, exceeded those for August, 1916, by \$38,116,778. Operating expenses, \$246,314,511, were greater by \$2,843,772. Net operating revenue, \$118,974,636, decreased \$4,726,994. Taxes, \$16,999,686 increased by \$3,383,173. Net operating income was \$101,917,702, which is a decrease of \$7,998,991.

If spread over the mileage represented, operating revenue averaged \$1,581 per mile, an increase over August, 1916, of 11.4 per cent; operating expenses per mile, \$1,066, were greater by 20.8 per cent; net operating revenue per mile, \$515, shows a decrease of 4.0 per cent; while net operating income per mile, \$441, decreased 7.5 per cent. Taxes per mile rose 24.6 per cent.

This summary covers 231,108 miles of operated line, or about ninety per cent of the steam railway mileage of the United States.

MORE LAKE BOATS.

Thirty-six additional contracts for construction of 3,500-ton steel merchant ships have been let by the shipping board (Tuesday) to Great Lakes construction companies. This will bring total number signed to about 550. Wooden ships building number more than 450.

AN OLD TIMER.

The bark Charles W. Morgan, said to be the oldest whaling vessel in the world, entered the harbor of New Bedford, Mass., the other day, with a cargo valued at \$80,000, consisting of 1,100 barrels of sea elephant oil and one hundred barrels of sperm oil. The vessel is seventy-six years old. She was navigated by her captain and owner, Benjamin D. Cleveland, through the far southern Indian Ocean. It seems a bit strange, in these modern days, to read that not until August 8, when she touched at St. Helena on her return voyage, did her skipper learn that the United States was at war with Germany.

RAILROAD EARNINGS.

Returns of the railroad earnings for the first two weeks of November are very encouraging and indicate a volume of business for November that will be the largest for any month in the history of Canada's railroads. For the first fortnight of the month, total gross earnings were \$11,306,896, against \$10,325,960 a year ago, \$9,635,209 two years ago and \$6,613,117 three years ago. Average daily receipts of the three principal systems, in the second week of the month, were \$860,000, a new high record.

The Canadian Pacific and the Canadian Northern both report large gains for the second week of November and the Grand Trunk a small gain. The aggregate increase over the corresponding week a year ago was \$760,310, or close to 15 per cent.

Returns of gross earnings for the week, with the increases in each case, follow:—

	Gross earnings.	Inc.	P.C.
C.P.R.	\$3,575,000	\$524,000	17.2
G.T.R.	1,305,511	21,610	1.7
C.N.R.	1,039,800	214,700	26.0
Total	\$5,920,311	\$760,310	14.7

ORDERS FOR SHIPS.

It took three months for United States Steel Corporation to complete its Newark shipyard with buildings covering 10 acres. Federal Shipbuilding Co., United States Steel's subsidiary, has received orders from the government for ten 9,000-ton steamers. Steel for keel of first ship is available and will be laid at once.

DELAWARE SHIPBUILDINGS.

Delaware river shipyards by January 1 will have launched their greatest total tonnage for any year in the history of that industry in this district. The aggregate tonnage leaving the ways of the six largest companies on the Delaware for 1917 will be 307,604, representing an approximate value of \$76,901,000.

These same shipyards, however, are prepared to achieve a far greater production in 1918 and hold on their books contracts aggregating 823,081 tons, which at present market prices represent an approximate value of \$205,770,250.

ANCHOR-LINE
DONALDSON LINE

PASSENGER SERVICE

BETWEEN

MONTREAL and GLASGOW

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CUNARD LINE

PASSENGER SERVICE

BETWEEN

MONTREAL and LONDON

(Calling Falmouth to land Passengers)

AND

MONTREAL and BRISTOL

For particulars of sailings and rates apply to Local Agents or to The Robert Reford Co., Limited, General Agents, 20 Hospital Street, and 23-25 St. Sacramento Street, Montreal.

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