

RAILWAYS JUDGED WITHOUT REGARD TO LARGER TENDENCIES

Wall Street Journal Claims United States Has Not Dealt With Transportation Problem Broadly or Effectively.

New York, July 24.—The Wall Street Journal says it is the misfortune of the railroads that their well-being is too hastily judged from the operating returns of one or even several months, without much regard for the larger tendencies in their fiscal affairs.

No doubt the fact that the railroads of the country gained perhaps \$15,000,000 in net operating earnings in May, 1915, as compared with May, 1914, should be comforting.

Investment of these roads in fixed railroad property in 1911, as it appeared on the books at the end of that fiscal year, was \$14,985,000,000. Making the necessary deductions from the 1911 operating income for hire of equipment and joint facilities, the remainder is \$739,000,000, or 4.94 per cent on cost of road and equipment.

Since June 9, 1911, the property investment has increased not less than \$2,000,000,000, some of it paid for out of surplus earnings, but the great bulk of it necessarily provided for by the issuance of new securities.

It is true that business is not good and that the owners of railroads must expect to take the loss with the loss of business. But the railroads handled \$10,000,000 more gross business even last year than they did in 1911, and their maintenance expenditures were a smaller proportion of adequate provision for wear and tear than in the earlier year.

RICE MARKET QUIET.

New York, July 24.—The trade reported a quiet market yesterday though some business was moving for the domestic consumption and for export.

SHIPPING NOTES

An official of the British Admiralty declared that 92 neutral ships have been destroyed by the Germans during the war.

The Philadelphia-Manchester Line has obtained the services of the British steamer Northam for an extra sailing to Manchester. The vessel is scheduled to leave Philadelphia on July 31.

Vessels are under charter to carry 30,000 tons of railroad material to Vladivostok from Seattle in the next three months. Minnesota is loading 10,000 tons of rails and big quantity of copper.

The United States navy department is making a survey of all American vessels with a view to their use by government in the event of war. All ocean and lake craft will be carefully surveyed.

The Canadian Pacific steamship Missanabi, through delay caused by fog, will not reach Montreal until Monday. She is expected in Quebec on Sunday at 7 o'clock. There are 94 wounded soldiers on board, returning to Canada.

Four of the newest submarines of the United States navy will be sent from San Francisco to Honolulu during September, in the longest endurance run by any vessel of this type in the navy, a distance of 2,200 miles.

The Cape Cod Canal Co. has again reduced its tolls for bulk cargo and fishing vessels, the cuts in many instances running about 50 per cent for small ships. The privilege of returning free when empty is withdrawn.

The port of Seattle commission is considering the immediate construction of the first unit of a belt railway line connecting the different piers from Spokane Avenue to Washington Street. Chief Engineer J. R. West, of the commission, has estimated the cost of construction and the purchase of ties and rails at \$32,000.

The steamship Quebec, of the Canada Steamship Lines, Ltd., had her air pump broken when traversing Lake St. Peter on her way to Montreal on Thursday night. The steamer Saguenay came to her assistance and brought the Quebec to Sorel, taking the passengers on board at that point, and transferring them to Montreal. The Murray Bay took the regular trip to Quebec last night, and will do so again Sunday night, or until the Quebec is once more ready to resume her run.

During the week ended July 17 the United States Bureau of Navigation awarded official numbers and signal letters to 29 vessels built in the United States. Among these were the 104 gross ton schooner Elsie G. Silva of Gloucester, Mass., built at Gloucester; the 174 gross ton lighter, Captain Dud of New London, Conn., built at New London; the 564 gross ton barge M.P. No. 2 of Baltimore, built at Baltimore; the 253 gross ton barge Riovista, L. and B. Co., No. 1, of San Francisco, built at San Francisco, and the 163 gross ton scow Stimson No. 11, of Seattle, built at Seattle.

No foreign-built vessels were admitted to American registry last week under the emergency ship registry law, it was announced. There has been a total of 151 foreign-built vessels of 530,381 under the act of August 18 last to date.

making good progress, the acreage being large, especially blue rose.



PREMIER SALANDRA OF ITALY. That country is on the verge of war with Turkey.

HOW "OTHER MEANS" OF RELIEF HAVE FAILED THE RAILWAYS

Recent Decisions of the Inter-State Commerce Commission Point to a Victory for the Transportation Lines.

New York, July 24.—The officers of eastern railroads have been vindicated by recent events in their judgment of a year and more ago, as to the best means of supplementing the revenues of these carriers. It is the conclusion of the president of an important trunk line. This official says:

"Two late decisions of the Interstate Commerce Commission practically dispose of the last of the commission's proposed means of raising additional revenue in lieu of the general 5 per cent. advance, which they condemned in their decision of July 29, 1915. These decisions admit, in effect, that the railroads were right and the commission wrong. But don't think that I regard this as a victory for the railroads. What we wanted was not vindication, but money. If we had got the money we would have been perfectly willing to see the commission get the credit for finding the right means of obtaining it, especially since we recognized that on abstract grounds some of the commission's proposals were correct.

"In its first decision of the eastern rate case the commission found that the roads concerned were in need of additional revenue. Chairman Harlan said that they should have more than the \$50,000,000 a year which the 5 p.c. advance was expected to raise. But the commission decided that the general advance was wrong, and instead proposed these remedies:

"1. Cancellation of allowances to industrial lines, which Chairman Harlan said at the lowest estimate amounted to \$15,000,000.

"2. Imposition of extra spotting charges for service included in the line haul rate.

"3. Imposition of extra litigation and terminal charges which Mr. Brandeis, who in the main was helpful to the railroads, particularly insisted upon.

"4. Increase in passenger fares, which Mr. Harlan and Mr. Brandeis were convinced were below the cost of the service.

"5. Increase in commodity rates, such as on grain, dressed meats and livestock, which the commission picked out as being too low.

"It was not because the railroads had brought forward a different plan that they opposed these suggestions. In theory the commission was right. The railroads opposed them because, having been closer to railroad operating than the commission or its counsel, they knew that the commission's plans could not be made to work. Some of its suggestions had been tried in the past and had always evoked bitter opposition from shippers and the travelling public.

"Every one of them, with the exception of a small benefit from higher interstate passenger fares, which the commission has allowed, has come to naught. State laws stood in the way of a general increase in passenger fares as the railroads pointed out.

"We canceled the industrial line allowances and filed spotting charges, both of which actions the commission first suspended and now has negated altogether. It is true that the commission directs us to adjust both of these matters according to the merits of individual cases, but that is just what was done when the existing relations were established, so there is no money in that.

"In short, the plans which the commission advanced have almost totally failed and all we got out of the proceeding was the 5 per cent. advance on about half of the traffic, granted on rehearing of the case, and the really insignificant increases in interstate passenger fares. All told, they amount to \$25,000,000 to \$30,000,000 a year for the railroads concerned, whereas the commission freely admitted that we needed more than the \$50,000,000 we had hoped to get out of a 50 per cent. advance on all traffic.

"The advances which were allowed have had no more effect upon business than if they had never been proposed. No advances were allowed on coal and that industry happens to have been in less satisfactory condition the past year than almost any other. If coal had been included in the advances, the industry would not have felt it any more than the other industries have.

"The commission's position was not hard to understand. It was based upon the theory that a separation should be made between line haul and terminal service and two separate sets of charges imposed. That plan is followed abroad. American practice has been developed from the first on the plan of making one inclusive rate. Which scheme of rate-making is to be adopted is a matter of economic policy. As for passenger rates, commission was right in holding that each service should be made to pay for itself. But that simply couldn't be done.

"What we did was enough to ease the strain somewhat, but not enough to correct a fundamentally weak place in the country's commercial organization. The stronger eastern roads, I imagine, will continue to go along about on an even keel. They won't be able to raise their dividend rates unless a very great improvement in business takes place. On the other hand, they probably won't have to reduce them now, unless something evil emerges from the obscurity of the international political situation.

"Meanwhile, these roads have no construction worth mentioning under way. I am not complaining about that. For all I know it may be as well that they have not."

IMPERIAL HOUSE ADJOURNS WEDNESDAY. London, July 24.—Parliament will rise on Wednesday and the present intention is that it should reassemble on September 14. In event of early necessity, its re-assembling could be accelerated by an order-in-Council.

RAILROAD NOTES

Charles S. Lee, passenger traffic manager of the Lehigh Valley, will retire on Aug. 1, and be placed on the pension list. His position will be abolished.

No changes are to be made in the personnel or management of the Kansas City, Clay County & St. Joseph, by the receivers just appointed.

Three trainmen were killed when an engine and ten freight cars of the El Paso & Southwestern Railroad plunged into a gulch near Dalhart, Tex.

Gov. Spalding declares he will not convene New Hampshire legislature in special session unless leased lines stockholders and Boston & Maine interests agree on some draft of a bill. A special session would cost from \$25,000 to \$50,000.

Riley E. Phillips celebrated on Sunday, July 18, fifty years continuous service on the New York, New Haven & Hartford Railroad. As the ranking engineer and one of the most popular men in the service, Mr. Phillips was the recipient of many congratulatory messages from officers and fellow-congratulators of the company.

Justice Marcus of the United States Supreme Court has approved the report of an appraisal commission objected to by the city of Buffalo, by which under its terminal contract with the city, the Lackawanna will exchange property valued at \$82,000 for other property owned by the city on which a valuation of \$180,000 has been placed.

New Haven railroad has filed a suit against the Post Office Department claiming \$1,472 damages as result of the parcel post regulations and the fact that the department has shipped money and gold by post instead of by express. The suit is supplemental to that for \$11,000,000 filed by seven New England roads recently.

Samuel M. Felton, president of the Chicago Great Western, is understood to have refused an offer of \$50,000 a year for two years to supervise a big war contract from the Russian government, which includes the building of locomotives and the establishment of a plant which will be turned over to the Baldwin Locomotive Works at the close of the war.

Negotiations are in progress for the operation by the Canadian Northern of a car ferry service between the mouth of the River Don at Toronto and Port Dalhousie, with one round trip a day. The intention is to continue it until the railroad company's line, known as the Niagara, St. Catharines & Toronto, to Toronto, is completed.

Only a few years ago W. H. Whittenden, B. B. Jones and J. A. Frates worked side by side as telegraph operators. Mr. Jones is now an oil magnate in the American West. Mr. Frates is general superintendent of the Frisco lines, and it is said that these two have asked Mr. Whittenden, until recently general manager of the Rock Island, to become the chief executive of the Republic Oil & Pipe Line and vice-president of a Texas railroad, but rumor says that Mr. Whittenden is slated for a permanent position on the Wahash when it is reorganized.

The total number of carloads of all kinds of revenue freight load on Santa Fe lines and received from foreign connections during the month of June was 112,114, as compared with 106,627 for the same month of the preceding year, an increase of 5,487 cars, or 5.145 per cent. The actual figures are as follows:

Table with 2 columns: Commodity and Quantity. Includes Stock (8,031), Grain (6,109), Lumber (6,082), Perishable (6,373), Oil (7,391), Coal (6,026), Freight (72,098), Total (112,114).

According to the latest figures, the total length of the network of the Swiss Federal lines alone amounts to 1,700 miles—that is of standard gauge lines only—to which must be added the narrow gauge Brunig Railway, thirty-six miles in length. There are, besides, the standard lines owned by private companies, of which the chief are the Loetschberg, sixty-five miles; the Bodensee-Toggenburg line, thirty-eight miles, which was in exceedingly poor financial condition even before the war; the Seetal line, thirty-four miles, electrified a few years ago, and several smaller lines. There are also the narrow-gauge lines, forty-nine in all, chief of which is the Khaetian Railway system with a total length of 170 miles, with both steam and electric traction; the new Chur-Arosa line, with electric traction, sixteen miles; the Monterex-Oberland line; the Bernese Oberland lines, and various others.

American books and publications last year numbered 12,230, and those of England about the same number.

The Charter Market

New York, July 24.—The steamer market is firmer, particularly for boats for late August and September delivery, due to the increasing demand for grain carriers for future loading.

For prompt boats rates are firm and a good demand prevails for coal and deal carriers, with a few inquiries for timber, cotton and general cargo. There is also more inquiry for long voyage carriers for general cargo and case oil to the far east and Australia, etc. The West India market continues slow.

Charters—Grain.—British steamer Rio Piracy, 24,000 quarters, from the Gulf to West Coast Italy, 114, late August.

Spanish steamer Upo Mendi, 28,000 quarters, same. British steamer Badminton, 26,000 quarters, same. Petroleum—Norwegian bark Dean, 6,000 barrels refined from New York to Bergen, p.t., prompt.

Coal—Schooner Charles G. Endicott, 751 tons, from Virginia to Maranhao, \$6.50, prompt. Lumber: Swedish steamer Vasconia, 1,854 tons, from the Gulf, to the River Plate, p.t., prompt. Norwegian steamer Polstad, 1,671 tons, from St. John, N.B., to West Britain or East Ireland, with deals 130s prompt.

Danish steamer Sarmatia, 1,438 tons, same. Norwegian barque Aulira, 546 tons, from Pughwash or Pictou, to West Britain or East Ireland with deals, 127s 6d, August. Schooner David Baird, 632 tons, from Boston to Buenos Ayres, \$18, prompt.

JAPANESE SHIPOWNERS ARE GETTING LARGE WAR PROFITS

Eastern Commerce Turned to Japan and Oriental Steamers Supplants British and American Ships—Have Substantial Subsidies.

Washington, July 24.—Serious congestion in the Far East shipping trade has resulted in an order from Tokio reserving for Japanese shippers all space on vessels operated by the Japanese subsidized trans-pacific lines, according to reports from U. S. Consul-General Anderson at Hong Kong. All contracts with non-Japanese shippers during June and July have been revoked. According to Mr. Anderson no ulterior motives need be looked for in this order further than the natural desire to help Japanese at a time when there is an acute shortage in freight tonnage.

The extent to which the Japanese merchant marine is benefiting by the unusual circumstances developed in the European war is evident in reports that Japanese ships plying between the west coast of the United States and China, Japan and Vladivostok cannot handle the congestion of freight waiting for removal, and that numbers of tramp vessels have been chartered for extra voyages. The increase is particularly noticeable for the months of March and April.

The reason for the advantages gained by Japanese ship owners to the exclusion of those of other nationalities are outlined by exporters and by representatives of the Japanese lines as follows: 1. The imminent enforcement of the La Follette Seaman's bill, which shippers assert has forced the announcement of the Robert Dollar Steamship Company that it will probably transfer to the British flag in a short time, and which has also brought the statement from the Pacific Mail Steamship Company that it will probably be compelled to withdraw from business.

2. The recent extension of the British "Trading with the Enemy" proclamation to include transactions with German citizens in the extra-territorial countries of China, Siam, Persia and Morocco. Under the terms of this order, English shippers refuse transportation for goods to or from German agencies in the countries named. It has been estimated conservatively by commission houses that 70 per cent of American business in China has been carried on through the medium of established German agencies. The effect of the British order has been to compel American concerns either to transfer their business to English houses in China, with the delays and inconvenience experienced in building up new relations, or to ship in bottoms sailing under the Japanese flag.

3. The heavy increase in the exportation of merchandise, and particularly of war materials to the Russian Government. For this purpose, it is understood, numerous tramp steamers have been thrown into the service, plying between Seattle, Tacoma and Vladivostok.

4. The heavy subsidies paid by the Japanese Government to steamship lines owned and operated by Japanese citizens. Under the ocean service subsidy law, enacted in March, 1909, Japanese subjects, or trading companies whose partners or shareholders are all Japanese subjects engaged in the transportation business, receive navigation subsidies according to mileage, tonnage, speed and age in respect of steel steamships with a gross tonnage of not less than 3,000 tons, a speed of not less than two knots per hour, and not more than fifteen years old, which have been registered in the shipping register of the Empire. Such vessels may be made to run regularly for a period of not more than five years on the four ocean lines to Europe, North America, South America and Australia.

The principal steamship companies which at present enjoy Governmental protection are the Nippon Yusen Kaisha, the Osaka Shosen Kaisha, the Toyoko Kisen Kaisha and the Nisshin Kisen Kaisha. The subsidy granted by the Japanese Government amounts practically to a five-year payment, on the installment plan, equal to the original cost of the ship. A subsidy of from \$20,000 to \$30,000 a trip is paid to a vessel, which will make an average of about five trips a year. In approximately five years the subsidy would equal the first cost of a steamer involving an outlay of from \$500,000 to \$750,000.

It is pointed out that the Nippon Yusen Kaisha has varied the sailing of its regular service between Japan and England. The present route includes New York on the return trip. It was found that cargoes could not be obtained in England for the reverse journey to Japan. The lack is now remedied by putting into New York and into Galveston. The service comprises five vessels. The same line has a service of six vessels between Yokohama and Seattle.

China is running short of window glass. The war in Europe is to blame.

RAILROADS.

CANADIAN PACIFIC REDUCED FARES.

Table showing reduced fares for Vancouver and Return to Victoria, Seattle, Portland, and Banff. Rates range from \$97.00 to \$95.30.

Train Service: 10.30 a.m., 10.15 p.m., Via Canadian Rockies. 8.45 p.m., Via St. Paul. 8.45 a.m., 10.00 p.m., 10.50 p.m., Via the Great Lakes or Chicago.

All trains with up-to-date equipment. HOMESICKERS' EXCURSIONS. Every Tuesday.

10.30 a.m. Winnipeg, Edmonton, & Int. Stations. 10.15 p.m. Winnipeg, Edmonton, & Int. Stations.

TICKET OFFICES: 141-143 St. James Street. Phone Main 8125. Windsor Hotel, Place-Viger & Windsor St. Stations.

GRAND TRUNK RAILWAY SYSTEM

PORTLAND AND THE MAINE COAST. 8.00 a.m. and 8.20 p.m. daily. Write for free illustrated pamphlet describing many popular resorts.

MONTREAL — BOSTON — NEW LONDON. 8.45 a.m. and 9.30 p.m. daily.

CALIFORNIA EXPOSITIONS LOWEST FARES.

GREATEST VARIETY OF ROUTES. Including the Transcontinental Line to Winnipeg or via the Great Lakes in Finest Steamships.

122 St. James St., Cor. St. Francois-Xavier—Phone Main 6995. Windsor Hotel "Uptown 1157 Bonaventure Station "Main 9229

EMPLOYERS ARE NOT LIABLE FOR ASSESSMENTS IN

Attorney General Fails to Find Provisions of Law Which Authorize Assessment of Policyholder For Amount in Excess of Premium.

Albany, July 24.—Attorney-General Van Dyke has just handed down a decision in the State Insurance Commission case, which is held to be a landmark in the management of the State Insurance Commission. The decision is that the management of the State Insurance Commission is not liable for assessments made by the policyholders and the representatives of companies maintaining that Section 67 of the Insurance Law provides that in the event of a policyholder his liability to assessment for one year, makes policyholders suit-able to sue.

The opinion of the Attorney-General is considered in reply to an inquiry by the State Insurance Commission, the State Insurance Commission, general agents of the Aetna Life Insurance Company, fully sustains the contentions of the policyholders. The attorney-general fails to find in the compensation of a policyholder in excess of the premium paid, an inference from the language used in connection with the power granted in Section 67 to make reasonable assessments.

ACADIA CO. GIVES MACHINERY. Halifax, July 24.—The directors of the Halifax Insurance Company have offered to contribute to the 40th Nova Scotia Militia. The directors of the Halifax Insurance Company have offered to contribute to the 40th Nova Scotia Militia. The directors of the Halifax Insurance Company have offered to contribute to the 40th Nova Scotia Militia.

ACCOUNTANTS. Audits—Commercial, Municipal, Financial, Insurance, Liquidations, etc. ROBBSON, HILL, RITCHIE & CO. ACCOUNTANTS and AUCTIONEERS.

McGILL BUILDING, MONTREAL. J. J. Robson, L.L.B.; M. S. Temple H. Ritchie, C.A. (Can.), C.A. (Scott.), C.A.

Automobile Insurance

Fire, Theft, Transportation, Liability, Property Damage, Collision, Accidents, Health, Plate Glass, Burglary, and Contract Bonds, Employment and Public Liability.

The Provident Assurance Co.

HEAD OFFICE — MONTREAL. 150 St. James Street.

Business Permanency

One of the greatest contributors to the success of a business is partnership insurance. A North American Life partnership insurance policy is a high degree of credit and business in any eventuality, be it financial or death. The numerous advantages which this offers will be explained by any representative upon direct communication with

North American Assurance Co.

"Solid as the Continent." HEAD OFFICE — TORONTO.

Every Business Day Last Year

The Prudential paid death claims, the average daily amount being \$7,000. Added 2,881 policies to its insurance in force; Secured \$1,718,423 in business; Increased its receipts 808.

The Prudential Insurance of America

FORREST F. DRYDEN, President. Home Office — New York. Incorporated under the laws of the State of New York.

Canadian Mining Journal. Devoted exclusively to Mining, Metallurgy and allied industries in Canada. PUBLISHED TWICE A MONTH, ON THE 1st and 15th. Subscription: \$2.00 a Year to any address in Canada, and \$3.00 to any address elsewhere. TORONTO OFFICE: 44-46 Lombard Street. MONTREAL OFFICE: 33-45 St. Alexander Street.