

# REPORT

OF

JOSEPH L. BRISTOW

Special Panama Railroad Commissior

TO THE

SECRETARY OF WAR

June 24, 1905

PUBLISHED BY  
OFFICE OF ADMINISTRATION  
ISTHMIAN CANAL AFFAIRS

WASHINGTON

1905

WAR DEPARTMENT,

SPECIAL PANAMA RAILROAD COMMISSIONER,

WASHINGTON, *June 24, 1905.*

SIR:—On January 13, 1905, I was appointed by the President a special commissioner for the purpose of “visiting the ports of the Pacific Coast, the Isthmus of Panama, New York, and such other ports as may be necessary, to make an investigation into the present trade conditions and freight rates between the Atlantic and Pacific coasts, across the Isthmus of Panama, and between the west coast of South America and the east coast of the United States, and Europe, for the purpose of determining the best policy to be pursued in the management of the Panama Railroad Company.”

In compliance with the order of the President, and as directed by the Secretary of War in a letter of instructions, dated January 19, 1905, a copy of which is herewith submitted, marked Exhibit A, I have the honor to make the following report:

I first visited the city of New York, where the general offices of the Panama Railroad Company are located, examined the records of the company, and conferred with its officers. I also submitted a list of questions to Mr. E. A. Drake, vice-president and secretary, who was the executive officer in charge, asking for certain detailed information in regard to the management of the company. A copy of this list of questions, with Mr. Drake's answers thereto, are submitted herewith (Exhibit B).

After completing this preliminary work in New York, I sailed February 7th, on the steamship *Advance*, for the Isthmus of Panama, arriving at Colon February 14th. I spent ten days on the Isthmus; examined the

condition of the railroad, its roadbed and equipment, and conferred with Mr. H. G. Prescott, the acting superintendent, as to the local management and supervision. I also conferred at length with Hon. John F. Wallace, Chief Engineer of the Isthmian Canal Commission, and submitted to him a number of inquiries, a copy of which, and his answers thereto, are submitted herewith (Exhibit C). I had several conferences with Major-General George W. Davis, Governor of the Isthmian Canal Zone. On February 23d I sailed north from Panama on the steamship City of Panama, visiting the principal Pacific Coast ports of Costa Rica, Nicaragua, Salvador, and Guatemala, and landed on March 5th at Salina Cruz, Mexico. While on the Isthmus of Tehuantepec I examined the proposed harbors which the Mexican Government is constructing at Salina Cruz and Coatzacoalcos, and the Tehuantepec National Railway, running from Salina Cruz to Coatzacoalcos. I then sailed from Coatzacoalcos for Vera Cruz, and from there traveled by rail to Mexico City, where I called upon President Diaz and Hon. Leandro Fernandes, Minister of Communications and Public Works. After completing my work in Mexico I visited the cities of San Diego, Los Angeles, San Francisco, Portland, Tacoma, and Seattle, on the Pacific Coast of the United States, and, after conferring with the Secretary of War in Washington, visited the Gulf ports of Pensacola, Mobile, New Orleans, and Galveston.

I also have had correspondence with all of the American Consuls and consular agents stationed on the western coast of Mexico, Central and South America, asking them for certain information in regard to the commerce between the United States and the ports at which they are stationed. My inquiries and their replies are herewith submitted (Exhibit D).

## CONSTRUCTION OF THE PANAMA RAILROAD.

In 1835, pursuant to a resolution offered in the United States Senate by Henry Clay, President Andrew Jackson appointed Mr. Charles Biddle a commissioner to visit the different routes on the continent of America best adapted for interoceanic communication, and to report thereon with reference to their value to the commercial interests of the United States. Mr. Biddle proceeded to the Isthmus of Panama; landed at Chagres, a harbor at the mouth of the Chagres River; spent several months upon the Isthmus, and finally, accompanied by Don Jose Obaldia, a member of the Congress of the United States of Colombia, or New Granada, as it was then called, he visited Bogota, the capital, and there, after repeated delays, secured from the government a decree giving him the right to build a railroad across the Isthmus of Panama. He returned to the United States in 1837 with this document, but died before he was able to prepare his report. Nothing further was done until 1848, when Mr. William H. Aspinwall, Mr. Henry Chauncey, and Mr. John L. Stephens, on their own motion, secured a concession from the Government of New Granada for the construction of a railroad across the Isthmus, and in 1849 a charter was granted by the Legislature of the State of New York for the formation of a stock company, known as the Panama Railroad Company.

After a number of surveys and a careful examination of the coast, it was determined to establish the terminus of the railroad on the Atlantic side at the Bay of Limon, or Navy Bay, as it was more frequently called, and the terminus on the Pacific side at the old Spanish colonial city of Panama. Mr. J. L. Baldwin, an engineer employed by the company, had discovered a gap in the mountains at a place called Culebra, the highest elevation of which, as he measured it, was 286 feet. This

gap was on the line between Navy Bay and Panama, and largely influenced the company in determining upon the route for its railway. In 1849 a contract was entered into with Messrs. George M. Totten and John C. Trautwine for the construction of the road. The original plan was to begin the work upon the highlands of the Isthmus about thirty miles from the Atlantic waters, using the Chagres River, which was supposed to be navigable for light draft boats, for the transportation of supplies, machinery, and laborers; but this was found to be wholly impracticable. The Chagres River at low water was not navigable for over eight miles, while at high water the currents were too strong for successful navigation with light draft boats. It was then determined to begin the construction of the railroad at Navy Bay. The island of Manzanilla was acquired by the company as a site for its Atlantic terminal. This island has an area of about a square mile, and is separated from the main land by a shallow bayou. At that time it was mostly swamp and thickly overgrown with mangrove trees and tropical jungle. From this island the first thirteen miles of the proposed road was through a deep morass covered with dense tropical undergrowth and infested with reptiles and countless swarms of poisonous insects. In May, 1850, Messrs. Trautwine and Baldwin, with half a dozen native Indians, landed on this island from a canoe and began clearing the jungle, or "broke ground," in the construction of the Panama Railroad. A village was afterward established at this point, and named Aspinwall, in honor of the original promoter of the enterprise. The laborers were brought from Carthagena, New Granada, where they had been employed on similar work. It was supposed that they would be able to endure the climatic conditions of Panama, but within a few weeks after landing a majority of them were taken with malarial fevers; several died, and the work was practically suspended until a fresh supply could be secured.

From the beginning the labor question was the perplexing problem for the contractors. Irishmen were brought from New Orleans, negroes from Jamaica, and natives from the adjacent tropical countries; but the best laborers could not stand the climate, and those who could gave unsatisfactory results. After careful inquiry, it was believed that Chinese labor would be the most successful, and a thousand Chinese coolies were imported; but these Chinamen had not been employed thirty days when they were taken with an uncontrollable melancholia; many of them committed suicide, large numbers were taken sick, and within sixty days after they were landed there were not more than two hundred left that were capable of work. At one time, by a great effort, the company had about seven thousand laborers at work on the construction of this road. The surveyors, in locating the route, were compelled to work for days waist deep in water and slime, breathing an atmosphere full of pestilential vapors and beset by the most annoying insects, but, with the pluck and inflexible determination so characteristic of American pioneers, they persevered against what appeared to be almost insurmountable difficulties, and on October 1, 1851, a work train passed over the railroad from Aspinwall to Gatun, a distance of eight miles. In the following month two ships carrying a thousand immigrants bound for California by the way of Panama, unable to land at the mouth of the Chagres River, the usual landing place for vessels in the California trade, took refuge in the harbor of Navy Bay, the point selected as the railroad terminus, and had their passengers transported across the morass by the work trains of the railroad to Gatun, where they took the trail for Panama. This was the first commercial business transacted by the Panama Railroad. From that date ships landed at Navy Bay instead of at the mouth of the Chagres River, and on the 2d of February, 1852, the town of Aspinwall was formally established. Finally,

on the 27th day of January, 1855, after more than six years of the most perplexing difficulties, the railroad, forty-seven miles long, was completed, at a cost of over \$8,000,000. It is impossible for an American who has not visited the tropics and had experience in penetrating tropical morass and jungle to comprehend the difficulties which the original promoters of the Panama Railroad had to meet in constructing this Isthmian highway.

During the first ten years of its operation this railroad transported over \$700,000,000 worth of specie and 300,000 bags of mail, and it is said that not a dollar of the specie nor a bag of the mail was lost.

#### ITS STEAMSHIP CONNECTIONS.

In 1856, the first year after its completion, the railroad company began operating a steamship line between Panama and San Jose de Guatemala, which was the principal port on the Pacific Coast of the Republic of Guatemala. This line of steamers was continued until October, 1872, when it was transferred to the Pacific Mail Steamship Company, and a traffic contract, covering a period of fifteen years, was made with that company. When that contract expired, others were made, usually with the Pacific Mail Steamship Company; but at one time the Panama Railroad Company established a line of its own between San Francisco and Panama. In 1902, however, its own line was withdrawn, and a contract made with the Pacific Mail Steamship Company, which still exists. Shortly after the road was completed—the exact date I have been unable to ascertain—a line of sailing vessels was established between Aspinwall and New York. This line of sailers was continued until 1870. From that date various traffic arrangements have been made with steamship lines connecting Aspinwall, or Colon, as it is now called, with American ports; but in 1893 the Panama Railroad Company established, be-

tween New York and Colon, a steamship line of its own, which is still in operation.

### THE CONCESSION.

The concession granted the Panama Railroad Company by the Republic of New Granada for the construction of a railroad across the Isthmus of Panama was very sweeping in its provisions (Exhibit E).

Among other things it provided that:

While the exclusive privilege granted to the company or persons engaged in the enterprise of building the railroad from one ocean to the other, continues in force, the Government of the Republic agrees neither itself to build, nor to grant to any other company whatever, under any title whatever, the right of building any other railroad on the Isthmus of Panama; and it is likewise stipulated that, while the said privilege continues in force the New Granadian Government shall have no power to undertake, nor to permit any other person to undertake, without the concurrence and consent of the said company, the opening of any maritime canal to unite the two oceans across the said Isthmus of Panama.

In 1867 this provision was modified as follows:

But it remains stipulated that the right which is conceded to the company to give its consent does not extend to its opposing the construction of a canal across the Isthmus of Panama (except on the actual route of the railroad itself), but only to its exacting an equitable price for such privilege, and as indemnification for the damages which the Railroad Company may suffer by the rivalry or competition of the canal.

It was also stipulated that a part of the money that might be received by the railroad as damages should go to the Colombian Government.

Exclusive privilege was also granted to the company for forty-nine years—

To use the ports situated at the two termini of the railroad, required for the anchorage of vessels, and for the loading and unloading of goods, which are to pass over the said road.

The provisions of the concession have been modified several times since the original grant, and the period for which it ran extended to ninety-nine years from 1867; but no material changes affecting the exclusive character of the franchise were made.

When the French company sought from the Colombian Government a concession to construct a canal across the Isthmus, it found that the consent of the Panama Railroad Company was necessary, and after some negotiations concluded to buy the railroad, and in that way secure the advantage of its concession, rather than undertake to purchase its consent, which would have to be approved by the Colombian Government. After repeated efforts they finally, in August, 1881, secured possession of sixty-eight-seventieths of the stock, paying \$250 per share, and in addition consented for the American stockholders to strip the company of all the cash and accumulated surplus, so that the actual amount received by the American shareholders was about \$291 per share for stock the commercial value of which at that time was only a little above par. When the United States bought the property of the French canal company, among its assets were the sixty-eight-seventieths of the stock of the Panama Railroad.

The railroad has been bonded for various amounts since 1851. In 1897, however, all bonds were retired (Exhibit B-20), and a new issue of 4,000 first mortgage  $4\frac{1}{2}$  per cent. twenty-year gold bonds of \$1,000 each was made. Of these bonds 3,374 were sold and 626 were retained in the treasury of the company. At the time

the property was acquired by the United States Government 1,002 of the outstanding bonds had been redeemed, so that there remain now standing as an indebtedness against the company 2,372 of these bonds, aggregating \$2,372,000.

Under the terms of the concession the railroad is required to pay to the Colombian Government an annual indemnity of \$250,000. The Panama Railroad Company, therefore, has not only been required to pay from its earnings interest on its bonded indebtedness, and its operating expenses, but also this annual indemnity of more than \$5,000 per mile. In 1880 the Panama Railroad Company, at the request of the Colombian Government, converted this annual indemnity into bonds for a period of twenty-seven and one-half years. These bonds were sold by the Colombian Government to private capitalists, so that this indemnity is now being, and will continue to be, until 1908, paid to the purchasers of these bonds. After that, by the treaty under which the canal is being constructed, that amount will be paid by the United States Government to the Republic of Panama. Whether or not at that time the Government will relieve the railroad company of the burden of this annual payment is not yet determined.

#### DIVIDENDS.

The railroad paid dividends on its capital stock every year from 1853 to 1892 (Exhibit F-1). The smallest dividend during this entire period was two per cent. in 1885, and the largest 44 per cent. in 1868. In 1865 the capital stock was increased from \$5,000,000 to \$7,000,000. In 1881, the last year that the railroad was owned by the American capitalists, a dividend of 52½ per cent. was declared. This however, not only represented the earnings of that year, but included the assets on hand at the time the road was sold to the French canal com-

pany. The average annual dividend paid from earnings of the company from 1853 to 1881, the year that the property was transferred to the French, was a fraction less than 16 per cent. The average annual dividend since 1881 has been a fraction under five per cent. So it appears from the above that this railroad has always been a financial success, and when under control of the American stockholders it was exceedingly profitable.

### OFFICERS AND MANAGEMENT.

The officers of the company on January 20, 1905, the time this investigation began, were:

	<i>Salary.</i>
President, J. Edward Simmons.....	\$10,000 per annum.
Vice-President and Secretary, Edward A. Drake.....	8,500 " "
Treasurer, Sylvester Deming.....	5,200 " "
General Manager, Charles Paine.....	7,000 " "
Assistant Secretary, Thomas H. Rossbottom.....	2,400 " "
Traffic Manager, R. L. Walker.....	6,000 " "
Auditor, John Adams.....	3,300 " "

The firm of Sullivan & Cromwell was retained as general counsel at an annual salary of \$6,000. The subordinate officers and clerks seem to have received the usual salaries paid for work of that character in the City of New York. The offices of the company were located at 24 State street, and seemed to be suitable for the purposes, and the rent paid reasonable. From the general offices in New York the business of the company has been managed. While there has been a general superintendent on the Isthmus, and a local accounting office, still the work of the general superintendent and his subordinates has been only supervisory. All questions of policy were determined by the New York office. The salaries of employes on the Isthmus are about the same as those paid by the railroad companies in the United States for a similar class of work. Compensation of employes doing technical work is usually in excess of that paid in this country, but in the

lower grades of labor it is somewhat less. As a rule laborers of the lower class are not as efficient as here, and in the aggregate it costs more to accomplish the same results on the Isthmus than in this country.

### EQUIPMENT.

The railroad is equipped with rolling stock (Exhibits B-18 and G) as follows: Twenty-four road engines, 11 switch engines, 5 special engines, 19 passenger coaches (first and second class), 7 baggage cars; freight cars as follows: Five hundred and eighty-four box, 173 coal, 151 flat, 22 local express, one wrecking car, 5 cabooses, 2 specie cars, 9 water cars, and 9 stock cars. It also has two iron tugs, 19 freight lighters, and one floating pile-driver. This equipment is old and out of date. A large majority of the freight cars are of only 12-ton capacity, are not equipped with air brakes, and would be discarded by any up-to-date railroad. It should be said, however, that the Panama Railroad, being located on the Isthmus 1,400 miles from the nearest American port, and having no railroad connections, was not required to utilize as modern equipment as would be necessary for an American railway. It has machine shops, a foundry, and car shops located at Colon, where it has successfully repaired its cars and engines, and, indeed, many of the freight cars which are now in use have been rebuilt upon the Isthmus. The officers of the company doubtless have never felt that the expense necessary for the re-equipment of the railroad with modern rolling-stock would be justified, considering the use that it was able to make of the old equipment and the amount of business which it handled. The roadbed is in good condition, and the light 56-pound rails are all being replaced with 70-pound steel rails.

At Colon the Panama Railroad Company has three

wooden wharves, and freight is discharged from the ships to the wharves and loaded from the wharves to the cars for transit across the Isthmus. The depth of water at these wharves is twenty-six feet at low tide. On the Pacific side, at Panama, there are three wooden wharves at which freight must be handled by lighters because of the shallowness of the water. There is also a steel pier at La Boca, which is connected with the main line from Panama by a track two and one-half miles in length. The pier is 960 feet long, and has a depth of twenty-six feet of water at low tide. The books of the Panama Railroad Company show that this pier cost \$2,220,357.18, which is certainly a very excessive price. It should have been built for much less; but since it was constructed while the road was the property of the old French canal company, it did not appear that an investigation as to the cause of this excessive cost could properly be made a part of this inquiry. Before the pier was built all freight was handled between ships and wharves by lighters, and at times lighters are still used, the pier being too small to take care of all the business during the busy seasons.

The railroad has maintained a hospital on the Isthmus to care for the sick and disabled of its employes, and also maintained a commissary, from which the employes of the company could get provisions at cost with a small per cent. added. The company also owns the telegraph line which crosses the Isthmus and forms a connecting link for the cable lines on the Atlantic and Pacific sides.

The town of Colon is a tropical village located on the island of Manzanilla. This island is owned by the Panama Railroad Company, with the exception of three small tracts, one of about ten acres, belonging to the Republic of Panama; one belonging to the Pacific Mail Steamship Company, and one to the Royal Mail Steam Packet Company, upon both of which are erected wharves. With the above exceptions the land of the

island, consisting of about seven hundred acres, is divided into about 3,600 lots, of which 900 are at present leased to different individuals, who have erected buildings on them. The company receives an annual rental for the use of the land, which in 1904 aggregated \$8,500. The railroad has about thirty-four buildings of its own in Colon. It also owns a number of buildings in Panama, from which it received about \$6,000 for rentals last year.

For twelve years the company has operated a steamship line between New York and Colon. Six steamers, all American register, were in use on this line January last (Exhibits B-9 and 10). Three are owned by the company and three chartered. The ships owned are iron freight and passenger steamers, consisting of the *Allianca*, the *Advance*, and the *Finance*. The *Allianca* was built in 1886, has a net tonnage of 2,205, and speed of thirteen knots. The *Advance* and the *Finance* were built in 1883, and are ships similar to the *Allianca*, except they are of three hundred tons less burden. The three chartered steamers were the *City of Washington*, an iron ship of 1,744 net tonnage, for which \$200 per day was paid; the *Orizaba*, a steel steamer having a net tonnage of 2,334, for which \$250 per day was paid; and the *Seguranca*, a steel ship with a net tonnage of 2,933, for which \$262.50 per day was paid.

The Panama Railroad Company owns the wharves at Colon, with the exception of two, one belonging to the Royal Mail Steam Packet Company, of London, and an old wharf owned by the Pacific Mail Steamship Company. The latter is out of repair, and has not been in use for several years. For twelve years since the steamship line was established the railroad has reserved the exclusive right of handling by its own steamers all commerce between the Atlantic ports of the United States and the Pacific ports of North and South America. For business with Europe and other countries the railroad has connections on the Atlantic side

with eight steamship lines (Exhibit B-35). Three of these are English, one French, one German, one Austrian, one Spanish, and one Italian.

In October, 1903, a traffic agreement was entered into by which the United Fruit Company, a Boston corporation, operating a large number of ships engaged in the tropical fruit trade between Central and South American ports and ports of the United States and Europe, was given traffic connections at Colon, and since that date it has been transporting freight and passengers between New Orleans and that port.

### COMPLAINTS.

A number of complaints against the traffic policy and management of the Panama Railroad had been made at the time this investigation began.

These complaints may be summarized as follows:

That the local freight and passenger charges were excessive;

That the railroad had entered into a traffic contract with the Pacific Mail Steamship Company which was monopolistic in its character and of great injury to commerce between the eastern coast of the United States and the Pacific coast of the United States, Mexico, Central and South America;

That it had entered into traffic contracts with the Pacific Steam Navigation Company and the Compañía Sud-Americana de Vapores which were detrimental to commerce between the United States and South America;

That the Panama Railroad Company has maintained for its own steamships a monopoly of all trade via Panama between the Atlantic seaboard of the United States and the west coast of North and South America;

That goods shipped via Panama are carelessly handled, resulting in heavy losses by damage and theft;

That there is a congestion of freight at Panama and Colon, caused by a lack of facilities; and,

That commercial business is made secondary to canal business, greatly to the injury of commerce.

#### LOCAL RATES.

There appears to have been a great deal of complaint as to excessive charges of the Panama Railroad Company for local passenger and freight traffic. The rates formerly were excessive, but a new schedule was put in force on February 1, 1905, which appears to be reasonable, and has relieved these complaints in a very great measure. As to whether this schedule is a proper one experience must determine, and those responsible for the detail management of the railroad must pass upon questions that come up affecting the advisability of the present rates.

#### THE PACIFIC MAIL CONTRACT.

On the Pacific side the Panama Railroad has a traffic contract with the Pacific Mail Steamship Company, of San Francisco (Exhibit B-37), by which it agreed to give to that company the exclusive privilege of through bills of lading to and from any and all ports of Central America, Mexico, the United States and British America on the Pacific coast, and as a result of such agreement on the part of the Panama Railroad Company, the Pacific Mail Steamship Company contracted that any merchandise taken on its vessels at San Francisco, or any Pacific coast port north of Panama, for shipment to Atlantic or Gulf ports of the United States, or to Europe, should be given through bills of lading only by way of the Isthmus of Panama. Both parties agreed to co-operate in making such rates and in taking

such measures as would afford to both protection against interference or competition by other steamship lines with the traffic conceded by each to the other. It was further agreed that the Pacific Mail Steamship Company should establish a regular schedule service of not less than three ships per month between San Francisco and Panama; that the Panama Railroad Company should conduct a similar steamship service between New York and Colon; and that neither company would establish lines competing with the other on either the Atlantic or Pacific Ocean.

By this contract the division of rates was made as follows:

It is agreed that through freight rates, so far as the same accrue to the Railroad Company and Steamship Company, shall be divided between them as follows:

On freight between United States Atlantic Coast ports and United States Pacific Coast ports.

To the Railroad Company, fifty per cent. (50%).

To the Steamship Company, fifty per cent. (50%).

Minimum rate, forty cents (40c.) per hundred pounds, or ten cents (10c.) per cubic foot.

On freight between United States Atlantic Coast ports and Mexican or Central American ports.

To the Railroad Company, sixty per cent. (60%).

To the Steamship Company, forty per cent. (40%).

Minimum rate to or from Mexican ports, sixty cents (60c.) per hundred pounds, or thirty cents (30c.) per cubic foot, ship's option.

Minimum rate to or from Central American ports, fifty cents (50c.) per hundred pounds, or twenty-five cents (25c.) per cubic foot, ship's option.

On freight between European ports and Mexican or Central American ports.

To the Railroad Company, forty per cent. (40%).

To the Steamship Company, sixty per cent. (60%).

Minimum rate, thirty-five shillings (35s.) per ton of twenty-two hundred and forty (2,240) pounds, or forty (40) cubic feet.

On freight between European ports and United States Pacific Coast ports.

To the Railroad Company, thirty-seven and one-half per cent. ( $37\frac{1}{2}\%$ ).

To the Steamship Company, sixty-two and one-half per cent. ( $62\frac{1}{2}\%$ ).

Minimum rate, forty cents (40c.) per hundred pounds, or ten cents (10c.) per cubic foot.

The above prescribed divisions between the Railroad and Steamship Company shall apply to the portion of the through freight rates accruing to said Companies on business and traffic, whether originating at or destined to the ports above mentioned or points prior or subsequent thereto.

It will be observed from the above that the minimum rate between the Pacific Coast ports and the Atlantic Coast ports of the United States is forty cents per one hundred pounds, or ten cents per cubic foot, while the minimum rate between the Mexican ports and the Atlantic Coast ports is sixty cents per one hundred pounds, or thirty cents per cubic foot, and the minimum rate between the Central American ports and the Atlantic Coast ports is fifty cents per one hundred pounds, or twenty-five cents per cubic foot. It therefore appears that a larger minimum is fixed for the shorter distances, it being from a thousand to twenty-five hundred miles nearer New York from Central American and Mexican ports than from the Pacific Coast ports of the United States. Two reasons are given as justifying this schedule. First, that the expense of handling cargo at Central American and Mexican ports is much greater than at United States ports, and that, therefore, the charge should be more. Second, that competition by the transcontinental railways between the United States ports is severe, and that a rate was required to meet this competition. It will also be observed that the railroad company received sixty per cent. of the rate between the eastern ports of the United States and

Mexican and Central American ports, and the steamship company forty per cent. This division is based upon the greater service performed by the railroad company, it carrying the freight between Panama and Colon by rail, and by its steamers between Colon and New York. It will be further observed that on freight between European ports and Mexican and Central American ports the railroad company received forty per cent. and the steamship company sixty per cent., and on freight between European ports and the United States Pacific Coast ports the railroad company received thirty-seven and one-half per cent. and the steamship company sixty-two and one-half per cent. These divisions relate to that part of the through European rate that is due to the railroad company and steamship company for transporting this freight between Colon and the Pacific Coast ports. On business between Europe and Mexico and Central America the per cent. of the through rates which each carrier received varied. On Central American freight the Panama Railroad received twenty-three and one-third per cent., the Pacific Mail Steamship Company thirty-five per cent., and the European line forty-one and two-thirds per cent. On Mexican business the Pacific Mail Steamship Company received thirty-seven and one-half per cent., the Panama Railroad Company twenty-five per cent., and the European line thirty-seven and one-half per cent. The steamship company was required, in addition, to pay at Panama a wharfage charge of eighty cents per ton; also a charge of ten cents per ton for use of the cranes. Subject to the agreed minima, the rates charged were fixed by the initial carrier, that is, the rates on all commerce originating on the Atlantic Coast were fixed by the Panama Railroad Company, and on that originating on the Pacific Coast north of Panama by the Pacific Mail Steamship Company. If any de-

sirable business was offered at a rate below the minimum the acceptance of it was made a matter of conference and special agreement between the companies. A large majority of the freight, however, paid a greater rate than the minimum. At the time this contract was entered into the Pacific Steam Navigation Company and the Compañía Sud-Americana de Vapores had traffic agreements with the Panama Railroad, and were making ports north of Panama in competition with the Pacific Mail Steamship Company. It was, therefore, stipulated in the contract that the Panama Railroad Company should notify these companies that after ninety days it would refuse to through-bill any merchandise to or from ports north of Panama by any line other than the Pacific Mail Steamship Company, and that it would use its good offices to bring about a division of territory whereby these South American lines should confine their business south of Panama, in which event the Pacific Mail Steamship Company would agree not to run ships south of Panama. There was also a provision in the contract that, in the event these South American lines refused to consent to such a division of territory and withdrew their existing lines connecting Panama with points on the Pacific Coast south, the Pacific Mail Steamship Company would, within one hundred and twenty days, establish a steamship line running between Panama and Valparaiso, making regular schedule trips; and in the event that it became necessary for the Pacific Mail Steamship Company to establish such a line, the Panama Railroad Company would issue and accept through bills of lading to and from all points south of Panama only by that steamship company, and not recognize any other steamship lines or enter into traffic arrangements with them for South American business.

## CONTRACTS WITH SOUTH AMERICAN LINES.

After some negotiations it appears that the South American lines reluctantly consented to the division of territory suggested above, and on the 10th day of September, 1902, the Compañía Sud-Americana de Vapores made a contract with the Panama Railroad, Exhibit F-2, quite similar in its provisions to the one which the railroad company had made with the Pacific Mail Steamship Company. By the terms of this contract the railroad company agreed not to run any steamers on the Pacific Ocean south of Panama, and further agreed to promote and protect the interests of the Compañía Sud-Americana de Vapores in all traffic in that territory in connection with the railroad and its Atlantic connecting lines, especially against all forms of competition whatsoever so far as it could lawfully control the same, except as to the Pacific Steam Navigation Company, reserving the right to enter into a similar contract with that company. Under this contract the proportions of the through rate accruing to the steamship company were as follows:

33 $\frac{1}{3}$ % between Europe and ports south of Panama.  
45% between West Indies and all ports south of Panama.  
38% between New York and ports south of Panama.

The minimum rate was thirty shillings per ton on New York and European freight. A wharfage charge at Panama of about one dollar a ton in addition was made by the railroad company to the steamship company.

There was also a traffic agreement entered into by the Panama Railroad Company with the Pacific Steam Navigation Company which contained the same provisions as the contract with the Compañía Sud-Americana de Vapores, and the same division of rates was established (Exhibit F-4).

By the terms of the contracts the fixing of rates was left to the initial carrier, subject to the right of revision by the railroad company to the end that one of its connecting carriers could not cut through rates in competition with the other connecting carrier. On South American business the average of through European rates which the railroad company received was about twenty-five per cent. The South American companies agreed that each would make two trips per month, thereby establishing a regular weekly schedule to the principal ports between Panama and Valparaiso.

By these agreements the Pacific Mail Steamship Company has had the monopoly of handling all traffic by way of the Isthmus of Panama between Europe and ports on the Pacific Coast north of Panama; also all business by the same route between the eastern coast of the United States and ports on the Pacific Coast north of Panama; while the Pacific Steam Navigation Company and the Compañía Sud-Americana de Vapores have had a similar monopoly of handling trans-isthmian commerce with all ports on the Pacific Coast south of Panama.

The Pacific Mail Steamship Company is satisfied with the contract and asks its continuance. Representatives of the South American lines advised me when in Panama that their companies preferred that the Pacific Mail Steamship Company contract be abrogated, so that they could again go north of Panama to the ports of Central America, Mexico, the United States, and Canada. Representatives of a number of the Central and South American governments joined in a request (Exhibit H) that the contracts with the Pacific Mail Steamship Company and the two South American lines be abrogated.

## COMPLAINTS OF CENTRAL AMERICAN COUNTRIES.

Representatives of the Central American countries complain that as a result of the contract between the Panama Railroad Company and the Pacific Mail Steamship Company, excessive rates are maintained, and cite as illustrations those charged by lines for carrying freight by way of the Straits of Magellan. They allege that there is also a discrimination in rates against New York in favor of Europe; that this discrimination is very injurious to commerce between their countries and the United States, and further, that these excessive rates are a great impediment to the development of the commerce of their respective countries.

In considering these complaints I have investigated the rates of the western ports of all the Central American countries whose representatives joined in the complaints.

### COSTA RICA.

Punta Arenas is an important port on the western coast of Costa Rica. It is 85 miles from San Jose, the capital. Coffee is the principal product of this as well as of all the Central American countries, and the rates on a ton of 1,000 kilogrammes, or 2,200 pounds, of clean coffee will be made the basis of comparison. The rate from Punta Arenas to Europe by the way of Panama is \$15 per ton; from Punta Arenas to New York, \$11 per ton; and to Europe by the Straits of Magellan, \$12.50 per ton (Exhibit I). No coffee appears to be shipped to New York by the Straits of Magellan.

The local charges at this port are: Transportation from San Jose to Punta Arenas, about 70 miles by rail and 15 miles by cart, \$7.10 per ton; wharfage, Punta Arenas, government pier, \$1.60 per ton; lighterage,

\$2.30 per ton; making \$11 per ton charges for transporting the coffee 85 miles and placing it at the ship's side at the Costa Rican port, being the same as is charged by the Panama Railroad and Pacific Mail Steamship Company for transporting it from Punta Arenas to New York, a distance of about 2,500 miles, 2,450 by water and 47 by rail, including all charges for wharfage and port handling at Panama and Colon.

#### NICARAGUA.

Corinto is one of the principal ports on the western coast of Nicaragua. About 160,000 bags of coffee, or over 10,000 tons, are shipped annually from this port (Exhibit I). The rate on coffee from Corinto to Europe by the way of Panama is \$16.25 per ton; to New York, \$15.40; and by the way of the Straits of Magellan to Europe, \$13.75. Corinto is connected with Granada, an interior city, by rail. The local charges on exported coffee through the port of Corinto are as follows: The railroad rate from Granada to Corinto, about 119 miles, is \$11.18 per ton; wharfage and lighterage charges at port, \$2.20 per ton; export duty, \$8.80 per ton; making \$22.18 per ton which the producer must pay for placing coffee at the ship's side at the local port, or \$6.78 more than the freight charges from Corinto to New York, and \$5.93 more than from Corinto to Europe, via Panama.

#### GUATEMALA.

Champerico is one of the important ports of Western Guatemala. The chief product of the adjacent country is coffee (Exhibit I). It is about 39 miles by rail from Champerico to the principal coffee producing region. The freight charges for this distance are \$6.60 per ton. The local charges on coffee shipped from this port are as follows: Export duty, \$22 per ton; railroad freight

rate, 39 miles, \$6.60; wharfage, 42 cents; lighterage, \$1.27; making a total of \$30.29 that it costs to place every ton of coffee at the ship's side at Champerico, while it is transported by the Pacific Mail Steamship Company and the Panama Railroad Company to New York and Europe for about half that amount, the rate to New York being \$15.40 per ton, and to Europe \$16.25 per ton.

The rate charged from San Jose de Guatemala, the principal port for Guatemala City, to Europe is \$16.25 per ton; to New York, \$15.40 per ton. The rate from this port to Europe by the way of Cape Horn or the Straits of Magellan is \$13.75 per ton, \$2.50 less than the rate charged by the way of Panama. The local charges on exported coffee from Guatemala City through this port are: Government export duty, \$22 per ton; railroad rate from Guatemala City to San Jose, 75 miles, \$12.70 per ton; lighterage at San Jose, \$2.43 per ton; wharfage, 54 cents per ton; making a total of \$37.67 per ton at the ship's side. The Guatemalan Government has consented for the railroad which runs from Guatemala City to San Jose to increase the freight rate from \$12.70 per ton to \$16.50 per ton from May 1st of this year, so that with this increase in the railroad rate the total cost of placing coffee at the ship's side would be \$41.47 per ton.

It does not appear to me that the rate of \$16.25 for transporting coffee to Europe, or \$15.40 to New York, which requires carrying it by water about 800 miles to Panama, then transfer from ship to wharf and from wharf to cars at Panama, transporting it 47 miles across the Isthmus by rail, then transfer from cars to wharf and from wharf to ship at Colon, and carrying it from there by water 2,000 miles to New York, and 5,000 miles to Europe, is excessive when compared with the local charges in these Central American countries. The rate

by the Pacific Mail Steamship Company, and the Panama Railroad Company, from San Jose to New York is less than the rate which the railroad is permitted by the Guatemalan Government to charge for transporting coffee from Guatemala City to the coast, a distance of 75 miles.

From the foregoing it would appear that if there are impediments to Guatemalan commerce they are not placed there by the Panama Railroad Company and the Pacific Mail Steamship Company.

The rate on coffee from the Central American ports to New York is in every instance less than to Europe, so that it does not appear that these companies have been diverting coffee shipments from the United States to Europe. On hides, however, the rates are the reverse, the price per ton to New York being \$33 while to Europe it is only \$24.50. New York is an active market for hides and in spite of this discriminating freight rate gets about half of this Central American product. The same may also be said of skins and rubber. The rates via the Straits of Magellan are cheaper than via Panama. What is the actual cost of transportation per ton by each route cannot be definitely ascertained, it depending largely upon the character of the vessel used, but the fixing of these rates is presumably based upon competition. It takes from sixty to ninety days to transport coffee from Central America to New York or Europe by the Straits of Magellan, while it requires from twenty-five to forty days from Central America to New York and Europe by Panama.

Considering the time, the marine insurance, and the risk it is evidently, as a rule, advantageous for the shippers of Central America to use the Panama rather than the Straits route at the above rates because about seventy per cent. of the coffee produced in Central American countries is shipped by Panama. If a higher rate

via Panama than \$16.25 per ton would hold the business it would doubtless be charged. If a lower rate were necessary in order to move the commerce over that route the rate would without doubt be reduced. This is the policy that has been pursued, so far as I can learn, by the Panama Railroad Company and the Pacific Mail Steamship Company. In making Central American rates these companies have followed the general policy of all transportation companies, that is, to fix rates so as to get the largest amount of business possible at the greatest profit. In Central America competition seems to have kept the rates at a comparatively reasonable figure.

Whether the canceling of the contract and giving all steamship lines equal privileges at Panama will lower the freight rates is a question which only experience can determine. Between San Francisco and Mexican and Central American ports the Pacific Mail Steamship Company has no monopoly. That is an unrestricted territory, open to all foreign and American lines, tramp and regular, except as to the restraint placed on the two South American lines by their contracts with the Panama Railroad, yet the rate on coffee from Central American ports to San Francisco, an all-sea route of about 2,000 miles, is \$8.80 per ton. This rate is charged by the Pacific Mail Steamship Company and the Kosmos Line, its foreign competitor, the same line that carries freight from Central America to Europe via the Straits of Magellan, a distance of over 12,000 miles, for \$12.50 per ton. The reason of this marked difference in charges per ton per mile is doubtless because the Kosmos Line and the Pacific Mail Steamship Company are able to control the bulk of shipments from Central America to San Francisco and have agreed upon a rate, while on freight moving the other way they have been unable to control, and are therefore making competitive prices for business in that direction.

## SCHWERIN SAYS CONTRACT BENEFIT TO CENTRAL AMERICAN COMMERCE.

While in San Francisco I interviewed Mr. R. P. Schwerin, Vice-President and General Manager of the Pacific Mail Steamship Company, and informed him of the nature of the complaints made against the contract between the Panama Railroad and his company. Mr. Schwerin stoutly asserted that such complaints were not well founded; that the contract has been a benefit to commerce of Central America; that the steamship company has maintained a regular weekly schedule service between San Francisco and Panama, touching at intermediate points, and has offered every facility for the movement of traffic that could be offered by any steamship line. He further stated that if the contract is annulled as requested by the representatives of the Central American countries and the commercial bodies of the Pacific Coast a number of competing lines will enter the field for Central American business and no one will get sufficient business to justify the maintaining of a regular schedule service; and that the freight, passenger, and mail service will therefore be irregular and unsatisfactory, and as a result the commercial interests of these countries will suffer.

The American consuls and consular agents on the Pacific Coast of Central America and Mexico as a rule state, Exhibit D, that there is no impediment of any kind to the shipment of commerce between the ports at which they are stationed and the United States and Europe. One consul in Guatemala states that the Pacific Mail Steamship Company has not always furnished sufficient tonnage capacity to take care of the commerce, and that as a result quite an amount of coffee has been shipped to Europe by way of the Straits which should

have gone by Panama. One consul in Mexico and one in Honduras complain of the rates.

After carefully considering the complaints of the representatives of the Central American countries, the rates charged, and facilities furnished by the Pacific Mail for the handling of cargo, it appears that the service of that company has been good and the rates reasonable, taking into consideration the inconvenience and delays in receiving and discharging cargo at the Central American ports. With few exceptions the harbors are open roadsteads, and freight is loaded and discharged by lighters. When the sea is rough business is suspended, it being impossible with the facilities available to load or unload safely in a heavy sea. The ships are frequently detained for hours, and sometimes days, for trivial causes. The steamer upon which I sailed from Panama was detained in one port two days in taking on a comparatively small amount of cargo because of the inadequate facilities for handling the freight. This same ship stopped at another port to land five passengers, having no freight to take on or discharge, and was delayed twenty hours, although there was no cause whatever for the detention except to suit the convenience of languid port officers.

I therefore cannot concur in the opinion of the representatives of Costa Rica, Nicaragua, and Guatemala that the contract between the Panama Railroad Company and the Pacific Mail Steamship Company has been a serious impediment to the commerce between those countries and the United States, or that the rates are unjustly high. The contract is monopolistic in its character but the results of its operation as far as Central America is concerned has not been detrimental to commerce.

COMPLAINTS OF SOUTH AMERICAN  
COUNTRIES.

Complaints against the traffic agreements with the South American steamship companies have been made by the representatives of Chile, Peru, Ecuador, and Bolivia (Exhibit H).

I did not visit the South American ports; therefore have no personal knowledge as to their harbor facilities or the efficiency with which they handle cargo. My information in regard to these ports has been furnished by the consuls and consular agents of the United States located there, the rate schedules of the various steamship lines, and Mr. P. H. Cahill, the Central and South American agent of the Panama Railroad Company.

The rate of the Panama Railroad from New York on general merchandise, such as agricultural implements, boots and shoes, canned goods, carpets, leather goods, stoves, etc., to the ports of Colombia and Ecuador north of Guayaquil is seventy-five cents per hundred pounds, or thirty-seven and one-half cents per cubic foot. The rate to Guayaquil, Ecuador, which is beyond these ports, is sixty cents per hundred pounds, or thirty cents per cubic foot. The rate to all of the principal Peruvian and Chilean ports, including Valparaiso, is fifty cents per hundred pounds, or twenty-five cents per cubic foot. It will be observed that by this schedule the general rule is, the longer the distance the less the rate. The rate to Buenaventura, Colombia, the first important port south of Panama, is seventy-five cents per hundred pounds, while that to Valparaiso, which is more than three thousand miles further south, is fifty cents per hundred pounds. The same system is followed by the European lines. The rate of the Leyland Line, running from Liverpool and connecting with the Panama Railroad and the South Pacific lines, is \$13.75 per ton from Liverpool to Buenaventura, while the rate to Valparaiso is \$8.75

per ton, or \$5 less than the rate to Buenaventura. These rates are fixed wholly upon the basis of competition. The further south from Panama the severer becomes competition by the Straits of Magellan. The actual cost of transporting a ton of cargo from New York, or Liverpool, to Valparaiso by Magellan is probably less than to transport it by Panama. At this point, therefore, the Straits route has the advantage, and rates via Panama are low to meet the competition. But north from Valparaiso the advantage is with the Panama route. The further north the greater is the advantage, and the rate is increased as this advantage grows, the purpose being to charge as high a rate as practicable and hold the business. The question as to the actual cost of transporting the goods is not taken into consideration except in the fixing of the minimum. This system of rate making is the basis of the complaints of the representatives of the South American countries. The system, however, is the same as that followed by other transportation companies. To illustrate: The rate on cotton from Memphis to New Orleans, a distance of 456 miles is seventeen cents per hundred, while the rate from Dallas, Texas, to New Orleans, a distance of 497 miles, is seventy cents per hundred. The distances between these two cities and New Orleans are about the same, yet the rate from Dallas is more than four times as great as that from Memphis. From Meridian, Mississippi, to New Orleans the distance is 197 miles, as compared with 456 miles from Memphis, yet the rate on cotton from Meridian to New Orleans is thirty-six cents per hundred; that is, the rate from Meridian is more than double that from Memphis though the product is hauled less than half the distance. The explanation of these apparently inconsistent rates is that Memphis and New Orleans are both on the Mississippi River, and the Memphis and New Orleans rate is a competitive water rate. The cost of transporting a hundred pounds of

cotton from Memphis, or Meridian, to New Orleans is only incidentally considered. It is presumed that there is profit in handling it from Memphis at seventeen cents per hundred; otherwise the railroad would be carrying this freight at a loss, and in order to make up the deficit so created would have to impose excessive rates on interior towns. The same may be said of transporting cargo from New York, or Liverpool, to Valparaiso at fifty cents per hundred pounds. If there was not some profit in it the cargo would doubtless be refused. So it appears that the Panama Railroad Company has followed the same principle in fixing rates north of Valparaiso that is followed by the American railways in making their rate schedules when river competition is a factor.

#### RATES FROM SOUTH AMERICA TO EUROPE LOWER THAN TO NEW YORK.

From Guayaquil, which is the principal port in Ecuador, the rate on coffee by the way of Panama to the United States, as shown by the consular reports (Exhibit D-I) is \$17 per ton, while to Europe it is \$15 per ton, and to Europe by way of Magellan, \$11.25 per ton. From the foregoing it appears that the rate on coffee to New York from Guayaquil by the way of Panama is from \$1.60 to \$5.80 higher per ton than the rates from Central American ports of equal or greater distances, and that the rate from Guayaquil to Europe by the way of Panama is \$2, and by the Straits \$4.50, less than to New York. The rates, therefore, from Guayaquil to Europe by both the Panama and Magellan routes, are less than to New York.

Payta is the northernmost port of importance in Peru. From this port coffee cannot be made the basis of comparison because there does not appear to have been any shipped to New York by either route.

The rate on hides from Payta to New York by the way of Panama is \$30 per ton of 2,240 pounds, while that to Europe is \$20 per ton. The rate on Peruvian bark from Payta to New York is \$45 per ton, while that to Europe is \$30 per ton. And the same discrimination in favor of Europe prevails as to other products except raw cotton. The rate on general merchandise from New York to Payta is \$11.20 per ton, and that from Europe is \$12.50. Under the contracts which the Panama Railroad Company has with the South American lines, the initial carrier fixes the rate, so it will be observed that the rate from New York to Payta, which is fixed by the Panama Railroad, is lower than that from Europe on the same class of merchandise, while the rates from Payta, which are fixed by the South American lines, are about fifty per cent. higher to New York than to Europe.

The rate on general merchandise from New York to Valparaiso, the principal port of Chile, is \$11.20 per ton, while that from Valparaiso to New York is \$30 per ton. The rate from New York to Valparaiso is fixed by the Panama Railroad Company, while that from Valparaiso to New York is fixed by the South American lines. The Compañía Sud-Americana de Vapores, one of the contracting South American companies, is a Chilean line subsidized by the Chilean Government. It appears, therefore, that this Chilean line and its South American co-carrier are responsible for the excessive rates to New York, and the discrimination in favor of Europe complained of by representatives of the South American countries.

The reports of the South American consuls and consular agents show (Exhibit D) that there is almost universal complaint against the rates charged by the way of Panama.

The rates from the ports referred to apply generally, and from the foregoing it will be observed that equity has no part in the making of freight rates for the South

American ports. There also appear to be more favorable rates generally to Europe than to New York. There is no doubt but that if the Isthmian railway is opened to free competition on both sides there should be a decrease in the freight rates between South American ports and New York.

## COMPLAINTS FROM THE PACIFIC COAST OF THE UNITED STATES.

In considering the complaints made by the shippers of the Pacific Coast cities of the United States, I visited San Diego, Los Angeles, San Francisco, Portland, Tacoma, and Seattle, and conferred with their chambers of commerce and with citizens interested in commercial affairs. I submitted a list of questions to the chamber of commerce of each of the cities visited, asking for certain information which was necessary in order to consider intelligently their complaints and which I thought would be of value in determining the policy to be pursued in the management of the Panama Railroad.

### SAN DIEGO.

The Chamber of Commerce of San Diego, in reply to the questions submitted said (Exhibit J-1) that the principal products for export from San Diego are oranges, lemons, raisins, honey, and dried fruit; that about 875 carloads of these articles are shipped annually from the vicinity of San Diego; that none of this freight goes via the Isthmus because the Pacific Mail Steamship Company, the only line connecting with Panama, does not stop at that port; and that it would be practicable to ship the larger part of this freight East by the way of Panama if facilities were offered. It is conceded by all that oranges cannot be shipped by Panama because of the climatic conditions and the length of time required

in transit. It is contended by some that lemons could be successfully transported by that route if given proper attention, and they cite as proof that lemons are now shipped from San Diego by steamer to Seattle, a distance of about 1,500 miles, and reshipped from there to the East, and that these shipments are successfully made at rates lower than by rail direct from San Diego. It is very doubtful, however, whether lemons could be transported via Panama. They certainly could not with the present facilities for handling cargo on the Isthmus. But there appears to be no reason why raisins, honey, and dried fruit should not be successfully shipped that way. The Chamber of Commerce states that about 125 carloads of raisins and 100 carloads of honey were exported from the vicinity of San Diego last year; that the railroad rate on both of these commodities to points east of the Mississippi River is \$1.25 per hundred pounds, or \$25 per ton of 2,000 pounds. Judging from the rates fixed for transportation of other commodities it appears that \$15 per ton would be very liberal compensation for transporting raisins or honey from San Diego to New York by the way of Panama, which would be \$10 less than the railroad rate. In the event that facilities were offered by the Panama route, with this advantage in freight rates, it is reasonable to suppose that a very large part of this commerce would move that way. It is also estimated (Exhibit J-1) that 60,000 tons of merchandise are received annually at San Diego from the East; that a very large part of this merchandise would be shipped by the way of Panama if facilities existed; and that in 1904, 12,000 tons of iron and general merchandise from New York and Philadelphia were received by the way of Cape Horn or through the Straits of Magellan, while not a ton was received by Panama. San Diego has a magnificent harbor, one of the finest on this continent, and her citizens feel very keenly the refusal of the Pacific Mail Steamship Company to give them the

facilities for shipment via Panama to which they think they are entitled by virtue of their location, being the nearest American Pacific port to the Isthmus.

In closing its statement (Exhibit J-1) the Chamber of Commerce says:

The Panama Railroad having been in the past an exclusive monopoly managed wholly in the interests of the transcontinental railroad combine, has been of no benefit to the people of the Pacific Coast, all its benefits have inured to the corporations. The Pacific Mail's monopoly of this road has been used to buttress the exorbitant railroad freight charges. Now that the road has become the property of the people of the United States we feel that it should be open to all shippers at equal rates. So opened, it would be of great benefit to the Pacific Coast.

The following resolution was passed by the Chamber of Commerce and forwarded with its statement:

Resolved, That the Chamber of Commerce of San Diego, California, favors the opening of the Panama Railway to all shippers at equal rates and that no preferential rate be made.

#### LOS ANGELES.

The Chamber of Commerce of Los Angeles states (Exhibit J-3) that there originate annually in the vicinity of that city for shipment, the following products:

Citrus fruits.....	10,000 carloads
Vegetables .....	1,000 carloads
Dried fruit and raisins.....	300 carloads
Nuts .....	500 carloads
Wines and brandies.....	1,000,000 gallons
Wool .....	500,000 pounds
Honey .....	50 carloads
Olives and olive oil.....	5 carloads
Beans .....	500 carloads
Hides .....	2,000,000 pounds
Asphaltum .....	15,000 tons
Canned goods.....	500 carloads

Of these products, nuts, wines and brandies, wool, olive and olive oil, beans, hides, dried fruit and raisins, honey, canned goods and asphaltum can be shipped by the way of Panama, and if facilities were offered there is no reason why a large part of the commodities enumerated should not move that way.

Los Angeles is twenty miles from the sea, but the Government is constructing a harbor at San Pedro which, when completed, will make Los Angeles a sea-port city. San Diego is only one hundred and twenty miles distant, and if facilities existed at this time for the transportation of these products through that port at reasonable rates they would certainly be shipped in large quantities to the East by the Panama route.

In addition to the export products, the Chamber of Commerce states that 150,000 tons of iron and steel productions, and over 30,000 carloads of groceries, paints, drugs, dry goods, paper, etc., come annually from the East to that city; and that very large quantities of this freight could be transported successfully by way of Panama if there were proper facilities. The principal difficulty in making shipment at present by that route is that the goods have to go almost 500 miles north to San Francisco, and there be reshipped by rail back to Los Angeles. The expense and time required by this thousand miles of superfluous transportation are so great as to make shipment by the Panama route impracticable.

In closing, the Chamber of Commerce says (Exhibit J-3):

The amount of traffic between this market and the eastern part of the United States could undoubtedly be materially increased by a line of steamers plying between Panama and points on this coast, making San Pedro a regular port, having regular sailing dates and operating in conjunction with the Panama Railroad, and a similar line of steamers plying between Panama and New York,

with a tariff giving, if possible, a slightly more favorable differential in favor of the Panama route than at present, to offset the various drawbacks of this route.

#### SAN FRANCISCO.

At San Francisco there is a very lively interest in the subject of transportation by the way of Panama. The headquarters of the Pacific Mail Steamship Company is located there, and many of her citizens are naturally interested in the success of what they term a local enterprise. I spent a week in that city, and conferred frequently with the trustees of the Chamber of Commerce. They also called a public meeting for Thursday, March 23, inviting all persons who were interested in the subject of transportation by the way of Panama to attend. The meeting was large, and the question as to whether or not the contract with the Pacific Mail Steamship Company should be annulled was discussed with animation. Different views were expressed, some advocating the continuance of the contract because it guaranteed a regular schedule service between San Francisco and Panama, while others denounced the contract as monopolistic and injurious to the commerce of San Francisco and the entire Pacific Coast. I invited all those who had information which they thought would be of value to the Government to submit it in writing, giving any data which in their opinion should be considered in connection with the subject, and as a result received a large number of communications. Many of them, however, were marked confidential, and related to the private business affairs of the writers, and at their request are withheld from the exhibits of this report. I conferred personally with a number of the citizens, and left with the Chamber of Commerce a list of questions (Exhibit J-2), requesting them to secure for me certain information. In response to this request, the trustees

of the Chamber of Commerce have forwarded a report, herewith submitted (Exhibit J-2).

In this report the Chamber of Commerce says:

The present freight schedule via Panama is apparently based on the overland railroad freight schedule, the charges of the former varying from 78 per cent. to 90 per cent., with an average of about 83 per cent. of the latter; in other words, the differentials in favor of the Panama route, with its thirty-day trip, as compared with the transcontinental route, with its fourteen-day trip, are so small that the shipper either east or west does not consider the saving sufficient to cover risk of damage or breakage in the necessary several handlings of the goods via Panama.

Referring to this subject, one of the heaviest shippers of hardware on the Pacific Coast, in a personal letter, said:

The present system of rate-making via Panama, which is practically a steamship service, is based upon the railroad method of making rates under which they are compelled to take cognizance of the values of the freight, as they are responsible for its safe delivery in good order; therefore they have to consider losses by fire, collision, wreckage from washouts and the variety of risks which a steamship or sailing vessel does not assume, as all hazard and risks except those arising from improper storage and damage therefrom are marine risks, assumed by the shipper or insurance company; in other words, they are insurable marine risks, with which the vessel has nothing to do. In the former case the railroads are, therefore, compelled to make a classified list which embraces hundreds, if not thousands, of articles, and the rates applicable to such a varied assortment of values and conditions are very numerous, especially in the commodity list which governs San Francisco freight, as you will see by consulting the railroad tariff. Under

steamship or vessel service, such a list is not necessary, and is not used by the European, Australian, China, Japan, or any other lines of which we have knowledge, but is confined to the Panama and Hawaiian lines, the former because it is—in our judgment—controlled by the railroad, and the latter—also in our judgment—because they are not quite independent in fixing their rates.

Continuing, the Chamber of Commerce, in its report, says:

If an open service were established, giving as satisfactory sailing dates as has the Pacific Mail Company's service, and doing the business on a lower basis of freight rates, it would prove a very desirable arrangement, and the traffic via Panama would be greatly enlarged.

The ability to transport freight via Panama does not rest with the steamers alone. Numerous steamships, with large carrying capacity, can be readily obtained, but the quantity of tonnage will be measured by the ability of the Panama Railroad to handle it. That company has already a very large business to handle with South America, west coast of Central America, Mexico and California, and its facilities should be enlarged to meet the increasing traffic over this road. There have been frequent instances in recent years when there has been a great freight congestion on the Isthmus.

Referring to the question of maintaining a regular steamship schedule, the Chamber of Commerce says:

It is generally conceded that a line of steamers plying between San Francisco and Panama is a commercial necessity. In this connection merchants favor a service with a regular schedule to one without schedule. Such schedule is warranted by trade requirements, and should be maintained by one or more companies, with a fixed tariff based upon a fair revenue, which would provide more equitable rates on freight. Regular established

rates would doubtless better serve the commercial interests of San Francisco than open competition in rates which might fluctuate to a degree that would be disastrous.

If it can be accomplished without violation of treaty obligations, none of the Mexican and Central American tonnage now carried by American vessels should be allowed to go to foreign vessels, as it would leave the American line with only New York and San Francisco through business to live on. Receipts from way freights increase the earnings of the company and help to reduce the cost of New York and California business. If the way traffic were surrendered to foreign lines it would increase the cost of the United States interstate business, and impair a service which fifty years of active operation has demonstrated should be improved.

The exports and imports of San Francisco are very great, and a large per cent. of this freight can be moved by the way of Panama. About 600,000 tons of California products are shipped every year. The freight carried by the Pacific Mail steamships from San Francisco for New York in 1904 was 30,410 tons, and from New York for San Francisco during the same period, 39,156 tons, showing that San Francisco utilizes the Panama route more than other cities on the Pacific Coast.

The manager of one of the largest fruit canneries on the Pacific Coast said that his company shipped annually about 35,000 tons of canned fruits and vegetables to the eastern part of the United States and Europe, and that the canneries of California used about 20,000 tons of tin plate per annum in the manufacture of fruit cans. He further stated that it was practicable to ship all of the tin plate by the way of Panama, and at least eighty per cent. of the canned products of California, if rates were made to encourage commerce to move that way.

In a letter, he says:

With an inducement in the matter of freight tariff and direct communication between Colon, Baltimore, Philadelphia, New York and Boston, the larger part of this business, fully 80 per cent. of the business done on the Atlantic seaboard, could be sent via Panama, assuming that the time in transit would not exceed 30 days, and that the goods in transit will be sure of reasonably safe handling.

A very small part of this tonnage is transported now by the Panama route; and in answer to the question as to why more shipments were not made by that route, he said:

The present uncertainty as to time of arrival and the bungling methods of handling trade, . . . . make it impracticable for us to ship via that route.

The rate on canned goods from San Francisco to the Atlantic seaboard and the Mississippi Valley is seventy-five cents per hundred pounds in carload lots. This applies to all points except the southeastern cities, to which rates are higher. The rates to Tampa, Jacksonville, Savannah, Charleston and Atlanta are from eighty-eight to ninety cents per hundred pounds, while the rate to New York and all North Atlantic cities is seventy-five cents per hundred pounds.

It is said that about 35,000 tons of canned fruits, vegetables and salmon are exported annually from the Pacific Coast ports to London and Liverpool. The shipments are made either by way of the Straits of Magellan or Cape Horn, or across the continent by rail to New York, and by ship from New York. The producers with whom I conferred feel that if proper facilities existed a much lower rate could be made by the way of Panama, connecting with steamers at Colon, for London and Liverpool, than across the continent by rail, connecting with steamships at New York. San

Francisco now has far better facilities for shipment via the Isthmus than the other Pacific Coast cities, but many of its business men allege that the Pacific Mail Company, being controlled by a transcontinental railroad, does not give their city all the advantages of cheap sea transportation to which it is entitled.

#### PORTLAND.

The principal articles exported from Portland, Oregon, are lumber, wool, grain, hops, salmon, green, dried and canned fruits. About 10,000 carloads of lumber were shipped out of Oregon and Southern Washington during 1904. It is not thought practicable to ship lumber from Pacific Coast ports to the eastern coast of the United States or the Mississippi Valley by way of Panama, but it is feasible to ship hops, canned salmon, wool, dried fruits, and canned fruits. The Chamber of Commerce of Portland estimates (Exhibit J-4) that about 35,000 tons of these articles were exported from Oregon last year, and that a large part of this freight would have gone by the way of Panama if proper facilities had been offered at reasonable rates; that the railroad rates per hundred on dried fruits from Portland to the Atlantic seaboard are from \$1.00 to \$2.20; salmon from 75 cents to \$1.90; hops \$2.00, and canned fruits and vegetables from 75 cents to \$1.90; that practically none of this freight was transported by the way of Panama because of the rehandling at San Francisco, it being necessary to ship by a local line from Portland to San Francisco, and there transfer to the Pacific Mail Company's steamers. The Chamber of Commerce further estimates that 150,000 tons of merchandise are received annually at Portland for consumption and distribution, and that about two per cent. of this comes by the way of Panama, eight per cent. by the way of the Straits of Magellan, and ninety per cent. by transcontinental railroads. There is no reason why more of this freight should not be shipped

by the Panama route than by Magellan. On the Pacific Coast of Central America and Mexico about seventy-five per cent. of the merchandise from Europe and the United States is received by Panama and twenty-five per cent. by Cape Horn and Magellan. If the shippers of Western Mexico and Central America find it to their interests to route three-fourths of their commerce by the way of Panama as against Magellan, there is no reason why the same percentage of the sea commerce of the cities of the Pacific Coast of the United States should not move the same way if equal facilities were offered.

In answer to the request to "State any objections that the commercial interests of Portland may have to the present rate-making system of the Panama Railroad Company," the Chamber of Commerce (Exhibit J-4) says:

It is our opinion that the rates now in force by the Panama route are so adjusted, as far as this port is concerned, as to draw the freight away from the Panama line and throw it to the all-rail lines.

Referring to the maintenance of a steamship line running from the North Pacific ports to Panama, the Chamber of Commerce (Exhibit J-4) states:

If a line were established and reasonable rates were adopted, there is no doubt in our mind that such a line would receive such ample patronage as to be able to maintain a weekly sailing list, to great advantage to themselves and to the citizens of this coast.

Mr. William D. Wheelwright, President of the Chamber of Commerce, in his letter transmitting the report of the Chamber, adds:

You will not overlook the fact that all the business done for a series of years by way of the Isthmus has been done under a great disadvantage.

The railroad company having control of the Pacific Mail Steamship Company has influenced the fixing of rates with a view to discouraging business, and what has been done under such circumstances is, of course, no criterion of what will be done if reasonable rates are made.

#### TACOMA.

The Chamber of Commerce of Tacoma, in its report (Exhibit J-5) states that the principal articles of export from Tacoma are lumber, lath, shingles, bullion, wheat, barley, flour, wheat starch, hops, apples and salmon; that it is difficult to determine exactly what per cent. is shipped by the way of Panama, the Straits of Magellan and the transcontinental railroads, but as nearly as they can estimate, about one per cent. by the way of Panama; fifty-nine per cent. by the Straits of Magellan, and forty per cent. by rail; that it is impossible to estimate what per cent. would go by the way of Panama if there were proper facilities, but, as they now exist, the necessity of transshipment at San Francisco and rehandling on the Isthmus make it impracticable to ship any quantity by that route, and that a very small part of Tacoma imports—probably less than one per cent.—comes by the way of Panama, and not to exceed two per cent. by the Straits of Magellan.

The Chamber of Commerce, in closing its report, says:

The general sentiment prevailing with us appears to be that, as long as the present arrangements with the Pacific Mail Steamship Company is operative, the Panama route will be of little service to the North Pacific Coast outside of California, and the remedy suggested is that our Government throw the ports and facilities on both the Atlantic and Pacific sides of the Panama Railroad open to the competition of all steamship lines willing to compete for freight to and from these points. . . .

By some the view has been forcefully advocated that our Government procure and assume control of a line of steamers to run between Panama and all North Pacific ports, thereby securing control of both an Atlantic and Pacific steamship service to operate in connection with the Panama Railroad, the object being to use this freight route as a lever to regulate any excessive rates charged by railroads on overland freight, a difficulty the solving of which appears to be a vexed question at this time. We would not care to definitely recommend this course, but it has its merits, and we believe is well worthy of our Government's full consideration.

Mr. William Jones, President of the Chamber of Commerce, in transmitting its report, adds:

There are shipped from Tacoma about 150 carloads of wheat starch per annum—eighty per cent. to the Atlantic Coast and twenty per cent. to the Mississippi Valley—at 75 cents per hundred, carload lots. This could be shipped to advantage by way of Panama. . . . The starch is at its best about ninety days after the date of manufacture. Rehandling will not hurt it, except, of course, in cases of breakage. (Shipments are made in barrels.) The amount shipped to the Atlantic seaboard could easily be shipped by way of the Panama Railroad, provided satisfactory rates and through bills of lading could be obtained.

The Tacoma smelter shipped last year 9,850 tons of copper bullion to the refineries in New Jersey at \$14.50 per ton of 2,000 pounds in carload lots. This freight could be sent by the way of Panama; is cheaply handled; cannot be injured by rehandling, the important consideration being whether the amount of money the bullion represents could stand the loss of interest by reason of the additional time taken for the transportation.

There are shipped from the State of Washington about 4,500 tons of hops per annum—more than one-fourth from this city and county—and eighty

per cent. of the entire amount is shipped to Great Britain or Germany by rail via New York. Rate, \$2.00 per hundred to New York, \$2.60 per hundred to London.

Mr. Jones adds that, with proper facilities, this freight could, in his judgment, all be moved by the way of Panama.

#### SEATTLE.

There was less interest in Seattle in the subject of commerce via Panama than in any of the other Pacific Coast cities visited. This city appears to be somewhat outside the zone of Panama influence. The Chamber of Commerce stated that some products, especially of iron and steel, could be advantageously shipped by way of Panama to Seattle. The conditions there are very similar to those at Tacoma, the cities being only thirty miles apart.

I left with the Chamber of Commerce a list of inquiries (Exhibit J-10) as to the amount of freight which originates in that vicinity for shipment, and also the amount received there, which could be successfully transported via Panama, but up to the time of submitting this report replies to these inquiries had not been received.

#### COMPLAINT AS TO TRANSSHIPMENT.

The Pacific Mail ships sailing from San Francisco south make their first stop at Mazatlan, Mexico. Between Mazatlan and Panama they stop at all the important ports of Mexico and Central America. Going north they call at the same Central American and Mexican ports, making Mazatlan the last, and from there sail direct to San Francisco. The Pacific Mail has traffic arrangements with other steamship companies, whereby freight received at Panama for any Pacific Coast city of the United States other than San Francisco is reshipped

at San Francisco to its destination, and freight originating at the Pacific Coast cities to be exported via Panama must be shipped by other steamship companies to San Francisco, and there transshipped to the Pacific Mail. This transshipment at San Francisco is one of the chief sources of complaint by the shippers of Portland, Tacoma, and Seattle.

#### REPORT OF CONGRESSIONAL COMMITTEE.

The allegation is freely made by members of the chambers of commerce of a number of Pacific Coast cities that the transcontinental railroads control the rates by the Isthmian route as effectually as they did in 1893, at which time there was a Congressional investigation as to the relations between the Panama Railroad Company and the Pacific Mail Steamship Company. The report of the Congressional committee which made that investigation is referred to in the communication of Major-General George W. Davis (Exhibit K). In this report it is alleged that before the interstate commerce law was enacted an organization known as the Transcontinental Railroad Pool paid the Panama Railroad Company \$75,000 per month for the privilege of fixing rates by that route; that, in January, 1878, the Panama Railroad entered into a contract with the Pacific Mail Steamship Company, and that—

This contract provided that the Pacific Mail should have the exclusive right "to bill freight through" from New York to San Francisco, and *vice versa*, over the Panama Railroad, and all freight offered by others between these points could not be "billed through," but would have to pay local rates on the Isthmus railway.

The committee further says:

The sum paid for this was to be a lump sum of \$75,000 a month to the railroad company, which, by

modification, was afterward lowered to \$55,000 a month. A remarkable fact about this contract is that it was the result of a contract made before that time between the Pacific Mail Company and the Transcontinental Railway Pool, as at that date the Association of Transcontinental Railways was called. That was a contract whereby the Transcontinental Railway Pool, embracing all of the roads between the Missouri River and the Pacific seaports, and covering entirely all railway traffic between the Atlantic and Pacific seaboard, several of which had received large donations of public lands, and the bonds of which the United States Government was guaranteeing, paid the Pacific Mail the sum of \$90,000 a month, which was afterward reduced to \$75,000 a month, for the consideration that the Pacific Mail would carry only 1,200 tons of freight each way a month between New York and San Francisco, and on that freight would allow the Transcontinental Pool to fix the price and rate to be paid. That was the upshot of the contract, although the form was a reservation of space for 1,200 tons a month for the exclusive benefit of the Transcontinental Railway Roads, whether the steamer sailed full or half empty.

After the passage of the Interstate Commerce Law had compelled the dissolution of the so-called "pool," a Transcontinental Railway Association was formed, which, under some name or other, is still in existence, and down to the present time the Pacific Mail, subsidized by the Government in a large amount each year, has been allowing the Transcontinental Railway to fix the rates and limit the traffic over its lines. These two contracts were so far practically parts of one and the same that the amount paid the Panama Railroad monthly was fixed with regard to that paid to the Pacific Mail by the transcontinental roads, and when the latter was lowered from \$90,000 a month to \$75,000, the former was lowered from \$75,000 to \$55,000. The object is frankly stated by the officers of both the transcontinental roads and the Pacific Mail. It was to maintain rates above the level to which they

would fall if free competition between these several routes had continued. It seems to be certain that a very large, if not an absolutely controlling, interest in the stock and directory of the Pacific Mail Company is owned by individuals and estates very largely interested in the stock and directory of the transcontinental roads; and it is proven that the same individuals composing a majority of the directory of the Pacific Mail composed a majority of the directors present at the meeting of the Panama Railroad Company's directory at which the contract between Pacific Mail and the railroad company of February 1, 1878, was ratified and executed. That this system has for fifteen years been diminishing commerce between New York and San Francisco across the Isthmus is not denied. It is stated, as a justification, that the Transcontinental Railway Association, controlling, as it did, under these contracts, the prices and traffic of the Pacific Mail, used the latter as an active factor to defeat the competition of sailing vessels' traffic around Cape Horn, and thus were able to maintain the rates of the railroad companies as against that of sailing vessel competition. It is obvious that this did not tend to increase American shipping or tend to the encouragement of the merchant marine or the commerce of the United States.

Your committee cannot refrain from calling attention to what seems to be an obvious deduction from the facts shown: that it is the interest of the United States that the American people should absolutely control some outlet across the Isthmus, at some point which shall be used for the benefit of American trade in general as an open and continuous competitor, affording no opportunity for entangling subsidies from great competing lines or chance of falling into the grasp of any monopoly through stock manipulation.

(Signed) JOHN R. FELLOWS, *Chairman*.  
 T. J. GEARY,  
 JOSIAH PATTERSON,  
 H. HENRY POWERS,  
 BELLAMY STORER.

When at San Francisco a number of citizens called my attention to this report, and stated that the Government now has an opportunity to carry out the recommendation which this Congressional committee made, and that this railroad should now be made "an outlet across the Isthmus" for the benefit of American trade.

#### MR. SCHWERIN'S STATEMENT.

While in San Francisco I submitted to Mr. R. P. Schwerin, vice-president and general manager of the Pacific Mail Steamship Company, a number of questions (Exhibit L) relating to the complaints against the contract between that company and the Panama Railroad Company.

In answering, among other things, Mr. Schwerin said:

The Pacific Mail Steamship Company now maintains a regular schedule between San Francisco and Ancon, and it requires nine steamers to perform the regular service, as the distance between San Francisco and Ancon is 3,474 miles. These vessels now take freight from San Francisco to the ports of the following countries: Mexico, Guatemala, Salvador, Honduras, Nicaragua, Costa Rica, Colombia, and the west coast of South America. They also transact the local business between the ports of these countries and handle, via the Isthmus of Panama, freight from the west coast of the United States to ports of the Atlantic Coast, ports of the West Indies, the northeast coast of South America, and Europe, including those of the United Kingdom, France, Germany, and the Mediterranean, and the company receives at Ancon from its connecting carriers return freight from the countries noted above, and also handles the local business between Central American and Mexican ports.

South of Ancon, on the west coast of South America, two lines of foreign steamers are in operation—the Pacific Steam Navigation Company, a British organization subsidized by the British Gov-

ernment, and the Compañía Sud-Americana de Vapores, a Chilean corporation, subsidized by the Chilean Government. These two lines do not operate north of Panama. There is also a German line, called the Kosmos Steamship Company, controlled largely by the interests of the Hamburg-American Packet Company, flying the German flag. This line operates steamers from Hamburg to ports on the west coast of South America via the Straits of Magellan, touching at Central American and Mexican ports, San Francisco, and Puget Sound ports, and on the return voyage to Hamburg touches at ports named, in a reverse order. This last-mentioned line is to-day a direct competitor with the Pacific Mail Steamship Company for all classes of its business, both north and southbound, excepting that which must be exclusively carried in American bottoms; *i. e.*, freight originating on the Pacific Coast of the United States and destined to the Atlantic Coast of the United States and carried via the Isthmus, or *vice versa*. Its steamers sail side by side with us, loaded with American commodities for the Mexican and Central American countries, and transact the local business between ports of Mexico and Central America. It has to-day every advantage that the Pacific Mail Steamship Company has, with the exception that it takes its freight through the Straits of Magellan, and does not through bill via the Isthmus. This line carries freight and passengers. Their steamers are of a large freight-carrying capacity, chiefly manned and operated with foreign officers and Chileno crews. The officers are paid the wages out of Hamburg. From Hamburg to Valparaiso the crew is a skeleton German crew, and at the latter port Chilenos are taken aboard to make up the complement, and they are paid silver wages.

The Pacific Steam Navigation Company pay their officers British wages out of the port of Liverpool, and the crew are all Chilenos, at silver wages. The Compañía Sud-Americana de Vapores pays its officers and crew silver wages.

The service of the Kosmos Line has been somewhat irregular, and, as we have endeavored to op-

erate our line with the greatest possible regularity, we have had the advantage in the carrying of freight and passengers up to the present. If, however, the Isthmus is thrown open and the South American companies extend their service to San Francisco or Puget Sound (and they have been offered an additional subsidy by the Dominion Government to go to British Columbian ports), ship for ship, it is impossible for us to carry freight and passengers in competition with these three lines and live, as the Isthmus and the local business would be divided between four lines; and it is manifestly evident that the American line cannot continue to exist, for the reason that not only is there not enough business for four lines, but, with the keenest economy of operation, the American line cannot compete with its foreign competitors, in view of the increased cost of its operating expenses.

Referring to the increased expense of maintaining the American ships with American officers and American crews, as compared with the cost of operating a foreign ship, Mr. Schwerin offers as evidence a statement (Exhibit L) of the expense of maintaining the American steamship Acapulco, with a gross tonnage of 2,572, as compared with the cost of maintaining the British steamship Palena, with a gross tonnage of 2,553. The total cost per month of maintaining the Acapulco was \$3,060, as against \$1,535.86, the cost of operating the Palena, a difference in favor of the British steamship of \$1,525.14, or \$18,289.68 per annum. He also offers a statement (Exhibit L) showing the cost of operating the American steamship City of Sydney, with a gross tonnage of 3,017, as compared with the cost of operating the Chilean steamship Aconcagua, with a tonnage of 2,761. The total expenses per month of maintaining the City of Sydney were \$3,230, while the expenses of maintaining the Aconcagua were \$1,048.88, a difference in favor of the Chilean steamship of \$2,181.12 per month, or \$26,173.44 per annum. He offers a further statement

(Exhibit L) giving the difference in the expense of operating the American steamship Aztec, with a tonnage of 3,508, as compared with that of operating the German steamship Ramses, with a tonnage of 3,582, showing the cost of the Aztec to be \$2,155 per month, as against \$878.75 per month for the Ramses, a difference in favor of the German steamship of \$1,276.25 per month, or \$15,315 per annum. The difference in the cost of maintaining these steamships consists in higher wages for the crews, higher salaries for the officers, greater cost of food for the crews, officers, and passengers, and larger expenses for repairs. To illustrate (Exhibit L): The captains on all three of the American ships are paid \$200 per month in gold, while the captain of the English ship is paid \$160 per month; of the Chilean ship \$112 per month, and of the German ship \$125 per month. A larger percentage of difference maintains for the subordinate officers. The seamen of the American ships are paid \$30 per month in gold, while the seamen of the English ships are paid \$7.65 per month; of the Chilean ship \$5.76 per month, and of the German ship \$16.25 per month. Mr. Schwerin states that the American seamen not only demand higher wages, but better food, and therefore their maintenance is much more expensive than that of sailors upon foreign ships.

Referring to the rates that are charged at the Mexican and Central American ports, he says that they are very low, considering the expense incurred at those ports in loading and discharging cargo; that the facilities for handling freight are very poor, resulting in great waste of time; that ships costing hundreds of dollars a day to maintain are kept waiting by port officers, some times for days, for a comparatively small amount of freight; that if the business from these ports is divided between a number of competing lines the amount of freight each would receive would be so small that it

would not justify maintaining a regular schedule service, and that the annulling of this contract will result in injury to the commerce of Central America and Mexico.

Mr. Schwerin adds (Exhibit L) that he has no objections to competition with American lines when conditions are equal, and that—

If the privilege of through bills of lading were given to all ships sailing under the American flag and withheld from ships sailing under foreign flags, the Pacific Mail Steamship Company would maintain a regular weekly service between San Francisco and Ancon, and continue to do so, making every effort to build up its line by obtaining as fast as possible American vessels of new and modern construction, which could be operated more economically, and of a type which could be operated through the canal upon its completion.

#### BUSINESS NOT DEVELOPED.

After carefully considering the statements made by the commercial bodies of the Pacific Coast, the statement of Mr. Schwerin, and other data which have been called to my attention, it clearly appears that the Pacific Mail Steamship Company has made little effort to develop business between Pacific Coast and Atlantic Coast ports of the United States. It has not endeavored to secure traffic from Seattle, Tacoma, and Portland, three important commercial cities upon the North Pacific Coast, and it passes by the port of San Diego without stopping. Mr. Schwerin states that there is not sufficient business at San Diego for the South and East by the way of Panama to justify ships stopping there, and that the business available from the northern cities would not justify establishing a service direct between those points and Mexico, Central America, and Panama. This position is vigorously controverted by the shippers

and the chambers of commerce of these cities. Members of the Chamber of Commerce of San Diego state, in support of their assertion that there is a large business from their city available for shipment by Panama, that, during the week ended March 11, 1905, a vessel of the American-Hawaiian Steamship Line brought by the Straits of Magellan from New York to San Diego more than 3,000 tons of miscellaneous merchandise. It appears reasonable that a steamship line which finds it profitable to stop at numerous and unimportant ports of Mexico and Central America would find a larger and more profitable business available at the important commercial cities on the Pacific Coast of the United States. The statistics furnished by the various chambers of commerce show that there is a large volume of freight which could with profit be moved via Panama at a much lower rate than that paid the transcontinental railroads, and it appears to me that these statistics further show that a large part of this commerce would go via Panama if facilities were offered. There can be no doubt but that, if an effort had been made to secure business from the important Pacific Coast ports, a larger traffic would have been developed. The fact that the rates between the Atlantic and Pacific ports of the United States are based on the transcontinental railroad freight schedule, being a flat discount of twenty per cent. from that schedule for carload lots and thirty per cent. for less than carload lots, is evidence that there is a co-operation between the Panama route and the railroads in the fixing of rates. The character of the Isthmian route is such that certain articles can be shipped much cheaper by that route than across the continent by rail, while upon others the difference in the cost would not be so great, and many articles cannot be successfully shipped that way. So there does not appear any valid reason why the rate via Panama should be made differential. It is quite evident that, if the Pacific Mail Steamship Company and the

Panama Railroad Company had been engaged in a lively competition with the railroads for transcontinental business, they would have had an independent rate schedule. While at present the control of Panama rates by the transcontinental railroads is not so specifically apparent as it was under the contract of 1878, as set forth in the report of the Congressional committee (Exhibit K), yet the effect of the present contract is practically the same, another method having been adopted to secure the desired results.

#### COMPLAINT AS TO POLICY ON ATLANTIC SIDE.

Complaint is made that the Panama Railroad Company has monopolized the traffic on the Atlantic side for its own steamships, and refused to receive freight at Colon from competing lines, and that as a result the commercial interests of the Gulf cities have been greatly injured.

I visited the Gulf ports of Pensacola, Mobile, New Orleans, and Galveston, and conferred with the commercial organizations of these cities. These ports have never had facilities for the movement of commerce via Panama to and from the western coast of North and South America. The Panama Railroad Company has operated a steamship line from New York to Colon and refused to allow the use of the Isthmus to any competing line on the Atlantic side.

#### NEW ORLEANS.

The Board of Trade of New Orleans complains bitterly of the discrimination by the Panama Company against the Gulf ports and in favor of New York. The New Orleans commercial organizations assert that a very large tonnage would seek an outlet through that

port if facilities were available for shipment via the Isthmus to the western coast of North and South America. The products originating within the commercial radius of New Orleans for export are wheat, corn, oats, hay, all kinds of farm products, cement, coal, iron, manufactures of iron and steel, lead, zinc, lumber, cotton, petroleum, rice, sugar, salt, sulphur, cotton-seed products, etc. A market for a large amount of these products could be found in South and Central America and on the western coast of Mexico if transportation facilities existed. It is also asserted that, if opportunity were offered, large quantities of these products could be shipped to the Pacific Coast of the United States by the way of Panama more cheaply than by the transcontinental railroads. The Board of Trade further alleges that the discrimination on the part of the Panama Railroad Company against New Orleans has had a far-reaching effect upon its commercial interests; that the distance from New Orleans to San Francisco is 2,456 miles, while from New York to San Francisco it is 3,237 miles, yet the freight rate on commodities is the same from New Orleans and New York to San Francisco, as indicated by the following schedule (Exhibit J-6):

	<i>New Orleans to San Francisco.</i>	<i>New York to San Francisco.</i>
Iron.....	\$0.75 per. cwt.	\$0.75 per cwt.
Sugar.....	1.65 " "	1.65 " "
Coffee, green .....	.90 " "	.90 " "
Coffee, roasted .....	1.10 " "	1.10 " "
Rice.....	.55 " "	.75 " "

It appears from Exhibit J-6 that large amounts of cotton, sugar, rice, and general merchandise are shipped by rail from New Orleans to the Pacific Coast, and that there are heavy shipments of matting, silks, tea, Japanese merchandise, wine, and canned and dried fruits from the Pacific Coast to New Orleans; that a large part of this freight could be routed by the way of Pan-

ama, and that if proper facilities existed there would be a readjustment of the transcontinental railroad freight rates so that New Orleans would be given advantage of the 781 miles shorter haul by rail to the Pacific Coast ports which she is justly entitled to, but is now deprived of because she has not the facilities for cheap water transportation by the way of Panama.

Referring to the shipment of cotton to the Orient, the Board of Trade (Exhibit J-6) says:

Cotton is shipped to the Orient, but none of it via New Orleans. The most remarkable feature is that cotton, a Southern product, is being forwarded to Tacoma, and thence to Japan and other ports of the Orient at rates which, at the present time, it would be difficult for New Orleans to compete with, owing to the fact that the rates via Colon and Panama to the Oriental ports have been prohibitive.

The exportation of cotton, comparing the seven month ending March 31, 1904, with the same period for 1905, from Puget Sound shows an increase from 26,012 bales to 68,741 bales, indicating a heavy transcontinental movement for transshipment at our Pacific ports.

In this connection it may also be stated that the exportation of cotton from San Francisco for the same period shows an increase from 12,355 bales to 89,724 bales.

Continuing, the Board of Trade says that the natural movement of this cotton would be to New Orleans, and from there by water to the Orient by the way of Panama; that the cost of the transportation of baled cotton by the Isthmus route would be much cheaper than to ship it thousands of miles by rail over high mountain plateaus to the Pacific Coast and then reship to the Orient, and that commerce ought to have the opportunity of moving by the Panama route, that being the one of least resistance.

Referring to the steamship facilities existing at present from New Orleans to Colon, the Board of Trade (Exhibit J-6) says:

The present steamship facilities between New Orleans and Colon are those of a fruit line. This service can hardly be considered as comprehensive for the carrying of general cargo and passengers. While these fruit steamers, perhaps, have been able up to this time to fill the limited requirements of this trade, it is anticipated that, with the development and additional needs for canal construction, unless a proper general cargo steamship service is maintained between New Orleans and Colon, and thence via Panama Railroad to the Western coast of the United States, Central and South America, New Orleans will be deprived of that share of the business which by rights should come to her.

The passenger service has up to this time also been a cause of considerable complaint, as the fruit steamers, for reasons of their own, have discouraged the carrying of passengers during the summer time. This acted as a drawback to New Orleans, since passengers going to New York would supply their commercial wants in the East.

Recently the United Fruit Company has placed one general cargo boat, the steamship Saphir, in this market to ply between New Orleans and Colon.

A further disadvantage under which New Orleans is laboring at this time is the fact that the United States Government is running the Panama Steamship Line entirely from the port of New York, when, it is claimed by New Orleans interests, that it would be but fair to allot a part of this line to our city.

New Orleans has fine facilities for the handling of ocean commerce. Her wharves are under municipal control, and there is a fine depth of water to the river's edge. She not only has the advantage of river transportation for thousands of miles inland, but many of the

great railroads of the Mississippi Valley make this port their Southern terminus. The Board of Trade asserts that all her business men ask is that she be given an opportunity to utilize to the fullest extent her natural advantages.

Mr. E. A. Drake, secretary of the Panama Railroad Company, in referring to the complaint of the New Orleans Board of Trade, says that at one time the Panama Railroad chartered a ship and put on a service between New Orleans and Colon; that the Southern Pacific Railroad immediately cut the rates on products which could be successfully transported by the way of Panama; that after the ship had made one round trip the merchants who had sought to have the line established withdrew their patronage and availed themselves of the reduced rate of the Southern Pacific, and that the Panama Railroad then withdrew its ship for lack of patronage. This statement of Mr. Drake evidently relates to the matter referred to in the following paragraph from the report of the New Orleans Board of Trade (Exhibit J-6):

While on the subject of Panama transportation, it brings to mind the experience the wholesale grocers, liquor dealers and other interests had with the Southern Pacific Company several years ago, when the dealers here concluded that the rate from San Francisco, in carload lots, of 75 cents per hundred pounds, was excessive, and exceedingly so. The merchants at the time took the bull by the horns, and had the wine transported from San Francisco to Panama by steamship, and thence to New Orleans, at a rate of 45 cents, as against the 75-cent rate of the Southern Pacific, all rail.

While the wine was en route by this vessel the Southern Pacific reduced their rail rate to 45 cents to meet the steamship rate. After the wine reached here the Southern Pacific raised their rate again to 50 cents, and finally, after the boat was withdrawn, back to 75 cents.

In the meantime the jobbers thought the Southern Pacific would protect the recently reduced rate, but, as stated above, when the ship was withdrawn, the Southern Pacific put their rate back to 75 cents on carload lots, and have not deviated from this rate ever since.

#### MOBILE.

Mobile exports the same character of goods as New Orleans, but she has never had facilities for the shipment of her products to the western coast of North and South America by the way of Panama. The Chamber of Commerce of Mobile states that there is a large amount of cotton products and raw cotton destined for the Orient which is transported from that vicinity to Seattle, Portland, and San Francisco, and from there re-shipped by steamer to China and Japan, and that a large volume of canned goods, such as salmon, canned fruits, California wine, and dried fruits, is shipped from the Pacific Coast of the United States to Mobile for distribution. The president of the Chamber of Commerce states that it would be practicable to ship a large part of this freight by the way of Panama, but that proper facilities have not existed because no steamship line running out of Mobile was able to make traffic arrangements with the Panama Railroad for transfer of its cargo across the Isthmus. The fact that transcontinental rates on canned goods from California to many of the interior Southern cities and cities on the Gulf and the South Atlantic seaboard are higher than to New York and other eastern ports bears out the statements made by the shippers of the Southern cities that high rates are maintained because facilities via Panama are denied.

The President of the Chamber of Commerce (Exhibit J-7) says:

In my judgment the handling of cotton and cotton goods to the Orient and foreign countries could

be greatly increased or stimulated with improved shipping facilities by Panama. Furthermore, the products of the Pacific Coast ports, of Mexico, Central and South America could be stimulated and largely developed by the port of Mobile for the interior. For instance, such as nitrate of soda, which come from Chile; coffee, and woods of value that now have to be moved by water around Cape Horn, if they move at all. The coal, iron, and timber industries are susceptible of large development to the west coast, principally of Central and South America, and proper shipping facilities and reasonable rates are only needed to promote its successful handling.

The Mobile Chamber of Commerce strongly urges the opening of the Panama Railroad for transportation of freight across the Isthmus to all competing lines on the Atlantic side, and says:

I am informed that there are companies which would establish an American steamship line, maintaining a regular service between Mobile and Colon, if they were given the privilege of through bills of lading from Mobile and interior points in connection with connecting lines to the Pacific Coast ports of the United States by way of Panama, and for Panama with connecting lines on the Pacific Coast.

Mr. Drake says that at one time, years ago, an effort was made to have a line run from Mobile to Colon, but that it was not successful.

Mobile claims that, within a short time, she will be able to place first-class steam coal on board ships cheaper than can be done in any port in America.

#### PENSACOLA.

Pensacola has one of the best harbors in the United States and fine facilities for the handling of ocean commerce (Exhibit J-8). No commerce has passed through

this port for the western coast of North and South America by the way of Panama. It is claimed by the Chamber of Commerce of Pensacola that coal can be loaded into ships cheaper from her wharves than from any other port in this country, and that her railroad reaches into a very productive part of the Mississippi Valley and the South; that it would be greatly to the interest of her commercial development if she had facilities for the movement of the products of this region to Colon and to the western coast of North and South America by the way of the Isthmus. The same general conditions exist here as at the other Gulf ports.

The interests of the Gulf ports of the United States in commerce by the way of Panama are very great, as indicated by the statements of their chambers of commerce and boards of trade. The north and south railways of the Mississippi Valley penetrate the most productive regions of our country. Their grades are very slight, and the natural current for the transportation of the products of this valley is toward the Gulf. I have conferred with many men who have studied the movements of commerce, and it is their opinion that an enormous tonnage of the products of the Mississippi Valley will find an outlet through the Gulf ports to the west coast of North and South America and the Orient if efficient facilities for transportation via the Isthmus are given. Expert traffic men advise me that freight originating in the Mississippi Valley south of Cincinnati, St. Louis, and Kansas City can be transported more cheaply to the Pacific Coast of the United States by the way of the Gulf and Panama than across the continent by rail, over heavy grades and high plateaus. The coal and iron productions of Alabama are very great. The mines are but a short distance from the ports of Pensacola, Mobile, and New Orleans, all of which have fine harbors for handling ocean commerce.

## GALVESTON.

While Galveston is not a city of large population, yet her port is one of the most important in the country. It is the nearest deep water harbor to the western half of the Mississippi Valley. An enormous amount of merchandise passes through Galveston—outward bound freight for New York, Europe, and South America, and homeward bound freight for distribution to the large interior cities of the country, such as Dallas, Houston, Fort Worth, Denver, Kansas City, and others. A large percentage of the products of Texas, Kansas, Arkansas, Missouri, Oklahoma, and Indian Territory finds an outlet to the markets of the world through the Galveston harbor. Heretofore no facilities have been offered for the transportation of any of these products across the Isthmus of Panama. Hundreds of thousands of tons of commerce are transported annually from San Francisco to Galveston and from Galveston to San Francisco by rail and then reshipped to other points. I was informed in San Francisco that every year thousands of tons of sugar from the Hawaiian Islands are unloaded at San Francisco and shipped by rail to Galveston, and from there by steamship to New York. Exhibit J-9 shows that this shipment of sugar last year amounted to 127,000 tons. Large quantities of general merchandise are shipped by steamer from New York to Galveston and reshipped by rail to San Francisco. If it is feasible to make such shipments with profit, it would be far more profitable to ship via Panama. There is no great difference in the water distance from New York to Colon and from New York to Galveston, and the cost of transportation of freight across the Isthmus, forty-seven miles by rail, and from Panama to the Pacific Coast ports by water would certainly be much less than from Galveston to San Francisco overland, a distance of about 2,000.

I have been advised that there are steamship com-

panies that will establish a regular schedule service to Colon from Mobile, and possibly from Pensacola, New Orleans, and Galveston, if facilities for properly handling their cargo are available.

#### COMPLAINTS AS TO CARELESS HANDLING OF MERCHANDISE.

Referring to the complaints that goods shipped by the way of Panama are frequently damaged by careless handling and that losses occur by theft, it appears that many of these complaints are well founded. A number of shippers on the Pacific Coast give this as the reason for not taking advantage of the twenty per cent. reduction in rates from the transcontinental railway schedule. The reports of South American consuls and consular agents (Exhibit D) show that there is almost universal complaint against the careless and indifferent handling of goods shipped by the way of Panama; that losses by damage and theft are numerous; and that there is great delay in the adjustment of claims.

The character of labor that can be secured at Colon and Panama is not of a high order, and while the local management of the road has doubtless endeavored to properly protect the interests of its patrons, yet it has not always been able to do so as completely as it should have done. In talking with the acting superintendent and other subordinate officials, they informed me that at times the stevedores would intentionally let accidents occur, such as the bursting of a barrel of wine, hoping to appropriate to themselves a portion of the contents before it all disappeared. Indeed, such accidents at one time became so common that a severe rule against the employes drinking any wine from a bursted barrel had to be enforced, and they were further forbidden to appropriate a part of any kind of damaged merchandise. With improved facilities for the handling of freight, a

strict discipline over the laborers, and more prompt settlement of damage claims, these complaints will be greatly reduced.

#### CONGESTION OF BUSINESS.

The complaints as to the congestion of business, and the injury to commerce resulting therefrom, also appear to be justified. While I was at Colon and Panama a larger amount of commercial freight was being landed at the wharves from ships than the railroad could properly take care of, and at the same time handle the pressing work for the Canal Commission. Chief Engineer Wallace was devoting himself with great energy to the organization of the canal work. He fretted under delays incident to the securing of machinery and supplies from the States, and when the supplies were finally unloaded from the ships at Colon he insisted that the railroad give the transportation of such supplies immediate attention, holding that the expense of delay to the United States Government was vastly greater than the injury to commerce that might occur from the delaying of a few cargoes of merchandise. The shipper, however, is more interested in the prompt movement of his freight and the delivery of it at its destination upon schedule time than he is in the general subject of the Panama Canal construction, and the steamship lines and their agents are naturally irritated over complaints from shippers of delays. I have been advised that a Pacific Mail ship was recently delayed at Panama several days beyond sailing date because of the congested condition of the business of the railroad.

That the congestion complained of is increasing is evident from the letters of S. Sandberg, captain of the steamship City of Panama, and George R. Brown, captain of the steamship City of Para, submitted herewith. Captain Sandberg complains (Exhibit L-2) that he was

unable to unload his ship at La Boca Pier because the railroad could not receive the cargo; that while he was detained at La Boca he, on—

Sunday, April 23rd, made a trip to Colon, and en route noticed a number of flat cars loaded with coal and side-tracked at the various sidings; this being for the use of Canal Commission; also a large number of box cars filled with supplies and materials for the Canal awaiting unloading. While at Colon, visited the P. R. R. Co. wharf, and found same completely choked and blocked with cargo destined for Pacific side of Isthmus; . . . .

The steamer "Orizaba" was lying at the wharf in Colon, and I went on board and interviewed the captain. We talked over affairs on the Isthmus, and he told me he had arrived at Colon on the morning of April 19th, and it was then Sunday, April 23rd, 3.30 p. m., and his hatches had not yet been taken off.

He had 2,300 tons of cargo on board, and the S. S. "Seguranca" was due the next day with 2,500 tons of cargo.

In conclusion I would state that the necessities of the Canal Zone in the matters of freight and the transportation of material has practically resulted in withdrawing about one-half of the rolling stock formerly available for handling cargo across the Isthmus, with the result that the P. R. R. Co. are utterly unable to furnish the service we require in order to despatch one of our ships every week.

Captain Brown, of the City of Para, in Exhibit L-2, confirms the statements made by Captain Sandberg, and further adds:

The day I was at Colon the "Orizaba" had been in port four (4) days, and not one package of freight discharged. Yet the R. R. officials wanted her freight to come forward in this ship.

In conclusion, I will state, never before, since I have been in the employ of the P. M. Co., have I

ever seen or heard of such a terrible mixed up mess in freight on the Isthmus as I saw last April during the two weeks' stay at La Boca Pier.

The Government is under just as great obligations to keep open this route of commerce and to handle promptly and efficiently cargo entrusted to its care as it is to press the work of canal construction, and every possible effort should be made by the Panama Railroad Company not only to fulfil its obligations to the Canal Commission, but to commerce as well, and whatever improved facilities are necessary to enable it to do this should be immediately provided.

#### THE TELEGRAPH LINE.

Under the concession from the Colombian Government the Panama Railroad has the exclusive right to construct a telegraph line across the Isthmus. The rate formerly charged for messages was one dollar for ten words, and ten cents for every additional word. Complaint was made that this charge was excessive, and on February 1, 1905, the rate was reduced to twenty-five cents for ten words and two and one-half cents for each additional word. But the cable companies have not reduced the price for cable messages from the United States across the Isthmus. Formerly the cable companies paid the Panama Railroad the regular rate of one dollar for every message of ten words sent across the Isthmus; now they pay twenty-five cents, and seventy-five cents, the difference between the present and former rates, goes to the cable companies instead of to the Panama Railroad Company. The local patrons of the telegraph line have been benefited by the reduction in telegraph rates, but the citizens of the United States who have to use these lines in their commercial business have not been. The gross receipts of the telegraph line for the year 1904 (Exhibits B-33 and 34) were \$6,052.30,

of which \$1,663.85 was for local business and \$4,388.45 was for through business. From this it appears that almost three-fourths of the business is through business, and that the reduction of the telegraph charges has resulted in a loss to the revenues of the railroad, but has been of no benefit to the American public. Since this investigation began the West India & Panama Telegraph Co., Ltd., an English line, has stated that it will reduce the rate on through messages equivalent to the reduction in the telegraph rate, but the Central and South American Telegraph Company refuse to make any reduction.

#### TEHUANTEPEC ROUTE.

The Mexican Government has constructed a railway across the Isthmus of Tehauntepec between the ports of Coatzacoalcos on the Atlantic side and Salina Cruz on the Pacific side. The purpose of this road is to handle transcontinental freight as well as local business. Being a railway constructed and owned by the Mexican Government, and its relation to commerce being so similar to that of the Panama Railroad, I concluded to land at Salina Cruz, examine the road, and consult with the Mexican authorities as to the policy which that government had adopted in its operation.

This railway is known as the Tehauntepec National Railway, and has been in the course of construction for many years. The route was first examined by American capitalists as far back as 1850. After repeated attempts construction was actually begun in 1878, but the road was not completed until 1894, and has never been available to any extent for transcontinental commerce because of the shallowness of the harbor on the Atlantic side, caused by the bar at the mouth of the Coatzacoalcos River, and the lack of harbor facilities on the Pacific side. In 1898, however, the Mexican Government en-

tered into a contract with the English contracting firm of S. Pearson & Son, Ltd., of London, for the rebuilding of the road and the construction of two harbors, one at Salina Cruz and the other at Coatzacoalcos. In 1902 an additional contract was made with the same firm to operate the road and manage the harbors after they are completed. This contract is in the nature of a partnership between the Mexican Government and the firm of S. Pearson & Son, Ltd., and runs for a period of fifty-one years from July 1, 1902. The contracting firm are the administrators or managers of the property, and the annual earnings are to be divided as follows:

1. Payment of operating expenses, maintenance of track, etc., and formation of a reserve fund for repairs.
2. Payment of interest on loans.
3. Payment to the two partners of an interest of 5 per cent. on the capital furnished by them.
4. Refundment of losses in previous years which were charged to capital.
5. Payment of interest at 5 per cent. per annum on the capital devoted to the Coatzacoalcos port works.
6. The surplus to be divisible between the Government and the contractors as follows: During the first thirty-six years, 65 per cent. to the Government and 35 per cent. to the contractors; during the next five years, 68½ per cent. to the Government and the balance to the contractors; during the next five years, 72½ per cent. to the Government and the balance to the contractors; in the last five years, 76½ per cent. to the Government and the balance to the contractors.

I landed at Salina Cruz on the 5th of March. Sir Weetman Pearson, the head of the firm, was on the Isthmus at the time, and he received me with marked courtesy and offered every facility for a thorough examination of the railroad and harbor works.

What promises to be a very fine harbor is being constructed at Salina Cruz, the Pacific terminus of the railroad. The harbor at present is a small inlet or bay and

subject to hard storms and heavy seas. When completed it will be protected by two breakwaters that extend, one about two-thirds, and the other about five-eighths of a mile into the bay, the outer ends of the breakwaters reaching a depth of sixty feet. These breakwaters protect what is called the outer harbor, the depth of which is from thirty-five to sixty feet. There is also an inner harbor, or basin, covering an area of about fifty acres, which, when dredged as planned, will have from thirty-two to forty feet of water. The inner and outer harbors are separated by a dividing wall, and wharfage facilities are being provided that will accommodate twenty steamers at a time. A drydock is being constructed which will be about six hundred feet long, ninety-five feet wide, and thirty-four feet deep. Many large warehouses are planned to be built, and the facilities for loading and unloading cargo will be of the most modern character.

On the Atlantic side at the mouth of the Coatzacoalcos River another very fine harbor is being prepared by the construction of jetties so as to scour the bar at the mouth of the river to a depth of thirty-five feet. There is about forty feet of water in the river next to the wharves of the present port of Coatzacoalcos. These wharves are being very greatly improved and extended. Over two miles of warehouses along the river front, and extensive railroad terminals, are being constructed.

It is the purpose of the contractors to utilize every modern facility for cheapening the discharge and loading of freight from ships to cars and from cars to ships with a view of making this route an important link for transcontinental commerce. Sir Weetman Pearson believes that the Tehuantepec Railroad will be able to handle through business at so low a rate per ton that it will be economy for the steamship lines transporting commerce of the Mississippi Valley to use this route rather than to sail the distance that will be required to

go through the Panama Canal. He expects to have the harbors ready for the accommodation of ships by July 1, 1906; and believes that at times it will be impossible for the Panama Railroad to handle its commercial business successfully and at the same time do the work required in the construction of the canal. He is therefore making a special effort to have the Tehuantepec National Railway ready to take care of the commerce which, in his judgment, the Panama Railroad will be unable to handle. The enterprise of the Mexican Government in the construction of these magnificent harbors and this railroad is highly creditable. The route will exercise a great influence on the commercial development of Southern Mexico, and will become a strong competitor of the Panama Railroad for commercial business; but it is not the opinion of experienced men with whom I have talked that it can ever successfully compete with the canal.

President Diaz, at the request of Ambassador Clayton, directed that I be given every facility for examining the railroad and ports, and I am under special obligations to Sir Weetman Pearson and his associates, to Hon. Leandro Fernandez, Minister of Communications and Public Works, and his representative, Engineer R. T. Jordan, who accompanied me across Tehuantepec, for courtesies extended while in Mexico.

#### POLICY FOR MANAGEMENT OF RAILROAD.

In the foregoing I have endeavored to consider as concisely as practicable the complaints that have been made against the present policy of the Panama Railroad. The discussion of these complaints has shown the relation this railroad sustains to trade between the Atlantic Coast of the United States and the western coast of the United States, Mexico, Central and South America.

The question as to the policy that should be pursued by the Government in the management of this road should be considered from three points of view.

First. Should the railroad be closed to commerce, and used simply as a construction road for canal work?

Second. Should it be used both as a construction and as a commercial road, making commerce incidental and secondary to the canal work?

Third. Should it be used not only as a construction road, but also as a commercial line to its fullest capacity?

Referring to the first proposition, as to whether the railroad should be used exclusively for canal construction and not for commercial business, this railroad has for fifty years been operated as a commercial line. It has served as a link connecting the commerce of the two oceans. During that time hundreds of thousands of tons of merchandise have been transported across the Isthmus every year, and it would be a great injury to the commerce not only of our country but of Central America, South America, and Europe to close this Isthmian route. Such a policy would be specially injurious to the commercial interests of the Pacific Coast of the United States, Mexico, and Central America. Furthermore the concession under which the railroad was constructed provides that:

In consideration of the collection and receipt of the duties and rates of transportation fixed by it, the company binds itself always to effect with care, punctuality and celerity, and without exception as to national character, the transportation of travelers, cattle, merchandise, goods and materials of all kinds which may be confided to it: . . .

I do not think that the closing of the road to commerce can be given serious consideration.

The second proposition, namely, that its commercial

status should be maintained, but that commerce should be handled only incidentally, has many adherents. This policy is advocated by those who believe that while the route ought not to be closed it should not be improved or developed as a commercial line by the United States Government. They state that it is not the business of the United States to engage in a commercial enterprise or to conduct a transportation company, but since the Government came into possession of this road as an incident to the purchase of the French canal property, it may be well to continue its commercial status with its present facilities, but that the Government should not in any way enlarge it as a commercial line. Those who advocate this policy declare that the steamships should be sold.

Then there is the third proposition, that since the Government is required to operate this road as a commercial line, it ought to improve its facilities so as to make it the greatest benefit to commerce.

The relation that the Panama Railroad sustains to commerce is different from that of any other transportation company. The United States Government is constructing a canal across the Isthmus of Panama at very great expense, and the benefit that will accrue to commerce is one of the principal reasons for undertaking this great enterprise. This railway is at present performing in a meager way the commercial functions that will be performed by the canal. If the United States Government is justified in expending a large amount of money for the construction of a canal for the benefit of commerce, then it is justified, pending the construction of the canal, in operating this railroad for the same purpose. The road was acquired as a part of the French canal property. Seven million dollars was agreed upon as its value, and its commercial importance must have been one of the considerations in fixing the price. The operation of this railroad is required in order to keep

open a long established route of commerce. Since, therefore, it is necessary for the Government to operate the road as a commercial enterprise, why should it not improve its facilities so as to enable it to handle commerce in the most efficient manner? It is estimated by the engineers that it will be from ten to fifteen years before the canal can be open for use. In the meantime the railroad must perform in a limited way the commercial functions of the canal. It therefore appears to me that the railroad should be equipped so as to perform efficiently those functions, having in mind a reasonable expenditure for improvements that are to be used only for a period of ten or fifteen years.

The wharfage facilities both at Colon and Panama are inadequate, but wooden wharves that will last as long as they will be required can soon be constructed. The road should be re-equipped with rolling stock, and improved facilities provided for the handling of cargo from ship to car and from car to ship. At present it requires from two to four days to unload a vessel of two thousand or twenty-five hundred tons. Without very great additional expense, facilities can be provided that will enable ships to discharge in less than half that time. With these improved facilities freight could be handled much cheaper and with much less damage, and the road can be made of far greater advantage to commerce than it has been in the past.

The operation of this railroad is no more in competition with private enterprise than is the construction of the canal in competition with private enterprise. By constructing the canal the people of the United States believe that the exchange of commodities between the eastern and western coasts of our country will be greatly cheapened. If products can now be transported between the Atlantic and Pacific Coasts by this railroad at less cost than in any other way, then commerce should not be deprived of the full advantage of this route.

## THE STEAMSHIP LINE.

The railroad owns the steamship line, and what should be done with the steamships is one of the questions which I was specifically directed to consider.

Heretofore the Panama Railroad Company has conducted its business as a private corporation. Its steamship connections have been formed with a view wholly to the financial interests of the corporation. It therefore entered into the contract with the Pacific Mail Steamship Company, heretofore discussed, with a view of making what it considered the most profitable traffic alliance practicable on the Pacific Coast. Its directors evidently concluded that it was better business policy to co-operate with the Pacific Mail, in competition with other steamship companies operating north of Panama, than to compete with it. They doubtless thought it more desirable to fix differential rates twenty and thirty per cent. below those of the transcontinental railroads than to make an independent schedule. On the Atlantic side it has maintained for its own steamship line monopoly of all business between the United States and Colon. It evidently thought such a policy would be the most profitable to the stockholders. It is a common opinion, however, that if traffic from competing steamship lines had been invited, especially on the Pacific Coast, the railroad equipped with modern rolling stock, and the terminal facilities improved and enlarged, it would have handled a much larger and more profitable business. Why it has operated a steamship line only from New York it is difficult to understand. It seems to have made one or two feeble efforts to operate lines from New Orleans and Mobile, but they were soon abandoned. There certainly was a fine opportunity for the development of business between the Gulf ports and Colon.

From the statistics herewith submitted it appears

that over 100,000 tons of Hawaiian sugar are unloaded annually from ships at San Francisco, transported across the continent to Galveston, and reloaded into ships there for New York. If proper facilities existed at Panama for handling this freight it certainly would be cheaper to ship it direct from Hawaii to Panama, transport it forty-seven miles across the Isthmus by rail, and then by ship to New York, instead of transporting it from San Francisco to Galveston, 2,000 miles by rail, and from there by water to New York, a distance about as great as from Colon to New York. If it is profitable for the transcontinental railways with their connecting steamship lines to transport cotton from the producing centers of Georgia, Alabama, Mississippi, and Louisiana for thousands of miles over high mountain ranges to Seattle or Tacoma and reship from there to China and Japan, it certainly would be more profitable for the Panama Railroad to take cotton at the Gulf ports within a short distance of where it is produced and transport it by the way of Panama, connecting with steamships bound for the Orient. This probably would not be practicable if cotton were the only product handled because there would not be sufficient business to justify the establishment of a steamship line for handling this one product, but if it is cheaper for cotton it is for many other products, so that a regular route of trade would be established. The transcontinental rate schedules plainly show that a very heavy tonnage of manufactured iron could be more cheaply shipped from points in the Mississippi Valley and the South to the Pacific Coast by Panama than by rail, yet apparently the Panama Railroad has not sought this business. It also appears that many thousands of tons of canned fruits, dried fruits, and other products of the Pacific Coast are transported by rail to the Atlantic seaboard, and that if facilities were provided, large quantities of this freight could be moved more cheaply by the way of Panama. It may be that

the Panama Railroad did not have the financial strength to invest in steamships and to improve the road so as to enable it economically to handle this commerce, or that its commercial environment was such that its officers did not desire to pursue such a policy. The Government of the United States, however, is not affected by such considerations, and sustains an entirely different relation to the Panama Railroad as a commercial route. It is operating this road for the benefit of commerce, and not for the purpose of earning the largest dividends for the stockholders. It should therefore equip the road to handle efficiently all business that would move that way as a result of natural conditions.

#### DISPOSITION OF THE STEAMSHIPS.

The question as to what should be done with the steamships is more perplexing than as to what policy should be pursued in the management of the railroad; but it must be borne in mind that the Government will have a very large amount of its own freight to transport to the Isthmus during the next ten years. If it should sell the ships and discontinue the line, as is advocated by some, it would then have to depend upon private steamship companies for its own extensive passenger, freight, and mail service. During this era of combinations it would not be difficult for steamship companies to enter into an agreement as to rates, and charge excessive prices. It has been suggested in this connection that the Government could make a contract at special rates for its canal business. The character of the canal freight, the amount required, and the time when it will have to be transported are problematical, and under the circumstances it does not appear to me that it is at all practicable to anticipate this business with sufficient accuracy to enable steamship companies to bid intelligently, nor would the Government be justified in making a contract at this time for its transportation. What would be rea-

sonable rates for the work when it will have to be done could not now be determined. The steamship line has been operated at a profit for twelve years. No other regular service exists between the Isthmus and the United States. The maintenance of this line cannot, therefore, be injurious to any established private steamship company, and its continuance insures to the Canal Commission cheap rates and a regular weekly mail service.

It does not appear, however, that the United States Government should refuse to permit any steamship line which desires to establish a schedule service between Colon and any port of the United States the use of the road to transport its cargo across the Isthmus to a connecting line on the other side. So that the policy which has heretofore been pursued, of denying the use of the road to competing steamships, should be discontinued and facilities offered to any line that desires to establish service between any port of the United States and Colon.

The commercial cities on the Gulf are exceedingly anxious for the establishment of a regular steamship service between the Gulf ports and Colon, and it clearly appears that not only the interests of commerce, but the interests of the Government itself, require that such a service be established. A very large tonnage of products of the Mississippi Valley and the Gulf States will be used as supplies in the construction of the canal, not only for the maintenance of the employes, but for construction purposes. It certainly is cheaper to move the products of the Mississippi Valley and the South to Colon by way of the Gulf ports than via New York. An effort, therefore, should be made to induce some American company to establish a first-class line of passenger and freight steamers running between the Gulf ports and Colon. From Exhibit C it appears that about twenty million tons of freight will be required by the

Canal Commission, a large part of which will originate in the Mississippi Valley. Therefore, if within a reasonable time ample steamship facilities have not been provided by private companies, the Government should require the Panama Railroad to establish a line for the movement of canal supplies from the Gulf ports to Colon.

#### RELATION BETWEEN STEAMSHIP LINE AND RAILROAD.

The relation that should exist between the Panama Railroad and the steamship line depends largely upon the policy pursued in the operation of the ships. A number of the greatest American steamship lines are controlled by railway systems. The Great Northern Railway and the Great Northern Railway Steamship Line are under the same management. Because of this combination of railway and steamship lines, rates have been made that result in the transportation of cotton from the very shores of the Gulf of Mexico to Seattle and from there to Japan and China. The rate from Dallas to Hong Kong via Seattle is \$1.35 per hundred pounds. This includes rail transportation for about 2,500 miles, cost of transfer from cars to ship at Seattle and shipment by water for about 5,000 miles, while the rate from Dallas to New Orleans, an exclusive rail haul of 497 miles, is 70 cents per hundred, or more than half the China rate. The natural movement of this commerce would be south to Galveston and west by the way of Panama to the Orient. The Southern Pacific Railroad controls a steamship line running between Galveston and New York, and as a result of this combination of the railway and steamship lines under one management, freight is handled from San Francisco by rail to Galveston, and from Galveston by water to New York. The cheaper route for this freight would be by the

way of Panama, if there were modern facilities for handling cargo. If the Panama Steamship Line is to be run for the benefit of commerce, then it should not discard the advantages that accrue to it by virtue of its traffic connection with the Panama Railroad, because that connection can be used effectively in the fixing of through rates. If, however, the steamships are to be operated as a local line for canal business between New York and Colon, and only handle commerce incidentally, then its connection with the railroad is not of great importance.

#### CAN AMERICAN SHIPS BE FAVORED?

Referring to the Pacific Mail Steamship Company contract, it appears to me that the Government cannot give a privilege to one steamship company and decline the same privilege to another. I feel, however, that there is great weight in Mr. Schwerin's argument, wherein he claims that an American steamship line is unable to compete with a foreign line because of the greater expense of building, maintaining, and operating an American ship. Coastwise trade—that is, trade between the Atlantic and Pacific seaboards—must, by our navigation laws, be carried in American bottoms; but trade between Mexico and Central America and New York is not coastwise trade. By virtue of this contract the Pacific Mail Steamship Company has been able to handle about seventy-five per cent. of the business of Central America and Western Mexico. The rates for this business have been comparatively reasonable, and as a rule the facilities furnished good. Mr. Schwerin asks, if the contract with the Pacific Mail is annulled, that through bills of lading north of Panama be given only to American registered ships, saying that he is willing to meet competition upon equal terms, but that, on account of the larger cost of maintaining American ships, he can-

not continue the present schedule service and compete with foreign lines. I would be glad to see American ships favored when it can consistently be done, but the treaty by which the canal is constructed (Exhibit M) contains the following provision:

The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic, or otherwise. Such conditions and charges of traffic shall be just and equitable.

Upon the theory that the railroad is performing the functions of the canal, in so far as a railroad can do so, it does not appear practicable to show any discrimination at the ports of Colon and Panama in favor of American ships.

#### FIXING RATES FOR THROUGH BUSINESS.

Two policies have been suggested for fixing freight rates on through business. One, to make a flat rate for all business received from any steamship or sailing vessel. The other, to charge a per cent. of the through rate. The first plan contemplates no traffic arrangements with steamship lines. Under this policy any freight unloaded on the wharves at either end of the railroad would be transported across the Isthmus for a certain sum per ton. The railroad company would have no concern as to what steamship landed the freight on one side or received it on the other, and would have no interest in the rate charged by the connecting steamship lines. By this policy it would have no voice in determining the rates for transcontinental or through business. The principal danger to commerce from such a policy would be a combination of steamship lines that would maintain

the present rate-making system concerning which the shipping public so vigorously complain. Mr. R. L. Walker, Traffic Manager of the Panama Railroad Company, is inclined to think (Exhibit F-5) that there would be an agreement between lines, and that any reduction in transfer rates made by the Panama Railroad would be absorbed by the steamship lines, as was done by the cable lines when there was a reduction in the price of telegraph messages. It is true that the steamship lines have not the same opportunity to maintain excessive rates that the cable lines have because there is the tramp steamer, which as a rule is industriously hunting cargo at all important ports, but the tramp steamer would be at a disadvantage with the regular lines in handling transisthmian commerce, in that it would have no connecting carrier on the other side, and it would suffer loss by its cargo having to lay on the Isthmus waiting for a ship to receive it.

The second policy suggested, that is, to charge a per cent. of the through rates, is more complicated and necessitates traffic arrangements with all connecting lines on both oceans. Under this system the Panama Railroad would have a voice in the fixing of through rates, and could use this power effectively in preventing unjustifiable inequalities and discriminations. This policy, with a proper minimum fixed, would unquestionably be the more profitable to the company, as it would receive a per cent. of the through rate and therefore participate in the profit of any desirable business that might be secured by its connecting lines, while by the first policy it would receive only a toll for transfer. By retaining a voice in the making of through rates the railroad could prevent demoralizing rate wars by one line upon another for the purpose of destroying competition. By the second policy the Panama Railroad assumes much greater responsibility, as it would become a co-carrier, while by the first policy it would serve only

as a transfer company. If the policy of a flat rate is adopted, a schedule should still be provided, because no single rate can be equitably applied to all classes of freight. There is another feature of the question that should not be overlooked, that is, the Government has a steamship line running between New York and Colon which its interests require it to maintain, and it is also under obligations to continue this as a commercial line. A very large part of the traffic of this line has been through business, and it is necessary, therefore, for it to have connecting lines on the other side; otherwise not only will the commerce which has been moving across the Isthmus be blocked, but the revenues of the line seriously reduced. Not only the interest of trans-isthmian commerce but that of the steamship line requires that there be traffic arrangements by which freight entrusted to it for shipment will be promptly delivered to connecting carriers on the other side.

It would appear, therefore, considering the interests of the steamship line, the railroad, and commerce in general, that for the present, at least until the Government is enlightened by a wider experience, the wiser policy would be to conduct both the railroad and steamship line as co-carriers, forming traffic connections with other transportation companies.

#### SCHEDULE SERVICE TO PACIFIC PORTS.

It is very important that there should be a schedule steamship service maintained between the Pacific ports of the United States and Panama. The Government is interested in having ample facilities for the transportation of mail, passengers, and supplies from the Pacific Coast to the Isthmus during the period of canal construction. The present mail service by the Pacific Mail Steamship Company is poor, caused by the long delays of the ships in Mexican and Central American ports. It

now requires three weeks to go from San Francisco to Panama when the trip should be made in ten or twelve days. If a steamship line could be established, making all the important Pacific Coast ports between Puget Sound and San Diego, sailing direct from San Diego to Panama, it would be of great advantage to the work of canal construction by furnishing means for direct transportation of supplies needed from the Pacific Coast, and it would also be of great benefit to commerce.

#### RECOMMENDATIONS.

In conclusion, therefore, I would recommend:

That the Panama Railroad be continued as a commercial line; that its facilities for handling commerce be improved at once; that it be double-tracked, and re-equipped with modern rolling stock; that its port facilities be enlarged by the construction of additional wharves; and that modern facilities for handling cargo be provided.

That a schedule of rates for through business be provided, fixing the charges at the minima which the payment of operating expenses and a fair dividend on the investment of the Government will permit. The cost of handling the freight with the improved facilities, and not what it has cost in the past, should be used as the basis in fixing rates.

That for the present the policy of charging a per cent. of the rates on through business, subject to certain minima, be continued.

That the steamship line between New York and Colon be retained.

That the contracts with the Pacific Mail Steamship Company and the South American lines be canceled,

and the ports of Colon and Panama opened to the use of all steamship lines on equal terms.

That if within a reasonable time a regular passenger and freight steamship service is not established between Colon and the Gulf ports, a line be established by the Panama Railroad.

That if the Pacific Mail Steamship Company withdraws its present Panama line, an effort be made to induce some other company to establish a first-class service between the important Pacific Coast ports of the United States and Panama; and in the event that no other company is prepared to furnish the service, that it be provided by the Panama Railroad.

That in traffic connections American steamship lines be favored so far as can be done consistently with the treaty obligations of the United States.

JOSEPH L. BRISTOW,  
*Special Panama Railroad Commissioner.*

TO THE SECRETARY OF WAR.

# EXHIBITS.



# INDEX.

<i>Exhibit No.</i>		<i>Page No.</i>
A	Letter of instructions from the Secretary of War. . . .	95
B	List of questions submitted to Mr. E. A. Drake, Vice-President, Panama Railroad Company. . . . .	98
B-1 to 49	Answers of Mr. Drake to questions . . . . .	101
C	List of questions submitted to Hon. John F. Wallace, Chief Engineer, Isthmian Canal Commission, and answers thereto . . . . .	234
D-1 to 13	List of questions sent to American consuls and consular agents on west coast of South America, and answers thereto . . . . .	256
D-14 to 20	List of questions sent to American consuls and consular agents on west coast of Central America and Mexico, and answers thereto . . . . .	280
D-21	List of questions sent to American consul at Mazatlan, Mexico, and answers thereto . . . . .	288
D-22	List of questions sent to American consular agent at Guaymas, Mexico, and answers thereto . . . . .	293
E	Contracts between the Republic of New Granada and the Panama Railroad Company, made in 1850 and 1867 and modified in 1876, 1880 and 1891 . . . . .	296
F-1	List of dividends on capital stock of the Panama Railroad Company . . . . .	336
F-2	Copy of agreement between the Panama Railroad Company and La Compañía Sud-Americana de Vapores, dated September 10, 1902 . . . . .	337
F-3	Copy of amendatory agreement between the Panama Railroad Company and La Compañía Sud-Americana de Vapores, dated January 17, 1903 . . . . .	342
F-4	Copy of agreement between the Panama Railroad Company and the Pacific Steam Navigation Company, dated December, 1904 . . . . .	343
F-5	Memoranda of conversation had with Mr. E. A. Drake, Secretary and Treasurer, and Mr. R. L. Walker, Traffic Manager, of the Panama Railroad Company .	345
G	List of questions submitted to Mr. H. G. Prescott, Acting Superintendent of the Panama Railroad, and answers thereto . . . . .	347

<i>Exhibit No.</i>	<i>Page No.</i>
H	Complaint of Representatives of Central and South American countries . . . . . 353
I	Statement of Mr. P. H. Cahill, agent of the Panama Railroad Company in Mexico, Central and South America . . . . . 358
J-1	Copy of list of questions submitted to the Chamber of Commerce of San Diego, California, and answers thereto . . . . . 374
J-2	Copy of list of questions submitted to the Chamber of Commerce of San Francisco, California, and " Report of Special Committee of the Board of Trustees of the Chamber of Commerce of San Francisco, Upon Utility of Panama Route for Freight Transportation between San Francisco and the Atlantic States, Approved at a Special Meeting of the Board of Trustees, April 20, 1905," made in response to questions . . . . . 379
J-3	Copy of list of questions submitted to the Chamber of Commerce of Los Angeles, California, and answers thereto . . . . . 391
J-4	Copy of list of questions submitted to the Chamber of Commerce of Portland, Oregon, and answers thereto 395
J-5	Copy of list of questions submitted to the Chamber of Commerce of Tacoma, Washington, and answers thereto; and letter of Mr. William Jones, President of the Chamber of Commerce . . . . . 401
J-6	Copy of list of questions submitted to the Board of Trade of New Orleans, Louisiana, and answers thereto; and letter of Fred Muller, Secretary of the Board of Trade . . . . . 414
J-7	Copy of list of questions submitted to the Chamber of Commerce of Mobile, Alabama, and answers thereto. 426
J-8	Copy of list of questions submitted to the Chamber of Commerce of Pensacola, Florida; letter of Mr. W. C. Jones, Secretary, with enclosures from Mr. E. O. Saltmarsh, Superintendent, and Mr. C. B. Compton, Traffic Manager, of the Louisville & Nashville Railroad Company. . . . . 433
J-9	Copy of list of questions submitted to the Chamber of Commerce of Galveston, Texas, and letters of Mr. C. R. Kitchell, Secretary, in response thereto. . . . . 438
J-10	Copy of list of questions submitted to the Chamber of Commerce of Seattle, Washington. No response. . . 447

<i>Exhibit No.</i>	<i>Page No.</i>
K	Reference of letter of Major General George W. Davis, Governor of the Isthmian Canal Zone, enclosing extract from Report of the Select Committee on Panama Canal, Pacific Mail Steamship Company and Panama Railroad Company, March 3, 1893; and copy of said congressional report. . . . . 450
L	Copy of letter to Mr. R. P. Schwerin, Vice President and General Manager of the Pacific Mail Steamship Company and his reply, with enclosures. . . . . 462
L-1	Letter of Mr. R. P. Schwerin, enclosing one from Mr. F. Pearne, agent of the Pacific Mail Steamship Company at Panama. . . . . 480
L-2	Copies of letters from S. Sandberg, Captain of the Pacific Mail S. S. City of Panama, and George W. Brown, Captain of the Pacific Mail S. S. City of Para. 481
M-1	Copy of Convention between the United States and the Republic of Panama for the Construction of a Ship Canal to connect the Waters of the Atlantic and Pacific Oceans. . . . . 485
M-2	Copy of Treaty between the United States and Great Britain to facilitate the Construction of a Ship Canal. 493
N-1 to 32	Miscellaneous exhibits. . . . . 496
O-1 to 22	Exhibits of miscellaneous freight tariffs . . . . . 534



**EXHIBIT A.**

---

*Letter of Instructions from the Secretary of War.*

---

WAR DEPARTMENT,  
WASHINGTON.

January 19, 1905.

Sir:—By even date herewith the President has commissioned you to act as a special commissioner for the purpose of investigating and reporting upon certain questions, the answers to which deeply affect the policy properly to be pursued in the management by the Government of the Panama Railroad and the ships now operated by the Panama Railroad between New York and Colon in connection with the railroad.

For a number of years the Panama Railroad has been used as a link for through business between New York and San Francisco, under an arrangement between the Panama Railroad Company operating its railroad and a line of steamers from Colon to New York, and the Pacific Mail Steamship Company, operating a line of steamers from San Francisco and way stations to Panama, which excluded from this traffic all possible competition on either side of the Isthmus. The contract with the Pacific Mail Steamship Company expressly provided that the Panama Railroad Company would not issue or accept through bills of lading from New York to San Francisco except by the Pacific Mail line, and as no other bills of lading would be issued at the New York office of the Panama Railroad to San Francisco except via the Panama Railroad and Pacific Mail Steamship Line, there was no opportunity for rival lines either in the Atlantic or the Pacific. There are several lines which run south from Panama to the ports on the west coast of South America, and there are a number of lines which run from Colon eastward and northward to Great Britain, Germany and France. It is of great importance for those responsible for the future management of the Panama Railroad Company to know the conditions under which the trade between San Francisco and Panama can be or must be conducted, and whether if the relations between the Pacific Mail and the Panama Railroad Company is required to be the same as that between any other steamship company and the Panama Railroad Company, the continuance of an American line between San Francisco and Panama is made impossible. The President is in receipt of a number of letters and telegrams from merchants on the west coast, complaining of the exclusive contract under which the railroad company is co-operating with the Pacific Mail. Upon the Atlantic side of the Isthmus it is understood that the wharfing facilities are so small and are so completely in the possession of the Panama Railroad Company that no vessel can obtain a foothold in the trade between New York and Panama, except by the permission of the Commission. The Government has expended seven millions of dollars in the purchase of the Panama Railroad Company and the steamship line between New York and Colon, or, rather, it has spent that amount for 69-70ths of the stock of the Panama Railroad Company, which owns and operates the railroad in Panama and the steamship line above referred to. It is, of course, important if no other greater public purpose appears, that the road should be made to render as much profit as possible, consistent with its use as an instrumentality for the construction

of the canal. On the other hand, the Government has no desire to make profit out of the operation of the railroad, if profitable rates are unreasonable or if Panama or Colon are thereby excluded from the natural benefit that ought to be theirs from lying at the termini of so important a link of commerce. The Government is anxious to secure and maintain reasonable rates for the transfer of its own freight from the United States to the Isthmus, and if it can do so is willing to lease the line of steamers now owned by it to some other person who will agree to maintain the business and furnish a good weekly service and carry at reasonable rates for the public and at preferentially low rates for the Government. It is possible that such an arrangement cannot be obtained with any responsible line. Then, if that be so, it furnishes a good and sufficient reason for the continuance of the present line under Government management and auspices. I have given in some detail the considerations that must affect the decision of the Government as to the use of the Panama Railroad, with a view to instructing you as to your duties under the commission which the President has asked you to discharge.

You will visit San Francisco, Portland and Seattle, with a view of learning there the conditions of the trade between those ports and Panama. You will also visit the large cities on the West Coast of Mexico and Central America, where the Pacific Mail steamers stop, and at those ports you will investigate the conditions prevailing in the trade which feeds the Pacific Mail line of steamers. At Panama you will inquire into the lines which run south of Panama, the business which they do, the terms upon which they do the business now with the Panama Railroad Company, the terms under which they would continue the business if the Panama Railroad Company were run for the benefit of all steamship lines, with discrimination in favor of none. You will consider how low rates ought to be charged on the railroad and the steamship line from New York to make Panama a port of distribution and to work substantial benefit to the Republic through which the road runs. You will make similar examination in the town of Colon. You will visit New Orleans, Pensacola and New York on the Atlantic side, with a view of learning the possibilities of trade between those cities and Panama, and the possibilities of the establishment of steamship lines furnishing reasonable rates from those cities to the town of Colon. You may look into the management of the present Panama Railroad, and to this end you will be given authority, when you request it, for the examination of the books of the railroad company on the Isthmus or in the city of New York.

You will make your conclusions in as short a time as you deem consistent with a thorough investigation, certainly before the expiration of the six months when this Government will have to determine what its relations with the Pacific Mail Steamship Company shall be. It is said that there is some fixed relations between the rates for through travel from San Francisco to New York across the Isthmus, and the rates of the transportation lines between the Atlantic and the Pacific oceans. You will investigate what the connection is, if any; and whether it exists today under the present management of the railroad.

You will report to me from time to time—at least once a month—what you have done, and send a general statement of the information which up to the time of the report you have gathered.

Before going to the west coast you will visit New York with a letter of introduction from me to Mr. Drake, the vice-president of the Panama Railroad, who will submit to you the books of the company, its tariff rates, past and present, and its contracts with the various companies with which it has done business, and such other information as

the archives of the company will show upon the general subject-matter of your investigation.

With the stenographer, who, under the order of the President, is given you, you will take the evidence as fully as in your discretion you deem wise, and thus make a record of your investigations upon which, when the investigations are at an end, you will report your conclusions and your recommendations as to the course to be taken with the property of the Panama Railroad Company and its management.

It is possible that, in the course of your investigations, you will need an interpreter, or other assistance, and the cost thereof will be charged in your general expense account, to be approved by me.

You may begin your work either on the Pacific or the Atlantic coast, in your discretion, after your investigation of the books and business of the Panama Railroad Company at New York City shall have been finished.

Your official designation will be the "Special Panama Railroad Commissioner."

All your expenses, stationery, subsistence, travel, will be allowed to you upon vouchers properly certified.

My impression is that you are authorized, in view of the fact that the President, by executive order, submitted your action and that of the Isthmian Canal Commission to the supervision of the Secretary of War, to use the frank or penalty envelopes of the War Department in the sending of letters on official business.

I need hardly say to you that the information which you are to acquire and your reports to me, must be kept strictly confidential; otherwise the purpose of your commission may be seriously interfered with.

Very respectfully,

(Signed) WM. H. TAFT,  
*Secretary of War.*

HON. JOSEPH L. BRISTOW,  
*Special Panama Railroad Commissioner,*  
Washington, D. C.

## EXHIBIT B.

---

*List of questions submitted to Mr. E. A. Drake, Vice-President, Panama Railroad Company:*

Name all officers and employees on the payrolls of the New York office; present salary of each; when first employed; and each increase or decrease in salary since first employed. In case of officers, give salary fixed for the office since it was first created, or for twenty years, if records do not conveniently show for prior time.

Total expense of the New York office in detail for ten years; detailed expense for maintaining each department.

Names of all general officers on the Isthmus; present salaries; when first employed; and each increase or decrease in salary since first employed. Give salary fixed for each officer since the office was first created, or for ten years, if the records do not conveniently show for prior time.

Amount of money expended for labor on the Isthmus in detail as to the kind of labor.

Statement as to the number, size, and character of the ships owned by the Company, where employed, their condition, how long in use, the original cost, amount expended on each for repairs. Give expenses—monthly and per annum—for maintaining and operating each ship; and earnings of each—per month and per annum—for the last five years.

How many vessels are chartered; how long have they been chartered; rate at which chartered; size and character of each; when built; original cost of each ship; value at time of chartering; cost of maintaining and operating, per month and per annum; earnings of each, per month and per annum.

Number of agencies; where located; expense of maintaining; how are agents paid—by commission, fee, or salary; amount and nature of business secured by each.

Give detailed statement of the equipment of the railroad and its condition. Is the equipment sufficient to handle the business, or should additional equipment be provided?

What effect would it have on the revenues of the railroad company to discontinue the steamship line?

What is the basis upon which the division of freight charges from New York to Panama is made between the railroad and steamship line?

Why did you reduce the local railroad tariffs, and what benefit do you expect to accrue from such reduction? State also as to telegraph tolls.

Does the reduced local tariff make the charges for local freight across the Isthmus less than that charged for through freight? If so, would a reduction of charges for through freight from Europe and New York result in increased business?

What per cent. of the receipts for telegraph tolls are local and what per cent. foreign?

Have the through cable rates to points beyond Panama been reduced as a result of the reduction of telegraph tolls across the Isthmus?

With how many European lines has the Panama Railroad Company traffic arrangements?

State in general the terms of the contracts or agreements with these lines.

What are the terms of the traffic arrangements with the South American lines?

What are the traffic arrangements with the Pacific Mail Steamship Company?

Why do you not have traffic arrangements with other lines from Panama?

Under the traffic contract with the Pacific Mail Steamship Company, who fixes the special rates to be charged from New York to San Francisco and from San Francisco to New York?

Give a brief comparison of rates charged for steamship transportation by the Panama Railroad Company, United Fruit Company, Ward Line, and other Atlantic companies where distances and conditions are similar.

If possible, give in general terms a comparison of the rates charged by the Pacific Mail Steamship Company and other steamship companies operated on the Pacific Coasts of North and South America where distances and conditions are similar.

Schedule of rates of United Fruit Company's vessels from the United States to Central and South American ports.

A statement as to the number of steamship lines operating on the Pacific Coast with which traffic arrangements from Panama might be made.

Has there been any negotiations looking to traffic arrangements with these companies?

List of steamship companies that operate vessels from ports of the United States to South American ports.

What is the minimum rate fixed for business from Europe to Panama and to north and south Pacific ports, and what is the basis of fixing the minimum rate?

What is the minimum rate from New York to Panama and to north and south Pacific ports, and what is the basis on which such minimum rate is fixed?

Why is the charge on the railroad for through passengers so much more than the charge for local passengers?

Why is the through rate per ton, as shown by letter to Mr. Burr, for freight from Europe to Panama greater than rate to Pacific ports, both north and south?

Why is the rate from New York and Europe to Buenaventura, etc., greater than to Guayaquil and other points south?

What are the principal articles of freight transported from New York to the Pacific ports of the United States?

What are the principal articles of freight transported from New York to the Mexican, Central and South American ports on the Pacific Coast?

What are the principal articles of freight transported from Europe to the Pacific ports of the United States?

What are the principal articles of freight transported from Europe to the Pacific ports of Mexico, Central and South America?

What are the principal articles of freight transported from the Pacific ports of the United States to New York and to Europe?

What are the principal articles of freight transported from the Pacific ports of Mexico, Central and South America to New York and to Europe?

Give a statement of revenues and expenditures per annum for the last ten years, and any explanatory notes necessary to a clear understanding.

At the time the \$4,000,000 4½ per cent. bonds were issued, what was the indebtedness of the Company?

Give date of sale, and number of sales, of 4½ per cent. bonds, the amount realized, and state what was done with the proceeds of such sales.

Copy of statement as to fixed charges, interest bonds, etc., submitted the first day.

Tariffs of Ward Line from New York to Cuban and South American ports.

What permanent improvements or additions to the property have been made out of the earnings during the last ten years?

State what such improvements or additions are, and cost of each.

By additional improvements or additions, I do not mean those necessary for the maintenance of the property; mention only such as could be capitalized.

Date of sailing of vessels from New York and from Panama.

In answering the questions, please make every answer independent, so that they can be arranged, if desired, in an order different from the way they appear on the paper as submitted.

*New York, January 28, 1905.*

## EXHIBITS B—1 TO 49.

*Answers of Mr. Drake to Questions.*

(EXHIBIT B—1.)

## PANAMA RAILROAD COMPANY.

*Salary List, January 23, 1905.—General Offices.*

	Per annum.
Executive Officers:	
President .....	\$10,000
Vice-president and secretary .....	8,500
General manager .....	7,000
Secretary's Office:	
Assistant secretary .....	2,400
Stenographer and typewriter .....	1,000
Stenographer and typewriter .....	1,000
Porter and messenger .....	600
Office boy .....	312
Telephone boy .....	216
Accounting Department:	
Treasurer .....	5,200
Freight cashier .....	1,200
Teller and bank messenger .....	900
Auditor .....	3,300
General clerk .....	1,800
Bookkeeper .....	1,620
General clerk and typewriter .....	1,000
Clerk .....	1,000
Manifest clerk .....	1,020
Voucher record clerk .....	840
Manifest clerk .....	840
Manifest clerk .....	540
Clerk and messenger .....	240
Traffic Department:	
Traffic manager .....	6,000
Chief clerk .....	1,920
Freight solicitor .....	1,800
Ticket agent .....	1,500
Manifest clerk .....	1,560
Claim agent .....	1,500
Way-bill clerk .....	1,200
Assistant freight solicitor and clerk .....	1,080
Clerk .....	900
Stenographer and typewriter .....	900
Assistant manifest clerk .....	840
Messenger .....	720
Manifest typewriter .....	720
Billing clerk .....	720
Clerk .....	720
Assistant manifest typewriter .....	540
Junior clerk .....	312
Inspecting engineer .....	2,400
Clerk and typewriter .....	816
Purchasing agent .....	1,500
Clerk .....	150
Legal Department:	
Sullivan & Cromwell, general counsel, annual retainer .....	6,000

*Salary List, January 23, 1905.—Pier and Steamers.*

	Per annum.
Pier No. 67, N. R., New York:	
Terminal superintendent .....	\$3,300
Clerk .....	1,050
Office boy .....	360
Receiving clerk .....	1,200
Assistant receiving clerk .....	900
Delivery clerk .....	1,200
Baggage master, etc. ....	960
Carpenter .....	1,080
Cooper .....	1,080
Head watchman (\$3 per day) .....	1,080
Tally clerk .....	780
Tallyman .....	720
Gateman .....	720

Steamers:	Per month of 30 days.
Captains .....	\$200
Mates .....	75
Second mates.....	50
Third mates.....	40
Chief engineers.....	150
First assistant engineers.....	90
Second assistant engineers.....	80
Third assistant engineers.....	70
Pursers .....	90
and .....	75
Freight clerks.....	50
Stewards .....	75
and .....	65
Surgeons .....	50

NOTE.—Each of the above receive \$1 per day board while in port, New York.

(EXHIBIT B—2.)

SALARIES OF PRESENT OFFICERS.

J. Edward Simmons, President.....	\$10,000
Edward A. Drake, Vice-President and Secretary.....	8,500
Sylvester Deming, Treasurer.....	5,200
Thomas H. Rossbottom, Assistant Secretary.....	2,400

(EXHIBIT B—3.)

PRESIDENT.

1883, April } J. G. McCullough.....	\$10,000
1888, April } .....	
1888, April } John Newton.....	10,000
1895, May } .....	
1895, May } J. Edward Simmons.....	10,000

VICE-PRESIDENT.

1888, April } Charles Coudert.....	\$6,000
1893, March } .....	
1893, April } J. Edward Simmons.....	1,000
1895, May } .....	
1895, July } George Whaley.....	1,000
1899, September } .....	
1904, October. } E. A. Drake, and Secretary.....	8,500

FIRST VICE-PRESIDENT.

1899, April } George Whaley.....	\$5,500
1904, December 15 } .....	

SECOND VICE-PRESIDENT AND SECRETARY.

1899, April } E. A. Drake.....	\$8,500
1904, October } .....	

SECRETARY.

1894, April } E. A. Drake.....	\$6,000
1896, April } .....	
1897, April } E. A. Drake.....	\$7,000
1899, April } .....	

TREASURER.

1894, April } E. L. Oppenheim.....	\$6,000
1895, November } Resigned .....	6,000
1895, December 1. } Sylvester Deming.....	4,500
1897, January. } Sylvester Deming.....	4,700
1900, April 1. } Sylvester Deming.....	5,200

SECRETARY AND TREASURER.

1883, April. } E. Z. Penfield.....	\$4,000
1888, April. } E. Z. Penfield.....	6,000
1888, October. } Resigned.....	
1888, October } E. L. Oppenheim.....	6,000
1894, April } .....	
1888, November } E. A. Drake, pro tem.....	6,000
1888, December } .....	
1890, January } E. A. Drake, pro tem.....	6,000
1890, February } .....	
1890, December } E. A. Drake, pro tem.....	6,000
1891, April } .....	
1892, March } E. A. Drake, pro tem.....	6,000
1892, June } .....	

## ASSISTANT SECRETARY AND TREASURER.

1887, March } Sylvester Deming.....	\$2,400
1888, April } E. A. Drake.....	2,500
1893, July }	

## ASSISTANT SECRETARY.

1893, July } E. A. Drake.....	\$2,500
1894, April }	
1902, April } T. H. Rossbottom.....	1,800
1904, April } T. H. Rossbottom.....	2,400

## GENERAL MANAGER.

1895, July } George Whaley.....	\$9,000
1899, April }	
1899, May } Charles Paine.....	7,000

## (EXHIBIT B—4.)

## TREASURER'S OFFICE.

NAME.	POSITION.	SALARY.
Sylvester Deming.....	Treasurer.....	\$5,200 per annum.

1875—January 5. Entered service of Company as Superintendent's Clerk, Colon.....	\$100 per month
1875—July. Train Despatcher and Telegraph Operator, Colon.....	140 per month
1876—October. Auditor, Colon.....	140 per month
1878—November. Chief Clerk and Cashier, Panama.	150 per month
1880—August to October, 1883. Cashier, Colon..	\$200 to 250 per month
1883—October. Left the service and employed by Pacific Mail S. S. Co.	
1887—March 1. Re-entered service as Assistant Secretary and Treasurer, N. Y.....	200 per month
1888—April 1. Chief Clerk, N. Y.....	200 per month
1888—October. Chief Clerk, N. Y.....	250 per month
1890—January. Chief Clerk, N. Y.....	300 per month
1895—December 1. Treasurer.....	\$4,500 per annum
1897—January 1. Salary increased to.....	4,700 per annum
1900—April 1. Salary increased to.....	5,200 per annum

NAME.	POSITION.	SALARY.
F. N. Drake.....	Freight Cashier S. S. Line.....	\$100 per month

1894—July 1. Entered company's service as Stenographer and Clerk, Pier Office.....	\$7.00 per week
1894—October. Salary increased to.....	10.00 per week
1895—January. Transferred to S. S. Department of General Office as Clerk and Stenographer at.....	12.50 per week
1895—March. Appointed Freight Solicitor Steamship Line at.....	\$75 per month
1897—April 15. Left the service.	
1899—May 1. Re-entered service at Temporary Clerk, Pier Office, at.....	75 per month
1899—July 1. Teller, Pier Office, at.....	75 per month
1900—May 1. Appointed Freight Cashier at same salary and transferred with Pier Office force to Traffic Office.	
1901—January. Salary increased to.....	100 per month

NAME.	POSITION.	SALARY.
Irving Fulton Orr....	Teller, Bank Messenger and Typewritist....	\$75 per month

1901—December 30. Entered company's service as Teller and Bank Messenger at.....	\$50.00 per month
1902—July 1. Salary increased to.....	60.00 per month
1903—July 1. Salary increased to.....	66.66 per month
1904—July 1. Salary increased to.....	75.00 per month

## ACCOUNTING DEPARTMENT.

NAME.	POSITION.	SALARY.
John Adams.....	Auditor.....	\$275 per month
1886—April 1.	Entered service of company as Clerk, salary.....	\$75.00 per month
1887—January 1.	Manifest Clerk.....	90.00 per month
1888—May 1.	Bookkeeper.....	90.00 per month
1888—June 1.	Bookkeeper.....	100.00 per month
1889—January 1.	General Clerk.....	125.00 per month
1891—September 1.	General Clerk.....	150.00 per month
1893—July 15.	General Clerk.....	175.00 per month
1893—December 1.	Chief Clerk.....	200.00 per month
1896—March 15.	Auditor.....	200.00 per month
1897—January 1.	Salary increased to.....	208.33 per month
1898—March 1.	Salary increased to.....	225.00 per month
1901—April 1.	Salary increased to.....	250.00 per month
1904—October 1.	Salary increased to.....	275.00 per month

NAME.	POSITION.	SALARY.
V. M. Newton.....	General Clerk.....	\$150 per month
1891—September.	Entered service of company as Manifest Clerk, salary.....	\$60.00 per month
1893—February.	Manifest Clerk.....	75.00 per month
1893—July.	Manifest Clerk.....	87.50 per month
1896—January.	General Clerk.....	100.00 per month
1897—January.	General Clerk.....	112.50 per month
1898—March.	General Clerk.....	125.00 per month
1899—January 5.	Resigned.	
1899—July 1.	Re-entered company's service in former capacity of General Clerk.....	125.00 per month
1903—March 1.	Salary increased to.....	150.00 per month

NAME.	POSITION.	SALARY.
Philip Hague.....	Bookkeeper.....	\$135 per month
1887—August 1.	Entered service of company as Clerk, salary.....	\$50.00 per month
1888—April 1.	Manifest Clerk.....	50.00 per month
1888—June 1.	Manifest Clerk.....	75.00 per month
1889—January 1.	Manifest Clerk.....	90.00 per month
1891—May 1.	Manifest Clerk.....	100.00 per month
1891—September 1.	Bookkeeper.....	100.00 per month
1892—January 1.	Bookkeeper.....	112.50 per month
1893—July 1.	Bookkeeper.....	125.00 per month
1903—April 1.	Bookkeeper.....	135.00 per month

NAME.	POSITION.	SALARY.
Paul Kuehner.....	General Clerk.....	\$83.33 per month
1894—June 4.	Entered service of company as Office Boy, salary.....	\$10.00 per month
1894—July.	Office Boy.....	12.00 per month
1895—April.	Office Boy.....	16.00 per month
1895—September 1.	Office Boy.....	20.00 per month
1896—March 1.	Office Boy.....	30.00 per month
1897—January 1.	Office Boy and Messenger.....	33.34 per month
1898—March 16.	Clerk and Messenger.....	40.00 per month
1899—January 15.	Auditor's Office Clerk.....	45.00 per month
1900—January 1.	Auditor's Office Clerk.....	55.00 per month
1901—January 1.	Auditor's Office Clerk.....	60.00 per month
1901—September 15.	General Clerk, Auditor's Office.....	75.00 per month
1903—January 1.	Salary increased to.....	83.33 per month

NAME.	POSITION.	SALARY.
P. G. Hoyt.....	Clerk.....	\$83.33 per month
1896—August 10.	Freight Clerk, "Allianca," salary.....	\$50.00 per month
1897—May 14.	Clerk, Auditor's Office.....	60.00 per month
1899—January 15.	Clerk, Auditor's Office.....	66.66 per month
1900—January 1.	Clerk, Auditor's Office.....	70.00 per month
1901—January 1.	Clerk, Auditor's Office.....	75.00 per month
1901—September 15.	Clerk, Auditor's Office.....	83.33 per month

NAME.	POSITION.	SALARY.
F. L. Field.....	Manifest Clerk.....	\$85 per month
1885—May.	Entered service of company as Check Clerk, Freight Department, Colon.....	\$125.00 per month
1886-90—	Freight Agent's Clerk, Colon.....	175.00 per month
	Left Isthmus account abolishment of position because cessation Canal work.	
1894—September, to June, 1895.	Tally Clerk and Watchman, Pier No. 34, North River....	2.00 per day
1895—June.	Manifest Clerk, General Office.....	60.00 per month
1897—January.	Manifest Clerk, General Office....	66.66 per month
1899—January.	Manifest Clerk, General Office....	75.00 per month
1901—January.	Manifest Clerk, General Office....	80.00 per month
1903—April 1.	Manifest Clerk, General Office....	85.00 per month

NAME.	POSITION.	SALARY.
E. J. Thiry.....	Clerk.....	\$70 per month
1898—April 11.	Entered service of company as Office Boy and Messenger.....	\$25 per month
1899—January 15.	Clerk, Auditor's Office.....	30 per month
1900—January 1.	Clerk, Auditor's Office.....	40 per month
1901—January 1.	Clerk, Auditor's Office.....	50 per month
1901—September 15.	Clerk, Auditor's Office.....	60 per month
1903—January 1.	Salary increased to.....	70 per month

NAME.	POSITION.	SALARY.
S. L. Birdsall.....	Clerk.....	\$70 per month
1886—February 18.	Entered service of company as Messenger.....	\$20.00 per month
1887—January.	Messenger and Abstract Clerk.....	30.00 per month
1888—June.	Messenger and Invoice Clerk.....	40.00 per month
1889—January.	Invoice and Manifest Clerk.....	50.00 per month
1891—January.	Invoice and Manifest Clerk.....	55.00 per month
1891—March.	Manifest Clerk.....	60.00 per month
1892—January.	Manifest Clerk.....	75.00 per month
1893—July.	Manifest Clerk.....	87.50 per month
1899—January.	General Clerk.....	87.50 per month
1901—August 15.	Left the service.	
1903—March 1.	Re-entered service as Clerk at... 60.00 per month	
1905—January 1.	Salary increased to.....	70.00 per month

NAME.	POSITION.	SALARY.
Jos. Cuneen.....	Clerk.....	\$45 per month
1899—January 13.	Entered service of company as Office Boy.....	\$4 per week
1900—August 1.	Salary increased to.....	22 per month
1901—January 1.	Salary increased to.....	26 per month
1901—May 9.	Clerk and Messenger, Auditor's Office..	30 per month
1901—October 1.	Clerk, Auditor's Office.....	40 per month
1903—January 1.	Salary increased to.....	45 per month

NAME.	POSITION.	SALARY.
John J. Mathews.....	Clerk and Messenger.....	\$20 per month
1904—August 1.	Entered service of company as above.	

ASSISTANT SECRETARY'S OFFICE.

NAME.	POSITION.	SALARY.
T. H. Rossbottom.....	Assistant Secretary.....	\$2,400 per annum
1887—August 7.	Entered service of company as Office Boy, General Office, at.....	\$2.50 per week
1888—January.	Office Boy.....	3.00 per week
1889—January.	Office Boy and Messenger.....	5.00 per week
1889—July.	Messenger and Typewriter.....	28.00 per month
1890—January.	Stenographer and Typewriter....	28.00 per month
1891—January.	Stenographer and Typewriter....	40.00 per month
1892—July.	Invoice and Manifest Clerk, Accounting Department.....	50.00 per month
1893—January.	Stenographer and Typewriter....	50.00 per month
1894—January.	Stenographer and Typewriter....	60.00 per month
1895—October.	Stenographer and Typewriter....	75.00 per month
1897—January.	Stenographer and Typewriter....	87.50 per month
1897—December 1.	Assistant to Secretary.....	100.00 per month
1899—September 1.	Assistant to Secretary.....	115.00 per month
1902—April 7.	Elected Assistant Secretary by Board of Directors, at.....	\$1,800 per annum
1904—April 4.	Salary increased by Board of Directors to.....	2,400 per annum

NAME.	POSITION.	SALARY.
Paul H. Deming.....	Stenographer and Typewriter.....	\$83.33 per month
1902—July.	Entered service of company as Stenographer and Typewriter, salary.....	\$50.00 per month
1903—March 15.	Salary increased to.....	60.00 per month
1903—December 15.	Salary increased to.....	70.00 per month
1904—June 1.	Salary increased to.....	75.00 per month
1904—December 15.	Salary increased to.....	83.33 per month

NAME.	POSITION.	SALARY.
Ralph W. Ensign.....	Stenographer and Typewriter.....	\$83.33 per month
1900—June 5.	Entered service of company.....	\$52.00 per month
1901—May 9.	Stenographer, Traffic Department...	65.00 per month
1902—May 19.	Stenographer, Secretary's Department .....	75.00 per month
1902—July 15.	Stenographer, Traffic Department..	65.00 per month
1903—November 15.	Salary increased to.....	75.00 per month
1904—December 15.	Salary increased to.....	83.33 per month
	And transferred to Assistant Secretary's Office.	

NAME.	POSITION.	SALARY.
Daniel W. Brown.....	Porter, Messenger and Office Boy.....	\$50 per month
1893—June.	Entered service of company as Porter at Pier Office, S. S. Line, account transfer of Pacific Mail S. S. Co.'s Pier Office force to Panama R. R., at.....	\$60 per month
1898—May 15.	Salary reduced to.....	45 per month
	Account decrease traffic caused by war with Spain.	
1900—May 1.	Transferred with Pier Office force to General Office, No. 24 State street.	
1903—April 1.	Salary increased to.....	50 per month

NAME.	POSITION.	SALARY.
Alexander Sohmer.....	Office Boy.....	\$26 per month
1904—June 3.	Entered service of company as Messenger and Clerk in Auditor's Office at....	\$20 per month
1904—August 1.	Transferred to Assistant Secretary's Office as Telephone Switchboard Operator and Messenger at.....	20 per month
1904—December 15.	Office Boy at.....	26 per month

NAME.	POSITION.	SALARY.
Stephen Wilson.....	Telephone Operator and Office Boy.....	\$18 per month
1904—	Entered service of company December 16.	

## INSPECTING ENGINEER'S OFFICE.

NAME.	POSITION.	SALARY.
Roland Allwork.....	Inspecting Engineer.....	\$200 per month
1897—May 19.	Entered service of company as Clerk to Chief Engineer.....	\$90 per month
1898—January 1.	Salary increased to.....	112 per month
1899—August 1.	Inspecting Engineer at.....	125 per month
1900—September 1.	Salary increased to.....	150 per month
1905—January 1.	Salary increased to.....	200 per month

NAME.	POSITION.	SALARY.
Arthur N. Hargrave.....	Clerk and Typewritist.....	\$75 per month
1903—January 12.	Office Boy and Junior Clerk, Auditor's Office.....	\$25 per month
1903—December 1.	Appointed Timekeeper at Cramp's shipyard, Philadelphia, while "Advance" and "Finance" were being repaired.....	60 per month
1903—July.	After conclusion of repairs continued in office of Inspecting Engineer as Clerk and Typewritist.	
1904—June 1.	Salary increased to.....	68 per month
1905—January 1.	Salary increased to.....	75 per month

## PURCHASING AGENT'S OFFICE.

NAME.	POSITION.	SALARY.
Alfred Anderson.....	Purchasing Agent.....	\$125 per month
1897—December 7.	Entered company's service as Stenographer and Typewriter.....	\$83.33 per month
1899—September 1.	Salary increased to.....	95.00 per month
1901—January 1.	Salary increased to.....	100.00 per month
1901—May.	Appointed Purchasing Agent, vice Bloomfield, at .....	100.00 per month
1903—June 1.	Salary increased to.....	125.00 per month
1904—May 1.	Allowed \$50 per month by Isthmian Canal Commission account their availing of his services as P. A.	
1904—November 15.	Appointed Shipping Agent of Isthmian Canal Commission at \$50 per month; this is additional to \$125, salary paid him by Panama R. R. Co., as Purchasing Agent.	

NAME.	POSITION.	SALARY.
H. J. Bell.....	Clerk.....	\$112.50 per month
1895—January 21.	Stenographer and Typewriter, Pier Office.....	\$30.00 per month
1896—January.	Salary increased to.....	45.00 per month
1897—January 26.	Left the service.	
1904—May 23.	Stenographer and Clerk, Purchasing Agent's Office.....	75.00 per month
	Paid by Isthmian Canal Commission on account of his employment for their work.	
1904—November 16.	Salary increased to.....	112.50 per month
	\$100 of which is paid by Isthmian Canal Commission.	

## TRAFFIC MANAGER'S OFFICE.

NAME.	POSITION.	SALARY.
R. L. Walker.....	Traffic Manager.....	\$500 per month (\$6,000 per annum)
1897—December 1.	Entered service of company as Traffic Manager.....	\$416 2-3 per month (\$5,000 per annum)
1900—May 1.	Salary increased to.....	500 per month (\$6,000 per annum)

NAME.	POSITION.	SALARY.
G. F. Fink.....	Chief Clerk (S. S. Dept.).....	\$160 per month
1893—June.	Entered service of company as Chief Clerk, Pier Office.	
1900—May 1.	Transferred to Traffic Department, down town, account Pier Office being abolished.	

NAME.	POSITION.	SALARY.
A. E. Paterson.....	Freight Contracting Agent (S. S. Dept.).....	\$150 per month
1893—January.	Entered service of company as Freight Solicitor, salary.....	\$150 per month
1894—January.	Salary reduced to.....	135 per month
1901—January 1.	Salary restored to.....	150 per month

NAME.	POSITION.	SALARY.
C. C. Van Riper.....	Ticket Agent (S. S. Dept.).....	\$125 per month
1893—June.	Entered service of Company as Ticket Agent, salary.....	\$125 per month

TRAFFIC MANAGER'S OFFICE.  
(Steamship Department.)

NAME.	POSITION.	SALARY.
W. B. Hait.....	Clerk.....	\$130 per month
1893—June 15.	Entered service of company as Clerk .....	\$104 1-6 per month
1894—June 15.	Salary increased to.....	120.00 per month
1903—January 1.	Salary increased to.....	130.00 per month

NAME.	POSITION.	SALARY.
J. H. Miller	Claim Agent	\$125 per month

1893—November. Entered service of company as Clerk, salary..... \$60.00 per month  
 1896—February. Resigned.  
 1897—Re-entered the service of company as Freight Claim Clerk..... 90.00 per month  
 1898—March 15. Salary increased to..... 105.16 per month  
 1901—February 1. Salary increased to..... 115.00 per month  
 1903—April 15. Title changed to Claim Agent by 2d V. P. and Traffic Manager.  
 1903—October 1. Salary increased to..... 125 per month

NAME.	POSITION.	SALARY.
Thomas Magrath	Clerk	\$100 per month

1893—June. Entered service of company.....\$112.50 per month  
 1894—June. Resigned.  
 1896—January. Entered service of company..... 75.00 per month  
 1897—April 22. Teller..... 75.00 per month  
 1899—June 15. Salary increased to..... 90.00 per month  
 1900—May 1. Transferred to Traffic Department. Account abolishment Pier Office.  
 1901—October 15. Increased to..... 100.00 per month

NAME.	POSITION.	SALARY.
R. E. Rutherford	Clerk	\$90 per month

1899—July 1. Entered service of Company, salary... \$40 per month  
 1899—November 1. Freight Clerk "Advance"..... 50 per month  
 1899—December 1. Resumed duties as clerk at Pier Office.  
 1900—August 1. Salary increased to..... 50 per month  
 1900—May 1. Transferred to Traffic Department down town, account abolishment Pier Office.  
 1900—January 1. Salary increased to..... 60 per month  
 Account writing manifests on typewriter.  
 1903—January 1. General Clerk and Assistant Contg. Agent..... 70 per month  
 1903—November 15. Salary increased to..... 80 per month  
 1904—December 15. Salary increased to..... 90 per month

NAME.	POSITION.	SALARY.
M. J. M. Montforte	Clerk	\$75 per month

1894—June 15. Entered service of company, salary.. \$70 per month  
 1897—January 1. Salary increased to..... 75 per month  
 1899—June 15. Salary increased to..... 80 per month  
 1899—July 1. Salary placed at \$75. plus \$3 per steamer for preparing Spanish Consular papers.  
 1900—May 1. Transferred to Traffic Department, down town, account abolishment Pier Office.

NAME.	POSITION.	SALARY.
Joseph Slyman	Stenographer and Typewriter	\$75 per month

1897—June 7. Entered service of company as Office Boy ..... \$4.00 per week  
 1898—November 1. Increased to..... 5.00 per week  
 1899—January 15. Promoted Office Boy and Messenger at ..... 5.00 per week  
 1900—January 1. Clerk and Messenger, Auditor's Office, at ..... 30.00 per month  
 1901—January 1. Clerk and Messenger, Auditor's Office, at ..... 33.33 per month  
 1901—May 9. Manifest Stenographer, Traffic Department, at ..... 40.00 per month  
 1901—October 15. Salary increased to..... 50.00 per month  
 1902—October 7. Appointed Freight Clerk "Allianca," one trip at \$50, account regular clerk reporting sick with fever.  
 1902—October 29. Resumed duties as Manifest Stenographer.  
 1903—January 1. Manifest Typewriter..... 60.00 per month  
 1904—December 15. Stenographer, Traffic Department ..... 75.00 per month

NAME.	POSITION.	SALARY.
R. H. Clarke.....	Clerk.....	\$70 per month
1883 to 1890—	Employed on Isthmus in various capacities of Check Clerk, Freight Clerk, and Teller, salary, when leaving.....	\$225 per month
1896—March.	Entered service of company as Clerk, Freight Department, salary.....	\$2 per day
1897—April 1.	Salary increased to.....	60 per month
1899—June 15.	Salary increased to.....	80 per month
1900—May 1.	Transferred to Traffic Department, down town, account abolishment Pier Office.	
1901—October 15.	Salary increased to.....	90 per month
1903—April 15.	Resigned account illness.	
1903—May 1.	Re-entered company's service as Clerk.	70 per month
NAME.	POSITION.	SALARY.
J. A. Donovan.....	Manifest Typewriter.....	\$60 per month
1902—September 22.	Entered service of company as Office Boy, Secretary's Office.....	\$16 per month
1903—January 1.	Office Boy, Traffic Department....	26 per month
1903—October 1.	Manifest Typewriter.....	35 per month
1904—March 15.	Salary increased to.....	45 per month
1904—December 15.	Salary increased to.....	60 per month
NAME.	POSITION.	SALARY.
Howard Phelps, Jr.....	Manifest Typewriter.....	\$45 per month
1904—March 16.	Entered service of company as Office Boy, Traffic Department.....	\$26 per month
1904—December 15.	Manifest Typewritist.....	45 per month
NAME.	POSITION.	SALARY.
P. Basombrio.....	Spanish Sobordo Clerk.....	\$60 per month
1904—February 15.	Entered service of company as Spanish Sobordo Clerk.....	\$35 per month
1904—March 15.	Salary increased to.....	45 per month
1904—December 15.	Salary increased to.....	60 per month
NAME.	POSITION.	SALARY.
John C. Cody.....	Office Boy.....	\$26 per month
1903—October 19.	Entered service of company as Office Boy at.....	\$16 per month
1903—December 1.	Salary increased to.....	20 per month
1904—March 15.	Salary increased to.....	26 per month
1904—December 15.	Transferred to Traffic Office at.	26 per month
NAME.	POSITION.	SALARY.
R. L. Walker.....	Clerk and Messenger.....	\$60 per month
1901—January 5.	Entered service of company as above.	
NAME.	POSITION.	SALARY.
W. Donovan.....	Clerk.....	\$60 per month
1902—March 23.	Entered service of company as Tallyman on Pier at.....	\$2 per day
1903—June 1.	Transferred to Freight Department, down town office, at.....	60 per month
NAME.	POSITION.	SALARY.
H. M. Goodwin.....	Clerk.....	\$15 per week
1905—January 20.	Temporary Clerk to relieve pressure caused by sickness of regular employees.	
TERMINAL SUPERINTENDENT'S OFFICE. (Steamship Department.)		
NAME.	POSITION.	SALARY.
H. I. Bawden.....	Terminal Superintendent.....	\$275 per month
1893—June.	Entered service of company as Cashier at.....	\$150 per month
1894—June.	Salary increased to.....	250 per month
1897—April 22.	Appointed Assistant to General Agent in absence of latter.	
1900—May 1.	Terminal Superintendent, Pier 57 North River, at.....	250 per month
1901—January 1.	Salary increased to.....	275 per month

NAME.	POSITION.	SALARY.
H. R. Henderson.....	Receiving Clerk.....	\$100 per month
1894—June 15.	Entered service of company as Freight Clerk "Alliance".....	\$60 per month
1894—July 15.	Check Clerk on dock.....	2 per day
1895—April 8.	Assistant Receiving Clerk.....	75 per month
1902—July 10.	Authorized to represent Terminal Superintendent during latter's absence.	
1905—January 1.	Salary increased to.....	100 per month
W. L. G. McGuire.....	Delivery Clerk.....	\$100 per month
1899—December 22.	Freight Clerk "Advance".....	\$50 per month
1901—March 1.	Purser "Finance".....	75 per month
1902—February 3.	Temporarily employed at Pier Office in Traffic Department to assist and then sent to pier to check up records. Salary	60 per month
1902—October 1.	Acted as Delivery Clerk and later employed permanently in that position. Salary	90 per month
1905—January 1.	Salary increased to.....	100 per month
H. J. Kelly.....	Clerk.....	\$87.50 per month
1895—September 16.	Entered service of company as Tallyman, salary.....	\$2.00 per day
1895—December 16.	Transferred to office at.....	60.00 per month
1897—January 1.	Salary increased to.....	66.66 2-3 per month
1901—February 1.	Salary increased to.....	80.00 per month
1905—January 1.	Salary increased to.....	87.50 per month
W. H. Roach.....	Assistant Receiving Clerk.....	\$75 per month
1900—December.	Entered service of company as Tally Clerk at.....	\$2 per day
1903—March 1.	Appointed Assistant Receiving Clerk at.....	65 per month
1905—January 1.	Salary increased to.....	75 per month
T. G. Harrow, Tallyman and Check Clerk and Assistant Delivery and Parcel Clerk.....		\$65 per month
1902—November 12.	Entered service of company, as above.....	\$2 per day
1905—January 1.	Salary increased to.....	65 per month
A. M. Secor.....	Checker on Dock.....	\$60 per month
1899—November.	Entered service of company as Checker.....	\$2 per day
1905—January 1.	Salary increased to.....	60 per month
Chas. Sleight.....	Baggagemaster.....	\$80 per month
1893—June.	Entered service of company as Baggagemaster.....	\$15 per steamer
1896—April.	Baggagemaster and cartage of outward and homeward mail.....	60 per month
1899—July 5.	Salary increased to.....	68 per month
1904—March 3.	Salary increased to.....	80 per month
John Bennerson.....	Office Boy.....	\$30 per month
1903—May 11.	Entered service of company as Office Boy.....	\$20 per month
1905—January 1.	Salary increased to.....	30 per month

There are also employes on the pier:

Theo. Thompson, carpenter.....	\$90 per month
Mike Ahern, cooper.....	90 per month
E. Foran, gateman.....	60 per month

and from 15 to 25 watchmen, checkers, etc. These men are paid at the rate of \$2 per day, and only hired when the Terminal Superintendent has work for them to do. Record sheets for these employes are not kept, as they do not come under the company's regulations to secure record sheets from all employes above the grade of laborer.

(EXHIBIT B—5.)

*Question.*—Total expense of the New York Office; in detail for ten years; and detailed expense for maintaining each department.

MEMORANDUM RE STATEMENT OF GENERAL EXPENSES, NEW YORK.

The attached statement shows expenses in detail, but not for each department in New York, no separate account for maintaining each department having been kept on the books.

Our Classification of Disbursement Accounts, a copy of which is herewith submitted, will show the nature of the expenses charged to each sub-account, not only for General Expenses, but for all operating expense accounts.

Special reference to, or explanation of, certain sub-accounts are made as follows:

*Account 80.—Advertising Folders and Posters.*

The decrease from \$1,443.15 in 1901 to \$281.33 in 1902 is principally due to the discontinuance of the distribution or placing of folders in folder cases in ticket offices in New York and European cities and on Atlantic steamers.

*Account 82.—Clerks, Salaries of.*

*Account 88.—Officers, Salaries of.*

These accounts include the salaries of all officers and clerks in New York excepting those directly employed in connection with the Steamship Line. They also include the salaries of the European Department, established in 1898, and put in charge of the Vice-President and General Manager.

An office for the European Department was opened in Paris in the latter part of 1898, and maintained for three years. Although the office was closed in 1901, and the services of the clerks employed dispensed with, the Vice-President still remained in charge of said Department, and his salary, previously carried against New York office, was placed against the Paris office.

As salaries comprise by far the largest single expense, statements in details have been prepared for each year which will give some idea of each department.

*Account 84.—General Offices—Repairs and Rent of.*

Two-thirds of the rent of offices at No. 24 State Street, New York, is debited to this account, and one-third to Agency Expenses, Steamship Line.

*Account 87.—Legal Services and Expenses.*

The salary of the Company's attorney or special agent at Bogota is debited to this account.

STATEMENT SHOWING EXPENSES IN DETAIL CHARGED TO GENERAL EXPENSES, NEW YORK, FOR THE YEARS 1896 TO 1903, INCLUSIVE, AND ELEVEN MONTHS OF 1904.

ACCOUNT.	1896.	1897.	1898.	1899.	900	901	1902.	1903.	11 mos. 1904.
80. Advertising Folders and Posters:									
New York Office.....	\$1,058.20	\$1,356.10	\$759.48	\$1,226.56	\$1,421.39	\$1,443.15	\$281.33	\$259.22	\$541.24
Paris Office.....	.....	.....	.....	17.50	6.48	29.10	.....	.....	.....
81. Advertising, General:									
New York Office.....	225.94	586.26	265.96	239.40	230.40	255.05	290.69	335.16	264.70
Paris Office.....	.....	.....	.....	.....	1.37	1.29	.....	.....	.....
82. Clerks, Salaries of:									
New York Office.....	12,910.93	18,482.74	22,704.71	20,068.48	19,773.31	20,695.53	18,400.34	18,811.86	18,488.09
Paris Office.....	.....	.....	175.41	1,833.36	2,224.69	547.91	67.59	217.63	29.77
83. Directors' and Committees' Fees.....	11,830.00	11,200.00	11,350.00	9,872.50	9,945.00	10,187.50	9,755.00	10,325.00	8,920.00
84. General Offices—Repairs and Rent of:									
New York Office.....	3,825.00	4,283.16	4,560.00	4,560.00	4,852.00	3,377.36	3,444.49	3,600.01	3,361.05
Paris Office.....	.....	.....	.....	645.76	646.00	664.91	.....	.....	.....
85. General Offices, Other Expenses:									
New York Office.....	2,849.19	2,876.92	2,085.04	2,540.86	4,012.28	2,448.65	1,955.38	2,415.00	2,239.28
Paris Office.....	.....	.....	476.26	508.17	254.90	124.82	12.98	8.31	11.62
86. Incidentals:									
New York Office.....	2,087.37	3,441.81	6,113.40	1,243.08	2,204.10	834.25	894.19	1,525.75	1,755.49
Paris Office.....	.....	.....	49.87	234.17	937.71	240.68	75.28	.....	.....
87. Legal Services and Expenses:									
New York Office.....	25,106.67	11,853.89	8,303.94	9,522.25	8,242.44	9,149.82	12,260.53	10,919.48	6,667.90
Paris Office.....	.....	.....	.....	.....	3.86	.....	.....	.....	.....
88. Officers, Salaries of:									
New York Office.....	39,943.87	38,410.11	38,131.78	39,365.93	41,841.66	38,704.01	38,155.00	38,635.00	35,816.66
Paris Office.....	.....	.....	.....	.....	.....	136.65	4,033.33	5,500.00	3,666.67
89. Stationery and Printing:									
New York Office.....	1,283.90	1,033.30	1,087.69	1,239.63	1,321.50	1,175.31	915.32	1,215.11	1,140.85
Paris Office.....	.....	.....	34.82	74.42	59.70	5.92	61.86	5.25	.....
90. Telegrams and Cables:									
New York Office.....	1,457.61	967.35	1,587.57	1,189.68	1,530.98	1,495.06	1,051.70	1,390.41	1,777.76
Paris Office.....	.....	.....	53.46	241.13	668.85	125.01	249.38	93.90	172.50
91. Revenue Stamps.....	.....	.....	124.76	.....	.....	.....	.....	.....	.....
Total, New York.....	\$102,578.68	\$94,491.64	\$96,974.33	\$91,068.37	\$95,375.06	\$89,765.69	\$87,403.97	\$89,432.00	\$80,973.02
Total, Paris.....	.....	.....	889.82	3,554.51	4,803.56	1,876.29	4,500.42	5,825.09	3,880.56
Total.....	\$102,578.68	\$94,491.64	\$97,864.15	\$94,622.88	\$100,178.62	\$91,641.98	\$91,904.39	\$95,257.09	\$84,853.58

New York, January 28, 1905.

DETAILS OF ACCOUNT No. 82, SALARIES OF CLERKS, NEW YORK,  
FOR THE YEAR 1896.

Treasurer's Office:		
Clerk and bank messenger.....	\$694.98	
Christmas gratuity.....	30.00	\$724.98
Secretary's Office:		
Stenographers, etc.....	\$1,565.82	
Christmas gratuity.....	65.00	1,630.82
Auditor's Office:		
Auditor .....	\$2,400.00	
Clerks .....	5,694.00	
Christmas gratuities.....	360.00	
Extra compensation to Auditor re new system of ac- counting .....	200.00	
Extra compensation of clerks for night work.....	1,001.13	\$9,655.13
Purchasing Agent.....		900.00
Total.....		\$12,910.93

*New York, February 2, 1905.*

DETAILS OF ACCOUNT No. 82, SALARIES OF CLERKS, NEW YORK,  
FOR THE YEAR 1897.

Treasurer's Office:		
Teller and messenger.....	\$657.33	
Bond of messenger.....	18.58	\$675.91
Secretary's Office.....		2,159.23
Auditor's Office:		
Auditor .....	\$2,500.00	
Clerks .....	6,600.97	
Extra compensation in all departments—but principally Auditor's office—for night work.....	1,003.43	10,104.40
Traffic Manager's Office:		
Claim clerk.....		738.00
Purchasing Agent.....	\$1,237.49	
Gratuity to Mr. G. Reynaud, P. A., on leaving com- pany's service.....	225.00	1,462.49
Chief Engineer's Office:		
Chief Engineer.....	\$2,674.97	
Clerk .....	667.74	3,342.71
Total.....		\$18,482.74

*New York, February 2, 1905.*

DETAILS OF ACCOUNT No. 82, SALARIES OF CLERKS, NEW YORK,  
FOR THE YEAR 1898.

Treasurer's Office:		
Teller and messenger.....	\$720.00	
Bond of messenger.....	10.00	\$730.00
Secretary's Office:		
Assistant to Secretary.....	\$1,200.00	
Stenographers and clerks.....	2,466.68	
Extra compensation on account of night work.....	17.35	3,684.03
Auditor's Office:		
Auditor .....	\$2,666.66	
Clerks .....	7,403.93	
Extra compensation on account of night work.....	381.14	10,451.73
Traffic Manager's Office:		
Claim Clerk.....		1,221.60
Purchasing Agent.....		1,250.00
Chief Engineer's Office:		
Chief Engineer.....	\$2,966.66	
Draughtsmen .....	2,316.68	5,283.34
Total.....		\$22,620.70.

*New York, February 6, 1905.*

DETAILS OF ACCOUNT No. 82, SALARIES OF CLERKS, NEW YORK,  
FOR THE YEAR 1899.

Treasurer's Office:			
Teller and messenger.....	\$1,023.84		
Bond of messenger.....	6.50		
			\$1,030.34
Secretary's Office:			
Assistant to secretary.....	\$1,260.00		
Stenographers and clerks.....	1,826.64		
			3,086.64
Auditor's Office:			
Auditor .....	\$2,700.00		
Clerks .....	6,910.00		
Extra compensation in connection with night work....	174.46		
			9,784.46
Traffic Manager's Office:			
Claim clerk .....	\$1,250.00		
Extra compensation in connection with night work of the above .....	119.54		
			1,369.54
Purchasing Agents:			
R. P. Floyd Jones.....	\$430.10		
W. Bloomfield .....	633.55		
			1,063.65
Chief Engineer's Office:			
Chief engineer .....	\$2,000.00		
Inspecting engineer.....	459.68		
Inspecting engineer; extra compensation in connection with night work.....	12.25		
Draughtsmen .....	1,261.92		
			3,733.85
Total.....			\$20,068.48

*New York, February 6, 1905.*

DETAILS OF ACCOUNT No. 82, SALARIES OF CLERKS, NEW YORK,  
FOR THE YEAR 1900.

Treasurer's Office:			
Teller and messenger.....	\$720.00		
Bond of messenger.....	8.00		
			\$728.00
Secretary's Office:			
Assistant to secretary.....	\$1,380.00		
Stenographers and clerks.....	1,569.32		
			2,949.32
Auditor's Office:			
Auditor .....	\$2,700.00		
Clerks .....	8,421.31		
Extra compensation in connection with night work....	19.32		
			11,140.63
Traffic Manager's Office:			
Claim clerk .....	\$1,250.00		
Claim clerk; extra compensation in connection with night work .....	247.68		
			1,497.68
Purchasing agent .....			1,200.00
Inspecting Engineer's Office:			
Inspecting engineer .....	\$1,600.00		
Draughtsmen .....	657.68		
			2,257.68
Total.....			\$19,773.31

*New York, February 6, 1905.*

DETAILS OF ACCOUNT No. 82, SALARIES OF CLERKS, NEW YORK,  
FOR THE YEAR 1901.

Treasurer's Office:			
Teller and messenger.....	853.23		
Bond of messenger.....	6.84		
			\$860.07
Secretary's Office:			
Assistant to secretary.....	\$1,380.00		
Stenographers and clerks.....	1,836.21		
			3,216.21

Auditor's Office:			
Auditor .....	\$2,925.00		
Clerks .....	8,523.93		
Extra compensation in connection with night work....	12.23		
			\$11,461.16
Traffic Manager's Office:			
Claim clerk .....	\$1,369.17		
Claim clerk; extra compensation in connection with night work .....	20.64		
			1,389.81
Purchasing Agents:			
W. Bloomfield .....	\$425.81		
Alfred Anderson .....	750.00		
			1,175.81
Inspecting Engineer's Office:			
Inspecting engineer .....	\$1,800.00		
Inspecting engineer; extra compensation in connection with night work.....	19.20		
Draughtsmen .....	734.69		
			2,553.89
Total.....			\$20,656.95
<i>New York, February 6, 1905.</i>			

DETAILS OF ACCOUNT No. 82, SALARIES OF CLERKS, NEW YORK,  
FOR THE YEAR 1902.

Treasurer's Office:			
Teller and messenger.....	\$660.00		
Bond of messenger.....	10.80		
			\$670.80
Secretary's Office:			
Assistant to secretary.....	\$368.00		
Stenographers and clerks.....	1,431.22		
			1,799.22
Auditor's Office:			
Auditor .....	\$3,000.00		
Clerks .....	7,855.32		
			10,855.32
Traffic Manager's Office:			
Claim Clerk .....			1,380.00
Purchasing agent .....			1,200.00
Inspecting Engineer's Office:			
Inspecting engineer .....	\$1,800.00		
Draughtsmen .....	600.00		
			2,400.00
Christmas gratuities.....			95.00
Total.....			\$18,400.34
<i>New York, February 6, 1905.</i>			

DETAILS OF ACCOUNT No. 82, SALARIES OF CLERKS, NEW YORK,  
FOR THE YEAR 1903.

Treasurer's Office:			
Teller and messenger.....	\$760.00		
Bond of messenger.....	10.00		
			\$770.00
Assistant Secretary's Office:			
Stenographers and clerks.....			1,499.97
Auditor's Office:			
Auditor .....	\$3,000.00		
Clerks .....	8,646.33		
Extra compensation in connection with night work....	106.99		
			11,753.32
Traffic Manager's Office:			
Claim agent .....			1,410.00
Purchasing agent .....			1,375.00
Inspecting Engineer's Office:			
Inspecting engineer .....	\$1,800.00		
Draughtsmen .....	91.07		
			1,891.07
Christmas gratuities .....			112.50
Total.....			\$18,811.86
<i>New York, February 6, 1905.</i>			

DETAILS OF ACCOUNT No. 82, SALARIES OF CLERKS, NEW YORK,  
FOR THE YEAR 1904.

Treasurer's Office:		
Teller and messenger.....	\$850.00	
Bond of messenger.....	10.00	\$860.00
Assistant Secretary's Office:		
Stenographers and clerks.....	\$1,908.16	
Extra compensation in connection with night work....	3.00	1,911.16
Auditor's Office:		
Auditor .....	\$3,075.00	
Clerks .....	8,792.50	
Extra compensation in connection with night work....	481.74	12,349.24
Traffic Manager's Office:		
Claim agent .....	\$1,500.00	
Claim agent; typewriting fees.....	3.00	1,503.00
Purchasing Agent's Office:		
Purchasing agent .....	\$1,500.00	
Stenographers and clerks.....	72.68	1,572.68
Inspecting Engineer's Office:		
Inspecting engineer .....	\$1,800.00	
Clerk .....	272.00	2,072.00
Christmas gratuities .....		210.00
Total.....		\$20,478.08

*New York, February 6, 1905.*

DETAILS OF ACCOUNT No. 88, SALARIES OF OFFICERS, NEW YORK,  
FOR THE YEAR 1896.

President .....		\$10,000.00
Vice-President and general manager.....	\$10,000.00	
Expenses .....	842.37	10,842.37
Secretary .....		7,000.00
Traffic manager .....	\$5,000.00	
Expenses .....	408.65	5,408.65
Treasurer .....	\$4,500.00	
Extra compensation re new system of accounting.....	250.00	
Christmas gratuity.....	250.00	
Premium on bond.....	187.50	5,187.50
Chief engineer (7 months, 7 days).....		1,505.35
Total.....		\$39,943.87

*New York, February 2, 1905.*

DETAILS OF ACCOUNT No. 88, SALARIES OF OFFICERS, NEW YORK,  
FOR THE YEAR 1897.

President .....		\$10,000.00
Vice-President and general manager.....		10,000.00
Secretary .....	\$7,000.00	
Extra compensation during absence of vice-president and general manager in Europe.....	580.64	
Expenses .....	4.80	7,585.44
Treasurer .....	\$4,700.00	
Premium on bond.....	187.50	4,887.50
Traffic Manager:		
Mr. Muir—11 months.....	\$5,500.00	
Mr. Walker—1 month.....	416.66	
Expenses .....	20.50	5,937.16
Total.....		\$38,410.10

*New York, February 2, 1905.*

DETAILS OF ACCOUNT No. 88, SALARIES OF OFFICERS, NEW YORK,  
FOR THE YEAR 1898.

President .....		\$10,000.00
Vice-president and general manager.....		10,000.00
Assistant general manager and secretary.....	\$7,000.00	
Extra compensation during absence in Europe of Mr. Whaley, vice-president and general manager.....	975.81	
		<u>7,975.81</u>
Traffic manager .....	\$5,000.00	
Extra compensation while on Isthmus.....	147.76	
		<u>5,147.76</u>
Treasurer .....	\$4,700.00	
Extra compensation while on Isthmus.....	183.21	
Premium on bond.....	125.00	
		<u>5,008.21</u>
Total.....		\$38,131.78

*New York, February 6, 1905.*

DETAILS OF ACCOUNT No. 88, SALARIES OF OFFICERS, NEW YORK,  
FOR THE YEAR 1899.

President .....		\$10,000.00
Vice-president and general manager, 3 months.....	\$2,500.00	
1st vice-president, 9 months.....	4,125.00	
(Mr. Whaley) .....		6,625.00
Assistant general manager and secretary, 4 months.....	\$2,333.34	
Extra compensation during absence in Europe of Mr. Whaley .....	500.00	
2d vice-president and secretary, 8 months.....	5,666.67	
(Mr. Drake) .....		8,500.01
General manager, May 12 to December 31.....		4,459.67
Traffic manager .....		5,000.00
Treasurer .....	\$4,700.00	
Premium on bond.....	81.25	
		<u>4,781.25</u>
Total.....		\$39,365.93

*New York, February 6, 1905.*

DETAILS OF ACCOUNT No. 88, SALARIES OF OFFICERS, NEW YORK,  
FOR THE YEAR 1900.

President .....		\$10,000.00
1st vice-president .....		5,500.00
2d vice-president and secretary.....		8,500.00
General manager .....		7,000.00
Traffic manager, 4 months.....	\$1,666.66	
Traffic manager, 8 months.....	4,000.00	
		<u>5,666.66</u>
Treasurer, 3 months.....	\$1,175.00	
Treasurer, 9 months.....	3,900.00	
Premium on bond.....	100.00	
		<u>5,175.00</u>
Total.....		\$41,841.66

*New York, February 6, 1905.*

DETAILS OF ACCOUNT No. 88, SALARIES OF OFFICERS, NEW YORK,  
FOR THE YEAR 1901.

President .....		\$10,000.00
1st vice-president, 4 months.....	\$1,375.00	
In charge of European Department, 4 months.....	546.60	
		<u>1,921.60</u>
2d vice-president and secretary.....		8,500.00
General manager .....		7,000.00
Traffic manager .....		6,000.00
Treasurer .....	\$5,200.00	
Premium on bond.....	85.50	
		<u>5,285.50</u>
		<u>\$38,707.10</u>
Less Credit.....		3.09
Total.....		\$38,704.01

*New York, February 6, 1905.*

DETAILS OF ACCOUNT No. 88, SALARIES OF OFFICERS, NEW YORK,  
FOR THE YEAR 1902.

President .....	\$10,000.00
1st vice-president: Charged against Paris Office.....	
2d vice-president and secretary.....	8,500.00
General manager .....	7,000.00
Traffic manager .....	6,000.00
Treasurer .....	\$5,200.00
Premium on bond.....	135.00
	<u>5,335.00</u>
Assistant secretary, April 7 to December 31.....	1,320.00
Total.....	<u>\$38,155.00</u>

*New York, February 6, 1905.*

DETAILS OF ACCOUNT No. 88, SALARIES OF OFFICERS, NEW YORK,  
FOR THE YEAR 1903.

President .....	\$10,000.00
1st vice-president: Charged against Paris Office.....	
2d vice-president and secretary.....	8,500.00
General manager .....	7,000.00
Traffic manager .....	6,000.00
Treasurer .....	\$5,200.00
Premium on bond.....	125.00
	<u>5,325.00</u>
Assistant secretary.....	1,810.00
Total.....	<u>\$38,635.00</u>

*New York, February 6, 1905.*

DETAILS OF ACCOUNT No. 88, SALARIES OF OFFICERS, NEW YORK,  
FOR THE YEAR 1904.

President .....	\$10,000.00
1st vice-president: Charged against Paris Office.....	
2d vice-president and secretary.....	8,500.00
General manager .....	7,000.00
Traffic manager .....	6,000.00
Treasurer .....	\$5,200.00
Premium on bond.....	125.00
	<u>5,325.00</u>
Assistant secretary, 3 months.....	\$450.00
Assistant secretary, 9 months.....	1,810.00
	<u>2,260.00</u>
Total.....	<u>\$39,085.00</u>

*New York, February 6, 1905.*

MEMORANDUM RE AGENCY EXPENSES STEAMSHIP LINE, NEW YORK.

*Account No. 51. Buildings, Docks and Wharves—Repairs and Rent of.*—This account includes rent and repairs of pier in New York and one-third of the rent of Office at No. 24 State Street, New York.

*Account No. 55. Insurance.*—Includes insurance on pier furniture and fixtures, merchandise on pier and afloat in New York harbor.

*Account No. 58. Labor, General.*—This account includes wages of watchmen, gate-keepers, porters, messengers, etc., employed on pier, New York.

*Account No. 61. Salaries—Agents and Clerks.*—This account includes salaries of Terminal Superintendent, Supply Clerk, Receiving and Delivery Clerks, etc., stationed on pier, New York, and salaries of Freight Solicitors, Ticket Agent, Freight Cashier and other Freight Office employees at No. 24 State Street, New York.

PANAMA RAILROAD STEAMSHIP LINE, STATEMENT OF AGENCY EXPENSES (NEW YORK) FOR THE YEARS 1896 TO 1903,  
 INCLUSIVE, AND ELEVEN MONTHS OF 1904.

ACCOUNT.	1896.	1897.	1898	1899	1900	1901	1902	1903	11 mos. of 1904
50. Advertising .....	\$4,118.54	\$1,891.81	\$1,362.22	\$1,231.50	\$2,164.35	\$1,918.49	\$1,671.22	\$1,883.97	\$1,729.56
51. Buildings, docks and wharves, repairs and rent.....	31,118.54	37,613.72	42,200.22	41,566.77	41,732.86	42,012.79	41,571.97	32,450.76	22,722.40
52. Buildings, docks and wharves, other expenses .....	5,139.64	4,430.80	3,888.30	4,148.93	4,454.16	4,040.13	4,076.42	4,119.88	3,965.66
53. Commissions, passengers .....	1,097.92	.....	.....	*1.80	.....	.....	.....	.....	.....
54. Commissions, freight.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
55. Insurance .....	1,001.97	1,052.50	750.48	739.75	1,307.86	1,759.21	1,774.75	1,606.75	1,164.75
56. Injuries to persons.....	.....	2.00	.....	.....	.....	165.00	.....	1.50	.....
57. Incidentals .....	168.28	34.00	25.00	477.30	30.00	75.00	147.85	65.00	57.35
58. Labor, general.....	12,800.46	11,343.47	10,243.39	15,134.56	17,374.27	16,645.71	16,061.38	15,360.82	15,308.85
59. Legal services and expenses...	.....	.....	.....	.....	.....	.....	.....	.....	5.00
60. Loss and damage.....	117.76	.....	.....	.....	43.30	284.81	139.83	83.85	.50
61. Salaries, agents and clerks....	31,124.93	28,572.90	26,121.17	27,175.18	24,932.47	23,740.59	24,297.20	25,079.35	22,886.13
62. Stationery and printing.....	1,608.07	1,028.21	906.22	1,044.86	1,451.00	1,410.27	1,121.49	1,550.27	2,176.22
63. Telegrams and cables.....	91.73	16.10	12.85	7.41	13.17	112.60	54.00	52.26	78.28
Total.....	<u>\$88,387.84</u>	<u>\$85,985.51</u>	<u>\$85,549.73</u>	<u>\$91,524.46</u>	<u>\$93,503.44</u>	<u>\$92,164.60</u>	<u>\$90,916.11</u>	<u>\$82,254.41</u>	<u>\$70,094.70</u>

\* Credit.

New York, February 1, 1905.

## (EXHIBIT B-6.)

## PANAMA RAILROAD COMPANY.

## SALARIES OF GENERAL OFFICERS ON THE ISTHMUS.

EXECUTIVE OFFICERS.	
General Superintendent .....	\$6,000 per annum
Secretary to General Superintendent and Land Agent.....	3,300 per annum
Local Auditor .....	2,700 per annum
Cashier .....	2,700 per annum
TRANSPORTATION DEPARTMENT.	
Assistant Superintendent .....	\$3,600 per annum
Train Master .....	2,280 per annum
Acting Freight Agent and Port Captain, La Boca.....	2,700 per annum
Assistant Freight Agent and Port Captain, Colon.....	2,700 per annum
MECHANICAL DEPARTMENT.	
Master Mechanic .....	\$2,700 per annum
ROAD DEPARTMENT.	
Road Master .....	\$2,700 per annum
SUPPLY DEPARTMENT.	
Commissary .....	\$2,700 per annum
LEGAL DEPARTMENT.	
Counsel, Panama .....	\$1,728 per annum
Lawyer, Panama .....	1,464 per annum
Real Estate Lawyer, Colon.....	1,200 per annum

February 6, 1905.

## EXECUTIVE OFFICES—COLON.

NAME.	POSITION.	SALARY.
Robert Yung...	Secretary to Gen'l Supt. and Land Agent...	\$3,300 per annum
1887—April.	Entered service of company as Draughtsman in Engineer's Department.	\$125.00 per month
	Latter part of year Clerk in Road Master's Office .....	150.00 per month
	Salary increased a few months later to..	175.00 per month
1889—August.	Acting Secretary to General Superintendent .....	200.00 per month
1890—January 1.	Secretary to General Superintendent .....	225.00 per month
1892—January 1.	Secretary to General Superintendent and Land Commissioner.....	250.00 per month
1893—December.	Salary reduced after completion of work on Fire Zone, Colon.....	225.00 per month
1894—July.	Reduced account general reduction of 10 per cent.....	202.50 per month
1896—Salary increased.....		225.00 per month
1900—January 1.	Land Agent.....	250.00 per month
1905—January 1.	Land Agent; salary increased..	275.00 per month

February 6, 1905.

NAME.	POSITION.	SALARY.
Michael Delcavante.....	Local Auditor.....	\$2,700 per annum
1890—April 1.	Entered service of company as Clerk..	\$150 per month
1890—October.	Increase in salary.....	160 per month
1893—August to November 16, 1893.	Acting Auditor.	200 per month
1893—November 16.	Clerk.....	160 per month
1894—July.	Clerk.....	144 per month
1895—July.	Clerk.....	160 per month
1896—May 1.	Local Auditor.....	200 per month
1904—October 1.	Increase in salary.....	225 per month

February 6, 1905.

NAME.	POSITION.	SALARY.
R. H. Wardlaw.....	Cashier.....	\$2,700 per annum
1889—March 1.	Entered service of company as Train Check Clerk.....	\$150 per month
1889—March 15.	Local Express Clerk, Panama.....	150 per month
1891—September.	Clerk in Auditing Office.....	165 per month
1897—October 4.	Cashier.....	200 per month
1904—October 1.	Salary increased.....	225 per month

February 6, 1905.

## TRANSPORTATION DEPARTMENT.

H. G. Prescott.....	Assistant Superintendent.....	\$3,600 per annum
1889—January.	Entered service of Company as Operator.....	\$165 per month
1889—To November, 1892.	Train Despatcher.....	200 per month
1892—November to November, 1893.	Depot Master and Operator at Panama.....	200 per month
1893—November, to June, 1894.	Depot Master and Operator at Panama.....	190 per month
1894—June, to April 1, 1900.	Depot Master and Operator at Panama.....	171 per month
1900—April 1.	Train Master and Electrician.....	200 per month
1901—August 1.	Assistant Superintendent.....	300 per month

February 6, 1905.

NAME.	POSITION.	SALARY.
R. W. Bergin.....	Train Master.....	\$2,280 per annum
1888—March 1.	Telegraph Operator, Gatun.....	\$165 per month
1889—February.	Assistant Train Despatcher.....	175 per month
1889—April.	Chief Despatcher.....	190 per month
1889—July.	Chief Despatcher.....	200 per month
1890—November 27 to May 9, 1891	} Acting Train Master	} 250 per month
1891—July 25 to October 28, 1891		
1892—March 23 to July 1, 1892		
1892—November 14 to March 9, 1893		
1893—March 25 to July 1, 1893	} Acting Train Master	} 215 per month
1893—August 27 to November 17, 1893		
1894—April 15 to July 7, 1894		
1895—June 24 to September 26, 1895	} Acting Train Master	} 200 per month
1895—October 5 to December 1, 1895		
(When not filling position of Acting Train Master pay for intermediate periods was that of Train Despatcher.)		
1890—November 27 to December, 1893.....		200 per month
1893—December.	Train Despatcher.....	190 per month
1894—July.	Train Despatcher.....	171 per month
1901—August 1.	Train Master and Chief Despatcher.....	190 per month

February 6, 1905.

NAME.	POSITION.	SALARY.
James St. C. Hunt..	Acting Frt. Agt. and Port. Capt. at La Boca.....	\$2,700 per annum
1895—January 30.	Entered service of company as Freight Clerk.....	\$60 per month
1895—September 27.	Purser S. S. "Advance".....	90 per month
1901—March 1.	Chief Clerk at La Boca.....	175 per month
1904—June 1.	Acting Freight Agent and Port Captain at La Boca.....	225 per month

February 6, 1905.

## TRANSPORTATION DEPARTMENT.—COLON.

NAME.	POSITION.	SALARY.
P. E. Cruchley...	Asst. Freight Agent and Port Capt. at Colon.....	\$2,700 per annum
1882—October.	Entered service of company as Assistant Way Bill Clerk.....	\$60 per month
1884—Salary increased, account of extra duties.....		125 per month
1885—Appointed Way Bill Clerk.....		150 per month
1886—Salary increased.....		175 per month
1888—Acted as Clerk in Charge of Freight House for three months.....		200 per month
1890—Salary reduced account depression in business.....		160 per month
1893—September. Salary reduced account depression in business.....		150 per month
1897—July. Salary reduced account depression in business.....		135 per month
1897—May.	Promoted to Chief Clerk.....	150 per month
1901—October 29.	Appointed Assistant Freight Agent and Port Captain, Colon.....	200 per month
1904—June 1.	Salary increased.....	225 per month

February 6, 1905.

MECHANICAL DEPARTMENT—COLON.

NAME.	POSITION.	SALARY.
Philip G. Baker.....	Master Mechanic.....	\$2,700.00 per annum
1899—October 11.	Entered service of company as Machinist .....	\$4.50 per day
1900—November 20th.	Superintendent Machinist, La Boca, during absence of Superintendent Moore.....	4.50 per day
1901—January 1.	General Foreman, Colon shops..	160.00 per month
1901—October 1.	Acting Master Mechanic.	
October 29.	Appointed Master Mechanic, with salary effective October 1, 1901....	225.00 per month

February 6, 1905.

NAME.	POSITION.	SALARY.
F. S. Higbid.....	Road Master.....	\$3,300.00 per annum
1898—May 2.	Assistant Engineer, La Boca construction .....	\$200 00 per month
1898—September 16.	Road Master.....	225.00 per month
1901—October 1.	Road Master.....	275.00 per month

February 6, 1905.

COMMISSARY DEPARTMENT.—COLON.

NAME.	POSITION.	SALARY.
Ricardo Bermudez.....	Commissary.....	\$2,700.00 per annum
1886—June 11 to October, 1890.	Entered service of company as Junior Clerk, Auditor's office .....	(silver) \$45.00 per month
	Increased to .....	(silver) 75.00 per month
	Increased to .....	(gold) 75.00 per month
	Increased to .....	(gold) 90.00 per month
	Increased to .....	(gold) 100.00 per month
1890—October.	Increased to .....	(gold) 110.00 per month
1894—July.	Decreased to .....	(gold) 99.00 per month
1895—July.	Increased to .....	(gold) 110.00 per month
1898—November 15th.	Chief Clerk.....	(gold) 130.00 per month
1901—May 1.	Commissary.....	(gold) 200.00 per month
1905—January 1.	Commissary.....	(gold) 225.00 per month

February 6, 1905.

PANAMA RAILROAD COMPANY—LEGAL DEPARTMENT.

Pablo Arosemena, Counsel, Panama.....	\$144.00 per month
F. Mutis-Duran, Lawyer, Panama.....	122.00 per month
A. N. Henriquez, Real Estate Lawyer, Colon.....	100.00 per month

February 6, 1905.

(EXHIBIT B—7.)

PANAMA RAILROAD COMPANY—GENERAL SUPERINTENDENT.

YEAR.	NAME...	SALARY.
1876 to 1880—	Brandon Mozley.....	\$8,000.00 per annum
1880 to 1884—	H. A. Woods.....	8,000.00 per annum
1885 (six months)—	J. J. Iribe.....	10,000.00 per annum
1885 to 1886—	Geo. A. Burt.....	8,000.00 per annum
	increased to.....	10,000.00 per annum
1886 to 1887—	Frank G. Ward.....	10,000.00 per annum
1887 to 1895—	A. L. Rives.....	12,000.00 per annum
	increased in 1888.....	16,000.00 per annum
1895 to 1905—	James R. Shaler.....	5,000.00 per annum
	increased in 1896.....	6,000.00 per annum

February 6, 1905.

NAME.	POSITION.	SALARY.
John C. Warren.....	Assistant Superintendent.....	\$4,000.00 per annum
	Nov. 14, 1895 to April, 1900.	

NAME.	POSITION.	SALARY.
R. G. Ward.....	Engineer and Road Master.....	\$3,300.00 per annum
	1896 to 1898.	

## MASTER MECHANIC.

YEAR.	NAME...	SALARY.
1890 to 1898—	David G. Mott.....	\$3,600.00 per annum
1898 to 1899—	Percy Webb.....	2,700.00 per annum
1899 to 1901—	A. Hendee.....	3,000.00 per annum

February 6, 1905.

NAME.	POSITION.	SALARY.
1896 to 1901—	James A. Crossman, Freight Agent and Port Captain at Colon.....	\$4,200.00 per annum
1898 to 1904—	Jas. R. Beers, Freight Agent and Port Cap- tain at La Boca and Panama.....	4,200.00 per annum
1887 to 1895—	Jas. S. Gilbert, Commissary.....	3,000.00 per annum
	Salary reduced in 1896 to.....	2,400.00 per annum

## (EXHIBIT B—8.)

*Question.*—Amount of money, for labor, expended on the Isthmus in detail as to the kind of labor.

Attached statements, in connection with the Classification of Disbursement Accounts, will show, as far as we are able to without an exhaustive research, which is understood to be not required, amounts expended on the Isthmus for labor.

(See following pages.)

PANAMA RAILROAD COMPANY, STATEMENT SHOWING DETAILS OF GENERAL EXPENSES, ISTHMUS AGENCY, FOR THE YEARS 1896 TO 1903, INCLUSIVE, AND ELEVEN MONTHS OF 1904.

ACCOUNTS.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.	11 mos. of 1904.
101. Advertising .....	\$27.80	\$29.00	\$14.50	\$15.60	\$15.12	\$8.21	\$7.58	\$7.63	\$30.94
102. Clerks and attendants:									
Salaries of .....	11,959.49	12,502.38	12,830.50	13,286.24	12,725.58	12,516.09	12,636.90	12,111.21	11,895.06
Cablegrams .....	472.19	373.68	596.31	880.34	174.45	415.33	380.36	497.71	694.29
104. Hospital service.....	5,912.54	6,201.06	6,289.09	7,597.02	7,997.57	7,576.73	8,505.95	9,225.95	9,876.62
105. Incidentals .....	1,545.86	79.50	1,631.00	20.00	37.05	93.89	5.98	62.07	724.56
106. Legal expenses.....	3,456.80	2,765.05	2,940.90	2,930.00	2,574.93	2,485.74	3,454.46	1,837.70	2,982.71
107. Miscellaneous .....	3,068.00	3,704.69	3,502.18	3,414.09	2,647.50	3,431.69	4,403.33	4,001.06	3,920.43
108. Officers, salaries of.....	11,799.33	12,568.58	11,403.18	12,331.08	11,673.07	11,442.40	11,094.88	11,062.94	10,298.99
109. Office expenses and supplies..	647.53	610.06	760.87	681.45	1,326.78	1,270.53	1,315.62	1,385.17	1,527.21
110. Stationery and printing.....	1,176.23	950.46	1,067.96	934.32	1,044.20	1,137.59	1,033.30	1,164.97	1,321.13
111. Wages of Stewards and supplies, heads of departments.	431.88	.....	.....	.....	.....	.....	.....	.....	.....
Total.....	<u>\$40,497.65</u>	<u>\$39,784.46</u>	<u>\$41,036.49</u>	<u>\$42,090.14</u>	<u>\$40,216.25</u>	<u>\$40,378.20</u>	<u>\$42,838.36</u>	<u>\$41,356.41</u>	<u>\$43,271.94</u>

New York, February 2, 1905.

PANAMA RAILROAD COMPANY, STATEMENT SHOWING EXPENSES IN DETAIL OF CONDUCTING TRANSPORTATION,  
FOR THE YEARS 1896 TO 1903, INCLUSIVE, AND ELEVEN MONTHS OF 1904.

ACCOUNT.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.	11 mos. of 1904.
115. Advertising .....	\$1,422.90	\$1,395.00	\$1,423.00	\$1,262.40	\$1,256.72	\$1,288.04	\$1,269.98	\$1,273.96	\$1,312.56
116. Clearing wrecks.....	802.41	30.95	39.41	25.88	72.46	138.00	343.02	27.47	53.03
117. Engineers and Firemen.....	21,059.54	22,034.77	22,537.36	22,391.26	23,446.97	29,176.58	29,784.11	28,685.87	29,197.37
118. Fuel for locomotives.....	23,632.55	33,592.58	27,224.47	24,521.30	32,382.58	44,345.99	39,709.77	38,378.50	40,340.59
119. Freight Agents and Clerks, Colon .....	21,263.04	19,898.46	20,201.81	20,505.05	18,426.55	19,079.57	17,112.67	17,368.73	17,130.23
120. Freight Agents and Clerks, Panama .....	22,003.65	21,750.97	25,298.99	25,926.50	26,879.13	28,936.17	30,393.05	29,001.14	27,895.97
121. Injuries to persons.....	126.03	98.12	78.46	171.84	5,512.70	749.08	461.82	154.75	402.64
122. Incidentals .....	857.30	700.00	859.94	868.73	1,351.97	1,127.28	649.05	535.20	634.29
123. Labor, Colon Station.....	22,258.37	27,810.75	29,241.21	40,420.98	43,949.01	63,126.74	45,780.19	42,771.54	57,163.36
124. Labor, Panama Station.....	29,097.68	35,804.85	44,046.66	56,115.51	57,553.32	63,227.52	58,133.84	60,062.52	71,005.63
125. Oil, tallow and waste.....	697.23	589.62	717.53	761.06	1,062.59	1,802.67	1,315.57	1,392.60	1,605.43
126. Other supplies for locomotives	595.18	572.88	789.56	743.80	575.19	976.35	879.52	684.13	1,023.88
127. Roundhouse Men.....	4,483.86	5,199.37	5,128.32	5,143.05	6,385.52	8,211.39	7,562.38	7,100.48	6,673.64
128. Superintendence and Clerks..	3,834.66	3,091.89	4,201.87	3,159.90	3,872.24	4,352.13	4,330.15	4,253.32	3,758.24
129. Switchman, Yardman, and Yard Watchman.....	25,596.63	28,146.29	29,306.16	26,346.16	27,883.17	33,257.21	40,922.78	41,235.31	44,554.38
130. Station Agents and Clerks...	19,307.96	14,376.47	15,122.64	15,410.49	15,391.31	17,679.68	14,421.67	16,715.51	14,581.31
131. Station supplies and expenses.	4,742.46	2,991.24	2,943.40	5,495.15	12,402.50	17,146.25	10,577.61	11,117.07	15,973.06
132. Stationery and printing.....	2,700.86	2,934.39	2,643.23	2,531.76	2,564.53	3,706.24	3,235.90	3,324.35	4,435.91
133. Train Conductors, Baggage- men, Flagmen and Brake- men .....	14,120.42	14,550.22	15,932.34	15,341.04	14,371.82	18,295.34	17,848.07	16,498.59	19,291.32
134. Train supplies and expenses...	1,112.66	2,258.37	2,014.12	2,122.85	2,717.57	3,310.25	3,536.08	3,262.95	3,960.45
135. Telegraph expenses.....	5,941.58	5,979.94	6,143.20	6,968.99	8,228.96	8,726.72	8,788.32	8,825.30	9,598.27
136. Water supply for locomotives.	2,678.13	2,879.17	3,992.98	2,727.39	3,200.02	3,529.13	3,658.18	4,578.05	4,203.98
137. Rent of buildings.....	.....	.....	.....	.....	.....	834.55	1,607.72	1,555.99	1,202.66
Total.....	\$228,335.10	\$246,686.30	\$259,886.66	\$278,961.09	\$309,516.83	\$373,022.88	\$342,321.45	\$338,303.93	\$375,998.20

New York, February 2, 1905.

PANAMA RAILROAD COMPANY, STATEMENT SHOWING EXPENSES IN DETAIL OF MAINTENANCE OF EQUIPMENT FOR THE YEARS 1896 to 1903, INCLUSIVE, AND ELEVEN MONTHS OF 1904.

ACCOUNT.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.	11 mos. of 1904.
150. Freight cars, repairs and re- newals of.....	\$18,675.36	\$26,523.09	\$32,016.88	\$35,139.21	\$50,472.81	\$59,725.32	\$44,625.38	\$44,533.87	\$40,698.67
151. Incidentals .....	7.53	37.55	.....	3.22	.....	.....	.....	.....	.....
152. Locomotives, repairs and re- newals of.....	12,018.69	13,789.72	13,762.71	10,442.96	30,986.38	24,216.16	39,490.18	36,761.97	35,665.38
153. Passenger cars, repairs and re- newals of.....	9,312.82	9,012.27	5,715.98	7,208.29	7,459.23	9,496.36	12,575.03	12,571.57	12,898.93
154. Superintendence and Clerks..	9,669.76	10,431.89	13,023.42	11,938.96	10,882.82	12,230.32	11,505.86	11,545.96	11,247.35
155. Stationery and printing.....	51.87	163.76	162.01	189.46	234.84	213.69	252.78	227.72	232.78
156. Shop expenses.....	1,408.96	1,862.61	2,104.81	2,131.62	2,721.58	1,761.66	936.79	740.66	643.21
157. Shop machinery and tools, re- pairs and renewals of....	2,073.75	4,712.48	2,188.48	2,894.45	12,927.02	8,335.49	7,804.69	5,259.34	8,417.06
158. Work-cars, repairs and re- newals of.....	746.48	873.62	944.80	1,321.27	834.19	540.83	889.54	2,124.60	1,911.02
Total.....	<u>\$53,965.22</u>	<u>\$67,406.99</u>	<u>\$69,919.09</u>	<u>\$71,269.44</u>	<u>\$116,518.87</u>	<u>\$116,519.83</u>	<u>\$118,080.25</u>	<u>\$113,765.69</u>	<u>\$111,714.40</u>

New York, February 2, 1905.

PANAMA RAILROAD COMPANY, STATEMENT SHOWING EXPENSES IN DETAIL OF MAINTENANCE OF WAY  
AND STRUCTURES FOR THE YEARS 1896 to 1903, INCLUSIVE, AND ELEVEN MONTHS OF 1904.

Account.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.	11 mos. of 1904.
170. Bridges and culverts, repairs and renewals of.....	\$3,043.92	\$5,987.03	\$5,805.14	\$5,956.32	\$23,852.66	\$12,493.24	\$9,702.97	\$8,428.52	\$9,569.96
171. General Office, repairs and renewals of.....	1,297.27	549.14	570.13	4,250.96	2,124.76	1,300.36	471.91	297.92	1,393.81
172. Incidentals .....	285.36	189.92	100.14	55.38	29.69	369.80	419.35	202.07	93.05
173. Machinery and tools, repairs and renewals of.....	1,109.03	5,495.26	2,216.16	2,029.76	2,208.68	2,317.79	2,205.37	1,424.68	1,649.54
174. Rails, renewals of.....	31.24	*58.85	9.94	954.91	*159.96	1,893.91	9,154.79	*8.38	14,826.80
175. Roadway and track, repairs of	20,015.22	45,232.54	53,544.00	28,300.03	23,555.25	18,006.88	26,146.46	21,263.44	27,479.61
176. Road crossings, signs and cattle-guards, repairs and renewals of.....	.....	.....	3.13	32.89	212.47	19.95	5.42	26.08	48.09
177. Superintendence and Clerks..	14,692.20	12,305.93	9,133.63	8,901.36	7,394.20	8,307.27	8,847.02	8,621.19	8,024.31
178. Switches and frogs, renewals of	173.55	265.72	429.91	535.52	987.41	1,140.31	57.02	1,085.64	1,077.57
179. Spikes and rail fastenings, renewals of.....	1,560.92	5,238.71	8,883.03	4,837.95	4,608.06	3,078.69	1,086.39	1,072.38	4,705.01
180. Station buildings, repairs and renewals of.....	4,721.44	4,788.60	4,676.30	10,579.05	3,178.54	22,139.03	9,432.14	4,075.57	19,763.49
181. Shop buildings, water and fuel stations, repairs and renewals of.....	626.38	3,607.98	2,806.80	15,115.36	5,200.99	14,028.64	10,900.49	16,449.18	16,187.96
182. Stationery and printing.....	251.37	291.56	209.03	295.07	204.86	261.13	253.92	145.35	298.73
183. Section houses, tool houses, etc., repairs and renewals of	309.64	280.72	*55.35	13.87	231.11	656.22	222.56	59.14	84.35
184. Ties, renewals of.....	8,385.43	29,253.36	35,379.02	6,099.34	13,758.36	2,971.13	5,931.90	1,234.72	11,628.42
185. Telegraph, repairs and renewals of.....	892.33	2,052.74	1,159.92	1,753.86	1,691.23	2,423.26	2,964.53	2,866.21	2,242.91
186. Weeds, brush, grass, etc., removal of.....	2,204.91	6,050.83	4,724.25	5,648.89	6,732.29	3,934.01	3,667.69	1,570.45	2,706.83
Total.....	\$59,600.21	\$121,531.19	\$129,595.18	\$95,420.52	\$95,810.60	\$95,341.62	\$91,469.93	\$68,814.16	\$121,780.44

\*Credit.

New York, February 2, 1905.

STATEMENT SHOWING LIGHTERAGE EXPENSES IN DETAIL FOR THE YEARS 1896 TO 1903, INCLUSIVE, AND ELEVEN MONTHS OF 1904.

ACCOUNT.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.	11 mos. of 1904.
200. Fuel and water.....	\$12,469.75	\$7,118.25	\$8,485.88	\$7,915.47	\$11,076.62	\$9,596.11	\$9,038.99	\$8,459.74	\$6,956.37
201. Hospital service.....	900.00	984.82	998.29	922.41	865.60	48.01	.....	.....	.....
202. Incidentals .....	69.68	5.38	96.78	.....	75.00	53.40	311.16	15.00	.....
203. Labor on cargo, Panama....	21,038.28	22,437.31	20,236.67	20,684.44	24,441.77	30,789.48	11,315.53	7,064.15	11,698.91
204. Labor on cargo, Isla de Naos.	17,357.80	18,011.42	16,964.49	16,279.66	19,815.83	10,159.43	2,126.87	888.54	2,126.54
205. Lighters, expenses while out of commission.....	.50	.....	.....	137.96	.....	.....	.....	.....	.....
206. Lighters, repairs and renewals of .....	10,587.70	12,583.61	5,236.17	15,956.99	30,375.89	14,564.25	6,280.42	2,378.70	23,589.66
207. Other lighterage equipment, re- pairs and renewals of....	5,244.30	3,948.85	3,649.02	4,488.88	7,216.58	5,238.62	4,210.30	2,842.34	5,696.11
208. Supplies .....	6,445.91	7,299.99	6,716.64	10,193.17	12,655.15	7,969.67	3,338.56	454.07	3,328.88
209. Superintendence and clerks..	3,222.34	3,600.00	3,425.00	3,425.25	4,152.35	3,766.11	3,003.36	3,290.32	2,902.14
210. Subsistence, tugs.....	1,973.59	1,484.80	2,126.00	1,752.00	1,816.30	1,944.59	1,829.69	1,844.59	1,878.66
211. Subsistence, laborers Isla de Naos .....	10,895.34	11,785.12	9,946.51	10,105.18	12,451.90	2,789.42	182.84	45.00	873.52
212. Tugs, repairs and renewals of	5,688.19	482.51	396.22	2,697.52	2,433.57	1,380.29	2,667.03	3,596.44	3,799.22
213. Tugs, expenses while out of commission .....	681.64	568.05	1,582.85	915.12	401.31	*270.00	72.25	497.39	637.70
214. Wages of crews.....	20,288.16	15,494.17	17,930.00	15,796.23	16,967.78	16,113.77	9,540.97	6,771.89	6,266.26
Total.....	\$116,863.18	\$105,804.28	\$97,790.52	\$111,270.28	\$144,745.65	\$104,143.15	\$53,917.97	\$38,148.17	\$69,753.97

\*Credit.

New York, February 3, 1905.

STATEMENT SHOWING EXPENSES OF DOCKS AND WHARVES IN DETAIL FOR THE YEARS 1896 to 1903, INCLUSIVE, AND  
ELEVEN MONTHS OF 1904.

ACCOUNT.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.	11 mos. of 1904.
220. Docks and wharves, Colon, repairs and renewals of. . . .	\$28,423.83	\$27,654.20	\$27,110.87	\$18,556.28	\$12,696.86	\$5,398.73	\$15,260.20	\$13,505.98	\$8,872.19
221. Docks and wharves, Panama, repairs and renewals of. . .	16,205.05	6,406.06	2,293.76	2,605.07	6,089.18	3,605.61	295.36	5,971.22	12,351.91
222. Harbor Master and Lighthouse Keeper . . . . .	1,121.67	844.85	878.65	847.28	870.00	870.00	870.00	884.51	803.95
223. Lighthouse, repairs and renewals of. . . . .	8.03	5.73	.....	.....	635.04	25.98	12.79	.....	.....
224. Lighthouse, supplies. . . . .	90.92	70.91	61.31	103.12	107.41	131.40	264.74	91.75	73.19
225. La Boca pier, repairs and renewals of. . . . .	.....	.....	.....	.....	239.89	1,838.43	4,644.68	1,454.87	7,511.62
226. La Boca basins, dredging of. .	.....	.....	.....	.....	.....	63,246.84	39,044.41	43,668.87	27,392.75
227. Clappets and dredges, repairs and renewals of. . . . .	.....	.....	.....	.....	.....	5,780.56	28,097.50	25,503.27	16,356.27
228. Buoys, repairs and renewals of. . . . .	.....	.....	.....	.....	161.62	168.35	983.44	395.12	255.15
229. Rental of dredges, clappets, etc. . . . .	.....	.....	.....	.....	.....	3,181.57	17,555.07	6,977.68	5,110.81
Total. . . . .	\$45,849.50	\$34,981.75	\$30,344.59	\$22,111.75	\$20,800.00	\$84,247.47	\$107,028.19	\$98,453.27	\$78,727.84

New York, February 3, 1905.

STATEMENT SHOWING EXPENSES OF REAL ESTATE FOR THE YEARS 1896 TO 1903, INCLUSIVE,  
AND ELEVEN MONTHS OF 1904.

ACCOUNT.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.	11 mos. of 1904.
230. Colon buildings, repairs and renewals of.....	\$5,090.77	\$7,575.91	\$10,379.55	\$6,581.81	\$13,704.33	\$13,569.23	\$11,012.81	\$12,595.85	\$20,858.38
231. Colon Buildings, repairs of existing furniture.....	484.75	2,214.57	329.08	154.35	267.73	1,065.77	562.66	1,045.05	1,660.31
232. Legal and other expenses....	6,871.21	5,144.03	5,704.83	9,863.37	8,367.68	8,209.40	9,536.11	10,589.62	9,608.11
233. Freight on water.....	155.80	188.52	33.25	192.93	278.92	77.92	178.16	543.22	272.92
Total.....	\$12,602.53	\$15,123.03	\$16,446.71	\$16,792.46	\$22,618.66	\$22,922.32	\$21,289.74	\$24,773.74	\$32,399.72

*New York, February 3, 1905.*

PANAMA RAILROAD COMPANY, STATEMENT SHOWING EXPENSES IN  
 DETAIL RE LOADING AND DISCHARGING VESSELS AT LA BOCA,  
 FOR THE YEARS 1902 TO 1904 (ELEVEN MONTHS), INCLUSIVE.

ACCOUNT.	1902.	1903.	11 mos. of 1904.
250. Transporters La Boca pier, fuel, water and supplies.....	\$1,429.12	\$2,014.69	\$1,292.18
251. Transporters La Boca pier, repairs and re- newals of.....	2,943.79	5,275.51	8,321.55
252. Labor on pier.....	9,057.24	7,952.19	9,781.80
253. Labor on ships.....	.....	.....	.....
254. Superintendence and Clerks.....	.....	.....	.....
255. Other supplies and expenses.....	.....	62.45	91.59
256. Expenses transferring freight by lighters between ships lying at wharf and shore.	3,946.55	529.18	1,039.11
Total.....	\$17,376.70	\$15,834.02	\$20,526.23

*New York, February 2, 1905.*

ANALYSIS OF ISTHMUS PAY-ROLLS FOR THE MONTH OF  
 NOVEMBER, 1904.

ACCOUNT DEBITED AND KIND OF LABOR.	Silver.	Gold.	Total.
Machine Shops, Colon:			
Shop men.....	\$6,869.25	\$3,394.85	\$6,829.48
Supplies:			
Commissary, clerks, storekeepers, porters, watchmen, laborers, etc.....	2,313.47	515.00	1,671.73
Coal:			
Handling.....	1,347.25	.....	673.62
Ice:			
Ice plant, engineers, tankmen, storekeeper, ice servers, laborers, draymen.....	472.50	54.16	290.41
Machine Shops, La Boca:			
Shop men.....	9,803.51	248.78	5,150.53
Loading and Discharging Vessels at La Boca:			
Stevedoring.....	2,370.64	.....	1,185.32
Loading and Discharging Vessels at Colon:			
Stevedoring.....	12,663.36	508.25	6,839.93
Agency Expenses, Colon Station:			
Handling Freight.....	.....	543.50	543.50
General Expenses:			
Colon station gang.....	199.44	.....	99.72
Watchmen.....	52.00	.....	26.00
Hospital service.....	102.80	339.00	390.40
Legal expenses.....	.....	266.00	266.00
Officers and clerks.....	.....	2,247.00	2,247.00
Mt. Hope Cemetery supt.....	96.90	.....	48.45
Conducting Transportation:			
Engineers and firemen.....	.....	2,809.33	2,809.33
Freight agents and clerks, Colon.....	268.00	1,526.90	1,660.90
Freight agents and clerks, Panama.....	706.20	2,060.07	2,413.17
Lampmen (incidentals).....	66.00	.....	33.00
Handling freight, Colon station.....	12,128.20	504.53	6,568.63
Handling freight, Panama station.....	10,318.53	1,688.20	6,847.47
Roundhouse men.....	563.20	347.50	629.10
Superintendence and clerks.....	.....	300.00	300.00
Switchmen, yardmen and yard watchmen..	7,687.51	511.71	4,355.47
Station agents and clerks.....	1,304.34	534.25	1,186.42
Lighting stations and yards.....	824.53	123.32	535.58
Conductors, baggagemen, flagmen and brake- men.....	1,549.75	1,163.34	1,938.22
Car cleaners.....	136.34	.....	68.17
Train dispatchers, telegraph operators and messengers.....	107.50	826.59	880.34
Attendants pumping station line of road...	77.00	90.00	128.50
Maintenance of Equipment:			
Labor repairing freight cars, machine shops, Colon.....	563.62	288.61	570.42
Labor repairing locomotives.....	344.70	.....	172.35
Labor repairing passenger cars.....	156.02	65.91	143.92
Superintendence and clerks.....	165.00	980.59	1,063.09
Watchmen.....	105.80	.....	52.90

Maintenance of Way and Structures:			
Labor repairing bridges and culverts.....	\$23.30	\$70.30	\$81.95
General offices.....	68.40	.....	34.20
Labor repairing machines and tools.....	16.00	.....	8.00
Repairs of roadway and tracks, machine shops, Colon.....	.....	93.80	93.80
Repairs of roadway and tracks, conductor..	.....	69.30	69.30
Repairs of roadway and tracks, section gangs.....	6,843.75	.....	3,421.88
Superintendence and clerks.....	.....	585.58	585.58
Repairs to station buildings and attendant buildings.....	36.00	.....	18.00
Repairs to station buildings—			
Bridge gang.....	667.81	.....	333.90
Dock carpenter's gang.....	265.47	130.00	262.74
House carpenter's gang.....	118.64	.....	59.32
Repairing shop buildings, water and fuel stations—			
Bridge gang.....	545.21	.....	272.61
Dock carpenter's gang.....	510.19	80.00	335.09
Repairing section tool houses—			
Bridge gang.....	145.00	.....	72.50
Repairing telegraph—			
Electrician and lineman.....	152.00	54.19	130.19
Lighterage:			
Labor on cargo, Panama, cranemen, watchmen and sailors.....	1,275.70	.....	637.85
Superintendence and clerks.....	.....	220.83	220.83
Tug "Bolivar," wages of crew and subsistence .....	410.62	567.50	772.81
Docks and Wharves:			
Repairs, Colon—			
Dock carpenter's gang.....	1,197.70	.....	598.85
Engineer, foremen.....	.....	215.00	215.00
Repairs, Panama, bridge gang.....	20.30	.....	10.15
Lighthouse keeper and harbor clerk.....	.....	72.50	72.50
Dredging La Boca basin and channel.....	4,333.98	.....	2,166.99
Real Estate:			
Repairs to Colon buildings, dock carpenter's gang and house carpenter's gang.....	1,266.11	100.00	733.05
Repairs to furniture in buildings.....	31.67	.....	15.84
Legal expenses.....	.....	350.00	350.00
Watchmen .....	63.40	35.00	66.70
Commissions for collecting rents.....	222.30	.....	111.15
House carpenter's gang.....	.....	125.00	125.00
Commissary department.....	147.00	.....	73.50
Water Supplied Shipping:			
Labor .....	154.36	.....	77.18
Installation of Telegraph and Telephone Plant:			
Telegraph gang.....	1,213.50	.....	606.75
Telegraph and Telephone Service:			
Telegraph gang.....	.....	488.39	488.39
Y at La Boca, 351:			
General labor.....	320.28	254.85	414.99
Ancon Electric Light, 353:			
Installation of electric light at Ancon.....	129.00	108.33	172.83
Duplicate Ice Plant, 354:			
General labor.....	366.40	.....	183.20
Totals.....	\$93,907.45*	\$25,557.96	\$72,511.69 (gold)

\*Silver to gold at 200 ex.

#### PANAMA RAILROAD COMPANY, CLASSIFICATION OF DISBURSEMENT ACCOUNTS.

Acct. No.	STEAMER EXPENSES.	
1. <i>Ballast.</i>	Stone or Sand Ballast bought for stiffening or dead weight. Includes labor, loading and unloading.	
2. <i>Custom House and Port Charges.</i>	Salaries and fees of brokers, tonnage dues, entrance and clearance fees, consular fees, certifying manifests of all kinds, Harbor Master's and Port Warden's fees, bills of health, light dues, permits, stamps for clearance and stamps of all kinds, inspection and examination of passengers and crew by Government officials, passenger tax, and other fees paid to Government or State officials in connection with steamers' business, except as provided for by Accounts Nos. 17 and 18.	

3. *Docking.*  
Payment for use of dry dock.

4. *Equipment, Deck Department.*  
All material and supplies furnished for the use of the Deck Department as enumerated below:

Armaments, Belts for Pistols	Flags, Mexican
Armaments, Cutlasses	Flags, Nicaragua
Armaments, Guns	Flags, Pennants
Armaments, Pistols	Flags, P. M. S. S. Co.
Armaments, Rifles	Flags, Salvador
Armaments, Spps. and Rmrs.	Flags, U. S. M.
Anchors, Patent	Flags, Signals, Internatl.
Anchors, Kedge	Fore, Locks
Anchors, Stream	Funnels
Awnings, Boat	Glasses, Night
Awnings, Ship	Glasses, Telescopes
Axes, Handled	Glasses, Telescopes second
Alidade,	Glasses, Lantern (spare)
Bags, Boat, Sail	Grummetts
Bags, color	Hammers
Barometers	Handcuffs, common
Bars, Awning	Handcuffs, Patent
Bars, Capstan	Handspikes
Bars, Crow	Hatches
Blocks, assorted	Hatches, Boat
Boats, Iron Life	Hooks, Boat
Boats, Wood	Hooks, Box
Bolts, Eye	Hooks, Chain
Bools, Log	Hooks, Curtain
Bolts, Ring	Hooks, Sister
Books, Signal	Hooks and Thimbles
Boxes, Bread for Boats	Hoops, Gaff
Boxes, Cleaning	Hose, Deck
Breakers, Water	Hose, Fire
Buckets, Boat	Hawsers, 6 in.
Buckets, Deck	Hawsers, 7 in.
Buckets, Fire	Hawsers, 8 in.
Butts, Water	Hawsers, 9 in.
Buoys, Life	Hawsers, 10 in.
Cans, Jet	Hawsers, Steel
Cables, Chain	Irons, Leg
Calipers	Lamps, Signal
Chain	Lamps, Bulkhead
Charts, various	Lanterns
Chronometers	Lanterns, Cargo
Clocks	Lanterns, Dark
Cloths, for Lookout	Leads, Deep Sea
Compasses, Boat	Leads, Deep Sea (Patent)
Compasses, Pat. Liqu.	Leads, Hand
Compasses, Brass	Life Preservers
Covers, Boat	Lights, Anchor
Covers, Binnacle	Lights, Masthead
Covers, Match	Lights, Side
Covers, Hay	Locks, Pad, Brass
Covers, Mast	Locks, Pad, Iron
Covers, Sail	Logs, Patent
Covers, Wheel	Mats, Brush, Coir
Curtains, Weather	Mats, Dunnage
Cushions, Boat	Magazines
Dividers	Nozzles, Hose, Brass
Drag	Oars
Fenders, Cork	Palms
Fenders, Wood	Pins, Belaying (spare)
Flags, American	Pins, Thole (spare)
Flags, Burgee	Pots, Marking
Flags, Blue Peter	Punch, Chain
Flags, Chinese	Rafts, Life
Flags, Colombia	Reels, Log
Flags, Costa Rica	Rope, Sig.
Flags, English	Rope, Lines, deep sea lead
Flags, French	Rope, Hand
Flags, Guatemala	Rope, Log
Flags, Hawaiian	Sails, Jib
Flags, Honduras	Sails, Fore
Flags, Japanese	Sails, Foretop
Flags, Jacks, American	Sails, Foretop Gallant

Sails, Fore Stay  
 Sails, Fore Spencer  
 Sails, Spankers  
 Sails, Main  
 Sails, Main top  
 Sails, Main top gallant  
 Sails, Mizzen top  
 Sails, Mizzen top gallant  
 Sails, Main Spencer  
 Sails, Gaff Top  
 Sails, Boat  
 Sails, Drag  
 Sails, Wind  
 Scales, Platforms, large  
 Scales, Spring  
 Scrapers  
 Screws, Rigging  
 Screw Drivers  
 Shackles, Anchor  
 Shackles, Connecting  
 Sheaves, Patent  
 Shovels  
 Slates, Log  
 Slings

Slings, Net  
 Spars, Boat  
 Spikes, Marline  
 Spittoons, Rubber  
 Spittoons, Wood  
 Staples, Brass  
 Staples, Iron  
 Stones, Grind  
 Stones, Hand  
 Stones, Holy  
 Stones, Tarpaulins  
 Thermometers  
 Thimbles, Sail  
 Trucks, Cargo  
 Washers, Hose  
 Wrenches, Hose  
 Wrenches, Cargo Ports  
 Wrenches, Coal Ports  
 Wrenches, Air Ports  
 Scrapers, File  
 Rottenstone  
 Palms, Serving  
 Line, Log  
 Rotator.

5. *Equipment and Spare Machinery, Engine Department.*  
 All supplies and spare machinery for the use of the Engine Department  
 as follows:

Anvils  
 Augers  
 Axes, handled  
 Bars, Scaling  
 Barrows, Coal  
 Baskets, Coal  
 Bellows  
 Blocks  
 Blocks, Purchase  
 Blocks, Chain  
 Braces, Breast  
 Braces, Bits, assorted  
 Buckets  
 Buckets, Coal  
 Buckets, Fire, Galv. Iron  
 Cans, Oil, Quart  
 Cans, Jet  
 Calipers  
 Chisels, Bars  
 Chisels, Carpenters  
 Chisels, Cape  
 Chisels, Caulking  
 Chisels, Flat  
 Chisels, Flogging  
 Coal Breakers  
 Coolers, Water  
 Dies and Stocks, assorted  
 Dies, Gas Pipe  
 Dividers  
 Drainers  
 Drifts, assorted  
 Drills, assorted  
 Drills, Breast  
 Expanders, Tube  
 Forges  
 Funnels  
 Glass Water Gauge  
 Grummets, Rubber  
 Hammers, Carpenters'  
 Hammers, Chipping  
 Hammers, Coal  
 Hammers, Riveting  
 Hammers, Scaling  
 Hatchets  
 Hooks, Packing  
 Hose, Fire  
 Hose, Garden  
 Hose, Steam  
 Hose, Spanners

Indicators, H. P., I. P. and L. P.  
 Iron, Soldering  
 Ladles  
 Lamps, Bumber  
 Lamps, Tin, hand  
 Lamps, Bulkhead  
 Lanterns  
 Locks, Pad  
 Mallets  
 Measures  
 Nozzles, Brass  
 Nozzles, Leather  
 Palms  
 Planes, Jack  
 Plugs, Iron  
 Plugs, Wood  
 Pliers  
 Pots, Salinometer  
 Pumps, Hydraulic  
 Punches, Hand  
 Punches, Hydraulic  
 Rams, Battery  
 Reamers  
 Recompression  
 Reflectors  
 Rods for Tubes  
 Saw, Hack  
 Saw, Hack, Blades  
 Saw, Hand  
 Scales, Spring  
 Scales, Beam  
 Screw Drivers  
 Screws, Jack  
 Screws, Lamp  
 Screws, Packing  
 Screws, Lag  
 Shears, Bench  
 Shears  
 Shears, Lamp  
 Shovels, Coal  
 Slates, Log  
 Sledges, Iron  
 Springs, Piston  
 Squares  
 Stones, Grind  
 Scrapers, Tube  
 Swages  
 Syringes, Oil  
 Tanks

Tanks, Tallow  
 Tanks, Waste  
 Taps, assorted  
 Thermometers  
 Tongs, Blacksmith  
 Tongs, Pipe  
 Tools, Fire, Bars, Sinking  
 Tools, Fire, Bars, Slice  
 Tools, Fire, Claws, Clinker  
 Tools, Fire, Hoos  
 Trowels  
 Tubs, Ash  
 Tubs, Coal  
 Vises, Bench  
 Vises, Hand

Vises, Pipe  
 Wedges, Iron  
 Wedges, Steel  
 Wrenches, assorted  
 Wrenches, Hose  
 Wrenches, Key  
 Wrenches, Monkey  
 Wrenches, Pawl  
 Wrenches, Socket  
 Wrenches, Tap  
 Brushes, Carbon (for Dynamo)  
 Brushes, Rope  
 Brushes, Wire  
 Brushes, Steel Tube

6. *Equipment, Commissary Department.*

All material and supplies for the use of the Commissary Department as follows:

Annunciator and Fixtures  
 Axes  
 Axes, Ice  
 Baskets, Cake, silver-plated  
 Baskets, Glass  
 Baskets, Knife  
 Baskets, Market  
 Baskets, Plate  
 Baskets, Rice  
 Baskets, Wine  
 Basins, Berth  
 Basins, Porcelain  
 Basins, Stationary  
 Basins, Tin  
 Bells, silver-plated  
 Bells, Steerage  
 Benches, Butcher Shops  
 Blocks, Chopping  
 Blocks, Soap  
 Boards, Chess  
 Boards, Chopping  
 Boards, Cutting  
 Boats, Sauce, sil.-plated  
 Boats, Sauce, china  
 Bibles  
 Books, Hymn  
 Books, Library  
 Books, Music  
 Books, Prayer  
 Boilers, Copper, large  
 Boilers, Copper, small  
 Boilers, Copper, Coffee  
 Boilers, Copper, Water  
 Boilers, Rice  
 Bottles, Water, glass  
 Bottles, Water, porcelain  
 Bottles, Water, copper  
 Boxes, cleaning  
 Boxes, Pepper, small  
 Boxes, Pepper, large  
 Boxes, Salt  
 Boxes, Spice  
 Boxes, Sardine, sil.-plated  
 Bowls, Butter, sil.-plated  
 Bowls, Mess Room  
 Bowls, Butter, china  
 Bowls, Egg, copper  
 Bowls, Finger  
 Bowls, Glass  
 Bowls, Gruel  
 Bowls, Ice  
 Bowls, Salad  
 Bowls, Rice  
 Bowls, Sugar, sil.-plated  
 Bowls, Sugar, china  
 Bowls, Wood  
 Broilers, large, stationary  
 Buckets, Coal  
 Caddies, Tea

Candlesticks, sil.-plated  
 Candlesticks, japanned  
 Cheks, Chinese  
 Chests, Ice  
 Cans, Mess  
 Cans, Water, Officers'  
 Cans, Silver  
 Cans, Toilet  
 Casters, silver-plated  
 Casters, silver-plated, pickle  
 Casters, Mess Room  
 Cellars, Salt  
 Chairs, Carpet Seats, S. R.  
 Chairs, Cane Seats, Walnut  
 Chairs, Cane Seats, Oak  
 Chairs, Perforated Seats  
 Chairs, Upholstered Seats, Walnut  
 Chairs, Upholstered Seats, Arm  
 Chairs, Revolving  
 Chairs, Spanish  
 Chambers  
 Chessmen  
 Checkers  
 Cups, Dice  
 Cleavers  
 Clocks  
 Coolers, Water, Mess Room  
 Coolers, Water, Saloon  
 Coolers, Water, Steerage  
 Covers, Barrel  
 Cruetts, Spare  
 Cullenders  
 Cups and Saucers  
 Cups, A. D. and Saucers  
 Cutters, Paste  
 Covers, Apple  
 Decanters  
 Dishes, Chicken  
 Dishes, Chafing  
 Dishes, Covered, silver  
 Dishes, Plated, Entree  
 Dishes, Covered, silver  
 Dishes, Plated, vegetable  
 Dishes, Individual, silver  
 Dishes, Plated, flat  
 Dishes, Plated, deep  
 Dishes, Individual, china  
 Dishes, Flat  
 Dishes, Deep  
 Dishes, Deep, vegetable  
 Dishes, Flat, assorted  
 Dishes, 9 to 16 inch  
 Dishes, Joint, 18 to 24 in.  
 Dishes, Pickle  
 Dishes, Preserve, glass  
 Dishes, Fruit Stand, china  
 Dishes, Fruit Shells  
 Dishes, Agate, Bakers'  
 Dippers, Tin

Dice  
 Dominoes  
 Dredgers  
 Filters  
 Funnels, Tin  
 Faucets, Brass  
 Faucets, Wood  
 Feeders, Oil  
 Forks, Flesh, large  
 Forks, Sil.-plated table  
 Forks, Sil.-plated dessert  
 Forks, Sil.-plated Messroom  
 Forks, Steerage  
 Freezers, Ice Cream  
 Gates, Molasses (spare)  
 Glasses, Champagne  
 Glasses, Claret  
 Glasses, Celery  
 Glasses, Egg  
 Glasses, Hock, colored  
 Glasses, Tumblers  
 Glasses, Sherry  
 Glasses, Soda Water  
 Glasses, Liqueur  
 Globes, Combination  
 Gongs  
 Graters, Cheese  
 Graters, Nutmeg  
 Griddles, Bakers  
 Gridirons  
 Hammers, Tack  
 Hammers, Claw  
 Hassocks  
 Hatchets  
 Hoos, Stable  
 Hooks, Meat  
 Irons, Smoothing  
 Irons, Waffle  
 Kettles, Fish  
 Kettles, Scouse  
 Kettles, Stock, Copper  
 Kettles, Hot Water  
 Keys, Port  
 Knives, Butter  
 Knives, Carvers  
 Knives and forks  
 Knives, Chopping  
 Knives, Cleaver  
 Knives, Cooks'  
 Knives, Fish, sil.-plated  
 Knives, Mincing  
 Knives, Steerage  
 Knives, Dessert, steel  
 Knives, Dessert, sil.-plated  
 Knives, Table  
 Knives, Table, steel  
 Knives, Table, Messroom  
 Ladles, Butter, wood  
 Ladles, Chinese, wood  
 Ladles, Galley, iron  
 Ladles, Gravy, sil.-plated  
 Ladles, Soup  
 Ladles, Soup, Messroom  
 Ladles, Steerage  
 Lamps, Stateroom  
 Lamps, Saloon  
 Lamps, Officers' Room  
 Lamps, Bulkhead  
 Lanterns, Brass Egg  
 Lanterns, Tin  
 Lanterns, Dark  
 Lanterns, Signal  
 Lighters, Cigar, brass  
 Lighters, Cigar, sil.-plated  
 Lighters, Lamp  
 Lifters, Stove Lid  
 Locks, Pad, Brass  
 Locks, Small, lamp  
 Locks, Jail  
 Locks, Yale  
 Machines, Sausage  
 Mallets, Wood  
 Measures, Tin  
 Measures, Copper  
 Mills, Coffee  
 Mirrors, Saloon  
 Mirrors, Stateroom  
 Mirrors, Officers' Room  
 Mortars and Pestles  
 Moulds, Jelly  
 Moulds, Melon  
 Moulds, Ice Cream  
 Moulds, Raised Pie  
 Mugs, Coffee  
 Needles, Larding  
 Nut Crackers, sil.-plated  
 Openers, Box  
 Openers, Champagne  
 Openers, Sardine  
 Pans, Bakers', Russia, Iron  
 Pans, Corn Bread  
 Pans, Cake, Jelly  
 Pans, Cake, Sponge  
 Pans, Charlotte Russe  
 Pans, Dust  
 Pans, Dripping  
 Pans, Frying, Copper  
 Pans, Frying, Iron  
 Pans, Meat, large  
 Pans, Mess, large  
 Pans, Mess, medium  
 Pans, Mess, Chinese sauce  
 Pans, Omelette  
 Pans, Pate  
 Pans, Sauce, Copper  
 Pans, Sauce, French  
 Pans, Sauce, Iron  
 Pans, Sauce, Soup  
 Pails, Chamber, covered  
 Pails, Milk  
 Pails, Scrub, Iron  
 Pails, Scrub, Wood  
 Pails, Slop, Stateroom  
 Pails, Water, Tin, large  
 Piano  
 Picks, Ice  
 Pins, Rolling  
 Pitchers, Ice, sil.-plated  
 Pitchers, Milk, sil.-plated  
 Pitchers, Milk, Messroom  
 Pitchers, Milk, China  
 Pitchers, Syrup, sil.-plated  
 Pitchers, Syrup, Messroom  
 Pitchers, Water, sil.-plated  
 Pitchers, Water, China  
 Plates, Breakfast  
 Plates, Butter  
 Plates, Dinner  
 Plates, Dessert  
 Plates, Fruit  
 Plates, Pie, tin  
 Plates, Preserve  
 Plates, Soup  
 Plates, Steerage  
 Pots, Coffee and Biggins  
 Pots, Tin  
 Pots, Coffee, sil.-plated  
 Pots, Coffee, large  
 Pots, Coffee, small  
 Pots, Tea, sil.-plated, large  
 Pots, Tea, sil.-plated, small  
 Pots, Tea, Tin, large  
 Pots, Tea, Tin, small  
 Pots, Molasses, Tin  
 Pots, Marking  
 Pots, Vinegar  
 Pokers  
 Pounders, Potato

Pumps  
 Portfolios  
 Rings, Muffin  
 Rings, Napkin, sil-plated  
 Racks, Book, stateroom  
 Racks, Berth, stateroom  
 Racks, Table  
 Racks, Toast  
 Racks, Wine Glass  
 Safes, Match  
 Scales, Counter  
 Scales, Spring  
 Steelyards  
 Scoops, Iron, Rice  
 Scoops, Tin  
 Scoops, Cheese, sil-plated  
 Scrapers, Dough  
 Screws, Cork  
 Shades, Comb, Lamp  
 Shades, Comb, Decorated  
 Shovels, Fire  
 Shovels, Rice  
 Shovels, Stable  
 Sieves, Flour  
 Sieves, Sugar  
 Skewers  
 Skimmers, Iron  
 Slicers, Egg  
 Slicers, Beef, and forks  
 Sofas, movable  
 Spoons, Basting, Iron  
 Spoons, Dessert, sil-plated  
 Spoons, Mustard  
 Spoons, Salt, sil-plated  
 Spoons, Sugar, sil-plated  
 Spoons, Steerage, iron  
 Spoons, Table, sil-plated  
 Spoons, Table, Messroom  
 Spoons, Tea, sil-plated, Messroom  
 Spoons, Wooden  
 Spittoons, sil-plated  
 Spittoons, China  
 Spittoons, Rubber  
 Steamers, Galvanized  
 Steamers, Tin  
 Steels  
 Sticks, Chop  
 Stools, Cane Seat  
 Stools, Perforated Seat  
 Stools, Piano  
 Stools, Upholstered  
 Stoves, After Kitchen  
 Stoves, Steerage  
 Stoves, Baker  
 Strainers, Gravy  
 Strainers, Jelly  
 Straps, Leather  
 Syringes  
 Stretchers  
 Steadec  
 Shears, Lamp  
 Stencils, Plates  
 Tables, Card  
 Tables, Dining  
 Tables, Marble Top  
 Tables, Side  
 Tables, Toilet  
 Tables, Steam Pantry  
 Tables, Steam, Messroom  
 Tanks, Oil  
 Tanks, Waste  
 Tongs, Ice  
 Tongs, Pickle  
 Tongs, Sugar  
 Tormentors  
 Trays, Crumb  
 Trays, Japanned, large  
 Trays, Japanned, small  
 Trays, Lamp  
 Trays, Mincing  
 Trays, sil-plated  
 Trays, Toothbrush  
 Tubs, Bath, Stationary  
 Tubs, Bath, Foot  
 Tubs, Ice  
 Tureens, Soup, sil-plated  
 Tureens, Soup, Messroom  
 Urns, Coffee  
 Urns, Tea  
 Urns, Hot Water  
 Wire, Whips, Eggs  
 Bags, Clothes  
 Blankets, White  
 Blankets, Gray  
 Blankets, Ice  
 Carpets, Saloon  
 Carpets, Officers' Rooms  
 Carpets, Staterooms  
 Cloths, Table, white  
 Cloths, Table, Messroom  
 Covers, Cush. Seats, Backs  
 Covers, Mattress  
 Covers, Pillow  
 Covers, Piano  
 Covers, Table  
 Covers, Table, Port  
 Covers, Table, Sea  
 Covers, Table, small  
 Counterpanes, white, pink  
 Counterpanes, brown, blue  
 Curtain Loops  
 Curtain Dimity  
 Curtain Lace  
 Curtain Chenille  
 Curtain Damask  
 Cushions, Saloon, Plush  
 Cushions, Plush, Chair  
 Cushions, Plush, Backs  
 Cushions, Stateroom, Plush  
 Cushions, Stateroom, Plush Backs  
 Cushions, Stateroom, Leather  
 Cushions, Stateroom, Leather Backs  
 Cushions, Smoking Room, Leather  
 Cushions, Smoking Room, Leather Backs  
 Cushions, Chair, Leather  
 Curtain Rods  
 Mats, Brush  
 Mats, Cork  
 Mats, Rubber  
 Mats, Velvet  
 Mats, Wood Bordered  
 Matting, Cocoa  
 Mattresses, Hair, Double  
 Mattresses, Hair, Single  
 Mattresses, Hair, Sofa  
 Mattresses, Spring  
 Mattresses, Wire  
 Mattresses, Steerage  
 Napkins  
 Pillows, Feather  
 Pillows, Hair  
 Pillows, Leather  
 Pillows, Plush  
 Pillows, Steerage  
 Pockets, Stateroom  
 Rugs, Smyrna, large  
 Rugs, Smyrna, small  
 Rugs, Velvet  
 Runners, Carpet  
 Sacking, Bottoms  
 Sheets, Linen, Double  
 Sheets, Linen, Single  
 Slips, Linen  
 Sleeves, Linen  
 Tidies  
 Towels, Bath  
 Towels, Pantry  
 Towels, Roller  
 Towels, Stateroom  
 Towels, Glass

7. *Fuel.*  
Cost of coal, including storing in yard, and wood for kindling.
8. *Feeding Passengers and Crew.*  
Provisions and supplies of every character required for feeding passengers and crew. Includes wines and liquors for cooking purposes.
9. *Incidentals.*  
All expenses not included under any other regular heading under Steamer Expenses.
10. *Injuries to Persons.*  
Payments for injuries to individuals, board, nursing, medical attendance and other expenses arising from said injuries incurred on board ship or at ship's tackles. Legal expenses in connection with the above should be charged to "Agency Expenses," Account No. 59.
11. *Labor on Cargo.*  
Labor loading, unloading and transferring cargo, re-assure, mails, baggage, and stores.
12. *Labor on Coal.*  
All labor attendant upon delivering fuel coal to steamers.
13. *Labor on Ashes.*  
Labor removing ashes and banana refuse.
14. *Loss and Damage.*  
Payments for lost or damaged baggage, cargo, treasure or other property, lost or damaged on board ship, or at ship's tackle, and material used in making repairs. Legal expenses in connection with the above should be charged to "Agency Expenses," Account No. 59.
15. *Oil and Waste.*  
Oils (except such as are used for illuminating and mixing paints), waste, tallow and rags, used in all departments for lubricating.
16. *Painting, Ship's Bottom.*  
Labor and material used in painting ship's bottom.
17. *Pilotage and Towing.*  
Payments for pilotage to and from sea, towing to and from dry dock, etc., wherever tugs are used. Includes also payments to boatmen hauling lines while docking and undocking.
18. *Quarantine.*  
Payments of dues to officials, physician's fees and all other expenses incurred by quarantine of steamers.
19. *Repair, Deck Department.*  
All labor and material required for the ordinary maintenance of and repairs to hull, deck houses, running and standing rigging, boats and their outfits, sails, awnings, anchors, chains and all other articles and mechanical appliances, provided for use of and in charge of the Deck Department.  
All contract painting except as provided for by Accounts Nos. 16, 20 and 21. Repairs and renewals of furniture and fixtures except as provided for by Account No. 21.
20. *Repairs, Engine Department.*  
All labor and material required for the ordinary maintenance of and repairs to all the boilers and machinery in the ship in charge of the Chief Engineer, coal bunkers, coal bunker bulkheads, shaft alley, propellor, engine room floors and frames.
21. *Repairs, Commissary Department.*  
All labor and material required for the ordinary maintenance of and repairs to saloon, passenger staterooms, issuing rooms, pantry, kitchen and range. Renewals and repairs to saloon and passenger staterooms, furniture and fittings, piano, carpets, mattresses, pillows, pantry utensils, kitchen utensils and range.  
All contract painting in saloon, passenger staterooms, issuing room, pantry and kitchen.