

22. *Stores, Deck Department.*

All material and supplies furnished for the use of the Deck Department as enumerated below:

Ammunition, Cartridges, Pistol	Paint, Dryer, Patent
Ammunition, Cartridges, Rifle	Paint, Lampblack
Ammonia	Paint, Lead, black
Brick, Bath	Paint, Lead, red
Beeswax	Paint, Lead, white
Brooms, Bamboo	Paint, Ochre, yellow, dry
Brooms, Corn	Paint, Ochre, in Oil
Brushes, Deck, Coir	Paint, Fire Proof, metallic
Brushes, Marking	Paint, Zinc, white
Brushes, Paint	Paint, Plumbago
Brushes, Paste	Paint, Umber, Burnt
Brushes, Sash	Paper, Sand
Brushes, Scrub	Pins, Escutcheon
Brushes, Stencil	Putty
Brushes, Varnish	Potash
Brushes, Whitewash	Polishing Paste
Bunting, assorted colors	Rags
Buttons, Brass	Rockets
Butts, Brass	Rope, Hambroline
Canvas, Cotton	Rope, Hemp
Canvas, Hemp	Rope, Houseline
Chalk	Rope, Manila, 2 in.
Cloth, Emery	Rope, Manila, 2½ in.
Eyes, Screw	Rope, Manila, 3 in.
Globes, Cargo Lanterns	Rope, Manila, 3½ in.
Glue	Rope, Manila, 4 in.
Halyards, Signal	Rope, Manila, 4½ in.
Handles, Axe	Rope, Manila, 5 in.
Handles, Mop	Rope, Marline
Hooks, Cabin Door	Rope, Ratline
Hoops, Cup	Rope, Spun Yarn
Junk	Rope, Seizing
Knobs, Door	Sand
Lead, Sheet	Screws, Brass
Leather, Rigging	Screws, Iron
Lights, blue	Soap, brown
Lime	Soap, salt water
Lime, Chloride	Soap, soft
Lighterage	Soda, Sal
Lumber, Ash	Sponge
Lumber, Pine, Oregon	Signals, Coston
Lumber, Pine, Sugar	Squillees
Lumber, Dunnage	Oil, Lard
Lumber, Redwood	Scrubbers, Deck
Metal, Yellow	Signals, blue
Mops	Signals, red
Mops, Cotton	Tacks, Galvanized
Nails, Brad	Tacks
Nails, Cut	Tar, Stockholm
Nails, Finishing	Thread, assorted
Nails, Galvanized	Turpentine
Needles, Sail	Twine, Cotton
Needles, Bag	Twine, Hemp
Needles, Roping	Varnish, Bright
Oakum	Varnish, Copal
Oil, Boiled	Varnish, Damar
Oil, Raw	Varnish, E Oak
Oil, Tar	Varnish, Japan
Oil, Wood	Varnish, Shellac
Paint, Black	Varnish, Spar
Paint, Blue, Prussian	Wire, Copper
Paint, Yellow Chrome	Wire, Iron

23. *Stores, Engine Department.*

All material and supplies furnished for the use of the Engine Department as enumerated below:

Beeswax	Borax
Bolts, Copper	Brick, Bath
Bolts, Eye	Brick, Fire
Bolts, Follower	Brick, Red
Bolts, Furnace Door	Brooms, Corn
Bolts, Joint, assorted	Brooms, Bamboo
Bolts, Socket	Brushes
Bolts, Stud	Brushes, Sash

Brushes, Scrub
 Brushes, Whitewash
 Brushes, Tube
 Brushes, Paint
 Canvas
 Cards, Indicator
 Cement
 Chalk
 Chimneys, Lamp
 Cloth, Emery
 Clay, Fire
 Copper
 Cocks, Bibb
 Dryers, Patent
 Files, Assorted
 Gaskets, Manhole
 Gaskets, Handhole
 Glass, Ground
 Glasses, Lantern
 Handles, File
 Handles, Hammer
 Handles, Sledge
 Iron, Boiler
 Iron, Bar
 Iron, Sheet
 Lead, Black, Dry
 Lead, Red
 Lead, Sheet
 Lead, White
 Lime
 Lime, Chloride
 Lye, Concentrated
 Mats, Door
 Marline
 Metal, Yellow
 Metal, Anti-friction
 Metal, Muntz
 Nails, Assorted
 Needles, Sail
 Nuts, Assorted
 Oil, Boiled
 Oil, Lamp

Oil, Lubricating
 Oil, Mineral Sperm
 Packing, Asbestos
 Packing, Cotton
 Packing, Hemp
 Packing, Peerless
 Packing, Rubber
 Packing, Tucks
 Paint, Black
 Paint, Fire-proof, met'c
 Pencils, Slate
 Plumbago
 Potash
 Polishing, Paste
 Rags, Wiping
 Rivets, Assorted
 Rope, Manila
 Rubber, Joint
 Rubber, Pure
 Rubber, Usudurian
 Salamoniac
 Salinometers
 Soda, Sal
 Soap, Brown
 Soap, Salt Water
 Solder
 Turpentine
 Twine, Cotton
 Umber, Burnt
 Varnish
 Valves, Ciec, Pump
 Valves, Air Pump
 Washers, Iron, Assorted
 Wick, Ball
 Wick, Flat
 Wire, Copper
 Wire, Lead
 Wood
 Wool, Coarse, Yarn
 Zinc, White
 Sash, Tools
 Waste, Cotton

24. *Stores, Commissary Department.*

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

Alcohol
 Aqua, Ammonia
 Bath, Brick
 Brooms, Corn
 Brooms, Whisk
 Brushes, Bath
 Brushes, Bamboo
 Brushes, Crumb
 Brushes, Dust, Feather
 Brushes, Hair
 Brushes, Scrub
 Brushes, Silver
 Brushes, Whitewash
 Burners, A
 Burners, B
 Burners, E
 Candles
 Charcoal
 Chicken Feed
 Chimneys, A
 Chimneys, B
 Chimneys, E
 Cloth, Emery
 Flannel, White
 Flannel, Canton
 Glasses, Binnacle
 Glasses, Bulkhead, Lamp
 Globes, Lantern
 Hooks, Clothes
 Hooks, Cup
 Hay
 Lime, Chloride
 Knots, Couch
 Matches

Mops, Cotton
 Mops, Handles
 Muslin, Brown
 Oil, Lard
 Oil, Mineral Sperm
 Paper, Toilet
 Paper, Bedbug
 Polishing, Paste
 Potash
 Powder, Insect
 Rags
 Rings, Curtain
 Rottenstone
 Silicon
 Sal Soda
 Sapolio
 Skins, Chamois
 Soap, Brown
 Soap, Castile
 Soap, Salt Water
 Soap, Bombay
 Soap, Toilet
 Sponge
 Tape
 Tacks
 Thread
 Toothpicks
 Twine, Cotton
 Turpentine
 Whiting
 Wick, Ball
 Wick, A
 Wick, B
 Wick, E

25. *Stores, Surgeon's Department.*

Medicines, drugs, vaccine, etc., used by ship surgeon.

26. *Stationery and Printing.*

Blanks, books, papers, pencils, pens, envelopes, copy presses, inkstands, and ink, rubber stamps, hektographs and filling same, and other office appointments and stationery of all kinds used exclusively by steamers.

27. *Telegrams and Cables.*

All disbursements for this account on steamer's movements and business.

28. *Wages.*

Voyage and port pay of officers and crew. Premium on guarantee insurance of officers.

29. *Wages, Special.*

Wages of spare captains, of captains and other officers detached, or on leave of absence under pay, and wages of officers and crew, after discharge from a ship and while returning to original port of shipment under pay, for final discharge.

30. *Water.*

Payments for water furnished steamers at all points.

31. *Washing.*

Payments for washing ship's linen, etc.

32. *Wines and Liquors.*

Wines, liquors and mineral waters placed on board steamers for sale. Wines and liquors for cooking purposes are a charge to Account No. 8.

AGENCY EXPENSES.

50. *Advertising, Newspapers.*

Advertising time tables and all other notices of arrival and departure of steamers by the several agencies in newspapers.

51. *Buildings, Docks and Wharves, Repairs and Rent of.*

Repairs and maintenance of all agency offices, buildings, docks and wharves; rentals paid for use of buildings, docks, wharves and land. Cost of filling and dredging.

52. *Buildings, Docks and Wharves, Other Expenses.*

Office furniture and fixtures for agency offices, buildings, docks and wharves, and repairs to same, subscription to newspapers and other publications, telephone and messenger service, heating, lighting, washing, water, ice, postage stamps and postal cards, and other supplies, except such as are charged to Account No. 57.

53. *Commissions, Passengers.*

Commissions paid to agents not in the regular employ of the Company, and to foreign steamship companies on passengers secured by them.

54. *Commissions, Freight.*

Commissions and brokerage paid to agents not in the regular employ of the Company, on freight secured by them.

55. *Insurance.*

Fire insurance on buildings and other property.

56. *Injuries to Persons.*

Payments for injuries to individuals, board, nursing, medical attendance and other expenses arising from said injuries incurred at agencies. Legal expenses in connection with the above should be charged to Account No. 59.

57. *Incidentals.*

All expenses not covered by any other regular heading under Agency Expenses.

58. *Labor, General.*

To this account should be charged the wages of watchmen, gate keepers, porters, messengers, and all other employees of the Agency, except the salaries of agents and clerks, and such labor as is a direct charge to the item under "Steamer Expenses."

59. *Legal Services and Expenses.*

Payment for legal services, witness and court fees, travelling and other expenses in connection with suits of every character.

60. *Loss and Damage.*

Payments for lost or damaged baggage, cargo, treasure or other property lost or damaged at agencies. Legal expenses in connection with the above should be charged to Account No. 59.

61. *Salaries, Agents and Clerks.*

Salaries or commissions to agents (except as provided by Accounts Nos. 53 and 54). Salaries of clerks and premiums on Guaranty Insurance.

62. *Stationery and Printing.*

Blanks, books, papers, pencils, pens, envelopes, ink stands and ink, rubber stamps, hektographs and filling for same, and all stationery used exclusively on agency business, printing tariffs, tickets, itineraries and all printing for agency use, except as provided for by Account No. 50.

63. *Telegrams and cables.*

All disbursements for this account on business for the agency.

64. *Taxes.*

Taxes paid of all kinds.

GENERAL EXPENSES.

80. *Advertising, Folders and Posters.*

Cost of folders, posters and expense of distributing advertising matter. Advertising in periodicals, magazines, and other publications other than newspapers.

81. *Advertising, General.*

Advertising meeting of directors, dividends, and all other advertising except such as has been charged to Accounts Nos. 50 and 80.

82. *Clerks, Salaries of.*

Salaries of clerks and messengers employed in the General Offices in New York.

83. *Directors' and Committees' Fees.*

Fees paid directors attending meetings of Board, Executive and Finance Committee and Committee on Securities.

84. *General Offices, Repairs and Rent of.*

Repairs of buildings and appurtenances and rent paid for same.

85. *General Offices, Other Expenses.*

Office furniture, fixtures and repairs to same, telephone and messenger service, compensation for transfer and registry of company's stock, subscription to newspapers and other publications, expressage, heating, lighting, water, ice, washing, postage stamps and postal cards, and other incidental expenses incurred in the General Office in New York, salaries of porters and janitors employed in the General Offices.

86. *Incidentals.*

All other expenses not covered by any other regular heading under General Expenses.

87. *Legal Services and Expenses.*

Salaries and expenses of counsel in New York, witness and court fees, traveling expenses, printing briefs and all other legal expenses in New York and Bogota, conducting suits appertaining to the general affairs of the company.

88. *Officers, Salaries of.*

Salaries and expenses of general officers in New York, guarantee insurance of officers.

89. *Stationery and Printing.*

Blanks, books, paper, pencils, envelopes, inkstands and ink, paper baskets, wrapping paper, twine, rubber stamps, rulers, shears, sealing wax, and all stationery used in the General Office in New York. This account includes annual and other reports and stock certificates.

90. *Telegrams and Cables.*

All disbursements for telegrams and cables sent by the General Office in New York.

GENERAL EXPENSES.—ISTHMUS.

101. *Advertising.*

This account includes the cost of all advertising except as specified elsewhere.

102. *Clerks and Attendants, Salaries of.*

This account includes salaries of clerks, attendants, and other employes in the offices of Superintendent, Local Auditor, and Cashier.

103. *Cablegrams.*

This account includes cost of all cablegrams except those relating to movements and business of steamers.

104. *Hospital Service.*

This account includes salaries of surgeons at Panama and Colon, wages of nurses and servants, washing, maintenance of beds and bedding, medicines, druggists' sundries and other supplies used in the treatment of sick and injured.

105. *Incidentals.*

This account includes such expenditures as are not properly chargeable to any other account in this section.

106. *Legal Expenses.*

This account includes salaries and expenses of attorneys, printing briefs, legal forms, testimony, etc., costs of suits, special fees, notarial fees, expenses connected with taking depositions, and all legal and court expenses of every kind not otherwise provided for herein.

107. *Miscellaneous.*

This account includes salary of caterer at Washington mess, contributions to Washington reading room and foreign cemetery, allowance to schoolmaster at Colon, etc.

108. *Officers, Salaries of.*

This account includes salary of Superintendent, Local Auditor, and Cashier, guarantee insurance of officers.

109. *Office Expenses and Supplies.*

This account includes all expenditures for lighting offices, expenses of officers, clerks and attendants, supplies for offices, including expenses and supplies of pay car and special car while in use by the Superintendent, postage and rent of post office box, subscription to *Star* and *Herald*.

110. *Stationery and Printing.*

This account includes cost of all blank forms, books, leases, paper, stationery, stationery supplies, etc., not chargeable to this heading under other accounts.

CONDUCTING TRANSPORTATION.

115. *Advertising.*

This account includes cost of printing and publishing passenger time-tables for general distribution, printing of advertising matter, advertising in newspapers, bulletin boards, cards, frames, glasses, hand-bills, postage and express charges on above matter.

116. *Clearing Wrecks.*

This account includes all expenditures of labor and material for clearing wrecks, cost of labor and material required to replace wrecked equipment upon the track, and expenses of wrecking trains and wrecking tools used in connection therewith, building temporary track around wreck, reloading or transferring passengers, baggage, freight, mails, etc.; provisions, board, etc., for men clearing up or watching at wrecks, meals or board for passengers delayed on account of wrecks.

117. *Engineers and Firemen.*

This account includes wages of all engineers and firemen while engaged in running locomotives (except while on work-train service).

118. *Fuel for Locomotives.*

This account includes the cost of fuel consumed by locomotives engaged in traffic and switching service, including freight charges and cost of handling; also tools used in handling.

119. *Freight Agents and Clerks, Colon.*

120. *Freight Agents and Clerks, Panama and La Boca.*

These accounts include the salaries of freight agents, wharf superintendents, office clerks, check clerks, messengers, etc.

121. *Injuries to Persons.*

This account includes all payments on account of passengers, employes, or other persons killed or injured, gratuities and compensation paid to injured or disabled persons, their guardians, heirs, relatives and attorneys, fees, and expenses

of doctors, undertakers, witnesses, and others (except lawyers' fees and court expenses), nursing and hospital attendance, medical and surgical supplies, funeral expenses, and all similar expenses in connection with injury cases, wages and expenses of employes engaged as witnesses in case of suits.

122. *Incidentals.*

This account includes all expenditures in connection with conducting transportation which cannot be classified under other headings in this section.

123. *Labor, Colon Station.*

124. *Labor, Panama Station and La Boca Pier.*

These accounts include wages of foremen, freight callers, paint boys, car sealers, number takers, slingmen, truckmen and other laborers, messengers, coopers, engine men for stationary engines while handling cargo, wages of employees while engaged in weighing and carrying mails.

125. *Oil, Tallow and Waste.*

This account includes the cost of oil, tallow, waste, wool, grease, rags, etc., used in lighting, cleaning and lubricating locomotives engaged in traffic and switching service.

126. *Other Supplies for Locomotives.*

This account includes miscellaneous supplies (other than furniture) required to fully equip locomotives engaged in traffic and switching service, such as—

Axes	Oil Cans
Brooms	Picks
Brushes	Polish
Chisels	Packing
Crowbars	Sand
Files	Shovels
Flags	Scoops
Flag Boxes	Switch Chains
Frogs	Switch Ropes
Globes	Switch Keys
Hatchets	Soap
Jacks	Shunting Poles
Lanterns	Torpedoes
Lampblack	Tallow Buckets
Links and Pins	Water Buckets
Matches	Etc.

127. *Roundhouse Men.*

This account includes wages of hostlers, watchmen and employes engaged in wiping, cleaning, firing up, dumping, washing boilers, cleaning fire-boxes, round-house cleaners, ashpit cleaners, sand dryers, operators of turntables, etc.

128. *Superintendence and Clerks.*

This account includes salary and expenses of assistant superintendent and master of trains, and clerks; also incidental expenses of their offices.

129. *Switchmen, Yardmen and Yard Watchmen.*

This account includes the wages of yard masters and their clerks, yard foremen, yard trainmen, yard switchmen, switch tenders, yard watchmen and crossing flagmen.

130. *Station Agents, Clerks, Etc.*

This account includes salaries of station and ticket agents, clerks, baggage men and gatemen at all stations, wages of men attending electric light, cleaning, filling and lighting switch lamps and other like expenses.

131. *Station Supplies and Expenses.*

This account includes all expenditures (except for labor) for lighting depots, waiting rooms, freight and passenger offices and other station buildings, freight yards, wharves, etc.; supplies for station and yard signals and switches, supplies and implements for handling freight and baggage, locks, seals and wires, baggage checks, etc.; payments for ice, water, etc.; premiums on bonds of agents and other station employes.

132. *Stationery.*

This account includes all expenditures for stationery and stationery supplies, printing, including books, blank forms, employes' time-tables, tariffs, tickets, way-bills and abstracts, and similar items used in connection with conducting transportation.

133. *Train Conductors, Baggage-men, Flagmen and Brakemen.*

This account includes wages of conductors, baggage-men, flagmen and brakemen on freight and passenger trains.

134. *Train Supplies and Expenses.*

This account includes all expenditure of labor and material for lighting cars, including cost of oil, wick, etc., for trainmen's lanterns, ice for coaches, wages and supplies for cleaning cars, links and pins, car stakes, cleats and dunnage, labor and material used in lubricating cars, torpedoes, signal flags and trainmen's lanterns.

135. *Telegraph Expenses.*

This account includes all expenditure of labor and material for operation of telegraph and telephone lines, salaries of train despatchers and their clerks, telegraph operators and messengers, chemicals, copper, zincs and other supplies for batteries, light and other expenses for telegraph offices.

136. *Water Supply for Locomotives.*

This account includes the cost of water furnished locomotives engaged in traffic and switching service, including all expenses of operating water stations and pumping plants.

NOTE.—When water is used for other branches of the service or sold to outside parties a proportion of the expenses should be transferred at the end of the month to the proper account.

137. *Rent of Buildings and Other Property.*

This account includes all payments for rent of buildings and other property used in connection with the operations of the road, including rent of La Boca branch.

MAINTENANCE OF EQUIPMENT.

150. *Freight Cars, Repairs and Renewals of.*

This account includes all expenditures of labor and material for repairs and renewals of freight cars of all classes, including fittings and furniture, wages of car inspectors and cost of tools used in inspecting and lubricating freight cars, tools used by car repairers for making light repairs, etc. Freight cars may be classified as follows:

Box	Platform
Caboose	Stock
Coal	Tank

151. *Incidentals.*

This account includes all expenditures for "maintenance of equipment" which cannot be properly classified under any of the other headings, except small hand tools used by mechanics and soon worn out, and wages of persons in charge of same, which should be charged to the account mostly benefited by their use, wages of engineers and firemen for stationary engines, sweepers, cleaners, roustabouts and other unskilled laborers employed on general work in and about the shops, fuel for stationary boilers, forges and other analogous items, which should be apportioned between the different "maintenance of equipment" accounts on basis of relative amount of work done for the account of each.

152. *Locomotives, Repairs and Renewals of.*

This account includes all expenditures of labor and material for repairs and renewals of locomotives, tenders and furniture, loose and moveable tools and supplies used in connection therewith.

153. *Passenger Cars, Repairs and Renewals of.*

This account includes all expenditures of labor and material for repairs and renewals of passenger cars of all classes, including fittings and furniture, wages of car inspectors and cost of tools used in inspecting and lubricating passenger cars, tools used by car repairers for making light repairs, etc. Passenger cars may be classified as follows:

Baggage	Passenger, all classes
Express	Pay
	Special

154. *Superintendence and Clerks.*

This account includes the salaries and expenses of master mechanic, foremen of car shops, their clerks and attendants.

155. *Stationery and Printing.*

This account includes all expenditures for stationery, stationery supplies and printing, including books, blank forms, etc., used in connection with maintenance of equipment.

156. *Shop Expenses.*

This account includes all expenditures for lighting shops, sheds and offices, wages of watchmen engaged in watching shops, sheds and offices and shop sweepers.

157. *Shop Machinery and Tools, Repairs and Renewals of.*

This account includes all expenditures of labor and material, repairs and maintenance of boilers, stationary engines, scaffolds, shafting, belting and other.

appliances for running machinery, furnaces, forges and all machinery in car and locomotive shops and all tools and fixtures used in connection therewith, and oil, tallow and waste used in lubricating and cleaning tools and machinery in shops.

158. *Work Cars, Repairs and Renewals of.*

This account includes all expenditures of labor and material for repairs and renewals of work or service cars, including fittings and furniture, repairs of commercial cars when assigned to work service, including cost of charges to fit them for such service and expense of refitting them for commercial service. Work and service cars may be classified as follows:

Derrick	Pile Driver
Gravel	Push
Grass Burned Car	Wrecking
Hand	

MAINTENANCE OF WAY AND STRUCTURES.

170. *Bridges and Culverts, Repairs and Renewals of.*

This account includes all expenditures of labor and material for repairs and renewals of bridges, trestles and culverts, both substructure and superstructure, and comprises the following:

Wages of bridge foremen and bridge watchmen, expenses of locomotives, work trains and pile driver engaged in this service, piers, abutments, retaining walls, drain pipes, riprap, dykes, etc., to protect bridges and culverts, removing old bridges and erecting and removing temporary false work.

171. *General Offices, Repairs and Renewals of.*

This account includes all expenditures for repairs of General Offices, including furniture and fixtures, such as—

Awnings	Matting
Chairs	Office Railings
Clocks	Pigeon-hole Cases
Counters	Racks
Desks	Safes
Ice Boxes	Shelving
Looking Glasses	Tables, etc.
Mats	

172. *Incidentals.*

This account includes all expenditures in connection with maintenance of way and structures which cannot be classified under other headings in this section.

173. *Machinery and Tools, Repairs and Renewals of.*

This account includes the cost of repairs and renewals of tools used in maintenance of way service not elsewhere provided for, axes, brooms, lanterns and lantern fittings, picks, shovels, tamping bars, etc.; proportion of renewals and repairs of pile-driver.

174. *Rails, Renewals of.*

This account includes the cost of rails laid on main tracks or sidings in depots, yards or buildings, on turntables, wharves, track scale, bridges, trestles and culverts, also cost of inspection and transportation. Guard rails should be charged to this account.

175. *Roadway and Track, Repairs of.*

This account includes cost of all labor and material expended in connection with repairs of roadway and track (except items included under other headings in this section), including wages of section foremen, track laborers, track watchmen, gravel pitmen, crews of work trains and employes operating pile-driver, labor and material expended in sloping cuts, blasting and widening embankments, preparing, delivering and spreading ballast, building retaining walls, dykes and breakwaters to protect tracks, labor loading, distributing, laying and gathering up rails, ties and other track material, cutting, slotting or drilling rails; labor and material expended in filling trestles with earth; fuel, water, oil, waste and other supplies used on work train, engines and cars and in section houses and tool houses.

176. *Road Crossings, Signs and Cattle Guards, Repairs and Renewals of.*

This account includes all expenditures of labor and material for street crossings, overhead bridges, whistle and mile posts, cattle guards and tools used for making such repairs.

177. *Superintendence and Clerks.*

This account includes the salaries and expenses of road master, section masters, clerks, draughtsmen, etc., in office of road master.

178. *Switches and Frogs, Renewals of.*

This account includes the cost of switches, switch rails, switch stands, switch lamps, and other material for switches; cost of new frogs and repairs to old frogs, and freight on same; rails used in making frogs and switch points.

179. *Spikes and Rail Fastenings, Renewals of.*

This account includes the cost of spikes, splices and angle plates, bolts, nuts and nut locks, washers, rail braces, etc., and freight on same.

180. *Station Buildings, Repairs and Renewals of.*

This account includes all expenditures of labor and material for repairs of station and other buildings used in connection with the movements of traffic, comprising the following expenses:

Fences around station grounds, grading and laying out station grounds, removing old station buildings. Following is a list of structures covered:

Buildings at Panama occupied by employees.	Sidewalks
Passenger and Freight Depots.	Station Platforms
Station grounds and yards (filling, drainage, etc.).	Warehouses
	Buildings at La Boca
	House for Electric Light Plant

The expense of repairs and renewals of furniture and fixtures used in buildings should also be charged to this account, such as—

Awnings	Pigeon Hole Cases
Chairs	Safes
Clocks	Scales
Counters	Settees
Desks	Shelving
Ticket Cases	Signs
Ice Boxes	Tables
Mats	Etc.
Office Railings	

Lighting plant, apparatus and fixtures.

181. *Shop Buildings, Water and Fuel Stations, Repairs and Renewals of.*

This account includes all expenditures of labor and material for repairs of buildings used in connection with the maintenance of equipment, comprising the following expenses:

Excavation, foundations, drainage, water and sewer pipe and fixtures, fences around shop grounds, water and fuel stations, cisterns and wells for supplying shops, grading, laying and improving shop grounds, removing old shop buildings, water tanks, coaling plants, etc.

The following is a list of structures covered:

Car Shops	Roundhouses
Coal Trestles	Sand Houses
Engine Houses	Shop Grounds and Yards
Machine Shops	Stove Houses
Oil Houses	Turntables
Out Houses at Shops	Water Tanks

The expense of repairs and renewal of furniture and fixtures used in buildings should also be charged to this account, such as—

Awnings	Pigeonhole Cases
Bins	Pipe
Boilers for Pumping Engines	Pipe Lines
Chairs	Pumping Engines
Cisterns	Pumps and Fixtures
Clocks	Safes
Coal Boxes	Scales
Coal Buckets	Settees
Counters	Shelves
Cranes	Stationery
Desks	Engines
Ice Boxes	Tables
Mats	

182. *Stationery and Printing.*

This account includes all expenses for stationery, stationery supplies and printing, including books, blank forms, etc., used in connection with maintenance of way and structures.

183. *Section Houses, Tool Houses, Etc., Repairs and Renewals of.*

This account includes all expenditures of labor and material for repairs of buildings used in connection with the maintenance of roadway, comprising the following expenses: Excavations, foundations, drainage, etc.; removing old section houses, etc.

184. *Ties, Renewals of.*

This account includes cost of cross or switch ties laid in main track or sidings, depots, yards or buildings, on turntable, wharves, track scale, bridges, trestles or culverts; also cars of inspection and transportation.

185. *Telegraph, Repairs and Renewal of.*

This account includes all expenditures of labor and material for repairs and renewal of telegraph and telephone lines, including poles, wire, insulators, instruments, battery jars, switchboards and appurtenances, telegraph signs, telegraph tables, climbers, etc.; wages of line repairers and cost of tools used by them.

186. *Weeds, Brush, Grass, Etc., Removal of.*

This account includes all expenditures of labor and material used in cutting and removing weeds, brush and grass from right of way; cost of scythes and other tools used exclusively for above purposes.

LIGHTERAGE, OPERATING EXPENSES.

200. *Fuel and Water.*

This account includes the cost of coal and water furnished tugs, lighters and hoisting engines.

201. *Hospital Service.*

This account includes the salary of surgeon at Isla de Naos, medicines, druggists' sundries and other supplies used in the treatment of sick and injured, payments to hospital for care and treatment of employes injured in company's service.

202. *Incidentals.*

This account includes all expenditures in connection with lighterage service which cannot be classified under other headings in this section.

203. *Labor on Cargo, Panama and La Boca.*

This account includes wages of stevedores, boatmen, foremen, cranemen and laborers loading and discharging cargo.

204. *Labor on Cargo, Isla de Naos.*

This account includes wages of stevedores, boatmen, foremen and laborers loading and discharging cargo.

205. *Lighters, Expenses While Out of Commission.*

This account includes wages of crew and supplies while undergoing general repairs.

206. *Lighters, Repairs and Renewals of.*

This account includes all expenditure of labor and material necessary to maintain lighters in efficient working order (both ordinary and that made necessary by wrecks or accidents), raising sunken lighters, etc. It also includes cost, repairs and renewals of furniture and fittings.

207. *Other Lighterage Equipment, Repairs and Renewals of.*

This account includes all expenditure of labor and material necessary to maintain small boats, cranes, Panama ways, stationary engines, etc., in efficient working order; also proportion of repairs to transporters, La Boca pier, to cover wear and tear while handling cargo to and from lighters.

208. *Supplies.*

This account includes the cost of all supplies furnished tugs and lighters, viz.: Flags, hose, lanterns, lamps, oil, waste, rope, mops, axes, bed linen, cooking utensils, shovels, tableware, duck chain, anchors, etc.

209. *Superintendence and Clerks.*

This account includes proportion of salary of wharf superintendent, salary of clerks making up lighterage accounts, and check clerks employed at Isla de Naos, and all expenses of same.

210. *Subsistence, Tugs.*

This account includes cost of subsistence of officers and crews of tugs when in service.

211. *Subsistence, Laborers, Isla de Naos.*

This account includes the cost of subsistence of foremen and laborers engaged in handling cargo on lighters.

212. *Tugs, Repairs and Renewals of.*

This account includes all expenditure of labor and material necessary to maintain tugs in efficient working order (both ordinary and that made necessary by wrecks or accident), raising sunken boats, etc. It also includes cost, repairs and renewals of such articles of furniture as are necessary to equip the boats for service.

213. *Tugs, Expenses While Out of Commission.*

This account includes salaries of officers and crew, subsistence, supplies, etc., while undergoing general repairs or out of active service.

214. *Wages of Crews.*

This account includes salaries of captains, engineers, oilers, firemen, quartermasters, sailors and others employed on the tugs and lighters while in active service.

DOCKS AND WHARVES.

220. *Docks and Wharves, Colon, Repairs and Renewals of.*

221. *Docks and Wharves, Panama, Repairs and Renewals of.*

These accounts include all expenditure of labor and material for repairs and renewals of wharves, docks, piers, bulkheads, etc., including painting; also expense of operating pile-drivers, tugs, floats, dredges, mud scows, etc., while engaged in making such repairs and in dredging at such points.

222. *Harbor Master and Lighthouse Keeper.*

This account includes proportion of salary of harbor master and wages of lighthouse keeper.

223. *Lighthouse, Repairs and Renewals of.*

This account includes all expenditure of labor and material for renewals and repairs to lighthouse.

224. *Lighthouse, Supplies.*

This account includes cost of oil, wicks, chimneys and other supplies.

225. *La Boca Pier, Repairs and Renewals of.*

This account includes all expenditures of labor and material for repairs and renewals of La Boca pier and for repainting same; also expenses of operating tugs, floats, etc., while engaged in making such repairs.

226. *Dredging La Boca Basins.*

This account includes all expenditures for dredging and cleaning basins and channels, and expenses of operating dredges, clappets, etc., engaged in dredging to preserve proper depth of water.

227. *Clappets and Dredges, Repairs and Renewals of.*

This account includes all expenditures for labor and material necessary to maintain clappets, dredges, etc., in efficient working order.

228. *Basin and Channel Buoys, Repairs and Renewals of.*

This account includes all expenditures of labor and material for repairs and renewals of buoys, anchors, chains, etc.

REAL ESTATE.

230. *Colon Buildings, Repairs and Renewals of.*

This account includes cost of labor and material for repairs and renewals of all Colon buildings except those covered by other accounts.

231. *Colon Buildings, Repairs of Existing Furniture.*

This account includes the cost of repairs of existing furniture in buildings occupied by employees of the company.

232. *Legal and Other Expenses.*

This account includes all expenditures for account of real estate not used strictly for railroad purposes, such as salary and expenses of lawyers, clerks and other employees attending to the leasing and renting of property, legal and court expenses, repairing and renewing sidewalks and road around the beach, cutting grass and removing weeds, oil and lamps for lighting streets, rental of property, watchmen, beach houses, etc.

LOADING AND DISCHARGING VESSELS AT LA BOCA.

250. *Transporters, La Boca Pier, Fuel, Water and Other Supplies.*

This account includes cost of water, coal and other supplies, such as rope, chain, blocks, slings, oil, tallow, waste, etc., furnished for the operation of the transporters.

251. *Transporters La Boca Pier, Repairs and Renewals of.*

This account includes all expenditures for labor and material to maintain the transporters and tracks in efficient working order.

252. *Labor on Pier.*

253. *Labor on Ships.*

These accounts include wages of foremen, slingmen and other laborers loading and discharging cargoes. Wages of engineers and firemen running transporters and ship's winches, if used, should be charged to these accounts.

254. *Superintendence and Clerks.*

This account includes proportion of salary of freight agent and port captain, salary of clerks and other employes engaged in a supervisory capacity.

255. *Other Supplies and Expenses.*

This account includes miscellaneous expenses, such as electric lamps and other lamps used for lighting ship's holds, their supplies and repairs; hawsers and fenders, spars and floats, gangplanks, etc.

(EXHIBIT B—9.)

VESSELS OWNED.

Questions answered.—Statement as to the number, kind, and character of the ships owned by the Company; where employed; their condition; how long in use; the original cost.

Questions answered in part.—Amount expended on each for repairs. Give expenses monthly and per annum for maintaining and operating each ship; and earnings of each ship per month and per annum for the last five years.

No steamer voyage accounts are kept on the Company's books. Therefore we are unable to give the amount expended on each ship for repairs, or the earnings of each ship per month and per annum.

Statements of the amount spent on each ship for general and extraordinary repairs while out of commission are given; also a statement of earnings and expenses as a line, together with detailed statements of Steamer and Agency Expenses.

The Company has three iron freight and passenger steamships, all employed on the steamship line running between New York and Colon, as follows:

Name	"Allianca" September, 1886	"Advance" March, 1883	"Finance" January, 1883
Year built.....	September, 1886	March, 1883	January, 1883
For U. S. and Brazil Mail Steamship Company.	Builder, Delaware River Iron Shipbuilding and Engine Works, Chester.		
Gross tonnage.....	2,985	2,605	2,603
Net tonnage.....	2,205	1,902	1,920
Length	303	295	300
Breadth	42	38.4	38.4
Depth	23.9	23.4	23.6
Engines	Compound	Compound	Compound
Speed	13 knots	13 knots	13 knots
Accommodations—			
Cabin	76	64	64
Steorage	66	66	62
Original cost of construction	\$350,000	\$325,000	\$325,000

CONDITION.

"*Allianca*."—This vessel is classed "1" in the Record of American and Foreign Shipping until September, 1906, when extensive repairs will be necessary to continue in that class. Large repairs were made to this vessel in 1896-97, *i. e.*, new boilers, electric lights, pole masts, etc., so that it is not expected she will require as extensive overhauling as did the "*Finance*" and "*Advance*,"

"*Advance*" and "*Finance*."—These vessels were classed "1" in the Record of American and Foreign Shipping until 1903; since then they have been practically reconstructed at an expense of approximately \$200,000.00 each, and they are now in Class "1" in the "Record" for six years to 1909.

STEAMSHIP "ALLIANCA."

Chartered in June, 1894; bought in March, 1895, for....	\$132,890 34
Add for electric plants, new staterooms and other additions in 1897	21,262 63
Cost as per ledger.....	\$154,152 97

General and Extraordinary Repairs.

In 1897 there was expended under contract for new boilers and special repairs	\$83,645 59
In 1899 for repairs of crank shaft.....	1,372 47
These expenditures were carried to the debit of a special account and a pro rata amount was transferred to operating expenses each month, thus absorbing the whole amount by the end of 1899.	
In 1903 there was expended for shoe plates and general overhauling of hull and bulkheads, etc.....	5,814 17
This amount is now being charged to Operating Expenses of the line at the rate of \$250 per month.	
Besides above there was charged direct to Steamer Expenses for special repairs made in 1897.....	5,844 52
For special repairs made in 1900.....	14,275 91
For special repairs made in 1903.....	2,529 96
Plus added to Capital Account.....	21,262 63
Making a total of.....	\$134,745 25
Which represents expenditures for special repairs while ship was out of commission.	

STEAMSHIP "ADVANCE."

Chartered in June, 1894; bought in March, 1895, for....	\$101,882 58
Add for electric plants, new staterooms and other additions in 1897.....	6,013 52
Cost as per ledger.....	\$107,896 10

General and Extraordinary Repairs.

In 1897 there was expended under contract for special repairs...	\$36,670 02
These expenditures were carried to the debit of a Special Account and a pro rata amount was transferred to Operating Expenses each month, thus absorbing the whole amount by the end of 1899.	
In 1903-4 there was expended for new boilers and general overhauling of engines, etc., and rebuilding of deck houses, etc.	204,114 50
Of this amount \$51,375.00 was charged to Depreciation Fund and the balance is being transferred to Operating Expenses at the rate of \$1,750 per month.	
For special repairs in 1897 charged direct to Steamer Expenses	5,837 21
For special repairs in 1900 charged direct to Steamer Expenses	10,782 27
Plus added to Capital Account.....	6,013 52
Making a total of.....	\$263,417 52
Which represents expenditures for special repairs while ship was out of commission.	

STEAMSHIP "FINANCE."

Chartered in June, 1894; bought in March, 1895, for.....	\$101,882 58
Add for electric plants, new staterooms and other additions in 1897.....	6,237 62
Cost as per ledger.....	\$108,120 20

General and Extraordinary Repairs.

In 1897 there was expended under contract for special repairs...	\$33,673 51
These expenditures were carried to the debit of a Special Account and a pro rata amount was transferred to Operating Expenses each month, thus absorbing the whole amount by the end of 1899.	
In 1904 there was expended for new boilers and general overhauling of engines, machinery, etc., and rebuilding of deck houses, etc.	188,550 37
Of this amount \$51,375 was provided for out of the Depreciation Fund and the balance is being transferred to Operating Expenses at the rate of \$1,250 per month.	
For special repairs in 1897 charged direct to Steamer Expenses.	6,275 01
For special repairs in 1900 charged direct to Steamer Expenses.	13,073 19
Plus added to Capital Account.....	6,237 62
Making a total of.....	\$247,809 70
Which represents expenditures for special repairs while ship was out of commission.	

PANAMA RAILROAD STEAMSHIP LINE.

STATEMENT OF EARNINGS AND EXPENSES FOR THE YEARS 1896 TO 1903, INCLUSIVE, AND 11 MONTHS OF 1904.

<i>Earnings.</i>	1896	1897	1898	1899	1900	1901	1902	1903	11 mos. of 1904
Freight	\$468,878.60	\$484,160.31	\$478,731.82	\$594,131.92	\$769,225.62	\$718,607.88	\$652,966.87	\$674,440.02	\$720,598.80
Treasure	11,261.36	9,274.24	10,037.97	7,502.21	8,044.02	4,951.65	5,556.51	5,119.86	8,413.28
Mails	55,862.66	56,405.69	50,917.78	53,189.72	60,618.30	79,015.83	83,013.99	81,015.34	97,585.62
Extra baggage.....	2,758.22	2,049.19	1,285.64	1,949.85	2,047.63	2,186.69	1,945.07	1,905.90	2,697.87
Passengers	140,673.14	111,781.06	74,891.20	100,621.00	128,234.78	154,571.58	150,824.81	154,238.89	209,032.23
Miscellaneous	11,770.80	6,816.50	4,319.53	5,075.38	5,973.19	7,517.21	4,008.88	3,859.90	4,853.98
Salvage Schooner "Kaplan".....					1,841.69				
Total	\$691,204.78	\$670,486.99	\$620,183.94	\$762,470.08	\$975,985.23	\$966,850.84	\$898,316.13	\$920,579.91	\$1,043,181.78
<i>Expenses.</i>									
Steamer expenses.....	\$351,216.74	\$370,097.33	\$399,459.46	\$421,952.82	\$576,391.96	\$585,877.45	\$552,276.86	\$519,298.10	\$570,434.77
Replacement of boilers and special repairs to steamers.....	2,199.96	57,000.00	57,000.00	41,361.59				6,750.00	21,273.20
Depreciation of steamers.....		41,100.00	41,100.00	20,550.00					
Agency expenses.....	102,253.42	101,622.62	101,613.52	110,362.40	116,689.67	117,202.81	117,137.92	105,204.52	94,036.50
Charter of steamers.....	13,500.00	13,316.67		47,515.38	140,634.79	164,929.38	120,570.19	234,104.17	182,394.53
Steamer "Advance" out of com- mission								3,676.07	
Steamer "Finance" out of com- mission								3,220.92	
Total	\$469,170.12	\$583,136.62	\$599,172.98	\$641,742.19	\$833,716.42	\$868,009.64	\$789,984.97	\$872,253.78	\$868,139.00
Earnings over expenses.....	<u>\$222,034.66</u>	<u>\$87,350.37</u>	<u>\$21,010.96</u>	<u>\$120,727.89</u>	<u>\$142,268.81</u>	<u>\$98,841.20</u>	<u>\$108,331.16</u>	<u>\$48,326.13</u>	<u>\$175,042.78</u>

New York, February 1, 1905.

STATEMENT SHOWING STEAMER 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.
1. Ballast .....									.....
2. Custom House and port charges	\$11,005.03	\$10,582.65	\$10,535.25	\$11,396.67	\$12,753.83	\$15,279.23	\$14,940.60	\$13,823.58	\$5,540.99
3. Docking	2,083.04	1,460.13	.....	1,571.18	3,426.29	1,163.68	737.13	149.25	120.45
4. Equipment, Deck Department..	2,814.98	2,992.58	3,462.55	4,311.71	6,794.71	6,056.73	3,298.93	1,713.55	7,079.02
5. Equipment and spare machinery, Engine Department.....	1,548.97	1,314.13	2,928.74	612.39	807.37	1,392.69	1,293.75	308.67	1,544.17
6. Equipment, Commissary Dept..	3,336.16	6,318.12	1,616.40	3,578.25	3,287.03	3,178.74	2,568.99	1,037.51	11,721.15
7. Fuel	59,187.04	56,538.31	59,379.92	65,614.80	89,512.67	111,450.11	108,923.81	117,375.47	110,640.21
8. Feeding passengers and crew..	41,344.33	39,915.67	36,091.91	40,204.03	51,689.83	59,011.32	62,720.13	66,725.89	78,236.13
9. Incidentals	683.81	724.95	366.75	1,138.18	1,683.33	906.97	1,682.35	2,629.95	1,762.15
10. Injuries to persons.....	.....	5.91	173.34	199.99	173.04	426.41	409.23	889.23	536.75
11. Labor on cargo.....	54,059.47	60,675.00	69,281.02	92,068.54	121,072.38	121,278.24	103,956.43	105,660.53	119,655.22
12. Labor on coal.....	8,324.12	8,047.02	10,524.05	11,624.25	12,196.91	14,336.98	13,920.72	13,023.69	13,213.83
13. Labor on ashes.....	428.30	809.20	574.40	902.10	1,291.00	1,435.00	1,209.00	1,209.50	1,084.70
14. Loss and damage.....	2,314.70	1,084.99	1,025.57	1,425.10	3,184.06	6,038.14	10,800.79	5,449.15	3,649.56
15. Oil and waste.....	2,270.05	2,270.42	1,729.53	973.80	1,523.80	2,167.42	2,231.91	2,376.68	2,469.14
16. Painting ships' bottom.....	1,090.80	1,412.00	830.00	1,736.88	2,815.04	1,403.00	1,435.00	545.50	458.60
17. Pilotage and towage.....	5,780.16	5,297.60	5,429.78	7,247.52	8,156.19	8,836.68	7,747.04	7,816.03	8,020.79
18. Quarantine	380.00	4,343.62	921.75	560.00	979.00	938.00	847.70	797.50	620.00
19. Repairs, Deck Department....	3,866.92	17,387.79	3,010.48	7,863.15	30,362.54	12,927.80	9,267.65	4,631.44	7,606.23
20. Repairs, Engine Department..	19,609.88	5,980.56	10,951.94	21,770.50	48,164.37	24,494.55	18,380.90	11,070.32	13,854.93
21. Repairs, Commissary Dept....	3,272.96	7,335.74	1,777.00	2,978.25	5,904.94	7,285.99	3,205.01	797.68	3,318.38
22. Stores, Deck Department.....	3,563.41	5,440.29	5,656.76	6,864.64	7,157.07	6,616.39	5,408.87	3,254.81	4,968.20
23. Stores, Engine Department....	2,783.59	2,999.20	2,083.16	2,570.88	3,745.96	3,611.63	3,074.83	2,338.55	3,758.59
24. Stores, Commissary Dept.....	1,515.51	1,178.00	1,036.17	1,168.00	1,490.92	1,741.64	1,707.92	1,865.94	2,208.01
25. Stores, Surgeons' Department.	397.55	422.01	246.51	258.77	358.60	493.18	481.37	380.14	327.33
26. Stationery and printing.....	1,308.53	707.96	1,019.19	1,238.03	430.46	875.98	748.37	756.57	1,022.76
27. Telegrams and cables.....	650.30	799.50	1,576.42	1,604.10	1,463.54	1,205.78	901.40	925.17	871.20
28. Wages	94,641.19	90,662.35	94,804.49	94,658.55	116,968.22	130,331.36	132,639.94	131,273.92	134,557.70
29. Wages, special.....	.....	.....	50.67	.....	.....	.....	2,017.47	.....	.....
30. Water	7,677.07	9,689.37	10,275.81	10,253.93	11,453.53	12,578.43	11,363.14	9,352.35	13,513.85
31. Washing	994.88	965.11	648.72	924.57	1,227.37	1,772.11	2,066.01	3,044.09	3,651.81
32. Wines and liquors.....	3,213.75	2,418.27	1,601.69	1,865.01	3,589.86	3,882.74	.....	.....	.....
33. Insurance	11,070.24	20,317.98	59,649.49	22,760.05	22,728.10	22,760.53	22,290.47	8,075.44	14,422.92
Total.....	\$351,216.74	\$370,097.33	\$399,459.46	\$421,952.82	\$576,391.96	\$585,877.45	\$552,276.86	\$519,298.10	\$570,434.77

STATEMENT SHOWING AGENCY EXPENSES STEAMSHIP LINE (NEW YORK AND COLON) 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.
50. Advertising, newspapers.....	\$4,811.29	\$2,579.33	\$2,070.72	\$1,895.70	\$2,885.15	\$2,669.30	\$2,422.04	\$2,613.98	\$2,500.79
51. Buildings, docks and wharves, repairs and rent of.....	38,357.57	47,343.72	52,316.16	53,781.77	55,315.73	57,388.51	55,921.97	45,820.76	37,177.40
52. Buildings, docks and wharves, other expenses.....	5,756.20	5,316.65	4,839.44	5,280.97	7,126.75	5,962.49	7,947.30	5,844.44	5,764.45
53. Commissions, passengers.....	1,097.92	.....	.....	.....	.....	.....	.....	.....	.....
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.....	2.95	67.20	.....	12.10	.....	165.00	.....	1.50	.....
57. Incidentals	551.63	95.35	46.32	559.68	630.32	453.07	218.54	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	15,434.85
59. Legal services and expenses...	5.00	.....	.....	.....	.....	.....	.....	.....	5.00
60. Loss and damage.....	118.70	11.26	.....	.....	43.30	304.67	139.83	83.85	.50
61. Salaries of agents and clerks..	34,822.59	31,548.90	29,183.48	30,931.65	29,546.51	29,298.42	30,440.84	31,138.57	28,419.55
62. Stationery and printing.....	1,635.41	1,048.14	910.80	1,058.81	1,486.61	1,443.80	1,157.24	1,616.57	2,411.36
63. Telegrams and cables.....	91.73	16.10	12.85	7.41	13.17	112.60	54.00	52.26	78.28
64. Taxes	1,200.00	1,200.00	1,200.00	960.00	960.00	1,000.03	1,000.03	1,000.02	1,022.22
65. Revenue stamps.....	.....	.....	39.88	.....	.....	.....	.....	.....	.....
Total.....	\$102,253.42	\$101,622.62	\$101,613.52	\$110,362.40	\$116,689.67	\$117,202.81	\$117,137.92	\$105,204.52	\$94,036.50

New York, February 6, 1905.

(EXHIBIT B—10.)

VESSELS CHARTERED.

Questions answered.—How many vessels are chartered; how long have they been chartered; rate at which chartered; size and character of each ship.

Questions unanswered.—Original cost of each ship; value at time of chartering; cost of maintaining each ship per month and per annum.

These can only be answered by the New York and Cuba Mail S. S. Co., the owners of the vessels.

Cost of operating each ship per month and per annum; earning of each ship per month and per annum.

No separate voyage accounts are kept by the Company, and therefore these two questions cannot be readily answered. Statements showing earnings and expenses of the Steamship Line have been prepared.

New York, February 1, 1905.

S. S. City of Washington.

Freight and passenger vessel, built of iron, American registry, single screw; engines, triple expansion; speed, about 14 knots; length, 300 feet; width, 38 feet; depth, 27 feet; gross tonnage, 2,683; net tonnage, 1,744.

Passenger Accommodations.—Cabin, 60; steerage, 30.

TERM OF CHARTER.

January 11, 1901, to July 26, 1901.....	\$250 per day
October 24, 1902, to April 21, 1903.....	200 per day
September 26, 1903, to June 7, 1904.....	200 per day
October 25, 1904 to _____	200 per day
<i>February 1, 1905.</i>	

S. S. Orizaba.

Freight and passenger vessel, built of steel, American registry, single screw; engines, triple expansion; speed, about 14 knots; length, 336.2 feet; width, 43.2 feet; depth, 22 feet; gross tonnage, 3,497; net tonnage, 2,334.

Passenger Accommodations.—Cabin, 76; steerage, 30.

TERM OF CHARTER.

July 27, 1901, to February 6, 1902.....	\$260 per day
February 6, 1902, to July 25, 1902.....	230 per day
December 13, 1904, to _____	250 per day
<i>New York, February 1, 1905.</i>	

S. S. Yucatan.

Freight and passenger vessel, built of iron, American registry, single screw; engines, triple expansion; speed, about 14 knots; length, 336.2 feet; width, 43.2 feet; depth, 22.3 feet; gross tonnage, 3,525; net tonnage, 2,317.

Passenger Accommodations.—Cabin, 76; steerage, 30.

TERM OF CHARTER.

July 25, 1902, to August 20, 1902.....	\$230 per day
April 6, 1903, to November 25, 1904.....	250 per day
<i>New York, February 1, 1905.</i>	

S. S. Seguranca.

Freight and passenger vessel, built of steel, American registry, single screw; engines, triple expansion; speed, about 14 knots; length, 321.8 feet; width, 45.2 feet; depth, 33.8 feet; gross tonnage, 4,115; net tonnage, 2,933.

Passenger Accommodations.—Cabin, 101; steerage, 30.

TERM OF CHARTER.

August 22, 1902, to September 2, 1904.....	\$262.50 per day
November 25, 1904, to _____	262.50 per day
<i>New York, February 1, 1905.</i>	

(EXHIBIT B—II.)

NUMBER OF AGENCIES; WHERE LOCATED; EXPENSES OF
MAINTAINING, ETC.*San Francisco.*

Mr. B. H. Langley, Agent; salary, \$1,800.00 per annum. Stenographer, \$65.00 per month; office rent, \$40.00 per month.

Expenses for 1904:

Salaries	\$2,580.00
Rent	480.00
Stationery	76.13
Telegrams	34.89
Postage, telephone and other expenses....	232.02
	<hr/>
	\$3,403.04

General solicitor of traffic in connection with the work of the New York Office and the Steamship Lines to and from Europe connecting with railroad at Colon.

Special Agent—West Coast of Central and South America—Headquarters, Guatemala City.

Mr. P. H. Cahill; salary, \$3,000.00 per annum and actual expenses while traveling, which amounted in 1904 to \$915.34.

Traveling Agent.—Soliciting freight and keeping New York Office advised of the situation at the West Coast ports and what necessities exist for making changes in rates and facilities for the movement of cargo in competition with other routes.

Representative at Bogota.

Mr. A. Mancini; salary, \$1,200.00 per annum.

Diplomatic representative and attorney at Bogota. Salary and expenses charged to General Expenses, New York. Cablegrams—only other expense—amounted in 1904 to \$513.31.

Special Agent, Panama.

Mr. J. A. Arango; salary, \$1,500.00 per annum.

Intermediary between Government and railroad.

Ticket Agents.

Wm. H. Eaves, Boston, Mass.

James Hogan, Philadelphia, Pa.

Thos. Cook & Son, New York, London, Paris.

Sewall & Crowther, London, England.

Transatlantic Steamship Lines in Europe.

Authorized to sell tickets, on commission, by our steamship line, from New York to Colon and Panama, and ports on the west coast of Central and South America, Mexico and San Francisco.

New York, February 6, 1905.

(EXHIBIT B—12.)

Question.—Why are the rates from New York and Europe to Buenaventura, etc., greater than to Guayaquil and other points south?

Answer.—The rates to all of the ports on the West Coast of South America vary directly with the degree of competition. The time required for transit from New York and from Europe via the Straits of Magellan to Valparaiso is little, if any, longer than the time required to transport and rehandle cargo via the Isthmus. In order for the Isthmus to secure any traffic for Valparaiso it is necessary closely to approximate the low rates made by the lines via the Straits of Magellan. The rates for insurance favor the Isthmus Route, while the risk of damage from handling goods is against the Isthmus Route. The time required via the Straits to reach the ports nearer Panama increases the value of transportation via the Isthmus until the maximum is reached at Panama, to which the transit from New York occupies say only 10 days. Guayaquil is a strongly competitive port, many vessels proceeding to that port via the Straits from New York and from Europe during the course of the year. It is extremely rare for a large enough quantity of cargo to be offering for a small port like Buenaventura to induce a vessel to go there, other than the small steamers which operate from Panama in connection with our line, and make it their business to serve all of the small ports between Panama and Guayaquil in rotation.

R. L. WALKER,
Traffic Manager.

(EXHIBIT B—13.)

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

Answer.—The letter to Mr. Burr, September 24 last, deals with the *proportions* of through rates, and the Railroad proportion of through rates to Panama is much greater than the Railroad proportion of through rates to ports both North and South of Panama, because to Panama the through rates are divided between only two carriers, whereas the through rates to ports beyond Panama are divided between three carriers. As a matter of fact, the through rate from Europe to Panama on first-class goods is lower than the through rates to Central America and to the ports between Panama and Guayaquil (Buenaventura, etc.), as may be noted more particularly in the Hamburg-Amerika Linie Tariff, No. 17, of November, 1902, herewith. This is because the carriers are entitled to greater consideration for the longer distance.

To ports South of Guayaquil, the first-class rate, in common with other rates, is lower than the rates to Panama, because the lines via the Straits of Magellan can give a service of a value more nearly the value of the service via the Isthmus. Where the rates on second and third-classes to Central America and Mexico are less than the rates to Panama, it is to meet the same competition created via the Straits of Magellan, but the steamers operating via Magellan have never found it to their interest to establish regular calls at Panama to compete with the direct and quick service from Europe via Colon, giving the maximum saving of time.

The average through rate from Europe to Panama in 1903 was \$17.72 per ton, whereas the average through rate to the ports in Central

America was \$15.20, and to the minor ports of Ecuador and Colombia was \$15.04 a ton. On the other hand, from New York the comparison is reversed, the average through rate from New York to Panama having been \$12.42, while to Central America the average through rate was \$15.81. This shows that Panama looked to Europe for goods of high value, and to New York for staples. We carried flour, rice, soap, etc., New York to Panama, at from \$6.00 to \$8.00 per ton, to compete with sales in San Francisco shipped to Panama by Pacific Mail S. S. Co.

We have not agreed with those of the merchants of Panama who thought Panama should always have lower rates than rates to other ports on the Pacific. The rates are not based on sentiment. They are the results of a bargain with the Government of Panama (Colombia), which by the contract declared the Railroad an enterprise of public utility (Art. XIII), in which their share was to be \$250,000.00 per annum (Art. III) and certain transportation to be furnished free (Art. XIX). For the people the Government required the Railroad to transport the products of Colombia at half the rates that the Company might fix for the same service for other peoples (Art. XX and Amendment, August 18, 1891). The absence of any stipulation to the contrary shows that the Government expected the inhabitants of the Isthmus to pay such rates of freight on other commodities as trade conditions might make fair. Commerce, foreign to Panama, crossing the Isthmus, could not be expected to produce the whole tax.

R. L. WALKER,
Traffic Manager.

February 6, 1905.

Alterations since the preceding edition are underlined.

EDITION NO 17. 1ST NOVEMBER 1902

HAMBURG-AMERICAN LINE

In connection with the Panamá Railroad Co., the Pacific Mail Steamship Co., the Pacific Steam Navigation Co., the Compañía Sud-Americana de Vapores or any other Steamer line.

Rates of Freight for Goods from Hamburg, Bremen and Antwerp via Colon to Ports on the West-Coast of America. Rates from Grimsby and Havre as per special Tariff of the Company's Agencies.

All Freight rates are "in full," no Primage being charged. All Freights must be prepaid on delivery of the Bills of Lading and will not be returned, ship or goods lost or not lost at any stage of the entire transit. All Packages must be strongly packed, distinctly marked and numbered and the Port of destination must be plainly marked on the same. Charges taken forward on Bill of Lading will not be admitted. No Bills of Lading will be signed except such as are made out on the Company's forms. Goods of an inflammable or otherwise dangerous or damaging nature, Arms and War Material, also heavy and voluminous Packages and Rails are admissible only upon special agreement.

RATES OF FREIGHT FROM HAMBURG, BREMEN AND ANTWERP :

		Class 1.	Class 2.	Class 3.	Class 4.		Specie, Bullion, Jewelry and Valuables on Value		
TO		Per Ton weight of 1000 Kilos or per Ton of 40 Cubic-feet English mea- surement at Company's option. Sugar and Rice in bags and Cement in barrels per ton weight. All goods of a value of £200.—and above per freight ton will be charged as Class No. 1, except those paying freight ad valorem and exceptional goods			if shipped on one bill of lading in lots of				
Central- America. West- Coast of Mexico.	Panamá*).....	120/-	100/-	90/-	60/-	55/-	10 tons. freight on a lot of less than 5 tons not to exceed that for 5 ton lots. 2	per cent. ¾	
	Punta Arenas San Juan del Sur, Corinto, Amapala, La Union, El Triunfo, La Libertad, Aca- jutla, San Jose de Guate- mala, Champerico, Ocos	120/-		85/-	75/-	60/-		45/- ⁽²⁾	
	Acapulco, Manzanillo, San Blas, Mazatlan.....	150/-	85/-	75/-	60/-	45/- ⁽²⁾	5 tons.	1¾	
	San Benito, Tonala, Salina Cruz, Puerto Angel.....	—		—	—	—			—
	California : San Francisco.....	See	special	tariff.					
	Victoria								
	Vancouver.....								
	Honolulu.....								
	South Pacific.	Buenaventura,*)Tumaco,*) Esmeraldas*).	150/-	75/-	60/-	55/- ¹⁾			Specie
		Bahia*(Caragues)Manta,* Puerto Bolivar, Guayaquil	150/-	60/-	50/-	40/- ¹⁾			Jewelry
Payta, Pimentel*), Eten, Pacasmayo, Salaverry		150/-	60/-	50/-	45/-			1½	
Callao, Pisco, Mollendo, Ilo, Arica.....		100/-	50/-	45/-	40/-			plus	
Pisagua, Iquique, Antofa- gasta, Taltal, Caldera.....		100/-	45/-	40/-	40/-			2 sh. 6	
Carrizal Bajo, Coquimbo, Valparaiso.		100/-	45/-	40/-	40/-			per	
								Cubic-	
								foot	

Minimum charge for freight: Panamá 21/-, all other ports 31/6 per B/L.

- 1) Iron or Steel: Axles, Bar, Fish Plates, Hoop, Plates, Rails, Sheets, Wheels (without axles) for Buenaventura, Tumaco, Esmeraldas*), Bahia*) and Manta*) 52/6 and for Guayaquil 35/- per ton weight,
- 2) Five ton lots of Iron and Steel: Fish Plates, Hoops, Pigs, Plates, Rails, Sheets and besides Pig lead and Salt in bags for Central America and Mexico 40/- per ton.

PARCELS :	half Cubic foot	up to one Cubic foot	each additional Cubic foot or part thereof
Panamá, South Pacific, Central America, North Pacific	—	7/6	7/6

For Shipments on through Bill of Lading from Amsterdam and Rotterdam (via Hamburg or Havre) 7 Shillings and 6 pence Sterling per ton will be added to the tariff rates.

***ADDITIONAL CHARGES :**

All ports	6d. per freight ton for Wharfage at Colon; minimum charge 6d. per B/L.
Panamá, Buenaventura, Tumaco	6/6 per 1000 Kilos for Tonnage tax.
Esmeraldas, Bahía (Caraques) and Manta	2/6 per ton for Municipal tax.
Pimentel.....	5/- per ton for transshipping, on lots of less than 10 tons per B/L., nothing to be collected for minimum bills of lading.
Ecuadorian ports.....	1% of the value of the shipments; minimum M 1.-per B/L. for Consular Visé.
Colombian ports (Except Panamá 0/-).....	4/- per set of bills of lading for Consular Visé.
Mexican and Peruvian ports.....	2/- per set of bills of lading for Consular Visé.

Pieces and Packages over 2 tons weight :

Over 2 tons up to 4 tons Rate and a half,
Over 4 tons up to 6 tons double Rate,
Over 6 tons special Arrangement.

Rates and Classification of the goods subject to change without notice.

(EXHIBIT B—14.)

Question.—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?

Answer.—The minimum rate at which either co-carrier can accept freight to and from Panama and the ports North thereof is 35s. per ton. The minimum rate to and from the ports South of Panama is 30s. The minimum rates were fixed in order that the initial carrier might reduce to those figures, if necessary, to secure business promptly without having to consult each of the other co-carriers. As a matter of fact, the minimum is seldom used. If occasion arises to make lower rates than the minimum, it is to be done by consultation between the various carriers which might be interested in the particular business.

R. L. WALKER,
Traffic Manager.

EXHIBIT B—15.)

Question.—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 minima are fixed?

Answer.—The lowest rate made from New York to Panama is \$6.00 per 2,000 lbs., a rate which we found necessary to secure any shipments of pitch, tar, resin and cement. As we are the rate-making power from New York to Panama, we do not have a minimum in the sense that minima exist where co-carriers have to be consulted. The rates agreed upon as minima which we are authorized to make from New York, or which our co-carriers on the Pacific can make to New York, are:

Between New York and San Francisco, 40c. per 100 lbs.

Between New York and Mexico, 60c. per 100 lbs., or 30c. per cubic foot.

Between New York and Central America, 50c. per 100 lbs., or 25c. per cubic foot.

Between New York and South America, 30s. per ton, W. or M.

These minima may be reduced by mutual consent should necessity arise for lower rates which might be considered remunerative on some particular traffic.

These figures were agreed upon as low enough to meet any ordinary exigency requiring an immediate decision by the initial carrier. If a particular trade needs a lower rate to develop it, the subject is one for correspondence as to whether or not the business offering can be made remunerative at lower rates.

R. L. WALKER,
Traffic Manager.

February 6, 1905.

(EXHIBIT B—16.)

DATE OF SAILING OF VESSELS FROM NEW YORK AND
FROM PANAMA (COLON?)

Answer.—Our steamers sail from New York every Tuesday, except when they are delayed until Wednesday because of holidays which occur on Mondays or Tuesdays. The sailing dates from Colon are Wednesdays.

R. L. WALKER,
Traffic Manager.

February 6, 1905.

(EXHIBIT B—17.)

Question.—Why is the charge on Railroad for through passengers so much more than the charge for local passengers?

Answer.—The charge for through passengers on the Railroad includes the transfer of from 200 to 250 lbs. baggage without charge, while the local passengers pay 2c. (formerly 3c.) a lb. when they have baggage to be transported.

R. L. WALKER,
Traffic Manager.

February 6, 1905.

(EXHIBIT B—18.)

Question.—Give detailed statement of equipment of Railroad. Is the equipment sufficient to handle the business, or should additional equipment be provided?

Answer.—(See next page.)

LIST OF ROLLING STOCK EQUIPMENT, DECEMBER 31, 1903.

Locomotives.		Passenger Cars.					Freight Cars.			Miscellaneous.								
Road Engines	Switch Engines.	Special.	First Class.	Composite, First and Second Class.	Second Class.	Baggage.	Box.	Coal.	Flat.	Local Express.	Wrecking.	Caboose.	Specie.	Water.	Stock.	Road Department.	Steam Pile-driver.	
24	11	5	8	2	9	7	5	4	173	151	22	1	5	2	9	9	11	1

The list of Rolling Stock equipment remains the same as last year, and all is in serviceable condition, except 11 locomotives which are not judged worth repairing. Of those in service 10 should have new boilers as fast as they can be substituted. A wrecking crane has lately been added to this equipment of 25 tons capacity. The cars are mostly old and light (12 tons burden, with a few of 20 tons), but all in good working condition. Requisition has been made for 100 box cars and 4 coaches, which would provide for such traffic as that of recent years. A much larger and heavier equipment is expected to be required for use in canal construction, and is under discussion.

FLOATING EQUIPMENT AT THE ISTHMUS.

Tug "Ancon".....	105	98'	18'0"	6'0"	Iron
Tug "Bolivar".....	234	127'	23'0"	9'6"	Iron
4 Freight Lighters.....	340	110'	24'2"	7'2"	Steel
12 Freight Lighters.....	$\left\{ \begin{array}{l} 230 \\ 10 \\ 300 \end{array} \right\}$	110'	24'0"	6'6"	Iron
3 Coal Lighters.....	222	110'	24'0"	8'0"	Iron
1 Floating Pile Driver.....	...	60'	30'0"	5'0"	Wood

The list of floating equipment remains the same as last year, two new freight lighters of 340 tons have been supplied to take the place of two condemned.

(EXHIBIT B—19.)

STATEMENT OF GROSS RECEIPTS, OPERATING EXPENSES AND FIXED CHARGES OF PANAMA RAILROAD COMPANY (STEAM-LINES INCLUDED) FOR THE YEARS 1896 TO 1903, INCLUSIVE, AND 11 MONTHS OF 1904.

<i>Earnings.</i>	1896	1897	1898	1899	1900	1901	1902	1903	11 mos. of 1904
Railroad	\$1,201,574.30	\$1,241,942.64	\$1,106,460.37	\$1,098,966.86	\$1,270,996.24	\$1,365,171.56	\$1,239,345.31	\$1,267,570.91	\$1,446,599.16
Steamers:									
Atlantic service	691,204.78	670,486.99	620,183.94	762,470.08	975,985.23	966,850.84	898,316.13	920,579.91	1,043,181.78
Pacific service	31,000.05	.....	.....	.....	6,077.06	365,822.76	167,118.23	* 164.98	* 11.20
Miscellaneous	347,362.38	388,275.62	416,236.86	333,605.02	402,136.18	498,863.81	458,035.96	476,065.45	371,583.93
Total earnings	\$2,271,141.51	\$2,300,705.25	\$2,142,881.17	\$2,195,041.96	\$2,655,194.71	\$3,196,708.97	\$2,762,815.63	\$2,664,051.29	\$2,861,353.67
<i>Expenses.</i>									
Railroad	\$382,398.18	\$475,408.94	\$500,437.42	\$487,741.19	\$562,062.55	\$625,262.53	\$594,709.99	\$562,240.19	\$652,764.98
Steamers:									
Atlantic service	469,170.12	583,136.62	599,172.98	641,742.19	833,716.42	868,009.64	789,984.97	872,253.78	868,139.00
Pacific service	27,495.74	.....	.....	.....	10,460.03	608,038.43	252,327.10	1,601.46	236.22
Miscellaneous	356,773.84	347,687.52	291,282.79	289,911.81	326,264.78	338,996.64	325,093.71	324,242.56	319,843.99
Total expenses	\$1,235,837.88	\$1,406,233.08	\$1,390,893.19	\$1,419,395.19	\$1,732,503.78	\$2,440,307.24	\$1,962,115.77	\$1,760,337.99	\$1,840,984.19
Earnings over expenses	\$1,035,303.63	\$894,472.17	\$751,987.98	\$775,646.77	\$922,690.93	\$756,401.73	\$800,699.86	\$903,713.30	\$1,020,369.48
<i>Fixed Charges.</i>									
Subsidy to Colombia	\$250,000.00	\$250,000.00	\$250,000.00	\$250,000.00	\$250,000.00	\$250,000.00	\$250,000.00	\$250,000.00	* \$229,166.66
Sinking Fund—1st Mortgage bonds .....	.....	25,728.38	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	137,500.00
Interest on 1st Mortgage Bonds	239,619.10	208,870.42	85,241.25	80,415.00	75,926.25	70,200.00	99,882.50	102,645.00	92,386.87
Interest on balances due La Boca Wharf Contractors .....	.....	.....	.....	.....	.....	26,611.61	5,432.96	.....	.....
	\$489,619.10	\$484,598.80	\$485,241.25	\$480,415.00	\$475,926.25	\$496,811.61	\$505,315.46	\$502,645.00	\$459,053.53
Net income as per page No. 9 of Annual Reports	\$545,684.53	\$409,873.37	\$266,746.73	\$295,231.77	\$446,764.68	\$259,590.12	\$295,384.40	\$401,068.30	\$561,315.95

* Debit. ° Republic of Panama after November 3, 1903.

New York, February 3, 1905.

(EXHIBIT B—20.)

STATEMENT OF BONDED INDEBTEDNESS.

At the time—September, 1897—the \$4,000,000 4½% bonds were issued, or, rather, authorized to be issued, the bonded indebtedness of the Company was as follows:

<i>General Mortgage 7 per cent. Sterling Bonds.</i>	
4,000 bonds of £200 each, say.....	\$4,000,000.00
less 471 bonds in Treasury unissued.....	471,000.00
3,529 bonds.....	\$3,529,000.00
deduct 843 bonds acquired by purchase and held in the Com- pany's Treasury and Voluntary Sinking Fund.....	843,000.00
Leaving 2,686 bonds outstanding in the hands of the public, say....	\$2,686,000.00
These 2,686 bonds were redeemed and retired at £200 each, ex- change \$4.8507+, amounting to.....	
	\$2,612,338.34
Being paid for by:	
Proceeds sale of 2,000 4½ per cent. bonds.....	\$1,907,250.00
Balance from Voluntary Sinking Fund.....	705,088.34
	\$2,612,338.34
<i>Six per cent. Gold Sinking Fund Bonds.</i>	
1,846 bonds at \$1,000 each.....	\$1,846,000.00
Issued November 1, 1880 (original issue 3,000 bonds), fall due November 1, 1910.	

To meet this bonded indebtedness, \$225,000 annually of the Colombian Government Subsidy was pledged till March 27, 1908, the same to be applied by the Company: First, to the payment of the interest, and second, as a cumulative sinking fund for the redemption of the principal; the bonds to be drawn yearly in September to an amount equal to the then surplus of the Subsidy Sinking Fund, the drawn bonds to be paid on November 1, after each drawing and thereby redeeming the whole issue in 1908.

MORTGAGES.

From July 1, 1851, to the end of the year 1854, 7 per cent. bonds were issued to the amount of \$2,378,000.00. These bonds were all subsequently exchanged for capital stock at par.

Between December 31, 1854, and February, 1857, 3,000 (7 per cent) Sterling Bonds (of £225 each) were authorized and issued, amounting to \$3,375,000.00. These bonds were retired by the Company at various times until 1867, there remained 869 with a value of \$977,625.00, which were exchanged for issue of Sterling Mortgage Bonds of 1867.

GENERAL MORTGAGE OF OCTOBER, 1867.

Under this mortgage the Company was authorized to issue 5,000 General Mortgage 7 per cent. Sterling Bonds of £200 each. These bonds were all retired prior to October 1, 1897.

FIRST MORTGAGE OF OCTOBER, 1897.

Which is now in force, authorized issue of 4,000 First Mortgage 4½ per cent. 20-Year Gold Bonds of \$1,000 each.

New York, February 24, 1905.

MEMORANDUM FOR MR. DRAKE RE 4½ PER CENT. BONDS.

How issued or disposed of.

2,000 bonds sold to retire 7 per cent. bonds.
1,087 bonds sold account La Boca Wharf.
265 bonds sold account repairs of ships.
648* bonds balance.
4,000 total authorized issue.

(*) Twenty-two of these were drawn by the Trustees for redemption October 1, 1904, thus leaving 626 unissued bonds in Treasury, as per following statement:

Present standing or location of bonds.
 2,372 bonds in hands of public.
 981 bonds redeemed by Trustees.
 21 bonds in Treasury by purchase.
 626 bonds in Treasury.

 4,000 total authorized issue.

New York, January 17, 1905.

(EXHIBIT B—21.)

PANAMA RAILROAD COMPANY 4½ PER CENT. FIRST MORTGAGE 20-YEAR SINKING FUND GOLD BONDS, DUE OCTOBER 1, 1917.

(Authorized issue, 4,000 bonds of \$1,000 each.)

September 20, 1897—2,000 bonds issued and sold to Vermilye & Co.	
at par, less commission.....	\$1,910,000.00
Less interest September 20 to 30, 1897.....	2,750.00
	<hr/> \$1,907,250.00

Proceeds were applied to the redemption of the 7 per cent.
 General Mortgage Sterling Bonds, due October 10, 1897.

September, 1898—*962 bonds issued in accordance with resolution of Board of Directors, passed at meeting of September 22, 1898, and *pledged with* Panama Canal Company as collateral security for contract cost of new terminal at La Boca.

Drawn for redemption by Trustees and proceeds paid to Canal Co. on account of contract indebtedness.

October 17, 1899—44 bonds at 105 and interest.....	\$47,190.00
October 30, 1900—38 bonds at 105 and interest.....	40,910.00
October 15, 1901—5 bonds at 105 and interest.....	5,362.50

Bonds sold to Vermilye & Co. and proceeds paid to Canal Co.

February 20, 1902—500 bonds at par.....	\$500,000.00
And accrued interest October 1, 1901, to February 20, 1902....	8,687.50

	<hr/> \$508,687.50
April 7, 1902—375 bonds at par.....	\$375,000.00
And accrued interest April 1 to 6 1902.....	281.25
	<hr/> \$375,281.25

April 7, 1902—125 bonds issued and sold to Vermilye & Co. at par....	\$125,000.00
And accrued interest April 1, to 6, 1902.....	93.75

	<hr/> \$125,093.75
Balance (in addition to proceeds of before-mentioned 962 bonds) due and paid Panama Canal Co. in final settlement of account new terminal at La Boca.....	\$5,721.07
Carried to Company's cash on hand.....	119,372.68
	<hr/> \$125,093.75

October 29, 1903—913 bonds issued to the Treasury.

August 22, 1904, 265 of these bonds sold to Vermilye & Co., at 104½ per cent.....	\$276,925.00
And accrued interest April 1 to August 21, 1904.....	4,670.63

	<hr/> \$281,595.63
Proceeds applied to the payment of the cost of repairs to S.S. "Advance" and "Finance."	

* Total, 962 bonds

SUMMARY.

ISSUED.		SOLD.		TREASURY.
September 20, 1897—	2,000 bonds.	September 20, 1897—	2,000 bonds.	
September, 1898—	962 bonds.	October 17, 1899—	44 bonds.	
		October 30, 1900—	38 bonds.	
		October 15, 1901—	5 bonds.	
		February 20, 1902—	500 bonds.	
		April 7, 1902—	375 bonds.	
April 7, 1902—	125 bonds.	April 7, 1902—	125 bonds.	
October 29, 1903—	913 bonds.	August 22, 1904—	265 bonds.	648 bonds.
Total.....	4,000 bonds.		4,000 bonds	
			3,352 bonds.	648 bonds.

(EXHIBIT B—22.)

PANAMA RAILROAD COMPANY, SUMMARY OF OPERATIONS.

Month of December, 1904. Twelve months ending December 31, 1904.

SUMMARY OF EARNINGS AND EXPENSES FOR MONTH OF DECEMBER, 1904.

<i>Earnings.</i>	1904	1903	Increase	Decrease	Per Cent. In. Dc.
Colon to Panama.....	\$81,559.15	\$74,142.87	\$7,416.28	.....	10.03
Panama to Colon.....	49,178.55	41,653.41	7,525.14	.....	18.07
Panama R. R. S. S. Line, Atlantic service	100,095.16	92,260.02	7,835.14	.....	8.49
Joint R. R. and S. S. Receipts	175,673.09	118,264.48	57,408.61	.....	48.54
Total earnings.....	\$406,505.95	\$326,320.78	\$80,185.17	.....	24.57
<i>Expenses.</i>					
Operating railroad....	74,274.26	57,202.81	17,071.45	.....	29.84
Operating S. S. Line, Atlantic service.....	90,220.95	81,212.45	9,008.50	.....	11.09
Joint R. R. and S. S. Expenses	50,124.61	44,580.89	5,543.72	.....	12.44
Panama R. R. S. S. Line, Pacific Service..	.....	3.60	.....	3.60	.....100.00
Total expenses.....	\$214,619.82	\$182,999.75	\$31,620.07	.....	17.28
Earnings over expenses	\$191,886.13	\$143,321.03	\$48,565.10	.....	33.89
Fixed Charges.....	\$42,307.09	\$41,755.84	\$551.25	.....	1.32
Profit	\$149,579.04	\$101,565.19	\$48,013.85	.....	47.27

FOR TWELVE MONTHS ENDING DECEMBER 31, 1904.

<i>Earnings.</i>	1904	1903	Increase	Decrease	Per Cent. In. Dc.
Colon to Panama.....	\$954,125.37	\$707,067.10	\$247,058.27	.....	34.94
Panama to Colon.....	623,211.49	560,503.81	62,707.68	.....	11.19
Panama R. R. S. S. Line, Atlantic service	1,143,276.94	920,579.91	222,697.03	.....	24.19
Joint R. R. and S. S. Receipts	547,257.02	476,065.45	71,191.57	.....	14.95
Panama R. R. S. S. Line, Pacific service..	*11.20	*164.98	*153.78	.....	.....
Total earnings.....	\$3,267,859.62	\$2,664,051.29	\$603,808.33	.....	22.67

* Debit.

Expenses.

Operating railroad.....	\$727,039.24	\$562,240.19	\$164,799.05	.....	29.31	.....
Operating S. S. Line, Atlantic service.....	958,359.95	872,253.78	86,106.17	.....	9.87	.....
Joint R. R. and S. S. Expenses	369,968.60	324,242.56	45,726.04	.....	14.10	.....
Panama R. R. S. S. Line, Pacific service.	236.22	1,601.46	.....	\$1,365.24	.....	85.25
Total expenses.....	\$2,055,604.01	\$1,760,337.99	\$295,266.02	.....	16.77	.....
Earnings over expenses.	\$1,212,255.61	\$903,713.30	\$308,542.31	.....	34.14	.....
Fixed charges.....	\$501,360.62	\$502,645.00	.....	\$1,284.38	.....	.26
Profit	\$710,894.99	\$401,068.30	\$309,826.69	.....	77.25	.....

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES FOR
MONTH OF DECEMBER, 1904.*Earnings.*

<i>Colon to Panama.</i>	1904	1903	Increase.	Decrease.
Freight	\$68,955.01	\$64,976.68	\$3,978.33	.....
Treasure	1,126.97	591.74	535.23	.....
Mails	6,897.92	4,993.93	1,903.99	.....
Extra baggage	1,257.89	678.58	579.31	.....
Passengers	3,321.36	2,901.94	419.42	.....
Total	\$81,559.15	\$74,142.87	\$7,416.28	.....
<i>Panama to Colon.</i>				
Freight	\$44,218.93	\$37,159.80	\$7,059.13	.....
Treasure	983.40	1,226.83	.....	\$243.43
Mails	654.02	400.65	253.37	.....
Extra baggage	1,054.09	578.65	475.44	.....
Passengers	2,268.11	2,287.48	.....	19.37
Total	\$49,178.55	\$41,653.41	\$7,525.14	.....
Total earnings of railroad	\$130,737.70	\$115,796.28	\$14,941.42	.....
<i>Panama Railroad Steamship Line.</i>				
Freight	\$69,378.00	\$71,973.02	.....	\$2,595.02
Treasure	1,206.70	458.29	748.41	.....
Mails	10,401.86	8,705.44	1,696.42	.....
Extra baggage	236.70	174.84	61.86	.....
Passengers	18,620.14	10,933.58	7,686.56	.....
Wines and liquors—				
Sold	\$709.80			
Purchased	545.42			
Miscellaneous	164.38	8.18	156.20	.....
	87.38	6.67	80.71	.....
Total	\$100,095.16	\$92,260.02	\$7,835.14	.....
<i>Joint Railroad and S. S. Receipts.</i>				
Interest and exchange.....	\$24,120.66	\$14,094.51	\$10,026.15	.....
Lighterage	* 1,909.89	3,745.77	.....	\$5,655.66
Water supplied shipping.....	1,445.13	1,732.59	.....	287.46
Rental of property.....	1,888.35	1,988.35	.....	100.00
Wharfage and light dues—Colon	3,806.50	3,653.50	153.00	.....
Wharfage—Panama and La Boca	19,266.84	18,667.75	599.09	.....
Crane earnings, La Boca.....	2,184.50	2,309.10	.....	124.60
Storage and freight handling...	* 1,131.37	51.54	.....	1,182.91
Telegraph	905.25	769.95	135.30	.....
Miscellaneous	252.04	1,016.69	.....	764.95
Ballast	* 26.21	.....	.....	26.21
Profit on coal and material.....	89,830.85	49,112.67	40,718.18	.....
Earnings of machine shops.....	35,040.44	21,121.76	13,918.68	.....
Total	\$175,673.09	\$118,264.48	\$57,408.61	.....
Total earnings	\$406,505.95	\$326,320.78	\$80,185.17	.....

* Debit.

COMPARATIVE STATEMENT OF EXPENSES FOR MONTH OF
DECEMBER, 1904.

<i>Expenses.</i>					
<i>Operating</i>	<i>Expenses of Railroad.</i>	1904	1903	Increase.	Decrease.
General expenses on Isthmus...		\$5,472.23	\$3,449.11	\$2,023.12	.....
Conducting transportation.....		37,832.21	28,772.27	9,059.94	.....
Maintenance of equipment.....		19,770.77	18,740.52	1,030.25	.....
Maintenance of way and structures		11,199.05	6,240.91	4,958.14	.....
Total.....		\$74,274.26	\$57,202.81	\$17,071.45	.....
<i>Panama Railroad Steamship Line.</i>					
Steamer expenses.....		\$58,693.90	\$50,137.53	\$8,556.37	.....
Replacement of boilers and special repairs to steamers.....		3,250.00	750.00	2,500.00	.....
Agency expenses.....		9,189.55	8,237.42	952.13	.....
Charter of steamers.....		19,087.50	22,087.50	.....	\$3,000.00
Total.....		\$90,220.95	\$81,212.45	\$9,008.50	.....
<i>Panama Railroad Steamship Line (Panama-San Francisco.)</i>					
Steamer expenses.....		\$3.60	.....	\$3.60.
Total.....		\$3.60	.....	\$3.60
<i>Joint Railroad and S. S. Expenses.</i>					
General expenses.....		\$8,869.05	\$9,941.77	.....	\$1,072.72
Foreign agency expenses.....		1,102.66	909.53	\$193.13	.....
Losses on cargo.....		532.46	137.34	395.12	.....
Lighterage		7,655.90	5,185.62	2,470.28	.....
Replacement of boilers and special repairs to tugs.....		400.00	400.00	.....	.....
Depreciation of tugs.....		175.00	175.00	.....	.....
Docks and wharves.....		24,851.94	20,407.60	4,444.34	.....
Real estate.....		2,806.88	2,425.55	381.33	.....
Loading and discharging vessels at La Boca.....		2,092.95	2,341.51	.....	248.56
Drawback on Colombian produce.		1,637.77	2,656.97	.....	1,019.20
Total.....		\$50,124.61	\$44,580.89	\$5,543.72	.....
Total expenses.....		\$214,619.82	\$182,999.75	\$31,620.07	.....
<i>Fixed Charges.</i>					
Subsidy to Republic of Panama.		\$2,083.34	.....	\$2,083.34	.....
Subsidy to Republic of Colombia		18,750.00	20,833.34	.....	\$2,083.34
Accrued interest on first mortgage bonds		8,973.75	8,422.50	551.25	.....
Redemption of first mortgage bonds		12,500.00	12,500.00	.....	.....
Total		\$42,307.09	\$41,755.84	\$551.25	.....
Total expenses and fixed charges.....		\$256,926.91	\$224,755.59	\$32,171.32	.....

COMPARATIVE STATEMENT OF EARNINGS FOR TWELVE MONTHS
ENDING DECEMBER 31, 1904.

<i>Earnings.</i>				
<i>Colon to Panama.</i>	1904.	1903.	Increase.	Decrease.
Freight	\$798,054.38	\$607,614.09	\$190,439.39	.....
Treasure	10,656.75	7,900.08	2,755.77	.....
Mails	81,987.10	59,296.41	31,690.69	.....
Extra baggage.....	10,944.26	8,495.64	2,448.62	.....
Passengers	52,482.88	32,759.08	19,723.80	.....
Total	\$954,125.37	\$707,067.10	\$247,058.27	.....
<i>Panama to Colon.</i>				
Freight	\$547,026.52	\$500,010.29	\$47,016.23	.....
Treasure	12,448.82	15,137.63	.....	\$2,688.81
Mails	5,700.46	5,178.00	521.56	.....
Extra baggage.....	9,293.35	7,514.43	1,778.92	.....
Passengers	48,742.34	32,662.56	16,079.78	.....
Total	\$623,211.49	\$560,503.81	\$62,707.68	.....
Total earnings of rail-road	\$1,577,336.86	\$1,267,570.91	\$309,765.95	.....
<i>Panama Railroad Steamship Line.</i>				
Freight	\$789,976.80	\$674,440.02	\$115,536.78	.....
Treasure	9,619.98	5,119.86	4,500.12	.....
Mails	107,987.48	81,015.34	26,972.14	.....
Extra baggage.....	2,934.57	1,905.90	1,028.67	.....
Passengers	227,652.37	154,238.89	73,413.48	.....
Wines and liquors—				
Sold	\$11,230.98			
Purchased	6,905.46			
Miscellaneous	4,325.52	3,366.75	958.77	.....
	780.22	493.15	287.07	.....
Total	\$1,143,276.94	\$920,579.91	\$222,697.03	.....
<i>Panama Railroad Steamship Line (Panama-San Francisco.)</i>				
Freight	*\$11.20	*\$164.98	*\$153.78	.....
Total	\$11.20	\$164.98	\$153.78	.....
<i>Joint Railroad and S. S. Receipts.</i>				
Interest and exchange....	\$61,237.86	\$76,074.60	.....	\$14,836.74
Lighterage	37,968.42	16,322.17	21,646.25	.....
Water supplied shipping...	16,122.95	11,438.83	4,684.12	.....
Rental of property.....	29,033.26	25,235.20	3,798.06	.....
Wharfage and light dues,				
Colon	45,371.50	35,930.00	9,441.50	.....
Wharfage, Panama and La				
Boca	188,872.09	156,778.34	32,093.75	.....
Cranage earnings, La Boca	23,055.64	19,495.19	3,660.45	.....
Storage and freight hand'g	4,051.48	1,961.58	2,089.90	.....
Telegraph	6,052.30	4,381.10	1,671.20	.....
Miscellaneous	10,443.22	5,394.01	5,139.21	.....
Ballast	177.01	.....	177.01	.....
Profit on coal and material	89,830.85	49,112.67	40,718.18	.....
Earnings of machine shops	35,040.44	21,121.76	13,918.68	.....
Refund of taxes improperly				
paid State of New York.	.....	53,000.00	.....	53,000.00
Total	\$547,257.02	\$476,065.45	\$71,191.57	.....
Total earnings.....	\$3,267,859.62	\$2,664,051.29	\$603,808.33	.....

* Debit.

COMPARATIVE STATEMENT OF EXPENSES FOR TWELVE MONTHS
ENDING DECEMBER 31, 1904.

Expenses.

<i>Operating Expenses of Railroad.</i>	1904.	1903.	Increase.	Decrease.
General exp's on Isthmus	\$48,744.17	\$41,356.41	\$7,387.76	.....
Conducting transportation.	413,830.41	338,303.93	75,526.48	.....
Maintenance of equipment.	131,485.17	113,765.69	17,719.48	.....
Maintenance of way and structures	132,979.49	68,814.16	64,165.33	.....
Total	\$727,039.24	\$562,240.19	\$164,799.05	.....

Panama Railroad Steamship Line.

Steamer expenses.....	\$629,128.67	\$519,298.10	\$109,830.57	.....
Replacement of boilers and special repairs to steamers	24,523.20	6,750.00	17,773.20	.....
Agency expenses.....	103,226.05	105,204.52	.....	\$1,978.47
Charter of steamers.....	201,482.03	234,104.17	.....	32,622.14
Expenses Str. <i>Advance</i> out of commission.....	.....	3,676.07	.....	3,676.07
Expenses Str. <i>Finance</i> out of commission .....	.....	3,220.92	.....	3,220.92
Total	\$958,359.95	\$872,253.78	\$86,106.17	.....

*Panama Railroad Steamship Line
(Panama-San Francisco.)*

Steamer expenses.....	\$236.22	\$1,601.46	.....	\$1,365.24
Total	\$236.22	\$1,601.46	.....	\$1,365.24

Joint Railroad and S. S. Expenses.

General expenses.....	\$93,722.63	\$95,257.09	.....	\$1,534.46
Foreign agency expenses..	9,088.83	10,745.24	.....	1,656.41
Losses on cargo.....	10,863.59	12,200.90	.....	1,337.31
Lighterage	77,409.87	38,148.17	\$39,261.70	.....
Replacement of boilers and special repairs to tugs...	4,800.00	4,800.00	.....	.....
Depreciation of tugs.....	2,100.00	2,100.00	.....	.....
Docks and wharves.....	103,579.78	98,453.27	5,126.51	.....
Real estate.....	35,206.60	24,773.74	10,432.86	.....
Loading and discharging vessels at La Boca.....	22,619.18	15,834.02	6,785.16	.....
Drawback on Colombian produce	10,578.12	21,930.13	.....	11,352.01
Total	\$369,968.60	\$324,242.56	\$45,726.04	.....
Total expenses.....	\$2,055,604.01	\$1,760,337.99	\$295,266.02	.....

Fixed Charges.

Subsidy to Republic of Panama	\$25,000.00	.....	\$25,000.00	.....
Subsidy to Republic of Colombia	225,000.00	250,000.00	.....	\$25,000.00
Accrued interest on first mortgage bonds.....	101,360.62	102,645.00	.....	1,284.38
Redemption of first mortgage bonds.....	150,000.00	150,000.00	.....	.....
Total	\$501,360.62	\$502,645.00	.....	\$1,284.38
Total expenses and fixed charges.....	\$2,556,964.63	\$2,262,982.99	\$293,981.64	.....

DETAILS OF EARNINGS, COLON TO PANAMA, MONTH OF DECEMBER, 1904.

FREIGHT.

	TONNAGE.				EARNINGS.				RATE PER TON.	
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.	1904.	1903.
Through—										
From New York.....	8,172 5/40	7,551 34/40	620 11/40	.....	\$30,458.69	\$27,914.02	\$2,544.67	.....	\$3.73	\$3.70
From New Orleans.....	274 16/40	.....	274 16/40	.....	1,371.35	.....	1,371.35	.....	5.00	.....
From Europe.....	8,649 18/40	8,680 9/40	.....	30 31/40	34,552.53	31,888.97	2,663.56	.....	3.99	3.67
Total	17,095 39/40	16,232 3/40	863 36/40	.....	\$66,382.57	\$59,802.99	\$6,579.58	.....	\$3.88	\$3.68
Local—										
Commercial	2,010 36/40	862 28/40	1,148 8/40	.....	8,661.38	4,006.13	4,655.25	.....	\$4.31	\$4.64
Panama Canal Co.....	* 2,471 24/40	167 3/40	2,304 21/40	.....	** 7,329.36	507.94	.....	\$7,837.30	.....	3.04
Company's freight.....	2,399 11/40	714 31/40	1,684 20/40	.....	1,240.42	659.62	580.80	.....	.52	.92
Total	6,881 31/40	1,744 22/40	5,137 9/40	.....	\$2,572.44	\$5,173.69	.....	\$2,601.25	\$0.37	\$2.97
Total freight.....	23,977 30/40	17,976 25/40	6,001 5/40	.....	\$68,955.01	\$64,976.68	\$3,978.33	.....	\$2.88	\$3.61

* Isthmian Canal Commission.

** Debit, account adjustment of business of previous months on basis of 50% of former rates.

DETAILS OF EARNINGS, COLON TO PANAMA, MONTH OF DECEMBER, 1904.

MAILS.

	WEIGHT.				EARNINGS.			
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.
From New York.....	76,000	63,380	12,620	.....	\$5,234.48	\$3,432.91	\$1,801.57	.....
From Europe.....	11,030	14,522	.....	3,492	909.91	1,206.52	.....	\$296.61
Local	27,652	19,852	7,800	.....	753.53	354.50	399.03	.....
Total	114,682	97,754	16,928	.....	\$6,897.92	\$4,993.93	\$1,903.99	.....

TREASURE.

	VALUE.				EARNINGS.			
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.
From New York.....	\$396,389	\$15,062	\$381,327	.....	\$727.63	\$52.99	\$674.64	.....
From Europe.....	59,379	126,634	.....	\$67,255	363.83	537.25	.....	\$173.42
Local:								
Commercial	36,916	1,000	35,916	.....	35.51	1.50	34.01	.....
Total	\$492,684	\$142,696	\$349,988	.....	\$1,126.97	\$591.74	\$535.23	.....

BAGGAGE.

	WEIGHT.				EARNINGS.			
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.
From New York.....	12,009	4,162	7,847	.....	\$190.89	\$70.14	\$120.75	.....
From Europe.....	4,541	3,662	879	.....	136.23	109.86	26.37	.....
Local	48,789	16,673	32,116	.....	930.77	498.58	432.19	.....
Total	65,339	24,497	40,842	.....	\$1,257.89	\$678.58	\$579.31	.....

PASSENGERS.

	NUMBER.				EARNINGS.			
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.
From New York:								
1st Class.....	157	60	97	.....	\$1,219.84	\$549.00	\$670.84	.....
2d Class.....	57	51	6	.....	273.75	245.00	28.75	.....
From Europe:								
1st Class.....	62	61	1	.....	617.08	604.49	12.59	.....
2d Class.....	61	11	50	.....	276.79	36.82	239.97	.....
Local:								
1st Class.....	2,856	95	2,761	.....	*1,667.83	329.75	.....	\$1,997.58
2d Class.....	5,800	2,776	3,024	.....	2,601.73	1,136.88	1,464.85	.....
Total	8,993	3,054	5,939	.....	\$3,321.36	\$2,901.94	\$419.42	.....

* Debit.

DETAILS OF EARNING, COLON TO PANAMA, FOR TWELVE MONTHS ENDING DECEMBER 31, 1904.

FREIGHT.

	TONNAGE.				EARNINGS.				RATE PER TON.	
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.	1904.	1903.
Through—										
From New York.....	93,157 4/40	76,030 18/40	17,126 26/40	.....	\$333,631.10	\$258,871.17	\$74,759.93	.....	\$3.58	\$3.40
From New Orleans.....	1,571 18/40	.....	1,571 18/40	.....	7,440.02	.....	7,440.02	.....	4.73	.....
From Europe.....	82,917 37/40	61,880 32/40	21,037 5/40	.....	316,734.52	248,977.83	67,756.69	.....	3.82	4.02
Total	177,646 19/40	137,911 10/40	39,735 9/40	.....	\$657,805.64	\$507,849.00	\$149,956.64	.....	\$3.70	\$3.68
Local—										
Commercial	26,036 3/40	22,177 00/40	3,859 3/40	.....	\$105,963.83	\$83,318.51	\$22,645.32	.....	\$4.07	\$3.76
Panama Canal Co.....	*13,312 32/40	2,211 25/40	11,101 7/40	.....	24,313.21	6,734.18	17,579.03	.....	1.83	3.04
Company's freight.....	17,344 00/40	24,844 35/40	.....	7,500 35/40	9,971.70	9,713.30	258.40	.....	.57	.39
Total	56,692 35/40	49,233 20/40	7,459 15/40	.....	\$140,248.74	\$99,765.99	\$40,482.75	.....	\$2.47	\$2.03
Total freight.....	234,339 14/40	187,144 30/40	47,194 24/40	.....	\$798,054.38	\$607,614.99	\$190,439.39	.....	\$3.41	\$3.25

* Isthmian Canal Commission, from May 4.

DETAILS OF EARNINGS, COLON TO PANAMA, FOR TWELVE MONTHS END-
ING DECEMBER 31, 1904.

MAILS.

	WEIGHT.				EARNINGS.			
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.
From New York.....	740,532	562,899	177,633	.....	\$62,335.18	\$31,230.90	\$31,104.28	.....
From Europe.....	179,796	186,128	.....	6,332	14,890.16	15,663.03	.....	772.87
Local	234,868	190,950	43,918	.....	4,761.76	3,402.48	1,359.28	.....
Total	1,155,196	939,977	215,219	.....	\$81,987.10	\$50,296.41	\$31,690.69	.....

TREASURE.

	VALUE.				EARNINGS.			
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.
From New York.....	\$1,291,156	\$107,266	\$1,183,890	.....	\$3,004.33	\$462.32	\$2,542.01	.....
From Europe.....	2,240,232	2,369,657	.....	\$156,425	7,443.27	7,357.12	86.15	.....
Local:								
Commercial	151,866	45,183	106,683	.....	207.93	77.54	130.39	.....
Panama Canal.....	2,443	3,333	.....	890	1.22	4.00	.....	2.78
Total	\$3,685,697	\$2,552,439	\$1,133,258	.....	\$10,656.75	\$7,900.98	\$2,755.77	.....

BAGGAGE.

	WEIGHT.				EARNINGS.			
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.
From New York.....	88,967	56,766	32,201	.....	\$1,618.15	\$1,027.22	\$590.93	.....
From Europe.....	42,398	41,657	741	.....	1,271.94	1,249.71	22.23	.....
Local	337,489	264,986	72,503	.....	8,054.17	6,218.71	1,835.46	.....
Total	468,854	363,409	105,445	.....	\$10,944.26	\$8,495.64	\$2,448.62	.....

PASSENGERS.

	NUMBER.				EARNINGS.			
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.
From New York:								
1st Class.....	1,221	773	448	.....	\$10,755.81	\$6,900.31	\$3,855.50	.....
2d Class.....	607	412	195	.....	2,888.65	1,983.75	904.90	.....
From Europe:								
1st Class.....	525	546	.....	21	4,857.40	4,994.06	.....	\$136.66
2d Class.....	348	130	218	.....	1,612.49	630.63	981.86	.....
Local:								
1st Class.....	7,480	997	6,483	.....	9,591.97	3,305.41	6,286.56	.....
2d Class.....	45,985	34,054	11,931	.....	22,776.56	14,944.92	7,831.64	.....
Total	56,166	37,512	18,654	.....	\$52,482.88	\$32,759.08	\$19,723.80	.....

DETAILS OF EARNINGS, PANAMA TO COLON, MONTH OF DECEMBER, 1904.

FREIGHT.

	TONNAGE.				EARNINGS.				RATE PER TON.	
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.	1904.	1903.
Through—										
To New York.....	6,568 20/40	5,605 28/40	962 32/40	.....	\$20,183.94	\$15,448.43	\$4,735.51	.....	\$3.07	\$2.76
To Europe.....	5,192 26/40	4,655 7/40	537 19/40	.....	21,628.71	19,027.51	2,601.20	.....	4.17	4.09
Total	11,761 6/40	10,260 35/40	1,500 11/40	.....	41,812.65	34,475.94	7,336.71	.....	3.56	3.36
Local—										
Commercial:										
La Boca-Panama.....	1,037 13/40	677 12/40	360 1/40	.....	534.49	337.77	196.72	.....	.51	.50
Panama-Colon	250 22/40	442 9/40	.....	191 27/40	1,981.23	1,971.25	9.98	.....	7.91	4.46
Panama Canal Co.....	735 38/40	12 28/40	723 10/40	.....	361.21	157.44	.....	518.65	....	12.40
Company's freight	619 6/40	563 28/40	55 18/40	.....	251.77	217.40	34.37	.....	.41	.39
Total	2,642 39/40	1,695 37/40	947 2/40	.....	\$2,406.28	\$2,683.86	.....	\$277.58	\$0.91	\$1.58
Total freight.....	14,404 5/40	11,956 32/40	2,447 13/40	.....	\$44,218.93	\$37,159.80	\$7,059.13	.....	\$3.07	\$3.11

* Isthmian Canal Commission.

°Debit Account adjustment of business of previous months on basis of 50% of former rates.

DETAILS OF EARNINGS, PANAMA TO COLON, MONTH OF DECEMBER, 1904.

MAILS.

	WEIGHT.				EARNINGS.			
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.
To New York.....	8,718	6,683	2,035	.....	\$454.06	\$331.91	\$122.15	.....
To Europe.....	758	704	54	.....	75.48	67.24	8.24	.....
Local	1,201	.....	1,201	.....	124.48	1.50	122.98	.....
Total	10,677	7,387	3,290	.....	\$654.02	\$400.65	\$253.37	.....

TREASURE.

	VALUE.				EARNINGS.			
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.
To New York.....	\$66,973	\$58,062	\$8,911	.....	\$245.94	\$220.11	\$16.83	.....
To Europe.....	241,940	350,334	.....	\$108,394	763.93	974.45	.....	210.52
Local:								
Commercial	1,000	8,680	.....	7,680	1.50	13.01	.....	11.51
Panama Canal.....	60,000	20,522	39,478	.....	*27.97	10.26	.....	38.23
Total	\$369,913	\$437,598	.....	\$67,685	\$983.40	\$1,226.83	.....	\$243.43

BAGGAGE.

	WEIGHT.				EARNINGS.			
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.
To New York.....	1,705	1,335	370	.....	\$31.94	\$25.19	\$6.75	.....
Local	41,675	20,205	21,470	.....	1,022.15	553.46	468.69	.....
Total	43,380	21,540	21,840	.....	\$1,054.09	\$578.65	\$475.44	.....

PASSENGERS.

	NUMBER.				EARNINGS.			
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.
To New York:								
1st Class.....	47	41	6	.....	\$377.83	\$377.68	\$0.15	.....
2d Class.....	85	62	23	.....	536.25	306.25	230.00	.....
To Europe:								
1st Class.....	5	11	.....	6	49.08	167.93	.....	\$118.85
2d Class.....	11	2	9	.....	55.00	10.00	45.00	.....
Local:								
1st Class.....	3,043	82	2,961	.....	*1,527.07	253.23	.....	1,780.30
2d Class.....	5,911	3,078	2,833	.....	2,777.02	1,172.39	1,604.63	.....
Total	9,102	3,276	5,826	.....	\$2,268.11	\$2,287.48	.....	\$19.37

* Debit.

DETAILS OF EARNINGS, PANAMA TO COLON, FOR TWELVE MONTHS ENDING DECEMBER 31, 1904.

FREIGHT.

	TONNAGE.				1904.	1903.	Increase.	Decrease.	1904.	1903.
	1904.	1903.	Increase.	Decrease.						
Through—										
To New York.....	74,198 13/40	71,940 00/40	2,258 13/40	.....	\$206,284.18	\$210,010.98	.....	\$3,726.80	\$2.78	\$2.92
To Europe.....	85,485 16/40	71,575 33/40	13,909 23/40	.....	312,516.33	264,168.17	\$48,348.16	.....	3.66	3.69
Total	159,683 29/40	143,515 33/40	16,167 36/40	.....	518,800.51	474,179.15	44,621.36	.....	3.25	3.30
Local—										
Commercial:										
La Boca-Panama.....	8,855 19/40	6,653 22/40	2,201 37/40	.....	4,521.10	3,298.05	1,223.05	.....	51	50
Panama-Colon	2,429 32/40	3,485 33/40	.....	1,056 1/40	19,632.68	19,456.73	175.95	.....	8.08	5.58
Panama Canal Co.....	*1,992 28/40	24 35/40	1,967 33/40	.....	1,542.70	220.19	1,322.51	.....	77	8.85
Company's freight.....	6,306 32/40	7,885 27/40	.....	1,578 35/40	2,529.53	2,856.17	.....	326.64	40	36
Total	19,584 31/40	18,049 37/40	1,534 34/40	.....	\$28,226.01	\$25,831.14	\$2,394.87	.....	\$1.44	\$1.43
Total freight.....	179,268 20/40	161,565 30/40	17,702 30/40	.....	\$547,026.52	\$500,010.29	\$47,016.23	.....	\$3.05	\$3.09

*Isthmian Canal Commission, from May 4.

DETAILS OF EARNINGS, PANAMA TO COLON, FOR TWELVE MONTHS END-
ING DECEMBER 31, 1904.

MAILS.

	WEIGHT.				EARNINGS.			
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.
To New York.....	91,990	78,932	13,058	.....	\$4,625.45	\$4,414.23	\$211.22	.....
To Europe.....	9,405	6,956	2,509	.....	925.95	741.17	184.78	.....
Local	1,423	14	1,409	.....	149.06	23.50	125.56	.....
Total	102,878	85,902	16,976	.....	\$5,700.46	\$5,178.90	\$521.56	.....

TREASURE.

	VALUE.				EARNINGS.			
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.
To New York.....	\$1,998,442	\$942,212	\$156,230	.....	\$4,183.35	\$3,754.14	\$429.21	.....
To Europe.....	2,752,383	3,997,770	.....	1,155,387	8,010.77	11,046.71	.....	.....
Local:								
Commercial	57,451	119,853	.....	62,402	124.86	183.40	.....	58.54
Panama Canal.....	401,370	304,986	96,384	.....	129.84	153.38	.....	23.54
Total	\$4,309,646	\$5,274,821	.....	\$965,175	\$12,448.82	\$15,137.63	.....	\$2,688.81

BAGGAGE.

	WEIGHT.				EARNINGS.			
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.
To New York.....	36,886	23,861	13,025	.....	\$691.52	\$457.59	\$233.93	.....
Local	319,509	243,639	75,870	.....	8,601.83	7,056.84	1,544.99	.....
Total	356,395	267,500	88,895	.....	9,293.35	7,514.43	1,778.92	.....

PASSENGERS.

	NUMBER.				EARNINGS.			
	1904.	1903.	Increase.	Decrease.	1904.	1903.	Increase.	Decrease.
To New York:								
1st Class.....	1,062	819	243	.....	\$9,255.02	\$7,441.36	\$1,813.66	.....
2d Class.....	1,099	852	247	.....	5,475.83	4,161.25	1,314.58	.....
To Europe:								
1st Class.....	176	187	.....	11	1,540.74	1,663.69	.....	\$122.95
2d Class.....	140	77	63	.....	653.15	381.25	271.90	.....
Local:								
1st Class.....	7,829	1,314	6,515	.....	9,488.81	3,809.21	5,679.60	.....
2d Class.....	47,318	37,104	10,214	.....	22,328.79	15,205.80	7,122.99	.....
Total	57,624	40,353	17,271	.....	\$48,742.34	\$32,662.56	\$16,079.78	.....

EXPENSES IN DETAIL.
GENERAL EXPENSES, ISTHMUS AGENCY.

SUB ACCOUNTS.	1904. Month of December.	1903. Month of December.	1904. 12 Months to Dec. 31.	1903. 12 Months to Dec. 31.
101. Advertising .....	.....	.....	\$30.94	\$7.63
102. Clerks and attendants, salaries of.....	\$1,529.41	\$1,015.87	13,424.47	12,111.21
103. Cablegrams	227.01	52.16	921.30	497.71
104. Hospital service.....	1,170.89	622.01	11,047.51	9,225.95
105. Incidentals	155.02	.....	879.58	62.07
106. Legal expenses.....	266.00	238.45	3,248.71	1,837.70
107. Miscellaneous	886.32	415.91	4,806.75	4,001.06
108. Officers, salaries of.....	950.00	900.00	11,248.99	11,062.94
109. Office expenses and supplies	200.03	139.60	1,727.24	1,385.17
110. Stationery and printing....	87.55	65.11	1,408.68	1,164.97
Total.....	\$5,472.23	\$3,449.11	\$48,744.17	\$41,356.41

CONDUCTING TRANSPORTATION.

SUB ACCOUNTS.	1904. Month of December.	1903. Month of December.	1904. 12 Months to Dec. 31.	1903. 12 Months to Dec. 31.
115. Advertising	\$127.00	\$105.83	\$1,439.56	\$1,273.96
116. Clearing wrecks.....	.....	.....	53.03	27.47
117. Engineers and firemen.....	3,280.03	2,466.82	32,477.40	28,685.87
118. Fuel for locomotives.....	4,760.06	3,712.73	45,100.65	38,378.50
119. Freight agent and clerks, Colon	1,661.80	1,529.57	18,792.03	17,368.73
120. Freight agent and clerks, Panama and La Boca...	2,397.71	2,439.02	30,293.68	29,001.14
121. Injuries to persons.....	.....	.....	402.64	154.75
122. Incidentals	56.10	42.33	690.39	535.20
123. Labor, Colon station.....	6,699.60	3,424.10	63,862.96	42,771.54
124. Labor, Panama station and La Boca	6,443.11	4,591.09	77,448.74	60,062.52
125. Oil, tallow and waste.....	166.91	140.65	1,772.34	1,392.60
126. Other supplies for locomotives	142.66	79.79	1,166.54	684.13
127. Roundhouse men.....	581.91	588.92	7,255.55	7,100.48
128. Superintendence and clerks	346.00	356.40	4,104.24	4,253.32
129. Switchmen, yardmen and yard watchmen.....	4,386.65	3,407.91	48,941.03	41,235.31
130. Station agents and clerks..	1,290.32	1,564.55	15,871.63	17,155.51
131. Station supplies and expenses	1,077.94	1,374.33	17,051.00	11,117.07
132. Stationery and printing....	328.97	255.13	4,764.88	3,324.35
133. Train conductors, baggage-men, flagmen and brakemen	2,341.86	1,562.56	21,633.18	16,498.59
134. Train supplies and expenses	334.04	206.98	4,294.49	3,262.95
135. Telegraph expenses.....	902.50	585.05	10,500.77	8,825.30
136. Water supply for locomotives	440.18	291.58	4,644.16	4,578.65
137. Rent of buildings, etc.....	66.86	46.93	1,269.52	1,055.99
Total	\$37,832.21	\$28,772.27	\$413,830.41	\$338,303.93

MAINTENANCE OF EQUIPMENT.

SUB ACCOUNTS.	1904. Month of December.	1903. Month of December.	1904. 12 Months to Dec. 31.	1903. 12 Months to Dec. 31.
150. Freight cars, repairs and renewals of.....	\$5,689.18	\$6,076.06	\$46,387.85	\$44,533.87
152. Locomotives, repairs and renewals of	10,491.73	9,655.92	46,157.11	36,761.97
153. Passenger cars, repairs and renewals of.....	1,710.16	1,101.29	14,609.09	12,571.57
154. Superintendence and clerks	1,198.38	1,032.65	12,445.73	11,545.96
155. Stationery and printing....	11.52	9.95	244.30	227.72
156. Shop expenses.....	90.83	51.67	734.04	740.66
157. Shop, machinery and tools, repairs and renewals of.	555.42	408.08	8,972.48	5,259.34
158. Work-cars, repairs and renewals of.....	23.55	404.90	1,934.57	2,124.60
Total	\$19,770.77	\$18,740.52	\$131,485.17	\$113,765.69

EXPENSES IN DETAIL.—MAINTENANCE OF WAY AND STRUCTURES.

SUB ACCOUNTS.	1904. Month of December.	1903. Month of December.	1904. 12 Months to Dec. 31.	1903. 12 Months to Dec. 31.	SUB ACCOUNTS.	1904. Month of December.	1903. Month of December.	1904. 12 Months to Dec. 31.	1903. 12 Months to Dec. 31.
170. Bridges and culverts, re- pairs and renewals of...	\$638.18	\$1,605.30	\$10,208.14	\$8,428.52	180. Station buildings, repairs and renewals of.....	\$2,476.60	\$390.67	\$22,240.09	\$4,075.57
171. General Offices, repairs and renewals of.....	120.29	20.76	1,514.10	297.92	181. Shop buildings, water and fuel stations, repairs and renewals of.....	1,537.91	901.47	17,725.87	16,449.18
172. Incidentals	24.42	4.07	117.47	202.07	182. Stationery and printing....	33.53	5.24	332.26	145.35
173. Machinery and tools, re- pairs and renewals of...	351.39	82.37	2,000.93	1,424.68	183. Section houses, tool houses, etc., repairs and re- newals of.....	.....	.....	84.35	59.14
174. Rails, renewals of.....	3,558.41	10.13	18,385.21	*8.38	184. Ties, renewals of.....	43.79	229.12	11,672.21	1,234.72
175. Roadway and track, re- pairs of.....	*537.96	1,756.92	26,941.65	21,263.44	185. Telegraph, repairs and re- newals of	135.35	220.94	2,378.26	2,866.21
176. Road crossings, signs and cattle guards, repairs and renewals of.....	.....	.....	48.09	26.08	186. Weeds, brush, grass, etc., removal of.....	857.87	64.19	3,564.70	1,570.45
177. Superintendence and clerks.	767.02	753.50	8,791.33	8,621.19					
178. Switches and frogs, re- newals of.....	936.68	129.74	2,014.25	1,085.64					
179. Spikes and rail fastenings, renewals of.....	255.57	66.49	4,960.58	1,072.38					
					Total.....	\$11,199.05	\$6,240.91	\$132,979.49	\$68,814.16

* Credits.

PANAMA R. R. S. S. LINE, TONNAGE AND PASSENGERS CARRIED.
TONNAGE.

	MONTH OF DECEMBER								TWELVE MONTHS TO DECEMBER 31.							
	Ships.	1904.	Ships.	1903.	Ships.	Inc.	Ships.	Dec.	Ships.	1904.	Ships.	1903.	Ships.	Inc.	Ships.	Dec.
Panama R. R. Ships:																
Arrived	2	2,371	1	1,432	1	939	.	....	24	34,798	14	20,707	10	14,091	.	....
Sailed	2	4,227	1	1,787	1	2,440	.	....	25	48,670	13	20,553	12	28,117	.	....
Chartered Passenger Ships:																
Arrived	2	3,413	3	5,125	.	....	1	1,712	30	41,402	36	55,275	..	....	6	13,873
Sailed	3	5,623	4	6,655	.	....	1	1,032	30	58,930	37	61,774	..	....	7	2,844
Total	9	15,634	9	14,999	.	635	.	....	109	183,800	100	158,309	9	25,491	.	....
PASSENGERS.																
Panama R. R. Ships:																
Arrived	2	71	1	31	1	40	.	....	23	1,167	14	712	9	455	.	....
Sailed	2	122	1	28	1	94	.	....	24	1,355	13	384	11	971	.	....
Chartered Ships:																
Arrived	2	100	3	105	.	....	1	5	30	1,738	36	1,554	..	184	6	....
Sailed	3	165	4	132	.	33	1	....	30	1,425	37	1,165	..	260	7	....
Total	9	458	9	296	.	162	.	....	107	5,685	100	3,815	7	1,870	.	....

EXPENSES IN DETAIL.

STEAMER EXPENSES, PANAMA R. R. S. S. LINE.

SUB ACCOUNTS.	New York.	Colon.	1904.	1903.	1904.	1903.
			Month of December.	Month of December.	12 Months to Dec. 31.	12 months to Dec. 31.
2. Custom house and port charges....	*\$128.03	\$340.12	\$212.09	\$1,013.51	\$5,753.08	\$13,823.58
3. Docking .....	.....	.....	.....	.....	120.45	149.25
4. Equipment, Deck Department.....	633.62	.....	633.62	85.47	7,712.64	1,713.55
5. Equipment and spare machinery, En- gine Department	40.01	.....	40.01	20.75	1,584.18	308.67
6. Equipment, Commissary Department.	169.39	.....	169.39	56.87	11,890.54	1,037.51
7. Fuel	10,895.20	291.25	11,186.45	12,148.42	121,826.66	117,375.47
8. Feeding passengers and crew.....	7,657.47	206.53	7,864.00	7,221.34	86,100.13	66,725.89
9. Incidentals	268.76	1.75	270.51	589.92	2,032.66	2,629.95
10. Injuries to persons.....	47.40	38.24	85.64	34.61	622.39	889.23
11. Labor on cargo.....	9,597.56	6,447.81	16,045.37	11,265.56	135,700.59	105,660.53
12. Labor on coal.....	1,569.95	9.00	1,578.95	1,372.98	14,792.78	13,023.69
13. Labor on ashes.....	53.00	.....	53.00	94.50	1,137.70	1,209.50
14. Loss on damage.....	116.19	94.66	210.85	514.37	3,860.41	5,449.15
15. Oil and waste.....	254.47	92.10	346.57	271.26	2,815.71	2,376.68
16. Painting ship's bottom.....	540.00	.....	540.00	.....	998.60	545.50
17. Pilotage and towage.....	867.06	.....	867.06	900.66	8,887.85	7,816.03
18. Quarantine	40.00	.....	40.00	75.00	660.00	797.50
19. Repairs, Deck Department.....	898.68	62.85	961.53	134.62	8,567.76	4,631.44
20. Repairs, Engine Department.....	2,568.52	88.16	2,656.68	489.43	16,511.61	11,070.32
21. Repairs, Commissary Department...	135.19	11.22	146.41	73.55	3,464.79	797.68
22. Stores, Deck Department.....	605.33	.....	605.33	221.91	5,573.53	3,254.81
23. Stores, Engine Department.....	196.86	.....	196.86	144.89	3,955.45	2,338.55
24. Stores, Commissary Department.....	202.70	9.87	212.57	172.71	2,420.58	1,865.94
25. Stores, Surgeon's Department.....	39.41	.....	39.41	21.72	366.74	380.14
26. Stationery, and printing.....	36.28	2.72	39.00	100.58	1,061.76	756.57
27. Telegrams and cables.....	21.66	40.36	62.02	37.09	933.22	925.17
28. Wages.....	9,896.84	.....	9,896.84	10,932.91	144,454.54	131,273.92
30. Water.....	.....	1,400.25	1,400.25	1,121.73	14,914.10	9,352.35
31. Washing	358.91	18.21	377.12	322.00	4,028.93	3,044.09
33. Insurance	1,956.37	.....	1,956.37	699.08	16,379.29	8,075.44
Total	\$49,538.80	\$9,155.10	\$58,693.90	\$50,137.53	\$629,128.67	\$519,298.10

AGENCY EXPENSES, PANAMA R. R. S. S. LINE.

SUB ACCOUNTS.	New York.	Colon.	1904.	1903.	1904.	1903.
			Month of December.	Month of December.	12 Months to Dec. 31.	12 months to Dec. 31.
50. Advertising, newspapers.....	\$22.50	\$79.25	\$101.75	\$218.94	\$2,602.54	\$2,613.98
51. Buildings, docks and wharves, re- pairs and rent of.....	2,069.79	1,505.00	3,574.79	3,274.69	40,752.19	45,820.76
52. Buildings, docks and wharves, other expenses	456.59	155.39	611.98	398.43	6,376.43	5,844.44
55. Insurance .....	.....	.....	.....	.....	1,164.75	1,606.75
56. Injuries to persons.....	.....	.....	.....	.....	.....	1.50
57. Incidentals .....	.....	.....	.....	.....	57.35	65.00
58. Labor, general.....	1,682.40	31.50	1,713.90	1,427.25	17,148.75	15,360.82
59. Legal services and expenses.....	.....	.....	.....	.....	5.00	.....
60. Loss and damage.....	4.63	5.40	10.03	.....	10.53	83.85
61. Salaries of agents and clerks.....	2,270.50	519.20	2,789.70	2,652.35	31,209.25	31,138.57
62. Stationery and printing.....	282.54	.....	282.54	176.37	2,693.90	1,616.57
63. Telegrams and cables.....	4.86	.....	4.86	6.05	83.14	52.26
64. Taxes .....	.....	100.00	100.00	83.34	1,122.22	1,000.02
Total	\$6,793.81	\$2,395.74	\$9,189.55	\$8,237.42	\$103,226.05	\$105,204.52

* Credits.

EXPENSES IN DETAIL.
GENERAL EXPENSES, NEW YORK.

SUB ACCOUNTS.	1904. Month of December	1903. Month of December	1904. 12 Months to Dec. 31	1903. 12 Months to Dec. 31
80. Advertising folders and posters...	\$0.30	\$3.15	\$541.54	\$259.22
81. Advertising, general.....	.....	41.10	264.70	335.16
82. Clerks, salaries of.....	1,989.99	1,730.93	20,478.08	18,811.86
83. Directors' and committees' fees...	810.00	985.00	9,730.00	10,325.00
84. General offices, repairs and rent of	305.55	305.56	3,666.60	3,600.01
85. General offices, other expenses...	337.71	202.17	2,576.99	2,415.00
86. Incidentals	207.50	471.65	1,962.99	1,525.75
87. Legal services and expenses.....	1,525.45	1,999.33	8,193.35	10,919.48
88. Officers, salaries of.....	3,268.33	3,218.33	39,084.99	38,635.00
89. Stationery and printing.....	186.05	113.80	1,326.90	1,215.11
90. Telegrams and cables.....	238.17	323.08	2,015.93	1,390.41
Total	\$8,869.05	\$9,394.10	\$89,842.07	\$89,432.00

GENERAL EXPENSES, EUROPEAN DEPARTMENT, NEW YORK.

82. Clerks, salaries of.....	.....	88.37	29.77	217.63
85. General offices, other expenses...	.....	.97	11.62	8.31
88. Officers, salaries of.....	.....	458.33	3,666.67	5,500.00
89. Stationery and printing.....	.....	.....	.....	5.25
90. Telegrams and cables.....	.....	.....	172.50	93.90
Total .....	.....	\$547.67	\$3,880.56	\$5,825.09

AGENCY EXPENSES

SUB ACCOUNTS.	San Fr.to Agency Expenses.	Foreign Agency Expenses.	1904. Month of Dec.	1903. Month of Dec.	1904. 12 Mos.to Dec. 31.	1903. 12 Mos.to Dec. 31.
51. Buildings, docks and wharves, other expenses	33.05	.....	33.05	28.25	181.17	264.65
52. Buildings, docks and wharves, repairs and rent of.....	\$40.00	.....	\$40.00	\$50.00	\$480.00	\$575.00
53. Commissions, passengers	\$201.08	.....	201.08	114.39	1,879.86	1,202.17
57. Incidentals	306.80	.....	306.80	5.40	864.55	621.00
59. Legal services and expenses	50.00	.....	50.00	100.00	50.00	200.00
61. Salaries of agents and clerks	215.00	250.00	465.00	606.10	5,470.59	7,811.10
62. Stationery and printing.....	5.75	.....	5.75	5.35	77.22	35.85
63. Telegrams and cables...	.98	.....	.98	.04	84.59	35.47
64. Taxes .....	.....	.....	.....	.....	.85	.....
Total.....	\$344.78	\$757.88	\$1,102.66	\$909.53	\$9,088.83	\$10,745.24

LIGHTERAGE EXPENSES.

SUB ACCOUNTS.	1904. Month of December.	1903. Month of December.	1904. 12 Months to Dec. 31.	1903. 12 Months to Dec. 31.
200. Fuel and water.....	\$739.04	\$557.66	\$7,695.41	\$8,459.74
202. Incidentals .....	.....	15.00	.....	15.00
203. Labor on cargo, Panama.....	858.85	676.71	12,557.76	7,064.15
204. Labor on cargo, Isla de Naos....	209.77	13.08	2,336.31	888.54
206. Lighters, repairs and renewals of	2,091.79	775.07	25,681.45	2,378.70
207. Other lighterage equipment, repairs and renewals of.....	816.89	310.13	6,513.00	2,842.34
208. Supplies	386.65	43.60	3,715.53	454.07
209. Superintendence and clerks.....	175.00	275.00	3,077.14	3,290.32
210. Subsistence tugs.....	186.00	160.00	2,064.66	1,844.59
211. Subsistence laborers, Isla de Naos	.....	.....	873.52	45.00
212. Tugs, repairs and renewals of....	1,528.60	1,747.97	5,327.82	3,596.44
213. Tugs, expenses while out of commission .....	.....	43.90	637.70	497.39
214. Wages of crews.....	663.31	567.50	6,929.57	6,771.89
Total.....	\$7,655.90	\$5,185.62	\$77,409.87	\$38,148.17

EXPENSES IN DETAIL.

DOCKS AND WHARVES.

SUB ACCOUNTS.		1904. Month of December.	1903. Month of December.	1904. 12 Months to Dec. 31.	1903. 12 months to Dec. 31.
220.	Docks and wharves, Colon, repairs and renewals of....	\$866.14	\$224.95	\$9,738.33	\$13,505.98
221.	Docks and wharves, Panama, repairs and renewals of...	19.29	102.85	12,371.20	5,971.22
222.	Harbor master and lighthouse keeper	72.50	79.25	876.45	884.51
224.	Lighthouse, supplies.....	6.95	10.03	80.14	91.75
225.	La Boca pier, repairs and renewals of.....	1,974.42	377.61	9,486.04	1,454.87
226.	La Boca basins, dredging of..	5,319.60	2,857.78	32,712.35	43,668.87
227.	Clapets and dredges, repairs and renewals of.....	15,615.48	16,170.23	31,971.75	25,503.27
228.	Buoys, repairs and renewals of .....	.....	.....	255.15	395.12
229.	Rental of dredges, clapets, etc.	977.56	584.90	6,088.37	6,977.68
Total.....		\$24,851.94	\$20,407.60	\$103,579.78	\$98,453.27

REAL ESTATE.

SUB ACCOUNTS.		1904. Month of December.	1903. Month of December.	1904. 12 Months to Dec. 31.	1903. 12 months to Dec. 31.
230.	Colon buildings, repairs and renewals of.....	\$1,698.27	\$1,562.42	\$22,556.65	\$12,595.85
231.	Colon buildings, repairs of existing furniture	283.50	57.31	1,943.81	1,045.05
232.	Legal and other expenses....	821.04	805.82	10,429.15	10,589.62
233.	Freight on water.....	4.07	.....	276.99	543.22
Total.....		\$2,806.88	\$2,425.55	\$35,206.60	\$24,773.74

LOADING AND DISCHARGING VESSELS AT LA BOCA.

SUB ACCOUNTS.		1904. Month of December.	1903. Month of December.	1904. 12 Months to Dec. 31.	1903. 12 months to Dec. 31.
250.	Transporters, La Boca pier, fuel, water and supplies...	\$78.26	\$79.83	\$1,370.44	\$2,014.69
251.	Transporters, La Boca pier, repairs and renewals of...	1,066.02	1,497.21	9,387.57	5,275.51
252.	Labor on pier.....	900.40	715.12	10,682.20	7,952.19
255.	Other supplies and expenses..	.....	.....	91.59	62.45
256.	Expenses transferring freight, by lighters, between ships lying at wharf and shore..	48.27	49.35	1,087.38	529.18
Total.....		\$2,092.95	\$2,341.51	\$22,619.18	\$15,834.02

STEAMER EXPENSES, PACIFIC LINE.

SUB ACCOUNTS.		San Francisco.	Panama.	1904. Month of December.	1903. Month of December.	1904. 12 Months to Dec. 31.	1903. 12 Months to Dec. 31.
14.	Loss and damage. ....	.....	.....	.....	\$3.60	\$236.22	\$1,512.43
22.	Stores, deck dept. ....	.....	.....	.....	.....	.....	89.03
Total.....		.....	.....	.....	\$3.60	\$236.22	\$1,601.46

(EXHIBIT B—23.)

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

Answer.—The Ward Line steamers do not run to South American ports. We submit their tariffs:

New York to Vera Cruz and Tampico, Mexico, dated October 1, 1903.

New York to Progreso, Mexico, January 2, 1905.

New York to Havana and Santiago, Cuba, their letter dated February 3. They have no printed copies of tariffs for distribution at the present time.

R. L. WALKER,
Traffic Manager.

THE NEW YORK AND CUBA MAIL STEAMSHIP COMPANY, WARD LINE,
FREIGHT TARIFF.

NEW YORK TO VERA CRUZ AND TAMPICO.

Effective October 1, 1903. Subject to Change Without Notice.

Acids, carboys.....	each,	\$2.00
Acids, in iron drums.....	per 100 lbs.,	.50
Animals, cattle.....	per head,	60.00
Animals, horses.....	per head,	75.00
Animals, dogs.....	per head,	10.00
Animals, calves, in crates.....	per cu. ft.,	.25
Animals, hogs, in crates.....	per cu. ft.,	.25
Asphalt.....	per 100 lbs.,	.25
Apples.....	per bbl.,	1.25
Barley.....	per 100 lbs.,	.30
Beer, ale or porter, bottled.....	per cu. ft.,	.12½
Bran.....	per 100 lbs.,	.40
Brick, fire or common.....	per 1,000,	15.00
Cartridges.....	per 100 lbs.,	1.50
Caustic Soda.....	per 100 lbs.,	.25
Cement.....	per 100 lbs.,	.25
Chimneys, lamp.....	per cu. ft.,	.12½
Clay, fire or common.....	per 100 lbs.,	.25
Cocoa.....	per 100 lbs.,	.40
Copper Ingots, pigs and sheets.....	per 100 lbs.,	.30
Corkwood.....	per cu. ft.	.12½
Corn.....	per bushel,	.10
Cotton.....	per 100 lbs.,	.35
Crackers, in bbls. or cases.....	per cu. ft.	.12
Deck Freight, N. O. S.....	per cu. ft.,	.20
Empty bbls.....	per cu. ft.	.09
Flour, in bbls.....	per bbl.	.75
Furniture, K. D. boxed or in bdles.....	per cu. ft.,	.12½
Glassware, common.....	per cu. ft.,	.12½
Glass, window.....	per 100 lbs.,	.40
Grease, axle.....	per 100 lbs.,	.30
Grease.....	per 100 lbs.,	.30
Grindstones.....	per 100 lbs.,	.30
Gunpowder.....	per lb.,	.03
Hay.....	per bale,	1.25
Hay, compressed.....	per bale,	.70
Houses, portable.....	per cu. ft.,	.10
Iron and Steel, band, bar, boiler rod and tank, bolts, butts, hinges, nails, nuts, rivets, screws, spikes and washers.....	per 100 lbs.,	.30
Iron Beams and Girders. (See Machinery.)		
Iron Pipe.....	per 100 lbs.,	.30
Iron Pipe Fitting.....	per 100 lbs.,	.30
Iron, Pig.....	per 100 lbs.,	.25
Lamps, Lanterns and Fixtures.....	per cu. ft.,	.12½
Lath and Shingles.....	per cu. ft.,	.10
Lead, in pigs or sheets.....	per 100 lbs.,	.30
Lead Pipe.....	per 100 lbs.,	.30
Lumber, white pine.....	per 1,000 ft.,	8.00
Lumber, hardwood.....	per 1,000 ft.,	9.00
Lard.....	per 100 lbs.,	.30
Machinery, piece or package under 2,000 lbs.....	per 100 lbs.,	.40

Machinery, piece or package under 2/4,000 lbs.....	per 100 lbs.,	\$0.50
Machinery, piece or package under 4/6,000 lbs.....	per 100 lbs.,	.60
Machinery, piece or package under 6/8,000 lbs.....	per 100 lbs.,	.75
Machinery, piece or package under 8/12,000 lbs.....	per 100 lbs.,	1.00
Machinery, piece or package under 12/20,000 lbs.....	per 100 lbs.,	1.25
Machinery, lots of 25 tons and up, pieces or pkgs. under 2,000 lbs	per 100 lbs.,	.35
Any piece or package of the above subject to measurement will be charged at the rate of 15 cents per cubic foot, if paying ship better than weight rate.		
Marble Dust.....	per 100 lbs.,	.30
Meat.....	per bbl.,	.75
Measurement Goods.....	per cu. ft.,	.15
Nails.....	per 100 lbs.,	.30
Oil, cotton seed, kerosene, lubricating, myrabane and lard.....	per 100 lbs.,	.30
Oil, N. O. S.....	per 100 lbs.,	.40
Paints.....	per 100 lbs.,	.30
Paper Stock, strawboard, in compressed bales,.....	per 100 lbs.,	.30
Paper, straw.....	per cu. ft.,	.14
Paraffine Wax.....	per 100 lbs.,	.30
Pianos and Organs.....	per cu. ft.,	.20
Pipe, earthen sewer, O. R.....	per 100 lbs.,	.30
Pitch.....	per 100 lbs.,	.30
Plaster, in bbls.....	per 100 lbs.,	.30
Potash.....	per 100 lbs.,	.30
Rails and Fish Plates.....	per 100 lbs.,	.20
Rice.....	per 100 lbs.,	.25
Rosin.....	per 100 lbs.,	.30
Safes, under 2,000 lbs.....	per 100 lbs.,	.75
Safes, from 2/5,000 lbs.....	per 100 lbs.,	1.00
Safes, over 5,000 lbs.....	per 100 lbs.,	1.50
Salt.....	per 100 lbs.,	.25
Sand, in bbls.....	per 100 lbs.,	.25
Sewing Machines.....	per cu. ft.,	.12 1/2
Shooks, box.....	per cu. ft.,	.10
Soap Stock.....	per 100 lbs.,	.30
Soda, ash.....	per 100 lbs.,	.25
Specie.....	under \$10,000,	1/2%
Specie, \$10,000 and under \$50,000.....		3/8%
Specie, \$50,000 and under \$100,000.....		1/2%
Specie, \$100,000 and upward.....		3-16%
Spikes.....	per 100 lbs.,	.30
Staples.....	per 100 lbs.,	.30
Stearine.....	per 100 lbs.,	.30
Sulphur.....	per 100 lbs.,	.30
Tallow.....	per 100 lbs.,	.30
Talcum.....	per 100 lbs.,	.30
Tar.....	per 100 lbs.,	.30
Tobacco.....	per 100 lbs.,	.40
Trunks.....	per cu. ft.,	.12
Turpentine.....	per 100 lbs.,	.30
Valuation.....		1%
Varnish.....	per 100 lbs.,	.30
Vegetables, not deck freight.....	per 100 lbs.,	.50
Weight Goods, N. O. S.....	per 100 lbs.,	.40
Wheat, whole or crushed.....	per 100 lbs.,	.25
Whiting.....	per 100 lbs.,	.30
Wire, barb, fence and telegraph.....	per 100 lbs.,	.30

In addition to above rates, 5% primage to be added.
Minimum B/L, \$5.25 for Vera Cruz.
Minimum B/L, \$5.25 for Tampico.
Tampico—jetty dues, for account Consignees.
Vera Cruz—lighterage, if any, for account Consignees.
All freights prepayable.

FREIGHT TARIFF.

NEW YORK TO PROGRESO.

Effective January 2, 1905. Subject to Change Without Notice.

Acids, carboys.....	each,	\$2.25
Acids, in iron drums.....	per 100 lbs.,	.60
Animals, cattle (net).....	per head,	40.00
Animals, horses (net).....	per head,	75.00
Animals, dogs (net).....	per head,	10.00
Animals, calves, in crates.....	per cu. ft.,	.25
Animals, hogs, in crates.....	per cu. ft.,	.25

Animals, small fowl, in crates.....	per cu. ft.,	\$0.25
Apples.....	per bbl.,	1.35
Asphalt.....	per 100 lbs.,	.30
Ammonia, in iron drums.....	per each,	2.00
Barley.....	per 100 lbs.,	.35
Beer, ale or porter, bottled.....	per cu. ft.	.15
Bran.....	per 100 lbs.,	.45
Brick, fire or common.....	per 100 lbs.,	.25
Brick, hollow.....	per 100 lbs.,	.40
Cartridges.....	per 100 lbs.,	1.75
Caustic soda.....	per 100 lbs.,	.30
Cement.....	per 100 lbs.,	.20
Clay, fire or common.....	per 100 lbs.,	.25
Cocoa.....	per cu. ft.,	.17½
Copper ingots, pigs and sheets.....	per 100 lbs.	.35
Corkwood.....	per cu. ft.,	.12½
Corn, 5,000 bushels.....	per bushel,	.10
Corn, over 5,000 bushels.....	per bushel,	.09
Cotton.....	per 100 lbs.,	.40
Crackers, in bbls. or cases.....	per cu. ft.,	.15
Coke.....	per 2,240 lbs.,	6.00 net
Coal.....	per 2,240 lbs.,	4.00 net
Carbide.....	per lb.,	.01
Deck freight, N. O. S.....	per cu. ft.,	.20
Dynamite.....	per lb.,	.01
Empty bbls.....	per cu. ft.,	.10
Flour, in bbls.....	per bbl.,	.70
Flour, in half bbls.....	per ½ bbl.,	.40
Furniture, K. D.....	per cu. ft.,	.12½
Fireworks.....	per cu. ft.	.20
Glassware, common.....	per cu. ft.,	.12½
Glass, window.....	per 100 lbs.,	.45
Grease, axle.....	per 100 lbs.,	.35
Grease.....	per 100 lbs.,	.35
Grindstones.....	per 100 lbs.,	.35
Grapes.....	per cu. ft.,	.20
Gasoline.....	per 100 lbs.,	1.50
Hay, compressed bales.....	per 100 lbs.,	.40
Hay, "Lowry" bales.....	per 100 lbs.,	.30
Houses, portable.....	per cu. ft.	.12½
Iron and steel, band, bar, boiler, rod and tank, galvanized and corrugated,		
Iron and steel, bolts, nuts, hinges, nails, butts, rivets, screws, spikes and washers.....	per 100 lbs.,	.30
Iron beams and girders, not over 30 ft. or 2,000 lbs.....		.25
Iron over 30 ft.....		Special
Iron pipe.....	per 100 lbs.	.25
Iron pipe fittings.....	per 100 lbs.,	.25
Lamps, Lanterns and Fixtures.....	per cu. ft.	.12½
Lath and Shingles.....	per cu. ft.	.12½
Lead, in pigs or sheets.....	per 100 lbs.,	.30
Lead pipe.....	per 100 lbs.,	.30
Lumber, white pine.....	per 1,000 ft.,	8.00
Lumber, hardwood.....	per 1,000 ft.,	9.00
Lard.....	per 100 lbs.,	.30
Machinery, piece or package under 2,000 lbs.....	per 100 lbs.,	.45
Machinery, piece or package under 2/4,000 lbs.....	per 100 lbs.,	.55
Machinery, piece or package under 4/6,000 lbs.....	per 100 lbs.,	.70
Machinery, piece or package under 6/8,000 lbs.....	per 100 lbs.,	.85
Machinery, piece or package under 8/12,000 lbs.....	per 100 lbs.,	1.10
Machinery, piece or package, under 12/20,000 lbs.....	per 100 lbs.,	1.40
Any piece or package of the above subject to measurement will be charged at the rate of 17½ cents per cubic foot, if paying ship better than weight rate.		
Marble Dust.....	per 100 lbs.,	.25
Meal.....	per bbl.,	.85
Measurement Goods.....	per cu. ft.	.17½
Mortar.....	per 100 lbs.,	.25
Oil, cotton seed, kerosene, lubricating, myrabane and lard.....	per 100 lbs.,	.30
Oil, N. O. S.....	per 100 lbs.,	.45
Onions.....	per 100 lbs.,	.55
Potatoes.....	per 100 lbs.,	.55
Paints.....	per 100 lbs.,	.35
Paper stock, strawboard, in compressed bales.....	per 100 lbs.	.35
Paper, straw.....	per cu. ft.	.12½
Paraffine wax.....	per 100 lbs.,	.35
Pianos and Organs.....	per cu. ft.	.22½
Pipe, earthen sewer, not over 12 in.....	per 100 lbs.,	.25
Pipe, earthen sewer, over 12 in.....	per 100 lbs.,	.30
Pitch.....	per 100 lbs.,	.30
Plaster, in bbls.....	per 100 lbs.,	.25

Potash.....	per 100 lbs.,	\$0.35
Rails and fish plates.....	per 100 lbs.,	.20
Rice.....	per 100 lbs.,	.25
Rosin.....	per 100 lbs.,	.30
Rails (portable).....		<i>Special</i>
Safes, under 2,000 lbs. each.....	per 100 lbs.,	.75
Safes, from 2/5,000 lbs. each.....	per 100 lbs.,	1.00
Safes, over 5,000 lbs. each.....	per 100 lbs.,	1.50
Salt.....	per 100 lbs.,	.30
Sand in bbls.....	per 100 lbs.,	.25
Sewing machines.....	per cu. ft.,	.15
Shooks, box.....	per cu. ft.,	.12½
Soap stock.....	per 100 lbs.,	.30
Soda, ash.....	per 100 lbs.,	.30
Specie.....	under \$10,000,	¼% net
Specie, \$10,000 and under \$50,000.....		¾% net
Specie, \$50,000 and under \$100,000.....		1% net
Specie, \$100,000 and upward.....		3-16% net
Stearine.....		.35 net
Tallow.....	per 100 lbs.,	.35
Talcum.....	per 100 lbs.,	.35
Tar.....	per 100 lbs.,	.30
Tobacco.....	per 100 lbs.,	.45
Trunks.....	per cu. ft.,	.15
Turpentine.....	per 100 lbs.,	.30
Valuations.....		1%
Varnish.....	per 100 lbs.,	.35
Vegetables, not deck freight.....	per 100 lbs.,	.55
Weight goods, N. O. S.....	per 100 lbs.,	.45
Wheat, whole or crushed.....	per 100 lbs.,	.30
Whiting.....	per 100 lbs.,	.35
Wire, barb, fence and telegraph.....	per 100 lbs.,	.30
Windmills, weight or measure.....	15c. per cu. ft., or 40c. per 100 lbs.	

In addition to above rates, 5% primage to be added.

Minimum B/L, \$6.00.

THE NEW YORK AND CUBA MAIL STEAMSHIP COMPANY, WARD LINE.

JAMES E. WARD & Co., Inc., AGENTS,
90-96 Wall St.

NEW YORK, February 3, 1905.

MR. R. L. WALKER, *Traffic Manager, Panama R. R. Co.,*
24 State Street, New York.

DEAR SIR: Replying to yours of February 2, I would advise that the rates from our pier, New York to Havana and Santiago, Cuba, are as follows:

Boots and Shoes,	}	25c. per 100 lbs., subject to measurement rate, 10c. per cubic foot.
Canned Goods,		
Drugs,		
Dry Goods,		
Electric Material, no piece or package over 2,000 lbs.,		
Glassware,		
Hardware,		
Lamps,		
Cigars and Cigarettes,		
Tools,		
Machinery, no piece or package over 2,000 lbs.,		
Soap,		
Typewriting Machines,		
Common Jewelry, with no valuation specified,		
Revolvers, no valuation,		
Barbed Wire.....		20c. per 100 lbs.
Lard and Provisions.....		20c. per 100 lbs.
Cartridges.....		\$1.50 per 100 lbs.
Flour, in bags.....		25c. per bag
Manufactured Iron, if structural, not over 30 ft. in length.....		21c. per 100 lbs.
Railroad Material, such as rails, etc.....		\$4.00 per gross ton
Sewing Machines.....		8c. per cu. ft.
Oil, in barrels—		
To Havana.....		\$1.10 per bbl.
To Santiago.....		1.30 per bbl.

I beg to hand you herewith copy of tariff in effect at the present time to Vera Cruz and Tampico, also to Progreso, which may be of service to you.

Yours very truly,

C. H. PATTENGILL,
General Freight Agent.

(EXHIBIT B—24.)

New York, February 21, 1905.

HON. J. L. BRISTOW,
Ancon, Canal Zone, Panama.

Dear Sir: *Query No. 24.*—What effect would it have on the revenues of the Panama R. R. to discontinue the S. S. Line?

I beg now to submit the following answer to that question:

The question involves a number of different important considerations, and I shall therefore classify my answer under the different heads which indicate the various points of view from which the question must be considered.

Net Earnings of the Steamship Line.

Of course, a discontinuance of the Steamship Line would result in a loss to the Railroad revenues of all the net earnings of that Line. These net earnings amounted during the year 1904 to a total of \$175,055.38. This figure is not absolutely exact, the returns for December not having yet been received, but the amount of net earnings of the Line will certainly not be less than the figure stated.

This figure is reached by deducting from the total receipts of the Steamship Line for the year, \$1,116,913.80, the total expenses of the Line, \$941,858.42. These receipts, so far as concern mails, passengers, excess baggage, miscellaneous receipts and freight between New York and Colon, are actual amounts not affected by any other transportation. So far as freight to or from points beyond Colon is concerned, they are arrived at by crediting the Steamship Line with 55% of the total receipts of the Company for transportation between New York and Panama. This leaves, as the proportion for the Railroad transportation between Panama and Colon, 45% of the entire through rate, on freight to and from Panama, as a port of origin or destination; and upon the other business from 22.5% to 27.9% of the entire through rate. These percentages are fixed in accordance with the practice of the Company in its transactions with other carriers upon business, the water transportation of which is done by other Lines, the Railroad Company receiving substantially the same proportion of the through rate which it receives upon business between European ports and ports on the West Coast, and the Steamship Company receiving an amount which bears substantially the same proportion to the length of its Line that the percentage received by European carriers on through business bears to the length of their Lines. That the proportion does not unduly exaggerate the earnings of the Steamship Line is further shown by the fact that it results in an average net return upon outward cargo of \$4.36 per ton, and upon homeward cargo of \$4.19 per ton, while by sailing vessel the rate to the Isthmus from New York is \$4.00 per ton, and the Government has been actually paying from New Orleans to Colon to the United Fruit Company the same rate on lumber.

It is obvious, therefore, that the net earnings from the Steamship Line are not overstated. These earnings, of course, are not constant in amount, having been for some years, for particular reasons, less, and for some years greater than the amount mentioned. The average for the years 1896-1904, inclusive, is \$125,000.00 per annum, an amount obviously much less than probable future net earnings. The revenue of the Railroad Company would be directly reduced by the discontinuance of the Line by such amount.

Loss of business consequent upon the abandonment of S. S. Line.

The Panama Steamship Line furnishes, and has furnished, the only direct and regular means of transportation between New York and the Isthmus, and it is only by furnishing such direct and regular transportation that the Company has been enabled to maintain the earnings of the Railroad at the figure which they have reached. All other Lines running to Colon use that only as a port of call, giving thus a service, slow, irregular, and not attractive to shippers.

If this Company were to abandon its Steamship Line, there would be no longer such direct and regular service. Various other companies have indicated a readiness to take part in transportation between the United States and Colon, but by making Colon a port of call only. A certain amount of traffic would undoubtedly be carried by such vessels, but they would be unable to furnish the transportation requisite to maintain the business of the route, which requires a prompt, regular and trustworthy service, not subject to the delays which inevitably occur where a port is only one of a number at which a vessel calls.

Nor can it be expected that a new direct Line between New York and Colon would be established to take the place of the Company's Line. The Lines from the United States making Colon only a port of call would take enough of the business offering to make such a direct Line unprofitable. Regular and frequent sailings cannot be expected except under the present system. At the present time the United Fruit Company has been making Colon a port of call, at request of this Company, for its New Orleans boats, our object in arranging this being to accommodate the Middle West, and relieve an anticipated pressure on the facilities of our Line through the Canal business, but though we have made favorable arrangements with them, they have not been willing to take any freight from Colon to the United States, finding cargo from other ports more profitable.

To secure traffic shippers must be assured that they can rely upon an opportunity to dispatch their goods at regular and reasonably frequent intervals, and that the goods will be forwarded to their destination without undue delay. These things are as important as the rates at which the goods are transported. For the great bulk of profitable traffic, low rates will not compensate for uncertainty in transportation, and we have always found it necessary to be vigilant to secure this certainty. Any failure in this respect is immediately reflected in the amount of business seeking the route, which falls with every such failure and rises with every improvement. For example, since the establishment of a weekly instead of a ten-day service, in 1899, the total outward-bound business of the Steamship Line passing over the Railroad has increased from 51,206 tons in 1896, 53,230 tons in 1897, and 51,814 tons in 1898, to a total of 94,390 tons in 1904; while the homeward business has increased from 24,254 tons in 1896, 31,956 tons in 1897, and 34,462 tons in 1898, to 62,230 tons in 1904. In the same period, and under the same influences, the tonnage to San Francisco rose from 22,561 tons in 1896 to 39,160 tons in 1904; while that from San Francisco to New York rose from 13,096 tons in 1896 to 30,272 tons in 1904.

In the case of the European Lines, we have often found it necessary to make use of our ability to ship goods to Europe via New York (to which I shall hereafter refer), in order to overcome difficulties that arose from the fact that none of those Lines were ready to furnish the service necessary to obtain and hold the traffic. The same difficulty would arise in the case of Lines from the United States, and if

this Company's Line were abandoned, there would be no way of meeting it.

By its Bills of Lading and those which are issued for transportation over the Railroad to points beyond, the Company reserves the right of forwarding from Colon by such carrier as it should select. While the Company has run its own Steamship Line from New York, this provision has been of great value. If freight bound to Europe was not properly and promptly taken care of by the European Lines running to Colon, or if rates were not made which would enable this Company to secure business profitable to it, the Company has been in a position to forward the freight by its own Line to New York, and thence to Europe, which has given it control of the situation, and enabled it to draw to the Isthmus much traffic which it would otherwise have lost. While it has very rarely been necessary for the Company actually to take the step of forwarding the goods via New York, it has frequently had occasion to threaten to do so, and the possibility that it might take this course has always been sufficient to secure for the Railroad from the Trans-Atlantic Lines, such advantages in service and rates as were necessary to draw to it the freight desired.

With the abandonment of the Company's own Steamship Line it would suffer, then, in two ways. It would lose all power of ensuring prompt and efficient service by the Trans-Atlantic Lines, and would be left without any adequate connection with New York, while it would be powerless to control such connection as it might be able to secure. The Company's experience has been ample to show that a great diminution in the business passing over the Isthmus would necessarily follow. The business between New York and San Francisco would, in my opinion, be nearly, if not quite, extinguished. Always exposed to severe competition from the Trans-Continental Lines, to which will shortly be added that by the Tehuantepec, Honduras and Guatemala Railroads, the Panama Route can hold its business only by furnishing regular, prompt and efficient service. Nor would it, in my opinion, be possible to obtain a connection on the Pacific if the Line from New York to Colon were less efficient and regular than now. It has always been difficult to secure regular transportation between Panama and San Francisco, and if a carrier on that route cannot reckon upon prompt and regular service between Colon and New York, it will be impossible, probably, to induce him to furnish satisfactory service for a business which is not in itself attractive under any circumstances. Nor, if such connection could be obtained, would it be possible to secure the business. The bulk of the freight offering at San Francisco for New York requires particularly prompt and regular despatch. Wine, for example, which is the most important single item in that business, suffers greatly from delay in transportation, and complaints are always made when such delay occurs in respect of it.

In another way this power of forwarding the goods to Europe via New York has greatly affected the net results of the Company's operations. It has frequently been the case that European Lines running to Colon, seeking freight more profitable to themselves at various other ports of call, have left upon the Isthmus goods which they should have transported upon their own vessels, which have occupied the warehouses and cars of the Company, at one time as many as 500 cars filled with goods which those vessels might have taken being in the yards of the Company at Colon. By the threat of transporting these goods to Europe via New York, the Company has always been able to compel the Trans-Atlantic carriers to furnish adequate service, and thus has saved itself from the great expense which such an ac-

cumulation of freight involves. This advantage the Company would, of course, lose, if it abandoned its Steamship Line.

Transportation of Goods for the Company.

The net earnings and gross receipts of the Steamship Line, as estimated above, do not really indicate the whole direct advantage which the Company obtains from its ownership of the Line. The very large amount of supplies and stores for itself and its employees, which the Company is continually transporting from New York to Colon, has been carried upon its steamers at a rate very much lower than that at which other freight has been carried. This advantage would, of course, disappear with the abandonment of the Line, and should be taken into account in estimating its effect upon the revenues of the Company. In the year 1904, for example, there were transported by the Steamship Line 5,000 tons of supplies for the Railroad Company and its employees, at a price of \$5.00 per long ton, amounting to \$25,000. It is impossible exactly to estimate what the additional amount of freight would have been had this business been carried for outside shippers, the rates varying with the character of the goods, and goods not for the Company being taken on a measurement basis when that is more favorable to the ship. I think that on a conservative estimate this freight of \$25,000 would have to be doubled in cost to the Company if the goods were carried by an outside carrier.

The loss to the Company from the direct earnings of the Steamship Line, with the additional loss from higher rates on supplies, alone cannot be estimated with accuracy. The sum of these may be, I think, properly set at from \$225,000 to \$250,000 per annum, but will be greater as business to the Isthmus increases.

The loss in other ways will, in my opinion, be far greater in amount, but data are lacking to estimate it properly, for nobody can say how much the Railroad will suffer from the loss of all control over connecting carriers and of all power to maintain suitable connections with New York, which will follow the abandonment of the Line. The San Francisco business will, I am quite clear, be wholly, or almost wholly, lost, and the earnings of the Railroad alone from this business amounted in 1904 to \$106,951.00 on West-bound business, and \$67,293.62 on East-bound business. Concerning the Trans-Atlantic business, it is impossible to speak except generally. The increasing growth of traffic between Europe and the West Coast via the Straits of Magellan will render it easier for this trade to take another route, and it has been our experience that only our ability to control the situation through our Steamship Line has enabled us to keep this business in a satisfactory condition. It is to us very clear that to surrender the various advantages of this Line would imperil the ability of the Railroad to maintain itself and pay its fixed charges, which latter now amount, and for the next twenty years will amount, to \$500,000.00 per annum.

Upon the whole subject, the abandonment of the Steamship Line will probably reduce the earnings of the Railroad Company to a point where it would not be able to pay its fixed charges and cost of maintenance, and it would, I think, be likely to reduce the business passing over the Railroad to an exceedingly small amount from the inability to furnish regular transportation between New York and the Isthmus, and inability to control the operations of the Atlantic Lines which would result.

Very respectfully yours,

E. A. DRAKE,
Vice-President.

(EXHIBIT B—25.)

Question.—What is the basis upon which the division of freight charges from New York to Panama are made between the Railroad and Steamship Line?

Answer.—

Panama Railroad.....	45%
Panama S. S. Line.....	55%

February 6, 1905.

R. L. WALKER,
Traffic Manager.

(EXHIBIT B—26.)

Question.—Why did you reduce the local tariffs, and what benefit do you expect to accrue from such reduction?

Answer.—The local freight tariff, payable in gold, was made in 1892, and the necessity for some change has long been apparent. No change had been made because of the attitude of the Government of Colombia in imposing various indirect charges upon our Company which we felt unjustified by the contract, and as we were required to notify the Government upon making any change of the tariff, it seemed possible that any change might be made an excuse for some other Governmental demand. The Superintendent was authorized to make, and did make special rates to encourage the development of industries on the Isthmus. The present appeared an opportune time to make changes without sacrificing our revenue which may be fairly expected to keep up because of the increase in the population along the Line of the Road, and furthermore by making the extraordinary reductions for short distances it is expected that the mule teams which have heretofore started from Panama, and the boat service from Colon, will find it unprofitable to continue operations, and that we will thus secure a revenue from that industry to traffic on the Road.

R. L. WALKER,

February 6, 1905.

(EXHIBIT B—27.)

Question.—Why did you reduce local telegraph tolls, and what benefit do you expect to accrue from such reduction?

Answer.—We have had a reduction of telegraph tolls under consideration for a long time, but until recently our facilities were so restricted, and the cost of maintenance so heavy, that we maintained a high tariff to partly reimburse us, especially as because of depressed local conditions no increase of business was expected from a reduction.

Recently conditions have changed. The Canal Commission's wires and our own have been reconstructed and combined in one service, and with the development which has progressed steadily in our branches during 1904 it was expected that the necessity for telegraph and telephone communications would so increase as to make the returns in the aggregate more than equivalent to those under the old tariff. The Railroad telegraph has always been a charge upon operation, the receipts from all sources having been less than 50% of the outlay for the new construction and maintenance, and cost of operation. Better results are confidently expected.

(EXHIBIT B—28.)

February 2, 1905.

Question.—State number of Steamship Lines operating on the Pacific Coast with which traffic arrangements from Panama might be made.

Answer.—Nine in all.

1. Pacific Mail S. S. Co. (with whom we now have arrangement).
2. Pacific Steam Navigation Co. (with whom we now have arrangement).
3. Cia. Sud-Americana de Vapores (with whom we now have arrangement).
4. The Kosmos Line, operating via Straits of Magellan between Hamburg, Germany, and Puget Sound, on the Pacific, touching at the principal ports on the West Coast of the American Continent.
5. Gulf Line, operating from England via the Straits of Magellan to ports of South America, as far North as Guayaquil.
6. Lamport & Holt Line, operating from England via the Straits of Magellan to ports of South America, as far North as Guayaquil.
7. Merchants' Line, operating from New York via the Straits of Magellan to the ports of South America, as far North as Guayaquil.
8. Beeche, Duval & Co. also operate steamers more or less regularly from New York via the Straits of Magellan to the ports on the West Coast of South America, seldom North of Guayaquil.
9. The American-Hawaiian S. S. Line, operating regularly from New York via the Straits of Magellan to Pacific ports of the United States and the Sandwich Islands.

R. L. WALKER,
Traffic Manager.

(EXHIBIT B—29.)

Question.—Have there been any negotiations looking to traffic arrangements with the Companies on the Pacific not now connections of the Railroad Company at Panama?

Answer.—We have approached the Kosmos Line and the Merchants' Line at various times during the past four or five years, offering inducements to them to join us by connection from Panama, but they have always considered it incompatible with their interests via Magellan, notwithstanding the fact that the Pacific Steam Navigation Company operate a Line from England via Magellan to the ports of South America as far North as Pimentel, and also work with us via the Isthmus to the West Coast ports of South America as far down the Coast as Corral, to the South of Valparaiso.

We also opened negotiations with the American-Hawaiian S. S. Line in 1901, when we had no contract with the Pacific Mail S. S. Co. They sent their Superintendent to the Isthmus to look over the situation, and finally decided that they could do better by operating between New York and the Pacific Coast via the Straits of Magellan, than could be done by breaking bulk and reloading their ships at either side of the Isthmus.

We have had no negotiations with the Lamport & Holt, Gulf, or the Beeche, Duval Lines, about making connections with us.

R. L. WALKER,
Traffic Manager.

February 6, 1905.

(EXHIBIT B—30.)

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

Answer.—We attach Tariff No. 1 and Classification governing the same, which took effect January 1, 1904. These Tariffs were copied from our Tariffs from New York to Colon and ports reached via the Isthmus Route on the West Coast of South America, Central America and Mexico. The steamers on the Line sailing under foreign flags are not permitted to carry cargo to the Pacific Coast of the United States.

R. L. WALKER,
Traffic Manager.

February 6, 1905.

UNITED FRUIT CO.'S STEAMSHIP LINE, "GULF AND PANAMA ROUTE."

UNITED FRUIT CO.'S STEAMSHIP LINE.
PACIFIC STEAM NAVIGATION CO.
PANAMA RAILROAD.
CIA. SUD-AMERICANA DE VAPORES.

No. 1.

TARIFF OF FREIGHT RATES

From New Orleans, La., to Colon and Panama, and ports in Costa Rica, Nicaragua, Mexico, Republic of Colombia, Ecuador, Peru and Chili, taking effect January 1, 1904 (subject to change without notice). Steamers sail from New Orleans weekly, receiving freight up to noon on the previous day of sailing. United Fruit Company's Steamship Line, 321 St. Charles street, New Orleans, La. M. J. Dempsey, Traffic Manager.

RATES OF FREIGHT TO COLON.

Effective January 1, 1904, the following rates will apply per ton of 40 cubic feet, or 2,000 pounds, at steamer's option.

CLASSES.

D.	1.	2.	3	4	Minimum.
\$20.00	\$10.00	\$8.00	\$6.00	\$5.00	\$3.00
Subject to the following exceptions:					
Beer, in barrels, each.....					\$0.85
Acids, on deck, per lb.....					.03
Gunpowder (in metallic kegs), per lb.....					.03
Gold or silver coin, dust or bars ($\frac{1}{2}$ of 1 per cent. on value).....					
Oil, refined kerosene, per case of 2 cu. ft. each.....					.25
Plated ware, silver ware, jewelry, watches, pistols, etc., 1 per cent. on value in addition, per cubic foot.....					.20
Lumber, per M feet B. M.....					10.00
Parcels (not exceeding 2 cubic feet), each.....					1.00

RULES AND CONDITIONS OF SHIPMENT.

All freight must be prepaid in United States gold.
No bill of lading signed for less than minimum charge.
All packages of unusual bulk or weight will be taken only by special agreement.
Owners' Risk.—Oils and other liquids are taken only at owners' risk of leakage. Glassware, crockery and all fragile property concealed in packages, only at owners' risk of breakage.
All perishable property only at owners' risk of frost, heat and decay.
Dynamite and high explosives of any kind not carried.
Refined petroleum taken only when put up in tin cans, boxed and marked as required by United States law.
Shippers must comply with all Consular regulations, for manifests, invoices, certification, etc.; and any fine imposed by authorities at port of destination, or damage resulting from failure in this respect, or for errors or omissions therein, shall be at the risk and expense of consignees of the goods, and shall be paid by them.

RATES OF FREIGHT TO PANAMA.

Effective January 1, 1904, the following rates will apply per ton of 40 cubic feet, or 2,000 pounds, at steamer's option:

CLASSES.

D.	1.	2.	3.	4.	Special (On 10 ton lots of 4th class freight.)	Minimum.
\$48.00	\$28.00	\$24.00	\$21.60	\$14.40	\$13.20	\$4.00
Subject to the following exceptions:						
Beef and pork, in barrels, each.....						\$2.50
Beef and pork, in half barrels, each.....						1.40
Beef and pork, in quarter barrels, each.....						.80
Beans, flour, onions, peas, potatoes, rice, soap, per ton weight.....						10.00
Boots and shoes, dry goods, per ton measurement.....						20.00
Flour (in ten ton lots) per ton weight.....						7.00
Gunpowder, in metallic kegs, per pound.....						.06
Hams, dried and salt fish, per ton measurement.....						12.00
Lager beer, in barrels, each.....						2.00
Lager beer, in cases, candles, per ton measurement.....						10.00
Lumber (not exceeding 20 feet in length), per M feet B. M.....						20.00
Lumber (not exceeding 20 feet in length), per M feet B. M., in lots of 10,000 feet.....						16.00
Pitch, tar, rosin, cement, per ton weight.....						6.00
Refined petroleum, per ton measurement.....						16.00
Sugar, refined, per ton measurement.....						10.00
Parcels, not exceeding two cubic feet, each.....						2.00

RULES AND CONDITIONS OF SHIPMENT, SAME AS TO COLON.

RATES OF FREIGHT TO CENTRAL AMERICAN PORTS.

Effective January 1, 1904, the following rates will apply per ton of 40 cubic feet, or 2,000 pounds, at steamer's option, to:

CLASSES.

	D.	1.	2.	3.	4.	Special On 5 ton lots on 4th class freight.)	Minimum.
Punta Arenas.....	\$48.00	\$28.00	\$20.00	\$20.00	\$15.00	\$10.00	\$5.00
San Juan del Sur.....							
Corinto.....							
Amalpala.....							
La Union.....							
La Libertad.....	48.00	32.00	20.00	20.00	15.00	12.40	
Acajutla.....							
San Jose de Guat.....							
Camperico.....							
Ocos.....							

Subject to the following exceptions:

TO PUNTA ARENAS.

Flour.....	50c. per 100 lbs.
Refined petroleum.....	25c. per cubic ft.
Barbed wire.....	50c. per 100 lbs.
Rosin.....	50c. per 100 lbs.
White and yellow pine lumber.....	\$20.00 per 1,000 ft. B. M.
Parcels not exceeding two cubic ft.....	\$2.50 each.

TO OTHER CENTRAL AMERICAN PORTS.

Flour.....	45c. per 100 lbs.
Refined petroleum.....	35c. per cubic ft.
Rosin.....	50c. per 100 lbs.
White and yellow pine lumber.....	\$24.00 per 1,000 ft. B. M.
Parcels not exceeding two cubic ft.....	\$3.00 each.

RULES AND CONDITIONS OF SHIPMENT, SAME AS TO COLON.

RATES OF FREIGHT TO MEXICAN PORTS.

Commencing with shipments from New Orleans, January 1, 1904, the following rates will apply per ton of 40 cubic feet, or 2,000 pounds, at steamer's option, to:

CLASSES.						
	D.	1.	2.	3.	4.	Special (On 5 ton lots on 4th class freight.)
Acapulco	\$50.00	\$36.00	\$22.80	\$20.40	\$16.80	\$13.20
Manzanillo						
San Blas						
Beer, glassware (except cut), oakum, shooks.....						\$12.00 per ton
Brushes, boots and shoes, refined petroleum.....						15.00 per ton
Cotton piece goods.....						18.00 per ton
Parcels not exceeding two cubic feet.....						3.00 each

Minimum.
\$5.00

New Orleans, January 1, 1904.

(Freight Rates continued next page.)

RATES OF FREIGHT TO PORTS IN REPUBLIC OF COLOMBIA, ECUADOR, PERU AND CHILI.

Ports of.....	Buenaventura, Tumaco, Esmeraldas, Bahia, Manta, Cayo, Ballenita,	Guayaquil, Port Bolivar,	Tumbes, Eten, Huanchaco, Chimbote, Samanco, Casma, Supe, Huacho, Tambo de Mora, Lomas, Chala, Quilca, Taltal, Chanaral, Carrizal,	Payta, Pacasmayo, Salaverry, Callao, Cerro Azul, Pisco, Mollendo, Ilo, Arica, Pisagua, Caleta Buena, Iquique, Tocopilla, Cobija, Antofagasta, Caldera, Huaasco, Coquimbo, Valparaiso, Talcahuano.
General merchandise not elsewhere enumerated).....	50c. per cu. ft. or \$1 per 100 lbs.	37½c. per cu. ft. or 75c. per 100 lbs.	50c. per cu. ft. or \$1 per 100 lbs.	
Aerated waters, agricultural implements, axes, boots and shoes, blankets, blacking, bags and bagging, beer, bicycles, brooms, brushes, buickets, canned goods, canvas, carpets, candles, carriages, cotton waste, copper, cordage, crackers, drugs, edge tools, earthenware, electrical goods, furniture, floorcloth, glassware (common), hardware, harness, hats, ink, kettles (copper and iron), lamps, lanterns, leather, musical instruments, medicines, muckage, machinery (pieces and packages under two tons), oil cloth, oil (lubricating), oakum, paper (printing or wrapping), potash, provisions, pumps, rope, saddlery, salt, safes (under two tons), sewing machines, scales, shooks, soap, steel, stove castings, sugar pans, shovels, sugar mills, tinware, toys, trunks, twine, tools, varnish, wax, wine, woodenware.....		37½c. per cu. ft. or 75c. per 100 lbs.	30c. per cu. ft. or 60c. per 100 lbs.	37½c. per cu. ft. or 75c. per 100 lbs.
				25c. per cu. ft. or 50c. per 100 lbs.
Beef, butter, caustic soda, cheese, iron (bar, hoop, sheet and galvanized), iron pipe (under 6 in. in diameter), lard, nails, paints, pork, rice, wire (iron, brass, copper or barbed).....	75c. per 100 lbs.	60c. per 100 lbs.	75c. per 100 lbs.	50c. per 100 lbs.
Matches (in tin-lined cases)...	50c. per cu. ft.	37½c. per cu. ft.	50c. per cu. ft.	30c. per cu. ft.
Flour (in bags or barrels), bricks, cement, grease, rosin, tallow, tar.....	45c. per 100 lbs.	45c. per 100 lbs.	45c. per 100 lbs.	45c. per 100 lbs.
Metallic cartridges.....	\$1.50 per 100 lbs.	\$1.00 per 100 lbs.	\$1.00 per 100 lbs.	75c. per 100 lbs.
Refined petroleum, in cans, boxed.....	30c. per cu. ft.	25c. per cu. ft.	25c. per cu. ft.	25c. per cu. ft.
Acids	\$6.00 per 100 lbs.	\$6.00 per 100 lbs.	\$6.00 per 100 lbs.	\$6.00 per 100 lbs.
Platedware and silverware, jewelry, watches, revolvers..	50c. per cu. ft. and 1% on value.	50c. per cu. ft. and 1% on value.	50c. per cu. ft. and 1% on value.	50c. per cu. ft. and 1% on value.
Gold and silver coin, bars or dust, precious stones, etc....	1½% on value.	1½% on value.	1½% on value.	1½% on value.
Parcels (per cubic foot or fraction of a foot).....	\$2.50	\$2.50	\$2.50	\$2.50

RULES AND CONDITIONS OF SHIPMENT, SAME AS TO COLON.

All freight must be prepaid and is payable in United States gold.

No bill of lading signed for less than \$5.00.

Goods taken by weight or measurement, at carrier's option, unless otherwise stated.

All packages of unusual bulk or weight will be taken only by special agreement.

Owner's Risk.—Oil and other liquids are taken only at owner's risk of leakage. Glassware, crockery and all fragile property concealed in packages, only at owners' risk of breakage.

All perishable property only at owners' risk of frost, heat and decay.

Dynamite, blue powder, or high explosives of any kind not carried.

Refined petroleum taken only when put up in tin cans, boxed and strapped and marked as required by United States law.

Shippers must comply with all Consular regulations, for manifests, invoices, certification, etc.; and any fine imposed by authorities at port of destination, or damage resulting from failure in this respect, or for errors or omissions therein, shall be at the risk and expense of consignees of the goods, and shall be paid by them.

(EXHIBIT B—31.)

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

Answer.—

From New York.

Merchants' Line (British), operated by W. R. Grace & Co., to West Coast of South America.

West Coast Line (British), operated by Beeche, Duval & Co., to West Coast of South America.

Red D Line (American), to Venezuelan ports.

Lamport & Holt Line (British), to Brazil and Argentine Republic.

Prince Line (British), to Brazil and Argentine Republic.

Sloman Line (German), to Brazil and Argentine Republic.

Nelson Line (British), to Argentine Republic.

Booth Line (British), to Brazil.

From New Orleans.

United Fruit Co. (Swedish, Norwegian and British), to Colon and Central American ports.

From San Francisco.

Pacific Mail S. S. Co. (American), to Central and South American ports.

Kosmos Line (German), to Central and South American ports.

R. L. WALKER,
Traffic Manager.

February 6, 1905.

(EXHIBIT B—32.)

Question.—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 from New York result in increased business?

Answer.—It is anticipated that the reduced local tariff, combined with the rates from Europe or from New York to Colon, will, in some instances, cut the present through rates. It is impossible to tell precisely what rates will be cut, because much of the cargo moves to Colon at rates based on the measurement of the goods, and the reduced local tariff expresses the rate per 100 lbs. As it develops that a shipper can

consign his freight to Colon and reship across the Road by the combination of locals at less than the through rates, we shall modify the through rates by supplementary tariffs. For instance, kerosene oil in tins, cased, has been paying 40c. a cubic foot from New York to Panama. We find that the combination of $12\frac{1}{2}$ c. per cubic foot to Colon, and the rate of 35c. per 100 lbs. from Colon to Panama, makes the cost through 55c. a case, and we shall reduce our through rate to correspond.

As our Steamship Line reduces the through rates from New York to Panama on any commodity that can be shipped from Europe, the Lines from Europe to Colon will also reduce their through rates to Panama, such being their custom. We do not look for an increase in traffic as a result of any such reductions, unless the people of Panama should find that the reductions are enough to direct orders to New York or to Europe, instead of to San Francisco, the city now being supplied from these various sources. Any increase in the business is to be looked for from the activity created by the operations on the Canal, with the consequent increase of the floating population at the Isthmus.

R. L. WALKER,
Traffic Manager.

February 6, 1905.

(EXHIBIT B—33.)

TELEGRAPH TOLLS.

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

Answer.—

1904—Receipts account Cable messages.....	\$4,388.45
Receipts account Local messages.....	1,663.85
	<hr/>
	\$6,052.30

Cable message receipts, 72.51 per cent. of total receipts.

Local message receipts, 27.49 per cent. of total receipts.

(EXHIBIT B—34.)

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

Answer.—No. Cable Companies assign as reason for making no reduction that their rates are the same to both of our terminals, or, in other words, they absorb our charge in theirs.

(EXHIBIT B—35.)

Question.—With how many European Lines has the Panama R. R. Co. traffic arrangements?

Answer.—Eight in all.

1. Royal Mail Steam Packet Co., London and Southampton, to Colon.
2. Fredk. Leyland & Co. (1900), Ltd., West India and Pacific Branch, Liverpool to Colon.

3. Harrison Line, Liverpool to Colon.
4. Cie. Generale Transatlantique, France to Colon.
5. Hamburg-Amerika Linie, Hamburg and Antwerp to Colon.
6. La Veloce Navigazione Italiana a Vapore, Genoa and Mediterranean ports to Colon.
7. Cia. Transatlantica de Barcelona, Barcelona and Mediterranean ports to Colon.
8. Austro-Americana, Trieste, Genoa and Mediterranean ports to Colon.

Besides our own Steamship Line from New York. The Prince Line, formerly operating from Glasgow and Antwerp to Colon, suspended their service several years since.

R. L. WALKER,
Traffic Manager.

February 6, 1905.

(EXHIBIT B—36.)

Question.—State in general the terms of the contracts or agreements with the European Lines that have traffic arrangements with the Panama R. R. Co.

Answer.—Each of the Lines operating from the different ports in Europe interchanges traffic with us at Colon, in accordance with the terms of the through Bills of Lading which have been mutually agreed upon. The Lines in Europe make such reduced through rates as are necessary to move traffic from Europe via the Isthmus, in competition with the Lines working via Magellan, and these through rates are divided between the respective carriers upon fixed percentages. For the traffic to Europe, the Lines on the Pacific Coast make the through rates which are necessary to secure traffic to the Isthmus route, and the interchange of traffic and division of revenue are made in the same manner as on business from Europe.

R. L. WALKER,
Traffic Manager.

February, 6, 1905.

(EXHIBIT B—37.)

Question.—What are the traffic arrangements with the Pacific Mail Steamship Company?

Answer.—The interchange of traffic with the Pacific Mail S. S. Co. is governed by through Bills of Lading agreed upon between us. The Pacific Mail is to secure for the route all the traffic that can be had at reasonable and remunerative rates from the Pacific Coast of the United States, certain Ports in Mexico and the West Coast of Central America, to New York and to Europe, and to make no connection with any other route than ourselves. The Panama R. R. Co. in return is to secure from New York and from its other connecting Atlantic Lines at the Isthmus all the traffic that can be had at reasonable and remunerative rates for the same ports of Central America, Mexico and the Pacific Coast of the United States, and to turn it over exclusively to the Pacific Mail S. S. Co. at Panama. The rates in both directions are to be competitive down to a minimum of 40c. per 100 lbs. between New York and San Francisco. The initial carrier in each case is to make the rates, and if traffic will not

stand a rate of 40c. per 100 lbs., it is a matter for consultation as to whether some particular traffic offering can be carried at a lower rate and be remunerative.

More detailed information may be gathered from the contract between the Panama R. R. Co. and the Pacific Mail S. S. Co., dated June 11, 1902, copy herewith.

R. L. WALKER.

THE PANAMA ROUTE.

CONTRACT BETWEEN THE PANAMA RAIL ROAD COMPANY AND THE PACIFIC MAIL STEAMSHIP COMPANY. DATED JUNE 11, 1902.

THIS AGREEMENT, made this eleventh day of June, 1902, in the year one thousand nine hundred and two, between the PANAMA RAIL ROAD COMPANY, duly chartered and organized under the laws of the State of New York, and hereinafter called the Railroad Company, party of the first part, and the PACIFIC MAIL STEAMSHIP COMPANY, also duly chartered and organized under the laws of the said State, and hereinafter called the Steamship Company, party of the second part, WITNESSETH:

WHEREAS, the said Railroad Company is now operating its railroad across the Isthmus of Panama, and running a line of steamers from New York to Colon on the Atlantic Ocean; and

WHEREAS, the said Steamship Company is now running a regular line of steamers on the Pacific Ocean between San Francisco and Panama and intermediate ports on the Central American and Mexican coast; and

WHEREAS, both Companies are interested in and desirous of hereby establishing conditions under which they may carry on regularly and without interruption the business of transportation between San Francisco and New York and the said intermediate ports, with the intent hereby declared by both parties to develop to the fullest possible extent traffic by the Isthmus of Panama and to prevent the diversion of the business of said Isthmus to other routes,

NOW, THEREFORE, in consideration of these premises and with the intention of so securing to both of the parties hereto the advantages of a contract of the general character above set forth for a term of years, and in consideration of the sum of one dollar by each of the parties hereto to the other paid before the delivery hereof, it is mutually covenanted and agreed by and between the respective parties hereto, and their respective successors, assigns and legal representatives, as follows, that is to say:

ARTICLE I.

The Railroad Company hereby concedes to the Steamship Company (so far as its charter and its contract with the Colombian Government permit) the exclusive privilege of through billing to and from any and all ports of Central America, Mexico, the United States and British Columbia, on the Pacific Ocean, under and during the life of this contract as hereinafter provided, and in connection with the Railroad Company and each and every one of its Atlantic connecting lines.

During the pendency of this contract, the Steamship Company, when taking on its vessels for shipment at San Francisco or at any Pacific Coast port situated between San Francisco and Panama, merchandise destined to Atlantic or Gulf ports of the United States, or

to European points shall issue its through bills on such merchandise only *via* the Isthmus of Panama.

At New York and San Francisco business transported or to be transported by the Panama Route is to be delivered to and received from connecting lines, the rates on such business so delivered to or received from connecting lines to be made by adding to the charges of such connecting lines and all transfer charges, the rates prescribed under this agreement for transportation between New York and San Francisco.

And both parties agree respectively (within the scope of their powers and as far as they can consistently with their own safety and protection and with their duties as common carriers) to co-operate with each other in making such rates and in generally taking such measures as will afford to both parties protection against interference or competition by other steamship lines with the traffic hereby conceded by each to the other.

ARTICLE II.

SECTION "A."—There shall be maintained by the Steamship Company a through line of steamers each way between Panama and San Francisco, and such intermediate ports at which the Steamship Company now calls, as well as any other intermediate ports on the Pacific Coast as above recited whose traffic shall develop sufficiently to warrant making them ports of call; the Steamship Company shall, subject to the perils of the seas, make at least three trips each way per month between Panama and San Francisco, and the steamers shall be those now running on the Steamship Company's line between said ports, or others of approximately equal capacity and speed. In case any of the steamers engaged in the above service be lost or destroyed, the Steamship Company agrees to promptly replace such lost or disabled vessel or vessels by another or others of approximately equal capacity and speed, so far as necessary to maintain the service as above described, namely, a through line of steamers between Panama and San Francisco, and the intermediate ports as aforesaid, and the three trips each way per month as aforesaid by said present steamers or others of approximately equal capacity and speed.

SECTION "B."—The Railroad Company shall maintain a line of steamers each way between New York and Colon, and it shall, subject to the perils of the sea, make at least three trips each way per month between New York and Colon, and the steamers shall be those now running on the Railroad Company's Line between said ports, or others of approximately equal capacity and speed. In case any of the steamers engaged in the above service be lost or destroyed, the Railroad Company agrees promptly to replace such lost or disabled vessel or vessels by another or others of approximately equal capacity and speed, so far as necessary to maintain the service as above prescribed, namely, a through line of steamers between New York and Colon as aforesaid, and the three trips each way per month as aforesaid by said present steamers or others of approximately equal capacity and speed.

SECTION "C."—These two steamship lines, connecting respectively at Panama and Colon with the Panama Railroad shall constitute, with said railroad, what shall be hereafter called the "Panama Route," between New York and San Francisco.

ARTICLE III.

The intention and purpose of this agreement being to obtain for the said "Panama Route" all the freight business that can be secured at reasonable and remunerative rates, it is agreed that either party to this agreement shall, at the request of the other party thereto, publish and make operative such through rates between New York and San Francisco as will compete with those made operative by the competing transcontinental railroad lines; and failure to comply with such request within twenty days from the date of its receipt shall constitute a violation of this contract, and subject the offending party to the provisions of Article XIX, of this contract.

Both parties, however, agree that whenever either party without request from the other, puts in operation on east or west bound traffic between San Francisco and New York, or requests the other to put in operation on such traffic, a through rate of less than forty cents (40c.) per hundred pounds, or ten cents (10c.) per cubic foot, then the party so putting into effect such rate, without request from the other, or the party making such request, agrees to bear itself whatever difference there may be between the minimum rate above stated and the rate so put in operation, or requested, below such minimum rate.

ARTICLE IV.

During the term of this contract the Railroad Company shall not, directly or indirectly, run any steamers on the Pacific north of Panama, and shall (in so far as its charter and its contract with the Colombian Government may permit, and so far as it can consistently with its own safety and protection under existing treaty stipulations), in every manner lawfully and reasonably within its power, promote and protect the interests of the Steamship Company in all traffic north of Panama in connection with said Railroad and its Atlantic connecting lines, and especially against all forms of competition whatsoever, and will (so far as it is practicable) give, turn over to and direct to the vessels of the Steamship Company, to the extent that it can lawfully control or influence the same, all business destined to Pacific points north of Panama originating on the Isthmus of Panama and carried upon its Railroad or which may be brought to said Isthmus by its own ships or by other ships or lines, and especially will not, so long as the Steamship Company faithfully performs the stipulations of this Agreement, become interested in or divide with any other person or persons, or corporation or corporations, the earnings of a through line or any through business to or from points on the Pacific Coast north of Panama, and upon all such through business the full local tariff rates for the time being in force for transportation across the Isthmus of Panama shall be charged to all competing lines, and the Railroad Company will pay to the Steamship Company the amount of the share of the through rate to which the Steamship Company would have been entitled if such through business had been carried over its line.

Further, the parties hereto, each for itself, agree that all freight, passengers, baggage, specie and mail matter confided to either for transportation or brought by the one party to the other for the purpose of being conveyed in either direction over and upon the whole or any part of said Panama Route, shall be transported and carried promptly and without undue delay.

During the pendency of this contract the Steamship Company binds itself not to run vessels directly or indirectly from any port

on the Eastern shore of the North American continent to Colon, or to the eastern terminal of any of the transcontinental routes.

The Steamship Company agrees during the pendency of this contract (in so far as its charter may permit, and so far as it can consistently with its own safety and protection under existing treaty stipulations), in every manner lawfully and reasonably within its power to promote and protect the interests of the Railroad Company in the traffic of the Panama Route, and especially against all forms of competition whatsoever; the Steamship Company further agrees during the pendency of this contract not to divert from the Panama Route the traffic to or from any of the Pacific ports between San Francisco and Panama, originating at or destined to Atlantic or Gulf ports of the United States or European ports. And for such business the Steamship Company shall not enter into contracts of any kind involving through billing with any person, party or corporation other than the Panama Railroad Company, nor shall the Steamship Company compete directly or indirectly (by reduced rates or otherwise) with the "Panama Route" on said business, and on any business so diverted directly or indirectly by it the Steamship Company shall pay to the Railroad Company the freight it would have been entitled to receive if such business had been carried across the Isthmus on its railroad.

ARTICLE V.

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 foreign 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 foreign freight between European Ports and United States Pacific Coast Ports.

To the Railroad Company, thirty-seven and one-half per cent. (37½%).

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

Minimum rate, forty cents (40c.) per 100 pounds, or ten cents (10c.) per cubic foot.

The above described 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.

Subject to above agreed minima, the freight rates between United States Atlantic and United States Pacific Coast Ports, and between United States Atlantic Coast Ports and Mexican or Central American Ports, and between Mexican, Central American or United States Pacific Coast Ports and European Ports, are to be fixed by the initial carriers. All tariffs naming rates and commodities are to be made by mutual consent and become effective with the date of this agreement.

It is further agreed that if, during the pendency of this contract, it becomes necessary, on account of quarantine or revolutions, or the acts of any government, to hold and warehouse freight, mail, specie, etc., at any point on the Railroad or Steamship Company's lines, all charges thereon are to be considered as line charges, and are to be prorated between the lines in interest according to the divisions of the through rates, it being understood that the charges for handling and warehousing by the Railroad or Steamship Company are to be at cost.

ARTICLE VI.

It is mutually agreed that the term "ton," as used in this agreement, shall mean two thousand, two hundred and forty (2,240) pounds avdp., or forty cubic feet measurement when so taken by the ships, unless otherwise expressly provided herein.

ARTICLE VII.

Passenger rates accruing to the Railroad and Steamship Company between New York and Pacific Coast Ports, Panama to San Francisco, both included, shall be divided as follows:

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

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

Through passenger rates effective under terms of this contract are those which were in effect December 1, 1899, and any change therefrom is to be made only by mutual consent in writing; but either party to this contract is at liberty to diminish any agreed rate, but at its own cost; by the amount of the proportion accruing to it under the above divisions.

Any commissions paid agents for soliciting and obtaining passenger business covering service of Panama Route are to be divided between the Railroad Company and the Steamship Company *pro rata* according to the divisions of the through rate.

Both parties shall have the right to appoint and maintain Agents at any point they may select.

ARTICLE VIII.

The steamers of the Pacific Mail Steamship Company shall make use of the La Boca wharf provided by the Panama Railroad Company whenever in the judgment of the Pacific Mail Steamship Company it is safe and prudent so to do; but in the event of the steamers not being able to get alongside said wharf without delay, then the cargo, etc., shall be lightered in the Bay of Panama.

When steamers load or discharge alongside La Boca wharf no charge shall be made on passengers, mails, specie, baggage, etc., but the Railroad Company shall be paid as wharfage on all other cargo (when same is taken from or landed on the wharf direct) a maximum rate of eighty cents (80c.) American gold per ton, it being understood that the Railroad Company is to provide at its wharf at La Boca the necessary equipment for the efficient operation thereof and for the prompt loading and unloading by the Steamship Company of its vessels, compensation for all which is included in above wharfage.

If the Railroad Company furnishes cranes, there shall be an additional charge of ten cents (10c.) per ton on the cargo for the use of such cranes, such usage, however, of cranes being optional with the Steamship Company.

When lighterage is performed by the Railroad Company and the lighters are loaded or discharged at La Boca, no charge other than the lighterage charged is to be made the Steamship Company for the use of La Boca wharf or cranes, or loading or unloading the lighters at the wharf.

If the Steamship Company elects to enter service between Panama and Chiriqui, such service is to form part of this contract, and the Steamship Company is to have the right to land all cattle it may carry on the beach at Panama free of any charge.

ARTICLE IX.

The Railroad Company shall, during the pendency of this contract, continue to employ its lighters when reasonably necessary to connect with the Steamship Company's vessels and the shore at Panama, the Railroad Company agreeing to furnish lighters in sufficient number to load and unload such vessels with dispatch.

When lighters are used the following shall be the lighterage charges:

For each ton of freight delivered by the Steamship Company to the Railroad Company, or by the Railroad Company to the Steamship Company, ninety cents (90c.) per ton, United States currency.

For all specie or treasure, one-fortieth of one per cent. (1-40%).

For each passenger, one dollar (\$1.00) United States currency.

No charge for extra baggage or mails.

Panama local cargo to be received and delivered by the party of the first part as agent for the party of the second part, in that City; the receipt or delivery thereof and transfer to and from steamer including the lighterage, wharfage and cranage, to be performed by party of the first part, and party of the second part will pay for such services rendered \$1.25 per ton, whether lightered or received from or delivered to steamers at La Boca.

ARTICLE X.

The Railroad Company agrees to transport from Colon to Panama, supplies, excepting coal, exclusively for the use of the Steamship Company's steamers on the Pacific at three dollars (\$3) per ton, and to lighter same at Panama at one dollar (\$1) per ton additional, it being hereby agreed that the Steamship Company shall have the right to perform lighterage on its own coal and other supplies in its own lighters.

The Railroad Company agrees to transport by each steamer from New York to Colon, supplies exclusively for the use of the Steamship Company, at the rate of \$5 per ton.

ARTICLE XI.

The officers and employees of the Steamship Company shall be carried between Panama and Colon free, and between New York and Panama or Colon at the rate of ten dollars (\$10) for each passenger.

The officers and employees of the Railroad Company shall be carried between Panama and San Francisco at the rate of twenty dollars for each passenger.

ARTICLE XII.

The Railroad Company agrees so long as its wires are in working order, to obtain and furnish the Steamship Company all telegraphic and telephonic information through its Agents that may be necessary to properly conduct the business of the Panama Route.

ARTICLE XIII.

Each party hereto shall be responsible for cargo, specie and mail while under its care and until delivered to its co-carrier.

Any responsibility accruing in regard to passengers or their baggage is to be assumed in like manner as cargo.

Whenever any loss or injury occurs, or damage from delay in transportation, the loss or injury or damage from delay whether accruing with respect to cargo, specie, mail, passengers or their baggage, shall, when same cannot be located, be prorated between the Railroad Company and the Steamship Company according to the divisions of the through rate that may apply in each case.

In case any actions, suits or claims shall be brought against any co-carrier, the carrier responsible, as above stipulated, shall bear and discharge any loss, damage or expense incident thereto; provided the carrier sued shall at once give notice to the other co-carrier to the end that each may have opportunity to defend its interests.

ARTICLE XIV.

The carriage or transportation of salt, coal and grain (except barley in bags between United States points) is hereby exempted from the operation of this contract, and each of the contracting parties reserves its full liberty as to the carriage or transportation of these articles.

ARTICLE XV.

The Railroad Company will do at its shops in Panama and Colon such work and repairs for the Steamship Company as the Steamship Company from time to time may request, and as the Railroad Company

can perform without interference with its own business—charging therefor the cost of labor and material on the Isthmus, with ten per cent. added thereto.

ARTICLE XVI.

The Steamship Company shall make over and deliver to the Railroad Company, charter-parties of even date with the present instrument, at the nominal rate of one dollar per month, and unconditional in terms of the following steamers belonging to said Company, and now running or to be run between Panama and San Francisco under this contract, to-wit, the *Acapulco*, the *San Jose*, the *City of Sydney*, the *Colon*, the *City of Para* and the *San Juan*, and agrees to likewise make over and deliver to the Railroad Company like charters of any other steamers placed upon said service under the provisions of Section "A" of Article II of this contract, simultaneously with the placing of the same upon said service.

It is hereby further agreed that as long as the Steamship Company performs punctually and regularly three trips per month in each direction under and according to the provisions of Section "A," Article II of this contract, then these charters are to remain unenforceable.

If the Steamship Company, from any cause except the act of God, or the public enemy, or arising from the perils of the sea, omits two sailings in any one calendar month during the continuance of this contract, then the above charters are, as to all or any one or more of said steamers, at the Railroad Company's option, to become enforceable, and the Railroad Company shall have, and is hereby given the absolute right and power to run said vessels, or any of them, on the aforesaid described route and service, calling at all ports between Panama and San Francisco, and *vice versa*, for the account and risk of, and at the expense of said Steamship Company, during the unexpired portion of this contract; it being the express intent and agreement of the parties hereto that the covenants of this article shall be specifically enforceable, and that breach thereof cannot be adequately compensated in damages.

The Steamship Company agrees, in the contingency aforesaid, peacefully to surrender to the Railroad Company, upon its demand in writing, the said steamers, or any of them, without the intervention of any court or legal proceedings of any kind whatsoever; the Steamship Company hereby irrevocably giving the Railroad Company all the power and authority needful in the premises, in order that the Railroad Company may take possession of said steamers, or of any one or more of them, and operate them, or any one or more of them, under the provisions and terms of the charter-parties hereto annexed; and it is expressly agreed that in case of any conflict of opinion or doubt as to the respective rights of the parties hereto under this clause, until such rights are finally established by the judgment and decree of a competent court, or by arbitration in the manner hereinafter provided, the Steamship Company or its successors will not, in the contingency herein contemplated, hold said ships as against any demand of said Railroad Company, and will not prevent or hinder the use of the same by the Railroad Company in the manner or in the business contemplated by this Agreement.

ARTICLE XVII.

The Railroad Company shall make over and deliver to the Steamship Company, charter-parties of even date with the present instrument, at the nominal rate of one dollar per month and unconditional in terms, of

the following steamers belonging to said Railroad Company and now running or to be run between New York and Colon under this contract, to-wit, the *Allianca*, the *Advance* and the *Finance*, and agrees to likewise make over and deliver to the Steamship Company like charters of any other steamers placed upon said service under the provisions of Section "B," of Article II of this contract, simultaneously with the placing of the same upon said service.

It is hereby further agreed that as long as the Railroad Company's Steamship line performs punctually and regularly at least three trips per month in each direction, under and according to the provisions of Section "B," of Article II of this contract, then these charters are to remain unenforceable.

If the Railroad Company from any cause except the act of God, or the public enemy, or arising from the perils of the sea, omits two sailings in any one calendar month during the continuance of this contract, then the above charters are, as to all or any one or more of said steamers, at the Steamship Company's option to become enforceable, and the Steamship Company shall have and is hereby given the absolute right and power to run said vessels, or any of them, on the aforesaid described route and service, between New York and Colon, and *vice versa*, for the account and risk of, and at the expense of said Railroad Company, during the unexpired portion of this contract, it being the express intent and agreement of the parties hereto that the covenants of this article shall be specifically enforceable and that breach thereof cannot be adequately compensated in damages.

The Railroad Company agrees in the contingency aforesaid, peacefully to surrender to the Steamship Company, upon its demand in writing, the said steamers, or any of them, without the intervention of any court or legal proceedings of any kind whatsoever; the Railroad Company hereby irrevocably giving the Steamship Company all the power and authority needful in the premises, in order that the Steamship Company may take possession of said steamers, or of any one or more of them, and operate them, or any one or more of them, under the provisions and terms of the charter-parties hereto annexed; and it is expressly agreed that in case of any conflict of opinion or doubt as to the respective rights of the parties hereto under this clause, until such rights are finally established by the judgment and decree of a competent court, or by arbitration in the manner herein-after provided, the Railroad Company or its successors, will not, in the contingency herein contemplated, hold said ships as against any demand of said Steamship Company, and will not prevent or hinder the use of the same by the Steamship Company in the manner or in the business contemplated by this Agreement.

ARTICLE XVIII.

For all joint business transacted under this contract and for all services or material furnished by the parties thereto to each other, there shall, except as herein otherwise expressly provided for, be rendered at New York a monthly account on the 25th day of each month for the business of the preceding month, such statement to cover all business of the preceding month cleared during said month, and the sums due shall be paid on that date to the creditor company.

ARTICLE XIX.

Any and all questions that shall or may arise touching this Agreement, or the construction thereof, or any matters or things to be done

or performed by either of the parties hereunder, shall be submitted to the decision and award of three arbitrators, who shall be disinterested persons, and who shall be chosen, one by each of the parties hereto, and the third by the two so chosen. Either party hereto may, at any time, notify the other, in writing, that it elects to submit any such matter of difference to arbitration hereunder and name an arbitrator, and if the other party shall fail or omit to name an arbitrator within fifteen days after written notice of such selection of an arbitrator by the other party and written request to name an arbitrator, the arbitrator named by the party giving such notice shall name an arbitrator for and on behalf of the party so failing or omitting, who shall have the same power and authority as though he had been chosen and nominated by such party. And the decision and award of any two of such arbitrators with respect to the matters so submitted to them, shall be binding and conclusive upon the parties; and each of the parties hereto does bind itself and its successors, faithfully to abide by and carry out any award so made by any two of the arbitrators appointed as aforesaid. Any question of violation or failure to observe this Agreement by either party, or any other question arising between them hereunder, may be submitted to such arbitrators, and they shall determine first, as to the fact, and secondly as to the amount of money damages to be paid by the party found guilty, to the party making the charge, or the particular thing to be done or to be refrained from being done by such guilty party, and such amount shall be paid, and such award shall be complied with within ten days of the rendering of such award. The two parties both agree to furnish to the arbitrators any paper, instrument or book in their possession which such arbitrators may request them to produce. Should any arbitration fail for any cause, then such proceedings as above prescribed may be taken *de novo* by either party to this agreement. All hearings by said arbitrators shall be held in New York or on the Isthmus of Panama, or in San Francisco or such other place where witnesses necessary to appear before the arbitrators may be obtained with the least expense to the parties to this contract, and all fees and expenses of such arbitrators shall be borne by the party against whom the award of the arbitrators shall be made, and shall be assessed by said arbitrators and made part of their award.

This article shall be considered of the essence of this agreement and any breach of or failure to observe any of the terms thereof shall be deemed to be a material breach of the entire contract.

ARTICLE XX.

Any of the conditions of Articles V, VII, VIII, IX, X, and XI of this Agreement may be altered by consent in writing of the parties hereto, signed by their respective Presidents or Vice Presidents, without affecting any of the other conditions of this Agreement.

ARTICLE XXI.

Subject to the provisions of a contemporaneous agreement between the parties hereto of even date herewith, this contract, except as herein otherwise expressly prescribed, shall remain in force for three years from the eleventh day of June, 1902, and for the further period of two years, if either party shall so elect, and if such party shall have given notice of such election to the other party hereto at least ninety (90) days before the expiration of the first term of three years.

IN WITNESS WHEREOF, the said parties hereto have caused this instru-

ment to be signed in their corporate names by their respective Presidents, and their respective corporate seals to be hereunto affixed and attested by their respective Secretaries, the day and year first herein above written.

Attest: PANAMA RAIL ROAD COMPANY,
E. A. DRAKE, By J. EDWARD SIMMONS,
Secretary. President.

Attest: PACIFIC MAIL STEAMSHIP COMPANY,
JOS. HELLEN, By CHARLES H. TWEED,
Secretary. President.

STATE OF NEW YORK, }
County of New York, } ss.:

On this 11th day of June, 1902, before me personally appeared J. EDWARD SIMMONS, personally known to me to be the individual who subscribed the within instrument for and in behalf of The Panama Rail Road Company, who being by me duly sworn, did depose and say: That he resided in New York city; that he was the President of the said Corporation; that he knew the corporate seal of the said Corporation; that the seal affixed to the said instrument was such corporate seal, and that the said instrument was signed by him and sealed in behalf of the said Corporation by authority of its Board of Directors; and the said J. Edward Simmons acknowledged the said instrument to be the act and deed of the said Corporation, and that the same was executed by said Corporation freely and voluntarily for the purposes therein mentioned.

[NOTARIAL SEAL.] JOHN J. TIERNEY,
Notary Public, Kings County.
Certificate filed in New York County, N. Y.

STATE OF NEW YORK, }
County of New York, } ss.:

On this 11th day of June, 1902, before me personally appeared E. A. DRAKE, personally known to me to be the individual who subscribed the within instrument for and in behalf of The Panama Rail Road Company, who, being by me duly sworn, did depose and say: That he resided in New York City; that he was the Secretary of the said Corporation; that he knew the corporate seal of the said Corporation; that the seal affixed to the said instrument was such corporate seal, and that the said instrument was signed and sealed by him in behalf of the said Corporation by authority of its Board of Directors; and the said E. A. Drake acknowledged the said instrument to be the act and deed of the said Corporation, and that the same was executed by said Corporation freely and voluntarily for the purposes therein mentioned.

[NOTARIAL SEAL.] JOHN J. TIERNEY,
Notary Public, Kings County.
Certificate filed in New York County, N. Y.

STATE OF NEW YORK, }
County of New York, } ss.:

On this 11th day of June, 1902, before me personally appeared C. H. TWEED, personally known to me to be the individual who subscribed the within instrument for and in behalf of The Pacific Mail Steamship Company, who, being by me duly sworn, did depose and

say: That he resided in New York City; that he was the President of the said Corporation; that he knew the corporate seal of the said Corporation; that the seal affixed to the said instrument was such corporate seal, and that the said instrument was signed by him and sealed in behalf of the said Corporation by authority of its Board of Directors; and the said C. H. Tweed acknowledged the said instrument to be the act and deed of the said Corporation, and that the same was executed by said Corporation freely and voluntarily for the purposes therein mentioned.

[NOTARIAL SEAL.]

JOHN J. TIERNEY,
Notary Public, Kings County.
Certificate filed in New York County, N. Y.

STATE OF NEW YORK, }
County of New York, } ss.:

On this 11th day of June, 1902, before me personally appeared JOSEPH HELLEN, personally known to me to be the individual who subscribed the within instrument for and in behalf of The Pacific Mail Steamship Company, who, being by me duly sworn, did depose and say: That he resided in New York City; that he was the Secretary of the said Corporation; that he knew the corporate seal of the said Corporation; that the seal affixed to the said instrument was such corporate seal, and that the said instrument was signed and sealed by him in behalf of the said Corporation by authority of its Board of Directors; and the said Joseph Hellen acknowledged the said instrument to be the act and deed of the said Corporation, and that the same was executed by said Corporation freely and voluntarily for the purposes therein mentioned.

[NOTARIAL SEAL.]

JOHN J. TIERNEY,
Notary Public, Kings County.
Certificate filed in New York County, N. Y.

EXTRACT FROM MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PANAMA RAIL ROAD CO., HELD AT THE OFFICE OF THE COMPANY, No. 24 STATE STREET, NEW YORK, ON THURSDAY, JUNE 12TH, 1902.

Resolved, That the contract and supplemental agreement between the Pacific Mail S. S. Co. and this Company, which have been approved by Counsel and now submitted to this Board, be, and the same are, hereby ratified, approved and adopted, said agreements being as follows:

* * * * *

And the President and Secretary of this Company are hereby fully authorized and empowered to execute, acknowledge and deliver, for and in behalf of this Company, and under its corporate seal, the agreements aforesaid, together with the several charter parties and stipulations provided by said agreements to be made and delivered at this time or any time hereafter by this Company; said charter parties and stipulations to be in such form and terms as to the Executive Committee may seem proper, in order to carry out said agreements; and said officers are also fully authorized and empowered to do all acts and things which they may deem necessary or proper to effectuate the completion of said agreements and the full establishment of the same.

I hereby certify the foregoing to be a true and correct copy of the

Resolution adopted by the Board of Directors at its Meeting held on June 12th, 1902, duly called and held.

Witness my hand and official seal this 12th day of June, 1902.

{ Seal of Panama }
{ Railroad Co. }

E. A. DRAKE,
Secretary.

EXTRACT FROM THE MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE PACIFIC MAIL STEAMSHIP CO., HELD AT NO. 120 BROADWAY, IN THE CITY OF NEW YORK, ON WEDNESDAY, JUNE 11TH, 1902, AT 3 O'CLOCK, P. M. A QUORUM BEING PRESENT AND ASSENTING.

Resolved, That the agreement and the supplemental agreement between the Panama Rail Road Company and this Company, which are now submitted to the Board, be and the same are hereby approved, and that the President and Secretary of this Company be and they are hereby authorized to execute said agreement and supplemental agreement under the corporate seal of this Company and to acknowledge and deliver the same, and to execute, acknowledge and deliver charter parties as prescribed in said agreement, and to do such other acts and things as they may deem necessary and proper to carry out said agreement and supplemental agreement.

Attest:

A true copy.

{ Seal of Pacific Mail }
{ Steamship Co. }

JOS. HELLEN,
Secretary.

THE PANAMA ROUTE.

SUPPLEMENTAL CONTRACT BETWEEN THE PANAMA RAIL ROAD COMPANY AND THE PACIFIC MAIL STEAMSHIP COMPANY.

DATED JUNE 11, 1902.

THIS MEMORANDUM OF AN AGREEMENT, made and entered into this eleventh day of June, 1902, by and between the PANAMA RAIL ROAD COMPANY, a corporation duly chartered by and organized under the laws of the State of New York, and hereinafter called the Railroad Company, party of the first part, and the PACIFIC MAIL STEAMSHIP COMPANY, also a corporation duly chartered by and organized under the laws of said State, and hereinafter called the Steamship Company, party of the second part, WITNESSETH: that

WHEREAS, the parties hereto have entered into another Agreement, bearing even date herewith, for the purpose of regulating the traffic arrangements between them, and hereinafter called the Traffic Agreement; and

WHEREAS, a suit is now pending before the Supreme Court of the Republic of Colombia, brought by the Attorney-General of said Republic against the Railroad Company, to compel the Railroad Company to grant to all carriers the privilege of issuing through bills of lading over its line of railroad, and to forbid it to give to any carrier special privileges or advantages in respect of transportation of goods over said railroad; and

WHEREAS, carriers of goods and passengers from Panama to points upon the Pacific, north of said City, may enter into competition

with the Panama Route, and may embarrass the operations of said route, and it may be necessary for the proper conduct of the business that other independent means of transportation from Panama to points on the Pacific, south of said City, should be provided,

NOW, THEREFORE, in consideration of the premises, and of the sum of One Dollar by each of the parties hereto to the other in hand paid, and of the other good and valuable considerations, the receipt whereof is hereby acknowledged, and of the making of said Traffic Agreement, and of the various covenants of the respective parties hereinafter contained, the parties aforesaid have covenanted and agreed, and do hereby covenant and agree to and with each other as follows:

FIRST.—The Railroad Company and the Steamship Company will co-operate in defending, or procuring the dismissal of, the said suit now pending before the Supreme Court of the Republic of Colombia, and will contribute in the proportion of 55 per cent. by the Railroad Company and 45 per cent. by the Steamship Company to the expenses hereafter and during the operation of said Traffic Agreement incurred for counsel in connection with the defense of said suit or with such efforts to procure the dismissal thereof.

SECOND.—If the Railroad Company should not, on account of its inability to do so, or for any other reason, give to the Steamship Company the exclusive privilege of issuing through bills of lading over its line of railroad, to and from the ports referred to in the first paragraph of Article I of said Traffic Agreement, in connection with the Railroad Company and each and every one of its Atlantic connecting lines, then the Steamship Company shall be entitled, at its option, to terminate said Traffic Agreement upon giving written notice to the Railroad Company of its election so to terminate the same.

THIRD.—Upon the execution of the said Traffic Agreement by the parties hereto the Railroad Company is to forthwith give notice to all steamship lines running steamers between Panama and ports on the Pacific Coast north thereof other than the Pacific Mail Steamship Company, that upon the expiration of ninety days from the giving of such notice the Railroad Company will cease to through-bill with the steamship lines so notified, or either or any of them, in respect of the transportation of merchandise on the Pacific Coast north of Panama, and the parties hereto shall endeavor to procure arrangements between such other steamship lines so notified and the parties hereto for a division of territory under which the transportation of merchandise on the Pacific Coast north of Panama shall be conducted by the Pacific Mail Steamship Company only, and the transportation of merchandise on the Pacific Coast south of Panama shall be conducted by such other lines and for a mutual interchange of business at Panama between said Pacific Mail Steamship Company and such other steamship lines.

If on or before the expiration of ninety days from the giving of such notice such other steamship lines shall not have agreed to such division of territory and to such mutual interchange of business at Panama as above prescribed, but shall conduct the transportation of merchandise north of Panama, the Pacific Mail Steamship Company may, at its own expense, but otherwise in co-operation with the Panama Rail Road Company inaugurate a steamship line extending as far south as Valparaiso, and the Panama Rail Road Company will extend to the Pacific Mail Steamship Company in respect of

such line facilities in all respects equal to those which the Railroad Company may accord to any other line operating steamers south of Panama.

If, in consequence of the notification to be given as above prescribed from the Railroad Company to the other steamship lines, or such efforts to secure a division of territory as above provided, such other steamship lines shall withdraw their existing lines connecting Panama with points on the Pacific Coast south thereof, then the Pacific Mail Steamship Company will, if the Railroad Company shall so request, forthwith make arrangements for providing for a line of steamers running south from Panama as far as Valparaiso, and shall within at most 120 days after the making of such request establish and begin the actual operation of such line; and in that event the Railroad Company will thereafter and so long as such line shall be maintained and operated in a regular and efficient manner so as to accommodate properly the traffic between said points and Panama in connection with the railroad refuse and continue to refuse to through-bill with other steamship lines in respect of business south of Panama, and will through-bill exclusively with the Pacific Mail Steamship Company for such business, and will extend to the Pacific Mail Steamship Company facilities for such business in all respects equal to those which by the said Traffic Agreement are extended to the business conducted by the Pacific Mail Steamship Company north of Panama. Provided, however, that the running of such line of steamers south from Panama by the Pacific Mail Steamship Company and such exclusive through-billing privilege may be terminated upon one year's notice from the Pacific Mail Steamship Company to the Panama Rail Road Company of its election to terminate the running of such line, or upon one year's notice from the Panama Rail Road Company to the Pacific Mail Steamship Company of its election to terminate such exclusive through-billing privileges.

FOURTH.—IT IS MUTUALLY AND EXPRESSLY UNDERSTOOD AND AGREED that if at any time during the continuance of said Traffic Agreement, a majority of the shares of the Railroad Company or its railroad property shall be purchased or acquired by the United States of America, or by any person or persons representing it, or acting in its behalf, then either party hereto may give notice in writing to the other of its intention to terminate said Traffic Agreement, and at the expiration of six months from the giving of such notice, the said Traffic Agreement, and the previous articles of this Agreement shall terminate, come to an end, and be utterly null and void thenceforth, anything in said Traffic Agreement or herein contained to the contrary notwithstanding.

IN WITNESS WHEREOF, each of the parties hereto has caused these presents to be signed by its President, attested by its Secretary and sealed with its corporate seal, the day and year first hereinabove written.

Attest:
E. A. DRAKE,
Secretary.

PANAMA RAIL ROAD COMPANY,
By J. EDWARD SIMMONS,
President.

Attest:
JOS. HELLEN,
Secretary.

PACIFIC MAIL STEAMSHIP COMPANY,
By CHARLES H. TWEED,
President.

STATE OF NEW YORK, }
County of New York, } ss.:

On this 11th day of June, 1902, before me personally appeared J. EDWARD SIMMONS, personally known to me to be the individual who subscribed the within instrument for and in behalf of The Panama Rail Road Company, who, being by me duly sworn, did depose and say: That he resided in New York City; that he was the President of the said Corporation; that he knew the corporate seal of the said Corporation; that the seal affixed to the said instrument was such corporate seal, and that the said instrument was signed by him and sealed in behalf of the said Corporation by authority of its Board of Directors; and the said J. Edward Simmons acknowledged the said instrument to be the act and deed of the said Corporation, and that the same was executed by said Corporation freely and voluntarily for the purposes therein mentioned.

[NOTARIAL SEAL.] JOHN J. TIERNEY,
Notary Public, Kings Co.
Certificate filed in New York County, N. Y.

STATE OF NEW YORK, }
County of New York, } ss.:

On this 11th day of June, 1902, before me personally appeared E. A. DRAKE, personally known to me to be the individual who subscribed the within instrument for and in behalf of The Panama Rail Road Company, who, being by me duly sworn, did depose and say: That he resided in New York City; that he was the Secretary of the said Corporation; that he knew the corporate seal of the said Corporation; that the seal affixed to the said instrument was such corporate seal, and that the said instrument was signed and sealed by him in behalf of the said Corporation by authority of its Board of Directors; and the said E. A. Drake acknowledged the said instrument to be the act and deed of the said Corporation, and that the same was executed by said Corporation freely and voluntarily for the purposes therein mentioned.

[NOTARIAL SEAL.] JOHN J. TIERNEY,
Notary Public, Kings Co.
Certificate filed in New York County, N. Y.

STATE OF NEW YORK, }
County of New York, } ss.:

On this 11th day of June, 1902, before me personally appeared C. H. TWEED, personally known to me to be the individual who subscribed the within instrument for and in behalf of The Pacific Mail Steamship Company, who, being by me duly sworn, did depose and say: That he resided in New York City; that he was the President of the said Corporation; that he knew the corporate seal of the said Corporation; that the seal affixed to the said instrument was such corporate seal, and that the said instrument was signed by him and sealed in behalf of the said Corporation by authority of its Board of Directors; and the said C. H. Tweed acknowledged the said instrument to be the act and deed of the said Corporation, and that the same was executed by said Corporation freely and voluntarily for the purposes therein mentioned.

[NOTARIAL SEAL.] JOHN J. TIERNEY,
Notary Public, Kings Co.
Certificate filed in New York County, N. Y.

STATE OF NEW YORK, }
County of New York, } ss.:

On this 11th day of June, 1902, before me personally appeared JOSEPH HELLEN, personally known to me to be the individual who subscribed the within instrument for and in behalf of The Pacific Mail Steamship Company, who, being by me duly sworn, did depose and say: That he resided in New York City; that he was the Secretary of the said Corporation; that he knew the corporate seal of the said Corporation; that the seal affixed to the said instrument was such corporate seal, and that the said instrument was signed and sealed by him in behalf of the said Corporation by authority of its Board of Directors; and the said Joseph Hellen acknowledged the said instrument to be the act and deed of the said Corporation, and that the same was executed by said Corporation freely and voluntarily for the purposes therein mentioned.

[NOTARIAL SEAL.]

JOHN J. TIERNEY,
Notary Public, Kings Co.
Certificate filed in New York County, N. Y.

EXTRACT FROM MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PANAMA RAIL ROAD CO., HELD AT THE OFFICE OF THE COMPANY, NO. 24 STATE STREET, NEW YORK, ON THURSDAY, JUNE 12TH, 1902.

Resolved, That the contract and supplemental agreement between the Pacific Mail S. S. Co. and this Company, which have been approved by Counsel and now submitted to this Board, be, and the same are, hereby ratified, approved and adopted, said agreements being as follows:

* * * * *

And the President and Secretary of this Company are hereby fully authorized and empowered to execute, acknowledge and deliver, for and in behalf of this Company, and under its corporate seal, the agreements aforesaid, together with the several charter parties and stipulations provided by said agreements to be made and delivered at this time or any time hereafter by this Company; said charter parties and stipulations to be in such form and terms as to the Executive Committee may seem proper, in order to carry out said agreements; and said officers are also fully authorized and empowered to do all acts and things which they may deem necessary or proper to effectuate the completion of said agreements and the full establishment of the same.

I hereby certify the foregoing to be a true and correct copy of the Resolution adopted by the Board of Directors at its Meeting held on June 12th, 1902, duly called and held.

Witness my hand and official seal this 12th day of June, 1902.

{ Seal of Panama }
{ Railroad Co. }

E. A. DRAKE,
Secretary.

EXTRACT FROM THE MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE PACIFIC MAIL STEAMSHIP CO., HELD AT NO. 120 BROADWAY, IN THE CITY OF NEW YORK, ON WEDNESDAY, JUNE 11TH, 1902, AT 3 O'CLOCK, P. M. A QUORUM BEING PRESENT AND ASSENTING.

Resolved, That the agreement and the supplemental agreement between the Panama Rail Road Company and this Company, which

are now submitted to the Board, be, and the same are hereby approved, and that the President and Secretary of this Company be and they are hereby authorized to execute said agreement and supplemental agreement under the corporate seal of this Company and to acknowledge and deliver the same, and to execute, acknowledge and deliver charter parties as prescribed in said agreement, and to do such other acts and things as they may deem necessary and proper to carry out said agreement and supplemental agreement.

Attest:

A true copy.

{ Seal of Pacific Mail }
{ Steamship Co. }

JOS. HELLEN,
Secretary.

(EXHIBIT B—38.)

Question.—What are the terms of the traffic arrangements with the South American Lines?

Answer.—They agree to maintain a service adequate to take care of all the traffic to and from Panama that seeks, or can be secured, for the Isthmus Route. The interchange of traffic is governed by the terms of through Bills of Lading which have been agreed upon. The Pacific Lines are to make through rates competitive with other routes down to a minimum of 30s. per ton, to the ports in Europe, and on this side of the Atlantic reached by the Steamship Lines connecting with our Railroad from Colon, and the divisions of the through rates are made pro-rata. They are to accept from us on similar terms the traffic which is carried to the Isthmus for shipment to the ports reached by their steamers. The arrangement can be cancelled on 90 days' notice, but we are free at all times to make similar arrangements with other Lines.

February 6, 1905.

R. L. WALKER,
Traffic Manager.

(EXHIBIT B—39.)

Question.—Why do you not have traffic arrangements with other Lines from Panama?

Answer.—We have thus far been unable to induce any other Lines to embark in the traffic, and have not been approached by any other Lines to interchange traffic with them.

February 6, 1905.

R. L. WALKER,
Traffic Manager.

(EXHIBIT B—40.)

Question.—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.

Answer.—The rates by the United Fruit Company from New Orleans and the rates by our Company from New York to the various destinations on the Isthmus Route are the same. Attached is a comparison of rates from New York on nine staple articles to Colon, Havana, Livingston, etc. The service by American steamers to Vera Cruz,

Progreso and La Guayra is similar to our service, New York to Colon. Livingston has no direct service, and the high rates from New York to that point are divided between the American steamers of the Southern Pacific Company running to New Orleans, and the foreign vessels operated by the United Fruit Company, New Orleans to Livingston, and other ports on the East Coast of Central America.

In this connection the enclosed tariff of Messrs. Fredk. Leyland & Co. (1900), Ltd, dated Liverpool, June 15, 1901, may be of interest, as their rates to Colon are compared with their rates to other ports about the Caribbean Sea and the Gulf of Mexico. It will be noted that our rates from New York to Colon are in each instance less than the rates from Europe to Colon. Perhaps the following tariffs from New York may also be of interest:

New York and Porto Rico S. S. Co., January 2, 1905.

Red "D" Line, corrected to January 1, 1903.

Hamburg-American Line, Atlas Line Service, in effect July 1, 1903.

Southern Pacific Co., in connection with the United Fruit Co., No. 706, in effect January 1, 1905.

R. L. WALKER,
Traffic Manager.

COMPARISON OF RATES FROM NEW YORK

ARTICLES.	To Colon.	To Havana and Santiago.	To Livingston.	To San Juan.
Kerosene oil.....	25c. per case.	15c. per case.	60c. per case.	12c. per case.
Flour	81¼c. per bbl.	65c. per bbl.	\$1.28 per bbl.	30c. per bbl.
Potatoes	81¼c. per bbl.	65c. per bbl.	\$1.28 per bbl.	50c. per bbl.
Salt	25c. per 100 lbs.	25c. per 100 lbs.	60c. per 100 lbs.	35c. per 100 lbs.
Dry goods.....	12½c. per cu. ft.	10c. per cu. ft.	60c. per cu. ft.	14c. per cu. ft.
Lumber	\$10 per M ft.	\$4 per M ft.	\$15 per M ft.	{ \$5 per M ft. \$8 per M ft.
Pork	87¼c. per bbl.	70c. per bbl.	\$1.28 per bbl.	60c. per bbl.
Furniture	12½c. per cu. ft.	10c. per cu. ft.	30c. per cu. ft.	16c. per cu. ft.
Lard	25c. per 100 lbs.	20c. per 100 lbs.	60c. per 100 lbs.	25c. per 100 lbs. or 12c. per cu. ft.

ARTICLES.	To Kingston.	To Vera Cruz.	To Progreso.	To La Guayra.
Kerosene oil.....	16c. per case.	25c. per case.	25c. per case.	25c. per case.
Flour	40c. per bbl.	75c. per bbl.	70c. per bbl.	50c. per bbl.
Potatoes	50c. per bbl.	88c. per bbl.	88c. per bbl.	50c. per bbl.
Salt	20c. per 100 lbs.	25c. per 100 lbs.	30c. per 100 lbs.	35c. per 100 lbs.
Dry goods.....	8c. per cu. ft.	15c. per cu. ft.	17½c. per cu. ft.	15c. per cu. ft.
Lumber	\$6.50 per M ft.	{ \$8 per M ft. \$9 per M ft.	{ \$8 per M ft. \$9 per M ft.	{ \$9 per M ft. \$12 per M ft.
Pork	50c. per bbl.	90c. per bbl.	\$1.40 per bbl.	75c. per bbl.
Furniture	8c. per cu. ft.	12½c. per cu. ft.	12½c. per cu. ft.	15c. per cu. ft.
Lard	25c. per 100 lbs.	30c. per 100 lbs.	30c. per 100 lbs.	25c. to 30c. per 100 lbs.

February 6, 1905.

FREDERICK LEYLAND & CO. (1900) LIMITED, WEST INDIA AND PACIFIC DEPARTMENT. RATES OF FREIGHT FROM LIVERPOOL TO ATLANTIC PORTS.

Per ton gross weight or measurement, at Steamer's option, with 10 per cent. primage. Through rates of freight are also quoted from inland towns and ports in the United Kingdom. These rates, effective per S. S. "Louisianian," sailing 3d July, apply only to packages and pieces not exceeding two tons weight, and are subject to revision without notice. Cargo taken by special agreement only. Packages and pieces exceeding two tons and not exceeding three tons weight each will be charged one-and-a-half times ordinary freight; over three tons and not over four tons, twice ordinary freight; over four

tons and not over six tons, two-and-a-half times ordinary freight; over six tons and not over eight tons, three times ordinary freight; over eight tons and not over ten tons, three-and-a-half times ordinary freight; over ten tons by special agreement.

PORTS.	FREIGHT.					MINIMUMS.		OTHER CHARGES			
	Class.					Dangerous Goods.		If on Sep. B.L. Wharfage and or Municipal Tax, &c.	Import Tax.	Stamp Duty.	Consular Vise.
	Dangerous.	Val.	Fine.	Coarse.	Rough.	Ordinary Goods. Per B. L.	With other Goods.				
Barbados	60/-	Class 2 plus 1% ad. val.	35/-	35/-	Various	10/6	10/6	21/-	—	—	—
Demerara, via Barbados	60/-	"	35/-	35/-	"	"	"	"	—	—	—
Landing charges, 5% St. Lucia, &c., via Barbados	60/-	"	40/-	40/-	"	"	"	"	—	—	—
Landing charges 5% to 10%	60/-	"	35/-	35/-	"	"	"	"	—	—	—
Trinidad	80/-	"	50/-	50/-	"	21/-	15/6	26/-	—	—	5/-
Ciudad Bolivar, via Trinidad	80/-	60/- or 1% ad. val.	45/-	35/-	25/-*	10/6	10/6	21/-	1/6	—	5/-
La Guayra	80/-	60/- " 1% ad. val.	45/-	35/-	25/-*	"	"	"	3/-	—	5/-
Puerto Cabello	120/-	70/- " 1 1/8%	47/6	37/6	30/-*	13/-	21/-	31/6	—	—	5/-
Curacao	80/-	60/- " 1% ad. val.	45/-	35/-	30/-	10/6	10/6	21/-	6/-	3/-	2/-
Maracaibo & Coro, via Santa Martha	80/-	60/- " 1% ad. val.	30/-	30/-	25/-*	"	"	"	9d.	6/-	3/-
Savanilla	80/-	60/- " 1% ad. val.	30/-	30/-	25/-*	"	"	"	9d.	6/-	3/-
Cartagena	100/-	70/- " 1 1/8%	40/-	40/-	35/-*	13/-	15/6	26/-	—	6/-	3/-
Barranquilla, via Savanilla	120/-	80/- " 1 1/8%	50/-	50/-	45/-*	"	"	"	6/-	3/-	2/-
Weight Goods 5/- per ton extra.	80/-	60/- " 1% ad. val.	35/-	35/-	22/6	10/6	10/6	21/-	6d.	—	10/-
Calamar	80/-	60/- " 1% ad. val.	45/-	35/-	25/-*	10/6	10/6	21/-	—	—	—
via Cartagena.	100/-	70/- " 1 1/8%	55/-	45/-	35/-*	21/-	15/6	26/-	—	—	—
**Colon	60/-	60/- " 1% ad. val.	By special agreement	By special agreement	By special agreement	10/6	10/6	21/-	—	—	—
St. Thomas	80/-	60/- " 1% ad. val.	45/-	35/-	25/-*	"	"	"	—	—	—
St. Croix, via St. Thomas	80/-	60/- " 1% ad. val.	25/-	25/-	17/6	"	"	"	—	—	2/-
Kingston	80/-	60/- " 1% ad. val.	25/-	25/-	17/6	"	"	"	—	—	2/-
Jamacia Outports, via Kingston	80/-	70/- " 1 1/8%	40/-	30/-	22/6	"	"	"	—	—	2/-
Vera Cruz	80/-	60/- " 1% ad. val.	40/-	30/-	22/6	"	"	"	—	—	2/-
Tampico	80/-	60/- " 1% ad. val.	40/-	30/-	22/6	"	"	"	—	—	2/-
Progreso	80/-	60/- " 1% ad. val.	40/-	30/-	22/6	"	"	"	—	—	2/-
Mexico City, Monterey, San Luis Potosi, &c.	Special Rates.					—	—	—	—	—	2/-

*Special Rates (with usual additions).

		La Guayra, Puerto Cabello, Curacao, St. Thomas.	Coro, Maracaibo.	Savanilla, Cartagena.	
Beer	Per 40 cubic feet.	20/- nett.	27/6 nett.	20/- and 10%	} With usual additions for Barranquilla and Calamar.
Bottles (empty), demijohns (empty), earthenware & glassware (common)	Per 40 cubic feet.	20/- nett.	27/6 nett.	25/- and 10%	
Paper (packing, printing, wood and straw)	Per 20 cwt. gross.	18/- nett.	25/- nett.	25/- and 10%	
Coal and coke in sacks; iron and steel wire	Per 20 cwt. gross.	17/6 and 10%	25/- nett.	20/- and 10%	
Cement in casks	Per 20 cwt. gross.	50/- and 10%	60/- and 10%	50/- and 10%	
Iron pots, stoves, grates and ovens	Per 20 cwt. gross.	18/- nett.	25/- nett.	20/- and 10%	
Rice in bags	Per 20 cwt. gross.	18/- nett.	25/- nett.	20/- and 10%	

**Lighthouse dues, 1/- per ton; tonnage tax, 7/- per ton.

° Coro.—Cost of Consular Vise to be divided amongst shippers.

FREDK. LEYLAND & CO. (1900) LIMITED.

27, JAMES STREET, LIVERPOOL, 15th June, 1901.

THE NEW YORK AND PORTO RICO STEAMSHIP COMPANY.
FREIGHT TARIFF.

Subject to change without notice. To San Juan, Ponce and Mayaguez, and when sufficient cargo offers to Aguadilla, Arroyo, Humacao, Fajardo, and Arecibo. Cargo for Arecibo will pay 10 per cent. in addition to these rates. When steamer does not call at any of the above ports goods may be transhipped by coast steamer at San Juan (see transshipment rate). Freight must be prepaid. Five per cent. primage on all freight. No freight received without permit, which can be had on application.
New York, January 2, 1905.

Acid, in carboys, on deck, per carboy.....	\$3.00
Acid, in drums, on deck, per cubic foot.....	.20
Beans and peas, in bags or bbls., per 100 lbs.....	.20
Beer, in bbls., per bbl.....	.75
Bran and feed, per 100 lbs.....	.30
Bacon, butter and boxed provisions, per cubic foot.....	.12
Brooms, per cubic foot.....	.12
Boots and shoes, per cubic foot.....	.16
Beef and tongue, in bbls. and half bbls., per 100 lbs.....	.20
Box shooks, empty boxes, per cubic foot.....	.08
Cornmeal, in bags, per bag.....	.30
Corn and oats, per bushel.....	.10
Crackers, in barrels, per barrel.....	.50
Crackers, soda, in boxes, per cubic foot.....	.08
Crackers, per cubic foot.....	.12
Chairs, common, per cubic foot.....	.12
Carriages, per cubic foot.....	.16
Cement, in barrels, per 100 lbs.....	.10
Cots and wire mattresses, per cubic foot.....	.10
Carriage woodwork, wheels, etc., per cubic foot.....	.10
Cheese and candles, per cubic foot.....	.12
Cartridges, per lb.....	.03
Coal, in bags, per ton.....	4.00
Dry goods, cotton goods, notions, etc., per cubic foot.....	.14
Drugs, druggists' sundries, chemicals, etc., per cubic foot.....	.20
Flour, in customary bags or barrels, per bag or bbl.....	.30
Fruit and vegetables, per bbl.....	.50
Fish, in drums, 4 quintals, per drum.....	1.00
Fish, in boxes, per cubic foot.....	.08
Fish, pickled, in barrels, per 100 lbs.....	.20
Fertilizer, in bags, per 100 lbs.....	.20
Fire clay, per 100 lbs.....	.20
Fire brick, per 100 lbs.....	.20
Furniture, per cubic foot.....	.16
Glassware, crockery and earthenware, per cubic foot.....	.10
Grease, per 100 lbs.....	.30
Grindstones, per 100 lbs.....	.25
Hams, per cubic foot.....	.12
Hay, in bales, per cubic foot.....	.08
Hoops, per 1,000 hoops.....	5.00
Household effects in use, per cubic foot.....	.12
Hats, per cubic foot.....	.14
Iron, in bars, sheets, per 100 lbs.....	.30
Iron castings, angle iron, etc., per 100 lbs.....	.35
Iron corrugated roofing, in sheets, per 100 lbs.....	.20
Lard, in tierces and barrels, per 100 lbs.....	.25
Lard, in cases, per cubic foot.....	.12
Lampware, per cubic foot.....	.12
Lumber, white pine, per 1,000 feet.....	5.00
Lumber, yellow pine, per 1,000 feet.....	8.00
Matches, in tin-lined cases, per cubic foot.....	.12
Match splints, in cases, strawboard, per cubic foot.....	.08
Machinery, pieces or packages under 2,000 pounds, per 100 lbs.....	.35
2,000 to 3,000 pounds per piece or package, per 100 lbs.....	.50
3,000 to 4,000 pounds per piece or package, per 100 lbs.....	.60
4,000 to 5,000 pounds per piece or package, per 100 lbs.....	.75
5,000 to 6,000 pounds per piece or package, per 100 lbs.....	1.00
over 6,000 lbs.....	Special
Machinery, measurement rate at ship's option, per cubic foot.....	\$0.16
Millinery, ribbons, etc., per cubic foot.....	.16
Nails, per 100 lbs.....	.25
Nuts and bolts, per 100 lbs.....	.35
Oil, lubricating, per cubic foot.....	.13
Pork, per bbl.....	.60
Paper (straw), in bundles, per cubic foot.....	.08
Paper bags, per cubic foot.....	.08
Paper, news print, per cubic foot.....	.12

Pepper, in bags, per cubic foot.....	\$0.12
Paint, per 100 lbs.....	.25
Petroleum, per cubic foot.....	.06
Pipe, iron, per 100 lbs.....	.30
Pipe spiral, per cubic foot.....	.12
Platedware, cheap jewelry, etc., per cubic foot.....	.20
Piles, spruce, per running foot.....	.10
Piles, creosoted, per running foot.....	.15
Rice, in bags, per 100 lbs.....	.20
Rosin, tar, pitch, plaster, sand, sulphur, tallow, marble, per 100 lbs.....	.25
Rope and twine, per cubic foot.....	.16
Rails, per 100 lbs.....	.30
Stationery, per cubic foot.....	.16
Safes, under 2,000 pounds, per 100 lbs.....	.35
Safes, over 2,000 pounds, per lb.....	.01
Starch, maizena and miscellaneous provisions, per cubic foot.....	.12
Soup paste, macaroni, in boxes, per cubic foot.....	.10
Starch, in bags, per 100 lbs.....	.25
Shooks and heads, per S. & H.....	.30
Soap, laundry, per cubic foot.....	.12
Soap, fancy, per cubic foot.....	.20
Sewing machines, per cubic foot.....	.16
Specie.....	¼ of 1%
Turpentine, varnish, etc., per cubic foot.....	.13
Transshipment rate, { Weight goods, per 100 lbs.....	.10
additional, { Measurement goods, per cubic foot.....	.06
Per bag or barrel of 200 lbs., each.....	.15
Whiskey, wines, etc., per cubic foot.....	.12
Wire, barbed, per 100 lbs.....	.25
Woodenware and light hardware, per cubic foot.....	.16
Measurement rate unclassified, per cubic foot.....	.16
Weight rate unclassified, per 100 lbs.....	.35
Minimum bill of lading.....	3.00

Landing charges at San Juan, prepaid, 2½c. per 100 lbs., or 1c. per cubic foot.

Lighterage charges at Ponce, prepaid, for packages under 2,000 lbs.:

Provisions.....	.4c. per 100 lbs.
Dry goods, iron, hardware, bags, etc.....	.8c. per 100 lbs.
Lumber, white pine.....	\$1.00 per M ft.
Yellow pine.....	\$1.25 per M ft.
Cement.....	12½c. per bbl.

Lighterage charges at other ports payable by consignees of goods.

Powder, dynamite, explosives and fireworks taken on steamers that do not carry passengers, and under special permit.

Coal in hhds., lumber, shoeks, hoops, rosin, tar, pitch, etc., at steamer's option, under or on deck. Locomotives, machinery and other heavy goods will be taken at special rates.

Freight must be prepaid upon signing bills of lading.

Goods taken by weight, measurement or valuation, at the option of the steamship company, subject to all the conditions in its bill of lading. When two or more classes of merchandise are contained in one package, freight will be charged at the rate applicable to the highest class.

RED "D" LINE OF STEAMSHIPS. FREIGHT TARIFF TO LA GUAYRA AND PUERTO CABELLO.

Corrected January 1, 1903.

Flour, crackers, meal and vegetables, in flour bbls., per barrel.....	\$0.50
Flour, in bags, per 100 lbs.....	.25
Beef and pork, per barrel.....	.75
Beef and pork, in half barrels, per half barrel.....	.40
Kerosene, in barrels, per barrel.....	1.00
Kerosene, in cases of 10 gallons, per case.....	.25
Lard, in tierces of 450 lbs., per 100 lbs.....	.25
Lard, in barrels of 250 lbs., per 100 lbs.....	.25
Lard, in firkins of 120 lbs., per 100 lbs.....	.30
Lard, in kegs of 60 lbs., per 100 lbs.....	.30
Lard, in tins, loose, 20-25 lbs., per tin.....	.20
Lard, in tins, loose, 10-12 lbs., per tin.....	.15
Lard, in tins, loose, 5 lbs., per tin.....	.10
Lard, in cases or crates, per cubic foot.....	.12
Butter, in cases or crates, per cubic foot.....	.15
Biscuits, in tins of 8-10 lbs., loose, per tin.....	.12
Biscuits, in cases, crates or bundles, per cubic foot.....	.15
Corn, in bags of 2 bushels, per bag.....	.25
Beans and peas, in bags of 2 bushels, per bag.....	.30
Rosin, rice, cement and tallow, per 100 lbs.....	.20
Cloves, pepper, seeds and spices, per pound.....	¾c.

Hams, in tierces, per pound.....	¼c.
Rope, per 100 lbs.....	\$0.30
Brooms, per dozen.....	.40
Shovels, per cubic foot.....	.12
Cassia, per cubic foot.....	.15
Bran, per 100 lbs.....	.50
Barbed wire, per 100 lbs.....	.30
Dry goods, per cubic foot.....	.15
Lumber, pitch pine, flooring boards, per M ft.....	12.00
Lumber, pitch pine, planks, even lengths, per M ft.....	10.00
Lumber, white pine, per M ft.....	9.00
Beer, in barrels, 9/2 c/f, per barrel.....	1.00
Beer, in cases, per cubic foot.....	.12
Cigarettes and tobacco, per cubic foot.....	.15
Oats, per 100 lbs.....	.55
Paper, per cubic foot.....	.15
Specie, gold, net.....	½%
Imitation jewelry.....	1½%
Weight goods, not specified, per 100 lbs.....	.35
Measurement goods, not specified, per cubic foot.....	.15

All with 5 per cent. primage, and to La Guayra, in addition, 4c. per 100 kilos wharf dues. Boilers, machinery, cartridges, jewelry, and all others goods of a dangerous nature or of unusual weight, bulk or value, at special rates. No bills of lading signed for less than \$3. Freight payable in advance.

BOULTON, BLISS & DALLETT.

General Managers,

135 Front Street, New York.

RED "D" LINE OF STEAMSHIPS. FREIGHT TARIFF TO CURACAO, MARACAIBO AND LA VELA DE CORO.

Corrected January 1, 1903.

	Curacao.	Maracaibo.	de Coro.
Flour, crackers, meal and vegetables, in flour barrels, per barrel.....	\$0.40	\$0.60	\$0.60
Flour, in bags, per 100 lbs.....	.20	.30	.30
Beef and pork, per barrel.....	.70	.90	.90
Beef and pork, in half barrels, per half barrel..	.40	.50	.50
Kerosene, in barrels, per barrel.....	1.00	1.25	1.25
Kerosene, in cases of 10 gallons, per case.....	.10	.30	.30
Lard, in tierces of 450 lbs., per 100 lbs.....	.20	.30	.30
Lard, in barrels of 250 lbs., per 100 lbs.....	.20	.30	.30
Lard, in firkins of 120 lbs., per 100 lbs.....	.25	.35	.40
Lard, in kegs of 60 lbs., per 100 lbs.....	.25	.40	.40
Lard, in tins, loose, 20-25 lbs., per tin.....	.20	.20	.20
Lard, in tins, loose, 10-12 lbs., per tin.....	.12	.15	.15
Lard, in tins, loose, 5 lbs., per tin.....	.07	.10	.10
Lard, in cases or crates, per cubic foot.....	.10	.15	.15
Butter, in cases or crates, per cubic foot.....	.10	.15	.15
Biscuits, in tins of 8-10 lbs., loose, per tin.....	.10	.15	.15
Biscuits, in cases, crates or bdles, per cubic foot.	.10	.15	.15
Corn, in bags of 2 bushels, per bag.....	.25	.30	.30
Beans and peas, in bags of 2 bushels, per bag..	.25	.35	.35
Rosin, Rice, Cement and and tallow, per 100 lbs.	.20	.30	.30
Cloves, pepper, seeds and spices, per lb.....	½c.	¾c.	¾c.
Hams, in tierces, per lb.....	½c.	½c.	½c.
Rope, per 100 lbs.....	.25	.35	.35
Brooms, per dozen.....	.40	.40	.40
Shovels, per cubic foot.....	.10	.15	.15
Cassia, per cubic foot.....	.10	.15	.15
Bran, per 100 lbs.....	.40	.60	.60
Barbed wire, per 100 lbs.....	.20	.35	.35
Dry goods, per cubic foot.....	.15	.20	.20
Lumber, pitch pine, flooring boards, per M feet..	12.00	12.00	12.00
Lumber, pitch pine, planks, even lengths, per M feet.....	10.00	10.00	10.00
Lumber, white pine, per M feet.....	9.00	9.00	9.00
Beer, in barrels, 9/2 c/f, per barrel.....	.95	1.25	1.25
Beer, in cases, per cubic foot.....	.10	.15	.15
Cigarettes and tobacco, per cubic foot.....	.12	.20	.20
Oats, per 100 lbs.....	.30	.60	.60
Paper, per cubic foot.....	.10	.15	.15
Specie, gold, net.....	½%	½%	½%
Imitation jewelry.....	1%	1½%	1½%
Weight goods, not specified, per 100 lbs.....	.30	.40	.40
Measurements goods, not specified, per cubic foot	.10	.20	.20

All with 5 per cent. primage. Boilers, machinery, cartridges, jewelry, and all other goods of a dangerous nature or of unusual weight, bulk or value, at special rates. No bills of lading signed for less than \$3.00. Freight payable in advance.

BOULTON, BLISS & DALLETT.

General Managers,

135 Front Street, New York.

HAMBURG AMERICAN LINE, ATLAS LINE SERVICE. FREIGHT TARIFF
OUTWARDS FROM NEW YORK TO JAMAICA, COLOMBIA
AND CENTRAL AMERICA.

In effect July 1, 1903. Subject to change without notice. Pim, Forwood & Kellock,
Agents, 17 State Street, New York.

Goods.	Kingston.	Jamaica Outports.	Colombia.	Greytown.	Port Limon.
Flour, meal, bread and feed, in flour barrels, per barrel.....	\$0.40	\$0.60	\$0.60	\$0.85	\$0.80
Flour, meal, bread and feed, in flour barrels, per half barrel.....	.25	.35	.35	.50	.40
Flour, in bags, per 100 lbs.....	.20	.30	.21	...	.20½
Beef, pork, tongues and fish, per bbl.	.50	.70	.75	1.00	.90
Beef, pork, tongues and fish, per half bbl. ....	.30	.40	.45	.60	.50
Beef, pork, tongues and fish, per quarter bbl.....	.20	.25	...	...	...
Vegetables, in flour barrels, per bbl.	.50	.60	.60	.85	80.
Lard, butter, oleomargarine and cheese, per 100 lbs.....	.25	.35	.30	.42½	.40
Tallow, grease, paraffine, stearine, caustic soda, soda ash and sillex, per 100 lbs.....	.20	.30	.30	.42½	.35
Soap, weight or measurement at ship's option, per cubic foot.....	.07	.12	.12	.17	.16
Soap, weight or measurement at ship's option, per 100 lbs.....	.18	.30	.30	.42½	.40
Fish, codfish, in drums, per quintal.	.33 1-3	.55	...	...	...
Fish, codfish, herrings and bloaters, in boxes, per cubic foot.....	.08	.12	.12	.17	.16
Tar, pitch, rosin, cement and plaster; lime (on deck), per 100 lbs.....	.20	.30	p.br. .75	p.br. \$1.	p.br. .95
Hay, in bales, compressed, per 100 lbs. (lots of 5 tons).....	.40	.50	8c.p.cu.ft.	...	...
Corn, per 100 lbs.....	.35	...	.30	.42½	.40
Corn, in 2-bushel bags, per bag.....	.20	.30	...	...	...
Oats and feed, per 100 lbs.....	.25	.35	.30	.50	.50
Bran, in bags, per 100 lbs.....	.45	.55	.75	...	...
Rice, per 100 lbs.....	.17½	.30	.30	.42½	.40
Barb wire, per 100 lbs.....	.20	.30	.25	.35	.35
Brooms, shovels, boots and shoes, candles, furniture, bottled beer, carriages, canned goods, lamps, glassware, rope, twine, trunks, paper, tea, gunny bags, per cubic foot.....	.08	.12	.12	.17	.16
Beer in barrels, per cubic foot.....	.08	...	...	p.br. .90	p.br. .90
Hardware, weight or measurement, at ship's option, per cubic foot.....	...	.12	.12	.17	.16
Hardware, weight or measurement, at ship's option, per 100 lbs.....	...	.30	.30	.42½	.40
Malt, per cubic foot.....	...	.30	.30	.42½	.40
Beans and peas, per 100 lbs.....	.20	.30	.30	.42½	.40
Kerosene in cases, per cubic foot..	.08	.12	.10	.17	.16
Kerosene and cottonseed oil in bar- rels, per barrel.....	1.00	...	...	...	...
Heavy oils in barrels, per barrel	...	...	...	...	1.50
Heavy oils in barrels, per cubic foot.	...	.12	.12	.17	...
Sugar, per 100 lbs.....	.25	.35	.30	.42½	.40
Salt in barrels and sacks, per 100 lbs.	...	.30	.21	.42½	.20½
Marble dust, per 100 lbs.....	...	...	.21	...	...
Matches (on deck), per cubic foot.	.08	.12	.12	.17	.16
Measurement goods, not enumer- ated, per cubic foot.....	.08	.12	.12	.17	.16
Weight goods, not enumerated, per per 100 lbs.....	.20	.30	.30	.42½	.40
Shooks (puncheons and hogsheds) per shook.....	.40	.50	...	...	...
Shooks (box), and shingles per cubic foot.....	.07	.12	...	...	...
Shooks (barrel)—number of barrels packages make up, per cubic foot.	.07	.12	...	...	...
Shooks, orange barrels—number of barrels packages make up, per barrel.....	.05	...	...	...	...

Goods.	Kingston.	Jamaica Outports.	Colombia.	Greytown.	Port Limon.
Lumber (ordinary), per 1,000 feet..	\$6.50	\$8.50	\$10.00	\$12.00	\$12.00
Bricks, per 1,000.....	...	...	...	...	...
Fire-Bricks, per 1,000.....	...	9.50	...	...	...
Safes (small), per 100 lbs.....	...	...	...	...	...
Benzine, gasoline and naphtha in 5 gallon cans (cased), acids, am- monia, ether and fireworks (all on deck), per cubic foot.....	.20	*	.20	.25	.25
Gasoline and naphtha in 10 gallon drums (cased) on deck, per cubic foot .....	...	...	.30	...	...
Powder, dynamite, explosives and fuse, per lb. gross weight.....	.03	*	.04	.04	.04
Cartridges (for firearms), per lb. gross weight .....	.00¾	*	.00¾	.00¾	.00¾
Acids in carboys (on deck) per car- boy	2.50	*	2.50 Large	2.50 Large	2.50 Large
Acid in large metal drums (on deck), per drum.....	10.00	*	10.00 Smaller	10.00 Smaller	10.00 Smaller
Carbonic acid gas (on deck) in cylinders not over 100 lbs. weight, per cylinder .....	.60	...	5.00 Smaller	5.00 Smaller	5.00 Smaller
Specie and valuables, per ad valo- rem (nett)	½%	½%	¾%	1%	1%
Machinery, boilers, etc.....	...	Special agreement.	...	...	...
Cattle, per head.....	\$40.00	*	\$75.00	\$85.00	\$75.00
Horses, per head.....	50.00	*	75.00	85.00	75.00
Sheep, per head.....	15.00	*	25.00	35.00	25.00
Hogs, per head.....	20.00	*	25.00	35.00	25.00
Chickens and fowls (in crates of not over 4 in one crate), per crate...	4.00	*	5.00	5.00	5.00

All rates bear 10 per cent. primage additional except those on specie and live stock.

Kingston freights payable at New York or at destination at shipper's option; all other freights and dues must be prepaid in exchange for bill of lading.

On shipments to Colombian ports, following charges must be prepaid with the freight:

Stamp duty on each set of bills of lading.....	\$2.00
Light house dues, per 1,000 kilos.....	.60
Tonnage dues, per 1,000 kilos.....	1.50
Manifest fee, per package.....	.01

SOUTHERN PACIFIC COMPANY, MORGAN STEAMSHIP LINE, IN CON- NECTION WITH THE UNITED FRUIT CO.'S STEAMSHIP LINE.

FREIGHT TARIFF No. 706, CORRECTED (CANCELS
TARIFF No. 524), ON GENERAL MERCHANDISE.

From New York, N. Y., to Puerto Cortez, Honduras; Punta Gorda and Belize,
British Honduras; Livingston, and Puerto Barrios, Guatemala, Central
America. Effective January 12, 1905.

Articles.	Rates.
Advertising matter, per cubic foot.....	\$0.30
Ale and beer, bottled, in casks, per cask.....	1.28
Ale and beer, bottled, in cases, per cubic foot.....	.30
Agricultural implements, per cubic foot.....	.30
Acids, released, per carboy.....	4.50
Acids, released, drums, each.....	15.00
Axes, anvils, anchors, per 100 lbs.....	.60
Apples, Onions, Potatoes, per barrel.....	1.28
Agateware, per cubic foot.....	.30
Bacon and Green Meats, per 100 lbs.....	.60

*No deck cargo, live stock, or explosives carried to Jamaica outports via Kingston.

Beef and pork, per barrel.....	\$1.28
Beef and pork, per half barrel.....	.75
Boots and shoes, per cubic foot.....	.30
Butter and cheese, per 100 lbs.....	.60
Brooms, per cubic foot.....	.30
Bricks,	<i>Special</i>
Buckets and tubs (galvanized), per cubic foot.....	.30
Buckets and tubs (wooden), per cubic foot.....	.30
Beans, peas and corn, per 100 lbs.....	.60
Bran and oats, per cubic foot.....	.30
Barbed wire, per 100 lbs.....	.60
Blinds, sash and factory work, per cubic foot.....	.30
Boilers	<i>Special</i>
Cabbage, in crates, per cubic foot.....	.30
Cement, per barrel.....	1.28
Crockery, in crates and boxes, per cubic foot.....	.30
Crockery, in barrels, per barrel.....	1.28
Coal, in sacks only.....	<i>Special</i>
Canned goods, in cases, per cubic foot.....	.30
Cordage and rope, per cubic foot.....	.30
Cisterns (Wood), K. D. and packed, per cubic foot.....	.30
Crackers, per barrel.....	1.28
Crackers, per half barrel.....	.68
Crackers, in boxes, per cubic foot.....	.30
Carts, hand, per cubic foot.....	.30
Coffee, per 100 lbs.....	.60
Cigars and cigarettes, per cubic foot.....	.30
Carriages, children, K. D. and packed, per cubic foot.....	.30
Carriages	<i>Special</i>
Cots, per cubic foot.....	.30
Castings, per 100 lbs.....	.60
Corn meal, per barrel.....	1.28
Demijohns, M. T. O. R., per gallon.....	.05
Doors and factory work, per cubic foot.....	.30
Drugs, per cubic foot.....	.30
Dry goods, per cubic foot.....	.60
Flour, per barrel.....	1.28
Flour, per half barrel.....	.68
Flour, sacks, per 100 lbs.....	.60
Fish, per kit.....	.30
Fish, dry, boxes and drums, per 100 lbs.....	.60
Fish, pickled, per barrel.....	1.28
Fish, pickled, per half barrel.....	.75
Furniture, packed, per cubic foot.....	.30
Furniture, common, packed, per cubic foot.....	.30
Glassware, packed, cases, O. R., per cubic foot.....	.30
Glassware, barrel, O. R., per barrel.....	1.28
Gasoline, in tanks.....	<i>Special</i>
Grindstones, per 100 lbs.....	.60
Groceries, N. O. S., per cubic foot.....	.30
Hardware, heavy, per 100 lbs.....	.60
Hay, bales, per 100 lbs.....	.60
Hoes, rakes, shovels and spades, in bundles, per cubic foot.....	.30
Hams, per 100 lbs.....	.60
Hollowware, per cubic foot.....	.30
Hats, per cubic foot.....	.30
Household goods, packed, per cubic foot.....	.30
Ice, per hogshead.....	.30
Iron, sheet, bar, band and rod, per 100 lbs.....	3.38
Iron safes	<i>Special</i>
Kraut, per barrel.....	1.28
Lumber, per thousand.....	15.00
Lard, per 100 lbs.....	.60
Lead and zinc, per 100 lbs.....	.60
Lime, per barrel.....	1.28
Leather, per cubic foot.....	.30
Live stock	<i>Special</i>
Marble, packed, O. R. B., per 100 lbs.....	.60
Machinery, heavy.....	<i>Special</i>
Machinery, light, boxed, per cubic foot.....	.30
Mirrors and glass, framed, boxed, O. R., per cubic foot.....	.30
Molasses, per gallon.....	.06
Measurement freight, N. O. S., per cubic foot.....	.30
Mattresses, packed, per cubic foot.....	.30
Nails, spikes and horse shoes, per keg.....	.60
Nails, boxes, per 100 lbs.....	.60
Ox bows, per dozen.....	.45
Oil, burning and lubricating, per gallon.....	.06
Oakum, per cubic foot.....	.30

Paper, wrapping, per cubic foot.....	\$0.30
Paint, in barrels, wet, per gallon.....	.06
Paint, kegs, cases and cans, per 100 lbs.....	.60
Poultry, in coops, per cubic foot.....	.30
Pickets	<i>Special</i>
Pitch, rosin and tar, per 100 lbs.....	.60
Pigs' feet, per barrel.....	1.28
Pepper, per cubic foot.....	.30
Rice, per 100 lbs.....	.60
Stoves, O. R., per cubic foot.....	.30
Stove trimmings, per cubic foot.....	.30
Sash, glazed, O. R., per cubic foot.....	.30
Shingles, per thousand.....	4.50
Sugar, per 100 lbs.....	.60
Scales, per cubic foot.....	.30
Sewing machines, K. D., and packed, per cubic foot.....	.30
Salt, per 100 lbs.....	.60
Specie, % Am. Val.....	.01
Shot, per 100 lbs.....	.60
Show cases, packed, O. R., per cubic foot.....	.30
Soap, per cubic foot.....	.30
Tobacco, plug, per 100 lbs.....	.60
Tobacco, smoking, per cubic foot.....	.30
Tinware, per cubic foot.....	.30
Turpentine, per gallon.....	.06
Vegetables, packed, barrel, per barrel.....	1.28
Vinegar, per gallon.....	.06
Whiskey and wine, barrel, per gallon.....	.06
Whiskey and wines, cases, per cubic foot.....	.30
Wire, spools; wire, rope, per 100 lbs.....	.60
Wooden and willowware, per cubic foot.....	.30
Wheel barrows, K. D., per cubic foot.....	.30
Wagons, per cubic foot.....	<i>Special</i>
Weight goods, N. O. S., per 100 lbs.....	.60
Yawls	<i>Special</i>

Ship's option, weight or measurement. Freight prepaid in United States Currency. No shipment received for less than \$3.15. Above rates do not include insurance. Primage 5% additional.

NOTE.—Rates set forth herein will not apply on heavy pieces weighing one ton or over each. For rates on heavy pieces weighing one ton or over apply for rates.

C. S. FAY, G. F. A.,
New Orleans, La.

M. J. DEMPSEY, T. M.,
United Fruit Company,
New Orleans, La.

Issued by L. J. SPENCE, G. E. F. A.,
Southern Pacific Company,
349 Broadway, New York.

New York, January 11, 1905.

(EXHIBIT B—41.)

Question.—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.

Answer.—We submit Special Rate Sheet No. 4, issued by the Pacific Mail Steamship Company, San Francisco, November 1, 1902, showing rates from San Francisco to the West Coast ports of Mexico, Central America and Panama. This is the only printed Tariff for the Pacific Coast of which we have knowledge. We are, therefore, unable to make any comparison between it and the rates made by other Lines.

February 6, 1905.

R. L. WALKER,
Traffic Manager.

PACIFIC MAIL STEAMSHIP COMPANY, PANAMA LINE. SPECIAL RATE
SHEET No. 4. SPECIAL RATES OF FREIGHT FROM SAN FRANCISCO
TO MEXICAN AND CENTRAL AMERICAN PORTS.

Payable in U. S. gold coin. The ton weight to be 2,000 lbs. and the ton measurement to be 40 cubic feet.

ARTICLES.

	Mazatlan.	San Blas, Manzanillo, Acapulco.	Ocosingo, Champerico, San Jose De Garcia, Acapulco, La Libertad, La Union, Amegala, Corinto, San Juan Del Sur, Punta Arenas, Panama.
Acid, carboys (on deck), wt. or meas. S/O.....	\$15.00	\$15.00	\$15.00
Acid (on deck), tanks, wt. or meas. S/O.....	7.50	10.00	15.00
Beer and aerated waters, cases or bbls., meas.....	5.00	6.00	7.00
Boilers under 2,000 pounds, wt. or meas. S/O.....	5.00	6.00	8.00
Boilers 2,000 pounds to 6,000 pounds, wt. or meas. S/O.....	7.50	9.00	12.00
Boilers 6,000 pounds to 12,000 pounds, wt. or meas. S/O.....	12.00	15.00	20.00
Bran, weight.....	7.50	9.00	12.00
Barley, weight.....	5.00	7.00	10.00
Beans and peas (dried, in sacks), weight.....	5.00	6.00	7.00
Cattle (in stalls), each.....	30.00	40.00	50.00
Corn, weight.....	5.00	6.00	7.00
Cement, weight.....	5.00	6.00	7.00
Coal (in bags in lots of less than 100 tons), weight.....	4.00	5.00	6.00
Doors, sash and blinds (to be crated or boxed), meas.....	5.00	6.00	8.00
Flour in sacks, weight.....	5.00	6.00	8.00
Fire brick, weight.....	5.00	6.00	8.00
Flooring surfaced boards and mouldings (to be crated), meas.....	4.50	5.50	7.00
Horses (in stalls), each.....	40.00	50.00	60.00
Hay, compressed, 18 pounds per cubic foot, weight.....	10.00	12.00	16.00
Iron, bar, rod, hoop, corrugated and pipe in bundles, wt.....	5.00	7.00	9.00
Iron, nails, rivets, bolts, cases or kegs, weight.....	5.00	6.00	8.00
Jewelry, value.....	1 1/2%	1 1/2%	1 1/2%
Laths, per 1,000.....	2.00	2.50	3.00
Lumber, not exceeding 8x8 or 6x10x30, per 1,000.....	8.00	10.00	12.00
Lumber, exceeding above dimensions.....		Special Agreement	
Machinery, wt. or meas. S/O.....		Same as boilers	
Malt, meas.....	5.00	6.00	8.00
Oats, weight.....	7.50	9.00	12.00
Oil (coal, on deck), meas.....	5.00	7.00	10.00
Opium, value.....	1 1/2%	1 1/2%	1 1/2%
Potatoes, weight.....	5.00	6.00	8.00
Powder, black, weight.....	30.00	30.00	30.00
Rice, weight.....	5.00	6.00	8.00
Sheep (live), each.....	4.00	4.00	5.00
Safes, wt. or meas. S/O.....		Same as boilers	
Salt, weight.....	5.00	6.00	7.00
Shingles, per 1,000.....	1.50	1.75	2.00
Silk goods, meas.....	12.00	15.00	20.00
Shooks, meas.....	4.00	5.00	6.00
Treasure, value.....	1%	1%	1%
Window and door frames, meas.....	5.00	6.00	8.00
Wine (California, in cases and bbls.), meas.....	5.00	6.00	8.00
Wire (barbed), meas.....	5.00	6.00	7.00
Wheat, weight.....	5.00	6.00	7.00
General merchandise, N. O. S., wt. or meas. S/O.....	5.00	6.00	8.00

Minimum bill of lading to Mazatlan, \$2.00. To San Blas, Manzanillo and Acapulco, \$2.50. To ports south of Acapulco, \$3.00.

This Special Rate Sheet does not apply to articles of unusual bulk or weight, which are taken only by special agreement. Live stock taken by written contract

only, forms of which can be obtained at the Company's office. Freight on all live stock and perishable articles must be prepaid; also all freight on cargo to all ports except Mazatlan and Panama.

Where goods are consigned to order, the name of party to be notified must be given in all cases.

No explosives or combustible cargo, such as petroleum, nitro-glycerine, acids, etc., will be transported by this line. Launches, boats, etc., taken at special rates upon application.

PARCEL TARIFF SAN FRANCISCO TO CENTRAL AMERICAN AND MEXICAN PORTS.

Weight.	Rate.
Package of 1 lb. or less.....	\$1.50
Package over 1 lb. to 2 lbs.....	1.50
Package over 2 lbs. to 3 lbs.....	1.50
Package over 3 lbs. to 4 lbs.....	1.50
Package over 4 lbs. to 5 lbs.....	1.50
Package over 5 lbs. to 7 lbs.....	1.50
Package over 7 lbs. to 10 lbs.....	1.50
Package over 10 lbs. to 15 lbs.....	2.00
Package over 15 lbs. to 20 lbs.....	2.00
Package over 20 lbs. to 25 lbs.....	3.00
Package over 25 lbs. to 30 lbs.....	3.00
Package over 30 lbs. to 35 lbs.....	4.00
Package over 35 lbs. to 40 lbs.....	4.00
Package over 40 lbs. to 45 lbs.....	5.00
Package over 45 lbs. to 50 lbs.....	5.00
Package exceeding 50 lbs., per lb.....	.10

Additional Charge for Value.

Valued at	Charge.
From \$51.00 to \$75.00.....	\$1.00
From 76.00 to 100.00.....	2.00
From 101.00 to 200.00.....	3.00
From 201.00 to 300.00.....	4.00
From 301.00 to 400.00.....	5.00
From 401.00 to 500.00.....	6.00
From 501.00 to 600.00.....	7.00
From 601.00 to 700.00.....	8.00
From 701.00 to 800.00.....	9.00
From 801.00 to 900.00.....	10.00
From 901.00 to 1,000.00.....	10.00
Over \$1,000.00.....	1%

ALEXANDER CENTER,
General Agent,
San Francisco.

San Francisco, November 1, 1902.

(EXHIBIT B—42.)

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

Answer.—

Cotton Seed Oil	Lubricating Oil
Carpet Lining	Lard
Cotton Waste	Mechanics' Tools
Canned Goods	Oil Cloth and Linoleum
Collars and Cuffs	Paper of all descriptions
Candy	Paint
Drugs	Stationery of all descriptions
Earthenware	Soap
Electrical Goods of all descriptions	Stamped Ware
Glassware	Tinware
Granite	Talking Machines
Hardware	Toys
Iron and Steel of all descriptions	Wall Finish
	Wire, Barbed and Plain

R. L. WALKER,
Traffic Manager.

February 4, 1905.

(EXHIBIT B—43.)

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

Answer.—

Boots and Shoes	Lubricating Oil
Barbed Wire	Lard
Cartridges	Lamps
Cigars and Cigarettes	Mechanics' Tools
Common Jewelry	Machinery
Canned Goods	Manufactured Iron
Drugs	Provisions
Dry Goods	Revolvers
Electrical Material	Railroad Material
Flour	Sewing Machines
Glassware	Soap
Hardware	Typewriting Machines
Kerosene Oil	

R. L. WALKER,
Traffic Manager.

February 4, 1905.

(EXHIBIT B—44.)

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

Answer.—

Books	Jute Cloth
Conserves (Canned Vegetables)	Jute Bags
Cottons (Bleached)	Olives
Cottons (Unbleached)	Potash
Cement	Sardines
Furniture	Steel
Jute Burlap	Wine
	Whiskey

R. L. WALKER,
Traffic Manager.

February 4, 1905.

(EXHIBIT B—45.)

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

Answer.—

Acids	Earthenware and Crockery
Beer and Wine	Essences
Blankets	Furniture
Bar Iron and Steel	Galvanized Iron Sheets
Chemicals	Glassware
Cottons	Ginger Ale
Caustic Soda	Hosiery
Cyanide Potash	Hardware
Cement	Jute Bags
Conserves (Veg.)	Jute Cloth
Drugs	Linens

Machinery
Mineral Water
Matches (Safety)
Medicines
Millinery
Oil (Olive)
Provisions
Paper and Stationery
Perfumery
Paints

Rope
Sacks (Coffee)
Straw Hats
Soap
Saddlery
Thread
Umbrellas (Silk and Cotton)
Whiskey and Gin
Woolens
Yarns

February 4, 1905.

R. L. WALKER,
Traffic Manager.

(EXHIBIT B—46a.)

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

Answer.—

Asphaltum
Beans
Canned Goods
Hides

Lead
Rags
Wine
Wool

February 4, 1905.

R. L. WALKER,
Traffic Manager.

(EXHIBIT B—46b.)

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

Answer.—

Canned Salmon
Dried Fruit

Dried Prunes

Dried Peaches
Sea Shells

February 4, 1905.

R. L. WALKER,
Traffic Manager.

(EXHIBIT B—47a.)

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

Answer.—

Coffee
Cotton
Cocoa
Coca Leaves
Goat Skins
Hides
Ivory Nuts
Iodine
Lumber

Ores
Panama Hats
Rubber
Shells
Sugar
Sheep Skins
Treasure
Wool
Bananas

February 4, 1905.

R. L. WALKER,
Traffic Manager.

(EXHIBIT B—47b.)

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

Answer.

Balsam	Hides
Bark	Ivory Nuts
Coffee	Iodine
Cotton	Indigo
Coca Leaves	Lumber (Cedar, Mahogany)
Cocoa	Plants
Deer Skins	Rubber
Dyewoods	Shells
Goat Skins	Sugar

R. L. WALKER,

Traffic Manager.

February 4, 1905.

(EXHIBIT B—48.)

STATEMENT SHOWING ADDITIONS TO PROPERTY OR CAPITAL EXPENDITURES PAID FOR OUT OF NET EARNINGS.

1895.	Steamers <i>Alliance, Finance and Advance</i>	\$336,655.50
1896.	Two steel lighters.....	24,393.35
1896.	Land at Bohio.....	2,500.00
1896-7.	Water tank and pipes to connect Monkey Hill Reservoir.....	3,464.81
1897.	Installation of electric plants, providing new staterooms and other additions on steamers mentioned above.....	33,513.77
1898.	New floating pile-driver.....	7,428.03
1901.	Electric light plant, Colon.....	10,055.19
1901.	Ice-making plant, Colon.....	6,792.70
1901.	Dredging attachment for floating pile-driver.....	1,083.34
1901-2.	New tracks, Colon yard.....	12,462.48
1901-2.	Improvements to Pier No. 2, Colon.....	12,313.53
1901-2.	Three new coal lighters.....	36,342.40
1897	New terminal at La Boca.....	\$2,220,357.13
to	Less provided by disposal of bonds.....	1,087,000.00
1902.	Filling lagoon north of Pier 1, Colon.....	1,133,357.13
1902.	Tank at Pedro Miguel.....	4,100.73
1902.	Tank at Pedro Miguel.....	3,141.48
1904.	Two new lighters, to November 30.....	9,901.76
1904.	Duplicate ice plant, to November 30.....	3,452.12
1904.	New "Y" at La Boca Junction, to November 30.....	2,524.27
1904.	Installation of electric motor on steam cranes, to November 30.....	1,747.91

\$1,645,230.50

New York, February 6, 1905.

(EXHIBIT B—49.)

Question.—Under the traffic contract with the Pacific Mail S. S. Co., who fixes the special rates to be charged from New York to San Francisco, and from San Francisco to New York?

Answer.—The Pacific Mail S. S. Co., as the initial carrier, fixes any special rates from San Francisco to New York. The Panama R. R. Co., as the initial carrier, fixes the special rates to be charged from New York to San Francisco. Each initial carrier is limited so that no rate can be less than 40c. per 100 lbs. without consultation with the other.

R. L. WALKER,

Traffic Manager.

February 6, 1905.

EXHIBIT C.

List of questions submitted to Hon. John F. Wallace, Chief Engineer, Isthmian Canal Commission, and his answers thereto:

Colon, Isthmus of Panama,
February 18, 1905.

What are the principal articles to be used in the construction of the canal that will have to be shipped to the Isthmus?

Give as accurate an estimate as possible of the amount of each of these articles that will be necessary.

What are the possible sources of supply of these articles—that is, from where may they be secured? At what period in the construction of the canal will they be needed?

Can you estimate what rolling stock will be required by the Panama Railroad to handle the business of the Canal Commission and when such rolling stock will be needed?

Does the Commission contemplate the construction of any wharves for its own use?

In your judgment will it be necessary for the Railroad Company, in order to handle the business of the Canal Commission properly, to increase its present wharfage facilities?

From your knowledge of the machine and car shops of the railroad, what increase will be required in order that the business of the Canal Commission may be promptly attended to?

Is the Commission experiencing any embarrassments now on account of lack of facilities on the part of the railroad? If so, state in detail what such embarrassments are.

Has the Commission suffered any embarrassments from mismanagement, or neglect on the part of the management, of the railroad? If so, state specifically what such embarrassments were.

Are there any improvements that should be made in the railroad not covered by the above questions to enable it to properly handle the work of the Canal Commission and at the same time properly care for its commercial business?

(Signed) J. L. BRISTOW,
Special Panama Railroad Commissioner.

TO HON. JOHN F. WALLACE,
Chief Engineer,
Isthmian Canal Commission.

ISTHMIAN CANAL COMMISSION.

JOHN F. WALLACE,
Chief Engineer.

Panama, March 15, 1905.

Hon. J. L. BRISTOW,
War Department,
Washington, D. C.

My Dear Sir—I have the honor to submit to you herewith the answers to the various written and verbal questions which you propounded to me during your visit to the Isthmus, and which I understand the letter addressed to me by the Secretary of War authorized you to ask and required me to answer.

Yours respectfully,

JOHN F. WALLACE,
Chief Engineer.

I.

Question.—What are the principal articles to be used in the construction of the Canal that will have to be shipped to the Isthmus?

Answer.—Coal, cement, brick, sewer pipe, water pipe, lumber of all classes, building material of all classes, steam shovels, engines, cars, drills, wood-working machinery, shop machinery of all classes, tools of all classes, sundry supplies, provisions for the inhabitants, steel rails, railroad ties, broken stone for ballast, concrete and paving purposes; hose, rope, dynamite, stone from Culebra cut for Colon breakwater.

It will be impossible to mention all of the articles necessary for use.

2.

Question.—Give as accurate an estimate as possible of each of these articles that will be required.

Answer.—It is impossible at this time to give an accurate estimate of the articles mentioned in Question 1 which will be needed, but during the ten years of canal construction it is estimated that it will amount to a total of 20,000,000 tons, including the redistribution of that portion of the material and supplies which will have to pass over the Panama Railroad.

In addition to this, it is estimated that the through commercial business will amount to at least 4,000,000 tons during the same period. While this is in excess of what has been handled, the tonnage will increase with any decline of rates or removal of present restrictions imposed by the Panama Railroad and Steamship Line.

This will give a total of 24,000,000 tons in ten years, an average of 2,400,000 tons per annum, or, counting 300 days of freight movement, a rough average of 8,000 tons per day, of which it is estimated that about 5,000 tons will move south and 3,000 tons north.

The amount of south-bound tonnage will, of course, regulate the number of trains which it will be necessary to operate. The average freight train tonnage on the Panama Railroad has been approximately 171 tons, and if no change is made in the character of equipment or the efficiency of the management of the road, it will require an average of 30 freight trains a day in one direction to handle this business. This is practically about five times the present freight traffic of the road.

Bear in mind, however, that this business does not include the use of the tracks or facilities of the Panama Railroad for construction trains

in handling excavated material from Culebra cut to spoil banks, which will, of course, add an additional servitude to the property.

Attention is also called to the fact that the daily average will at certain times be more than doubled, as the business will congest near the period of vessel arrivals, and it will be impracticable to prevent the bunching of material shipments.

It will be self-evident to any one familiar with railroad business, that this traffic cannot be handled through the agency of the Panama Railroad as it exists to-day with its present equipment.

3.

Question.—What are the possible sources of supply of these articles—that is, from where may they be secured? At what period in the construction of the canal will they be needed?

Answer.—It is impracticable to answer this question beyond stating that it is presumed that these supplies will come from the United States, and it may also be presumed that commercial conditions are such that fully ninety per cent. of the material and supplies received for the canal will come from east of the Rocky Mountains.

The locality from which this material can be furnished will be controlled by the competitive bids of manufacturers and dealers, and the competition which may be created for the business by the rail and ocean carriers. The impossibility of making any accurate prediction as to this source of supply is, therefore, apparent.

It is estimated that about 6,000,000 tons of the 24,000,000 tons mentioned under Question 2 will originate on the Isthmus in the redistribution of material locally, in the hauling of broken stone for concrete and paving purposes, and in hauling stone from Culebra to Colon or Panama for harbor purposes.

The time during which it will be necessary to move this material will depend on the necessities of the work, the promptness with which requisitions are filled, material manufactured and delivered on the Isthmus, and the ability to secure and perfect the necessary organization to carry on the work. The requirements will rapidly increase, culminating in four or five years, and from that time forward will gradually diminish until the completion of the work.

4.

Question.—Can you estimate what rolling stock will be required by the Panama Railroad to handle the business of the Canal Commission, and when such rolling stock will be needed?

Answer.—

24 ten-wheel locomotives, weighing from 70 to 80 tons; cylinders, 19 x 26".

500 box cars of 30 or 40 tons capacity, preferably 40 tons (with option to increase this number to 1,000); cars to be American standard, dimensions as follows: 36 feet long, 8 ft. 6 in. wide, 8 ft. high inside, clear, provided with modern air-brake and automatic coupler equipment.

500 standard flat cars of 40 to 50 tons capacity.

6 first-class passenger coaches, suitable for use in a warm climate, with cane reversible seats; capable of seating 60 to 75 passengers.

12 standard caboose cars, with cupolas.

2 sixty-ton wrecking cranes.

The above needed at once. It may be necessary to largely increase this amount later on.

5.

Question.—Does the Commission contemplate the construction of any wharves for its own use.

Answer.—Yes.

6.

Question.—In your judgment, will it be necessary for the Railroad Company, in order to handle the business of the Canal Commission properly, to increase its present wharfage facilities?

Answer.—Yes.

7.

Question.—From your knowledge of the machine and car shops of the railroad what increase will be required in order that the business of the Canal Commission may be properly attended to?

Answer.—At the present time the machine and car shops of the Panama Railroad are not adequate to properly care for the ordinary business of the road. They are poorly planned and the work is crowded and congested. There is no possibility of expansion at the present locality.

It is recommended that the general repairs of locomotives be taken care of at the shops of the Isthmian Canal Commission at Bas Matachin, and that new shops be provided for the maintenance and repairs of the car equipment of the Panama Railroad at Cristobal-Colon, in connection with the machine shops already established by the Isthmian Canal Commission at that point. Plans for their enlargement are now under consideration.

It is also recommended that the daily repairs to the engines engaged in the transportation service of the Panama Railroad be made at that point—the general repairs to be made at the Bas Matachin shops, as mentioned above.

8.

Question.—Is the Commission experiencing any embarrassments now on account of lack of facilities on the part of the railroad? If so, state in detail what such embarrassments are.

Answer.—The canal work under the control of the Isthmian Canal Commission has been embarrassed from the start by the lack of railroad facilities. While this was slight at first, it is increasing from day to day, and is due to the lack of proper equipment to take care of the business. It is impossible to state in detail what these embarrassments are.

In substance, the present situation is due to inability to provide cars and promptly move the canal material, due to shortage of engine and car equipment.

Attention cannot be too strongly called to the condition of congestion and delay into which the affairs of the Panama Railroad Company are rapidly drifting, due to the inadequacy of its present rolling stock and equipment.

The canal work is being delayed; warehouses and docks are full of material, and traffic across the Isthmus, which is continually increasing during this period of the year, is becoming rapidly congested.

When it is considered that practically no addition has been made to this equipment for years, and that the hauling capacity of the engines and the carrying capacity of the cars are only one-third to one-half the capacity of modern equipment, the necessity for the immediate provision of additional equipment without the loss of a single day is apparent.

9.

Question.—Has the Commission suffered any embarrassments from mismanagement or neglect on the part of the management of the railroad? If so, state specifically what such embarrassments were.

Answer.—The answer to Question No. 8 will also answer this question, except I would say that the men in local charge of the road have apparently used every possible effort to accommodate the business of the Canal Commission, but have been restricted by lack of facilities.

To what extent the situation will be improved under the management of Mr. Prescott, Acting Superintendent, I cannot say. It will take time to determine whether or not he is broad enough, and has the ability to grasp the situation and give results that will be satisfactory.

I desire to state, however, that it will be impossible for any railroad organization to satisfactorily perform its functions until the proper facilities are provided for it, adequate to the increased demands which have been and will be made upon the property.

10.

Question.—Are there any improvements that should be made in the railroad not covered by the above questions to enable it to properly handle the work of the Canal Commission, and at the same time properly care for its commercial business?

Answer.—Yes.

- (1) The larger portion of the Panama Railroad should be double-tracked at once.
- (2) On such portions as it is not considered advisable to double track, passing tracks should be provided and new yards constructed.
- (3) Entire new equipment should be furnished.
- (4) The wharf and docks at La Boca should have at least three times their present capacity.
- (5) Additional dock facilities should be provided by the Isthmian Canal Commission at Cristobal-Colon.
- (6) The old Pacific Mail wharf should be rebuilt and placed in service at Colon.
- (7) The shop improvements, previously mentioned, should be carried out.
- (8) All of the light rail now on the Panama Railroad track should be renewed with heavier rail.
- (9) Bridges should be strengthened in order to provide for the increased weight of engines and rolling stock.
- (10) Those parts of the road now ballasted with gravel should be ballasted with broken stone.

Other improvements will probably suggest themselves as the business of the road develops.

Whoever is to be held responsible for the operation and maintenance of the railroad property should be immediately authorized to arrange for all of the improvements noted above, and make such others as a close investigation of the necessities of the road may determine.

To-day the road, with its equipment, is utterly inadequate to handle the business offered.

The situation will rapidly become worse until such time as the improvements mentioned above can be made.

With the most energetic work, it will require at least a year to pro-

vide equipment and make such improvements on the road as are now needed for efficient and economical operation.

The first and most urgent need is new equipment—engines and cars—which should be provided immediately.

ADDENDA.

In addition to replying to your formal questions, you asked to be fully informed on any matters connected with the road.

It is also necessary to take care of the through and local passenger service, which at the present time consists of three trains each way per day. This will have to be supplemented, however, with additional service in order to give more facilities for the officers and employees connected with the canal work to get over the line.

It should be borne in mind that the business heretofore mentioned will, after all, be only a small part of the use which it will be necessary to make of the Panama Railroad, in the removal of the material excavated from Culebra cut on the sea-level plan. It will be necessary to use the existing line of the Panama Railroad as an initial transportation base to reach distant spoil banks. This, of course, can be done by first widening and double-tracking the Panama Railroad on each side of Culebra cut to the sea.

It will be necessary to use and rely upon the facilities of the Panama Railroad to the fullest and most complete extent. With the large amount of tonnage which will pass over the line, other than commercial business, it is anticipated that the volume of business of the Panama Railroad for the purpose of canal construction will be at least twenty times as great as the present commercial business.

From the standpoint of a practical railroad man the management, traffic and operating problems connected with the Panama Railroad are simple, and the complications suggested by certain interests have no tangible existence.

Under the former "regime," when the principal motive was the payment of dividends upon an excessive capitalization, the situation was different.

It is presumed the United States Government intends that this road shall be used in the interest of the construction of the canal to its fullest capacity, and the complications and additional expense to the Government, due to the increased cost of the canal or delay in its construction, which will be the result of any separation between the management of the railroad and the construction of the canal, would be many-fold greater than any advantages which could be gained from the operation of the railroad and steamship line as a money-making proposition.

However, the fact should not be lost sight of that with the purchase of the road the duty of continuing to maintain and operate a traffic line across the Isthmus devolves upon the United States Government. This is a matter easy to take care of, and, while not neglected, should be a purely incidental feature.

The traffic regulations governing the handling of commercial business should be moderate and reasonable, so as to offer the minimum restrictions to the natural flow of commerce; and there is no valid reason why the traffic of the railroad should not be conducted on practically the same principle as traffic will hereafter be conducted through the canal upon its completion; that is, this avenue should be open to the unobstructed flow of the commerce of the world with as few restrictions as possible.

Any argument which may be raised against the lowering of rates and the unobstructed use of the Panama Railroad by commerce would

certainly apply with equal, if not still greater force, to the construction of the canal itself.

As the tax on the tonnage which will pass through the canal will probably not exceed one or two dollars per ton, it is difficult to see how a moderate charge for transportation of freight over the Isthmus can in any way materially interfere with the best interests of the United States Government. If it does, and a high rate is necessary, the natural question would be, Why construct the Panama canal?

The data contained in the annual reports of the Panama Railroad are unsatisfactory. From an analysis of these reports it is difficult to make an exact determination of what has been the actual cost of transportation of freight across the Isthmus. Judging, however, by such information as can be obtained from these reports, it would seem to approximate roughly \$1.30 per ton, not including the expenses of the New York office or the fixed charges, interest, or dividends, but including all of the cash outlay on the Isthmus for the maintenance and operation of the property.

Considering all the questions that affect and relate to the cost of transportation, including the various equities which would be directly and indirectly considered, it is thought that a charge of \$2.50 per ton from ship's side to ship's side on all through business would be ample and sufficient.

In making a rate of this character it should be done without regard to classification, except that for the lighter articles forty cubic feet should be considered a ton; that is, all articles which occupy space to exceed forty cubic feet should be charged for on the basis of fifty pounds per cubic foot.

This rate is subdivided approximately into 25 cents per ton for terminal charges at Colon, 25 cents for terminal charges at Panama, and \$2.00 for transit across the Isthmus, and applies to carload lots.

As to intermediate and local charges, 20 cents per one hundred pounds, or two cubic feet, regardless of classification, should be ample for less than "car loads," with a minimum charge of 50 cents per package. This rate, however, should prevail regardless of distance, as the length of line is so short in proportion to the expense of handling at terminal points that no deduction should be made on account of short haul.

In addition to these rates, storage facilities should be provided at Panama and Colon for the storage of trans-continental freight, and a charge of five or ten cents per ton per day of twenty-four hours should be made for the storage of freight held over a certain number of days of free time, which should be such reasonable time as would naturally be allowed for the ship connections on each side of the Isthmus.

This storage charge would in a measure operate in favor of the regular lines as against the tramp steamers, and if it was desired to encourage lines as against irregular vessels this storage charge could be so regulated and adjusted as to do so, as the expense of long-continued storage should not rest upon the Panama Railroad or the United States Government without due compensation.

If rates were established as above recommended, they would be in a way in the nature of transfer charges, and would be what are called in traffic terms "Arbitraries." These arbitraries could be published throughout the commercial world, and would enable through bills to be made subject to these charges from any port to any port the lines connecting which might desire to use the route across the Isthmus of Panama.

These charges could be collected in cash from either the steam-

ship company delivering freight to the Panama Railroad, or receiving freight therefrom, the source of collection depending upon whether the freight was prepaid at the point of shipment or was to be collected at the point of destination. In the former case the company making the delivery to the Panama Railroad would pay the charges; in the latter case the company receiving the freight from the Panama Railroad would do so; and these charges would follow the way-bill through to and be collected at the final destination by the carrier making ultimate delivery to the consignee.

It would not be necessary to keep any accounts or have any complicated traffic arrangements with any connecting carrier. Claims for loss and damage to goods which could be actually located on the Panama Railroad Company could, of course, be adjusted by the local manager of the railroad, the same as any of the other operating expenses connected with the management and operation of the road. The hidden losses and uncertain claims the Panama Railroad could absolutely decline to participate in and so announce to the commercial world, the result being that the connecting shipping lines would take care of and absorb this feature of expense.

These collections could be made either by the Panama Railroad officials, or if the road is purchased by the United States Government, by a representative of the Treasury Department, and could be placed to the credit of a fund for the operation of the Panama Railroad, if it is desirable to keep such a fund separate from the general canal construction account.

Should any deficit arise between the cost of maintaining and operating the Panama Railroad and the provision for its fixed charges, such deficit could and should be made up by the Isthmian Canal Commission, and charged to the freight account for the construction of the canal.

This method would mean that the Isthmian Canal Commission would be furnished with its transportation facilities on the Isthmus at actual cost, and would be much simpler and less complicated than placing a fictitious charge on the cost of transportation of articles for the Commission, or making charges by the Panama Railroad Company against the Commission for various accommodations and facilities furnished by the railroad company. It would be much more simple and direct than it would be to make such charges as would show a profit in the maintenance and operation of the railroad, which profit would ultimately be credited to the Isthmian Canal Commission or absorbed into the United States Treasury. It should be borne in mind that in all questions of railroad operation and management, as well as in all questions surrounding the construction of the canal, simplicity and directness is desirable.

The question of the Panama Railroad has heretofore been discussed in these notes without any regard to the steamship line. Whatever reasons there might previously have been for a consolidation and common management of the steamship company and the railroad company, now that the United States Government has possessed itself of both properties and it is no longer necessary to make commercial returns with a view to the payment of dividends on stock, the necessity of a combination between the two has ceased to exist.

The steamship proposition should therefore be considered entirely on its own merits, and the question as to whether or not the steamship line should cease to be operated by the United States Government should be considered entirely separate from any question connected with the management of the Panama Railroad.

While the reports of the Panama Railroad Company are drafted in such a way as not to clearly show the relative earning capacity of the steamship line and the railroad company, it is evident from an examination thereof that if the accounts of the Panama Railroad Steamship Company had been entirely and properly separated from those of the railroad, the results of operation would show a loss and not a gain.

Any well ordered steamship line would set apart a certain portion of its earnings annually to guard against disasters of the sea and the ordinary depreciation of property, also to provide a fund not only for the proper maintenance but for the rebuilding and eventual replacing of its ships, and a still further fund for the adoption of improvements which the increased demands of the public are continually requiring from all transportation lines, both on land and sea. That this has not been done in the management of the Panama Railroad Steamship Line goes without saying. The boats have not been properly maintained out of the earnings of the company. They are antiquated and were inadequate for the ordinary business of the company before they came under the control of the United States Government, and they are still less adequate for the heavy demand on ocean transportation which is now at hand.

There seems to be no reason why it would not be to the interest of the Government to dispose of these ships, provided it could be done in such a way as to insure that future Ocean rates would not be excessive, and to insure the replacement of the present ships by those of sufficient speed and tonnage to furnish proper facilities for the transportation of men and supplies needed in the construction of the canal.

However, if broader questions of policy render it necessary for the United States to continue the operation of this line, additional ships of greater speed and larger tonnage should be immediately provided, and arrangements should also be made with a view to providing adequate transportation facilities to other United States ports as well as to New York.

In the event that it is decided to maintain and continue the operation of the Panama Railroad steamships, the questions of the steamship line and its management should be absolutely and distinctly separated from the management and operation of the Panama Railroad, and no amount should be taken from the earnings of the Panama Railroad to be applied to the management and operation of the steamship line. Each should stand absolutely on its own bottom.

In fairness to private interests, and to encourage the establishment of other steamship lines, all lines delivering freight to the Panama Railroad at Colon from the United States should be placed on an absolute equality. The payment of any portion of the expenses of operation and maintenance of the steamship line out of the receipts of the Panama Railroad, is in effect a subsidy to the Panama Railroad Steamship Line and is a discrimination against other lines of steamers carrying freight to Colon.

In other words, take any line which might be established between New York and Colon by private interests, in addition to the Panama Railroad Steamship Line, carrying through freight for San Francisco or other points. The giving to the Panama Railroad Steamship Line, in the way of a proportionate payment of expenses, any part of the revenue derived from carrying freight across the Isthmus, would be practically in the nature of a subsidy. Again, the payment of any part of the expenses of the steamship line from that propor-

tion of the through rate which would be collected by the Panama Railroad Company on through business from New York, would be in the nature of a rebate, which would of course be contrary to public policy.

These remarks are based on the establishment of an arbitrary rate for the transportation of freight across the Isthmus, regardless of the steamship line from which it may be received or to which it may be delivered.

It will probably be said that the practice of through-billing from New York to San Francisco or other points by way of the Panama Railroad and the steamship lines combined will necessarily have to be continued, and that a certain proportion of this through rate should be divided between the railroad and the steamship companies. This latter course is not essential and is not desirable. The arbitraries fixed for the transportation of freight across the Isthmus should be confined entirely to the railroad. The rate which the Panama Railroad Steamship Line may charge on transportation from New York to Colon should be fixed either on the basis of a fair return for the service, considering the expense of maintaining and operating the line, or as the result of competition for that business between the steamship lines operating between United States ports and Colon. And if it is found that as the result of this policy of operation the steamship line cannot be operated at a profit, it should either be taken off or the loss should be pocketed on the theory that it is better to stand this loss and encourage competition than to eliminate the line and permit a combination of established interests to be formed, which would eventually raise the rate and make it in the end more expensive. In other words, the loss should be considered as an insurance against the possibility of exorbitant rates. If it is not justifiable upon this ground, then the operation of the Panama steamships by the United States Government would not be warranted.

But under no circumstances is there any justice or equity in the handling of the business in such a way as to directly or indirectly result in practically subsidizing the Panama Railroad Steamship Line between New York and Colon; and there is no reason why the management of these two properties cannot and should not be entirely separate and be conducted independent of each other.

If the railroad company is handled on the basis outlined above, it would eliminate approximately \$100,000 a year in expenses connected with the New York office for advertising and management, and in addition about \$100,000 a year in other New York expenses. In other words, as I understand the situation, the New York office costs in round numbers approximately \$200,000 a year, which amount, however, is distributed between the Panama Railroad and the Panama Railroad Steamship Line. There is no reason why there should be any advertising, office, or traffic expense, as far as the Panama Railroad Company is concerned, in the United States, other than the merely nominal expense of keeping the general accounts of the Panama Railroad organization.

A general manager situated in New York operating the steamship line, and a general manager operating the Panama Railroad on the Isthmus, each reporting to whoever the United States Government might designate as President of the Panama Railroad and Steamship Company, would give the most efficient results as far as the construction of the canal is concerned, as it is not considered that either the steamship company or the railroad should be operated as a commercial enterprise for profit by the United States, the

implied obligation to the public being to keep up and provide existing transportation facilities. Outside of that the sole purpose should be to secure the most efficient management and operation of the property for the economical and expeditious construction of the Panama Canal.

The organization of the property outlined above will be simple and effective and will undoubtedly accomplish these results. It should also place the Administration in an impregnable position as against criticism or favoritism.

Respectfully submitted,

JOHN F. WALLACE,
Chief Engineer.

ISTHMIAN CANAL COMMISSION.

JOHN F. WALLACE,
Chief Engineer.

Panama, *March 20, 1905.*

Hon. J. L. BRISTOW,
Washington, D. C.

Sir—In continuation of my letter to you of March 15th, in reference to Panama Railroad matters, I send you herewith the following:

EXHIBIT A.

This is a statement which has been compiled by one of my assistants, showing some unit costs of the business of the Panama Railroad.

As quite a number of the items contain no data showing a separation between expenses due to passenger business and those due to freight business, an arbitrary division has been made of eighty per cent. freight and twenty per cent. passenger. You will note, however, that if the proportions are changed in any way it will only affect the relative unit costs.

This statement shows that the cost of handling freight per ton over the railroad line, as applied to all the expenses on the Isthmus, amounts to \$1.286 per ton, or approximately 2.6 cents per ton mile.

Considering the average general expenses of the New York office and applying them to the railroad, but not making any division between the agency and other expenses of the New York office, which were slightly in excess of this amount, you will note that this would increase the cost per ton over the railroad line to \$1.50.3, or 3 cents per ton per mile.

Treating the passenger business in the same way, you will note that the expense per passenger on the Isthmus, counting the expenses on the Isthmus alone, is \$1.44.2. Charging the proportion of the New York expenses, 24.3 cents, would make the total cost per passenger \$1.68.5, or 3.37 cents per mile. Please note, however, that the expense on the Isthmus alone is slightly under 3 cents per mile.

This sheet does not show any fixed charges.

It should be borne in mind, however, that any increase in business will not carry with it a corresponding increase in relative expense; or, in other words, that any increase in freight business should decrease the rate per ton and the rate per ton per mile for freight

transported, and any increase in passenger business should decrease the rate per passenger and the rate per passenger mile.

This high cost per ton per mile of transporting freight across the Isthmus is due to a variety of causes.

First and primarily, to the light power and equipment, the tonnage of freight trains averaging only about one-third of what it should considering the gradients of the railroad. The cost of transporting freight should increase or diminish very nearly with the decrease or increase of the train tonnage.

At present double-headers are being run on freight trains that do not handle even the full tonnage that a single engine should easily haul.

While the annual reports do not show the tons per train, investigations I have been able to personally make on the Isthmus show that the number of tons per train is remarkably low.

In addition to light power, the nominal car capacity of the majority of the freight car equipment is only twelve tons.

Again, I find that in sorting out the freight on the receiving docks such a detailed separation is made of this freight as to largely increase the number of lightly loaded cars, many of the cars passing over the Isthmus containing much less than even the nominal rated capacity of the car.

This latter trouble was evidently primarily due to the shortage of warehouse and dock room, particularly at La Boca, and has been aggravated by custom.

These with other causes which are too trivial to mention in a report of this character, have resulted in an extraordinarily low average train tonnage and an exceedingly high rate per ton per mile.

EXHIBIT B.

This statement shows in a condensed form the principal freight rates of the Panama Steamship Company between New York and Colon, the railroad rates between Colon and Panama, the Pacific Mail Steamship Company's rates between San Francisco and Panama, and the Royal Mail Steamship Company's rates between Liverpool and Colon.

EXHIBIT C.

This exhibit shows the through rates between various points via the Panama Railroad across the Isthmus, and shows the division between the steamship lines on the Pacific, the Panama Railroad, and the steamship lines on the Atlantic.

I desire to particularly call attention to the extraordinarily wide variation in the tonnage rates on various classes of freight across the Isthmus according to its point of origin or destination.

You will note that the Panama Railroad's proportion of the through rate between San Francisco and New York is less than \$2.00 per ton; whereas its proportion of the rate between points on the west coast of Mexico and New York is \$8.00, practically four times as high as the through rate to San Francisco.

You will also note that the Panama Railroad's proportion of the through rate on business between West Mexican ports and Europe is less than its proportion of the through rate on business between those ports and New York.

I particularly desire to call attention to the fact that the rate charged by the Panama Railroad Steamship Company for business

of the Isthmian Canal Commission transported over the railroad and over the steamship line is in excess of the rate on through business between New York and San Francisco; and I desire to remonstrate against the work under my charge being increased in cost due to paying the Panama Railroad Steamship Line \$5.00 per ton on freight from New York to Colon when it only receives \$3.57½ per ton on other freight from New York to Colon destined to San Francisco.

Why the United States Government, through the Isthmian Canal Commission, should pay a higher rate of freight for the transportation of the large amount of goods needed for the Panama Canal, in order to enable the steamship company to handle material at a much lower rate for private parties, destined to points beyond Panama, I fail to see; and I would be grossly negligent in my duty if I permitted this situation to continue without a vigorous remonstrance.

In this connection I desire to state that I have been informed by the Chief of the Material and Supplies Department that the same rate is charged on the United Fruit Company's steamers from New Orleans to Colon, and that this rate was arranged for through the officials of the Panama Railroad Company in New York.

Why the Panama Railroad Company in New York should regulate the rates paid by the Isthmian Canal Commission to the United Fruit Company on business from New Orleans, I fail to see, as it would evidently be to the interest of the officials of the Panama Steamship Company to insist on the maintenance of high rates from New Orleans by the Fruit Company's steamers, that is, if they were managing the steamship company as a commercial enterprise.

That the traffic officials of the Panama Railroad Steamship Company have the power to regulate the rates charged by the United Fruit Company's steamers from New Orleans to Colon is apparent by an examination and analysis of the freight schedule.

On all freight billed from New York to San Francisco the Panama Railroad Steamship Line receives \$3.57½; the Panama Railroad Company receives for the same freight \$1.92½; or a total of \$5.50 per ton from New York to Panama.

The rates charged by the Panama Railroad Company between Colon and Panama vary from \$15.00 per ton on first-class goods, to \$5.00 per ton on fifth-class goods. I have not in my possession at this time a full description of these classifications, or the proportionate amount of freight carried in each; but you will note that if the Panama Railroad Steamship Line denied to the United Fruit Company the right of through-billing and did not make a reduction in the ordinary rates on the railroad across the Isthmus but charged the full rates on all goods handled by the United Fruit Company's steamers between New Orleans and Colon, that freight of the fifth-class would only net the United Fruit Company 50 cents per ton for carriage between New Orleans and Colon, and that all other classes of freight would have to be carried at a loss, as the local rates between Colon and Panama on the other classes exceed the proportion to Panama of the through rate between New York and San Francisco, which, as I have shown above, only amounts to \$5.50 per ton.

The above also explains the reason why no steamship line can exist between United States ports and Colon in opposition to the Panama Railroad Steamship Company.

Whatever justification there may have been for the maintenance of these schedules in the past, when the officials of the Panama Railroad considered it necessary to establish a steamship line between New York and Colon in order to feed the business of the railroad

across the Isthmus, it is not apparent why the United States, which owns sixty-nine seventieths of the Panama Railroad Steamship Line, should be a party to the continuance of such practice.

The only justification which the United States Government can have for the ownership, control and operation of the Panama Railroad and Steamship Line is primarily to assist in the construction of the Panama Canal, and to enable the railroad to be used to facilitate the speedy, efficient and economical construction of the canal, also incidentally to afford the public a line of traffic communication across the Isthmus of Panama.

The policy, however, should be a broad and liberal one and should not be based on squeezing the last possible cent out of each particular shipment of goods, depending upon origin or destination or the individuality of the consignor or consignee. The requirements are that the service should be prompt and efficient, and that the rates should be fair and reasonable without discrimination.

There seems to be no reason why the practice which the United States Government has been endeavoring to apply to railroad operations in the United States of America should not apply to the operation of the Panama Railroad; and it would certainly be a confession of weakness if the Government should confess that it was not able to apply to a railroad controlled absolutely by it and only forty-seven miles in length, the fundamental principles of good management and adjustment of tariffs which it has been endeavoring to apply to the vast railroad systems on the American Continent, which so interlace each other that the traffic complications are as much greater than those that exist in connection with the Panama Railroad as the multitude of stars in the Milky Way is greater than a single star in the heavens.

A common-sense and simple solution of this whole matter connected with the Panama Railroad Steamship Line would be—

(1.) To establish a fair and reasonable rate for the transportation of all freight across the Isthmus, which should be not less than \$2.00 nor more than \$2.50 per ton. It is entirely unnecessary to have any complicated classification, and the only one which should exist is that light articles, where forty cubic feet are less than a net ton of 2,000 pounds, should be charged for at the equivalent rate of a cubic foot equalling fifty pounds.

(2.) The function of the Panama Railroad should be that of a transfer company transporting freight across the Isthmus of Panama and serving all comers alike.

(3.) The rates and business of the steamship line should be entirely separated from those of the railroad company, and should be under the control of a separate manager stationed in New York. There should be a complete separation between the management and accounts, receipts and disbursements of the steamship company and the railroad company. These accounts could be afterwards consolidated in the annual reports of the company.

(4.) The rates of freight charged on the steamship line between New York and Colon should be reasonable and fair. These rates would probably hereafter be regulated by competition, either from New York or other American ports.

There is no reason why any outlay should be incurred for advertising or other expenses connected with the securing of business.

There is no reason why there should be any through-billing arrangements or accounts to adjust with other railroad and steamship lines, if the recommendation heretofore made is adopted, that the charge for transportation of freight across the Isthmus be established as an arbitrary and the settlement for this business made with the delivering or receiving companies and adjusted in cash on the Isthmus.

There is no reason why the Panama Steamship Company under Governmental control should have any privileges of through-billing in preference over other American steamship lines. The only arrangement necessary in regard to through-billing is that all billing should be subject to the arbitrary charge, and its collection, for freight passing over the Panama Railroad.

The adoption of this policy by the Administration will place it beyond and above all criticism, as all the interests in the United States—manufacturing, commercial and shipping, will be treated exactly alike, without any discrimination, direct or indirect. The only criticism that can be made in the future will necessarily be applied to the amount of the arbitrary charged for the handling of traffic on the Panama Railroad across the Isthmus, and this can be adjusted from time to time should the rates as established be found unfair and unreasonable. There is small probability of this, as from the existing rates and circumstances the extreme variation which it will be possible to make in this rate is confined within narrow limits.

It might be well briefly to analyze the possible objections to this scheme:

1. The Pacific Mail Company.

While this company would naturally object to the abrogation of the existing exclusive contract for through-billing between San Francisco and New York and the present division of rates, the necessity for the abrogation thereof as a matter of general policy is so self-evident that no other course could be pursued.

The objection of the Pacific Mail Company to the abrogation of the existing contract naturally lies in the fact that it feels that its present line of steamships cannot be maintained except under some form of monopoly which would secure it enough steady business to justify the expense of maintenance and operation, or under some adjustment of rates as would practically amount to a subsidy. It has been frequently claimed that without this, no regular line would be justified in continuing in business between Panama and San Francisco; and the result would be that no through freight could be handled except freight of such a character as could be transported by special carriers or tramp steamers which might occasionally bid for this form of tonnage, and that if all comers were treated alike the line boats would receive a high-class freight requiring quick transit, whereas the low-class freight would be held for the competitive rates obtained by the occasional tramp steamship, which method would so cut into the revenue of the line boats that it would necessitate their withdrawal from the service.

If it should be desired to encourage the continuance of the regular liners on the Pacific side it can be done in a perfectly legitimate way, without any interference or discrimination in the application of the freight rates of the Panama Railroad Company:

(a.) By providing that boats of established lines regularly using the wharves and docks at La Boca shall be charged a specific sum for this privilege.

If this rate for the use of dock space is fixed as a regular rental, the occasional tramp steamer could not afford to pay the same dockage price as the liner. While the liner could pay a greater sum for the use of dock space per month or per year than the tramp ship, it would amount to much less per ton of freight handled or per landing; and it would seem perfectly fair and proper that the liner sailing regularly and requiring the use of docks for certain lengths of time at fixed intervals should have preference over the occasional tramp steamer, whose time of arrival and departure and of loading and unloading would be uncertain.

(b.) Practically no storage facilities are now provided at La Boca, the trans-continental freight from Colon being delivered alongside ship and immediately loaded. Should shippers depend on the use of tramp steamers, it would be necessary for the railroad company to provide warehouse and storage facilities on the docks at La Boca by enlarging the same; and it would therefore seem that the railroad company would be justified in charging and collecting a certain rate per ton per day for the freight which it was necessary to accumulate or store for the arrival of a tramp or irregular steamship, over and above a certain amount of free time which should be allowed for ordinary steamship connections.

The adjustment of these matters in the way mentioned, or along some similar lines or others which might be devised, would enable regular liners on the Pacific side to be maintained in a perfectly proper and legitimate way.

2. The merchants of San Francisco and the Pacific coast.

Any objection upon the part of these merchants will necessarily have to be confined to criticism of the arbitrary rate established for transit across the Isthmus by the Panama Railroad, as their remedy for the general situation—the right to establish a steamship line of their own between Pacific coast points and Panama—will always be open, and all they can possibly ask is that they shall receive the same treatment and the same consideration as the Pacific Mail Company in handling traffic between Panama and Pacific coast points.

These interests can certainly not object to any rate charged by the Panama Railroad for transit across the Isthmus as long as that rate can be shown to be fair and reasonable and is not materially in excess of what will be the ultimate tax on tonnage due to its passage through the Panama Canal when completed. This latter rate should certainly be the very minimum which should be expected of the Panama Railroad.

No objection can possibly be raised by these interests to such reasonable and fair rates as may be established on the Panama Railroad Steamship Company's ships between New York and Colon, as the latter rates will always be affected by competition and all comers treated alike.

3. The trans-continental railroads.

The interests connected with the trans-continental railroads can certainly not object to the proposed arrangements, as it is not suggested that the rates over the Panama Railroad and the Panama Steamship Line shall be any less than the proportion of the through rate which is now in effect between New York and San Francisco, and which, as stated above, amounts to \$5.50 per ton; and if the rate for the Panama Railroad of \$2.50 per ton for the transportation across the Isthmus of all freight regardless of classification, is put into effect, it will leave \$3.00 per ton for the ocean rate between New York and Colon, in comparison with the existing division.

The point which I desire to make is that there would be no possibility of the through continental lines being unduly or improperly affected by this arrangement, unless competition in ocean rates between New York and Colon, by the establishment of a commercial line in competition with the Panama Steamship Line controlled by the United States, should reduce the average rate to less than \$3.00 per ton; and as at the very least eighty per cent. of the business between New York and Colon will be freight to be used in the construction of the Canal, the United States Government can well afford to operate the Panama Steamship Company at an apparent nominal loss if by this course the actual cost of freight destined for the Canal is reduced sufficiently to justify it.

This is apparent when the fact is considered that at the present time the regular steamers of the Panama Steamship Company have not capacity enough to handle the amount of freight now coming to Colon, and that this service is supplemented by the United Fruit Company's steamers, which carry freight at approximately \$5.00 per ton.

When this business increases to four times its present volume, and it should be carried at any sum less than \$5.00 per ton, the United States could well afford to nominally lose on the operation of the Panama Railroad and Steamship Line, which as constituted at present does not have a capacity to handle over twenty or twenty-five per cent. of the total amount of freight which would be required for the construction of the Canal.

In other words, for every dollar which the United States Government would lose through carrying freight at less than cost, it would gain approximately four dollars by the freight carried by competitive lines in reduction of the freight rates.

To summarize and conclude, it is therefore briefly recommended:

1. That the local management, maintenance, and operation of the Panama Railroad Steamship Company and the Panama Railroad Company be conducted under separate managements; and that the receipts, disbursements, and accounts of each be kept entirely separate.

For unity of control as to policy, reports can be made to the president of the railroad company, who should be either the Chairman or some member of the Isthmian Canal Commission, or if this is not advisable, some regular United States officer, reporting to and acting under the control of the Secretary of War.

2. With the separation of the two transportation functions, the rates charged by, and the policy and management of, the steamship line should be dependent upon and settled solely in the interest of the United States Government in the transportation of freight to the Isthmus, which will undoubtedly be controlled by other ocean competition.

3. The rates of freight on the Panama Railroad across the Isthmus should be reasonable, regular and uniform, without discrimination, and the accounts and business should be handled in the most plain and simple manner which will accomplish the purpose.

Very respectfully,

JOHN F. WALLACE,
Chief Engineer.

EXHIBIT A.

PANAMA RAILROAD—YEAR 1903.

COST PER TON FREIGHT AND COST PER PASSENGER OVER LINE.

		Freight Cost, 80 Per Cent.	Cost Per Ton Over Line.	Cost Per Ton-Mile.
General expenses.....	\$41,000	\$32,800	9.4c.	\$0.0019
Conducting transportation.....	338,000	270,400	77.3c.	.0155
Maintenance of equipment.....	114,000	91,200	26.1c.	.0053
Maintenance of way and structures..	69,000	55,200	15.8c.	.0032
Total cost on Isthmus.....	\$562,000	\$449,600	128.6c.	.0259
New York, general expenses.....	95,000	76,000	21.7c.	.0044
Freight tonnage being.....	350,000	.....	.....	.0303

		Passenger Cost 20 per cent.	Cost per Passenger over line	Cost per Passenger Mile.
General expenses.....	\$41,000	\$8,200	10.5c.	\$0.0021
Conducting transportation.....	338,000	67,600	86.8c.	.0174
Maintenance of equipment.....	114,000	22,800	29.2c.	.0058
Maintenance of way and structures.	69,000	13,800	17.7c.	.0035
Total cost on Isthmus.....	\$562,000	\$112,400	144.2c.	.0288
New York general expenses.....	95,000	19,000	24.3c.	.0049
Passengers carried being.....	78,000	.....	.....	.0337

EXHIBIT B.

FREIGHT RATES PER TON—March 11, 1905.

Panama Steamship Company, New York to Colon:	
First Class.....	\$20.00 per ton
Second Class.....	10.00 per ton
Third Class.....	8.00 per ton
Fourth Class.....	6.00 per ton
Fifth Class (I. C. C.).....	5.00 per ton

Panama Railroad Company, Colon to Panama:	
First Class.....	\$15.00 per ton
Second Class.....	13.00 per ton
Third Class.....	10.00 per ton
Fourth Class.....	7.00 per ton
Fifth Class.....	5.00 per ton

Pacific Mail Steamship Company, San Francisco to Panama:	
Freight	\$8.00 per ton

Royal Mail Steamship Company, Liverpool to Colon:	
Dangerous	80s. per ton
First Class.....	60s. per ton
Second Class (fine).....	35s. per ton
Third Class (Coarse).....	35s. per ton
Fourth Class (Rough).....	25s. per ton
With 6d. per ton added for wharfage and 5s. per ton for lighterage dues.	
NOTE.—Light articles are measured and 40 cu. ft. charged as one ton.	

EXHIBIT C.

CARGO EAST BOUND.

£1=\$4.84.	Average Rate.	P.M.S.S.Co.	P.R.R.Co.	Atlantic Line.
Bet. San Francisco and New York.	2000 lbs. \$11.00	50% \$5.50	17½% \$1.92½	32½% \$3.57½
Bet. San Francisco and Caribbean Ports	2000 lbs. \$15.00	45% \$6.75	25% \$3.75	30% \$4.50
Bet. Mexico and Central America and Caribbean Ports.....				
Bet. San Francisco and Europe, 100s.	2240 lbs.	40% \$7.67	24% \$4.60	35% \$6.60½
Bet. San Francisco and Europe, 90s.	Average			
Bet. San Francisco and Europe, 75s.	78s. or			
Bet. San Francisco and Europe, 65s.	\$18.87½			
Bet. San Francisco and Europe, 60s.				
Bet. Mexico and New York.....	2000 lbs. \$40.00	40% \$16.00	20% \$8.00	40% \$16.00
Bet. Mexico and Europe, 120s.....	2240 lbs. \$29.04	37.5% \$10.89	25% \$7.26	37.5% \$10.89
Bet. Central America and New York, \$30.00	2000 lbs.	40% \$13.00	20% \$6.50	40% \$13.00
Bet. Central America and New York, \$32.50	Average \$32.50			
Bet. Central America and New York, \$35.00				
Bet. Central America and Europe, 115s.	2240 lbs. \$27.83	35% \$9.74	23 1-3% \$6.49	41 2-3% \$11.60

(COFFEE)				
From Mexico and Central America to New York.....	2000 lbs.	40%	20%	40%
	\$14.00	\$5.60	\$2.80	\$5.60
(INDIGO)				
From Mexico to New York.....	50.00	20.00	10.00	20.00
From Central America to New York.	40.00	16.00	8.00	16.00
(COFFEE) 1000 Ks.				
From Mexico to Europe, 70s.....	2204 lbs.	37.5%	25%	37.5%
	\$16.94	\$6.355	\$4.235	\$6.35
From Mexico to Europe, 95s.....	22.99	8.625	5.745	8.62
From Central America to Europe, 65s.		35%	23 1-3%	41 2-3%
	\$15.73	\$5.505	\$3.67	\$6.555
From Central America to Europe, 90s.	21.78	7.625	5.08	9.075
Puntarenas to Europe, 60s.....	14.52	5.08	3.39	6.05
Puntarenas to Europe, 80s.....	19.36	6.77	4.52	8.07
(INDIGO)				
From Mexico to Europe, 175s.....	2240 lbs.	37.5%	25%	37.5%
	\$42.35	\$15.88	\$10.59	\$15.88
From Central America to Europe, 165s.		35%	23 1-3%	41 2-3%
	\$39.93	\$13.97	\$9.32	\$16.64
(COFFEE)				
Mexico and Central America to New Orleans	2000 lbs.	45%	25%	30%
	\$14.00	\$6.30	\$3.50	\$4.20
From Puntarenas to New Orleans...	10.00	4.50	2.50	3.00

N. B.—From above P. M. S. S. Co.'s proportion deduct 8oc. for wharfage and 10c. for crantage at La Boca.

APPROXIMATE RATES ON CARGO WEST BOUND.

	Average Rate.	P.M.S.S.Co.	P.R.R.Co.	Atlantic Line.
From New York to Central America.	2000 lbs.	40%	20%	40%
From New York to Mexico.....	\$15.00	\$6.00	\$3.00	\$6.00
	16.80	6.72	3.36	6.72
From New York to San Francisco...	2000 lbs.	50%	17.5%	32.5%
	\$12.00	\$6.00	\$2.10	\$3.90
From Europe to Central America...	2240 lbs.	35%	23 1-3%	41 2-3%
	\$19.70	\$6.90	\$4.60	\$8.20
From Europe to Mexico.....	2240 lbs.	37.5%	25%	37.5%
	\$27.57	\$10.34	\$6.89	\$10.34
From Europe to San Francisco via R. M. S. P. C., 66s. 8d.....	2240 lbs.	40 5/8%	24 3/8%	35%
	\$16.13	\$6.55	\$4.03	\$5.64
From Europe to San Francisco via Leyland Line.....	21.70	8.81	5.29	7.60

N. B.—From above P. M. S. S. Co.'s proportion deduct 8oc. for wharfage and 10c. for crantage at La Boca.

LIST OF APPROXIMATE RATES ON FREIGHT.

Forwarded from Panama to Central America, Mexico and San Francisco.

From		
	From New York to Central America.....	\$6.50 per ton
	New York to Mexico.....	7.00 per ton
	New York to San Francisco.....	6.00 per ton
From	Europe via	
	Royal Mail Steam Packet Co.	
	Central America.....	\$6.50 per ton
	Mexico	7.50 per ton
	San Francisco.....	10.00 per ton

From Europe via	
Hamburg American Line,	
Leyland Line,	
Harrison Line	
Compagnie Transatlantique,	
Compagnie Transatlantica de Barcelona,	
Le Veloce Line,	
Austro-Americana Line.	
Central America.....	\$5.50 per ton
Mexico	6.00 per ton
San Francisco.....	9.00 per ton
Specie—All lines, $\frac{3}{4}\%$.	
Parcels—All lines, \$1 per cubic foot. Each additional foot,	
50c. per cubic foot.	

Approved:

H. E. A. CARLTON,
Auditor.

Hon. Joseph L. Bristow.—I. C. C.—Copy.

Panama, March 23, 1905.

Rear Admiral JOHN G. WALKER, U. S. N.,
Chairman, Isthmian Canal Commission,
Washington, D. C.

Sir—It is recommended that the Commission secure a still further reduction in the rates on Government freight over the Panama Railroad Steamship Line for the use of the Canal construction. It would seem just and proper that the surplus earnings of this steamship line should not be unduly enlarged or created by the business furnished by the United States Government, the largest stockholder in the enterprise.

As the Chief Engineer feels that he will ultimately be held responsible for the cost of the construction of the Canal, and as the profits from the Panama Railroad Steamship Company which fall to the share of the United States are covered into the Treasury and are not credited to the Canal appropriation, it does not seem fair that the cost of Canal construction should be fictitiously enlarged, as it will be, to the extent which the United States Government and the minority stockholders of the steamship company receive dividends.

The equity of the situation would seem to be that the United States Government is certainly entitled to as low a rate for the transportation of its material and supplies as it is possible for the Panama Railroad Steamship Line to make without loss. It is certainly entitled to as low rates as may be given to any other shipper using that line. These would seem to be at least fundamental propositions.

That large profits have been made by the Panama Railroad Steamship Line during the last year, due to the business furnished by the United States Government, is self-evident, and the comparative statement of the net earnings of the transportation company since the Canal construction commenced, as compared with the previous year, bears out this statement. That these undue profits will rapidly increase from now on is also self-evident.

As is well known, a large part of the business of the Panama Railroad consists in through business between San Francisco and New York. The data which has been furnished the Chief Engineer shows that the through rate is \$11.00 per ton, regardless of classification or character of goods. It also shows that the Panama Railroad Company receives only \$1.92½ for the transportation of this freight across the Isthmus of Panama from ship's side to ship's side; and the Panama Railroad Steamship Line \$3.57½ for the transportation of the business

from New York to Colon; the combined rate from New York to Panama being \$5.50 per ton on freight destined to San Francisco.

As against this the Isthmian Canal Commission is charged \$5.00 per ton on freight from New York to Colon, and \$2.00 from Colon to Panama, a total rate of \$7.00 per ton, for the same service and the same distance, with the exception that the Panama Railroad does not have to stand any proportion of the cost of unloading the freight consigned to the Isthmian Canal Commission, which cost, considering the nature of the freight handled and the larger number of tons which can be loaded per car, is at least equivalent to 25 cents per ton; making a practical discrimination against the Commission of the difference between \$5.25 and \$7.00 per ton, or \$1.75.

While there may be competition between New York and Panama necessitating a lower rate on this business, there is no reason why the Isthmian Canal Commission should not be entitled to as low a rate.

It is not to be presumed that the Panama Railroad Steamship Company is carrying the San Francisco business at a loss; it is to be presumed that it makes a fair and reasonable profit out of this business, as otherwise there would be no justification from a commercial standpoint for the operation of the steamship line by the Panama Railroad Company between New York and Colon. It certainly would not maintain a large and extensive organization in New York to strive after additional through business between New York and San Francisco, if there was not a material profit in these rates.

Whatever may be the excuse for charging high rates to other points where there is no competition, there would seem to be no valid reason or justification for the high rates now charged the Isthmian Canal Commission on its business.

Even if the New York and San Francisco business is carried at a loss, it is not clear why the Isthmian Canal Commission should be taxed to make good or compensate the Panama Railroad and Steamship Line for the amount it loses on other business. That line should certainly not be subsidized to this extent from the appropriations of the Isthmian Canal Commission for the purpose of maintaining through trans-continental competition.

That the business has been a profitable one is so self-evident that it is hardly worth while to make an argument on that line.

The fact that the Panama Railroad Steamship Line paid an eight per cent. dividend in 1903 out of its accumulated earnings would be sufficient argument.

A collateral feature of the question of rates is the high rate which the Isthmian Canal Commission is required to pay on freight from New Orleans shipped by the United Fruit Company's steamers. The question immediately presents itself as to why the traffic officials of the Panama Railroad Steamship Line should be called upon to negotiate for or in any way assist in the securing of rates by rival lines.

No matter how well disposed those officials may be toward the Isthmian Canal Commission, their entire education and trend of thought has naturally been toward using every possible effort and all means at their command to build up and increase the earnings of the Panama Railroad Steamship Line.

By having the power to grant or deny to the United Fruit Company the right of through billing over the Panama Railroad, as an inducement to make such rates between New Orleans and Colon as might be satisfactory to the Panama Railroad Company, it would seem that the traffic officials of the latter Company are able to dictate the rates which the United Fruit Company should charge on freight between New Orleans and Colon.

This being the case, it does not seem equitable that this power should be used to increase the cost of the construction of the canal through inducing the United Fruit Company to charge a high rate on freight destined to the canal.

Granting that the business for the Isthmian Canal will largely increase, and that the steamships of the Panama Railroad and Steamship Company will not be able to furnish sufficient tonnage therefor, it is evident that while the United States Government may receive back in dividends from the Panama Railroad Company a large proportion of the excessive rates charged on its shipments, it will lose many times this amount through the high rates which it will be compelled to pay on supplies handled by the United Fruit Company and by other lines, which will no doubt base their charges, to some extent at least, on the rates charged by the Panama Railroad Steamship Line.

Considering the vast tonnage which it will be necessary to ship to the Isthmus during the next ten years, it requires no complicated mathematical calculation to show that the cost of the construction of the Panama Canal will be enhanced by many millions of dollars if the existing freight rates are not reduced.

In conclusion, the fact should be considered that there has been a good and reasonable profit in the proportionate rates on through business received by the Panama Railroad Steamship Line, and while the Isthmian Canal Commission cannot ask that its business be carried at a direct loss, it can ask that no notable profit shall be made thereon.

If comparison is made with the rates which the United States Government pays for the transportation of freight between New York and the Philippines, and also with the rates which are charged in the United States for similar service, it will be evident that \$3.00 per ton as an ocean rate from New York to Colon, and \$1.00 from Colon to Panama, is liberal compensation to the Panama Railroad Steamship Company and the Panama Railroad Company for the handling of the Commission's business, and it is recommended that the matter be adjusted on this basis.

Very respectfully,

Chief Engineer.

Respectfully referred to Honorable JOSEPH L. BRISTOW, for his information.

EXHIBIT D.

List of questions sent to American consuls and consular agents in South America:

Colon, Isthmus of Panama,
February 17, 1905.

My Dear Sir:—As indicated in a letter from the Secretary of State, which, doubtless, you have received, I beg to make the following inquiries, and to ask that you forward your reply to me at Washington:

What is the course of the commerce from the United States and Europe to Guayaquil, and from Guayaquil to the United States and Europe? What per cent. of it is transported by the way of Panama, and what per cent. by the way of Magellan?

What is the difference in the freight rates from New York to Guayaquil, and from Guayaquil to New York, by the way of Panama and by the way of Magellan?

What is the difference in the freight rates from Europe to Guayaquil, and from Guayaquil to Europe, by the way of Panama and by the way of Magellan?

Are there any impediments that prevent the successful movement of freight to and from New York and Europe by the way of Panama? If so, please state them in detail.

What are the principal products exported and imported at this port to and from the United States?

What are the principal products exported and imported at this port to and from Europe?

What are the principal products and resources of the country in the vicinity of this port?

Are the resources of the country well developed?

Please give the information asked for above as to Ballenita also.

An early and full reply as quickly as is convenient to you would be greatly appreciated.

Very respectfully,
(Signed) J. L. BRISTOW,
Special Panama Railroad Commissioner.

TO HON. HERMAN R. DIETRICH,
American Consul-General,
Guayaquil, Ecuador.

This letter sent to the following also:

Bahia de Caraquez, Ecuador—Alberto Santos, C. A.
Esmeraldas, Ecuador—Ferdinand Servat, C. A.

Manta, Ecuador—Paul Gonzenbach, C. A.
 Callao, Lima, Tambo de Mora, Pisco, Chala, Peru—Alfred L. M. Gottschalk, C.
 Mollendo and Ilo, Peru—Enrique Meier, C. A.
 Payta, Peru—Louis Blacker, C. A.
 Salaverry and Huaraz, Peru—Geo. W. Chase, C. A.
 Eten and Pacasmay, Peru—Theodore Stechmann, C. A., at Chiclayo, Peru.
 Arica, Chile; also Taena—John W. Lutz, C.
 Antofagasta, Copija, El Copre, Taltal, Chile—Charles C. Greene, C.
 Iquique and Pisagua, Chile—Charles S. Winans, C.
 Valparaiso, Illapel and Quillota, Chile—Robert E. Mansfield, C.
 Caldera, Chanaral, Huasco and Carizal Bajo, Chile—John C. Morong, C. A.
 Coquimbo, Chile—Andrew Kerr, C. A.
 Coronel, Chile—Benjamin R. Robertson, C. A.

(EXHIBIT D—I.)

Answers of American Consul-General at Guayaquil, Ecuador.

AMERICAN CONSULATE GENERAL,
 Guayaquil, Ecuador, March 23, 1905.

HONORABLE JOSEPH L. BRISTOW.

Special Panama Railroad Commissioner,
 Washington, D. C.

Dear Sir:—I have the honor to reply to your letter from Colon, Isthmus of Panama, dated February 17, 1905.

As the official report on commerce for last year is not published yet, I take the year 1903 as the basis for my report to you.

The imports from the United States and Europe to Guayaquil during 1903 were 35,082 tons.

The exports from Guayaquil to the United States and Europe were 44,938 tons, and it is estimated that about 30% of the imports and exports go and come by the way of Magellan, and the remainder of 70% by Panama.

Steamer freight rates from Guayaquil to New York, via Panama, on the principal articles of export are as follows:

Cocoa—\$17.00 U. S. C., per ton of 2240 lbs.,
 Coffee—\$17.00 U. S. C., per ton of 2240 lbs.,
 Hides—\$22.50 U. S. C., per ton of 2240 lbs.,
 Rubber—\$27.50 U. S. C., per ton of 2240 lbs.,
 Ivory Nuts—\$12.00 U. S. C., per ton of 2240 lbs.,

while freights to New York, via Magellan, are for

Cocoa—£1.15.0 per ton of 2240 lbs.,
 Coffee—£1.15.0 per ton of 2240 lbs.,
 Hides—£3.0.0 per ton of 2240 lbs.,
 Rubber—£3.0.0 per ton of 2240 lbs.,
 Ivory Nuts—£1.12.6 per ton of 2240 lbs.,

which shows the enormous difference in freights by the two routes.

Steamer freight rates to Europe, via Panama, are as follows:

Cocoa—£3.0.0 per ton of 1000 kilos,
 Coffee—£3.0.0 per ton of 1000 kilos,
 Hides—£3.10.0 per ton of 1000 kilos,
 Rubber—£5.0.0 and 5% per ton of 1000 kilos,
 Ivory Nuts—£2.10.0 per ton of 1000 kilos,

while, via Magellan, shippers only pay for:

Cocoa—£2.5.0 per ton of 1000 kilos,
 Coffee—£2.5.0 per ton of 1000 kilos,
 Hides—£3.5.0 per ton of 1000 kilos,
 Rubber—£3.5.0 per ton of 1000 kilos,
 Ivory Nuts—£2.0.0 per ton of 1000 kilos.

The steamer freight rates from Europe to Guayaquil, via Panama, are as follows:

1st class merchandise, £3.0.0,
2nd class merchandise, £2.10.0,
3rd class merchandise, £2.2.6,

and via Magellan:

1st class merchandise, £2.5.0,
2nd class merchandise, £2.0.0,
3rd class merchandise, £1.15.0,
4th class merchandise, £1.7.6,

per ton gross weight or measurement at steamer's option.

The real impediment that prevents the sending of more cargo across the Isthmus, apart from the high rate of freight, is the obstructive monopoly which has existed for many years, and exists yet, by the signed contracts between the P. R. C. and the several steamship lines.

The P. S. N. Co. and the C. S. A. de V. are the only companies that can receive freights from here for New York and Europe, via Panama, signing through bills of lading, as per agreement with the P. R. R., closing out entirely the other steamship companies who would call for cargo at Guayaquil, but who cannot take cargo for New York nor Europe, not having the same agreements with the P. R. R.; if they would call at Panama, the cargo they carry would have to be shipped from there as local freight, paying the high tariff, and would consequently cost much more than shipped by the P. S. N. C. or the C. S. A. de V.

Steamers of the "Kosmos," "Lampert & Holt," "Gulf Line" and "Transatlantic" call here frequently, but cannot take any cargo for Panama on account of the reasons given above.

The principal products exported to the United States are cocoa, hides, rubber, ivory nuts and straw hats; and this Republic imports principally from the United States flour, kerosene, lard, lumber, railroad material, machinery, hardware, shoes and cotton goods.

The principal product of the vicinity of this port is cocoa; the yearly crop amounts to over 50,000,000 lbs.

The resources of Ecuador are only developed along the coast, with a very small degree in the interior.

Ballenita is a very small port at about 150 miles north from here; nothing is imported nor exported from there.

In order that you may have full knowledge of the present resources of Ecuador, I have prepared and send you herewith enclosed the following tables:

Table No. 1 shows the total exports from Ecuador, giving the quantity of each of the eight ports separately; the total exports were 51,303 tons.

Table No. 2 shows to which countries those 51,303 tons went to.

Table No. 3 gives the total imports to Ecuador to the five ports of entry; the totals were 40,738 tons.

Table No. 4 shows from which countries the imports were made.

Regarding freight rates from New York to Guayaquil, via Panama and via Magellan, I have not been able to obtain any definite information. I am, dear sir,

Yours very respectfully,

HERMAN R. DIETRICH,
Consul-General.

TABLE No. 1.

THE TOTAL EXPORTATION FROM ECUADOR DURING 1903 FROM EACH
PORT AND BY TONS.

1903.	Port of Guayaquil.	Puerto. Bolivar.	Santa Elena.	Cayo.	Machalilla.	Manta.	Bahia de Caraquez.	Esmeraldas.
January	1,272	34	2	90	288	286	387	353
February	1,745	218	15	85	79	96	140	297
March	1,868	31	13	30	68	55	127	311
April	3,650	21	13	48	75	71	176	326
May	2,758	143	94	17	110	127	573	250
June	1,695	12	10	51	51	124	118	471
July	4,092	164	35	69	407	272	521	159
August	2,884	169	17	100	480	548	189	328
September	3,949	122	116	138	401	856	977	502
October	3,195	155	23	330	503	1,267	708	510
November	2,089	16	1	173	207	546	333	342
December	3,061	77	59	161	116	583	147	332
Tons.....	32,258	1,162	398	1,292	2,785	4,831	4,396	4,181
Total, 51,303 tons.								

AMERICAN CONSULATE GENERAL,
Guayaquil, Ecuador, March, 1905.

TABLE No. 2.

CONSULAR SERVICE, U. S. A.

Table showing the total exports from Ecuador during the year 1903, by tons,
and to the various countries:

	Tons.
United States of America.....	10,686
Germany	14,885
France	9,819
England	4,698
Chile	4,371
Spain	2,049
Italy	1,791
Peru	1,282
Holland	1,010
Colombia	517
Various	195
Total.....	51,303

Guayaquil, Ecuador, March, 1905.

TABLE No. 3.

Table showing the total imports into Ecuador during the year 1903, through
the various ports, by tons:

1903.	Guayaquil.	Manta.	Bahia.	Esmeraldas.	Puerto Bolivar.
January	2,102	80	68	270	287
February	3,170	48	48	61	121
March	3,409	191	32	25	14
April	2,076	279	120	52	30
May	710	99	16	35	236
June	1,445	75	23	23	45
July	2,867	74	49	23	44
August	3,197	87	50	21	96
September	2,657	186	214	28	18
October	6,656	228	243	79	42
November	3,145	165	98	18	88
December	4,874	74	133	43	50
Totals.....	36,308	1,586	1,094	678	1,071
Total tons, 40,738.					

AMERICAN CONSULATE GENERAL,
Guayaquil, Ecuador, March, 1905.

TABLE No. 4.

CONSULAR SERVICE, U. S. A.

Table showing the total imports into Ecuador during the year 1903, by tons, and from the various countries:

	Tons.
United States of America.....	14,600
England	10,600
Germany	4,894
Peru	3,542
France	1,860
Chile	1,585
Belgium	1,346
Spain	978
Italy	805
Various	528
Total.....	40,738

Guayaquil, Ecuador, March, 1905.

(EXHIBIT D—2.)

Answers of American Consular Agent at Bahía de Caráquez, Ecuador:

CONSULAR AGENCY OF THE UNITED STATES OF AMERICA.

Bahía de Caráquez, Ecuador, *March 14, 1905.*

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

Sir:—In compliance with your circular, dated February 18, I beg to submit you the following report:

All the commerce between the United States and Bahía de Caráquez, and *vice versa*, is made by the way of Panama. There is no established line of steamers between the ports of the United States and Bahía de Caráquez; and should a merchant of this port wish to have his goods transported by the way of Magellan, he should charter a vessel specially for the purpose; and as the amount of freight required by the ship owners is far above the necessities of the traffic in this place, the profit of a low rate of freight would be absorbed by his loss in the interests and storage charges of the merchandise during the time required for its selling. That is the real reason why all the cargo from and to the United States is transported through the Isthmus, in spite of the enormous freights charged by the Pacific Steam Navigation Company and the Panama Railroad Company.

As to the cargo from and to Europe, it is quite a different thing. There is an established line of steamers between European ports and this coast—the Kosmos Line—by way of Magellan; and as the rates of freight are much lower than by the way of Panama, two-thirds of the goods we purchase from Europe come by the Strait; and many things that otherwise we would buy from the United States are purchased in Europe, in order to avail ourselves of the lower rates of freight the Magellan route affords us.

From Europe we have twice or three times a year a sail ship, and once a month a German Kosmos steamer.

The freight rates are as follows:

From Europe:

Sail ships, via Magellan, 20s. to 25s. per ton.

Kosmos Line, via Magellan, 32s. 6d. to 45s. per ton.

Kosmos Line, via Panama, 57s. 6d. per ton.

From New York:

P. R. R. Co.'s steamers and railway charge 50c. per cubic foot of general merchandise, equal to \$20 per ton, or 80s.

To Europe:

Sail ships, by way of Magellan, 27s. per ton.

Kosmos steamers, by way of Magellan, 60s. per ton.

Kosmos steamers, via Panama, 80s. per ton.

To New York:

P. R. R. Co.'s steamers, \$17, equal to 68s. per ton.

For the foregoing rates I have taken that of general merchandise for imports and that of cocoa for export, to make a comparison easier.

These figures speak for themselves; they show us that the rates from New York, 80s. per ton, are almost fourfold those from Europe, although New York is at a half of the distance that separates us from Europe! Were it not that there are certain goods, such as kerosene oil, lard and cotton stuffs, that forcibly must be purchased in the United States, this difference in freight rates could successfully accomplish the aim they seem to have been made for—the annihilation of all trade between this coast and the United States.

There is another powerful obstacle for the development of our commerce with the United States—the monopoly of the traffic at this side of the Isthmus by the British Pacific Steam Navigation Company. The merchant whom sheer necessity compels to have his goods transported by this Line's steamers is well aware that he must submit to have his cargo short of one or two packages for every shipment, and the balance he receives in such a condition as if handled by vandals instead of British seamen; plundered the contents, and the packages broken or torn; and to all his applications for any indemnification, the Company's scornful silence is the answer he gets! So that with the plotting together of the P. S. N. Co.'s monopoly at this side and the P. R. R. Co.'s at the other, it is a wonder that there is still any commerce left with the United States.

Our imports from the United States consist chiefly of kerosene oil, flour, lard, cotton goods and some machinery; and from Europe we import the rest of the goods we want. There are no industries at this place, and almost everything necessary for life must be brought from abroad.

To pay for these imports, we export to the United States India rubber, cocoa, hides and a small quantity of ivory nuts; and for Europe the greater part of our cocoa, almost all the ivory nuts, coffee, and sometimes India rubber.

The resources of this country consist mainly of ivory nuts, which are freely picked up in the woods; cocoa, the cultivation of which is slowly but steadily increasing; India rubber, found, like the ivory nuts, in the woods, but in small quantities, because the natives used formerly to cut down the trees to get the gum; and coffee, which was once widely cultivated, but has been partially abandoned, due to the fall of its price by the competence of the Brazilian big crops.

There are immense tracts of land, fit for every cultivation, that remain barren and unoccupied for the lack of laborers and means of communication. We could produce in our lands by the seaside enough bananas and cocoanuts for the whole consumption of the United States;

but with such freight rates as now exist their transportation to the market is impossible, and we must remain with folded arms until the Panama Canal is opened. We have rich mines, but the high rates do not allow us to import machinery to work them. We have thousands of miles of land where henequen grows as good as in Yucatan, but we cannot even think of making use of it, because the high freight rates would amount to a greater value than the fibre is worth, and so forth.

I hope this report will be useful to you.

Yours respectfully,

ALBERTO SANTOS,
American Consular Agent.

(EXHIBIT D—3.)

Answers of American Consular Agent at Esmeraldas, Ecuador:

CONSULAR AGENCY OF THE UNITED STATES OF AMERICA.

Esmeraldas, Ecuador, April 8, 1905.

HON. J. L. BRISTOW,

Special Panama Railroad Commissioner,

War Department, Washington, D. C.

Sir:—In answer to inquiries contained in your letter of the 18th of February, I beg to say:

1. Almost all of the products exported from here to the States and to Europe are forwarded via Panama; the little that goes by the way of Magellan is shipped per the agent of the "Kosmos" steamers, which run from San Francisco to Hamburg, touching all along the coast.
2. Vegetable ivory nuts, which is the principal product exported from here, pays £2.5.0 of freight to Europe via Panama, and I think £2.0.0 via the Strait. Nothing is exported from here to the States unless per the way of Panama.
3. Very little goods being imported via the Strait, rates are not known here.
4. There is none that I know of. The firm I am a member of (Dumarest Bros. & Co.) has made contracts with the Panama Railroad for the last eight or ten years. Last year we made one to ship 1500 tons of ivory nuts, and shipped over 2000.
5. Principal products shipped to the States are the vegetable ivory nuts and rubber; importation from the States is principally of provisions, hardware and dry goods.
6. Ivory nuts, hides and cocoa, and from Europe to this port provisions (rice), dry goods and hardware.
7. Those enumerated in Answers 5 and 6.
8. Rubber and nuts grow wild; cocoa, there is still very little.

Hoping that my answers will be of use to you, I remain,

Yours very respectfully,

RENE DUMAREST,
American Consular Agent.

(EXHIBIT D—4)

Answers of American Consular Agent at Manta, Ecuador:

CONSULAR AGENCY OF THE UNITED STATES OF AMERICA.

Manta, Ecuador, *March 18, 1905.*

HON. JOSEPH L. BRISTOW,
Special Panama Railroad Commissioner,
 War Department, Washington.

Sir:—I am in receipt of your favor dated Colon, February 18, and have now the pleasure to answer the questions therein contained.

The following are the *imports* made at this port during the year 1904:

Via Panama.....	1,589,612 kilos.
Via Magellan.....	863,945 kilos.
From West Coast....	329,923 kilos.
	<hr/> 2,783,480 kilos total.

And these the *exports*:

Via Panama.....	4,322,571 kilos.
Via Magellan.....	1,112,272 kilos.
To West Coast.....	212,251 kilos.
	<hr/> 5,647,094 kilos total.

Total freight movement at this port. 8,430,574 kilos.

It is to be noted that the import via Magellan has considerably increased, owing to the fact that the S. S. Lines which are connected with the P. R. R. Co. charge a higher freight from and to the ports north of Guayaquil than from Guayaquil itself, which is, no doubt, due to the influence of the commerce of said port. In order to be able to compete with Guayaquil, the merchants of this coast have been obliged to bring goods on sailing vessels, of which there were three at this port only lately. With equal freights all the inward cargo would be brought via Panama. The small part of the outward cargo shipped via Magellan consists almost exclusively in ivory nuts in "bulk," which cannot be shipped via Panama, because a considerable loss in weight would be the consequence of so much handling of the cargo across the Isthmus.

There was never any cargo from this port sent via Magellan to New York, so no freight tariff exists, and only occasionally a steamer brings cargo from New York to Manta via Magellan, in which case the freight is arranged on private terms between shipper and ship-owner, and is usually about 15 to 20% cheaper than via Panama.

The following are the freight rates from Manta to New York via Panama:

Cocoa.....	\$17.00 per ton of 2240 lbs.
Coffee.....	\$17.00 per ton of 2240 lbs.
Ox Hides.....	\$27.50 per ton of 2240 lbs.
Rubber.....	\$35.00 per ton of 2240 lbs.
Ivory Nuts.....	\$12.00 per ton of 2240 lbs.
Treasure.....	1½% of value.

and these are the freight rates of the principal articles imported from New York via Panama:

Petroleum in cans, boxed.....	30 cts. p. cubic ft.
Lard, Barb Wire, etc.....	75 cts. p. 100 lbs.
General Merchandise.....	37½ cts. p. cubic ft.

The freight rates from Manta to Europe compare as follows:

	via Panama:	via Magellan:
Cocoa p. ton of 1000 kos....	£3.10.0	£3. 0.0
Coffee p. ton of 1000 kos....	£3.10.0	£3. 0.0
Ox Hides p. ton of 1000 kos..	£5. 0.0 & 5%	£3. 0.0
Rubber p. ton of 1000 kos....	£5. 0.0 & 5%	£3.10.0
Ivory nuts p. ton of 1000 kos	£2. 5.0	£2. 0.0

The freight rates on the inward cargo vary according to the kind of goods, but in general Steamer freight via Magellan is about 20% and freight by sailing vessel about 30 to 40% cheaper than via Panama.

There are no impediments that prevent the successful movement of freight via Panama, except that there is more handling of the cargo which of course cannot be avoided; for this reason breakable goods are always received via Magellan. Another inconvenience which all merchants complain about is the loss by pilfering, which is only too frequent on the Isthmus.

The principal exports to Europe consist in ivory nuts, cocoa and coffee, and the imports in rice, soap, beer, liquors, earthenware, cement, candles, etc.

To the United States this port ships ivory nuts, cocoa, ox hides and rubber, and receives from there petroleum, lard, flour, dry goods, hardware, canned goods, etc.

The chief resource of the vicinity of this port is the ivory nut of which over 5000 tons were exported during the last year. The cultivation of cocoa and coffee and India rubber is increasing every year. Another resource of this province is the manufacturing of the so-called Panama hats, of which the finest are made at Montecristi, a town about seven miles from this port. A great number of them are exported to the United States and Europe.

I am, Sir,

Yours very respectfully,

P. GONZENBACH,
American Consular Agent.

(EXHIBIT D—5.)

Answers of American Consul at Callao, Peru:

CONSULATE OF THE UNITED STATES OF AMERICA.

Callao, Peru, *April 19, 1905.*

Honorable J. L. BRISTOW,

Special Panama Railroad Commissioner,

Washington, D. C., U. S. A.

Sir:—Referring to my former communication (of March 13th last past) I now take pleasure in forwarding the data asked for in yours of February 18th, which have not reached me in complete form until yesterday.

1. Your first question can only be answered approximately. I think the following approximates of the percentage of commerce done between Callao and the U. S., by the several routes, are about correct:

From Europe:

Via Isthmus, about 50%.

Via Straits, about 50%.

From the U. S. A.:

Via Straits, about 75%.

Via Isthmus, about 25%.

2. It is generally considered about 25% cheaper to import from New York to Callao via the Straits, than via Isthmus.

Cost of sending from Callao to N. Y. varies; sugar freights cost generally 5s. extra per ton via Isthmus—all bulky goods are expensive to send that way. Cotton costs about the same by both routes.

3. All importers from Europe to Peru seem to agree that 25% is saved on freights by importing via Straits of Magellan.

4. The principal argument against shipping via Isthmus is the transshipment there, and consequent loss in weight. There is also much talk against the Panama railroad and its officials (although whether this is mere spite or not, I do not know) who are considered arbitrary, discourteous, etc.

5. We import to Peru all kinds of American manufactured goods, provisions, etc., and machinery.

During 1903 (the last year for which statistics are available) Peruvian imports were as follows, with Great Britain heading the list, and the U. S. A. coming second:

Great Britain.....	Lp. 1,486,438.113
United States.....	Lp. 576,901.859
Germany.....	Lp. 448,315.113
Belgium.....	Lp. 231,071.859

Our exports to the United States from Peru are cotton and minerals first, sugar, coca-leaf, wools (both sheep and alpaca) goatskins, hides (only very few since the Bubonic Quarantines have come into effect), straw hats.

6. This coast has for a long time been tributary, in a commercial way, to England; the inroads upon British commerce by German, American and Belgian trade are comparatively recent. Much is still imported from England, owing to the number of British firms here—prints, cotton goods, woollen goods, canned goods, agricultural machinery. The same is in a lesser degree true of Germany and Belgium as markets for imports to Peru. Peru sends practically the same products (minerals perhaps excepted) to Europe as she does to the United States.

If a firm has connections both in the United States and Europe, it will generally import articles of a breakable nature and heavy things generally from Europe via the Straits, to avoid transshipment. Our only line via the Straits to the United States is the "Merchants' Line" belonging to W. R. Grace & Co., who have a big business of their own here, and are not liked as carriers by most local importers.

7. Callao ships chiefly minerals and coca-leaf.

8. The resources of Peru are susceptible of very much future development, with the building of various railroad lines projected or now under way.

9. Tambo de Mora and Pisco ship chiefly cotton. Tambo also ships some sugar. Pisco also some metals. The port of Chala ships sheeps' wool, alpaca and some metals.

I regret very much to say that it is difficult for me to report fully, owing to the fact that the firm of Grace & Co. decline to give their exact freight rates (Merchant's Line, to New York via Straits). I am told that their freight rates vary to suit local competition and I believe the statement to be correct. There are no direct independent steamers from the States, via Straits. The Merchant's Line's printed tariff would doubtless be obtainable from Messrs. W. R. Grace & Co. in New York.

I have the honor to enclose the following:

1. Tariff of Pacific Steam Navigation Co., and Cia Sud Americana de Vapores, which work in combination from Valparaiso to Ancon, C. Z., and also for England direct, via West Coast of South America.
2. Tariff of Kosmos Line, working from Europe via Straits to West Coast ports of South America, San Francisco and Puget Sound.

Respectfully,

A. L. M. GOTTSCHALK,
Consul.

THE PACIFIC STEAM NAVIGATION COMPANY AND COMPAÑIA SUD-AMERICANA DE VAPORES.

A note of current rates for New York via Isthmus as follows:

Sugar.....	£ 1.10.0	
Hides, dry.....	\$30.00	American Gold
Caoutchouc.....	\$22.50	American Gold
Coca Leaves.....	\$30.00	American Gold
Coca Leaves for New Orleans.....	\$40.00	American Gold
Cotton.....	£ 3.10.0	
Cotton for Boston.....	£ 4. 0.0	American Gold
Specie and Cocaine.....	1½%	
Sulphide of Silver.....	1¼%	
Sulphide of Silver, with trans-shipment at Callao.....	1½%	
General Merchandise, per ton....	\$40.00	American Gold

Weight or measure at Company's option.

These rates are subject to modification for special lots of cargo, as may be agreed.

(EXHIBIT D—6.)

Answers of American Consular Agent at Payta, Peru:

Payta, March 22, 1905.

Honorable JOSEPH L. BRISTOW,
Washington, D. C.

My Dear Sir:—I have to acknowledge receipt of your esteemed favor of the 18th ult., to which I have today pleasure in replying.

Question No. 1. The commerce from the United States to Payta transported via Panama is calculated to be 75%; the remainder comes by the way of Magellan.

From Payta to the United States the total of the cargo goes via

Panama. The P. S. N. Co. and Ca. S. A. V. do not even accept any freight whatever for the United States via Magellan from this port. I do not know if it is the same down the coast.

The amount of freight transported from this port to Europe via Panama is decidedly small, as only 20% is calculated to go through that port; the reason is that the kind of cargo exported to Europe, viz: cotton seed, cotton seed cake and cotton, would not stand the heavy rates charged via Panama, specially the first two articles.

Question No. 2. With regard to freights, I give you in a separate note a detailed list of all, so you may be able to judge better.

Question No. 3. Far from there being any impediments, there are today a good many advantages in importing all kinds of merchandise via Panama, as, due to freights having been raised via Magellan, merchants here have given orders that everything in future be sent via Panama, by which route they save at least two months' time; this advantage is for imports both from the United States and Europe. Exports for Europe are not in the same conditions for the reasons I have already given. Respecting those to the United States, not a single package goes via Magellan, because both the time gained and freights make it more advantageous via Panama.

Question No. 4. Principal imports from the United States are: Lard, kerosene, flour, lumber, agricultural and industrial implements, dry cotton goods in small scale, tools in general, tinned fruits and meats, lamps, sewing machines, confectionery, and several other articles in a small scale. I may add that I have noticed in the last year or so, a decided increase in the importation of American goods. It is only in dry goods that no increase is noticed. England in the first place, and Germany next, hold the market in this line.

Imports from Europe may be summed up in *General Merchandises*.

Exports to the United States from this port are: Cotton, goat skins, straw hats (called Panama hats), hides, and a little condurango. It may interest you to know that ten years ago not one-hundredth part of the cotton exported today to the United States via Panama, used to go that way; all was shipped by the way of Magellan and to England. Today it might be said that only the colored cotton goes to England via Magellan, and via Panama neither white nor colored. This change is due to the demand in the United States for Rough Peruvian cotton, which today finds there a very good market. Almost all the cotton exported to the United States is sold F. O. B. Payta.

Exports to Europe are: Cotton, cottonseed, cottonseed cake, straw hats, condurango, Peruvian bark, hides and very little coffee.

The principal products of this country are agricultural and are those above stated.

There are some petroleum mines in this district, viz.: The London & Pacific Petroleum Co., Limited, of Talara Bay. The Peruvian Petroleum Syndicate of Lobitos, and another field which has been recently discovered, and for the working of which, a company is being formed in Lima, Peru; the owner or discoverer is Mr. N. J. Taiman, an American citizen, manager of the water works of this port and Puirá. The two first companies are English. The London & Pacific Petroleum Company is the only one of the three which is giving any production at present; 2000 to 2500 tons is the monthly output of this company. The oil is all sold at Callao, Peru, and Caleta Buena, Chili, but there are markets for three or four times the above

production. Cattle is one of the resources of this Department, and is exported to Lima in fairly big numbers.

I trust that all the above information will be useful to you.

I beg to remain, Sir,

Very respectfully yours,

LOUIS BLACKER,
American Consular Agent.

NOTE OF FREIGHTS FROM PAYTA TO NEW YORK VIA PANAMA:

General Merchandises.....	\$40.00	
Cotton.....	£ 3.10.0	per ton of 2240 lbs.
Hides.....	\$30.00	per ton of 2240 lbs.
Goat Skins.....	\$25.00	per ton of 2240 lbs.
Peruvian Bark.....	\$45.00	per ton of 2240 lbs.
Straw Hats (Panama Hats)	\$52.00	per ton of 40 cu. ft.
Condurango.....	£ 5. 0.0	per ton of 2240 lbs.

Minimum rate for bill of lading \$10 per ton of weight or measure at Company's option.

From Payta to Europe via Panama:

Cotton.....	£ 1.5.0	per ton of 40 cubic ft.
Cotton.....	£ 5.0.0	per ton of 2240 lbs.
Hides.....	£ 4.0.0	per ton of 1000 kilos
Coffee, for London.....	£ 3.0.0	per ton of 1000 kilos
Coffee for Havre, Hamburg and Bremen.....	£ 3.0.0	per ton of 1000 kilos
Coffee for Antwerp and Rotterdam.....	£ 4.0.0	per ton of 1000 kilos
Peruvian Bark.....	£ 6.0.0	per ton of 1000 kilos
Cottonseed Cake.....	£ 3.2.6	per ton of 1000 kilos
Goat Skins.....	£ 4.0.0	per ton of 1000 kilos
Cottonseed.....	£ 3.0.0	per ton of 1000 kilos
General Merchandises.....	£ 5.0.0	1000 kilos or 40 cu. ft.
Straw Hats (Panama Hats)	£12 5%	per ton of 40 cu. ft.
Condurango.....	£ 5.0.0	per ton of 1000 kilos

From Payta to Europe via Magellan:

Peruvian Bark, for London....	£5. 0.0	per ton of 2240 lbs.
Hides.....	£4.10.0	per ton of 2240 lbs.
Goat Skins.....	£4. 0.0	per ton of 2240 lbs.
Cottonseed Cake.....	£11.17.6	per ton of 2240 lbs.
Cottonseed.....	£11.17.6	per ton of 2240 lbs.
Merchandises.....	£3.10.0	per ton wt. or meas.
Cotton.....	£4. 0.0	per ton of 2240 lbs.

From New York to Payta via Panama:

General Merchandises.... \$10.00 per ton of 40 cubic feet

From Europe to Payta via Panama:

General Merchandises.. 45s per ton of weight or measure

Dry Goods.....70s to 75s per ton of weight or measure

Same rates are charged via Magellan.

LOUIS BLACKER,
American Consular Agent.

Payta, Peru, March 22, 1905.

(EXHIBIT D—7.)

Answers of American Consular Agency at Salaverry, Peru:

CONSULAR SERVICE U. S. A.

Salaverry, Peru, *March 11, 1905.*

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

Dear Sir:—Replying to your favor Feb. 18th, I beg to inform you that I have made inquiries with the following results:

Salaverry receives:

- 8% of the commerce from New York via Panama.
- 12% of the commerce from Europe via Panama.
- 3% of the commerce from New York via Magellan.
- 5% of the commerce from Europe via Magellan.

Salaverry exports:

- 13% of the commerce to United States via Panama.
- 10% of the commerce to Europe via Panama.
- 38% of the commerce to Europe via Magellan.
- 2% of the commerce to United States via Magellan.

Freight rates per ton (2240 lbs.) are as follows (average):

American Gold.

From New York to Salaverry via Panama.....	\$15.00
From Salaverry to New York via Panama.....	\$30.00
From New York to Salaverry via Magellan....	£3. 0.0
From Salaverry to New York via Magellan....	£4. 0.0
From Europe to Salaverry via Panama.....	£3.10.0
From Salaverry to Europe via Panama.....	£5. 0.0
From Europe to Salaverry via Magellan.....	£2.10.0
From Salaverry to Europe via Magellan.....	£3.10.0

Impediments: There are no impediments here to prevent the successful movement of freight to and from New York and Europe by the way of Panama.

The products imported from the United States to Salaverry are: Kerosene, machinery, furniture, sewing machines, wheat, railway material, lumber, and general merchandise.

Products exported from Salaverry to United States are: Sugar, coca leaves, hides, wool, gold and silver minerals.

The principal products in the vicinity of this port are: Sugar, coca leaves, hides, wool, gold and silver minerals.

Huaraz: Being inaccessible, it is not possible for me to give you the required information.

Any other information you may require from this district, I will be pleased to give you.

I remain, dear sir,

Yours very truly,

A. A. SUÁREZE,
American Consular Agent.