(EXHIBIT D—8.)

Answers of American Consul at Arica, Chile:

CONSULATE OF THE UNITED STATES OF AMERICA.

Arica de Chile, *March* 30, 1905.

Honorable JOSEPH L. BRISTOW,
Special Panama Railroad Commissioner,
Washington, D. C., U. S. A.

Sir:—In response to your letter dated at Colon, Republic of Panama, on the 18th ultimo, I have this to say:

The information which follows refers equally to Arica and Tacna. The latter is the capital, and the principal commercial city, of the Province of Tacna (comprising this consular district), and is situated forty miles, by railway, from the port of Arica (the only port in the district) at the inland terminus of the Arica & Tacna Railway. The main importance of the city of Tacna lies in the fact that it is the point of transshipment (from rail to pack animals, and *vice versa*) of cargoes going to or coming from Bolivia or interior points of the Province of Tacna. However, Tacna's importance in the particular mentioned has diminished greatly since the completion of the railway from Mollendo to Puno. The general freight tariff from Arica to Tacna (by rail) will average, approximately, $1.15 Chilean gold (at 36½c American money) per 100 kilograms and from Tacna to Arica, approximately, an average of 47½c Chilean gold per 100 kilograms. There is no prorating tariff between the Arica & Tacna Railway Company and any of the steamship companies whose vessels call at Arica.

For the purposes of determining the percentages of commerce traveling over the different routes inquired about and the differences of freight rates thereby, I have had recourse to inquiries at the agency of each of the steamship companies interested in that trade, to-wit: The Merchants' Line and Beeche, Duval & Co., both plying between New York and Arica via Magellan straits; The Pacific Steam Navigation Co. and the South American Steamship Co., both plying between Arica and Panama, with connections thence to New York; Lamport & Holt and The Pacific Steam Navigation Co., both plying between Arica and Liverpool via Magellan straits; and the Kosmos Line, plying between San Francisco and European ports via Arica and Magellan straits; and from the answers I have received, I base the following:

Over 90% of the commerce from the United States and from Europe to Arica travels via Magellan straits; and less than 10% travels via the Isthmus of Panama. Over 95% of the commerce from Arica to Europe travels via Magellan; and less than 5% travels via Panama. About 50% (in value, in the past year) of the commerce from Arica to the United States travels via the Isthmus of Panama, about 40% via Magellan, and about 10% goes to San Francisco direct.

The average (weight and measurement rates) difference in freight rates from New York to Arica, and from Arica to New York, via Magellan and via Panama is from 30% to 40% in favor of the former routing; that is, the route via Magellan is from three-tenths to two-fifths cheaper than the route via Panama.

The average (weight and measurement rates) difference in rates from Europe to Arica, and from Arica to Europe, via Magellan and

via Panama is from 50% to 60% in favor of the former routing; that is, the route via Magellan is from one-half to three-fifths cheaper than the route via Panama.

The only impediments (aside from the difference in freight rates) that prevent the successful movement of freight to and from New York and Europe by way of Panama are the expenses, loss (or liability to loss), damages to goods occasioned (or liable to result), and liability to detention, in transshipment on the Isthmus.

The principal products exported from this port to the United States are raw cotton and goat skins. The principal imports from the United States into this district, in the order of their importance, are: Kerosene, textiles, lumber (direct from the west coast of the United States), machinery, other manufactures of metals, other general merchandise.

The principal products exported from this port to Europe are: Copper ores, borate of lime, cotton, cotton seed, wool, hides, coffee, coca, and tin ores. The principal imports from Europe into this district are: Textile manufactures (of cotton, wool, and silk; including clothing of all descriptions), machinery, tools and other hardware, industrial oils and paints, paper and its allies, furniture of all descriptions, chemical products and medicines, perfumery and soaps, wines, liquors, beer, dried and salted meats and fish, preserved fruits, explosives, arms and ammunition, and general merchandise of all descriptions.

The principal products and resources of this district are: Borax, sulphur, copper, salt, silver, cotton and cotton seed, olives, fruits, wines, brandy, vegetables, and a limited amount of wool and hides.

The resources of the district are not well developed, but the contrary; the highest development being in the line of agriculture, the products of which remain largely on the coast.

Be pleased to consider me at your further service for any other information I can give you.

Very respectfully yours,

JNO. W. LÜTZ,

(EXHIBIT D—9.)

Answers of American Vice-Consul at Antofagasta, Chile:

CONSULAR SERVICE, U. S. A.

Antofagasta, Chile, *Apr.* 24, 1905.

Mr. J. L. BRISTOW,
Special Panama Railroad Commissioner,
Washington, D. C.

Dear Sir:—As requested in your favor of Feb. 18th, I beg to reply to your questions as follows:

No. 1. About 5 to 10% of the commerce from the United States to Antofagasta is transported by way of Panama, and 85 to 90% by way of Magellan. There is practically no movement to and from Europe via Panama. About 2 to 4% of commerce from Antofagasta to the United States is transportated by way of Panama, and 90 to 95% via Magellan. You must understand that no exact statistics

are available here, and that the above figures are the concensus of opinion of the leading shipping agencies.

No. 2. Freight rates via Panama to and from New York are 20 to 50% higher than via Magellan. It is, however, difficult to obtain an exact comparison between the two routes, there seeming to be little attempt at competition, and the portion moving via Panama seeming to be principally small shipments in a hurry. I understand that in years past the shipments via Panama were larger than at present, but that the business methods and rise in rates of the Panama Railroad Co. discouraged them. Likewise the West Coast and Merchants' Lines fetch and take merchandise under better conditions than are possible via Panama, they using the Magellan route.

No. 3. The agent here possessed no schedule of rates to and from Europe via Panama. He, however, stated that if anyone insisted on having goods sent by said route that it would cost about twice as much as via Magellan.

In all the above cases the outward and homeward rates are practically the same.

No. 4. The principal impediments at present are the difference in freight rates and the extra handling required on the Isthmus with the resultant damage and loss of goods.

No. 5. The exports are the mineral products of the Province, as: Copper ores, nitrate of soda, iodine; and the products of Bolivia, as: Borate of lime, silver ores, tin, and animal products, as hides, hair and wool; also, zinc ore, bismuth, rubber, quinine and copper ore.

The imports are general supplies for man, beast and industry. The Province is a desert and produces only minerals, which are exported. It therefore imports all and everything for wear and consumption from the coast and foreign parts, including coal which comes entirely from foreign parts.

No. 6. Same as above. You are referred for more particulars and details to the "Estadistica Comercial de Chile" for 1903, said volume having recently been sent to the Department of Commerce at Washington.

No. 7. See exports under No. 5. I should say that the borate of lime comes prinicpally from the Chilian side of the boundary line with Bolivia and that this latter country does the bulk of its importing and exporting through the port of Antofagasta. Mollendo and Arica are also forwarding ports for Bolivia but of considerably less importance.

No. 8. The mineral resources of the Province are fairly developed, but those of Bolivia but partially so. The extension of many railroads in course of construction and projected will materially increase development. The nitrate industry has increased enormously during the last year.

The information above applies also to Taltal and Tocopilla, they, however, have no Bolivian connections and therefore produce only nitrate of soda, copper ores and iodine. Cobija and El Cobre are unimportant.

I am, dear sir,

Your obedient servant,

FRANK D. ALLER,
Vice-Consul.

(EXHIBIT D—10.)

Answers of American Consul at Iquique, Chile:

AMERICAN CONSULAR SERVICE.

Iquique, Chile, *April* 7, 1905.

HONORABLE J. L. BRISTOW,
Special Panama Railroad Commissioner,
Washington, D. C.

My Dear Sir:—Referring to my letter of March 20, I now have the pleasure to forward herewith the report called for in your letter of February 18, relative to commerce at this port:

1. There is no way of ascertaining what per cent. of the commerce from the United States or Europe to Iquique, and from Iquique to Europe, is transported by way of Panama or Iquique. It is estimated that possibly 5 per cent. of the commerce from the United States comes via Panama, and 2 or 3 per cent. from Europe by the same route. Probably not over 1 per cent. goes via Panama from this district to either the United States or Europe.

2 and 3. Freight rates from Iquique to the United States or Europe vary from $5.00 to $25.00 per ton, via Magellan. Iodine is about the only thing shipped from here via Panama either to the United States or Europe. Rate $25.00 per ton. The rate is the same via Magellan to the United States and $20.00 per ton to Europe.

I am unable to get freight rates from New York or Europe via either route.

4. There is one impediment that prevents the successful movement of freight to and from New York and Europe by way of Panama, *i. e.,* the Isthmus of Panama. Without a doubt the per cent. of freight going to and from the United States and Europe and this port and Pisagua by way of Panama and Magellan, will be reversed when we get the Panama Canal finished and in working order.

At present only such goods which are needed quickly come or go by way of Panama. The principal article of commerce shipped from this district is nitrate of soda, which is shipped in cargo lots at about five dollars per ton and, of course, goes via Magellan. The trans-shipping of freight at Panama causes too much expense and breakage, and often loss of contents of boxes.

5. The principal exports from this port are nitrate of soda and iodine.

The imports consist of nearly everything useful to man and beast. This is an absolute desert. Everything that comes under the following heads are imported here, such as, preserved foods, flour, lumber, hardware, furniture, tobacco, cotton, linen and silk goods, watches and jewelry, oils of all kinds, paints and varnishes, paper of all kinds, perfumeries and chemicals and chemical products. Machinery and tools, railroad supplies, iron and steel. Arms and ammunition and explosives. Agricultural implements are of no use here.

6. Same as No. 5.

7. The principal products and resources here are nitrate of soda, iodine, copper and silver.

8. The manufacture of nitrate of soda and iodine is well developed. The mining of copper and silver is not very well developed.

9. What is true of Iquique is also true of Pisagua.

I have the honor to be, sir,

Your obedient servant,

CHARLES S. WINANS,
American Consul.

(EXHIBIT D—11.)

Answers of American Consul at Valparaiso, Chile.

AMERICAN CONSULATE.

Valparaiso, Chile, *March* 31, 1905.

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

Sir:—Replying to your letter of inquiry dated Colon, Isthmus of Panama, February 18, 1905, I have the honor to report as follows:

A very small percentage of the commerce from the United States and Europe, to Valparaiso, and from Valparaiso to the United States and Europe is transported by way of Panama. The bulk of imports and exports is conveyed by steamers via Magellan and sailers round Cape Horn. It is only when certain goods not of a bulky nature are urgently wanted, that they are sent via Panama.

The freight rates vary a good deal, but freighting by way of Panama as compared with the Magellan route is about 50 per cent. dearer. The above percentage applies also in comparing the Panama and Magellan routes for the European trade.

The greatest impediment in the way of the successful movement of freight to and from New York and Europe by way of Panama, consists in the landing of goods at Colon and Panama for conveyance across the Isthmus and the consequent damage incident to disembarking and reshipping at those ports. A second impediment is the loss of time often resulting in failure to make the connection between two lines of steamers at the Isthmus.

The principal products imported and exported at this port to and from the United States are the following:

Exports—Nitrate, copper, wool, quillay, bark, algarrobilla, walnuts.

Imports—Machinery, railway supplies, petroleum, lumber, and manufactured goods in general.

The principal products exported and imported at this port to and from Europe are the following:

Exports—Wheat, barley, copper, wool, nitrate.

Imports—Coal, machinery, iron, manufactured goods in general.

The principal products and resources of the country in the vicinity of this port are wheat, barley and copper.

Illapel is the centre of an agricultural and mining district about 100 miles north of Valparaiso, and trades through the port of Coquimbo.

Quillota is the centre of a small agricultural district about 30 miles east of Valparaiso; its trade is local.

The opening of the Panama Canal, providing better and cheaper transportation facilities between the United States and the west coast of South America will encourage the development of some of the greatest wealth producing resources of Chile, which are now latent. Such are timber, low grade ores, wool.

Timber.—There are in the south of Chile vast tracts of virgin forest, the only cleared spaces in which are those from which the timber has been burned in order to till the soil. Improved transportation facilities and low freight rates are necessary to the development of the timber industry. In these forests are found various grades of wood of excellent quality, and in practically unlimited quantities, some of which compares with American cypress, oak, cedar and red wood. A few saw mills have been established in the forest region, but they have made little impression upon the timber resources. The forests of Chile, like those of North America in the pioneer days, are suffering from wanton destruction by those who covet the products of the fertile soil. The timber interests of Chile undoubtedly furnish a promising field for investment, and the opening of the Panama Canal will do much to encourage the development of this branch of industry.

The woods chiefly found are cipres, roble, laurel, lingue and rauli.

Lower Grade Ores.—Ever since copper mines began to be worked in Chile, miners have confined their attention simply to high grade ores, rejecting all that did not come under that category. Up to the present time the majority of mines are worked in a primitive, and as it were, retail fashion. The result is that there now remain great quantities of lower grade ore, which in the opinion of experienced miners and engineers, would prove a paying business if worked on a broader basis, that is, with smelting works and all appurtenances.

The trial has already been made by some national and foreign syndicates, with excellent results. It is no exaggeration to say that there are today in Chile, hills which only require to be cut up and melted down into copper.

Lower sea freights would result in encouraging the development of this great natural resource of the country, and the Panama Canal would seem to offer the means for cheaper transportation rates for that class of freight.

Wool.—The extreme south of Chile (Magellan) is exceptionally adapted to sheep raising, and for a number of years farmers have been building up an export trade, which has provided many of them with handsome fortunes. During the past year a remarkable movement has taken place in Valparaiso and Santiago in the direction of promoting the sheep-farming industry by the formation of powerful companies.

While this particular branch of business has been overdone during the past year, on account of the tremendous profits it promised on investment, it is the opinion of experienced farmers and financiers that the sheep-farming interests of Southern Chile have a most promising future. It offers a good field for investments and for capable, industrious workers in that line. The opening of the Canal will have a good effect upon that branch of Chilian trade.

In addition to increasing trade between United States and Chile, by the development of latent resources in this country, the opening of the Panama Canal will, in the opinion of well-informed importers, exporters and commercial men in Valparaiso, have a great influence upon the foreign trade of all the Pacific coast countries in South America. The reasons assigned for this are, the opening of a much shorter and more direct water transportation route between west

coast ports and the United States; cheaper traffic rates both to North America and Europe. The great nitrate fields and guano deposits of Northern Chile will be brought several thousand miles nearer the United States markets, by way of the Canal than via the Straits of Magellan, by which route the products of that region are now transported, much of the nitrate going to Europe, from where it is trans-shipped to America. The same conditions apply to the products of copper mines, and various other ores, large deposits of which are found in Northern Chile.

The opening of the Isthmian Canal will give to exporters from the United States to the markets of Chile, an advantage rather than handicap them in the matter of transportation rates, as is the case under existing conditions. This will encourage the importation into Chile of many articles of American manufacture, which are now made almost prohibitory by excessive freight rates.

There are now two lines of steamers running regularly between New York and west coast ports via Magellan, going as far north as Guayaquil, Equador. The distance for those steamers would be reduced more than half via Panama, as they do not stop at Atlantic coast ports.

Your obedient servant,
R. E. MANSFIELD,
Consul.

(EXHIBIT D—12.)

Answers of American Consular Agent at Caldera, Chile:

AMERICAN CONSULAR AGENCY.

Caldera, Chile, *March* 22, 1905.

Hon. JOSEPH L. BRISTOW,
Special Panama Railroad Commissioner,
Washington.

Dear Sir:—I have the pleasure to acknowledge receipt of your letter dated Isthmus of Panama, February 18th, ult., and taking note of the matter pertaining to the inquiries you make, beg to reply as follows:

Inquiry No.

1. The transport of commerce is I judge, 95 per cent. to or from Europe, and 5 per cent. to or from New York, via either route.
2. The rate of freight to New York via Panama is £6 5s. per ton. By the way of Magellan freights are arranged in Valparaiso. Freights out are not quoted.
3. The rate of freights to Europe via Magellan is 45s.; out 40s. By the way of Panama freights are not quoted.
4. Higher rate of freights, and fear of damage to cargo are, I judge, the reasons there is not more movement via Panama.
5. Imports from the United States consist mainly of machinery, lubricating oils and paraffine.
6. Imports from Europe consist of machinery, lubricating oils, linseed oils, paints, metal bags, mining steel, iron, iron rails, coal, coke, cotton cloth, clothing, sugar, rice and tea. Exports to Europe are copper ores, bar copper, small quantites of gold and silver in bars, and a very limited quantity of dried fruits.

7. The principal product of this Province, Atacama, is copper. Gold and silver mines are worked in a small way. Companies are being formed to work borax deposits, which bid fair to be of importance. Mining, principally copper, is the industry of the Province, with a limited agriculture that depends upon supplies of water coming down the valleys of Copiapo and Huasco.

This industry—mining—which is being developed more and more daily, is greatly facilitated by the railways which run inland from Chañaral, Carizal, Huasco and this port, at each of which ports there is a railway machine shop, and copper smelting establishments. Particularly at this port the machine shop is extensive, and turns out all kinds of mining machinery and other requirements. Caldera, of the four ports, is the only "port of entry"—puerto mayor—but at each port wharfage and shipping facilities are good. Unloading and loading of vessels is done in launches, a usually smooth sea facilitating same. Public roads are fairly good, while government engineers at present are surveying for new and repairing the old ones.

8. Please find the purport of this inquiry with your request regarding the other three ports, embodied in the above answers and statements, which I may add, hold good for the entire Province.

Trusting this report will meet your purpose, I remain at your service.

Yours very respectfully,
JOHN C. MORONG,
American Consular Agent.

(EXHIBIT D—13.)

Answers of American Consular Agent at Coquimbo, Chile:

AMERICAN CONSULAR AGENCY.

Coquimbo, Chile, *April* 28, 1905.

My Dear Sir:—Since the receipt of your letter February 18th, I have been trying to find the information asked for, but owing to the Custom House statistics being kept in the head office at Valparaiso, I regret that I cannot give same as detailed as I could have wished. The consul there, no doubt, will supply some of the points wanting in this.

1. Imports and exports to and from the States, together with other foreign countries are all grouped under one heading in the customs here "Foreign." It would be a long and tedious work, and I fear, far from accurate, to try and separate the different items. This is done in Valparaiso.

From the archives of this office I can furnish the following re-exports to the United States for the last two years:

U. S. Gold.

Chinchilla Skins by Panama:
1903—10,098 10/12 doz.....Value, 157,483.94 dollars
1904—10,776 4/12 doz.....Value, 193,598.14 dollars

		U. S. Gold.
Copper Bars by Panama:		
1903— 635,000 Kilogrammes	Value,	151,058.46 dollars
1904—1,908,410 Kilogrammes	Value,	492,342.09 dollars
Copper Bars by Magellan:		
1903—1,016,000 Kilogrammes	Value,	250,246,54 dollars
1904— 736,600 Kilogrammes	Value,	131,809.10 dollars
Dry Salted Goat Skins by Magellan:		
1903—107,594 Ks	Value,	48,949.10 dollars
1904— 38,189 Ks	Value,	10,283.65 dollars
Dry Salted Goat Skins by Panama:		
1904—1,940 Ks	Value,	465.30 dollars
Manganese Ores:		
1903—5,590,830 Ks	Value,	40,764.89 dollars
Walnuts by Panama:		
1903—56,313 Ks., sacks	Value,	5,808.50 dollars
Walnuts by Magellan:		
1903— 48,825 Ks	Value,	5,036.40 dollars
1904—104,818 Ks	Value,	9,363.40 dollars
Algarrobilla:		
1904—108,863 Ks	Value,	4,543.40 dollars
Gold, Silver and Copper Ores:		
1904—127,995 Ks	Value,	5,375.30 dollars

2. Freights vary, and are generally arranged by the head offices at Valparaiso.

   In goat skins, for instance, according to the printed list supplied to the agencies here, by Panama is $30 U. S. gold aginst 45s. to 60s. by Magellan Straits.

   Chinchilla skins go as treasure and pay 1½% on value either way.

3. The difference in freight rates from Europe to Coquimbo must be prohibitive, as to my knowledge no goods come by that route.

4. The main cause that prevents greater movement must be the difference in freight.

5. Exports to United States: Manganese, goat skins, chinchilla skins, wool, algarrobilla, walnuts, bar copper.

   Imports from the United States: Canned goods, perfumery, tobaccos, paints, oils, musical instruments, paraffine, lubricating oils, pine grease, agricultural and mining machinery, oak stakes for barrels, Oregon pine, hardware, safes, and general merchandise.

6. Imports from Europe: Fire bricks, coal, coke, pig iron, groceries, machinery, wines and spirits, earthenware, porcelainware, wrapping and other papers, empty bottles, corks, capsules, etc., plain glass, bar iron, galvanized sheets, corrugated iron, mining steel, rails, dry goods of all kinds, hardware, drugs, stationery, perfumery and fancy soaps, cutlery, glassware, musical instruments, candles, matches, teas, tobaccos, paints, and oils.

   Exports to Europe: Copper in bars, copper, silver, manganese and cobalt ores, goat and kid skins, neat hides, honey, wax, barley for brewing and fodder, chopped and compressed alfalfa, wool, algarrobilla, chinchilla skins, quillai bark.

The products of the Province and in the vicinity of this port are varied and abundant. Principally for the supply of the northern provinces potatoes and all kinds of vegetables and fruit are grown in great abundance. Also wheat, barley, maize, beans, alfalfa, etc.

A class of grape for raisins is greatly cultivated, and spirit (pisco) is made from special classes of grapes. Both have an extensive and increasing sale, with some demand for the neighboring Republics. Sun dried peaches, figs, etc., are sent from here to the northern and southern Provinces.

Cattle, sheep, horses, mules and donkeys are bred and sent north in considerable quantities. The mules, horses and donkeys are not very large, but hardy and do good work on scanty food.

In minerals, copper, iron, and manganese ores are in great abundance. Silver and gold are also worked, together with cobalt, sulphur, etc. There are no coal mines in the Province.

Numerous streams run from the Cordilleras to the sea which supply the country with irrigation and might be used for producing power for electricity and other purposes. The river Coquimbo close to here has an approximate gradient of 1¼% with a calculated 2000 litres water per minute in dry years. The valleys down which the rivers run are mostly narrow and the hills rise suddenly on both sides.

The resources of the country are practically undeveloped.

Very respectfully,

ANDREW KERR,
American Consular Agent.

Hon. J. L. BRISTOW,
Special Panama Railroad Commissioner,
Washington, U. S. A.

(EXHIBIT D.—*Continued.*)

List of questions sent to American Consuls and Consular Agents in Central America and Mexico.

Colon, Isthmus of Panama, *February* 15, 1905.

My Dear Sir:—As indicated in a letter from the Secretary of State which you doubtless have received, I beg to make the following inquiries, and ask that you forward your reply to me at Washington:

What are the shipping facilities of Punta Arenas by sea, that is, how many steamship lines make regular calls at that port and how many make irregular calls there during the year?

What is the nationality of each of the steamship lines, and how often do they make regular calls?

How many go north, and how many south?

Is Punta Arenas the sea port for any important interior town?

What are the wharfage facilities, and who own the wharves?

Are the wharves free to all vessels; if not, what are the rates charged for wharfage privileges, and are the rates the same to all ships?

What are the principal products exported and imported?

What are the principal products and resources of the country in the vicinity of this port?

Are the resources well developed, or are they in a state of development?

What products are exported and imported between the United States and this port, and what course does this commerce take, via San Francisco or via Panama?

Are there any impediments in the way of shipments of either American or European commerce via Panama; if so, what are they?

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.

This letter sent to following also:

Charles Holmann, C. A., San Juan del Sur, Nicaragua.
Henry Palazio, C. A., Corinto, Nicaragua.
William Heyden, C. A., Amapala, Honduras.
John Jenkins, C. G., San Salvador, Salvador (as to El Triunfo).
Samuel F. Lord, C. A., La Union, Salvador.
Henry Hussey, C. A., La Libertad, Salvador.
Frank Wager, C. A., Acajutla, Salvador.
Frank Sims Swan, C. A., San Jose de Guatemala, Guatemala.
Hon. Leon A. Marquez, American Consular Agent, Punta Arenas, Costa Rica.
Carl G. Heitman, C. A., Champerico, Guatemala.
Samuel Walford, C. A., Ocos, Guatemala.
George W. Dickinson, C., Acapulco, Mexico.
R. Van McKie, Commercial Agent, Manzanillo, Mexico.

(EXHIBIT D—14.)

Answers of the American Consular Agent at San Juan del Sur, Nicaragua.

AMERICAN CONSULAR SERVICE.

San Juan del Sur, Nicaragua, *March* 17, 1905.

J. L. BRISTOW, Esq.,
Special Panama Railroad Commissioner,
Washington.

Dear Sir:—Your esteemed favor dated Colon, the 16th of February, was received by last mail, and now I have the honor to answer same.

1. The only steamship line that makes regular calls at this port is the Pacific Mail S. S. Co., and about three times a year the Kosmos Line, a German company, calls here when there is cargo for them to leave or to take.

2. The Pacific Mail S. S. Co. is American, and the Kosmos Line German, as I said before.

3. Two of the Pacific Mail S. S. Co.'s steamers call going north and two south each month.

4. San Juan del Sur is the sea port for the town of Rivas, capital of the Department of the same name, but also part of the imports and exports of the town of Granada are made through this port.

5. There is only an old wharf and owned by the government, to which goods are brought in lighters from the steamers and shipped the same way. The government has contracted the building of a new wharf with private parties.

6. The steamers anchor about 500 yards from the wharf. There are no wharfage charges whatever for steamers; but owners of goods shipped or received have to pay $2 Nicaraguan currency per ton of weight or measurement. (Actual value of Nicaraguan currency $6.45 for $1 gold.)

7. Almost everything needed is imported in Nicaragua, there being no factories to speak of. The exports from this port are: Dye and hard woods, as fustic, cedar, mahogany, etc., hides, India rubber, deer skins, indigo, coffee and cotton. This last for the first time this year.

8. Very little is produced in the vicinity of this port. Cotton and indigo are planted on a small scale. There are some coffee and cocoa plantations in this district, but the cocoa is not exported, all being consumed in the country.

9. The resources are, in my opinion, in a state of development.

10. With very little exceptions, all the exports from this port go to New York via Panama. Imports from San Francisco are principally flour, wine, fruit and provisions of every kind. From New York: Barbed wire, all kinds of hardware, petroleum, dry goods, drugs, etc., etc. All goods from New York come via Panama Railroad Co. and Pacific Mail S. S. Co. From San Francisco direct by the same steamship line.

11. There are no impediments whatever in the way of shipments of either American or European commerce.

As stated before (this) your letter arrived by last mail. This explains the delay. Any other information you may need will be promptly, and to my best knowledge, given.

Awaiting your commands, I am, dear sir,

Your obedient servant,

CHARLES HOLMANN,
American Consular Agent.

(EXHIBIT D—15.)

Answers of American Consular Agent at Corinto, Nicaragua:

Corinto, Nicaragua, *March* 19, 1905.

J. L. BRISTOW, Esq.,
Special Panama Railroad Commissioner,
Washington.

Dear Sir:—Your favor of Feb. 16th, duly received, and am glad to reply to your questions:

Two regular steamship lines call at Corinto, the Pacific Mail and the Kosmos Line, the former an American, and the latter a German line

The Pacific Mail calls six times a month and the Kosmos two. The half of each line go north and the half south.

Corinto is the seaport of all Nicaragua.

No wharf so far.

Principal export is coffee.

Pricipal imports are general merchandise.
Principal product of the country in the vicinity is sugar.
The resources have to be developed.
Products to the United States: Rubber, hides, skins, and some coffee—to New York principally.
Imports: Kerosene, wire from New York; flour, canned goods and wines from San Francisco.
Cargo to and from New York goes via Panama.
No impediments via Panama.

Yours very truly,

HENRY PALAZIO,
American Consular Agent.

(EXHIBIT D—16.)

Answers of American Consular Agent at Amapala, Honduras:

CONSULAR SERVICE, U. S. A.

Amapala, Honduras, *March* 20, 1905.

Dear Sir:—I have been favored by your esteemed letter of February 16th, which I have the honor to reply.

The only steamship line that makes regular calls at this port is the Pacific Mail S. S. Co., of American nationality. The Kosmos Line, German nationality, makes irregular calls. No other steamship lines call at Amapala. The Pacific Mail steamers call twice a month going north and twice a month going south. About the same number of steamers sends the Kosmos Line but without itinerary.

Amapala is the only seaport for the Pacific coast of Honduras, and the most important towns in the interior receiving their goods through this port are Tegucigalpa, the capital of Honduras, Comayagua, Yuscarán, Choluteca, Pespire.

There are no wharves in Amapala. The shipping is made by launches belonging to two commission houses at the rate of $4 silver —$1.75 gold per ton.

The principal products exported are: Raw gold and silver, concentrates, hides and some coffee. The principal imported goods are: Mining machinery and supplies, dry goods, kerosene, wines and spirits, and flour.

The principal resources of the country in the vicinity of this port are the mining industry, and a few coffee plantations; both are in a state of development.

The products imported from the United States, via Panama, are chiefly machinery and mining supplies, cotton goods, kerosene, barb wire, drugs, and from San Francisco flour, canned goods, wines. The exportations from here to the United States via Panama consist chiefly in raw gold and silver, concentrates, hides, India rubber; to San Francisco, nearly only concentrates.

The impediments in the way of shipments of either American or European commerce via Panama consist in the high rate of freights and the bad handling of the merchandise in the transshipment at the Isthmus.

Very respectfully,

W. HEYDEN,
American Consular Agent.

Hon. JOSEPH L. BRISTOW,
Special Panama Railroad Commissioner,
War Department, Washington.

(EXHIBIT D—17.)

Answers of American Consular Agent at La Libertad, Salvador:

CONSULAR SERVICE, U. S. A.

La Libertad, Salvador, *March* 16, 1905.

HON. JOSEPH L. BRISTOW,
Special Panama Railroad Commissioner,
War Department, Washington.

Dear Sir:—The following answers are in reply to your letter dated Colon, February 16, 1905:

At this port there is one regular steamship line, viz: The Pacific Mail Steamship Line, of San Francisco (American). The Kosmos Line, of Hamburg (German), makes irregular calls.

The Pacific Mail boats touch here six times a month—three up and three down; German line about one steamer each way per month, except during the coffee crop, when they call oftener, from January to April, inclusive.

La Libertad is the seaport for San Salvador, Santa Tecla, and San Vicente. Merchandise is hauled by road in ox carts.

There is one iron pier, owned by "La Compañia del Muelle de La Libertad, San Salvador." All merchandise is lightered and towed between ship and pier by a steam tug. Vessels anchor in open roadstead, three quarters of a mile from pier, in about ten fathoms of water.

I enclose wharf charges, and also tariff list of the Agencia Salvadoreña, for embarking and disembarking merchandise.*

Exports: Coffee, balsam, hides, indigo, sugar and rubber.

Imports: All kinds.

Principal products same as exports.

Coffee, hides, Indigo, sugar, are well developed. Rubber is in a state of development, and reported to be of good quality. Coffee is exported to both San Francisco and New York. Hides, balsam, indigo and rubber all go to New York. Sugar to San Francisco.

There are no impediments in the way of shipments via Panama. I have the honor to be, sir,

Your obedient servant,
H. HUSSEY,
American Consular Agent.

* Not received.

(EXHIBIT D—18.)

Answers of American Consular Agent at Ocos, Guatemala:

HON. J. L. BRISTOW,
Special Panama Railroad Commissioner,
War Department, Washington.

Ocos, Guatemala.

In reply to your letter of February 16, 1905, will state the shipping facilities at Ocos are by lighters through the surf, since the piers were destroyed by the earthquake and eruptions. Kosmos (German) S. S. Line makes irregular calls at Ocos. Pacific Mail irregular—only one steamer in about one year or more.

Ocos is the outlet for the San Marcos coffee district, and an im-

portant port. No wharf. The charges are as follows: For all vessels receiving and despatching, $96, currency; permit to load, $2.00; to unload, $2.00; shipping list for Custom House, 25 cents; clearance, $2.00; boat hire, $10.00, or $114.25 bills for all.

The principal products exported are coffee, hides, rubber, and some timber. They are in a state of development.

All kinds of products, both from United States and from Europe, by the way of San Francisco and Panama.

Since June 15, last year, there have been nine German steamers from this port going North, thirteen German steamers going South from this port, and only one American steamer, but that is no criterion to go by, because nearly all of the coffee crop of last year was shipped by the way of Champerico, this company being unable to give quick dispatch.

The piers were owned by a German company called Ferrie Carrill de Ocos and Company de Agency Anonemo.

I know of no impediment, either of European or American commerce, by the way of Panama.

Yours respectfully,
SAMUEL WALFORD,
American Consular Agent.

(EXHIBIT D—19.)

Answers of American Consular Agent at Champerico, Guatemala:

AMERICAN CONSULAR AGENCY.

Port of Champerico, Guatemala, *April* 3, 1905.

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

Sir:—In compliance with your request, dated February 16, which I beg to acknowledge receipt of, I am only answering now, owing to the fact that I have been compiling statistics in reference to the matter, forwarding same under separate cover:

The shipping facilities of Champerico by sea, at present, are by two steamship lines, one making regular calls and one irregular.

The line making regular calls is the Pacific Mail S. S. Co., an American Line, and the other making irregular calls is the Kosmos Line, of Hamburg, Germany.

During the last fiscal year the P. M. S. S. Co. made 93 calls at this port, half for the North and half for the South. The steamers of the Kosmos Line made 38 calls during the year also, 17 for the United States and 21 for Europe.

Champerico is the seaport for Quezaltenango, the second largest city in the Republic, San Felipe, Mazatenango and Retalhuleu, all of which do a large business in imports and exports to supply the plantations. There is also a considerable amount of cargo handled at this port that formerly used to go by the way of Ocos, owing to the fact that no American steamers call at Ocos, and the difficult facilities for handling cargo at that port.

The wharfage facilities at this port are good, that is, for an open roadstead, having a long iron pier and appliances sufficient to handle 500 tons a day of ordinary cargo, if necessary, and circumstances allow, as well as a 20-ton crane for heavy weights. All shipments are made to and from the pier by lighters.

The wharf charges are the same on all cargo handled, regardless of the steamship line carrying it, and by law no distinction can be made for or against any company.

The principal exports are coffee, rubber, hides and skins, and imports of general merchandise, which principally comes from Europe.

The plantations in this district were somewhat damaged by the eruption of the volcano Santa Maria, October 23, 1902, but at the present time are better developed than before, and the crop of coffee has been at least 25 per cent. more than for the past five years this season.

The principal products exported to the United States are coffee, hides and rubber for New York, which are shipped via Panama, and coffee for San Francisco direct, but most all other merchandise go to Europe. Flour, corn, lumber and provisions are imported from San Francisco direct; other merchandise via Panama from New York. No cargo is shipped to this port from New York or other Eastern States by way of San Francisco.

The most important drawback to shipments from here to the United States and Europe via Panama has been the exclusive through billing in connection with Atlantic lines by the Pacific Mail and Panama R. R. Co., and lack of sufficient tonnage by the same line, thereby allowing the Kosmos Line to get part control of coffee shipments to Europe via the Straits of Magellan. Any amount of coffee has been shipped by the German Line that had been ordered shipped via Panama, owing to the lack of space, and, in some instances, animosity towards the Pacific Mail Line. This year the Pacific Mail has given this port more space, improving a little on former years; but even allowing this, one of the German steamers alone took 20,000 bags from here, which would have gone via Panama had they had sufficient tonnage.

Trusting the information and statistics will meet with your approval, I remain, sir,

Your obedient servant,

CARL G. HEITMAN,
American Consular Agent.

AMERICAN CONSULAR AGENCY.

Port of Champerico, Guatemala, *April* 15, 1905.

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

Sir:—In conformity with my letter of April 3, 1905, I take pleasure in forwarding the statistics referred to, which show the exports from this port from July, 1902, to March 31, 1905, and, in addition, may say that this season's crop will reach 300,000 bags, if not more.

Your obedient servant,

CARL G. HEITMAN,
American Consular Agent.

JULY 1, 1904, TO MARCH 31, 1905.

Months.	Clean Coffee. Bags.	Clean Coffee. Pounds.	Shell Coffee. Bags.	Shell Coffee. Pounds.	Skins. Pkgs.	Skins. Lbs.	Rubber. Bales.	Rubber. Lbs.	Dry Hides. No.	Dry Hides. Lbs.	Sugar. Bags.	Sugar. Lbs.	Miscellaneous. Pkgs.	Miscellaneous. Lbs.
1904.														
July	5,838	832,909½	3,187	423,523½	11	3,156	99	15,511	2,304	41,472	.....	.....	.....	.....
August	5,027	712,767	4,561	600,825½	5	1,300	44	7,228	783	14,869	.....	.....	1	118
September	820	114,848	118	14,830	.....	.....	22	4,432	405	7,560	.....	.....	343	61,261
October	2,533	347,704	1,478	193,829	2	560	24	3,839	624	11,232	.....	.....	3	615
November	3,531	487,670	4,059	540,901	4	1,176	11	1,960	600	10,800	.....	.....	566	71,173
December	7,241	988,357½	9,320	1,235,956	1	140	40	7,443	511	9,442	.....	.....	.....	.....
1905.														
January	9,907	1,391,451	19,457	2,544,096	.....	.....	.....	.....	.....	.....	.....	.....	28	11,627
February	14,729	2,084,247	14,251	1,879,999	.....	.....	53	10,102	.....	.....	3	306	46	3,858
March	25,921	3,633,119½	20,007	2,630,570	4	1,098	13	2,782	840	12,264	.....	.....	23	2,485
Total	75,547	10,593,073½	76,438	10,063,530½	27	7,430	306	53,296	6,077	107,639	3	306	987	151,137

RECAPITULATION.

Pacific and Atlantic Lines.	Packages.	Pounds.	Tons.
Hamburg-American Line	67,270	9,056,339½	4,528 5/40
Royal Mail Steam Packet	25,010	3,236,945½	1,618 18/40
Panama Railroad S. S. Line, New York	11,518	1,049,736	524 34/40
Pacific Mail S. S. Co., San Francisco	29,764	4,163,323	2,081 26/40
Kosmos Line	24,984	3,346,073	1,673 1/40
Harrison & Leyland Line	273	37,401	18 28/40
Cia Tras de Barcelona	155	22,840	11 16/40
Cia Gen. Tras	424	64,753	32 15/40
Total	159,398	20,977,412	10,488 23/40

CARL G. HEITMAN,
American Consular Agent,
Champercio, Guatemala.

EXPORTS.

JULY 1, 1902, TO JUNE 30, 1903.

Clean Coffee.		Shell Coffee.		Skins.		Rubber.		Dry Hides.		Sugar.		Miscellaneous.		Cacao.	
Bags.	Lbs.	Bags.	Lbs.	Pkgs.	Lbs.	Bales.	Lbs.	No.	Lbs.	Bags.	Lbs.	Pkgs.	Lbs.	Pkgs.	Lbs.
110,269	15,753,518½	52,890	6,895,583½	134	25,409½	606	103,818	20,223	366,657	999	101,800	3,858	639,049	39	5,148

JULY 1, 1903, TO JUNE 30, 1904.

Clean Coffee.		Shell Coffee.		Skins.		Rubber.		Dry Hides.		Sugar.		Miscellaneous.		Cacao.	
Bags.	Lbs.	Bags.	Lbs.	Pkgs.	Lbs.	Bales.	Lbs.	No.	Lbs.	Bags.	Lbs.	Pkgs.	Lbs.	Pkgs.	Lbs.
110,338	16,164,844	71,810	954,132½	228	33,871	604	102,111	15,973	291,956	1,420	218,960	908	189,815½	....	....

RESUMEN.

JULY 1, 1902, TO JUNE 30, 1903.

LINES.	Packages.	Pounds.	Tons.
Pacific Mail S. S. Co.	48,484	6,841,370	3,420 28/40
Panama Railroad S. S. Line	33,236	2,540,701½	1,270 14/
Royal Mail Steam Packet Co.	14,592	1,964,620½	982 13/
Hamburg-American Line	40,424	5,400,807½	2,700 17/
Kosmos Line	45,935	6,237,950	3,118 38/
Cia. Tras. de Barcelona	209	29,248	14 25/
Cia. Gen. Tras	4,547	649,493	324 30/
P. S. H. Co. and C. S. A. V.	1,591	226,793	113 16/40
Total	189,018	23,890,983½	11,945 21/40

RESUMEN.

JULY 1, 1903, TO JUNE 30, 1904.

LINES.	Packages.	Pounds.	Tons.
Pacific Mail S. S. Co.	43,619	6,575,335½	3,287 33/40
Panama Railroad S. S. Line	25,530	2,028,681½	1,014 17/40
Royal Mail Steam Packet Co.	15,155	2,105,268	1,052 32/
Hamburg-American Line	75,168	10,178,755	5,089 19/
Kosmos Line	40,885	5,523,891	2,761 47/
Cia. Tras. de Barcelona	380	55,380	27 34/
Cia. Gen. Tras	243	33,047½	16 26/
Austrian A. M. Line	136	20,740	10 19/
Harrison & Leyland Line	165	21,780	11 5/40
Total	201,281	26,542,879	13,272 32/40

CARL G. HEITMAN,
American Consular Agent,
Champerico, Guatemala.

(EXHIBIT D—20.)

Answers of American Consul at Acapulco, Mexico:

CONSULATE OF THE UNITED STATES.

Acapulco, Mexico, *April* 8, 1905.

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

Sir:—Referring to your communication of February 16, 1905, I would most respectfully report as follows:

1st. There are two steamship lines making regular calls at this port, and one making irregular calls.

2nd. The nationality of those making regular calls are American and Mexican, and the one making irregular calls German.

3rd. The number going each way of American is one each week. Mexican, one each way every twenty days. The German line calls whenever it has freight to deliver or receive.

4th. Acapulco is not a sea port for any important interior town.

5th. There are no wharfage facilities in Acapulco.

6th. The principal products exported are dry hides, skins, cotton, limes, pines, and other tropical fruits.

7th. The resources in vicinity of Acapulco are undeveloped.

8th. The exports, such as skins, limes and other tropical fruits, go to San Francisco; dry hides, mostly to New York. The imports are principally general merchandise, and come either way. At present quite a quantity of machinery is imported, mostly from San Francisco, or from that way.

9th. The only impediment in the way of shipment of either American or European commerce via Panama is the exclusive use of the Panama Railroad.

About the conditions prevailing in Port Angel, Salina Cruz and Tonala. San Benito is the port of Tapachula, a town of considerable importance, as the surrounding country is somewhat developed, producing considerable coffee, and is expected to produce considerable rubber, although at present a speculation. I am, sir,

Yours most respectfully,
GEORGE W. DICKINSON,
American Consul.

(EXHIBIT D—21.)

List of questions submitted to the American Consul at Mazatlan, Mexico, and his answers thereto:

Colon, Isthmus of Panama, *February* 15, 1905.

My Dear Sir:—As indicated in a letter from the Secretary of State, which you doubtless have received, I beg to make the following inquiries, and ask that you forward your reply to me at Washington:

What are the shipping facilities of Mazatlan by sea—that is, how many steamship lines make regular calls at that port, and how many make irregular calls there during the year?

What is the nationality of each of the steamship lines, and how often do they make regular calls?

How many go North, and how many South?

Is Mazatlan the seaport for any important interior town?

What are the wharfage facilities, and who own the wharves?

Are the wharves free to all vessels; if not, what are the rates charged for wharfage privileges, and are the rates the same to all ships?

What are the principal products exported and imported?

What are the principal products and resources of the country in the vicinity of this port?

Are the resources well developed, or are they in a state of development?

What products are exported and imported between the United States and this port, and what course does this commerce take to the North, via San Francisco or via Panama?

Are there any impediments in the way of shipments of either American or European commerce via Panama; if so, what are they?

Are there any goods imported and exported between the United States and this port by the way of Guaymas, going by rail to and from Guaymas and by water between Guaymas and Mazatlan?

Please give the same information in regard to San Blas, Mexico.

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.

HON. LOUIS KAISER,
American Consul,
Mazatlan, Mexico.

CONSULAR SERVICE, U. S. A.

Mazatlan, Mexico, *March* 20, 1905.

GENERAL J. L. BRISTOW,
Special Panama Railroad Commissioner,
Washington, D. C.

Sir:—I have the honor to acknowledge the receipt of your communication of February 15, 1905, and the Department's despatch under date of February 4, 1905, requesting me to furnish you promptly such information as you might call for relative to the facilities of shipping, wharfage, etc., etc., of my district, and I take pleasure in enclosing herein my report on said subject. I am, sir,

Your obedient servant,
LOUIS KAISER,
American Consul.

Enclosure:
Information relative to the port of Mazatlan, Mexico.

SHIPPING AND WHARFAGE FACILITIES OF MAZATLAN, MEXICO.

By Louis Kaiser, *American Consul.*

Mazatlan is the most important business center on the West Coast of Mexico, has 18,000 to 20,000 inhabitants, and is, for Mexico, a modern city.

It is the headquarters of the Federal Army for the State of Sinaloa.

The State of Sinaloa has an area of 35,721 square miles, and has over 300,000 inhabitants. The State contains about 17,500,000 acres of timber and agriculture lands, and some of the best mines in this Republic are located in this district.

The great obstacle to the full development of the resources of this State is, that there is no railroad communication with the United States, but which, we are assured, will be established within two years or less by the building of the Kansas City, Mexico and Orient R. R., which will connect the West Coast of Mexico wth Kansas City, as well as an extension of the International R. R., the survey of which has just been finished between this city and Durango, and which will be built by the International R. R.

The want of railroad facilities is one of the greatest impediments to the advancement of the commerce of this coast, and in a few years, with railroad connections and transportation, will compete in the world's markets for trade.

The months of July, August, September and October compose the rainy season, and no one should visit this section of Mexico during this season, either for pleasure or business, as the continued and heavy rains make travel almost impossible, and very often dangerous.

We have an ideal climate, during eight months of the year, which cannot be surpassed anywhere.

Facilities of Mazatlan.

"Ocean Transportation."

PACIFIC MAIL STEAMSHIP COMPANY.

This line has three steamers per month stopping at this point en route from San Francisco to Ancon, Canal Zone, and return. The steamers leave San Francisco each Saturday at 12 M., arriving here six days later, but one of their steamers sails direct to Acapulco, and does not call in this port, either on the down or up trip.

The price for a first-class ticket to Mazatlan is $45 gold, and for steerage $22.50, which includes meals.

PACIFIC COAST STEAMSHIP COMPANY.

The steamer "Curacao," belonging to this line, leaves San Francisco on the 7th of the month, at 10 o'clock A. M., and arrives here on the 13th of each month, departing from here on the evening of the same day for ports on the coast of Lower California, calling in the ports of Altata, La Paz, Santa Rosalia, Topolobampo and Guaymas, and on the 20th of the month the steamer returns to this port via the same route, and sails same day for San Francisco, calling in the ports of San Jose, Magdalena Bay and Ensenada, all situated in Lower California. Passenger and freight rates are same as on the Pacific Mail S. S. Co.

KOSMOS LINE.

The steamers of this company run from Hamburg, Germany, to San Francisco and Puget Sound, and are intended mostly to carry freight, and touch here twice a month, once on their up trip and again on their down trip.

The steamers of this company do a very large business, and are frequently compelled to pass this port on account of carrying a full cargo.

COMPANIA NAVIERA DEL PACIFICO.

The former two Mexican Coast S. S. Companies of Mazatlan consolidated about two years ago, and formed one company, and is now known and does business under the name of "La Compania Naviera del Pacifico," with a capital of $1,058,000.00, Mexican silver, and their fleet consists of ten steamers, three or four of which are modern steamers, which were built in England, and are comparatively new.

Their general offices are located in this city, and most of the stockholders are residents of this city.

The steamers make regular trips between Guaymas and San Benito, Mexico, and way ports, as well as the ports of Lower California, and do a large and profitable business.

AMERICAN SAILING VESSELS.

Nearly all of the American sailing vessels arriving here come from San Francisco, and are loaded with dynamite, powder, fuse, lumber, etc., etc., while a few carry a general cargo of merchandise. During the last few years a limited number of American sailing vessels have come here, loaded with coal for this port.

FOREIGN SAILING VESSELS.

These consist mainly of German vessels manned invariably by German officers and crews, who bring their cargo directly from Germany, England and Spain, and eight months are generally consumed in making the trip.

The vessels coming from Australia in the coal-carrying trade are mostly foreign vessels with mixed crews, officers as well as sailors.

There is a large number of small coasting vessels, mostly schooners, here, but they only do a coastwise trade.

Arrival of ocean vessels at the port of Mazatlan for the month of December, 1904:

Mexican sailing vessels	14
Mexican man of war	2
Mexican steamers	24
American steamers	8
American sailing vessels	2
German steamers	3
German sailing vessels	2
	55

Question.—Is Mazatlan the seaport for any important town?

Answer.—Mazatlan has no important interior town that depends on her for port facilities.

Question.—What are the wharfage facilities, and who own the wharves?

Answer.—There are no wharves here, and all vessels load and unload in an open bay by the aid of lighters, of which there is a large number, enough to load or unload a large vessel in one day, or as fast as the freight can be discharged from the vessel.

Question.—What are the principal products exported and imported?

Answer.—The principal products exported from this port are gold and silver bullion, ore, concentrates, copper matte, hides, dried and salted fish, shrimps, ixtle, Mexican silver dollars, fresh tomatoes.

IMPORTS.

Flour, breadstuff, fire brick, candies, wagons and vehicles, chemicals, drugs and patent medicine, watches and clocks, coal, coke, cotton goods of all kinds, stone, china and glassware, fiber and textile goods, dried and smoked fish, canned goods of all kinds, fruits, dried, canned and fresh; nuts, furniture, window and looking glass, grease for soap stock, gunpowder, dynamite, caps, fuse for same, inks, printing and writing, instruments for medical and scientific purposes, iron and steel and manufactures of, jewelry of gold and silver, electrical devices and lamps of all kinds, leather and manufactures of, cement, marble, stone, musical instruments, naval stores, oils and paints, paper and stationery, perfumery, photographic goods, provisions, rice, silk and manufactures of, spirits, wines, and malt liquors, starch, tin and manufactures of, toys, wood and manufactures of, wool and manufactures of, zinc and manufactures of, machinery of all kinds, hardware, iron pipes of all sizes, granite ware, Chinese matting, rugs, curtains of all kinds, notions and box shooks.

Question.—What are the principal products and resources of the country in the vicinity of the port?

Answer.—Mostly products of mines and mining, agriculture, timber, stock raising, henequin or ixtle, shoes, cigars, leather, sugar, alcohol, and textile fabrics of cotton goods.

Question.—Are the resources well developed, or are they in a state of development?

Answer.—The resources of this country are nearly all in their infancy, and undeveloped, and the signs of the times point to a great evolvement of their resources, the extent of which two or three years ago, no one would have dreamed or that it could be promoted in so short time.

Question.—What products are exported and imported between the United States and this port, and what course does this commerce take to the north, via San Francisco or via Panama?

Answer.—Up to about two years ago the export and imports between the United States and this port, three-fourths of same went via San Francisco, and but little via Panama, the calling of the steamers of the Kosmos Line at Panama during the past two or three months, has changed this considerable, and there is no doubt that as soon as the work on the Canal is under full headway, there will be but little difference of imports or exports in either terminals.

Question.—Are there any impediments in the way of shipments of

either American or European commerce via Panama; if so, what are they?

Answer.—Very little business has been done from this port via Panama, to either American or European commerce, that the only impediment now known here, is the high rate of freight charges between San Francisco and New York and the urgent need of American sailing vessels between said ports, or cheaper freight rates between these ports, as well as the extreme low freight charges made by German sailing vessels on freight coming direct from Germany, England, and Spain, to San Francisco and intermediate ports.

Question.—Are there any goods imported between the United States and this port by the way of Guaymas, going by rail to and from Guaymas, and by water between Guaymas and Mazatlan?

Answer.—There is a large amount of goods imported and exported between the United States and this port by the way of Guaymas, by rail to and from Guaymas, and by water between Guaymas and Mazatlan, which I think will also increase annually, as this country is being more developed.

Question.—Please give the same information in regard to San Blas.

Answer.—Mostly all the imports and exports south of this port are done in Manzanillo, as the port facilities are so much better there than in San Blas, and San Blas has no local commerce, neither has it a Consular Agency, from which I could secure some data.

I would most respectfully call your attention to the following article in one of the leading commercial papers of the United States:

> "Simultaneously with the notice of the abrogation of the Pacific Mail contract for exclusive traffic with the Panama Railroad at Panama, comes the news that the Kosmos Steamship Company is to force competition in the freight business between Panama and San Francisco. This is the German line of steamers now engaged in business between Germany and South and Central American ports and San Francisco. News has also been received that the Chilian Navigation Company is to make an active bid for Central American business via Panama."

LOUIS KAISER,
American Consul.

Mazatlan, Mexico, *March* 20, 1905.

(EXHIBIT D—22.)

List of questions submitted to the American Consular Agent at Guaymas, Mexico, and his answers thereto:

Colon, Isthmus of Panama, *February* 15, 1905.

My Dear Sir:—As indicated in a letter from the Secretary of State which you doubtless have received, I beg to make the following inquiries, and ask that you forward your reply to me at Washington:

What are the shipping facilities of Guaymas by sea, that is, how many steamship lines make regular calls at that port and how many make irregular calls there during the year?

What is the nationality of each of the steamship lines, and how often do they make regular calls?

How many go north, and how many go south?

Is Guaymas the seaport for any important interior town?

What are the wharfage facilities, and who own the wharves?

Are the wharves free to all vessels; if not, what are the rates charged for wharfage privileges, and are the rates the same to all ships?

What are the principal products exported and imported?

What are the principal products and resources of the country in the vicinity of this port?

Are the resources well developed, or are they in a state of development?

What products are exported and imported between the United States and this port, and what course does this commerce take to the north, via San Francisco or via Panama?

Are there any impediments in the way of shipments of either American or European commerce via Panama; if so, what are they?

What are the rates by steamer to San Francisco and to Panama and the principal intermediate ports?

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.

Hon. FRANK M. CROCKER,
American Consular Agent, Guaymas, Mexico.

CONSULAR SERVICE, U. S. A.

Guaymas, Mex., *March* 17, 1905.

Sir:—In compliance with your letter of February 15th, I have the honor to submit following answers to questions contained therein:

1. Three steamship lines.
2. Compania Navigacion del Pacifico, a Mexican Company with headquarters at Mazatlan; operates ten vessels of different tonnage, none over five hundred tons. The company does not publish a regular schedule; they cover all the territory south of here, on both sides of the Gulf, some of their vessels going as far as San Benito.

Compania de Navigacion Mexico y Oriente, a Mexican Company with headquarters at Topolobampo, operates one vessel that makes regular trips between Guaymas and Manzanillo, stopping at way-ports. The trip is made every seventeen days.

Pacific Coast S. S. Co., an American Company; operates one vessel between San Francisco and Guaymas, stopping at Ensenada, La Paz, Mazatlan, Altata, and Santa Rosalia. Monthly service.

3. Answer to question No. 2, covers.
4. Guaymas is the port for practically the entire State of Sonora. Hermosillo, distant ninety miles from the coast, is the largest town, about 18,000 inhabitants.
5. One wharf, capable of accommodating vessels of sixteen feet draft, at low tide; owned by the Sonora Railway. Wharf is used in the interchange of business between vessels and the railway; local business south-bound and shipments arriving by water, for Guaymas proper, handled by lighters.
6. Wharf is free to all vessels; the railway reserves the right of loading and unloading, assessing a charge of $1.00 per 1,000 kilos for ordinary traffic, special rates on certain commodities.
7. There is nothing exported by water except merchandise, imports are of same nature, the bulk of imports come by rail, and consist of all known commodities in common use, the bulk of which is purchased in the United States. Exports to the United States and through the United States, consist of bullion, ore, leather, hides, oranges and dried peas.
8. See answer to question No. 7.
9. Resources are in a state of development.
10. See answer to question 7.
11. None whatever.
12. No published rate to either San Francisco or Panama, prevailing rate to San Francisco is from $10.00 to $12.00 per ton, Mexican money; rate from San Francisco to Guaymas is $17.50 per ton of 2,000 lbs., Mexican money. I inclose Compania de Navigacion Mexico y Oriente local tariff, which will give an idea of rates obtaining south of Guaymas.

Respectfully,
FRANK M. CROCKER,

Hon. J. L Bristow,
Special Panama Railroad Commissioner,
Washington, D. C.

EXHIBIT E.

Contracts between the Republic of New Granada and the Panama Railroad Company, made in 1850 *and* 1867, *and modified in* 1876, 1880, *and* 1891.

(EXHIBIT E—1.)

CONTRACT BETWEEN THE REPUBLIC OF NEW GRANADA AND THE PANAMA RAILROAD COMPANY, MADE IN 1850.

CONTRACT in respect to the privilege of constructing a Railroad from one Ocean to the other by the Isthmus of Panama.

The Executive Power, being authorized by the Legislative Decree of 12th June, 1849, to amplify and amend the contract entered into in Washington on the 28th of December, 1848, for the construction of a Railroad on the Isthmus of Panama, and it being advisable for this purpose to conclude and execute a new contract, in which the rights acquired and the obligations incurred by the Government of New Granada and the Panama Railroad Company may be clearly established, without need of reference to the contracts previously entered into on the subject, the Citizen President of the Republic of New Granada has thought proper to empower for this purpose Victoriano de Diego Paredes, Secretary of State for Foreign Affairs of the said Republic, and the Panama Railroad Company, John Lloyd Stephens, Vice-President of said Company, and its commissioner in New Granada, who, after mature conference, have agreed upon the following contract:

CHAPTER FIRST.

Of the Rights, Privileges, Gifts, Franchises and Exemptions Granted to the Company.

TITLE FIRST.—GRANT OF PRIVILEGES.

ARTICLE I.

The Government of New Granada grants to the Company, styled the PANAMA RAILROAD COMPANY, its representatives or assigns, the exclusive right of building a railroad between the two Oceans, across the Isthmus of Panama.

ARTICLE II.

The privilege of building a railroad granted to the Company by the preceding article, shall continue in force forty-nine years, to be computed from the day of the completion of the road and its being opened to public use. Nevertheless, said privilege shall terminate before the expiration of the said forty-nine years, if before their expiration the Government shall have resumed the privilege by virtue of the right and power reserved by the following conditions:

At the expiration of twenty years, counting from the day on which the Railroad shall have been completed and opened to public use, the Government may resume the privilege for the benefit of New Granada, on paying the sum of five millions of dollars as the whole amount of indemnification. If the privilege be not resumed at that date, it shall continue in force ten years longer for the benefit of the Company, at the end of which the Government may resume it, on paying four millions of dollars. If the privilege be not resumed even at the expiration of the last mentioned period, then it shall continue in force for ten years longer, at the expiration whereof the Government may resume the same on payment of two millions of dollars. To entitle the Government to avail itself of the rights thus reserved to it of resuming the privilege granted, it must notify the Company of its intention so to do at least one year before the day of the completion of either of the three periods above mentioned.

ARTICLE III.

The sum to be paid to the Company on the resumption of the privileges in either of the three cases mentioned in the preceding article, shall be in specie, in American dollars, without deduction; it being well understood that in all other cases in which mention is made of dollars in this contract, it is of American dollars, without deduction.

ARTICLE IV.

The Company shall, after the resumption of the privilege, remain in possession of the lands granted to it gratuitously and perpetually by the eighteenth article of this contract.

ARTICLE V.

The Railroad from Ocean to Ocean shall be completed within six years, to commence from the expiration of four months after the present act of concession shall have been approved by the Congress of the Republic, and the fact of its completion shall be proved before the Governor of Panama at the request of the Company, by a statement drawn up on each side, after discussion between it and the agent or agents of the Executive Power, commissioned for that purpose.

ARTICLE VI.

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

ARTICLE VII.

During the whole term specified in the preceding article and without interfering with the completion in due season of the Railroad, the Company shall have also the exclusive right of making across the Isthmus

of Panama any sort of road for wheel-carriages, either from Ocean to Ocean, or to any point on the River Chagres. Consequently, the New Granadian Government binds itself not to undertake, nor to permit any other company or individual to undertake, during the term specified in this article, the building of any other macadamized carriage-road, plank-road, or road of any other kind suitable for the use of wheel-carriages, between the two Oceans, across the Isthmus of Panama; it being, nevertheless, well understood that the privilege of which this article treats, cannot and must not in any manner prevent the completion, preservation and improvement of roads which already exist, or which are actually being constructed on the said Isthmus.

ARTICLE VIII.

The Company shall have, moreover, the exclusive privilege of navigating the Chagres River by steam power, until the Railroad is completed from one Ocean to the other, on the terms specified in this contract, and in accordance with its provisions; the Company, in the meantime, being bound to keep constantly on said river one or more steamboats employed in transportation; but the provision in this clause shall not prevent steamboats, which may now be in said river, from continuing to navigate the same.

ARTICLE IX.

Exclusive privilege is also granted to the Company for ninety-nine years:—

1st. To use the ports situated at the two termini of the Railroad, required for the anchorage of vessels, and for the loading and unloading of goods, which are to pass over the said road.

2d. To use the landings necessary, and especially those designed for the storage and free deposit of all goods and merchandise, admitted for transit across the Isthmus on the Railroad built by the Company. By virtue of said privilege, the Company may collect as a compensation for the use of the line of communication, means of transportation, ports, landings, warehouses and establishments of all kinds belonging to it, such tolls, storage and carriage as the Company may think proper to establish.

ARTICLE X.

The Executive Power shall determine the forms to be observed in the landing of goods on either Ocean; and the intervention therein of the Officers of the Republic to prevent the effects destined for transit from one Ocean to the other, from being left on the way, or fraudulently introduced for internal consumption. Said precautions shall be such as may tend to prevent all frauds to the injury of the public revenue, without delaying or embarrassing the rapid dispatch and transit of passengers and packages of merchandise, luggage, and goods of all kinds which may be subjects of lawful commerce.

ARTICLE XI.

During the progress of the Railroad towards completion, the Company may open to the public use such portion thereof as may be passable, and as may be judged proper to be put in use, as its partial completion progresses. The Company may also then enter proportionally into the enjoyment of the grants, privileges and advantages which form the subject of the present grant, in conformity with the provisions of the second chapter of this contract.

Article XII.

The completion of one-half of the Railroad shall secure to the Company the absolute possession of the entire privilege hereby granted, and of all the rights appertaining to it; the Company, however, remaining always bound to complete the road within six years, in pursuance of article fifth, or in eight years, in case the period of such completion of the said road should be thus far extended, in default of which it shall incur the fines and penalties provided for in the afore-mentioned second chapter of this contract.

Article XIII.

The Company may give to the Railroad between the two Oceans across the Isthmus of Panama, such direction as it may judge most favorable for the enterprise; the points of departure and arrival, which it may consider most advantageous and convenient for the entrance and anchorage of vessels, or for ports properly so called, and for wharves, dry-docks, places for lighterage, landings, warehouses, stations, hotels, and establishments of all kinds, being at its free option; it being, nevertheless, stipulated that the provisions of this article shall be understood without prejudice to what is hereinafter provided in article fifty-second of this contract.

Article XIV.

The Company is also at liberty to select the mode which it may consider most favorable for the construction and working of the Railroad, provided it be completed in such a manner that travelers and goods passing over it may be transported in twelve hours at the farthest from one Ocean to the other, and *vice versa*.

TITLE SECOND.—GRANTS OF LANDS.

Article XV.

In consideration of the difficulties of the enterprise, and of the direct and indirect advantages which the Republic must derive from it, various grants of lands are made to the Company, on the continental part of the Isthmus, comprised within the limits which bounded the provinces of Panama and Veraguas, on the first day of January, one thousand eight hundred and forty-nine. The Government of the Republic grants, therefore, gratuitously to the Company, on the terms mentioned in this article:

1st. The lands which may be necessary for the building of the line of the Railroad through its whole extent.

2d. All the lands which it may require for the establishment of sea ports, dry-docks, river ports, landings, wharves, places for lighterage, warehouses, stations, hotels, and in general for all purposes necessary in the construction and working of the Railroad.

Article XVI.

Although, according to what is expressed in the preceding article, the Company has no right to vacant lands on the islands adjacent to the Isthmus of Panama, the Government of the Republic, nevertheless, binds itself to grant to the Company all the vacant lands on the Island of Manzanillo, in the Bay of Limon, whenever the Company considers

it proper to extend the work of the Railroad to said Island, so that one of its extremities terminates thereon.

ARTICLE. XVII.

The grant of vacant lands, mentioned in the two preceding articles, is to be understood as referring to lands belonging to the Republic. With regard to those which are the property of individuals, the Company must obtain them from their owners, after valuation and proper indemnification, in the manner specified in article twenty-first.

The lands granted by the Government of the Republic, as specified in the two preceding articles, shall revert to its possession and jurisdiction immediately on the expiration of this privilege; and shall be restored to it by the Company on the dates fixed for that purpose, in the prescribed form and agreeably to the conditions specified in the second chapter of this contract, wherein the duties and obligations assumed by the Company are set forth.

ARTICLE XVIII.

A grant is, moreover, made to the Company, gratuitously and in perpetuity, of one hundred thousand fanegadas of vacant land, in the provinces of Panama and Veraguas, within the limits set forth in the first part of the fifteenth article, which may be increased to one hundred and fifty thousand, if such extent be found at the disposal of the Government in the two provinces above mentioned, so that the Government can pronounce them vacant; and the Company shall have the liberty to select them, in the continental portion of said provinces, where it may judge most proper. It being stipulated, that in those which may be selected on the line of the road or in its vicinity, intervals shall be positively left, of equal extent to those which the Company reserves to itself, so that the Government of the Republic may make grants or sales of land for other establishments, which may be made on said line or in the vicinity of the road.

The one hundred thousand fanegadas of land, or such number thereof, up to the number of one hundred and fifty thousand fanegadas, which may be at the disposal of the Government as vacant, and granted to the Company, may be used to make therein encampments for workmen, fields for cultivation, pastures for beasts of burden and cattle, places for cutting wood, for building or for fuel; and in general for establishments, suitable for facilitating any industrial operations undertaken by the Company, especially those relating to colonization.

If, which is not to be expected, there should not be within the limits of the provinces of Panama and Veraguas, mentioned in the preceding fifteenth article, the vacant lands necessary to secure to the Company the one hundred thousand fanegadas specified in this article, those which may be wanted to complete the one hundred thousand fanegadas, will be granted at the points which the said Company may designate in the continental part of the provinces of Carthagena, Santamarta, Riohacha and Choco; this grant and the others mentioned in the present article, being understood in reference to the vacant lands which belong to the State, and to no others.

The Government of the Republic will make no grants of vacant lands within the limits aforementioned of the provinces of Panama and Veraguas, until after those mentioned in this article have been delivered into the possession of the Company; saving, nevertheless, the right which any other person may have acquired by virtue of grants of the Granadian Government, anterior to the date of the present contract.

ARTICLE XIX.

The vacant lands granted to the Company by the eighteenth article of this contract, are given to it in full ownership; and the Company may freely dispose of them during the continuance of the privilege granted, and after the termination of said period, or the resumption of the said privilege.

ARTICLE XX.

The lands mentioned in the preceding article, and the lands appropriated for the Railroad, shall be delivered to the Company as they may be requested, and agreeably to the provisions of the fifteenth, sixteenth, seventeenth and eighteenth articles of this contract.

ARTICLE XXI.

When the lands required for building the railroad for ports or any other appurtenances of the works of said road are the property of individuals, the Company shall have the right to take them, by order of the Governors of the respective provinces, after valuation made and just indemnification given to the owner, in conformity with the provisions of the law of June 2d, 1848, defining the cases in which property may be taken for public use, and the forms to be observed in such cases.

ARTICLE XXII.

The delivery to the Company of the vacant lands granted gratuitously to it, shall be effected provisionally, so soon as they may be designated by the Company, after proof of their character as vacant lands, a survey and an appropriation to it by the Governor of the respective provinces. This provisional appropriation shall be submitted to the examination and approval of the Executive power. So long as it shall not be confirmed, it shall only produce the effect of preventing any subsequent grants of the lands in favor of a third person; but from the time that it has been examined and approved, in conformity with this article, it shall be equivalent to taking formal possession thereof.

ARTICLE XXIII.

The Company, being at liberty to vary or modify the line of the Railroad, if difficulties or obstacles should be found in carrying it out on the line first selected, may in such case change also, on the portion so varied, the location which it may have previously made of the vacant lands, which it can obtain gratuitously, according to the stipulations of the fifteenth article.

TITLE THIRD.—RIGHTS, FRANCHISES AND EXEMPTIONS.

ARTICLE XXIV.

The Republic, in order to aid as far as possible, on its part, the enterprise of the Company, and to facilitate the success of its operations of all kinds, confers upon the Company the rights, franchises and exemptions mentioned in the articles following.

ARTICLE XXV.

The enterprise is deemed of public utility.

ARTICLE XXVI.

The Company is authorized to propose to the Executive Power such regulations as it may judge proper for the police, security, use and preservation of its ways of communication, ports, works and establishments of all kinds; but such regulations shall not take effect without the express approval of the Executive Power, which even after having approved, may annul or amend them, if it think proper, proceeding always in conformity with the laws of the Republic.

ARTICLE XXVII.

The rates of transportation or freight of money, carriage of merchandise or travelers over the railroad, of port dues, board and storage in its depots and establishments, shall be fixed by the Company, and modified as it may judge proper, making them immediately known to the local authorities in order that the public may be informed of them.

ARTICLE XXVIII.

All correspondence which may arrive from the territory of the Republic or from foreign countries, to be transported over the Railroad, whatever may be its destination, must absolutely pass through the post-offices of New Granada, which shall open with the Company an annual account current of postage, in order to compute the share of profits belonging to New Granada, in conformity with the provisions of the thirtieth article of this contract, and in order to guard against fraud in this respect.

ARTICLE XXIX.

To carry out the stipulation in the preceding article, the Company bind itself not to receive any other packages of correspondence than those delivered to it by the post-offices of New Granada, to be carried by the railroad to their port of embarkation, or to the point on the Isthmus for which they may be destined on the line of the said road, complying with the regulations which the Executive Power may lay down on the subject, and also with those which may be given for the carrying on said road of the correspondence of foreign nations which may be delivered to the Company by the officers of the Republic for that purpose.

ARTICLE XXX.

The Executive Power shall at all times determine what foreign nations may be permitted to transport their correspondence across the Isthmus of Panama by the Railroad; but in all cases in which the mails of foreign nations shall be permitted to pass by the Isthmus of Panama, all contracts and pecuniary agreements for their transportation by the said railroad shall be made by the Company, and all the pecuniary proceeds of such contracts and agreements shall go into the funds of the Company as a branch of its profits. In compensation for this privilege, the Company undertakes to transport by the railroad, free of charge, all the mails of New Granada, and moreover to pay to the Government of the Republic five per cent. on all sums of money which it may receive in virtue of said contracts and agreements, whether such sums proceed from contracts which the Company may enter into with foreign governments, or with other companies, or from the general regulations which it may establish for the carrying of the

correspondence of nations, which may not have entered into special contracts with it.

And it is also stipulated: 1st. That whatever may be the profit which the Company may receive by virtue of such contracts and agreements, in no case shall it on this account pay to the Government of New Granada less than ten thousand dollars per annum; 2d. That this payment shall be over and above the three per cent. of the net profits of the enterprise to which New Granada is entitled; and 3d. That the power of the Company to enter into such contracts or pecuniary agreements shall not be opposed in any manner to the contracts or agreements which now exist between the Republic of New Granada and any foreign nation or nations, for the trasportation of mails on the Isthmus of Panama.

ARTICLE XXXI.

The services of all kinds which the Company is to perform on the railroad, during the continuance of its privilege, shall be performed exclusively by its agents, and with the materials belonging to it, unless it should choose to perform them in another way.

ARTICLE XXXII.

The Company may freely introduce into the Isthmus, without paying duties or taxes of any kind, all the implements, machines, iron tools, material and manufactured articles intended for the construction, working and preservation of the railroad, and also the articles required for the subsistence and clothing of the workmen employed in the work, during the whole period of the construction of the road; being subject in this respect to the regulations which the Executive may establish.

ARTICLE XXXIII.

No taxes or contributions, national, provincial, municipal, nor of any other kind, shall be imposed upon the railroad or upon its warehouses, furniture, machines or other works, property and effects of any kind belonging to it, and which in the judgment of the Executive Power are necessary for the service of the said railroad or its dependencies; and in compensation it is expressly stipulated that, in every case and notwithstanding any provisions of this contract to the contrary, the troops, war-like stores, arms, clothing and other effects of the Government of the Republic, and persons coming to it as new settlers on account of the State, shall be transported gratuitously over the railroad at the charge and cost of the Company, and without the Government or such troops or colonists having to pay anything for freight or for any other cause.

ARTICLE XXXIV.

Passengers, money, merchandise, goods and effects of all kinds which may be transported across the Isthmus, to go from one ocean to the other by the railroad, shall be exempt from taxes and imposts, national, provincial, municipal or of any other description. The same exemption is extended to all effects and merchandise which may remain on deposit in the ports, stores and landings of the Company, destined either for the interior or for other countries; but the merchandise or effects, destined for consumption in the interior of the Republic, shall pay the duties and imposts established, or which may be established,

when such goods leave the warehouses of the Company; to which end their delivery shall be conducted under the cognizance of the officers of the Republic, and in conformity with the laws and regulations laid down by the Executive.

ARTICLE XXXV.

Foreigners who may form settlements on the vacant lands granted gratuitously to the Company, shall be exempt during the space of twenty years from the date of the formation of such settlements, from all forced contributions, and from tithes and first fruits on their agricultural property and their products for home consumption; they shall be entitled to receive letters of naturalization, as soon as they solicit them, on fixing their residence in the territory of the Republic; and during the said term of twenty years from the formation of their settlements, they shall not be obliged to serve in the army, navy or national guard, nor to take arms in defence of the Republic, save in case of foreign invasion.

ARTICLE XXXVI.

Travelers pasing from one sea to the other over the railroad, shall not require any passport to pass over it, except in cases of foreign war or internal political commotion, when the Government may deem the presentation of passports expedient for the security of the country or the preservation of public order. Nevertheless, persons who have been expelled from the territory of the Republic, or other individuals whom the laws may have forbidden to enter it, shall not pass over the Isthmus.

CHAPTER SECOND.

Of the Duties and Obligations Assumed by the Company.

ARTICLE XXXVII.

The Company undertakes to execute, at its own expense, risk and peril, all the works necessary for the establishment and construction of a railroad, to open and keep up a line of communication between the two Oceans across the Isthmus of Panama.

ARTICLE XXXVIII.

The said works shall, unless in case of superior force, be commenced within the period of eighteen months, which shall begin to run four months after the approval of this contract by the Congress of the Republic. Works of a definite nature, in respect to the laying out the line, indispensable to its execution, shall be regarded as the beginning of the enterprise.

ARTICLE XXXIX.

The said works shall be completed within the term of six years, counting from the expiration of four months after the approval ot this contract by Congress, so that the railroad undertaken by the Company shall be passable in all its parts at the expiration of the term so specified; but if after constructing and making passable one-third part of the railroad the Company should find that it cannot finish it in its whole extent in the six years agreed upon in this article, it shall

have the right to ask an extension of the term, which shall be granted by the Executive for two years, in addition to the six years fixed for the completion of the whole railroad, without incurring thereby any of the penalties contained in this second chapter of this contract.

ARTICLE XL.

The Company shall secure the fulfilment of the obligations assumed by it for the execution of the works of the enterprise which is the subject of this contract, in the sum of one hundred and twenty thousand dollars; but it shall not be necessary for the Company to deposit this sum in cash, but only to secure it by means of an instrument of double the amount, executed with all proper solemnities and to the entire satisfaction of the Govermnent of the Republic, to answer, by virtue of such security for the said sum of one hundred and twenty thousand dollars in case the railroad should not be completed within the time stipulated in this contract and in accordance with the provisions herein agreed upon.

ARTICLE XLI.

In case the privilege should become void in consequence of failure to begin the work, or from its not being completed in the manner and within the period prescribed therefor, the Company shall forfeit in favor of the Republic the sum of one hundred and twenty thousand dollars, mentioned in the preceding article.

ARTICLE XLII.

If the Company should not have made its preparations for beginning its works agreeably to the thirty-eighth article, and if it should not have actually begun the same twenty-two months after this contract has been approved by Congress, it shall forfeit all the privileges and advantages which result to it therefrom; unless the agents of the Government of the Republic should not have effected the delivery of the lands necessary for the road within three months after they have been demanded by the Company. In this case, the term allowed by the thirty-eighth article for the commencement of the work, shall be extended for a period equal to that of the delay it has sustained in the delivery of the lands after the three months from the time of their being demanded.

On no account and at no time shall the work of the railroad be suspended by reason of differences, which may arise between the Company and the owners of the land, as to the value which must be put upon such as it may be necessary to purchase for the building of the said road; but in order to give positive guaranties to such owners, and that their rights may not in any manner be prejudiced, the Company shall execute a personal undertaking or mortgage, sufficient in the judgment of the Governor of Panama, to answer for the price which may be fixed for said lands, according to the law of the second of June, one thousand eight hundred and forty-eight, "Of Expropriation."

ARTICLE XLIII.

If at the end of the six years fixed for the completion of the railroad, the Company should not have completed half of the work, it shall incur the penalty of the avoidance of the privilege, and forfeit the sum of one hundred and twenty thousand dollars, secured by the obligation in double the amount which it is to execute as a guarantee

of the fulfilment of the conditions which it assumes. The Company shall incur the same penalties if at the end of eight years the works of the railroad shall not be completed, and the said road passable throughout, in the manner and form and according to the conditions set forth in this contract.

ARTICLE XLIV.

In case of forfeiture legally declared against the Company, it shall be bound to return to the Government the lands granted gratuitously to it, and in the same conditions in which they may be when the forfeiture is pronounced; without any obligation on the part of the New Granadian Government to make to the said Company, or to its assigns, any indemnification for improvements or for any other cause.

ARTICLE XLV.

After the entire completion of the work of the line of the railroad, the Company shall order a survey of the lands to be made at its own expense, with notice to the owners of the lands adjoining, together with a statistical plan of all the parts of the road which are to be returned with it to the Republic, at the time of the expiration of the privilege. It shall also order a descriptive statement to be made, at its own expense, of the bridges, aqueducts, and other works of art which may have been constructed, and which are to be returned to the Republic at the same time.

ARTICLE XLVI.

The Company shall make also, at its own expense, similar descriptive statements of all the subsequent works of the same kind, which it may afterwards construct during the period of its possession of the privilege.

ARTICLE XLVII.

An exact and authenticated duplicate of the statistical plan and descriptive statements above mentioned, shall be delivered by the Company to the Governor of Panama, or sent to the office of the Secretary for Foreign Affairs, to be deposited in the national archives for use there, in case of need, during the continuance of the privilege, or at the time of its expiration.

ARTICLE XLVIII.

One year before the expiration of the privilege, the Company shall be bound to make, on notice to and after hearing the agents of the Republic commissioned for the purpose, valuations, statements and inventories of the immovable property, bridges, aqueducts, and other works of art, which are to be returned to the Republic, agreeably to the descriptive statements and statistical plan, of which the duplicates shall have been deposited in the archives of the administration of New Granada.

ARTICLE XLIX.

At the expiration of the term of the privilege, and by the mere fact of its expiration, or in case of the resumption of the privilege, as provided in the second article of this contract, and by the mere fact of the resumption, the Government of New Granada shall be substituted in

all the rights of the Company, in the ownership of the lands and of the works of art, designated in the statistical plan and in the inventories and descriptive statements above mentioned, and shall enter immediately into the enjoyment of the line of communication, of all its appurtenances and dependencies, and of all profits accruing therefrom. The Company shall be bound to deliver to the Government in good condition, the roads, the works which compose them, and their appurtenances, such as the places for lighterage, for discharging cargo, guard-houses for the inspectors, offices for the collection of freight and carriage, machines fixed or movable, and in general all objects movable and immovable, whether destined specially for the service of transportation, or applicable to any other object connected with the enterprise, and whether included or omitted in the said plans, inventories, statements and statistical tables.

ARTICLE L.

In conformity with what is already specified, it is hereby expressly stipulated, that when, at any time or for any cause whatever, the privilege of the company shall terminate or expire, the Government of the Republic shall enter immediately and gratuitously into the enjoyment, ownership and possession of all the objects which form the subject of articles forty-eight and forty-nine preceding the present; and consequently the said Government shall enter likewise immediately and gratuitously into the enjoyment, ownership and possession of the railroad in its whole extent, from one ocean to the other, and of the places for lighterage, wagon roads, lateral and cross, places for loading and unloading, storehouses, stations, guard-houses for the police, offices for the collection of freight and carriage, machines fixed or movable, and in general of all the works, effects, utensils and things of every kind, which in the judgment of the Executive Power may be necessary for the use of the road and its dependencies, such as locomotives, cars and carriages of every description, materials and furniture of every kind, and, in fine, any other things, movable and immovable, which may be applicable to the service of the railroad and of the other roads, works and establishments dependent upon it, or in any manner connected with the enterprise, or belonging to it, although not expressly mentioned in this article, nor in those preceding; it being well understood that all these things, movable and immovable, shall pass, as it has been mentioned, into the enjoyment, ownership and possession of the Government of the Republic, without its being obliged to pay anything to the Company by way of indemnification, or for any other cause.

ARTICLE LI.

In consideration of the collection and receipt of the duties and rates of transportation fixed by it, the Company binds itself always to effect with care, punctuality and celerity, and without exception as to national character, the transportation of travellers, cattle, merchandise, goods and materials of all kinds which may be confided to it, all of which shall be transported without any deduction from the established prices, except such as it may allow in favor of nations which are now bound, or which may hereafter become bound, by means of public treaties entered into with New Granada, to guaranty positively and effectually to this Republic its rights of sovereignty and ownership over the territory of the Isthmus of Panama, and the perfect neutrality of said Isthmus, to the end that the free transit from one sea to the other may never be interrupted or embarrassed; but notice is

expressly given, and in fact it is hereby especially stipulated, that New Granada, Granadians and their property shall enjoy all the benefits and advantages which any other nation whatever may obtain by virtue of the provision in this article.

ARTICLE LII.

Whatever may be the line selected by the Company for building the railroad between the two oceans, one of its extremities shall be the City of Panama.

ARTICLE LIII.

Vessels of nations at war with New Grenada shall not be admitted into the ports at either extremity of the railroad, nor shall the productions, effects and property of such nations have free transit across the Isthmus on said road.

ARTICLE LIV.

The expenses of surveying and laying off the lands granted to the Company, the cost of the statistical plan, inventories and descriptive statements mentioned in this contract, as well as the expenses and cost of the titles of ownership to be given by the authorities or notaries of the Republic, shall be borne by the said Company; but all documents, of whatever nature, drawn up in the execution of this contract, shall be registered without cost.

ARTICLE LV.

The Company binds itself to pay annually to the Government of New Granada three per cent. of the net profits of the enterprise, in the same proportion in which they are to be distributed in form of dividends to the shareholders, without taking into account, in the payment of the said three per cent., any deduction for the supposed interest of the capital of the Company, or for any sum which the shareholders may designate as a reserve or sinking fund. It is stipulated that for the receipt of this duty, the Government of New Granada shall look, with the shareholders of the enterprise, to the accounts produced and liquidated at the general meeting of the Company, which accounts the agent of the Republic may examine, and in respect to them he may make observations in the same manner as any shareholder; but without power of interfering in the general management of the Company. Besides what is stipulated in this article, it is also agreed that the payment of the said duty of three per cent. shall be made at Bogota, Panama or New York, as the Government of the Republic may direct.

ARTICLE LVI.

The Company selects New York as its domicile, and will maintain in Panama a representative with powers sufficient to act in its name in all cases where it may be necessary.

ARTICLE LVII.

The present privilege cannot be granted or assigned to any foreign government, that is, to any government out of the New Granadian territory, under penalty of forfeiture of the privilege, by the mere fact of attempting or carrying into effect such grant or assignment;

and, although it should at any time be attempted or carried into effect, it will be, and from this time is, declared absolutely null, and of no force or effect.

ARTICLE LVIII.

Wherever in this contract mention is made of the completion expiration or termination of the privilege granted by it, all that is said in reference to such completion, expiration or termination, shall be understood as said and applicable also to the case of the resumption of the said privilege. Consequently, it is expressly stipulated, that at any time when the said privilege may be resumed, according to the second article of this contract, the Panama Railroad Company shall fulfill all the duties incumbent upon it, in the same terms as if the forty-nine years, which the privilege, at the utmost may extend, had expired; and it is also expressly stipulated, that for the sum which may be paid as indemnification to the Panama Railroad Company, in any of the three cases set forth in the article last mentioned, the Government of New Granada shall acquire not only the rights, but also all the material objects, which the Company is bound to deliver to it on the expiration of the privilege, which delivery shall be made as may be established by general regulation, on the same terms on which it should take place, if the forty-nine years which the privilege at the utmost may continue, had expired.

ARTICLE LIX.

Controversies which may arise between the Executive Power of New Granada and the Panama Railroad Company, in regard to the fulfilment or failure in fulfilment of this contract, or upon the understanding or construction of the clauses it contains, shall be determined by the magistrates and according to the laws of the Republic of New Granada. In no case shall any privilege, immunity or exemption be alleged, which is not expressly recognized or granted in this contract; nor will the intervention of any authority or functionary other than those legally established with jurisdiction in the Republic, be allowed. Such controversies as may affect the existence, preservation or permanency of the privilege and of the rights thereunto appertaining shall be decided by arbitration.

ARTICLE LX.

The Government of the Republic binds itself to protect and maintain, fully and entirely, the rights of the Company under this contract; and to this end it agrees, that where doubts occur in the construction of any clause or clauses inserted in the preceding articles, which secure to the Company any inducements or advantages, if such doubts should occur in consequence of such clauses not being sufficiently explicit, they shall be interpreted in the natural signification most favorable to the Company.

ARTICLE LXI.

All the legislative acts, decrees and agreements by which, in former years, various privileges were granted for the opening of an intermarine communication by the Isthmus of Panama, are irrevocably annulled. Consequently, the "Panama Railroad Company" has the sole right and duty of constructing a railroad from one ocean to the other by the said Isthmus, in conformity with the stipulations of this contract, which is the only one remaining in force on the subject

between the Government of the Republic and said Company; since by this clause not only all the acts, decrees and agreements above mentioned, but especially all the contracts and stipulations, which formerly existed between the said Government and the said Company, or the individuals, of whose rights it is the assignee, are annulled.

ARTICLE LXII.

This contract, as divided into two chapters and extending to sixty-two articles, shall be submitted for approval to the Executive Power of the Republic, and that being obtained, shall be presented by it to Congress; the consent and approval of which are required, in order that, receiving the force of a law, it may be carried into effect.*

The Railroad enterprise, being of public utility, the authorities shall afford it all possible protection in conformity with the laws.

(EXHIBIT E—2.)

CONTRACT BETWEEN THE UNITED STATES OF COLOMBIA AND THE PANAMA RAILROAD COMPANY.

TRANSLATED FROM THE SPANISH BY JOHN W. CARRINGTON, C. E.

CONTRACT reformative of that of 15th April, 1850, concerning the construction of a Railroad from one Ocean to the other, across the Isthmus of Panama.

THE Secretary of Finance and Public Improvements of the United States of Colombia, duly authorized by the Executive Power, on the one part, and on the other George M. Totten, Engineer-in-Chief and General Agent of the Panama Railroad Company, with full power and authority from the Directors of said Company; having in consideration the stipulation in Article II of the Contract made with said Company, and approved by the legislative decree of the 4th of June, 1850; and desiring to provide whatever may be needful for the perfection of the work of the said railroad, in order that it may better answer the necessities of the commerce of the world, and at the same time furnish a sure and permanent revenue to the Treasury of the Republic, have agreed to modify and reform the said contract in the terms set forth in the following stipulations:

ARTICLE I.**

The Government of the United States of Colombia concedes to the Panama Railroad Company the use and possession, for ninety-nine years, of the railroad constructed by it, and which actually exists between the cities of Colon and Panama. This concession comprises not only the road but also the dependencies which the said Company is in possession of at the present time, necessary for the service of the transit, and those which it may hereafter establish, such as buildings, warehouses, wharves, telegraph between Colon and Panama, &c., &c.

*NOTE.—Congress approved June 4, 1850.
** See Section 1st of Article 1st of the Decree following.

ARTICLE II.*

The Government of the Republic binds itself during the time in which the exclusive privilege which in conceded to the Company for the working of the railroad remains in force, not to construct for itself, nor to concede to any person or company, by any title whatever, the power to establish any other railroad on the Isthmus of Panama; and it also stipulates that while the said privilege continues in force the Government shall not have the power of undertaking for itself, nor of permitting any person to undertake, without the concurrence and consent of the said Company, the opening or working of any maritime canal which may unite the two oceans across the said Isthmus of Panama, to the westward of the line of Cape Tiburon on the Atlantic and of Point Garachiné on the Pacific. But it remains stipulated that the right which is conceded to the Company to give its consent does not extend to its opposing the construction of a canal across the Isthmus of Panama (except upon the route of the railroad itself) but only to its exacting an equitable price for such privilege and as indemnification for the damages which the Railroad Company may suffer by the rivalry or competition of the canal.

If the sum which may be demanded by the Company shall not appear equitable to the Government of the United States of Colombia, then it shall be fixed by arbitrators in New York or Panama, one to be named by the Government, the other by the Company, and in case of their not agreeing, the two shall name a third, whose decision shall be without appeal. In pronouncing their decision the arbitrators shall take into consideration the grounds upon which the Company rests and the information which the Government shall give upon the matter, and in view thereof shall decide, without appeal, as they may deem most just and equitable. The sum, whatever it may be, which shall be finally designated, shall belong one-half to the Railroad Company and one-half to the Government of Colombia.

ARTICLE III.**

In compensation of and as a price for these concessions the Railroad Company obligates itself to pay to the Government of the United States of Colombia one million of dollars in American gold or two hundred thousand pounds sterling in bills on New York or London, as the Government may elect, on the day on which this contract shall be approved by the Congress, and to pay during the whole term of the present privilege an annual revenue of $250,000 in American gold or in Bills on New York or London.

The payments shall be made quarterly in New York to the Agent designated by the Government of the United States of Colombia, or, if the Government should desire it, the Company will place the money in London or in Panama, the Government giving the necessary advice to the Company in New York. These quarterly payments shall commence to count from the day of the approval of this contract by the Congress.

ARTICLE IV.

The Company binds itself to extend the railroad on the Pacific side to the islands of Naos, Culebra, Perico and Flamenco, or other place in the bay where there may exist a permanent depth of water for large vessels.

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* See Sec. 2d. of Art. 1st of the Decree.
** See Sec. 3d of Art. 1st of Decree.

ARTICLE V.

During the whole term of this privilege the Company shall have the exclusive right to establish across the Isthmus of Panama within the zone indicated in Article II, any class of carriage-roads whatever, from one ocean to the other. The Colombian Government binds itself not to undertake for itself, nor to permit any other company or person to undertake within said zone any other carriage-road, either macadamized, or of plank, or of any other class suitable for the use of wheeled vehicles, between the two oceans across the Isthmus of Panama. It being nevertheless well understood that the privilege of which this Article treats cannot and must not in any manner prevent the construction of any kind of roads in a direction distinct from that expressed, nor the completing, preserving, and improving of roads already existing, or which are actually being constructed on said Isthmus.

ARTICLE VI.

The Company shall have the right for the whole term of this privilege:

1st. To regulate and direct the use of the ports, embarking and disembarking places, wharves, anchorage grounds, &c., &c., at the termini of the railroad, and to establish agents with powers to carry into effect the regulations that it may make in this particular in conformity with the laws of the Republic. These regulations shall be submitted to the approval of the Executive Power, without which they cannot take effect. The Executive Power may refuse its approbation, alter and revoke them as it may deem convenient;

2d. To use the embarking and disembarking places, wharves, &c., &c., that it has constructed or may construct in the ports situated at the two extremes of the road;

3d. To use the landings necessary, and especially those designated for the storage and free deposit of all goods and merchandise admitted for transit over the Isthmus on the railroad constructed by the Company. By virtue of this privilege the Company may collect as compensation for the use of the line of communication, means of transportation, landings, warehouses, and establishments of all kinds belonging to it, such tolls for transporting, wharfage, storage and labor as it may deem proper to establish.

ARTICLE VII.

The Executive Power shall determine the forms to be observed in the landing of goods on either ocean; and the intervention therein of the Officers of the Republic to prevent the effects destined for transit from one ocean to the other, from being left on the way or fraudulently introduced for internal consumption. Said precautions shall be such as may tend to prevent all frauds to the injury of the public revenue, without delaying or embarrassing the rapid dispatch and transit of passengers and packages of merchandise, luggage, and goods of all kinds which may be subjects of lawful commerce.

ARTICLE VIII.

The Company may give to the actual railroad a different direction from that which it now has, and which it may deem most favorable to the enterprise, it being free to choose the points of departure and

arrival which may appear to it most advantageous and most convenient for the entrance and anchorage of vessels, or for ports properly so-called, and for embarking places, dry-docks, places for lighterage, landings, warehouses, stations, hotels and establishments of all kinds, and this without prejudice to what is stipulated in Article IV of this contract.

ARTICLE IX.

The Government of the United States of Colombia ratifies the concession made to the Panama Railroad Company by the contract of the 15th of April, 1850:

1st. Of the lands that it has required and that it may require for the establishment of the line of railway in its whole extent, provided such lands belong to the Government;

2d. Of the lands which were necessary for sea-ports, dry-docks, river-ports, landings, embarking places, places for lighterage, warehouses, stations, hotels, and generally for all the necessities of the service of the railroad, always provided that such lands shall be the property of the Republic;

3d. Of the concession made by gratuitous title and in perpetuity of sixty-four thousand hectares of vacant lands in the territory of the State of Panama, with the exception of the islands in both oceans and of the districts which formed on the 1st of January, 1849, the territories of "Bocas del Toro" and of "Darien," limits of which were fixed by the law of the 9th of January, 1855. This concession may be extended to ninety-six thousand hectares, if there shall be that number disposable within the limits of the ancient provinces of Panama and Veraguas in such manner that the Government can adjudicate them as vacant lands; and the Company shall have the right to select them in the continental part of said provinces as they may deem most convenient. But it is stipulated that in the lands which the Company may select on the line of the road, and its vicinity, there shall positively be left regular intervals equivalent in extent to those (tracts) which shall be given to the Company in order that the Government may be enabled to make grants or sales of land for other establishments which may desire to locate themselves on the line and in the neighborhood of the road.

Paragraph. The lands granted to the Company by Sections first and second of this article shall be returned to the Republic at the expiration of the present privilege in the terms and with the formalities prescribed in this contract.

ARTICLE X.

In the grant of vacant lands in perpetuity made to the Company by the contract of 1850 and ratified in section third of Article IX of this contract, there is not included the number of hectares contained in the Island of "Manzanillo" in the Bay of "Limon," but they are included in the grants treated of in the first and second sections of the Article cited, with the exception of four hectares which the Government reserves as an area for the construction of buildings for public offices, school houses, prison and other objects of public use, which shall be delivered by the Company properly graded and in condition for building upon them. But it is understood that in the designation by the Government of the place or places in which it desires to take the four hectares reserved to it by this Article, it shall not choose those which may be necessary for the construction and service of the railway and its dependencies, nor those which may be already occupied by buildings now standing or which are to be reconstructed.

This selection may be made by the Government, in anticipation, as it may see fit, in accordance with the plan of the city, in order that the lands may be delivered to it so soon as the nature of the ground permits of the grading being carried on.

ARTICLE XI.*

The lands conceded to the Company by Article IX, section third, shall be delivered as may be requested on compliance with the legal formalities established for such cases, and it being incumbent on the Company to prove their character as vacant lands, to measure them, and to make the respective plans.

The adjudication of said lands shall be made by the Executive Power, and from the time the declaration is made in the premises, they shall be considered definitely adjudicated to the Company; but the provisional adjudication shall be made by the President of the State of Panama, submitted always to the examination and approval of the National Executive Power, and while not disapproved it will only produce the effect of preventing all ulterior grant of the same lands in favor of a third party. The Republic is not bound in any case to the vacating or guaranteeing the titles of the vacant lands which may be adjudicated to the Company.

ARTICLE XII**

When the lands which may be required for the extension of the line of the railroad which is referred to in section fourth of Article I of this contract, or for changes in the direction of the line, or for the establishment of a second line of rails, are the property of private individuals, the Company shall have the right to obtain them by order of the President of the State after a valuation and a just indemnification of the proprietor in conformity with the provisions of the law of the 22d of May, 1866, "concerning proceedings in civil cases cognizance of which belongs to the tribunals of the Union."

ARTICLE XIII.

The railroad enterprise is esteemed of public utility.

ARTICLE XIV.

The Company is authorized to propose to the Executive Power, the regulations which it may judge proper for the police, security, and preservation of its ways of communication, ports, works and establishments of all kinds; but such regulations shall not be put in force without the express approval of the Executive Power, which even after having approved them may amend or annul them as it may deem proper, proceeding always in conformity with the laws of the Republic.

ARTICLE XV.

The tariff of charges and freights on money, carriage of merchandise, and transport of travelers over the railroad, board and storage in the depots and establishments of the Company, shall be fixed by it, and modified as it may deem best for its interests, but it shall be bound to inform the local authorities of said tariffs and modifications with at least thirty days' previous notice.

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* See Sec. 4th, Art. 1st of Decree.
** See Sec. 5th, Art. 1st of Decree.

ARTICLE XVI.

The Company binds itself to transport gratis over the railroad the National and State mails that may have to be carried from ocean to ocean or to any intermediate point; and it may make such pecuniary arrangements as it thinks proper for the transportation of foreign mails, the passage of which over the Isthmus is declared free to all nations; but the Government of the Republic may prohibit the passage by the railroad of the mails of those nations that may be at war with it, in which case the Company shall refuse to carry them over the railroad.

ARTICLE XVII.

The Company may freely introduce into the Isthmus without payment of duties or imposts of any kind all the implements, machines, tools, materials, provisions and manufactured articles intended for the construction, working and preservation of the railroad, and the provisioning of the workmen employed on it.

ARTICLE XVIII.

The Company is exempt from paying taxes or contributions national, municipal of the State, or of any other kind, upon the railroad, its warehouses, wharves, machines or other works, things and effects of any kind belonging to it, and which in the judgment of the Executive Power are necessary for the service of the said railroad and its dependencies.

ARTICLE XIX.

In compensation for these exemptions the Company binds itself to transport gratuitously and without the Government having to pay anything either for freight or for any other cause, the troops, chiefs and officers, and their equipage, ammunition, armament, clothing and all similar effects that may belong to, are or may be destined for the immediate service of the Government of the Republic, or of the State of Panama, as also their officials in service or in commission, and those individuals who with their families and baggage may come to the country in the character of emigrants, and of new settlers with the permanent character of such, for account of the Government, up to the number of 2,000 annually. The Executive Power shall dictate the provisions as it may deem proper in such cases, in order to prevent those passengers whose entry into Colombian territory may be purely accidental, from availing themeselves of this concession.

ARTICLE XX.*

Colombian productions shall be transported by the railroad during the first twenty years of this contract, paying only one-half the rates of freight or transportation previously fixed by the Company for foreign products of the same class; but this term being concluded, they shall continue to pay only a duty or freight one-third less than that fixed by the said tariff.

ARTICLE XXI.

Passengers, money, merchandise, objects and effects of all kinds, destined for interoceanic transit over the railroad, while they remain in the warehouses and depots of the Company, or in its possession,

* See Sec. 6th of Art 1st of Decree.

are exempt from dues and taxes, national, municipal of the State, or of any other description. In like manner the vessels which may enter the ports at the termini of the railroad, as well as their officers, crews, and their agents, shall be exempt from the payment of tonnage dues or of any other tax or contribution whatever on account of service applied directly to the interoceanic transit.

ARTICLE XXII.

Travelers passing from one sea to the other over the railroad shall not require any passports to pass over it, excepting in cases of foreign war or internal commotion, when the Government may deem the presentation of passports expedient for the security of the country or the preservation of public order. Nevertheless, persons who have been expelled from the territory of the Republic, or other individuals whom the laws forbid an entrance into the country, shall not pass over the railroad.

ARTICLE XXIII.

In case the present privilege conceded to the Company shall be declared forfeited by the competent tribunal, it shall return to the Republic such lands granted in ownership, and by gratuitous title, as may not be already transferred in fee to a third party, and it shall have no right to exact any indemnification for improvements, nor for any other cause.

ARTICLE XXIV.

It is obligatory upon the Company to make a survey of the lands with notice to the owners of adjoining lands, and to make a topographical plan of the road with all its dependencies, such as bridges, aqueducts, viaducts, and other works, which it may have constructed for the service of the railroad, in order that by means of such plan it may be clearly known what the Company holds in ownership, and to what purpose the exemptions provided for are destined.

ARTICLE XXV.

The Company binds itself to execute constantly, with all care, punctuality, and celerity the transportation of the travelers, cattle, merchandise, goods, and materials of all kinds that may be confided to it, payment being made of the charges and prices of transportation that may be fixed in the respective tariff. The disposition of this Article is nevertehless no obstacle to the Company's entering into special contracts for the transportation of articles whose bulk, weight, or exceptional nature do not allow of their freights being fixed beforehand.

ARTICLE XXVI.

Vessels of nations which may be at war with the United States of Colombia shall not be admitted to the ports situated at either extremity of the railroad, nor shall the productions, effects, and property of such nations enjoy the free transit of the Isthmus over the said road.

ARTICLE XXVII.

It is obligatory upon the Company to maintain constantly in Panama or Colon a representative with sufficient power and authority to treat, whenever it may be necessary, personally with the Government, on matters having relation to the enterprise.

ARTICLE XXVIII.*

The present privilege cannot be ceded or transferred to any foreign government; that is to any government existing outside of Colombian territory, under penalty of forfeiture of the said privilege by the mere act of attempting or verifying such cession or transfer; which act from the present moment is declared absolutely null and of no effect. This privilege shall also be forfeited in case the Railroad Company shall not execute the transportation during a period exceeding four consecutive months (fortuitous cases excepted).

ARTICLE XXIX.

In case of the forfeiture of this privilege from any cause, the ownership and full possession of the railroad with all its dependencies, appurtenances and accessories shall pass to the Republic without the Company's having thereby any right to indemnification or remuneration of any kind.

ARTICLE XXX.

The Government of the Republic binds itself to protect and maintain in all their integrity the rights of the Company resulting from the present contract; provided the Company complies punctually on its part with the duties and obligations which it undertakes, and that the privilege continues in force.

ARTICLE XXXI.**

The right which said Republic reserved to itself by the contract of the 15th of April, 1850, to redeem the privilege of the Company, being especially hypothecated as an additional security for the loan contracted by the Republic in London under date of the 1st of October, 1863, it is stipulated, that the products from the railroad which by this contract belong to the Government remain subsidiarily applicable to the payment of the obligations of the Government of the Republic in regard to that loan, whether it be to complete the annual installments which the Government is obliged to pay in London on account of the interest and amortization of the capital, or to redeem the bonds of the loan at par, if, in 1874, their redemption shall not have been completed, and the Company, having given previous notice to the Government, can make the expressed application of the funds.

ARTICLE XXXII.

In consequence of the stipulation in Article third, the Government renounces the benefit or participation of three per cent. which by Article fifty-five of the primitive contract it had in the net products of the enterprise, and the quota of five per cent. which had also been reserved in its favor by Article thirty of said contract, in the transportation of correspondence, and which quota it was stipulated should not be less than ten thousand dollars annually. The account of these profits shall be liquidated immediately in the terms fixed by Article fifty-five, up to the day on which the present contract begins to rule, and have effect, and the payment of the balance which may result in favor of the Republic shall be made by the Company in New York to the order of the Government.

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* See Sec. 7th, Art. 1st of Decree.
** See Sec. 8th, Art 1st of Decree.

Article XXXIII.*

Questions that may arise between the Government of the Republic and the Railroad Company as to the understanding or the execution of this contract shall be decided in the Capital of the Colombian Union by a tribunal of arbitrators composed of the President of the Federal Supreme Court and a person named by the Company, and of a third who shall be chosen by agreement of the two first arbitrators; and if these cannot agree in the selection, each of the said arbitrators shall indicate the person whom he would name as third, and the choice shall be decided by lot.

The arbitrators shall decide in case of defect or obscurity in the stipulations of this contract, in accordance with the principles of universal justice, and their decision shall be without appeal in any case. If the three arbitrators should not agree the votes of the two who do agree shall make the decision. The forms of proceeding which shall be followed by the arbitrators shall be those established by the judgments in legal arbitrations.

Article XXXIV.**

If the Company on being required to make the nomination to which it is entitled, shall not do so within the sixty following days, or shall name any person who does not wish to, or cannot accept nor fulfill the commission, the Company authorizes the actual representative of the United States of America to make the choice.

Article XXXV.***

The ninety-nine years of the duration of the privilege which is conceded by this contract shall be counted from the 30th of January, 1875.

Article XXXVI.

At the expiration of the term of the privilege, and by the sole fact of its expiration, the Government of the Colombian Union shall be substituted in all the rights of the Company, and shall enter immediately into the enjoyment of the line of communication, of all its fixtures, of all its dependencies, and of all its products. The Company shall be bound to deliver to the Government, in good order, the roads, the works which compose them, and their dependencies, such as landing and discharging places, offices, machines, and in general whatever movable or immovable objects, whether destined for the especial service of transportation or applicable to any other object connected with the enterprise.

Article XXXVII.

The present contract contains all the concessions and privileges which the existing Panama Railroad Company has acquired for the future. In virtue of which it is declared, and the parties hereby expressly agree, that at no time can the Company claim rights or privileges which are clearly not contained in this contract, unless they may be granted by subsequent acts.

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* See Sec. 9th, Art. 1st of Decree.
** See Sec. 10th, Art. 1st of Decree.
*** See Sec. 11th, Art. 1st of Decree.

ARTICLE XXXVIII.

The contract of the 15th of April, 1850, approved by the legislative decree of the 4th of June of the same year, is hereby re-formed by the terms of the present contract; and, extended as it is in thirty-eight Articles, it shall be submitted to the approval of the Executive Power of the Republic, and when obtained, it shall be presented to Congress, the consent of which is required in order that, being enacted into a law, it may be carried into effect.

In testimony whereof this present is extended in duplicate, sealed with the private seals of each party, and signed, after reading and comparison, in Bogota, this fifth day of July, eighteen hundred and sixty-seven.

The Secretary of Finance and Public Improvements,

JORJE GUTIERREZ DE LARA.
G. M. TOTTEN.

Bogota, July 5th, 1867.

Approved,

SANTOS ACOSTA.

The Secretary of Finance and Public Improvements,

JORJE GUTIERREZ DE LARA.

DECREE OF THE COLOMBIAN CONGRESS APPROVING, WITH MODIFICATIONS, THE CONTRACT BETWEEN THE UNITED STATES OF COLOMBIA AND THE PANAMA RAILROAD COMPANY.

TRANSLATED FROM THE SPANISH BY JOHN W. CARRINGTON, C. E.

DECREE approving the Contract made on the 5th of July, 1867, "reforming that of the 15th of April, 1850, concerning the construction of a Railroad from one Ocean to the other, over the Isthmus of Panama."

The Congress of the United States of Colombia decrees:

ARTICLE I.

The contract made in Bogota on the 5th of July, 1867, between the Secretary of Finance and Public Improvements, Señor Jorje Gutiérrez de Lara, with approval of the Executive Power, and Mr. George M. Totten, General Agent and Attorney of the Panama Railroad Company, "reformative of that of the 15th of April, 1850, concerning the construction of a Railroad from one ocean to the other, over the Isthmus of Panama," is approved, with the following modifications:

1st. Article first, in these terms:

"Article I. The Government of the United States of Colombia concedes to the Panama Railroad Company the use and possession, for

ninety-nine years, of the Railroad constructed by it, and which actually exists between the cities of Colon and Panama. This concession comprises not only the road, but also the buildings, warehouses, wharves, dock-yards, telegraph between Colon and Panama, belonging to the road, and in general all the dependencies and other works of which the said Company is now in possession, necessary to the service and development of the enterprise, and those which in the future it may establish with the same purpose."

2d. Article second thus:

"Article II. The Government of the Republic binds itself, during the time that the exclusive privilege which is conceded to the Company for the working of the railroad remains in force, not to construct for itself, nor to concede to any person or company, by any title whatever, the power to establish any other railroad on the Isthmus of Panama, and it also stipulates that, while the said privilege continues in force, the Government shall not have the power of undertaking for itself, nor permitting any person to undertake, without the concurrence and consent of said Company, the opening or working of any maritime canal which may unite the two oceans across the said Isthmus of Panama to the west of the line of Cape Tiburon on the Atlantic, and Point Garachiné on the Pacific. But it remains stipulated that the right which is conceded to the Company to give its consent does not extend to its opposing the construction of a canal across the Isthmus of Panama (except on the actual route of the railroad itself), but only to its exacting an equitable price for such a privilege, and as indemnification for the damages which the Railroad Company may suffer by the rivalry or competition of the canal.

"If the sum which may be demanded by the Company shall not appear equitable to the Government of the United States of Colombia, then it shall be fixed by arbitrators in New York or Panama, one to be named by the Government and the other by the Company, and in case of their not agreeing the two shall name a third whose decision shall be without appeal.

"In pronouncing their decision the arbitrators shall take into consideration the grounds upon which the Company rests, and the information which the Government shall give upon the matter, and in view thereof they shall decide without appeal as they may deem most just and equitable.

"The sum, whatever it may be, which shall be finally designated, shall belong one-half to the Railroad Company, and one-half to the Government of Colombia."

3d. Article third was approved thus:

"Article III. In compensation of and as a price for these concessions the Railroad Company binds itself to pay to the Government of the United States of Colombia one Million of Dollars in American gold, or in Bills on New York payable in the same kind, as the Government may elect, on the day on which this contract shall be approved by Congress, and to pay from the present time, and until the expiration of the present privilege, an annual revenue of $250,000 in American gold. The Company will make the payments quarterly in New York to the agent designated by the Government of the United States of Colombia, or if the Government should desire, the Company will place the money in London or Panama, the Government giving the

necessary notice to the Company in New York. These quarterly payments shall commence to count from the date of the approval of this contract by Congress.

"From the revenue which the Government acquires by this contract, there shall be set apart annually during twenty years twenty-five thousand dollars, which the Company shall deliver to the Government of the State of Panama."

4th. Article eleventh remained thus:

"Article XI. The lands conceded to the Company by Article Ninth, section third, shall be delivered as may be requested on compliance with the legal formalities established for such cases, and it being incumbent on the Company to prove their character as vacant lands, to measure them, and to make the respective plans. The adjudication of said lands shall be made by the Executive Power, and from the time the declaration is made in the premises they shall be considered definitely adjudicated to the Company; but the provisional adjudication shall be made by the President of the State of Panama, submitted always to the examination and approval of the National Executive Power, and while not disapproved it will only produce the effect of preventing any ulterior grant of the same lands in favor of a third party. The Republic is not bound in any case to the vacating and guaranteeing the title of the vacant lands which may be adjudicated to the Company.

"The Executive Power will fix a time in agreement with the Company within which the latter shall be bound to designate the vacant lands to which it has the right."

5th. Article twelfth was approved in this form:

"Article XII. When the lands which may be required for the extension of the line of the railroad, as referred to in Article fourth of this contract, or for changes of direction of the line, or for the establishment of a second line of rails, shall be the property of private individuals, the Company shall have the right to obtain them on an official appraisement and the just indemnification of the proprietor, in conformity with the dispositions of the law of the 22d of May, 1866, 'concerning the mode of proceeding in those civil cases, the cognizance of which appertains to the tribunals of the Union.'"

6th. Article twentieth thus:

"Article XX. Colombian productions shall be transported by the railroad during the first twenty years of this contract, paying only one-half the rates of freight or transportation previously fixed by the Company for foreign products of the same class, but this term being concluded they shall pay a charge or freight not exceeding two-thirds of that previously fixed in the tariff of the Company—tariff rates which the Company cannot increase in future in regard to Colombian productions."

7th. Article twenty-eighth in these terms:

"Article XXVIII. The present privilege cannot be ceded or transferred to any foreign Government, that is to say to any Government existing outside of Colombian territory, under pain of forfeiture of the said privilege by the mere act of attempting or verifying such ces-

sion or transfer, which act, from the present time, is declared absolutely null and of no value or effect. This privilege shall also be forfeited in case the Railroad Company shall not execute the transportation during a period exceeding four consecutive months (fortuitous cases excepted).

"This privilege will also be forfeited by the failure of payment, after being one year overdue, of any of the quarterly payments. Delay in the payments for a less period subjects the Company to the payment of interest at the rate of seven per cent. per annum."

8th. Article thirty-first remains as follows:

"Article XXXI. The right which said Republic reserved to itself by the contract of the 15th of April, 1850, to redeem the privilege of the Company, being especially hypothecated as an additional security for the loan contracted by the said Republic in London under date of the 1st of October, 1863, it is stipulated that the products from the railroad, which by this contract belong to the Government, remain subsidiarily applicable to the payment of the obligations of the Government of the Republic, in regard to that loan, whether it be to complete the annual instalments which the Government is obliged to pay in London on account of the interest and amortization of the capital, or to redeem the bonds of the loan at par, if in 1874 their redemption shall not have been completed."

9th. Article thirty-third in this form:

"Article XXXIII. Questions which may arise between the Government of the Republic and the Railroad Company concerning the understanding or the fulfilment of this contract, shall be decided by the courts and tribunals of the Colombian Union according to the constitution and laws of the Republic."

10th. Article thirty-fourth of the contract was negatived.

11th. Article thirty-fifth was approved in this form:

"Article XXXV. The ninety-nine years of the duration of the privilege conceded by this contract shall be counted from the date on which it may be approved by the Congress."

ARTICLE II.

The Executive Power is authorized, in case that Mr. G. M. Totten, as attorney of the Panama Railroad Company, should not accept the contract to which this decree refers, in the terms of the present legislative act, to make it with any other person or company, after soliciting tenders, and the basis fixed by the approval of said contract serving as a minimum; it being always understood, on the other hand, that its fulfilment shall be assured by the necessary guarantees.

The Executive Power may make use of this authorization within the term of six months, counting from the date of the sanction of this decree.

Given in BOGOTA, the 15th day of August, one thousand eight hundred and sixty-seven.

The President of the Senate of Plenipotentiaries, PEDRO CORTÉS HOLGUIN; the President of the Chamber of Representatives, M. PLATA AZUERO; the Secretary of the Senate of Plenipotentiaries, ENRIQUE

CORTÉS; the Secretary of the Chamber of Representatives, FRANCISCO A. VELA.

BOGOTA, *August* 16th, 1867.

Let it be published and carried into effect.

[L. S.] SÁNTOS ACOSTA,

The Secretary of Finance and Public Improvements,

JORJE GUTIÉRREZ DE LARA.

OFFICE OF FINANCE AND PUBLIC IMPROVEMENTS,
Bogota, *August* 16th, 1867.

A true Copy.

JORJE GUTIÉRREZ DE LARA.

(EXHIBIT E—3.)

CONTRACT BETWEEN THE UNITED STATES OF COLOMBIA AND THE PANAMA RAILROAD COMPANY, MADE IN 1867, AS MODIFIED BY THE CONTRACTS MADE IN 1876 AND 1880, AND BY AMENDMENTS OF AUGUST 18TH, 1891.

CONTRACT reformative of that of 15th April, 1850, concerning the construction of a Railroad from one Ocean to the other, across the Isthmus of Panama.

The Secretary of Finance and Public Improvements of the United States of Colombia, duly authorized by the Executive Power, on the one part, and on the other George M. Totten, Engineer-in-Chief and General Agent of the Panama Railroad Company, with full power and authority from the Directors of said Company; having in consideration the stipulation in Article II. of the Contract made with said Company, and approved by the legislature decree of the 4th of June, 1850; and desiring to provide whatever may be needful for the perfection of the work of the said railroad, in order that it may better answer the necessities of the commerce of the world, and at the same time furnish a sure and permanent revenue to the Treasury of the Republic, have agreed to modify and reform the said contract in the terms set forth in the following stipulations:

ARTICLE I.

The Government of the United States of Colombia concedes to the Panama Railroad Company the use and possession, for ninety-nine years, of the Railroad constructed by it and which actually exists between the cities of Colon and Panama. This concession comprises not only the road, but also the buildings, warehouses, wharves, dock-yards, telegraph between Colon and Panama, belonging to the road, and in general all the dependencies and other works of which the said Company is now in possession, necessary to the service and development of the enterprise, and those which in the future it may establish with the same purpose.

ARTICLE II.

The Government of the Republic binds itself, during the time that the exclusive privilege which is conceded to the Company for the working of the railroad remains in force, not to construct for itself, nor to concede to any person or company, by any title whatever, the power to establish any other railroad on the Isthmus of Panama and it also stipulates that, while the said privilege continues in force, the Government shall not have the power of undertaking for itself, nor permitting any person to undertake, without the concurrence and consent of said Company, the opening or working of any maritime canal which may unite the two oceans across the said Isthmus of Panama to the west of the line of Cape Tiburon on the Atlantic and Point Garachiné on the Pacific. But it remains stipulated that the right which is conceded to the Company to give its consent does not extend to its opposing the construction of a canal across the Isthmus of Panama (except on the actual route of the railroad itself), but only to its exacting an equitable price for such privilege, and as indemnification for the damages which the Railroad Company may suffer by the rivalry or competition of the canal.

If the sum which may be demanded by the Company shall not appear equitable to the Government of the United States of Colombia, then it shall be fixed by arbitrators in New York or Panama, one to be named by the Government and the other by the Company, and in case of their not agreeing the two shall name a third, whose decision shall be without appeal.

In pronouncing their decision the arbitrators shall take into consideration the grounds upon which the Company rests, and the information which the Government shall give upon the matter, and in view thereof they shall decide without appeal as they may deem most just and equitable.

The sum, whatever it may be, which shall be finally designated, shall belong one-half to the Railroad Company and one-half to the Government of Colombia.

ARTICLE III.

In compensation of and as a price for these concessions, the Railroad Company binds itself to pay to the Government of the United States of Colombia One Million of Dollars in American gold, or in Bills on New York payable in the same kind, as the Government may elect, on the day on which this contract shall be approved by Congress, and to pay from the present time, and until the expiration of the present privilege, an annual revenue of $250,000* in American gold. The Company will make the payments quarterly in New York to the agent designated by the Government of the United States of Colombia, or if the Government should desire, the Company will place the money in London or Panama, the Government giving the necessary notice to the Company in New York. These quarterly payments shall commence to count from the date of the approval of this contract by Congress.

From the revenue which the Government acquires by this contract, there shall be set apart annually during twenty years twenty-five thousand dollars, which the Company shall deliver to the Government of the State of Panama.

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* NOTE.—$225,000 of this annual subsidy was advanced and paid by the Company to the Colombian Government in November, 1880, for the full period intervening up to March 27, 1908.

ARTICLE IV.

The Company binds itself to extend the railroad on the Pacific side to the Islands of Naos, Culebra, Perico and Flamenco, or other place in the bay where there may exist a permanent depth of water for large vessels.

Whereas, a certain contract was made between the Government of the United States of Colombia and the Panama Railroad Company, dated the fifth day of July, one thousand eight hundred and sixty-seven, in abrogation of and to take the place of another contract between the same parties of the fifteenth day of April, one thousand eight hundred and fifty, which first mentioned contract was afterwards approved by the said Government, by Legislative decree, on the sixteenth day of August, one thousand eight hundred and sixty-seven, with certain modifications, which modifications were accepted by the said Railroad Company; and whereas it was stipulated by the said new contract, by Article IV. of the same, that the said Railroad Company should extend its railway to the islands of Naos, Culebra, Perico and Flamenco, or any other place in the bay of Panama where a permanent anchorage may be found for large vessels, as by reference to said contract will more fully and precisely appear;

And whereas the said Railroad Company has not yet completed the said work, and denies any present obligation to proceed with the same; and whereas the Congress of the United States of Colombia, on the twenty-sixth day of July, one thousand eight hundred and eighty, by an act passed on that day, authorized the Executive Power of the said United States of Colombia to enter into negotiations with the Panama Railroad Company, in order to declare it liberated from the obligations it assumed by the aforesaid Article IV. of the contract made on the sixteenth day of August, one thousand eight hundred and sixty-seven, for the extension of the said railway in the harbor of Panama as aforesaid, by which act a sum of money was to be paid to the said Republic of the United States of Colombia sufficient, in the judgment of the Executive Power of the said Government, to compensate for the release from the said article as aforesaid;

And whereas the national Executive Power of the said Government has appointed Mr. Solomon Koppel as its agent and attorney for the purpose of negotiating with the said Railroad Company for the abrogation of the said Article IV., and has given to him full, complete and absolute power to enter into, carry out and conclude, in the name of the Government of the United States of Colombia, the negotiations for the purpose of abrogating the aforesaid Article IV. of the said contract;

And whereas the Chief Executive of the said Republic of the United States of Colombia has exercised the discretion conferred upon him by the aforesaid act of Congress, by the issue to the said Solomon Koppel of instructions by which the said Solomon Koppel, as such agent and attorney of the Government of the United States of Colombia as aforesaid, is directed to negotiate only for an exemption or abrogation of the aforesaid Article IV. for a period of not exceeding thirty consecutive years, and has further exercised the aforesaid discretion and authority conferred by the said act of Congress by fixing the amount to be paid by the said Panama Railroad Company for the abrogation of the said Article IV., and which, by the aforesaid written instruc-

tions, is limited to the sum of ten thousand dollars per annum for each of the years during which the said Article IV. is suspended or abrogated;

And whereas the said Solomon Koppel is now in the City of New York, and has had a negotiation with the Panama Railroad Company touching the matters aforesaid, and has agreed with the said Company to the suspension of the said Article IV. for the full period of thirty years from the first day of November, one thousand eight hundred and eighty, upon condition that the said Company should pay to the said Government of the United States of Colombia the full sum of ten thousand dollars per annum for each of the said thirty years, making an aggregate payment to the said Government for the suspension and abrogation aforesaid of three hundred thousand dollars in American gold, in all of which actings and doings the said Solomon Koppel has complied exactly with the written instructions of the said Chief Executive of the United States of Colombia as the same were communicated to him, and as the same have been handed by him to the Panama Railroad Company:

Now, therefore, this agreement witnesseth that, in consideration of the premises and for the aforesaid sum of three hundred thousand dollars in gold coin, payable at the rate of ten thousand dollars in each year from the execution hereof by the Panama Railroad Company to the United States of Colombia, the said Government has fully exonerated, released and discharged, and does hereby fully exonerate, release and discharge the said Panama Railroad Company from all its obligations of every nature whatever arising upon or growing out of the aforesaid Article IV. of the contract of the fifth day of July, one thousand eight hundred and sixty-seven, by which article the said Company was bound to extend its railroad on the Pacific side, as is provided in and by the said contract, to which special reference is hereby made, and the said contract, in so far as concerns the extension of the said railroad into the bay of Panama aforesaid, is hereby, in accordance with the full power granted to the Chief Executive of the said Government by the Congress of the United States of Colombia, abrogated and annulled. But this abrogation, suspension and annulment of the said Article IV. shall continue only for the period of thirty years from and after the first day of November in the year one thousand eight hundred and eighty, and at the expiration of the said term of thirty years the said Article IV. of the said original contract of the fifth day of July, one thousand eight hundred and sixty-seven, shall again be revived, and shall be and remain thereafter in force and effect as the same now exists. And the said Panama Railroad Company, in consideration of the aforesaid suspension, release and abrogation of the said Article IV. for the term and period as aforesaid, hereby agrees to pay to the said Government of the United States of Colombia the just and full sum of three hundred thousand dollars in gold coin as follows, viz.: the sum of ten thousand dollars on the first day of November in each and every year, payable in the City of New York, during the said term of thirty years, the first of said annual installments to be payable on the first day of November, which will be in the year one thousand eight hundred and eighty-one, and on each first day of November thereafter until the whole sum of three hundred thousand dollars shall have been paid. And it is further provided and agreed that in case the said Panama Railroad Company, or its successors, shall determine to extend its said line of railway

to the islands in the bay of Panama, or to deep water in accordance with the terms of said Article IV. as originally agreed, and shall actually construct the same, that then and from thenceforward the annual payment of ten thousand dollars for each of said thirty years shall cease for the remainder of said term then unexpired, anything herein contained to the contrary in anywise notwithstanding; but this termination of said annual payments shall not take effect until the expiration of six months after said Panama Railroad Company shall have given notice to the Government of the United States of Colombia of the actual completion of said extended line in the bay of Panama as aforesaid. —[*Contract of* 1880.]

ARTICLE V.

During the whole term of this privilege the Company shall have exclusive right to establish across the Isthmus of Panama within the zone indicated in Article Second, any class of carriage-roads whatever, from one ocean to the other. The Colombian Government binds itself not to undertake for itself, nor to permit any other company or person to undertake within said zone any other carriage-road, either macadamized, or of plank, or of any other class suitable for the use of wheeled vehicles, between the two oceans across the Isthmus of Panama. It being nevertheless well understood that the privilege of which this article treats cannot and must not in any manner prevent the construction of any kind of roads in a direction distinct from that expressed, nor the completing, preserving, and improving of roads already existing, or which are actually being constructed on said Isthmus.

ARTICLE VI.

The Company shall have the right for the whole term of this privilege:

1st. To regulate and direct the use of the ports, embarking and disembarking places, wharves, anchorage grounds, &c., &c., at the termini of the railroad, and to establish agents with powers to carry into effect the regulations that it may make in this particular in conformity with the laws of the Republic. These regulations shall be submitted to the approval of the Executive Power, without which they cannot take effect. The Executive Power may refuse its approbation, alter and revoke them as it may deem convenient;

2d. To use the embarking and disembarking places, wharves, &c., &c., that it has constructed or may construct in the ports situated at the two extremes of the road;

3d. To use the landings necessary, and especially those designated for the storage and free deposit of all goods and merchandise admitted for transit over the Isthmus on the railroad constructed by the Company. By virtue of this privilege the Company may collect as compensation for the use of the line of communication, means of transportation, landings, warehouses, and establishments of all kinds belonging to it, such tolls for transporting, wharfage, storage and labor as it may deem proper to establish.

The Company continues in the exercise of all the rights conceded to it in the 6th Article of the Contract of 5th of July, 1867. Consequently it may regulate and direct the use of the ports, embarking and disembarking places, wharves, anchorage grounds, &c., at the termini of the railroad, and establish agents with

powers to carry into effect the regulations that it may make in this particular in conformity with the laws of the Republic. These regulations shall be submitted to the approval of the Executive Power, without which they cannot take effect; but the Executive Power, after having once approved them, cannot change them nor revoke them without the consent of the Company.—[*Art. I of Contract of* 1876.]

ARTICLE VII.

The Executive Power shall determine the forms to be observed in the landing of goods on either Ocean; and the intervention therein of the officers of the Republic to prevent the effects destined for transit from one ocean to the other, from being left on the way or fraudulently introduced for internal consumption. Said precautions shall be such as may tend to prevent all frauds to the injury of the public revenue, without delaying or embarrassing the rapid dispatch and transit of passengers and packages of merchandise, luggage, and goods of all kinds which may be subjects of lawful commerce.

ARTICLE VIII.

The Company may give to the actual railroad a different direction from that which it now has, and which it may deem most favorable to the enterprise, it being free to choose the points of departure and arrival which may appear to it most advantageous and most convenient for the entrance and anchorage of vessels, or for ports properly so called, and for embarking places, dry-docks, places for lighterage, landings, warehouses, stations, hotels and establishments of all kinds, and this without prejudice to what is stipulated in Article Fourth of this contract.

ARTICLE IX.

The Government of the United States of Colombia ratifies the concession made to the Panama Railroad Company by the contract of the 15th of April, 1850:

1st. Of the lands that it has required and that it may require for the establishment of the line of railway in its whole extent, provided such lands belong to the Government;

2d. Of the lands which were necessary for sea-ports, dry-docks, river-ports, landings, embarking places, places for lighterage, warehouses, stations, hotels, and generally for all the necessities of the service of the railroad, always provided that such lands shall be the property of the Republic;

3d. Of the concession made by gratuitous title and in perpetuity of sixty-four thousand hectares of vacant lands in the territory of the State of Panama, with exception of the islands in both oceans and of the districts which formed on the 1st of January, 1849, the territories of "Bocas del Toro" and of "Darien," limits of which were fixed by the law of the 9th of January, 1855. This concession may be extended to ninety-six thousand hectares, if there shall be that number disposable within the limits of the ancient provinces of Panama and Veraguas in such manner that the Government can adjudicate them as vacant lands; and the Company shall have the right to select them in the continental part of said provinces as they may deem most convenient. But it is stipulated that in the lands which the Company may select on the line of road, and its vicinity, there shall positively be left regular intervals equivalent in extent to

those (tracts) which shall be given to the Company in order that the Government may be enabled to make grants or sales of land for other establishments which may desire to locate themselves on the line and in the neighborhood of the road.

Paragraph. The lands granted to the Company by sections first and second of this article shall be returned to the Republic at the expiration of the present privilege in the terms and with the formalities prescribed in this contract.

ARTICLE X.

In the grant of vacant lands in perpetuity made to the Company by the contract of 1850 and ratified in section third of Article IX. of this contract, there is not included the number of hectares contained in the island of "Manzanillo" in the Bay of "Limon," but they are included in the grants treated of in the first and second sections of the Article cited, with the exception of four hectares which the Government reserves as an area for the construction of buildings for public offices, school-houses, prison and other objects of public use, which shall be delivered by the Company properly graded and in condition for building upon them. But it is understood that in the designation by the Government of the place or places in which it desires to take the four hectares reserved to it by this Article, it shall not choose those which may be necessary for the construction and service of the railway and its dependencies, nor those which may be already occupied by buildings now standing or which are to be reconstructed.

This selection may be made by the Government in anticipation, as it may see fit, in accordance with the plan of the city, in order that the lands may be delivered to it so soon as the nature of the ground permits of the grading being carried on.

ARTICLE XI.

The lands conceded to the Company by Article Ninth, section third, shall be delivered as may be requested on compliance with the legal formalities established for such cases, and it being incumbent on the Company to prove their character as vacant lands, to measure them, and to make the respective plans. The adjudication of said lands shall be made by the Executive Power, and from the time the declaration is made in the premises they shall be considered definitely adjudicated to the Company; but the provisional adjudication shall be made by the President of the State of Panama, submitted always to the examination and approval of the National Executive Power, and while not disapproved it will only produce the effect of preventing any ulterior grant of the same lands in favor of a third party. The Republic is not bound in any case to the vacating and guaranteeing the title of the vacant lands which may be adjudicated to the Company.

The Executive Power will fix a time in agreement with the Company within which the latter shall be bound to designate the vacant lands to which it has the right.

ARTICLE XII.

When the lands which may be required for the extension of the line of the railroad, as referred to in Article Fourth of this contract, or for changes of direction of the line, or for the establishment of a second line of rails, shall be the property of private individuals, the

Company shall have the right to obtain them on an official appraisement and the just indemnification of the proprietor, in conformity with the dispositions of the law of the 22d of May, 1866, 'concerning the mode of proceeding in those civil cases, the cognizance of which appertains to the tribunals of the Union.'

ARTICLE XIII.

The railroad enterprise is esteemed of public utility.

ARTICLE XIV.

The Company is authorized to propose to the Executive Power the regulations which it may judge proper for the police, security, and preservation of its ways of communication, ports, works and establishments of all kinds; but such regulations shall not be put in force without the express approval of the Executive Power, which even after having approved them may amend or annul them as it may deem proper, proceeding always in conformity with the laws of the Republic.

> The Company continues authorized to propose to the Executive Power the regulations which it may judge proper for the police, security and preservation of its ways of communication, ports, works and establishments of all kinds.
>
> Such regulations shall not be carried into effect without the express approval of the Executive Power; but the latter, after having approved them, cannot change them nor annul them without the consent of the Company.—[*Art. II. of Contract of* 1876.]

ARTICLE XV.

The tariff of charges and freights on money, carriage of merchandise, and transport of travellers over the railroad, board and storage in the depots and establishments of the Company, shall be fixed by it, and modified as it may deem best for its interests, but it shall be bound to inform the local authorities of said tariffs and modifications with at least thirty days' previous notice.

ARTICLE XVI.

The Company binds itself to transport gratis over the railroad the National and State Mails that may have to be carried from ocean to ocean or to any intermediate point; and it may make such pecuniary arrangements as it thinks proper for the transportation of foreign mails, the passage of which over the Isthmus is declared free to all nations; but the Government of the Republic may prohibit the passage by the railroad of the mails of those nations that may be at war with it, in which case the Company shall refuse to carry them over the railroad.

ARTICLE XVII.

The Company may freely introduce into the Isthmus without payment of duties or imposts of any kind all the implements, machines, tools, materials, provisions and manufactured articles intended for the construction, working and preservation of the railroad, and the provisioning of the workmen employed on it.

ARTICLE XVIII.

The Company is exempt from paying taxes or contributions national, municipal of the State, or of any other kind, upon the railroad, its warehouses, wharves, machines or other works, things and effects of any kind belonging to it, and which in the judgment of the Executive Power are necessary for the service of the said railroad and its dependencies.

ARTICLE XIX.

In compensation for these exemptions, the Company binds itself to transport gratuitously and without the Government having to pay anything either for freight or for any other cause, the troops, chiefs and officers, and their equipage, ammunition, armament, clothing and all similar effects that may belong to, are or may be destined for the immediate service of the Government of the Republic, or of the State of Panama, as also their officials in service or in commission, and those individuals who with their families and baggage may come to the country in the character of emigrants, and of new settlers, with the permanent character of such, for account of the Government, up to the number of 2,000 annually. The Executive Power shall dictate the provisions as it may deem proper in such cases, in order to prevent those passengers whose entry into Colombian territory may be purely accidental from availing themselves of this concession.

The Executive Power of the Union shall dictate the provisions which may be necessary, at the request of the Company, to prevent abuses in the gratuitous passage which Article XIX. of the aforesaid Contract concedes to National employés and those of the State of Panama.—[*Art. IV. of Contract of* 1876.]

ARTICLE XX.

Colombian productions shall be transported by the railroad during the first twenty years of this contract, paying only one-half the rates of freight or transportation previously fixed by the Company for foreign products of the same class, but this term being concluded they shall pay a charge or freight not exceeding two-thirds of that previously fixed in the tariff of the Company—tariff rates which the Company cannot increase in future in regard to Colombian productions.

(See amendments of Aug. 18th, 1891.)

In order that Colombian products may be transported by the railroad under the conditions of Article XX. of the same contract, there must precede a declaration of the shipper, duly attested by the bill of lading of shipment, with a certificate of the Administrator of the National Treasury at the port of shipment or other similar document, at the time of offering them, that such products are really Colombian; a necessary condition, without which there shall be no ground for any claim.—[*Art. V. of Contract of* 1876.]

ARTICLE XXI.

Passengers, money, merchandise, objects and effects of all kinds, destined for interoceanic transit over the railroad, while they remain in the warehouses and depots of the Company, or in its possession,

are exempt from dues and taxes, national, municipal of the State, or of any other description. In like manner the vessels which may enter the ports at the termini of the railroad, as well as their officers, crews, and their agents, shall be exempt from the payment of tonnage dues, or of any other tax or contribution whatever on account of service applied directly to the interoceanic transit.

ARTICLE XXII.

Travellers passing from one sea to the other over the railroad shall not require any passports to pass over it, excepting in cases of foreign war or internal commotion, when the Government may deem the presentation of passports expedient for the security of the country or the preservation of public order. Nevertheless, persons who have been expelled from the territory of the Republic, or other individuals whom the laws forbid an entrance into the country, shall not pass over the railroad.

ARTICLE XXIII.

In case the present privilege conceded to the Company shall be declared forfeited by the competent tribunal, it shall return to the Republic such lands granted in ownership, and by gratuitous title, as may not be already transferred in fee to a third party, and it shall have no right to exact any indemnification for improvements, nor for any other cause.

ARTICLE XXIV.

It is obligatory upon the Company to make a survey of the lands, with notice to the owners of adjoining lands, and to make a topographical plan of the road, with all its dependencies, such as bridges, aqueducts, viaducts and other works which it may have constructed for the service of the railroad in order that by means of such plan it may be clearly known what the Company holds in ownership, and to what purpose the exemptions provided for are destined.

ARTICLE XXV.

The Company binds itself to execute constantly, with all care, punctuality and celerity, the transportation of the travellers, cattle, merchandise, goods and materials of all kinds that may be confided to it, payment being made of the charges and prices of transportation that may be fixed in the respective tariff. The disposition of this article is, neverthless, no obstacle to the Company's entering into special contracts for the transportation of articles whose bulk, weight, or exceptional nature do not allow of their freights being fixed beforehand.

> The provision of the final part of Article XXV. of the aforesaid Contract of 1867, by which the Company was permitted to enter into special contracts for the transportation of articles whose bulk, weight or exceptional nature would not allow of their freights being fixed beforehand, is made applicable to all kinds of articles of commerce.—[*Art. III. of Contract of* 1876.]

ARTICLE XXVI.

Vessels of nations which may be at war with the United States of Colombia shall not be admitted to the ports situated at either extrem-

ity of the railroad, nor shall the productions, effects and property of such nations enjoy the free transit of the Isthmus over the said road.

ARTICLE XXVII.

It is obligatory upon the Company to maintain constantly in Panama or Colon a representative with sufficient power and authority to treat, whenever it may be necessary, personally with the Government on matters having relation to the enterprise.

ARTICLE XXVIII.

The present privilege cannot be ceded or transferred to any foreign Government; that is to say, to any Government existing outside of Colombian territory, under pain of forfeiture of the said privilege by the mere act of attempting or verifying such cession or transfer, which act, from the present time, is declared absolutely null and of no value or effect. This privilege shall also be forfeited in case the Railroad Company shall not execute the transportation during a period exceeding four consecutive months (fortuitous cases excepted).

This privilege will also be forfeited by the failure of payment, after being one year overdue, of any of the quarterly payments. Delay in the payments for a less period subjects the company to the payment of interest at the rate of seven per cent. per annum.

None of the cases of forfeiture of the privilege fixed in Article XXVIII. shall go into effect until the resolution of the Government in which the declaration of forfeiture is made is served in due form, and at least three months in advance, on the Company and on the agents of the persons to whom the Government may transfer or hypothecate the revenue to which it is entitled by Article III., if said transfer or hypothecation shall have taken place; it being understood that if, after the notification has been given, and during the aforesaid three months, the Company, or the interested persons of whom mention has been made, shall satisfy the Government, causing the reason for complaint or forfeiture to disappear, the said declaration shall not be carried into effect.—[*Art. VI. of Contract of* 1876.]

The Government reserves to itself the right to hypothecate, in whole or in part, the revenue, of which mention has been made in Article VI. of this contract (except the right of the State of Panama to the annual proportion of $25,000), before the time at which said revenue is to be paid, and whatever may be hypothecated shall be payable in such a manner as the Government may direct; and the Railroad Company binds itself, on being notified of any transfer or hypothecation, to accept it and to make payment at the maturity of the instalments to the persons or parties in whose favor the transfer or hypothecation may have been made.—[*Art. VIII. of Contract of* 1876.]

ARTICLE XXIX.

In case of the forfeiture of this privilege from any cause, the ownership and full possession of the railroad, with all its dependencies, appurtenances and accessories, shall pass to the Republic without the Company's having thereby any right to indemnification or remuneration of any kind.

ARTICLE XXX.

The Government of the Republic binds itself to protect and maintain in all their integrity the rights of the Company resulting from the present contract; provided the Company complies punctually on its part with the duties and obligations which it undertakes, and that the privilege continues in force.

ARTICLE XXXI.

The right which said Republic reserved to itself by the contract of the 15th of April, 1850, to redeem the privilege of the Company, being especially hypothecated as an additional security for the loan contracted by the said Republic in London under date of the 1st of October, 1863, it is stipulated that the products from the railroad, which by this contract belong to the Government, remain subsidiarily applicable to the payment of the obligations of the Government of the Republic, in regard to that loan, whether it be to complete the annual installments which the Government is obliged to pay in London on account of the interest and amortization of the capital, or to redeem the bonds of the loan at par, if in 1874 their redemption shall not have been completed.

ARTICLE XXXII.

In consequence of the stipulation in Article Third, the Government renounces the benefit or participation of three per cent. which by Article Fifty-five of the primitive contract it had in the net products of the enterprise, and the quota of five per cent. which had also been reserved in its favor by Article Thirty of said contract in the transportation of correspondence, and which quota it was stipulated should not be less than ten thousand dollars annually. The account of these profits shall be liquidated immediately in the terms fixed by Article Fifty-five, up to the day on which the present contract begins to rule and have effect, and the payment of the balance which may result in favor of the Republic shall be made by the Company in New York to the order of the Government.

ARTICLE XXXIII.

Questions which may arise between the Government of the Republic and the Railroad Company concerning the understanding or the fulfilment of this contract, shall be decided by the courts and tribunals of the Colombian Union according to the constitution and laws of the Republic.

> Questions that may arise between the Government of the Republic and the Railroad Company, as to the understanding or the execution of this contract, and of those of 1850 and 1867, to which this one refers, shall be decided without appeal by the Federal Supreme Court of the Colombian Union, without the intervention of any other tribunal.—[*Art. VII. of Contract of* 1876.]

ARTICLE XXXV.

The ninety-nine years of the duration of the privilege conceded by this contract shall be counted from the date on which it may be approved by the Congress.*

* NOTE.—Which was August 16, 1867.

ARTICLE XXXVI.

At the expiration of the term of the privilege, and by the sole fact of its expiration, the Government of the Colombian Union shall be substituted in all the rights of the Company, and shall enter immediately into the enjoyment of the line of communication, of all its fixtures, of all its dependencies, and of all its products. The Company shall be bound to deliver to the Government, in good order, the roads, the works which compose them, and their dependencies, such as landing and discharging places, offices, machines, and in general whatever movable or immovable objects, whether destined for the especial service of transportation or applicable to any other object connected with the enterprise.

ARTICLE XXXVII.

The present contract contains all the concessions and privileges which the existing Panama Railroad Company has acquired for the future. In virtue of which it is declared, and the parties hereby expressly agree, that at no time can the Company claim rights or privileges which are clearly not contained in this contract, unless they may be granted by subsequent acts.

ARTICLE XXXVIII.

The contract of the 15th of April, 1850, approved by the legislative decree of the 4th of June of the same year, is hereby reformed by the terms of the present contract; and extended as it is in thirty-eight Articles, it shall be submitted to the approval of the Executive Power of the Republic, and, when obtained, it shall be presented to Congress, the consent of which is required in order that, being enacted into a law, it may be carried into effect.*

AMENDMENTS agreed upon between the Panama Railroad Company and the Republic of Colombia, August 18th, 1891.

ARTICLE I.

Article Twenty of the Contract of July 5th, 1867, approved by law No. 46 of the same year, shall read as follows:

From and after July 1st, 1892, Colombian products passing over the Panama Railroad shall pay only half of the rate of freight established by the Company for foreign products of the same class.

ARTICLE II.

Salt from the Colombian Salt Pits of the Atlantic coast intended for the national ports of the Pacific shall be transported by the same Railroad company at the following rates:

A quantity not exceeding six million of kilograms each year, and which shall in no case exceed 1,000 tons per month, at the rate of two dollars ($2) gold per ton without any deduction. Shipments of the salt referred to that may exceed the quantity above stated shall pay the rate that is established for the other Colombian products in the previous article.

* NOTE.—Congress approved, August 16, 1867.

EXHIBIT F.

(EXHIBIT F—1.)

List of dividends on capital stock of the Panama Railroad Company.

DIVIDENDS ON CAPITAL STOCK.

Dividends on the capital stock outstanding were declared and paid as under:

YEAR.	Capital Stock.	Rate.	Amount Paid.	Total Paid.
1853	$1,467,720.00	10%	$146,772.00	
This was a stock dividend.				
1853	2,194,062.00	5%	109,703.10	
				$256,475.10
1854	2,716.572.00	3½%	$95,080.02	
1854	2,832,000.00	3½%	99,120.00	
				194,200.02
1855	2,875,000.00	3½%	$100,625.00	
1855	3,743,000.00	6%	224,580.00	
				325,205.00
1856	4,532,000.00	6%	$271,920.00	
1856	4,717,000.00	6%	283,020.00	
				554,940.00
1857	4,750,000.00	6%	$285,000.00	
1857	4,777,000.00	6%	286,620.00	
				571,620.00
1858	4,840,000.00	6%	$290,400.00	
1858	4,923,000.00	6%	295,380.00	
				585,780.00
1859	4,967,000.00	12%	.....	596,040.00
1860	4,973,000.00	6%	$298,380.00	
1860	4,976,000.00	6%	298,560.00	
				596,940.00
1861	4,976,000.00	12%	.....	597,120.00
1862	4,981,000.00	6%	$298,860.00	
1862	4,990,000.00	11%	548,900.00	
				847,760.00
1863	4,992,000.00	4%	$199,680.00	
1863	4,999,000.00	12%	599,880.00	
				799,560.00
1864	5,000,000.00	20%	.....	1,000,000.00
1865	5,000,000.00	55%	$2,750,000.00	
Of this, $2,000,000.00 represented a dividend of 40% paid in stock.				
1865	$7,000,000.00	6%	$420,000.00	
				$3,170,000.00
1866	7,000,000.00	24%	.....	1,680,000.00
1867	7,000,000.00	24%	.....	1,680,000.00
1868	7,000,000.00	44%	.....	3,080,000.00
1869	7,000,000.00	26%	.....	1,820,000.00
1870	7,000,000.00	12½%	.....	875,000.00
1871	7,000,000.00	3%	.....	210,000.00
1872	7,000,000.00	10½%	.....	735,000.00
1873	7,000,000.00	12%	.....	840,000.00
1874	7,000,000.00	12%	.....	840,000.00
1875	7,000,000.00	12%	.....	840,000.00
1876	7,000,000.00	9%	.....	630,000.00
1877	7,000,000.00	12%	.....	840,000.00
1878	7,000,000.00	12%	.....	840,000.00
1879	7,000,000.00	13%	.....	910,000.00
1880	7,000,000.00	16%	.....	1,120,000.00
1881	7,000,000.00	52¼%	.....	2,398,200.00

This includes $1,698,200.00, being the proceeds of assets on hand at the time of the change of stockholders.

Year.	Capital Stock.	Rate.	Amount Paid.	Total Paid.
1882	$7,000,000.00	12½%	.....	$875,000.00
1883	7,000,000.00	21½%	.....	1,505,000.00
1884	7,000,000.00	16%	.....	1,120,000.00
1885	7,000,000.00	2%	.....	140,000.00
1888	7,000,000.00	23%	.....	1,610,000.00
1889	7,000,000.00	9%	.....	630,000.00
1890	7,000,000.00	5%	.....	350,000.00
1891	7,000,000.00	5%	.....	350,000.00
1892	7,000,000.00	4%	.....	280,000.00
1901	7,000,000.00	2%	.....	140,000.00
1902	7,000,000.00	4%	.....	280,000.00
1903	7,000,000.00	4%	.....	280,000.00
1904	7,000,000.00	6½%	.....	455,000.00
1905	7,000,000.00	5%	.....	350,000.00
Total dividends paid				$37,798,840.12

S. DEMING,
Assistant Treasurer.

New York, June 5, 1905.

(Exhibit F—2.)

Copy of agreement between the Panama Railroad Company and the Compania Sud-Americana de Vapores, dated September 10, 1902.

This Agreement, made this tenth day of September, 1902, by and between the Panama Railroad Company, of New York, hereinafter called the Railroad Company, party of the first part, and the Compania Sud-Americana de Vapores, of Valparaiso, Chili, hereinafter called the Steamship Company, party of the second part, witnesseth:

Article I.

The parties above named hereby mutually agree to co-operate in the carriage, transportation, landing and delivery of passengers, mails and cargoes between ports on the Pacific Coast south of Panama, as hereinafter provided, and ports on the Atlantic Ocean and elsewhere, in connection with the several steamship lines now running to Colon, namely:

The Royal Mail Steam Packet Company,
The Hamburg-American Line,
The Compagnie Generale Transatlantique,
Fred'k Leyland & Co. (1900), West India and Pacific Branch,
The Harrison Line,
The Compania Transatlantica,
La Veloce Navigazione,
The Panama Railroad Company's Line,

and in connection with any other lines which may be added thereto, at the option of the Railroad Company, the Railroad Company being responsible for all freights and fares due by any such added line or lines until the Steamship Company shall signify its acceptance of same as co-carriers.

Article II.

During the term of this contract the Railroad Company shall not, directly or indirectly, run any steamers on the Pacific south 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 to 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 south 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, and except as hereinafter provided) give, turn over and direct to the vessels of the Steamship Company, as far as it can lawfully control or influence the same, all business destined to Pacific points south of Panama, originating on the Isthmus of Panama, and carried on 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, corporation or corporations, the earnings of the through line or any through business to or from points on the Pacific Coast south of Panama; and upon all such through business full local tariff rates for the time being in force for transportation across the Isthmus of Panama shall be charged to all competing lines.

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, shall be transported and carried promptly and without undue delay.

The Steamship Company agrees, during the pendency of this agreement (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 lawful and reasonable, within its power, to promote and protect the interests of the Railroad Company, and especially against all forms of competition whatsoever; the Steamship Company further agrees, during the pendency of this agreement, not to divert from the Panama Route traffic to or from any of the Pacific ports south of Panama, originating at or destined to West Indian ports, 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 or persons, corporation or corporations, 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 such business. Nor shall the Steamship Company carry any cargo or passengers whatever to or from any port or ports north of Panama, including ports on the Chiriqui shore, from or to any other port or ports, nor run or maintain any line of steamers calling at any such ports north of Panama, or in any way compete for the traffic from or to said ports, or perform any service thereto or therefrom, or be directly or indirectly interested therein, and shall interchange all such traffic at Panama with the Pacific Mail Steamship Company. But so long as the Pacific Mail Steamship Company does not elect to enter service between Panama and Chiriqui, the Steamship Company shall be at liberty to inaugurate or continue a Chiriqui service, and shall be free to land cattle on the beach at Panama, as has hitherto been done.

Provided, however, That nothing herein contained shall prevent the making by the Railroad Company of any agreement with the Pacific Steam Navigation Company on the same conditions and stipulations as are in this agreement contained.

And provided further, That if the Navigation Company or the Compania Sud Americana de Vapores, for any reason, shall withdraw its service in connection with the Railroad Company at Panama, then the Railroad Company shall be at liberty to enter into a like agreement with any other carrier or carriers for such traffic, in place of the Company so withdrawing its service.

ARTICLE III.

The term "cargo" for the purpose of this agreement shall mean any description of cargo, merchandise, specie, jewelry, quicksilver, parcels and animals.

Through passage tickets, bills of lading and receipts for parcels to be granted in the form now in use, with such modifications as the Panama Railroad Company shall find necessary to introduce in them, not prejudicial to the interests of the Steamship Company, or which may be made by mutual consent.

The proportion of the through freight accruing to the Steamship Company shall be:

33 1-3% between Europe and ports South of Panama;
45% between West Indies and all ports South of Panama;
38% between New York and ports South of Panama.

Rates of freight are to be fixed by the initial carriers on both sides of the Isthmus, subject to the right of revision by the Railroad Company, to the end that one carrier may not maintain reduced rates in connection with the railroad, in competition with another carrier also connecting with the railroad.

The rates are to be competitive as against other routes down to a minimum of 30/- per ton, except Colombian produce, which is subject to special conditions.

Each of the parties hereto shall be at liberty to fix such passage rates by its ships or by its railroad as it may from time to time think fit. Through rates shall be the sum of the respective rates in force for the time being, it being agreed that any reduction which it may be found necessary to make to meet competition, shall be borne pro rata; such reductions may be made by the initial carrier without consultation with the others, so long as the minimum rates fixed by the several carriers are secured.

Charges for excess baggage are:

Between Panama and Colon.....3c. per lb.
From New York to ports South of Panama.....5c. per lb.
Divided:
Panama Railroad Co.....4c.
Compania Sud-Americana de Vapores.....1c.
From all Pacific ports to New York, per cubic foot.....6/- or $1.50
Divided:
Compania Sud-Americana de Vapores.....2/6
Panama Railroad Co.....3/6

Employes of either of the contracting companies carried under this agreement by the other shall be entitled to reduction of 33 1-3% on the published tariff.

Each party hereto shall be responsible for cargo while under its care and until delivery to its co-carrier. Any responsibility accruing in regard to passengers or their baggage to be assumed in like manner with cargo.

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 that the carrier sued shall at once give notice to the other co-carriers, to the end that each may have opportunity to defend its interests.

The whole of the freight (except that which may be exceptionally "prepaid" homeward or "collect" outward freight) payable under this agreement, shall be collected by the steamship line forming the connection at Colon, such line being accountable to the parties to this agreement for their respective proportions thereof every month. "Prepaid" homeward and "collect" outward freight shall be collected by the party of the second part, and the latter shall be accountable every month to the party of the first part and to the steamship line forming the connection at Colon, for their respective proportions.

Steamers of the Steamship Company shall make use of the wharf at La Boca provided by the Railroad Company whenever, in the judgment

of the Steamship Company, it is safe and prudent to do so. But in the event that the Steamship Company's steamer shall not be able to get alongside of said wharf without delay, cargoes shall be lightered in the Bay of Panama; and in any case all cargoes shall be received and delivered either at La Boca, the American, or the English wharf. If steamers come to La Boca wharf, the cargo shall be delivered to and taken away from alongside steamers as fast as they can receive or deliver the same.

Local cargo shall be received and delivered by the party of the first part as agent for the party of the second part in the city of Panama, transfer to and from steamer, including lighterage and / or wharfage, to be furnished by party of the first part, and party of the second part shall pay $1.50 per ton for such services rendered.

The Steamship Company agrees to pay lighterage and wharfage at Panama out of its proportion of any through rates, as follows:

When lightered by the Rail Road Company at the request of the Steamship Company, on all cargoes on which the through rates are more than $10 per ton—per ton.....5/-, or $1.25
On cargo between New York and Pacific ports, on which the through rate is not more than $10 per ton, and is more than $7.50 per ton—per ton.....4/-, or $1.00
On cargo from Europe to Pacific ports, on which the through rate is not more than 50/-, and is more than 30/- per ton—per ton.....4/-, or $1.00
On cargo from Pacific ports to Europe, upon which the through rate is not more than 45/- per ton, and is more than 30/- per ton—per ton.....4/-, or $1.00
On cargo on which the through rate is 30/-, or $7.50 per ton, or less.....3/-, or .75
Upon specie, treasure, and all goods shipped at *ad valorem* rates.1/40 of 1%
On each passenger.....$1.00
Upon all mails, per ton of 2,240 lbs.....$1.25
On extra baggage, per ton.....$1.25

By reason of the delay which would be caused by attempting to correctly differentiate the rate of lighterage due at the time the service is performed, it is mutually agreed that a rate of $1.00 U. S. gold per ton shall be charged and collected, at the time of service; the additional 25 cents U. S. gold per ton upon such cargo as may prove entitled thereto, or the excess of 25 cents per ton, as the case may be, to be paid to the Railroad Company, or refunded to the Steamship Company, as the case may be, as soon as such amounts are ascertained.

All payments for lighterage to be made by the party of the second part by sight drafts of the Panama Agency upon the New York Agency, which drafts are to be settled in the monthly accounts of the party of the first part.

Whenever the Steamship Company's steamers lie at La Boca wharf, and the parties agree that it is necessary to discharge into or load from the Railroad Company's lighters, the Railroad Company shall make no charge for lighterage or cranage in addition to wharfage; but one-half the cost of any overtime work shall be borne by said Steamship Company.

When steamers load and/or discharge alongside La Boca wharf, no charge shall be made on passengers, mails, specie or treasure, except that any vessel receiving or landing passengers only shall pay a wharfage rate of $50 per diem, and a landing charge of $0.10 per capita for each passenger received or landed; but the Railroad Company shall be paid as wharfage on all through cargo on which the through rate is more than 30/- or $7.50 per ton, 80 cents per ton, in American currency, or its equivalent, and on all through cargo on which the through rate is 30/- or $7.50 per ton or less, 60 cents per ton in American currency or its equivalent, and 10 cents per ton on cargo for the use of cranes, the use of such cranes, however, to be optional with the Steamship Company; and the Railroad Company agrees to provide at its

said wharf at La Boca the necessary equipment for the efficient operation thereof.

All settlements for wharfage shall be made in the manner described above for settlements of lighterage.

The divisions and other conditions of this Article may be altered by mutual consent without affecting any of the other stipulations contained herein.

The term "ton" is understood to mean 40 cubic feet, 2,000 lbs., or 2,240 lbs., as per bill of lading.

Outward cargo shall be forwarded promptly from Colon to go forward by first connecting steamer after its arrival at Panama. The Steamship Company undertakes to provide sufficient tonnage so as to be able to receive cargo on board its steamers with all possible despatch, but in the event of its first connecting steamer not accepting delivery, the Railroad Company shall have the option of forwarding cargo by the next departing steamer of either the Pacific Steam Navigation Company or the Compania Sud Americana de Vapores, or other carriers substituted for said Pacific Steam Navigation Company under the provisions of Article II hereof.

The Railroad Company will receive instructions direct from the Agent of the party of the second part as to when mails are to be landed or embarked. Local mails are to be landed immediately on the arrival of the steamer, tide suitable or not, and on the reef as hitherto when necessary. Expenses of transporting mails after landing to be paid by the Steamship Company concerned.

The Railroad Company shall advise promptly, free of charge, by wire or telephone, the Agent of the Steamship Company of the arrival of the steamers at Colon, giving information concerning mails, passengers, specie, cargo, etc., and destination.

The Panama Agent of the Steamship Company shall advise promptly the Superintendent of the Railroad Company free of charge of the departure of steamers from the last port of call, giving information respecting mails, passengers, specie, cargo, etc., and destination.

Article IV.

Any and all questions which shall or may arise touching this agreement or the construction thereof, or as to any other matters and things to be done or performed by either of the parties hereto, as to which the parties hereto cannot agree, shall be submitted to the decision and award of two arbitrators, one to be chosen by each of the parties, who shall be disinterested persons resident in New York or on the Isthmus of Panama. In case said arbitrators shall be unable to agree, they may choose a third arbitrator, and the decision of any two of such arbitrators shall be final. All hearings by such arbitrators shall be held in New York or on the Isthmus of Panama. Arbitration on the Isthmus to be confined to local matters that need immediate decision.

Article V.

The Panama Railroad Company agrees to transport coal and other supplies for the Steamship Company at the following rates, viz:

By each of its steamers from New York to Colon, supplies other than coal, exclusively for the use of the Steamship Company, at the rate of ..... $5.00 per ton
And from Colon to Panama (for haulage) ..... $3.00 per ton
And to lighter same, at additional ..... $1.00 per ton
For coal from Colon into lighters at Panama wharves, including all charges for loading, etc., at Colon ..... $4.00 per ton
For coal from Colon to alongside steamers in the Bay of Panama ..... $5.00 per ton

ARTICLE VI.

It is mutually and expressly understood and agreed, That if at any time during the continuance of this 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 this agreement, and at the expiration of six months from the giving of such notice this agreement shall terminate, come to an end and be utterly null and void thenceforth, anything herein contained to the contrary notwithstanding.

ARTICLE VII.

This agreement shall take effect upon the expiration of the existing agreement between the parties, on September 10, 1902. It shall continue in force for twenty-one months from the date hereof, and thereafter, provided that either party may, after the expiration of said term of twenty-one months give ninety days' notice of its desire to terminate the same, and thereupon, at the expiration of ninety days from the giving of such notice, this contract shall cease, determine and come to an end.

In Witness Whereof, The parties hereto have caused these presents to be signed by their respective officers thereunto duly authorized, and their respective corporate seals to be hereunto affixed, the day and year first above written.

(SEAL) HORATIO LYON.

Attested as to signature:
JOHN R. LIVERMORE.

(SEAL) PANAMA RAILROAD CO.,
E. A. DRAKE,
2d V. P. and Sec.

Attest:
T. H. ROSSBOTTOM,
Asst. Secretary.

(EXHIBIT F—3.)

Copy of amendatory agreement between the Panama Railroad Company and the Compania Sud-Americana de Vapores, dated January 17, 1903.

THIS MEMORANDUM OF AN AGREEMENT, made and entered into this seventeenth day of January, one thousand nine hundred and three, by and between the Panama Railroad Company, party of the first part, and the Compania Sud-Americana de Vapores, party of the second part, WITNESSETH:

That Whereas, The parties hereto, heretofore and on the tenth day of September, 1902, entered into a contract regulating the transportation of freight to and from ports upon the Pacific Coast of South America, south of Panama, passing over the railroad of the party of the first part, and transported by the steamers of the party of the second part to and from Panama, and

Whereas, The parties hereto have agreed to an amendment of the said contract, as hereinafter expressed,

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, the receipt whereof is hereby acknowledged, and of the various cov-

enants and provisions in the said contract of September 10th, 1902, contained and expressed, the parties hereto have covenanted and agreed, and do, by these presents, covenant and agree to and with each other as follows:

First: Article II of the said contract of September 10th, 1902, shall be and is hereby amended by adding thereto the following provision, to-wit:

> "*And Provided Further,* That the Steamship Company shall be at liberty to transport by other means such traffic to and from Europe, originating at, or destined to Pacific Coast ports south of Guayaquil as it has been customary for the Steamship Company so to transport, under previously existing arrangements."

Second: Said amendment shall be taken and construed as a part of said original contract of September 10th, 1902, with like force and effect as if it had been originally made a part thereof.

In Witness Whereof, The parties hereinbefore named have caused these presents to be signed by their officers thereunto duly authorized, and their corporate seals to be hereto affixed, the day and year first hereinabove written.

(SEAL) PANAMA RAILROAD CO.
E. A. DRAKE,
2nd V. P. & Secty.

In presence of
T. H. ROSSBOTTOM,
for Panama R. R. Co.

(SEAL) C. S. A. de V.
HORATIO LYON,
Manager.

In presence of
JUAN PETERSEN,
for C. S. A. de V.

(EXHIBIT F—4.)

Copy of agreement between the Panama Railroad Company and the Pacific Steam Navigation Company, dated December, 1904.

WORKING AGREEMENT Made this seventeenth day of December, 1904, between the Panama Railroad Company of New York, and the Pacific Steam Navigation Company of Liverpool, as follows:

First: That the Pacific Steam Navigation Company agree to maintain a service in connection with the Panama Railroad Company between Panama, Guayaquil and way-ports, that shall be adequate for all the traffic to and from these points that seeks or can be secured for the Isthmus route.

Second: That the Pacific Steam Navigation Company agree to maintain a fortnightly through service between Panama, Guayaquil, Valparaiso and the way ports south of Guayaquil, and that when the traffic justifies an increase of tonnage, such increase will be made. Whenever this through service is interrupted or unable to deal with the through traffic between Guayaquil and Panama, the Caletero steamers are to make the connection, without additional charge to shippers or consignees, unless under circumstances which would entail a charge if the cargo had been carried by the through boat in the regular way.

Third: That the initial carrier on both sides of the Isthmus shall have authority to make through rates of freight which are to be competitive with other routes down to a minimum of thirty shillings (30/-) per ton of 2240 pounds or forty (40) cubic feet, lower rates to be made by mutual consent.

Should any cargo which has gone out via the Isthmus require to be returned by that route for any purpose, the Pacific Steam Navigation Company undertakes to charge the same through rate of freight homewards as that which obtained outwards.

Fourth: Division of rates are to remain as at present, and Bills of Lading shall be those recently agreed upon in London and those now in use from New York.

Fifth: The Pacific Steam Navigation Company steamers are to load and discharge at the La Boca Pier when in their judgment it is safe and prudent to do so, as at present, but in the event that they shall not be able, for any reason to reach the wharf without delay, and only in that event, their cargoes are to be lightered in the Bay of Panama, at the option of the Steamship Company, either by the lighters of the Railroad Company or those of the Pacific Steam Navigation Company.

When steamers load and/or discharge alongside La Boca wharf, no charge shall be made on passengers, mails, specie or treasure, except that any vessel receiving or landing passengers only, shall pay a wharfage rate of $50 per diem, and a landing charge of $0.10 per capita for each passenger received or landed; but the Panama Railroad Company shall be paid, as wharfage on all through cargo, on which the through rate is more than thirty shillings (30/-) or $7.50 per ton, 80 cents per ton in American currency, or its equivalent, and on all through cargo on which the through rate is 30/- or $7.50 per ton or less 60 cents per ton in American currency or its equivalent and 10 cents per ton on cargo for the use of cranes, the use of such cranes, however, to be optional with the Navigation Company; and the Railroad Company agrees to provide at its said wharf at La Boca the necessary equipment for the efficient operation thereof.

The Navigation Company agrees to pay lighterage and wharfage at Panama out of its proportion of any through rate, as follows:

When lightered by the Rail Road Company at the request of the Navigation Company, on all cargoes on which the through rates are more than $10 per ton—per ton.....5/-, or $1.25
On cargo on which the through rate is not more than $10, and is more than $7.50 per ton.....4/-, or $1.00
On cargo on which the through rate is 30/-, or $7.50 per ton, or less.....3/-, or .75
Upon specie, treasure, and all goods shipped at *ad valorem* rates. 1/40 of 1%
On each passenger.....$1.00
Upon all mails, per ton of 2,240 lbs.....$1.25
On extra baggage, per ton.....$1.25

Whenever the Navigation Company's steamers lie at La Boca wharf, and the parties agree that it is necessary to discharge into or load from the Railroad Company's lighters, the Railroad Company shall make no charge for lighterage or cranage in addition to wharfage; but one-half the cost of any overtime work shall be borne by said Navigation Company.

All cargo handled either way by the Navigation Company's lighters (when their ships cannot go to La Boca) at any of the Railroad Company's wharves at Panama, that is to say, La Boca, the American or English wharf, is to pay the Railroad Company twenty-five cents (25c) gold per ton.

The Railroad Company agrees (when requested by the Navigation Company) to receive and deliver as agents for the Navigation Com-

pany, all local cargo in the City of Panama, including lighterage and wharfage, to be furnished by the Railroad Company at one dollar and fifty cents ($1.50) per ton. Should the lighterage receipt and delivery of the local cargo be performed by the Steamship Company as at present, the charge for wharfage only is to be twenty-five cents (25c) American gold per ton.

Sixth: It is agreed that the Panama Railroad Company will not at any time give better terms to any other steamship company working with it to the south.

Seventh: The divisions of rates referred to in the fourth article, for the Pacific Steam Navigation Company, are as follows:

33 1-3% between Europe and ports South of Panama;
45% between West Indies and all ports South of Panama;
38% between New York and ports South of Panama.

Eighth: Either party may terminate this agreement by 90 days' notice to the other in writing to that effect.

PANAMA RAILROAD CO.
E. A. DRAKE,
Vice Pres. and Sec'y.

THE PACIFIC STEAM NAVIGATION CO.
J. BRUCE ISMAY, *Agt.*,
Per J. W. LEE.

(EXHIBIT F—5.)

Memoranda of conversation had with Mr. E. A. Drake, Secretary and Treasurer, and Mr. R. L. Walker, Traffic Manager, of the Panama Railroad Company.

New York, *June* 1, 1905.

Mr. Walker stated that the rate to Europe on cocoa from Guayaquil is 45 shillings via Magellan, and the present rate via the Isthmus is 60 shillings, or $15, per ton of 2,240 pounds, the rate via the Isthmus having been reduced last April.

(NOTE.—Have been advised that the reduction has been withdrawn, and the old rate of $17 now prevails.)

Mr. Walker questions the correctness of Consul General Dietrich's statement as to the rate on coffee from Guayaquil to New York via Magellan of $8.75, alleging that coffee moves by the way of Panama and not by Magellan from Guayaquil.

Mr. Walker states that the reason the rates from South America to New York and Europe via Panama are so much higher than from Europe and New York to South America is that the initial carrier fixes the rate, and the South American lines charge whatever they please, the Panama Railroad taking its proportion of the through rate.

Mr. Walker states that the rate on general merchandise from Valparaiso to New York is $30 per ton; from Valparaiso to Europe, $25 per ton.

Mr. Walker states that if the rate across the Isthmus is reduced and made a flat rate it will not have the effect of reducing the through rate, in his judgment, as the steamship lines on either side will get together to protect their own interests and will absorb the difference, and the rate will be the same as before, the only difference being that the steamship lines on either side will get what the Panama Railroad has been getting heretofore.

In reply to the question as to what effort had been made at any time in the past to secure steamship connections between any of the

Gulf ports and Colon, or to establish a line running from the Gulf ports to Colon, Mr. Drake said that the railroad had at various times endeavored to induce Gulf lines to establish regular connections between Colon and the United States Gulf ports; that a contract was made with a line operating two ships from Mobile to Colon, and the business was not developed so as to be remunerative, and the line was broken up by the death of the proprietor, and the railroad was unable to get anybody to resume. The principal objection to the establishment of a line from New Orleans has been the severe quarantine regulations against Colon as an unhealthy port, and by some unexplained manner the United Fruit Company has been able to secure such consideration from the health authorities at New Orleans so as to enable them to make the port of Colon. Since the United States Marine Hospital has established outposts with representatives at so-called unhealthy ports the quarantine officials have accepted certificates of that officer as a bill of health. Shortly after the breaking of the contract with the Pacific Mail in 1893 the Panama Railroad Company chartered in co-operation with the merchants of New Orleans—attempted to establish a line by chartering a steamer which carried one cargo coastwise to New Orleans, with the result that the effect of that one trip by the Panama Railroad Company an arrangement was entered into by the Southern Pacific Railroad Company with the merchants of New Orleans which caused them to withdraw their promised patronage to the Panama Railroad Company, and since then no effort has been made to establish connections until the arrangement with the United Fruit Company.

There are two cable lines to the Isthmus. The principal one is the Central and South American Cable Company, running from Galveston to Coatzacoalcos, to Salina Cruz, to the principal ports in Central America on the Pacific Coast, to Panama, and as far south as Valparaiso. The other is the line running from London or Liverpool to the West Indies, then to Colon. It is said that the latter line is almost always out of repair.

Almost all Central American, Panama, and South American cable messages are sent via Galveston.

The Panama Railroad Company has charged commercial messages a flat rate of one dollar for ten words or less, and ten cents a word for every word over ten. Steamship companies were charged a flat rate of ten cents a word. Now the Railroad Company charges everyone 25 cents for ten words or less and 2½ cents a word over ten. Reduction went into effect February 1, 1905.

By through telegraph business is meant business that goes from the United Sates via Galveston, Mexico, and Central America to Panama and from there to Colon, or vice versa. There is very little through business from Europe to Panama and south via the West Indies Line from England to Jamaica and Colon, and vice versa.

Comercial messages have not been reduced by the Galveston Line, as the company says it makes the same rate to Colon that it does to Panama, and therefore they will not reduce their charges to Colon.

Practically, the whole amount of the through business across the railroad telegraph line is business to Colon via Panama, and vice versa.

Mr. Drake states that in October, 1880, the Colombian Government hypothecated the annual indemnity for a period of 27½ years, and the railroad company issued subsidy bonds. Bonds and interest aggregating $250,000 were the payments to be made, and $25,000 was assigned to the Department of Panama, but after the Republic of Panama was established the United States acquired this $25,000 payment and it is now paid to the United States Government. After the 27½ years expire, or in 1908, the United States Government, by the treaty with the Republic of Panama, agrees to pay $250,000 a year to the Republic.

EXHIBIT G.

List of questions submitted to Mr. H. G. Prescott, acting superintendent of the Panama Railroad, on the Isthmus of Panama, and his answers thereto.

Colon, Isthmus of Panama, *February* 16, 1905.

How many tons of through freight has the Panama Railroad handled per month for the last year? Is this an average business for a year?

What proportion of this freight is moved eastward, and what proportion westward?

Of the westward, what proportion goes north of Panama?

What proportion goes south of Panama?

What proportion is destined for Panama?

What proportion of the eastward freight originates north of Panama?

What proportion south of Panama?

What proportion at Panama?

Is the railroad with its present facilities able to successfully, efficiently and economically handle its business. If not, what additional facilities are needed? Include in this any additional rolling stock required.

What has been the effect of the reduction of the local freight and passenger rates upon the revenues of the railroad?

Are the roadbed and bridges in good condition?

Are any extensive repairs needed to any of the railroad's property?

OFFICE OF GENERAL SUPERINTENDENT
PANAMA RAILROAD COMPANY.

File 2243

Colon, *February* 18, 1905.

Hon. J. L. BRISTOW,
Special Commissioner to the Panama Railroad Company,
Colon.

Dear Sir:—As per your memorandum of February 16th, I have the honor to hand you the information called for.

You will find in one statement all the information in regard to the through freight handled each month last year, and also a total for the four years previous.

Another statement shows, as near as we can in the limited time, the effect of the reduction of the local passenger and freight rates, which statement was made up by our local auditor.

I would say that the road bed and bridges are in good condition. We will soon have a careful examination made of all the bridges to determine their exact condition as regards future requirements.

I would also say that the property of the Panama Railroad is in good condition and requires only ordinary repairs.

I also enclose a statement showing the rolling stock of the company.

Yours truly,

H. G. PRESCOTT,
Acting Superintendent.

TONS OF FREIGHT MOVED BY THE PANAMA RAILROAD DURING 1904.

Months.	Eastward. Originating North of Panama	Eastward. Originating South of Panama	Eastward. Originating at Panama and Way Stations	Eastward. Total Tons Eastward	Westward. Destinations North of Panama	Westward. Destinations South of Panama	Westward. Destinations Panama and Way Stations	Westward. Total Tons Westward	Grand Total
	Tons Ft.	Tons Ft.	Tons Ft.	Tons Ft.	Tons Ft.	Tons Ft.	Tons Ft.	Tons Ft.	Tons Ft.
January	6,521.06	3,592.22	2,312.29	12,426.17	6,062.34	5,060.18	4,419.03	15,542.15	27,968.32
February	13,247.35	3,002.19	3,067.20	19,317.34	6,426.15	4,702.15	6,664.38	17,793.28	37,111.22
March	13,526.12	3,973.21	2,942.12	20,442.05	9,604.23	5,690.27	6,046.37	21,342.07	41,784.12
April	10,233.16	3,904.18	2,451.24	16,589.18	7,927.06	4,402.13	5,575.28	17,905.07	34,494.25
May	5,502.38	6,842.14	2,839.04	15,184.16	9,307.25	6,040.23	4,682.04	20,030.12	35,214.28
June	8,803.32	4,758.15	3,278.10	16,840.17	8,048.18	4,671.11	4,687.01	17,406.30	34,247.07
July	6,511.36	4,599.26	3,187.12	14,298.34	7,819.27	4,986.25	6,040.24	18,846.36	33,145.30
August	4,138.08	3,535.37	4,378.08	12,052.13	8,249.05	5,456.03	5,891.02	19,596.10	31,648.23
September	3,013.06	5,509.17	3,586.07	12,108.30	7,253.07	5,100.00	6,268.05	18,621.12	30,730.02
October	3,283.30	4,828.39	4,077.39	12,190.28	8,293.11	5,838.32	7,357.11	21,489.14	33,680.02
November	4,093.17	5,635.07	3,626.31	13,355.15	8,032.04	5,922.06	8,545.38	22,500.08	35,855.23
December	6,448.35	3,779.35	4,202.04	14,430.34	8,391.38	6,434.21	9,179.06	24,005.25	38,436.19
Total	85,324.31	53,962.30	39,950.00	179,237.21	95,416.13	64,305.34	75,357.37	235,080.04	414,317.25

Other Years.

1900	357,377	Tons
1901	385,584	Tons
1902	346,689	Tons
1903	349,538-35/40	Tons

M. DELEVANTE,

Local Auditor.

Colon, February 17, 1905.

COMPARATIVE STATEMENT OF FREIGHT TRAFFIC OVER THE PANAMA RAILROAD FROM THE 17TH TO 31ST OF JANUARY AND FROM THE 1ST TO 15TH OF FEBRUARY, 1905, SHOWING THE EFFECT OF THE NEW TARIFF.

	Packages.	*Weight.*	*Amount.*
January 17th to 31st	9,238	639,236	$4,724.25
February 1st to 15th	7,723	660,980	3,291.32
Increase	....	21,744	.....
Decrease	1,515	.....	1,432.93

M. DELEVANTE,
Local Auditor.

Colon, February 18, 1905.

COMPARATIVE STATEMENT OF PASSENGER TRAFFIC OVER THE PANAMA RAILROAD FROM THE 17TH TO 31ST OF JANUARY AND FROM THE 1ST TO 15TH OF FEBRUARY, 1905, SHOWING THE EFFECT OF THE NEW TARIFF.

First Class.

	January.	February.	Increase.	Decrease.
No. of fares	204	496	292	.....
Amount	$511.30	$626.48	$115.18	.....

Second Class.

	January.	February.	Increase.	Decrease.
No. of fares	3,253	6,293	3,040	.....
Amount	$2,417.70	$2,566.10	$148.40	.....

M. DELEVANTE,
Local Auditor.

Colon, February 18, 1905.

MEMORANDUM OF PRESENT EQUIPMENT OF FREIGHT CARS IN SERVICE ON THE PANAMA RAILROAD COMPANY FEBRUARY 1, 1905.

Number of Cars	Class of Cars	Capacity	Total.	
50	Box	20 tons	1000 tons	
534	Box	12 tons	6408 tons	
				7408 tons
5	Flat	20 tons	100 tons	
146	Flat	12 tons	1752 tons	
				1852 tons
173	Coal	12 tons	2076 tons	
				2076 tons
908		Grand Total		11336 tons

Remarks.

All these cars have old style link and pin couplings, and hand brakes on only one truck. The box cars are 30 feet long, 8½ feet wide, 7½ feet high, and 12 feet from rail to roof. The flat and coal cars are 30 feet long, 8½ feet wide, and 4½ feet from rail to floor.

Recommend:

	Total Tons.
700 box cars of 30 tons capacity—modern air and couplings	21,000
3,300 flat cars of 30 tons capacity—modern air and couplings	9,000
300 coal cars of 30 tons capacity—modern air and couplings	9,000
4,300 Grand Total	39,000

MEMORANDUM OF PRESENT EQUIPMENT OF MOTIVE POWER IN SERVICE OF THE PANAMA RAILROAD COMPANY, FEBRUARY 1, 1905.

Switch Engines.	Number of Engines.
I—In good condition—Boilers have been renewed within the past four (4)) years	7
II—In fair condition—Are in service but will require new boilers in a year or two. These switch engines are giving satisfactory service	3
III—Condemned	1
Total switch engines	11

Remarks.

IV—Five of the switch engines are Baldwin four-wheel connected cylinders, 14"x22" diameter, drivers 38". Used in Colon where curves are sharp.
V—Five of the switch engines are Hinckley & Rogers' six-wheel connected 15"x22" cylinders, 42" drivers, and are used in Panama where grades are heavier.

Road Engines.	Number of Engines.
VI—Out of service—Require extensive repairs	4
VII—Light engine, 15"x22" cylinder, used on La Boca Branch (serviceable)	1
VIII—Baldwin eight-wheel, 16"x24" cylinder, 54" drivers, used on passenger trains and satisfactory for this service	6
IX—Cooke eight-wheel, 17"x24" cylinder, 60" drivers, used in freight service	13
Total road engines	24
Total locomotives	35

Recommend that four additional switch engines be supplied, two each of types IV and V. The ones in service are satisfactory. Recommend also that the thirteen (13) freight locomotives (Type IX) be replaced by ten-wheel 70-ton locomotives, 54" wheel, cylinder 19" x 26".

OFFICE OF GENERAL SUPERINTENDENT
PANAMA RAILROAD COMPANY.

File 2243

Colon, *February* 20, 1905.

Hon. J. L. BRISTOW,
Special Commissioner to Panama Railroad Co.,
Colon.

Dear Sir:—With reference to the report I furnished you as to the present equipment of the Panama Railroad I desire to explain the situation from our point of view.

At times in the past we have been short of cars, but in every instance this would not have happened if there had been steamers enough to take the cargo away promptly; we sometimes have to keep cargo on the Isthmus for one or two weeks waiting for steamers, and often, in order to realize our cars we unload the cargo into warehouses and store it, then when the steamers arrive we have to re-load the cargo, necessitating extra handling.

We now have on the Isthmus about 40,000 sacks of coffee from Central America to be dispatched by the Royal Mail S. S. Line; some of this coffee has been here for a week. There is a steamer here now of the Royal Mail Line which will take away between ten and fifteen thousand sacks, but the rest of it will not be taken away before the middle of the week.

We have over 200 carloads of freight in Panama for Central Amer-

ica and San Francisco; some of this will be taken by the steamer that sails on Wednesday, 22nd instant, but the balance will have to wait until the next steamer arrives, which will probably be a week.*

In the meantime we have had to supply cars to receive cargo that is being brought to the Isthmus, so that while it might appear that we have not cars enough to handle the business, this complaint might equally be applied to the lack of steamers to take the cargo away, for, were we able to deliver our cargo to the connecting steamers immediately we would always have cars enough to handle the inter-oceanic traffic.

Of course with the Canal work increasing there will be more demand for rolling stock on the railway, and the new cars, if any are ordered, should, in my opinion, be of the most modern kind, and of a larger capacity than the ones that we now have.

Very truly yours,

H. G. PRESCOTT,
Acting Superintendent.

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* Since the above was written I learn that the extra ship, *San Mateo,* now at La Boca, will take the Central American cargo, commencing February 21st; but we had to receive the cargoes from four ships before we could commence getting rid of our cargo on hand.

EXHIBIT H.

Complaint of the Representatives of the Central and South American countries.

Washington, D. C., *April* 8, 1905.

To the Honorable William H. Taft,
Secretary of War.

Mr. Secretary—The Isthmus of Panama has offered two great obstacles to the exchange of products between the eastern coast of the United States and the Latin-American countries, which we have the honor to represent, and which countries carry on their commerce on the coast of the Pacific. Of these two obstacles, one is physical, being the land which separates the two oceans; the other is artificial, and has been produced, as much by the monopoly which the railroad line, from Colon to Panama has had and still enjoys, as by the monopolies which that same railroad company has created for the navigation between Colon and New York and between Panama and the western coast of North and South America.

The United States, with its noted energy, is about to sweep away the physical obstacle, which, however, will require many years. The same is not the case with the artificial obstacles. The American Government is now absolute owner of that railroad and of the steamers which ply between Colon and New York. We are informed, by the press, that Your Excellency must decide very shortly the manner in which that railroad and those steamers are to be administered, and we hasten, for that reason, to invite Your Excellency's attention to the end that no measure can be adopted which will be more effective in making closer the commercial relations of all our countries with the United States, than the systematizing of the transit on the Isthmus upon equitable and liberal basis. The opportunity is an exceptional one and it is advisable to take advantage of it for reasons of mutual interest.

The first evil consequence of the monopolies has been the high tariff rates, which we may call almost prohibitory, and which have diverted the commercial current towards Europe. Some data which we give below prove this assertion:

The nitrate of Chile cannot be brought via Panama: The combined tariff rates between the railroad company and the *trust* of the steamers of the Southern Pacific Coast fix a freight of 47 shillings sterling a ton. That same nitrate reaches New York by steamers via Magellan, paying 23 shillings sterling a ton.

The Peruvian sugar pays by the Isthmus 30 shillings sterling a ton, and 23 shillings sterling a ton via Magellan.

The cocoa of Guayaquil, via Panama, pays to Europe from 52 to 58 shillings sterling a ton, and for New York, 65 to 68 shillings sterling a ton.

Coffee is exported from Central America to Europe, via Magellan, cheaper than by way of Panama.

The metals of Bolivia, especially tin, cannot be brought to the United States via Panama.

Frequently the case arises that products from our coasts are imported into the United States, after being transshipped either in Liver-

pool, Havre, or Hamburg, because of the lower freight rates for Europe as against the United States.

It may be calculated that the most distant ports of our respective Republics, are from New York, 4,500 miles, via Panama. From those same ports to New York there is a distance of over 11,000 miles, via Magellan, and nevertheless, the transportation by this last route, and the transportation by steamer from our ports to Europe is on an average from 25 to 30 per cent. cheaper than our commerce with New York, via Panama.

From this considerable difference of freight rates, it is apparent that the European consumer has the advantage of buying our products cheaper than the American consumer.

So that Your Excellency may perceive that the injustice of the high freight rates is found in the railroad tariff rates, it will suffice to know that from the freight of the 4,500 miles between the extreme ports and New York the Panama Railroad Company takes for itself the 33 per cent. for the 46 miles of transit.

Looking into this question now from the point of view of the exportation from this country into our countries, it is interesting to make a comparison of the freight rates from New York and our coasts, via Panama, and those of similar articles between Europe and the western coast of the Pacific, also via Panama.

By taking articles of little value we find that:

Rice, for example: From Hamburg, shipments of rice from India are constantly being made to Ecuador, via Panama, at the rate of from 30 to 33 shillings sterling per ton of 2,240 pounds, or say, from $7.50 to $8.00 per ton, while the same article from New York pays at the rate of $0.60 per 100 pounds, or say, $13.20 per ton, an overcharge of almost 75 per cent. And what is said of rice may be applied to all articles given as second class in the Panama Railroad Company's tariff, of which we herewith transmit a copy. This difference in the freight rates tips the scales in favor of the European markets, almost excluding, or at least limiting to a narrow circle, the exportations of the same class of articles from New York, to the detriment of the commerce of the United States.

It is to be observed, at the same time, that on certain articles on which the Panama Railroad Company collects, by cubic measurement, the freight from New York to the Pacific ports of South and Central America is so high that it represents from 40 to 50 per cent. of the cost of the merchandise.

For example:

Twelve coal oil stoves, which in New York, free-on-board, cost from $45 to $48, pay on the coast of Ecuador and of Peru, 30 and 37½ cents, respectively, per cubic foot, or say, $19.20 to $21, which represents 42.66 per cent. upon the cost price. The same article bought in Germany would hardly pay a freight of from $6.40 to $6.75.

The distance between Plymouth and Colon is 4,540 miles and the distance between New York and Colon is 1,981 miles. So that Plymouth is 2,519 miles further from Colon, and nevertheless, the freight rates from Europe to our coasts via the Isthmus are lower than those from New York to our coasts.

As the transit by the Isthmus is the same in either case, it is plain that the difference in freight originates from the high tariff rates of the steamship line plying between Colon and New York, or say, from this artificial monopoly created by the Panama Railroad Company, which also owns the steamship line.

Although the navigation companies on the Pacific do not belong to the Panama Railroad Company, this company has arranged matters so that the northern coast may be exclusively served by the Pacific

Mail Steamship Company, and the southern coast by two steamship companies formed into a *trust,* viz.: The Pacific Steam Navigation Company and the South American Steamship Company.

These lines as a mater of course take advantage of this privilege to exact as high rates as possible.

The working of this monopoly is very plain: The Panama Railroad Company grants transit facilities only to the combined companies above referred to, while it hinders and closes all doors to other ships outside of the combination arriving at Colon or Panama.

For example:

Not long ago, a large exporting New York firm sent a cargo steamer to Colon. Besides the difficulties of securing a pier, the cargo, when unloaded remained on the piers of Colon for several weeks without transshipment. It is useless to say that the interested parties stopped sending any more steamers to Colon.

Owing to the same monopoly, the Pacific Steam Navigation Company and the South American Steamship Company had to abandon the extension of their traffic up to San Francisco, California, leaving the field exclusively to the Pacific Mail Steamship Company, which has under control all the traffic of the coast of Central America.

The drawbacks of the artificial arrangement are more plainly shown by examining the situation as to rates for passengers. While Callao and Liverpool are almost at the same distance from New York, a first-class passenger can go from New York to Liverpool even for $60, while the ticket for Callao, also from New York, will cost him at least $185. No doubt, if there were competition this figure would be considerably reduced.

The anomalies are more noticeable when considering the prices of passenger tickets for the northern coast of Panama and for Panama itself. The Panama Railroad Company charges for a first-class ticket, between New York and San Francisco, 5,300 miles, $105.

To Panama, only 2,021 miles, including the crossing of the Isthmus, the company charges $100, and to the ports of Central America, half the distance from New York, the company charges from $115 to $160.

The above anomaly is explained, because the intercontinental railroads are competing in the traffic between New York and San Francisco, and under the present regime there is no possible competition in regard to the other ports. There is no doubt that the Panama Railroad Company and the Pacific Mail Steamship Company, when they carry a passenger from New York to San Francisco—and they keep him during one month approximately—for $105, do not lose money; therefore, their profit is exorbitant when, for carrying a passenger to Panama, and boarding him six or seven days only, they charge $100. This shows the necessity of the free competition by means of the system of equal treatment to all the ships, or say, *open door* on the Isthmus.

A not insignificant detail is that of charging five cents gold for each pound of baggage in excess of the amount allowed passengers crossing the Isthmus.

We can assert that all these drawbacks turn away the passengers from the Isthmus route, which is the shortest, even for going to Europe, giving to the merchants the opportunity to pass through the United States and to study its manufactures. Instead of doing this, a considerable amount of traffic has been established by the route of Magellan, or crossing The Andes between Chile and Argentina. Those who take The Andes route going to Europe, have no opportunity to compare the American with the European industries.

We cannot but mention here that the Panama Railorad Company charges 45 cents per pound on mail crossing through the Isthmus, which has caused some of our countries to impose an extra charge of one cent for each half ounce letter postage by that route.

The exchange of parcels-post between the United States and our Republics becomes also more expensive than that between the United States and other countries, by reason of the high freight rate of the Panama Railroad, which limits to an insignificant figure the exchange of small articles between the United States and the South American Republics, to the detriment of the commerce of the United States. This circumstance is the reason why many of our countries have not, as yet, made a postal convention with the United States.

The Panama Railroad Company has up to now managed that business, having in view only the immediate profits. We believe that the Government of the United States, without losing sight of that profit, and perhaps increasing it, should also be mindful of the convenience of broadening and facilitating our reciprocal commerce. By so doing it will anticipate, in a proportion not to be despised, the benefits of the great work it has undertaken.

We therefore submit to the consideration of Your Excellency the practicability when on deciding upon the future system of administration on the Isthmus of taking into account:

First. The propriety of reducing the railroad tariff rates in proportion to the distance to the normal price in the United States;

Second. That the same be done with the freight tariff rates and passenger rates between Colon and New York;

Third. That the ships of all nations and the cargoes of all origins may have the same facilities of transit;

Fourth. That the railroad tariff rates be reduced as much as possible for the first-class mail and parcels post; and,

Fifth. That the works of the Canal do not absorb entirely the service of the railroad line, so that the traffic of merchandise may not thereby be interfered with.

The adoption of these measures would expand considerably the interchange of products through the Isthmus route, establishing between the United States and our coast a large share of the commerce which is today carried on with Europe and establishing a current through the short route of 4,500 miles, maximum, in place of 11,000 miles, for it is to be supposed that the two companies which today take the route of Magellan, will find it convenient to divide their ships between the Pacific and the Atlantic and more economical to transport their cargoes in 10 to 15 days by the route of the Isthmus than in 60 days by the route of the Strait of Magellan.

These companies send three steamers monthly, which transport 12,000 tons, more or less, and as many tons on the return trip, or say, nearly 300,000 tons annually. A very large part of this would pass by the Isthmus, thus giving more freight to the railroad and return freight to the ships taking to the Isthmus the material which the construction of the canal will require, a circumstance which will cheapen the transportation of said material.

Another circumstance which would make closer our relations would be that of greater rapidity in our communications. The United States can do much in this respect on this side of the Isthmus. We will call the attention of our Governments to this very point, recommending to them that if it is possible to enter into an agreement to insure at least two fast trips monthly between Valparaiso and Panama, stopping at the principal ports en route and a like improvement on the Central American Coast.

We will also recommend to our Governments the propriety of lowering the freight and passenger rates on the steamers of the Pacific, although we believe that this will be obtained through competition incident to the abolishment of the monopoly on the Isthmus.

We close, praying Your Excellency that you deign to give kind consideration to these statements which are inspired by our sincere eagerness to make our commercial relations closer between the United States and our respective countries.

With sentiments of the most distinguished consideration, we subscribe ourselves.

J. B. CALVO,
Minister of Costa Rica.
LUIS F. COREA,
Minister of Nicaragua.
MANUEL ALVAREZ CALDERÓN,
Minister of Peru.
JOAQUIN WALKER-MARTÍNEZ,
Minister of Chile.
IGNACIO CALDERÓN,
Minister of Bolivia.
JORGE MUNOZ,
Minister of Guatemala.
SERAFÍN S. WITHER,
Charge d' Affaires of Ecuador.

EXHIBIT I.

Statement of Mr. P. H. Cahill, agent of the Panama Railroad Company in Mexico, Central and South America:

PANAMA RAILROAD COMPANY.

On "San Juan," *May* 2, 1905.

Hon. J. L. BRISTOW,
Special Panama Railroad Commissioner,
1800 F St., Washington, D. C.

Dear Sir:—I hand you enclosed statistics covering the year 1904 from all the ports where the data are obtainable. Wood shipments by sailers, nearly all from the coast, at some distance from ports, are not included in the figures I present. Shipments to South America are also excluded.

Exhibit A gives the articles shipped from the ports mentioned, and the percentage of same to the destinations indicated.

In Exhibit B, the articles are grouped together, and the percentage of the total quantity to each of the two routes is also given. I have thought well to also specify the total quantity from all the ports of each article shipped to San Francisco.

It should be borne in mind that the quantities given are in tons of 2,000 lbs. each.

In both the above mentioned exhibits I believe you will find all the detail desirable, but I have given the same information, in concentrated form, in exhibits C and D, which are summaries, respectively, of A and B.

Under the heading Various a number of odds and ends are included; since no mention is made of sugar or mahogany from Corinto, I presume both are included under Various.

I have to correct my memorandum of local charges at Puntarenas, given to you from memory, to the following:

Railroad charges and cartage from San Jose to Puntarenas	$7.10
Wharfage	1.60
Lighterage	2.30
	$11.00
At San Juan del Sur the lighterage per 1,000 Kilos is	$1.25

I have been unable to get the lighterage rate Amapala.

The data I have given you from Salvador ports are correct.

At San Jose, or rather on the Guatemala Central Railroad a gold rate of 1c per 100 lbs. per mile was to be put into effect on May 1st, so that the local expenses from that port would be as follows:

Export duty	$22.00
Railroad rate per ton from Guatemala City	16.50
Average lighterage for clean and husk coffee	2.85
Wharfage	.54
	$41.89
Lighterage on clean coffee	2.43

These are the charges in gold per 1,000 kilos, alongside which our freight rates to Europe are insignificant.

There is no change in the figures I gave you for Champerico.

At Ocos the rate for some 35 miles and the embarking charges are $9.50. On account of the difficulties at this port, the tariff is being repeatedly augmented.

Wharfage per 1,000 kilos at San Benito is	$3.52
At Tonala it is	5.00
Port Angel	3.00
San Blas	.75
Mazatlan	.62
Manzanillo	2.12
Acapulco	1.75

As I have informed you, Pacific Mail steamers have apparently found it unprofitable to call at the coffee ports of Port Angel, San Benito and Ocos, so that in reality competition commences with the Kosmos Line at Champerico.

You will find this letter rather disjointed, as I am pretty well exhausted from the effort to get the statistics ready, so as to be able to send them to you from Panama.

Yours truly,

P. H. CAHILL.

TABLE A.

SHIPMENTS, IN TONS OF 2,000 LBS. EACH, FROM MEXICAN AND CENTRAL AMERICAN PORTS MENTIONED, DURING THE YEAR 1904.

			Totals.
Port Angel.			
Coffee:			
Europe, via Panama	726.80	85.55%	
New York	74.27	8.75%	
San Francisco	48.43	5.70%	
			849.50
Skins:			
New York	4.30	100.00%	4.30
Various:			
San Francisco	.18	100.00%	.18
			853.98
San Benito.			
Coffee:			
Europe, via Panama	223.58	9.41%	
Europe, via Straits	1,804.91	75.99%	
New York	37.55	1.59%	
San Francisco	309.15	13.01%	
			2,375.19
Skins:			
Europe, via Panama	1.79	18.17%	
Europe, via Straits	5.94	60.30%	
San Francisco	2.12	21.53%	
			9.85
Rubber:			
Europe, via Panama	23.02	47.79%	
Europe, via Straits	15.75	32.70%	
New York	2.95	6.13%	
San Francisco	6.44	13.38%	
			48.16
Hides.			
Europe, via Panama	1.51	3.47%	
Europe, via Straits	12.75	29.29%	
San Francisco	29.26	67.24%	
			43.52
Treasure.			
New York	$21,720.00	100.00%	
Various:			
Europe, via Panama	.25	28.41%	
Europe, via Straits	.42	47.73%	
San Francisco	.21	23.86%	
			.88
			2,477.60

			Totals.
Ocos.			
Coffee:			
Europe, via Straits	1,782.62	86.86%	
San Francisco	270.82	13.14%	2,053.44
Skins:			
Europe, via Straits	.06	100.00%	.06
Rubber:			
Europe, via Straits	.15	100.00%	.15
Hides:			
Europe, via Straits	26.26	92.33%	
San Francisco	2.18	7.67%	28.44
			2,082.09
Champerico.			
Coffee:			
Europe, via Panama	7,133.75	51.28%	
Europe, via Straits	2,506.40	18.02%	
New York	730.95	5.25%	
San Francisco	3,538.98	25.45%	13,910.08
Skins:			
Europe via Panama	$1.68	19.77%	
Europe via Straits	.52	6.11%	
New York	5.71	67.18%	
San Francisco	.59	6.94%	8.50
Sugar:			
San Francisco	$104.28	100 %	104.28
Rubber:			
Europe via Panama	$20.56	63.95%	
Europe via Straits	2.58	8.02%	
New York	9.01	28.03%	32.15
Hides.			
Europe via Panama	$15.41	17.07%	
Europe via Straits	6.37	7.05%	
New York	67.70	74.95%	
San Francisco	.84	.93%	90.32
Various:			
Europe via Panama	$0.57	1.32%	
Europe via Straits	33.59	77.88%	
New York	.05	.12%	
San Francisco	8.92	20.68%	43.13
			$14,188.46
San Jose de G.:			
Coffee:			
Europe via Panama	$8,872.53	48.77%	
Europe via Straits	3,635.63	19.98%	
New York	1,378.50	7.58%	
San Francisco	4,303.19	23.67%	$18,189.85
Sugar:			
Europe via Panama	$21.25	1.28%	
Europe via Straits	124.07	7.49%	
San Francisco	1,511.81	91.23%	1,657.13
Skins:			
Europe via Panama	$5.85	25.16%	
New York	17.13	73.67%	
San Francisco	.27	1.17%	23.25
Rubber:			
Europe via Panama	$197.25	84.35%	
New York	36.60	15.65%	233.85
Hides:			
Europe via Panama	$394.37	88.36%	
New York	51.98	11.64%	446.35

			Totals.
Horns:			
Europe via Panama	$10.32	86.22%	
Europe via Straits	1.65	13.78%	
			11.97
Mahogany:			
Europe via Panama	$383.03	30.49%	
Europe via Straits	455.61	36.27%	
New York	.18	.02%	
San Francisco	417.25	33.22%	
			1,256.07
Indigo:			
Europe via Panama	$1.63	72.12%	
San Francisco	.63	27.88%	
			2.26
Balsam:			
New York	$0.12	100%	
			.12
Cocoa:			
Europe via Panama	$7.02	46.89%	
New York	7.95	53.11%	
			14.97
Various:			
Europe via Panama	$123.91	47.03%	
Europe via Straits	43.05	16.34%	
New York	22.62	8.58%	
San Francisco	73.89	28.05%	
			263.47
			$22,099.29
Acajutla:			
Coffee:			
Europe via Panama	$12,910.58	63.15%	
Europe via Straits	3,274.90	16.02%	
New York	191.60	.94%	
San Francisco	4,065.67	19.89%	
			$20,442.75
Sugar:			
Europe via Panama	$1,995.77	63.45%	
Europe via Straits	75.10	2.39%	
San Francisco	1,074.35	34.16%	
			3,145.22
Hides:			
Europe via Panama	$40.19	69.59%	
New York	16.35	28.32%	
San Francisco	1.21	2.09%	
			57.75
Skins:			
Europe via Panama	$9.65	60.39%	
New York	5.78	36.17%	
San Francisco	.55	3.44%	
			15.98
Rubber:			
Europe via Panama	$4.49	70.82%	
New York	1.80	28.39%	
San Francisco	.05	.79%	
			6.34
Balsam:			
Europe via Panama	$27.40	49.75%	
Europe via Straits	16.02	29.08%	
New York	11.66	21.17%	
			55.08
Indigo:			
Europe via Panama	$49.23	88.51%	
Europe via Straits	5.35	9.62%	
New York	1.04	1.87%	
			55.62
Treasure.			
New York $20,000.00		93.02%	
San Francisco 1,500.00		6.98%	
$21,500.00			
Various:			
Europe via Panama	$20.86	21.35%	
Europe via Straits	2.22	2.27%	
New York	69.55	71.21%	
San Francisco	5.04	5.17%	
			97.67
			$23,876.41

			Totals.
La Libertad:			
Coffee:			
Europe via Panama	$5,068.96	70.34%	
Europe via Straits	739.92	10.27%	
New York	263.58	3.65%	
San Francisco	1,134.56	15.74%	
			$7,207.02
Sugar:			
Europe via Panama	$11.10	22.63%	
San Francisco	37.96	77.37%	
			49.06
Skins:			
New York	$5.37	100%	
			5.37
Rubber:			
Europe via Panama	$0.71	16.91%	
New York	3.49	83.09%	
			4.20
Hides:			
Europe via Panama	$8.59	25.97%	
New York	24.49	74.03%	
			33.08
Indigo:			
Europe via Panama	$26.03	95.52%	
New York	1.22	4.48%	
			27.25
Balsam:			
New York	$13.35	100.00%	
			13.35
Various:			
Europe via Panama	$3.01	16.21%	
New York	.24	1.30%	
San Francisco	15.32	82.49%	
			18.57
			$7,357.90
La Union:			
Coffee:			
Europe via Panama	$3,786.90	40.14%	
Europe via Straits	4,548.46	48.22%	
New York	38.65	.41%	
San Francisco	1,059.39	11.23%	
			$9,433.40
Indigo:			
Europe via Panama	$64.47	81.75%	
Europe via Straits	14.22	18.03%	
San Francisco	.17	.22%	
			78.86
Skins:			
Europe via Panama	$0.25	6.25%	
New York	3.38	84.50%	
San Francisco	.37	9.25%	
			4.00
Rubber:			
Europe via Panama	$8.16	29.83%	
Europe via Straits	.85	3.11%	
New York	18.29	66.88%	
San Francisco	.05	.18%	
			27.35
Hides:			
Europe via Panama	$2.85	14.29%	
New York	15.27	76.54%	
San Francisco	1.83	9.17%	
			19.95
Mahogany:			
Europe via Straits	$73.00	100%	
			73.00
Treasure:			
Europe via Panama	$2.71	86.03%	
San Francisco	.44	13.97%	
			3.15
Treasure:			
Europe via Panama $314,066.00	.....	92.13%	
New York 14,600.00	.....	4.28%	
San Francisco 12,256.00	.....	3.59%	
$340,922.00			
			$9,639.71

				Totals.
Amapala:				
Coffee:				
Europe via Panama		$49.58	100%	
				$49.58
Concentrates (Ore):				
Europe via Panama		$5.24	.71%	
New York		318.99	43.17%	
San Francisco		414.61	56.12%	
				738.84
Treasure:				
Europe via Panama	$97,061.00	.....	30.34%	
New York	222,897.00	.....	69.66%	
	$319,958.00			
Various:				
Europe via Panama		$1.52	.88%	
New York		43.87	25.31%	
San Francisco		127.92	73.81%	
				173.31
Skins:				
Europe via Panama		$8.21	36.33%	
New York		9.98	44.16%	
San Francisco		4.41	19.51%	
				22.60
Rubber:				
Europe via Panama		$3.14	52.33%	
New York		2.86	47.67%	
				6.00
Hides:				
Europe via Panama		$186.12	78.09%	
New York		52.21	21.91%	
				238.33
				$1,228.66
Corinto:				
Coffee:				
Europe via Panama		$5,949.77	56.42%	
Europe via Straits		4,119.90	39.05%	
New York		323.83	3.06%	
San Francisco		155.29	1.47%	
				10,548.79
Various:				
Europe via Panama		$797.78	27.96%	
Europe via Straits		845.86	29.60%	
New York		25.26	.88%	
San Francisco		1,188.54	41.56%	
				2,857.44
Treasure:				
Europe via Panama	$109,885.00	.....	62.33%	
New York	58,176.00	.....	32.99%	
San Francisco	8,250.00	.....	4.68%	
	$176,311.00			
Skins:				
Europe via Panama		$0.31	.39%	
Europe via Straits		.15	.19%	
New York		74.03	93.16%	
San Francisco		4.97	6.26%	
				79.46
Rubber:				
Europe via Panama		$7.09	7.10%	
New York		92.76	92.90%	
				99.85
Hides:				
Europe via Panama		$3.39	1.47%	
New York		226.88	98.11%	
San Francisco		1.10	.42%	
				231.37
				$13,816.91
Puntarenas:				
Coffee:				
Europe via Panama		$1,370.42	73.85%	
New York		19.64	1.06%	
San Francisco		465.63	25.09%	
				$1,855.69
Skins:				
New York		$25.59	94.57%	
San Francisco		1.47	5.43%	
				27.06

			Totals.
Rubber:			
New York	$34.52	100%	34.52
Hides:			
New York	$42.14	96.45%	
San Francisco	1.55	3.55%	43.69
Pearl Shells:			
Europe via Panama	$119.26	67.08%	
New York	54.25	30.51%	
San Francisco	4.27	2.41%	177.78
Mahogany:			
Europe via Panama	$280.00	31.25%	
San Francisco	616.00	68.75%	896.00
Various:			
Europe via Panama	$0.19	.44%	
New York	1.23	2.85%	
San Francisco	41.75	96.71%	43.17
Treasure:			
Europe via Panama $8,715.00	.....	4.49%	
New York 84,508.00	.....	43.56%	
San Francisco 100,774.00	.....	51.95%	
$193,997.00			$3,077.91

P. H. CAHILL.

On Board S. S. *San Juan*, off Panama coast, May 2, 1905.

TABLE B.

SHIPMENTS, IN TONS OF 2,000 LBS. EACH, OF ARTICLES MENTIONED, FROM THE PORTS STATED, BY THE ROUTES INDICATED, DURING 1904:

FROM—	Via Panama to Europe and New York.	Via Straits to Europe.	Totals.
Coffee:			
Port Angel	801.07	.....	801.07
San Benito	261.13	1,804.91	2,066.04
Ocos	.....	1,782.62	1,782.62
Champerico	7,864.70	2,506.40	10,371.10
San José	10,251.03	3,635.63	13,886.66
Acajutla	13,102.18	3,274.90	16,377.08
La Libertad	5,332.54	739.92	6,072.46
La Union	3,825.55	4,548.46	8,374.01
Amapala	49.58	.....	49.58
Corinto	6,273.60	4,119.90	10,393.50
Puntarenas	1,390.06	.....	1,390.06
	49,151.44	22,412.74	71,564.18
	68.68%	31.32%	
Coffee to San Francisco	.....	.....	15,351.11
			86,915.29
Sugar:			
San José	21.25	124.07	145.32
Acajutla	1,995.77	75.10	2,070.87
La Libertad	11.10	.....	11.10
	2,028.12	199.17	2,227.29
	91.06%	8.94%	
Sugar to San Francisco	.....	.....	2,728.40
			4,955.69

From—	Via Panama to Europe and New York.	Via Straits to Europe	Totals.
Skins:			
Port Angel	4.30	.....	4.30
San Benito	1.79	5.94	7.73
Ocos	.....	.06	.06
Champerico	7.39	.52	7.91
San José	22.98	.....	22.98
Acajutla	15.43	.....	15.43
La Libertad	5.37	.....	5.37
La Union	3.63	.....	3.63
Amapala	18.19	.....	18.19
Corinto	74.34	.15	74.49
Puntarenas	25.59	.....	25.59
	179.01	6.67	185.68
	96.41%	3.59%	
Skins to San Francisco	.....	.....	14.75
			200.43
Rubber:			
San Benito	25.97	15.75	41.72
Ocos	.....	.15	.15
Champerico	29.57	2.58	32.15
San José	233.85	.....	233.85
Acajutla	6.29	.....	6.29
La Libertad	4.20	.....	4.20
La Union	26.45	.85	27.30
Amapala	6.00	.....	6.00
Corinto	99.85	.....	99.85
Puntarenas	34.52	.....	34.52
	466.70	19.33	486.03
	96.02%	3.98%	
Rubber to San Francisco	.....	.....	6.54
			492.57
Hides:			
San Benito	1.51	12.75	14.26
Ocos	.....	26.26	26.26
Champerico	83.11	6.37	89.48
San José	446.35	.....	446.35
Acajutla	56.54	.....	56.54
La Libertad	33.08	.....	33.08
La Union	18.12	.....	18.12
Amapala	238.33	.....	238.33
Corinto	230.27	.....	230.27
Puntarenas	42.14	.....	42.14
	1,149.45	45.38	1,194.83
	96.21%	3.79%	
Hides to San Francisco	.....	.....	37.97
			1,232.80
Balsam:			
San José	.12	.....	.12
Acajutla	39.06	16.02	55.08
La Libertad	13.35	.....	13.35
	52.53	16.02	68.55
	76.62%	23.38%	
Indigo.			
San José	1.63	.....	1.63
Acajutla	50.27	5.35	55.62
La Libertad	27.25	.....	27.25
La Union	64.47	14.22	78.69
	143.62	19.57	163.17
	88.91%	11.09%	
Indigo to San Francisco	.....	.....	.80
			163.97
Mahogany:			
San José	383.21	455.61	838.82
La Union	.....	73.00	73.00
Puntarenas	280.00	.....	280.00
	663.21	528.61	1,191.82
	55.65%	44.35%	
Mahogany to S. Francisco.	.....	.....	1,033.25
			2,225.07
Horns:			
San José	10.32	1.65	11.97
	86.21%	13.79%	

From—	Via Panama to Europe and New York.	Via Straits to Europe.	Totals.
Pearl Shells:			
Puntarenas	173.51	.....	173.51
	100%		
Pearl shells to S. Francisco.	.....	.....	4.27
			177.78
Concentrates (Ore):			
Amapala	324.23	.....	324.23
	100%		
Concentrates to S. F'ncisco	.....	.....	414.61
			738.84
Treasure:			
La Union.....	2.71	.....	2.71
	100%		
Treasure to San Francisco	.....	.....	.44
			3.15
Treasure:			
San Benito.....	$21,720.00		
Acajutla	20,000.00		
La Union.....	328,666.00		
Amapala	319,958.00		
Corinto	168,061.00		
Puntarenas	93,223.00		
	$951,628.00		
	100%		
To San Francisco.....	122,780.00		
	$1,074,408.00		
Cocoa:			
San José.....	14.97	.....	14.97
	100%		
Various:			
San Benito	.25	.42	.67
Champerico	.62	33.59	34.26
San José.....	146.53	43.05	189.58
Acajutla	90.41	2.22	92.63
La Libertad.....	3.25	.....	3.25
Amapala	45.39	.....	45.39
Corinto	823.04	845.86	1,668.90
Puntarenas	1.42	.....	1.42
	1,110.91	925.14	2,036.05
	54.56%	45.44%	
Various to San Francisco.	.....	.....	1,461.77
			3,497.82

P. H. CAHILL.

On board S. S. *San Juan,* off Panama coast, May 2, 1905.

TABLE C.

SUMMARY OF A, SHOWING TOTAL SHIPMENTS FROM THE PORTS MENTIONED, IN TONS OF 2,000 LBS. EACH, TO DESIGNATIONS INDICATED DURING 1904:

FROM—	Via Panama to to Europe and New York.	Via Straits to Europe.	Totals.	Via Panama.	Via Straits.
Port Angel	805.37	.....	805.37	100%	.....
San Benito	290.65	1,839.77	2,130.42	13.65%	86.35%
Ocos	.....	1,809.09	1,809.09	.....	100%
Champerico	7,985.39	2,549.46	10,534.85	75.80%	24.20%
San José	11,532.24	4,260.01	15,792.25	73.03%	26.97%
Acajutla	15,355.95	3,373.59	18,729.54	81.99%	18.01%
La Libertad	5,430.14	739.92	6,170.06	88.01%	11.99%
La Union	3,940.93	4,636.53	8,577.46	45.95%	54.05%
Amapala	681.72	.....	681.72	100%	.....
Corinto	7,501.10	4,965.91	12,467.01	60.17%	39.83%
Puntarenas	1,947.24	.....	1,947.24	100%	.....
	55,470.73	24,174.28	79,645.01	69.65%	30.35%
Total from all ports to San Francisco			21,053.91		
			100,698.92		

Treasure from all ports via Panama $951,628.00
Treasure from all ports to San Francisco 122,780.00

$1,074,408.00

P. H. CAHILL.

On board S. S. *San Juan*, off Panama coast, May 2, 1905.

TABLE D.

SUMMARY OF B, SHOWING SHIPMENTS, IN TONS OF 2,000 LBS. EACH, OF THE ARTICLES NAMED, BY THE ROUTES MENTIONED, DURING 1904:

FROM—	Via Panama to to Europe and New York.	Via Straits to Europe.	Totals.	Via Panama.	Via Straits.
Coffee	49,151.44	22,412.74	71,564.18	68.68%	31.32%
Sugar	2,028.12	199.17	2,227.29	91.06%	8.94%
Skins	179.01	6.67	185.68	96.41%	3.59%
Rubber	466.70	19.33	486.03	96.02%	3.98%
Hides	1,149.45	45.38	1,194.83	96.21%	3.79%
Balsam	52.53	16.02	68.55	76.62%	23.38%
Indigo	143.62	19.57	163.19	88.91%	11.09%
Mahogany	663.21	528.61	1,191.82	55.65%	44.35%
Horns	10.32	1.65	11.97	86.21%	13.79%
Pearl shells	173.51	.....	173.51	100%	.....
Concentrates (ore)	324.23	.....	324.23	100%	.....
Treasure	2.71	.....	2.71	100%	.....
Cocoa	14.97	.....	14.97	100%	.....
Various	1,110.91	925.14	2,036.05	54.56%	45.44%
	55,470.73	24,174.28	79,645.01	69.65%	30.35%
Total shipments of all above articles to San Francisco			21,053.91		
			100,698.92		

Treasure via Panama $951,628.00 100%
Treasure to San Francisco 122,780.00

$1,074,408.00

P. H. CAHILL.

On board S. S. *San Juan*, off Panama coast, May 2, 1905.

In the following statement of the principal shipments from Central American and Mexican ports, coffee freight rates have been calcu-

lated per ton of 1,000 kilos, and the kilo taken at 2 1-5 lbs., so that 1,000 kilos are equivalent to 2,200 lbs. In the tariffs the rates to New York and San Francisco are given per ton of 2,000 lbs., but, in order that the comparison of rates may be precise, the proportion per 1,000 kilos or 2,200 lbs. is given.

Sterling has been calculated at 4/- to the U. S. dollar, or $5 to the pound sterling.

Railroad and other local charges are made up based on, more or less, the actual rate of exchange; the rate of exchange is subject to constant fluctuations.

Puntarenas (Costa Rica):

San Jose, the capital, is the centre of the coffee district, about 85 miles from Puntarenas, connection being by railroad, except a gap of 15 miles, over which haul is made by ox carts. The average shipments per season (Sept. 30 to Oct. 1 [*to May 1?*]) amount to 50,000 sacks, of which about 30,000 go to San Francisco, and 20,000 to Europe and New York, all over Panama Railroad, as Costa Ricans consider their coffee too valuable to be shipped to Europe by the longer Straits route.

Freight rate, San José to Puntarenas	$7.10
Wharfage, Puntarenas, government pier	1.60
Embarking, lighters propelled by hand	2.30
Local charges per 1,000 kilos, U. S. Gold	$11.00

I have questioned wharfage, as it seems too high, and I have taken it from memory.

	Freight rate.
Clean coffee, Europe via Panama	$15.00
Clean coffee, Europe via Straits	12.50
Husk coffee, Europe via Panama	20.00
Husk coffee, Europe via Straits	16.25
Clean and husk coffee, New York	11.00
Clean and husk coffee, San Francisco	8.00

About 37,000 sacks, far above the average will this season be shipped to Europe and New York, because land slides rendered the road to Port Limon intransitable for a couple of months.

From 6,000 to 10,000 tons of mahogany and cedar logs are shipped yearly mostly by sailers, and the greater part of the balance by the Straits, very little going via Panama. Most of this is loaded at a considerable distance from the port, and sailers only can give the necessary time to embark.

Hides, skins, pearl shells and gold dust form the rest of the shipments from this port.

San Juan del Sur (Nicaragua):

Cedar and mahogany logs, also loaded at some distance from the port, form the great bulk of the shipments from this port. On account of the suspension of traffic via Greytown, a little rubber, hides and coffee are now coming to San Juan. There is no railroad to the interior and embarking is effected from a small wharf or through the surf. Sailers take nearly all the logs, the same as in Puntarenas.

There has been so little business through this port that I do not recall the local charges, but, owing to the rough weather that prevails and to the hand propulsion lighterage must be, at least, as expensive as at Puntarenas. As at Puntarenas, the launches are owned by a local company.

For coffee rates, see Corinto.

Corinto (Nicaragua):

Coffee shipments from this port are about 160,000 bags per season, or nearly all produced in Nicaragua. On account of the lateness of the crop, the European markets being generally overstocked with mild grade coffee before Nicaragua shipments commence, and because of the inferior grade coffee produced, more advantage is taken here of the lower rate via the Straits than at other Central American ports; the longer time en route frequently avoids to shippers the payment of storage charges. Some 6,000 or 7,000 sacks go yearly to New York and perhaps 10,000 bags to San Francisco, the balance being shipped to Europe, about 40% via Magellan and 60% via Panama.

The railroad rate from Granada to Corinto, 119 miles	$11.18
Embarking charges in port	2.20
Export duty	8.80
	$22.18

	Freight rate.
Clean coffee, Europe via Panama	$16.25
Clean coffee, Europe via Straits	13.75
Husk coffee, Europe via Panama	22.50
Husk coffee, Europe via Straits	18.75
Clean and husk coffee, New York	15.40
Clean and husk coffee, San Francisco	8.80
Landing general merchandise, imports	2.20

Three lighter companies, all owned by local capitalists.

Besides coffee the exports are cedar and mahogany logs, hides, skins, rubber and treasure.

Amapala (Honduras):

About 3,000 sacks of coffee are shipped each season, all to Europe via Panama. I do not believe that there is any export duty. There is no railroad to the interior. I do not recall the local charges. There are two lighter companies, owned by Germans, residing in the port.

The other exports are treasure and concentrates, mostly to New York; hides, skins and rubber, to New York and Europe; dyewoods, generally to Hamburg, via the Straits.

Coffee rates, same as from Corinto.

La Union (Salvador):

About 75,000 sacks of coffee are shipped annually from this port.

Coffee is hauled in carts from the interior. This, like Corinto, is a land locked port, and, as in Corinto, the coffee is taken from warehouses on men's backs and put into lighters on the beach. The lighters are mostly dugouts or canoes. There are two lighter companies, one owned by local capitalists and the other by an Italian residing in the interior of Salvador.

Embarking charges	$2.76
Landing of imports, general merchandise	1.75

For export duties, &c., see under Acajutla.

The largest shipper through La Union wants to have his coffee arrive late, so as to be on the market when most of the mild grades are sold, and, to avoid storage charges and get lowest freight rate, he ships nearly all his coffee by the Straits. For this reason about 60% of the coffee to Europe goes via Magellan. Very little coffee is shipped to San Francisco and less to New York.

Hides, skins, rubber, indigo, and balsam form the balance of the shipments from this port.

La Libertad (Salvador):

This, like all the coffee ports to the north thereof, is an open roadstead. About 55,000 sacks of coffee, hauled from the interior in ox carts, are shipped through this port. I have no data at hand relative to the cost of wharfage and embarking, but these are probably the same as in Acajutla, with which port it is competing for imports and exports.

About 85% of the coffee for Europe goes via Panama. Only insignificant quantities are shipped to New York and San Francisco.

See under Acajutla for export duty, freight rates, &c.

A good deal of the importation for San Salvador, the capital, is brought through this port, because there is a custom house there, whereas the custom house of Acajutla is at Sonsonate, about 16 miles inland; time is gained by having goods cleared at the port, and La Libertad continues to prosper in spite of the railroad facilities of Acajutla.

One lighter company, all native capital.

Acajutla (Salvador):

Coffee shipments aggregate about 260,000 sacks yearly. Of this, about 220,000 go to Europe, 80% of it via Panama. About 35,000 sacks are shipped to San Francisco, and 5,000 to New York.

Railroad rate, Santa Ana to Acajutla, 67 miles	$7.80
Export duty (in addition to which there is a stamp duty of $3.50 per set of bills of lading)	11.00
Wharfage	1.15
Lighterage	3.50
	$23.45

	Freight rate.
Clean coffee, Europe via Panama	$16.25
Clean coffee, Europe via Straits	13.75
Husk coffee, Europe via Panama	22.50
Husk coffee, Europe via Straits	18.75
Clean and husk coffee, New York	15.40
Clean and husk coffee, San Francisco	8.80

The railroad is owned by English capitalists, who also own the lighters, and the same parties recently leased the wharf, paying 12% on nominal capital, or about 36% on the amount invested, the stock having been watered up to three times the actual investment.

San José (Guatemala):

Some 220,000 sacks of coffee are exported through this port, of which about 72% goes to Europe, about 70% of which latter goes via Panama. Shipments to New York and San Francisco are on the increase. On account of the low rate of freight to San Francisco, the inferior qualities from this and other ports, which could not stand the higher rates to New York and Europe, go there (San Francisco).

Export duty	$22.00
Railroad rate, Guatemala City to San José, 75 miles	16.50
Wharfage (from memory)	.54
Lighterage (also from memory)	2.85
	41.89

Freight rates from this and other Guatemala ports the same as from Corinto and Acajutla.

The Pacific Mail Steamship Co. holds a controlling interest in the Launch Company.

The wharf is owned by native capitalists.

The Guatemala Central Railroad, which is owned by the Pacific Improvement Company, New York and San Francisco, has a concession, under which it can collect freights in gold, the maximum from Guatemala City to the port to be 63c per 100 lbs., $13.86 per ton of 1,000 kilos, or over 18c per ton per mile. The gold rate will be put into effect for next coffee season.

Champerico (Guatemala):

Coffee shipments during the past couple of seasons were greatly diminished, owing to the volcanic eruption, but this season they will aggregate about 300,000 sacks. The coffee goes, in more or less the same proportions as from San Jose, to the destinations named under latter port.

The railroad tariff is 10c Guatemala currency—10/13c U. S. currency, per mile for every 100 lbs.

As the coffee district is about 39 miles from the coast, the rate for that distance is	$6.60
Wharfage	.42
Lighterage	1.27
	8.29

As the duty on coffee is the same from all Guatemala ports, see under San Jose for same.

The Occidental Railroad runs from Champerico to San Felipe and a branch connects at Mazatenango with the Guatemala Central. It is controlled by German and native capitalists. The railroad owns the wharf and lighters.

Besides coffee, the exports from this and other Guatemala ports are hides, skins, rubber, some mahogany and a few other articles of minor importance. Sugar exports, through San Jose, are now acquiring importance.

Ocos (Guatemala):

The volcanic eruption about two and a half years ago all but destroyed the wharf here, so that coffee is now being embarked through the surf. Since the eruption very little has been shipped until this season, when about 100,000 sacks will be shipped. Formerly 150,000 sacks formed the average of annual shipments.

Ordinarily the coffee shipped through Ocos would be distributed in more or less the same way as shipments through San Jose; but, owing to the slow work, Pacific Mail ships have not called there during the past two seasons, and I do not suppose they will go there this year, so that Kosmos steamers are taking all the coffee via the Straits.

I understand that the embarking through the surf is charged for at the rate of $3.00 U. S. currency per ton.

About 35 miles of railroad runs to the interior, close to the Mexican frontier. There is litigation between the native stockholders and the Germans who gave the capital for the construction; it is in possession of the latter.

The export duties are the same as from San Jose, and the rates to Europe and United States ports are the same as given under Corinto and Acajutla.

San Benito (Mexico):

The volcanic eruption already referred to unfavorably affected the coffee districts which ship through this port, but this season shipments will reach normal, say 40,000 sacks. A good deal of the coffee is shipped to Mazatlan and the Gulf ports—those on the Gulf of California. The greater part, however, is shipped by the Straits to Europe, as Pacific Mail steamers, on account of slow work, have found it unprofitable to call there. Some 5,000 or 6,000 sacks will probably find their way via Panama to Europe, shipped on Mexican steamers to Acapulco, where the coffee is transshipped to Pacific Mail steamers, the cost of the haul to and transfer at Acapulco being about $6.50 U. S. currency.

There is no duty on the export coffee of Mexico.

The embarking is done through the surf, and costs about $1.50 per ton.

On account of the detention to steamers at this port, the rate of freight is higher than from any other coffee port, viz:

Clean coffee, Europe via Panama	$17.50
Clean coffee, Europe via Straits	15.00
Husk coffee, Europe via Panama	23.75
Husk coffee, Europe via Straits	20.00

Rates to New York and San Francisco are the same as from Central American ports, or respectively, $15.40 and $8.80.

Port Angel (Mexico):

As both the Pacific Mail and Kosmos steamers have discontinued calls at Port Angel, the 16,000 sacks of coffee are taken by the Mexican steamers, about 4,000 to upper Mexican ports, and the balance transshipped at Acapulco to Pacific Mail steamers, the haul and transfer at Acapulco costing about $6.00 U. S. currency. Some 12,000 sacks find their way, in this manner, to Europe via Panama.

Embarking, done through the surf does not cost less than $1.50 per ton.

Freight rates to Europe and the United States the same as those from Central American ports.

There is no railroad to the interior.

Lighters are owned by local capitalists.

Manzanillo (Mexico):

The coffee produced about Colima is nearly all consumed in the district, and balance is shipped to upper Mexican ports on the Pacific.

The Mexican government is constructing a harbor here, similar to that at Salina Cruz, but on a smaller scale. The work is being done by an American contractor. A railroad connects the port with Colima.

Launches are owned by local capitalists and by the American contractor.

San Blas (Mexico):

A couple of large plantations are in the course of formation, but little or no coffee will be exported for a couple of years.

This is a rough port and there is little business therewith.

Launches are owned by local capitalists and are propelled by hand.

No coffee is produced further north.

General:

Tug boats are utilized to haul launches at La Libertad, Acajutla, San Jose and Champerico. Hand power is used to propel them in the balance of the coffee ports.

Outlets on the Atlantic:

All the Latin Republics north of Panama are ambitious to have an outlet on the Atlantic.

A railroad line connects the capital of Costa Rica with Port Limon. This is owned by British capitalists, but has been leased for a term of years to Mr. Keith, of the United Fruit Co., who will commence to operate it next July. The government of Costa Rica has built a line from the capital towards the Pacific, and, with the exception of a 15 mile gap between Santo Domingo and Esparta, there is actually interoceanic communication across Costa Rica.

Nicaragua has projected a 90 mile line from San Miguelito, on Lake Nicaragua to a sheltered harbor at Monkey Point, on the Atlantic. The railroad, belonging to the Nicaragua Government, but leased to private individuals, connecting Corinto with Granada, with the government steamers on the lake, will, when the projected railroad is completed, complete the interoceanic communication through Nicaragua.

There is a short line from Puerto Cortez inland, and Honduras is desirous of having it extended to Tegucigalpa, the capital.

Salvador has had surveys made to connect by rail Santa Ana with Zacapa, on the Northern Railroad of Guatemala. This would give Salvador an Atlantic outlet.

Work on the Northern Railroad of Guatemala is being continued by an American company, which has guaranteed to terminate the 65 miles of heavy construction in three years, so that there will be an interoceanic route from San Jose, on the Pacific, to Puerto Barrios, on the Atlantic.

Mexico has the Tehuantepec, as well as other lines to the Atlantic.

EXHIBIT J.

Copy of list of questions submitted to the Chamber of Commerce of San Diego, California, and answers thereto.

San Diego, California, *March* 17, 1905.

What kind of freight originates in the vicinity of San Diego for shipment to the eastern part of the United States and Europe?

What part of this freight could be successfully transported by the way of Panama?

Estimate the amount of each article.

What is the freight rate now charged by the railroads for each article of this freight to Boston, New York, Philadelphia, Baltimore and New Orleans?

What are the harbor facilities at San Diego?

How many wharves and who own or control them?

What steamship lines make this port, and how often do their vessels call?

What are the principal articles of freight shipped to San Diego from points east of the Alleghany Mountains?

Estimate the amount of each article.

What are the freight rates charged by the railroads on each article?

What is the time consumed in transporting freight by rail from San Diego to New York?

What are the principal articles of freight that are shipped from the Mississippi Valley to San Diego?

Estimate the amount of each article.

What are the freight rates charged on each article?

What articles of merchandise are shipped from San Diego to Europe and the eastern coast of the United States by the way of the Straits of Magellan?

What steamship lines handle this business, and what are the rates charged?

What are the principal articles of merchandise received at San Diego from Europe and the eastern part of the United States by the way of the Straits of Magellan?

What are the rates charged for such freight?

Would it be practicable to ship such articles of freight by the way of Panama? If not, why not?

What are the freight rates by rail in carload lots between San Diego and Los Angeles each way?

What are the freight rates in less than carload lots?

What are the articles of freight that are exported from San Diego and received at San Diego that it would be practicable to ship by the way of Panama?

Estimate the amount of each article of such freight, and the period during the year when it would be most likely to be handled?

Please make any statement not covered by the above questions that you think may have a bearing on the question of transportation by the way of Panama.

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

To the President of the Chamber of Commerce.

San Diego Chamber of Commerce,
San Diego, California, *April* 12, 1905.

HON. JOSEPH L. BRISTOW,
Special Commissioner, U. S. War Department,
Washington, D. C.

Sir—We would reply to the questions submitted by you to our Chamber of Commerce as follows:

Question.—What kind of freight originates in the vicinity of San Diego for shipment to the eastern part of the United States and Europe?

Answer.—Principally oranges, lemons, raisins, olives, olive oil, honey and dried fruits.

Question.—What part of this freight could be successfully transported by the way of Panama?

Answer.—Nearly all of it.

Question.—Estimate the amount of each article?

Answer.—Five hundred carloads of lemons, one hundred and twenty-five of oranges, one hundred of honey and one hundred and twenty-five of raisins, twenty-five dried fruit.

Question.—What is the freight rate now charged by the railroads for each article of this freight to Boston, New York, Philadelphia, Baltimore and New Orleans?

Answer.—Oranges, $1.25 per 100 lbs.; lemons, $1.00; raisins, $1.25; honey, $1.25.

Question.—What are the harbor facilities of San Diego?

Answer.—The harbor is amply large for any conceivable commercial purposes. It has about 17 linear miles of harbor front with a depth of water 30 feet and over at low tide. All of this frontage is more or less practicable for commercial purposes. Immediately in front of the cities of San Diego and National City there are at least five miles of water front available for wharf purposes. The harbor will admit vessels of deepest draught, the entrance having 30 feet in the channel at low tide. Steamers of the American-Hawaiian Line, drawing 27 feet of water and some of them of 10,000 tons capacity, are at the present time habitually using the harbor.

Question.—How many wharves, and who own or control them?

Answer.—At the present there are three principal commercial wharves. owned respectively by Spreckels Brothers' Commercial Company, Santa

Fe Railroad Company and Pacific Coast Steamship Company, but all are public wharves.

These wharves were constructed about twenty years ago under franchises granted by the City of San Diego, but all of these franchises expire in the year 1906, and the control of the water front then passes to a State Board of Harbor Commissioners, which has plenary power in the matter of fixing rates.

The facilities at the present time would accommodate from twelve to fifteen large steamers at any one time, besides at least the same number of smaller vessels.

Question.—What steamship lines make this port, and how often do their vessels call?

Answer.—The Hawaiian-American Steamship Company, plying between New York, San Francisco and Hawaii. The Pacific Coast Steamship Company, plying on the Pacific Coast of the United States.

Question.—What are the principal articles of freight shipped to San Diego from points east of the Alleghany Mountains?

Answer.—All articles of general merchandise.

Question.—Estimate the amount of each article.

Answer.—Impossible to make an estimate of each article. An average of twelve loaded freight cars arrive each day, estimated that one-third are loaded with eastern goods—bring 60,000 tons during the year.

Question.—What are the freight rates charged by the railroads on each article.

Answer.—See comparison of freight rates furnished herewith.

Question.—What is the time consumed in transporting freight by rail from San Diego to New York?

Answer.—Averages thirty-one days by rail, sixty days by steamship.

Question.—What are the principal articles of freight that are shipped from the Mississippi Valley to San Diego?

Answer.—Very little at present, but for the two and a half years immediately preceding the formation of the combine entered into between the Southern Pacific R. R. Co. and the Santa Fe Co., which combine closed this harbor to all foreign trade other than Baja California, Mexico, there was received at this port by rail from the Southern States 99,888 bales of cotton, valued at $2,258,000.

Question.—Estimate the amount of each article.

Answer.—Nothing worth noting.

Question.—What articles of merchandise are shipped from San Diego to Europe and the eastern coast of the United States by the way of the Straits of Magellan?

Answer.—None at present from this port.

Question.—What steamship lines handle this business, and what are the rates charged?

Answer.—Answered in No. 14.

Question.—What are the principal articles of merchandise received at San Diego from Europe and the eastern part of the United States by the way of the Straits of Magellan?

Answer.—Answered in No. 14.

Question.—What are the rates charged for such freight?

Answer.—Answered in No. 14.

Question.—Would it be practicable to ship such articles of freight by the way of Panama? If not, why not?

Answer.—It is practicable to ship 95 per cent. of all freight between this port and the east via Panama Railroad if the road is opened on equal terms to all shippers and all ships.

Question.—What are the freight rates by rail in carload lots between San Diego and Los Angeles each way?

Answer.—Ranges from 10 to 20 cents per 100 lbs. Average 16 cents. Distance 125 miles.

Question.—What are the freight rates in less than carload lots?

Answer.—Same.

Question.—What are the articles of freight that are exported from San Diego and received at San Diego that it would be practicable to ship by the way of Panama?

Answer.—All articles named heretofore in this reply.

Question.—Estimate the amount of each article of such freight, and the period during the year when it would be most likely to be handled.

Answer.—Estimates have been given as near as may be in foregoing answers.

Question.—Please make any statement not covered by the above questions that you think may have a bearing on the question of transportation by the way of Panama.

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

We also enclose copy of a Resolution adopted by the Board of Directors of the San Diego Chamber of Commerce at their regular weekly meeting held March 24, 1905, as well as tonnage statement prepared at our request by the Collector of Customs for San Diego and comparison of rail and water freight routes.

H. P. WOOD,
Secretary, San Diego Chamber of Commerce.

Enclosures:
Resolution San Diego Chamber of Commerce.
Statement of tonnage furnished by U. S. Customs service.
Comparison rail and water freight rates.

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

I hereby certify that the foregoing is a true and correct copy of a portion of the minutes of the regular weekly meeting of the Board of Directors of the San Diego Chamber of Commerce held Friday, March 24, 1905.

JOHN S. AKERMAN,
President.

Attest:
H. P. WOOD,
Secretary.

STATEMENT OF TONNAGE LANDED AT SAN DIEGO, CAL., FROM CERTAIN VESSELS ARRIVED FROM NEW YORK AND PHILADELPHIA.

FROM NEW YORK—	Tonnage landed.
March 24, 1904, American S. S. *Alaskan*	1,650
June 4, 1904, American S. S. *American*	1,585
September 8, 1904, American S. S. *Texan*	1,272
December 2, 1904, American S. S. *Nebraskan*	1,391
December 7, 1904, American S. S. *Alaskan*	416
January 10, 1905, American S. S. *Arizonian*	1,154
February 10, 1905, American S. S. *Hawaiian*	1,219
February 27, 1905, American S. S. *Oregonian*	812

2,240 lbs. per ton.

		Tonnage landed.
From Philadelphia—		
July 8, 1904, American bark *Willscott*		1,749
		Packages.
Furnished.	Iron pipe and mfrs. of iron and steel	37,483
Collector.	General merchandise	49,915
	Coal (tons)	3,222
March 27, 1905, American S. S. *American*, tonnage landed		800
Total iron and general merchandise (tons)		12,058

COMPARISON FREIGHT RATES BY WATER AND BY RAIL BETWEEN SAN DIEGOO, CAL., AND NEW YORK AND EASTERN POINTS GENERALLY.

Articles.	By Water. Rate per 100 lbs.	By Rail. Less than carload lots.	By Rail. Carload lots.
Agate granite	$0.90 to $0.90	$1.60	$1.10
Enameled ware	.90 to .90	1.60	1.10
Anvils	.80 to .70	1.15	.85
Asbestos belting	.90 to .70	1.50	1.00
Axes	.75 to .60	1.50	1.10
Axles	.90 to .60	1.50	1.10
B. D. hangers and rails	.70 to .60	1.60	....
Bath tubs, iron	1.25 to 1.25	2.00	....
Bath tubs, steel	2.25 to 1.75	3.00	1.40
Bellows	1.20 to 1.20	3.00	....
Belting leather or rubber	.95 to .70	1.65	1.10
Blocks, tackle	.80 to .70	1.60	....
Blowers, blacksmiths'	1.20 to 1.20	1.90	....
Boilers, range	1.25 to 1.00	2.00	1.35
Boilers, stands	1.25 to 1.00	2.00	1.35
Bolts, nuts and washers	.70 to .55	1.20	.80
Brass sheets	.90 to .75	1.75	1.35
Brass tubes	.90 to .75	1.85	1.35
Brass rods	.90 to .75	1.75	1.35
Butts and hinges	.65 to .55	1.15	.80
Cable chains	.75 to .55	1.35	.85
Casters and furinture	.75 to .75	1.60	....
Caldrons	1.00 to .90	1.60	1.10
Chain traces	.85 to .65	1.60	.85
Clothes lines, jute	.85 to .60	1.25	.90
Clothes lines, wire	.90 to .60	1.60	....
Clothes pins	.80 to .60	1.50	1.00
Clothes racks	.80 to .70	2.00	....
Clothes wringers	.85 to .75	1.75	1.25
Coal oil cans, gal. iron	1.25 to 1.25	3.00	1.10
Coal scuttles, gal. nested	.90 to .92	1.60	1.10
Coffee mills	1.00 to 1.00	1.75	....
Copper wire	.85 to .55	1.75	....
Cordage	.85 to .65	1.25	.90
Crowbars	.65 to .55	1.25	....
Cutlery, not plated	1.20 to 1.20	2.60	....
Cutlery, plated	1.20 to 1.20	4.50	....
Drills, blacksmiths'	1.20 to 1.20	1.75	....
Earthenware	1.25 to .95	2.00	1.40
Emery	.90 to .90	1.60	....
Faucets, box valves	.90 to .75	1.75	....
Feed cutters	1.10 to .85	3.00	....
Feed cutters, K. D.	.....	2.20	....
Feed mills	1.10 to .85	1.25	1.40
Felloes	.75 to .55	1.40	.90
Files, iron and steel	.75 to .65	1.60	....
Fittings, iron	.75 to .55	1.50	1.00
Forges	1.20 to 1.20	2.00	....
Forges, iron	.80 to .70	1.50	1.00
Gas and oil stoves	1.35 to 1.10	3.00	1.45
Grates, iron	.90 to .75	2.20	1.45
Grindstones, unmounted	.70 to .60	1.50	1.00
Grindstone fixtures	.90 to .70	1.75	1.50
Hardware, N. O. S.	.90 to .90	2.60	....
Hinges	.80 to .70	1.60	....
Hoppers	.90 to .80	2.00	1.40
Horseshoes, per keg	.70 to .60	....	....
Horseshoes, per No. 11	.....	1.25	.80
Hubs	.75 to .60	1.45	1.15
Ice cream freezers	1.10 to .95	1.75	1.40
Iron bands and bars	.65 to .55	1.25	.75
Iron, corrugated	.80 to .60	....	.90

Articles.	By Water. Rate per 100 lbs.	By Rail. Less than carload lots.	By Rail. Carload lots.
Iron, sheet	.80 to .60	....	.90
Iron valves	.70 to .55	1.50	1.00
Lanterns	.90 to .85	1.60	1.10
Lawn mowers	.90 to .80	1.75	1.25
Locks	.90 to .80	1.60	1.10
Mattocks	.70 to .65	1.75	1.25
Mauls	.70 to .60	1.15	.80
Meat choppers	1.00 to 1.00	1.75	....
Nuts, iron	.70 to .55	1.20	.80
Oakum	.90 to .80	1.50	.90
Oilers, brass, N. P.	1.00 to .90	2.20	....
Pails, iron nested	.90 to .90	2.60	....
Paper, sand	.85 to .70	1.60	1.10
Paper, building	.70 to .60	1.10	.75
Picks	.75 to .65	1.75	1.25
Pipe, iron	.65 to .55	....	....
Pruning shears	.80 to .80	1.75	....
Pumps	.85 to .75	1.75	....
Radiators	.90 to .80	1.40	....
Rasps	.75 to .65	1.60	....
Rivets, copper	.75 to .65	1.75	....
Rivets, iron	.75 to .55	1.20	.80
Rope	.85 to .60	1.25	.90
Saws	1.00 to .80	1.75	....
Scales, platform	.80 to .65	1.60	....
Screws, brass	.90 to .75	1.75	....
Screws, iron	.70 to .50	1.20	.80
Scythes	.80 to .70	1.75	1.25
Scythe stones	.80 to .70	1.60	....
Shovels	1.10 to .85	1.75	1.25
Sinks	1.10 to .75	1.75	1.25
Sledges	.70 to .60	1.15	.80
Spikes	.70 to .55	1.25	.80
Staples	.70 to .55	1.25	.80
Steel, bar and bdl.	.65 to .55	1.25	.75
Tacks, brass and copper	.75 to .65	1.25	.75
Tacks, iron	.70 to .55	1.40	.90
Tinware	1.25 to 1.25	2.20	....
Tinware, nested	.90 to .90	1.60	....
Fire benders	.85 to .85	1.60	....
Fire shrinker	.85 to .85	1.75	....
Fire upsetter	.85 to .85	1.75	....
Toe clks	.70 to .55	1.25	....
Tubs, iron, nested	.90 to .90	....	1.40
Tuyeres, iron	.75 to .65	1.75	....
Valves, brass	.90 to .75	1.75	....
Valves, iron	.70 to .55	1.50	1.00
Vises	.80 to .70	1.60	....
Vises, blacksmiths'	.....	1.75	....
Wagon jacks	1.00 to .75	1.60	....
Wagon springs	.80 to .60	1.35	1.00
Wheelbarrows, K. D., compact.	1.00 to .85	1.35	1.00
Wheels, carriage or wagon, plain or tired	.90 to .75	....	1.15
Wire netting	.80 to .65	1.60	....
Wrenches	.80 to .80	1.60	....
Minimum	2.00		

San Diego, Cal., *March* 24, 1905.

(Exhibit J-2.)

Copy of list of questions submitted to the Chamber of Commerce of San Francisco, California, and "Report of Special Committee of the Board of Trustees of the Chamber of Commerce of San Francisco, upon Utility of Panama Route for Freight Transportation between San Francisco and the Atlantic States, Approved at a Special Meeting of the Board of Trustees, April 20, 1905," *made in response to questions.*

San Francisco, California, *March* 21, 1905.

What kind of freight originates in San Francisco and the vicinity

within its commercial radius for shipment to the eastern part of the United States and Europe:

Estimate the amount of each of the principal articles of such freight.

What part of this freight could be successfully transported by the way of Panama?

Are there any articles of such freight that it would not be practicable to ship by the way of Panama? If so, please name the articles and the reason why shipment by the Panama route would be impracticable.

What per cent. of the freight that could be successfully shipped by the way of Panama is transported by that route? What part by the Straits of Magellan? What part by the transcontinental railroads? In answering the above questions, please state, if practicable, the per cent. of each article that is shipped by the way of the various routes.

Please state in detail why any part of the freight that it is practicable to ship by the way of Panama is not shipped by that route.

What are the principal articles of freight shipped from San Francisco to points east of the Alleghany Mountains?

Estimate the amount of each article.

What are the freight rates charged by the railroads on each article?

What is the time consumed in transporting freight by rail from San Francisco to the large eastern cities—namely, Boston, New York, Philadelphia, and Baltimore?

What are the principal articles of freight that are shipped from San Francisco to the Mississippi Valley?

Estimate the amount of each of the principal articles of such freight.

What are the freight rates charged on each of the principal articles of such freight?

What is the average time consumed in shipping by rail to points in the Mississippi Valley?

Is any freight shipped from San Francisco to the Mississippi Valley by the way of Panama, or the Straits of Magellan? If so, please state the kind of freight, the amount, and the rates charged.

What are the principal articles of freight received at San Francisco from Europe, the eastern coast of the United States, and the Mississippi Valley.

Estimate the amount of each of the principal articles of such freight.

What per cent. of this freight comes by the way of Panama, the Straits of Magellan, and the transcontinental railroads?

What are the freight rates charged on the principal articles by each of these routes?

What part of this freight that does not go by the way of Panama would it be practicable to ship by that route?

If a large part of the freight that could be shipped by the way of Panama is shipped by the other routes, please state the reasons why such shipment is made by other routes.

Is it essential to the commercial interests of San Francisco that there should be a line of steamers making regular schedule trips between Panama and San Francisco?

What American steamship companies doing business on the Pacific Coast have vessels that would be equipped for handling efficiently cargo and passengers between the Pacific ports of the United States and Panama?

Is there any American steamship line that would establish a regular service between Panama and the Pacific Coast of the United States if it were given the same privilege as to through bills of lading now held by the Pacific Mail Steamship Company with the Panama Railroad Company? If so, please state the lines.

If the privilege of through bills of lading was thrown open to all steamship lines doing business on the Pacific Coast, and as a result of such open competition the Pacific Mail should not feel justified in maintaining its regular schedule service, would the result be beneficial or injurious to the commercial interests of San Francisco; that is, would an open service without schedule be preferable to the present status?

Under normal conditions, with rates fixed upon a basis of reasonable compensation for services rendered, would there be sufficient business between the Pacific and Atlantic ports of the United States to warrant the establishment of a first-class line of steamers to make regular schedule trips weekly from Pacific Coast ports to Panama? Please answer this question in detail, giving the conditions under which, in your judgment, such line would or would not be successful.

Is there any freight originating elsewhere than at San Francisco and brought here by steamship companies that is transported to the eastern coast of the United States from San Francisco by rail? If so, please state the character of this freight, the amount, the place where it originates, and the rates charged by the railroad companies for its transportation across the continent.

Is any freight of this character, after it is shipped across the continent, reshipped from the eastern ports of the United State to Europe?

Is there now, or has there been in the recent past, any freight shipped to San Francisco from the eastern coast of the United States via Europe? Is so, please state why shipments were made by that route.

In answering these inquiries, it is desired that a full discussion of the subject-matter of each question be given, so that each answer will present a clear and comprehensive statement of all of the facts that have a direct or indirect bearing on the subject.

State any objections that the commercial interests of San Francisco may have against the present rate-making system of the Panama Railroad Company.

Please make any statement not covered by the above questions that you think may have a bearing on the subject of transportation by the way of Panama.

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

To the President of the Chamber of Commerce.

REPORT OF SPECIAL COMMITTEE OF THE BOARD OF TRUSTEES OF THE CHAMBER OF COMMERCE OF SAN FRANCISCO UPON UTILITY OF PANAMA ROUTE FOR FREIGHT TRANSPORTATION BETWEEN SAN FRANCISCO AND THE ATLANTIC STATES.

APPROVED AT A SPECIAL MEETING OF THE BOARD OF TRUSTEES APRIL 20, 1905.

San Francisco, *April* 20, 1905.

To the Honorable President and Board of Trustees of the Chamber of Commerce of San Francisco:

Gentlemen:—Your Committee, appointed to collect and furnish information to Honorable J. L. Bristow, Special Panama Railroad Commissioner, respectfully submits the following report:

The recent acquirement by the United States Government of the Panama Railroad and the steamship line connecting Colon with New York, again opens the question as to the utility of the Panama route for the movement of freight between San Francisco and the Atlantic States.

The first overland rail line was the Central Pacific Railroad, opened in June, 1869, and for at least thirty years past this same question has been studied and discussed in every practical form and detail by the merchants of San Francisco, but at no time has there been a satisfactory solution or tangible result obtained.

During all these years while San Francisco has been growing and its commerce steadily increasing in volume, the traffic between the Golden Gate and the Eastern States via Panama has remained almost stationary. True, there have been variations, due to occasional periods of extra activity in favor of competitive means of freight transportation, but each period of this character was of short duration, and the traffic quickly resumed its normal movement.

At this time, however, the subject comes up in an entirely different form. Under government ownership of the Panama Railroad and the sea route to New York from Colon, the only question to be considered would be whether freight rates could be made sufficiently low to make the saving on transportation expense an object to the shipper, and enough to offset the additional time required in transit. While the Panama Railroad and the Atlantic Steamship Line were under private control, the freight differentials between the competitive and non-competitive periods were so unimportant that San Francisco merchants

gave them little consideration. The situation was substantially the same to the shipper and importer during the time when Panama route rates were scheduled under agreement with transcontinental lines as when the Panama route was independent of all alliances and stipulations.

As an illustration of this fact it will be recalled that in the summer of 1892 the management of the Panama Railroad Company announced its willingness and intention to co-operate with a Pacific Coast line of steamships under the American flag, and thus maintain an independent regular service of steamers between San Francisco and New York, touching at Mexican and Central American ports on the west coast, the line to be absolutely free from all entangling agreements with railroads or pooling contracts. This plan was duly formulated and the enterprise was commended to the governments of Mexico and the Central American republics as worthy of their aid and support, and to the merchants of San Francisco and the State at large as a means of building up and increasing the trade relations between this city and the Atlantic States to our mutual benefit, and especially because it afforded to California a water outlet for our products to the markets of the Eastern States and as a means of ingress of importations from that section of our country, the traffic both ways being at reduced competitive freight rates.

With this objective in view, the merchants of San Francisco established and commenced to operate the North American Navigation Company, covering the route between San Francisco and Panama in connection with the isthmus railroad and steamers on the Atlantic side from Colon. All the commercial bodies of this city were appealed to, and the merchants of both city and State were urged to use this route on all freight possible to come or go that way.

This effort was the best and most substantial ever put forth to utilize the Panama route for freight purposes; but, as will be remembered, it was of short duration, and failed to accomplish the much-sought results.

There are reasons why the Panama route cannot be utilized with advantage in the commercial interchange of commodities between San Francisco and the Atlantic States, and with the steady development of transportation facilities between nations as well as between our own States, those reasons are becoming more potential every year. In brief, they are but two in number:

First. Loss of time in transit.

Second. Increased freight cost made necessary by transshipment from steamer to car and from car to steamer.

These two factors are the obstacles; they are permanent for the time being, and cannot be overcome until the Panama canal is completed. At present all freight shipped from San Francisco to New York via the Panama route has to be handled at least six times in transit, thereby increasing the risk of damage or breakage, while by overland railroad it is handled only two times, and makes the journey in less than one-half the time consumed via Panama.

As heretofore stated, the freight movement from San Francisco to the Atlantic States via Panama changes but little from year to year. The list of commodities, while extensive, does not show the same ordinary increase as in other channels of trade. In order to give a good idea of the character and volume of this traffic, the following complete statements for the last three alternate fiscal years, showing the com-

modities and quantities thereof shipped from San Francisco to the Atlantic States by sea, are presented:

	1903-1904.	1901-1902.	1899-1900.
Arms and ammunition, packages	1	10	.....
Asphaltum, packages	9,174	10,256	15,308
Agricultural implements, packages	.....	50	.....
Bags and bagging, bales	116	333	50
Beans, lbs	251,504	1,032,273	221,714
Bicycles, crates	1	.....	1
Books and stationery, packages	89	303	54
Boots and shoes, packages	10	.....	.....
Brandy, gals	2,918	853	47,620
Barley, ctls	.....	507,701	.....
Beeswax, lbs.	.....	10,717	24,165
Bonemeal, tons	.....	.....	130
Borax, lbs.	.....	.....	1,000,378
Canned goods, cases	4,848	10,742	3,327
Cascara Bark, sks	406	75	586
China merchandise, packages	140	.....	.....
Coffee, lbs.	1,275	.....	5,834
Copper, lbs.	3,815	.....	.....
Cement and plaster, lbs	.....	252	41
Cordage, coils	.....	145	.....
Candles, boxes	.....	.....	35
Codfish, packages	.....	.....	17
Drugs, packages	274	187	507
Drugs, lbs.	.....	101,019	18,771
Dry goods, packages	67	2,361	95
Electric goods, packages	53	3	2
Fertilizers, sacks	.....	856	.....
Fish, packages	2	3	23
Fruit, boxes	38	.....	219
Fruit, canned, cases	36,104	43,155	28,452
Fruit, Dried, lbs	221,542	2,040,124	245,784
Fruit, Dried, cases	4,248	17,141	.....
Glassware, packages	5	329	1
Groceries and provisions, lbs	40,750	41,179	104,471
Groceries and provisions, packages	2,630	10,562	1,157
Hardware, packages	539	444	339
Harness, packages	24	764	.....
Honey, cases	1,438	1,384	3,759
Hops, lbs.	.....	130,677	170,031
Iron, tons	303	.....	102
Iron, manufactured, packages	313	57	219
Lard,, lbs.	12,009	10,694	.....
Lead, pigs	71,164	25,648	1,481
Leather, packages	1,068	5	767
Lumber, manufactured, packages	10,823	1,612	695
Lumber, feet	.....	249,150	245,829
Liquors, cases	.....	.....	132
Machinery, packages	114	3,053	53
Metals, packages	19,486	4,516	11
Millstuffs, packages	277	.....	1
Millstuffs, lbs.	.....	672,486	.....
Miscellaneous, packages	22,888	62,746	14,394
Miscellaneous, lbs.	2,728,825	2,413,872	1,959,640
Marble, packages	.....	13	.....
Nuts, sacks	2	.....	1
Nails, kegs	.....	23	.....
Oil and kerosene, cases	3,096	9,277	3,436
Oil and kerosene, bbls	536	563	598
Paint, cases	291	38	121
Paper, rolls	55	97	5
Pipe, pieces	194	.....	.....
Quicksilver, flasks	7,404	130	105
Rice, lbs.	26,390	8,260	31,010
Raisins, boxes	.....	8	403
Rye, ctls	.....	15,720	.....
Salmon, cases	166,437	113,042	206,832
Salmon, bbls.	4,038	1,170	2,692
Seed, lbs.	100	244,367	1,284,990
Sewing machines, cases	2	1	1
Sugar, lbs.	144,455	.....	94.150
Salt, bales	.....	.....	46
Ship chandlery, packages	.....	.....	8
Tin, ingots	147	6	.....

	1903-1904.	1901-1902.	1899-1900.
Tobacco, lbs.	.....	650	120
Tea, lbs.	.....	.....	430
Vegetables, sacks	5	.....	1,891
Wine, gallons	4,118,675	4,439,684	3,684,575
Wine, cases	69	31	256
Wool, lbs.	2,348,376	1,136,086	3,830,293
Whiskey, gallons	.....	.....	223
Wheat, ctls.	.....	.....	1,231
Wire, bundles	.....	.....	20
Varnish, cases	.....	.....	89

These totals comprise the aggregate shipments by sea, but the portion which goes by Panama cannot be segregated with any degree of accuracy. As nearly as can be estimated at this time, it is probably about 60 per cent. via Panama and 40 per cent. via Straits of Magellan.

The aggregate value of annual exports from San Francisco by sea for New York, and also the yearly totals for Panama as a port of destination since 1884, are shown as follows:

Year.	To Atlantic States. Value.	To Panama. Value.
1884	$2,940,250	$316,131
1885	3,116,791	258,240
1886	3,054,201	185,610
1887	6,688,755	213,379
1888	6,384,500	183,600
1889	6,010,147	130,844
1890	4,071,899	100,647
1891	5,372,225	114,513
1892	8,548,705	96,068
1893	4,735,799	110,163
1894	3,767,545	136,910
1895	3,904,398	125,330
1896	3,080,251	151,273
1897	3,543,795	135,006
1898	3,173,326	146,880
1899	3,885,548	112,632
1900	2,866,969	104,507
1901	3,947,502	149,840
1902	4,937,628	134,066
1903	5,368,252	161,070
1904	4,658,224	185,145

It will be noted that during all these years the outgoing freight from San Francisco to the Atlantic States by sea has maintained a comparatively even status. The percentage shipped via Panama during the last ten years is smaller than in the previous ten years, but for the entire period 60 per cent. is a conservative allowance to be credited to the Panama route.

The tonnage movement between San Francisco and Panama for a series of years past has been as follows:

	Arrivals.		Clearances.	
Year.	Vessels.	Tonnage.	Vessels.	Tonnage.
1884	25	42,859	25	42,860
1885	29	47,864	27	43,528
1886	43	69,729	42	68,810
1887	44	70,747	43	68,096
1888	37	65,410	36	65,204
1889	31	53,000	33	57,930
1890	38	67,145	36	63,874
1891	41	70,713	37	66,542
1892	47	77,356	48	79,607
1893	54	90,912	63	107,337
1894	52	89,521	53	91,539
1895	43	105,268	55	92,442
1896	46	82,470	43	77,638
1897	43	74,880	38	69,512
1898	39	65,229	36	62,268
1899	43	76,158	39	69,028
1900	42	80,274	37	73,890
1901	58	102,972	56	99,454
1902	48	86,930	49	88,198
1903	48	115,582	34	73,630
1904	53	101,309	52	98,571

The bulk of these annual totals represents the traffic between San Francisco and the Atlantic States via Panama. Only a small portion was for Panama as a port of destination, and a still smaller portion was destined for Europe.

The tonnage movement between San Francisco and the Atlantic ports via the Straits of Magellan for a series of years past is shown as follows:

Year.	Arrivals. Vessels.	Arrivals. Tonnage.	Clearances. Vessels.	Clearances. Tonnage.
1884	54	87,771	9	13,052
1885	40	66,702	10	13,979
1886	33	59,808	9	11,657
1887	41	64,956	13	22,068
1888	40	62,318	10	12,947
1889	45	79,771	12	19,905
1890	49	84,260	16	25,682
1891	54	88,412	24	39,890
1892	60	111,590	33	57,840
1893	38	70,554	29	55.514
1894	32	56,180	10	19,082
1895	24	45,508	6	12,818
1896	28	57,698	10	18,743
1897	46	92,260	12	19,851
1898	51	64,620	7	14,779
1899	22	44,665	4	7,402
1900	22	49,910	2	4,758
1901	15	40,053	10	26,914
1902	21	71,434	8	23,822
1903	24	77,918	8	11,918
1904	24	101,043	11	35,326

The volume of the freight movement between San Francisco and the Atlantic States by rail is not obtainable for recent years, but in order to show the rapid growth of overland traffic as compared with the stationary condition of the movement via Panama to the Eastern States, the following figures showing the freight movement over the Central Pacific and Southern Pacific lines for a series of years prior to 1895, from all centers of freight accumulation in California, are submitted:

Year.	Eastbound. Pounds.	Westbound. Pounds.
1884	308,141,950	413,905,730
1885	382,871,840	373,970,110
1886	553,213,840	569,835,580
1887	500,741,890	707,378,590
1888	561,496,950	720,664,660
1889	551,490,820	714,428,380
1890	699,382,075	664,149,935
1891	806,422,000	671,406,000
1892	945,752,000	850,646,000
1893	1,179,546,000	888,676,000
1894	1,320,926,130	950,174,300

As far as can be learned from the merchants of San Francisco there are few commodities which can be shipped from this city to the Atlantic States to better advantage via the Panama route than by transcontinental lines. The rates via Panama seem to be so adjusted that the small saving in freight charges is not sufficient to warrant the risk of damage or breakage in the several handlings required during transportation. Personal expressions of opinion upon this subject have been obtained from a number of the leading importing and exporting firms of San Francisco. These statements are based on actual experience in a number of representative lines of business which are sufficiently varied to be considered as a guide, and equally applicable to many other branches of trade not specifically mentioned. Details are as follows:

PAINTS, OILS AND GLASS—

No freight in these lines, originating in San Francisco, is shipped to

Eastern States or Europe. All these commodities are imported here in large quantities. Only a small portion—say, 5 per cent.—comes from the Atlantic States via Panama. The balance comes from the Atlantic Coast by rail, and that from Europe comes via Straits of Magellan. That portion originating in the Mississippi Valley comes by rail. Routes named are preferred to Panama because there is less probability of damage by breakage or leakage, and this more than offsets the question of time.

Freight rates, carload lots, by rail, on plate glass, $1.50 per 100 lbs.; window glass, 90c. and paints 90c. per 100 lbs Panama rates, paints and varnishes 72c. per 100 lbs.; lubricating oils, 50c. per 100 lbs. By Straits of Magellan the rate is $10 to $15 per ton.

CANNED SALMON—

Only a small part of the 60,000 to 70,000 tons exported annually goes by Panama. About one-third is shipped by sailing vessels via Straits of Magellan to Europe, and the other two-thirds is shipped by rail to other parts of the United States. Shipments are occasionally made to New York via Straits of Magellan. Present rail rates to the Atlantic Coast are 75c. per 100 lbs. in carload lots.

QUICKSILVER—

Some small quantities are shipped to New York via Panama, probably an average of 3,000 flasks per year for the last few years. Shippers claim that where time is a factor, the benefit of lower freight rate is infinitesimal. The bulk of shipments go by rail. As opportunity occurs, shipments are made via Straits of Magellan at rates lower than via the isthmus.

DRIED FRUITS—

Climatic conditions are a barrier to shipments of some varieties of fruit via Panama, but aside from that fact the present small differences in freight rates between the overland railroad and Panama railroad would not justify the use of the latter route. The climate is a serious objection which cannot be overcome, and occasionally small shipments of fruit, apparently well packed in paper-lined boxes, have arrived at destinations in a partially damaged state.

CANNED FRUITS AND VEGETABLES—

These commodities are largely shipped by sail to Atlantic States and Europe via Straits of Magellan. Panama rates would have to be considerably reduced in order to compete for the traffic. Packers can furnish but little information beyond saying that the canneries are nearly all in the interior and distant from San Francisco, thus causing a local charge for freight and cartage where goods are placed on board a steamer bound for Panama. The further fact is also cited that goods going in this way are subjected to several handlings on account of lightering at Panama and movement to and from cars, thus causing more or less damage, and the freight rates being so near the overland rail figure make it advisable for canners to ignore the Panama route.

SALT SALMON AND CODFISH—

This stock could not be shipped via Panama because of unfavorable effect of the climatic conditions. If the fish were packed in sealed and lined boxes it would probably safeguard the goods, but the bulk of the stock is not so packed, and it is moved overland in carload lots in 12 to 16 days' time at rates only a trifle above the rate via Panama, which would require 23 to 30 days' time.

WINES AND BRANDIES—

Not more than one-half of the wines and brandies shipped from San Francisco to the Atlantic States is forwarded by sea, and only about one-fourth of that goes by Panama. If there were regular steamers plying between Colon and New Orleans, fully one-third of all the wine and brandy forwarded could go via Panama. With the present limited steamer service on the Atlantic side, about all the wine practicable to ship via Panama is now going that way. Wine is now shipped by rail to the Mississippi Valley points at 75c. per 100 lbs., and to the Atlantic Coast for 85c. per 100 lbs. The only reason that freight is shipped by other routes than Panama is that the greater convenience of shipping points and handling makes it more economical to ship by rail than sea.

HOPS—

Large quantities are exported from California, but the bulk of shipments is by railroad, which charges a rate of $2.00 per 100 lbs. to all main Missouri River and Mississippi River points, and a through rate of $2.60 per 100 lbs. via rail to the Atlantic seaboard points and thence by steamer to London. Hops would not stand shipment via Panama, because of the climate, unless in sealed boxes, while they are shipped by the transcontinental lines in bales and are free from all the extra handling that would be necessary via Panama.

BOOTS AND SHOES—

In this line shipments to the East are small, but the quantities of raw material coming West are large, and considerable quantities of manufactured goods are also received here. Fully 98 per cent. of all such freight comes to San Francisco by rail, the freight rate being $2.50 per 100 lbs. At least 90 per cent. of all this freight could come by the Panama route if there was a regular schedule of sailings and a rate of $1.50 per 100 lbs. or less was established. The present small difference in rates by rail and via Panama does not warrant the use of the isthmus route.

PAPER, CARDBOARD, TWINES, ETC.—

There are no shipments worth mentioning in this line of business from San Francisco eastward, but considerable quantities come from the Atlantic States to San Francisco. Of these shipments less than one-quarter come by way of the Panama route, the percentage division being 69 per cent. by transcontinental railroad, 24 per cent. via Panama and 7 per cent. via Straits of Magellan. Rates by rail are 75c. to $1.20 per 100 lbs. by Panama; 60, 72 and 96 cents per 100 lbs., depending on the goods, and by Straits of Magellan 50 to 65 cents per 100 lbs. Only goods in cases can go by Panama, bundle and crate goods being unable to stand the handling. All bundle goods that can come or go overland in a box car without transfer for 75c. per 100 lbs., as compared with present rates via Panama, will move that way in preference to either Panama or Straits of Magellan route.

REDWOOD LUMBER AND SHINGLES—

There are about 2,500 carloads of redwood lumber and about 1,800 carloads of shingles shipped annually from California to the Atlantic States. The shipments from Humboldt Bay by sea to the Atlantic States and Europe aggregate about 4,000,000 feet yearly. Less than 10 per cent. of the exports by sea goes via Panama for the reason that the frequent rehandling damages high-grade lumber. The shipments via Panama are so small that it is safe to say practically all the shipments for the Eastern States go by transcontinental railroad. The rail rates from Atlantic ports to points in the Eastern States where redwood lumber is most largely used, are too high to permit shipment via Pan-

ama. By rail, the rate is 60c. per 100 lbs. to Chicago, Kansas City, Omaha and kindred points, while to New York, Boston, Philadelphia and common points the rate is 67c. per 100 lbs. Time required, 20 to 30 days.

HARDWOOD LUMBER AND WAGON MATERIALS—

In this line of business the traffic is almost entirely from east to west. All shipments come by rail because of the liability to breakage when shipped via Panama, and the present difference in freight charges is not commensurate with the risk; besides, by rail it takes 35 days less time. Much of this hardwood lumber comes from the Mississippi Valley—say about 4,000 tons—and nearly the same quantity from far-eastern points. From the Atlantic States probably 20 per cent. of the rough material comes via Panama, and about as much more via Straits of Magellan. The balance comes by rail.

IRON AND STEEL—

Large quantities are shipped annually from the Atlantic and Gulf States westward to California. Only small quantities come via the Panama route—certainly not over 20 per cent. all told. The rest comes by rail, excepting occasional shipments via Straits of Magellan. The present freight rate on iron and steel from New York via Panama is 45c. per 100 lbs. Same articles by rail pay 75c. per 100 lbs. Hardware, horseshoes and similar class ironware come via Panama for 20 per cent. less than the overland railroad rate, but when the extra time and possibility of damage are considered the difference is scarcely an object to the importer.

AGRICULTURAL TOOLS AND IMPLEMENTS—

There is practically no movement of these commodities to the Atlantic States from California, but San Francisco ships liberal quantities to Spain, the Argentine Republic and occasionally to Southern Russia. All these shipments are successfully forwarded via the Panama route. To Spain the shipments have embraced traction engines, plows, combined harvesters and many varieties of agricultural implements. For the past year or more the Argentine has been mostly supplied from New York because of the lack of direct lines from San Francisco or Colon.

A careful consideration of all the data obtainable brings the subject down to the point of determining what is the most practical and at the same time beneficial course that will promote the commercial interests of San Francisco and the Pacific Coast in the years to come, with reference to freight traffic via the Isthmus of Panama. For many years the Pacific Mail Steamship Company has maintained a regular steam service between this port and Panama under an exclusive agreement with the Panama Railroad Company. The United States Government has acquired ownership of the Panama Railroad Company's line and also the steamship line plying between Colon and New York, and notice has been served on the Pacific Mail Company that its contract with the Panama Railroad Company will be cancelled on July 12, 1905.

Various opinions have been advanced as to what should be done for the future, but there is really but one object to be attained, and that is the adoption of such course as will make the Panama route more advantageous for the movement of freight than under the conditions heretofore existing.

In reaching a satisfactory conclusion, there are certain elements of fact which must be borne in mind:

First—The present freight schedule via Panama is apparently based on the overland railroad freight schedule, the charges of the former varying from 78 per cent. to 90 per cent., with an average of about 83

per cent. of the latter; in other words, the differentials in favor of the Panama route, with its thirty-day trip as compared with the transcontinental route with its fourteen-day trip, are so small that the shipper either east or west does not consider the saving sufficient to cover risk of damage or breakage in the necessary several handlings of the goods via Panama.

Second—A regular schedule of sailing dates would seem to be a necessity. This would enable shippers to order definite quantities per steamer without straining their storage facilities at New York or other Eastern centers. If an open service were established, giving as satisfactory sailing dates as has the Pacific Mail Company's service and doing the business on a lower basis of freight rates, it would prove a very desirable arrangement, and the traffic via Panama would be greatly enlarged.

Third—The ability to transport freight via Panama does not rest with the steamers alone. Numerous steamships with large carrying capacity can be readily obtained, but the quantity of tonnage will be measured by the ability of the Panama Railroad to handle it. That company has already a very large business to handle with South America, west coast of Central America, Mexico and California, and its facilities should be enlarged to meet the increasing traffic over this road. There have been frequent instances in recent years when there has been a great freight congestion on the Isthmus. Now, there is a new question of importance—the building of the Panama Canal. This work will require at least ten years, and with the enormous quantities of machinery, supplies for labor and material of construction, will not the government business be so voluminous that, with present facilities, the ability of the railroad to handle this tonnage and the through freight be largely diminished? Should the present line be double-tracked it would still be a question as to whether the additional facilities would admit of much increase in general freights, aside from the requirements occasioned by canal construction.

Fourth—It is generally conceded that a line of steamers plying between San Francisco and Panama is a commercial necessity. In this connection merchants favor a service with a regular schedule to one without schedule. Such schedule is warranted by trade requirements, and should be maintained by one or more companies, with a fixed tariff based upon a fair revenue, which would provide more equitable rates on freight. Regular established rates would doubtless better serve the commercial interests of San Francisco than open competition in rates which might fluctuate to a degree that would be disastrous.

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

Sixth—The canal is now being built by American enterprise, and American steamships should control the traffic of the Isthmus until the day America opens the portals of the Panama Canal to our country's new merchant marine and the commerce of the world.

We are strongly opposed to government ownership or operation of steamship lines for commercial purposes, and we recommend the National Government adopting such measures as will foster the establishment and maintenance of regular lines of American steamships operated by private American enterprise.

Respectfully submitted,

WM. R. WHEELER,
W. J. DUTTON,
RUFUS P. JENNINGS,
Committee.

(EXHIBIT J-3.)

Copy of list of questions submitted to the Chamber of Commerce of Los Angeles, California, and answers thereto.

Los Angeles, California, *March* 15, 1905.

What kind of freight originates in the vicinity of Los Angeles for shipment to the eastern part of the United States and Europe?

What part of this freight could be successfully transported by the way of Panama?

Estimate the amount of each article.

What is the freight rate now charged by the railroads for each article of this freight to Boston, New York, Philadelphia, Baltimore, and New Orleans?

What are the harbor facilities at San Pedro?

How many wharves, and who own or control them?

What steamship lines make this port, and how often do their vessels call?

What are the principal articles of freight shipped to Los Angeles from points east of the Alleghany Mountains?

Estimate the amount of each article.

What are the freight rates charged by the railroads on each article?

What is the time consumed in transporting freight by rail from Los Angeles to New York?

What are the principal articles of freight that are shipped from the Mississippi Valley to Los Angeles?

Estimate the amount of each article.

What are the freight rates charged on each article?

What articles of merchandise are shipped from Los Angeles to Europe and the eastern coast of the United States by the way of the Straits of Magellan?

What steamship lines handle this business, and what are the rates charged?

What are the principal articles of merchandise received at Los Angeles from Europe and the eastern part of the United States by the way of the Straits of Magellan?

What are the rates charged for such freight?

Would it be practicable to ship such articles of freight by the way of Panama? If not, why not?

Please make any statement not covered by the above questions that you think may have a bearing on the question of transportation by the way of Panama.

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

To the President of the Chamber of Commerce.

REPORT TO HON. J. L. BRISTOW,
WAR DEPARTMENT, SPECIAL PANAMA RAILROAD COMMISSIONER,
WASHINGTON.

Question.—What kind of freight originates in the vicinity of Los Angeles for shipment to the eastern part of the United States and Europe?

Answer.—Citrus fruits, vegetables, dried fruit and raisins, nuts, wines and brandy, wool, honey, olives and olive oil, beans, hides, asphaltum, canned goods.

Question.—What part of this freight could be successfully transported by way of Panama?

Answer.—Nuts, wines and brandies, wool, olives and olive oil, beans, hides, citrus fruits.

Question.—Estimate the amount of each article.

Answer.—

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

Question.—What is the freight rate now charged by the railroads for each article of this frieght to Boston, New York, Philadelphia, Baltimore, and New Orleans?

Answer.—

Per 100 lbs. C/L lots.	New York and Boston and common points.	Mississippi R. Com. points.
Citrus fruit	$1.25 per 100 anywhere east of Rockies	
Vegetables		$0.90
Dried fruit	$1.00 to $1.20	$1.00 to $1.20
Nuts	1.30	1.30
Wine and brandy, glass	1.00	1.00
Wine and brandy, bbls	.75	.75
Olives and olive oil	1.00 to 1.50	1.00 to 1.50
Beans	.75	.75
Wool	1.00 to 1.50	1,00 to 1.50
Hides	.90 to 1.20	.90 to 1 20
Honey	.85	.85
Asphaltum	.50	.50
Canned goods		

Question.—What are the harbor facilities at San Pedro?

Answer.—The harbor facilities at present are comparatively few, but the plans of the War Department which are being carried out contemplate facilities that will be second, probably, to none on the coast. At present the depth of water over the bar at the entrance to the harbor at low tide is 19 feet, which is to be increased, and the depth at the wharves at present is 23 feet, to be increased to 25 feet, except in the turning basin, which, if carried out as contemplated, will probably be 30 feet.

Question.—How many wharves, and who own or control them?

Answer.—It is estimated that the total wharfage of the harbor when completed will be between seven and eight miles. At present there are nine wharves doing commercial business, owned or controlled as follows:

Southern Pacific Railroad Co.
San Pedro, Los Angeles and Salt Lake R. R. Co.
Banning Bros.
Southern California Lumber Co.
Kerckhoff-Cuzner Lumber Co.
San Pedro Lumber Co.
Crescent Wharf and Warehouse Co.
Southwestern Lumber Co.
California Fish Co.

Question.—What steamship lines make this port, and how often do their vessels call?

Answer.—The only steamship lines coming into this port regularly are the Pacific Coast Steamship Co., the North Pacific Coast Steamship Co., and the Merchants' Independent Line, arriving and departing about twice a week. The balance of the business is practically all lumber vessels and tramps. The American-Hawaiian Line, via Straits of Magellan, makes this port about once a month.

Question.—What are the principal articles of freight shipped to Los Angeles from points east of the Allegheny Mountains?

Answer.—Iron and steel, hardware, groceries and provisions, paints, oils and glass, drugs, and sundries, dry goods, paper, cardboard and twine.

Question.—Estimate the cost of each article.

Answer.—

Iron and steel and hardware....	150,000 tons per year	
Groceries and provisions.....	9,000 carloads	from **Miss. Valley**
Groceries and provisions.....	1,000 carloads	from Atlantic States
Groceries and provisions.....	100 carloads	from Europe
Paints, oil and glass.....		
Drugs and sundries.....	3,000 tons	
Dry goods, etc.....	500 tons per month	
Paper, cardboard and twine....	18,000 tons per annum	

Question.—What are the freight rates charged by the railroads on each article?

Answer.—Dry goods, $1.00 to $2.60 per 100 lbs. For balance, see tariff.

Question.—What is the time consumed in transporting freight by rail from Los Angeles to New York?

Answer.—From 20 to 30 days or more, except in the case of fruit, which goes through on a quicker schedule—a week or ten days or more usually.

Question.—What are the principal articles of freight that are shipped from the Mississippi Valley to Los Angeles?

Answer.—Groceries and provisions, glassware, iron and steel, hardware, and various manufactured products.

Question.—Estimate the amount of each article.

Answer.—Groceries and provisions, 9,000 carloads. Glassware, iron, steel and hardware, small proportion of the total.

In many lines it is the practice to discriminate against this territory owing to the more favorable freight rates offered by eastern territory on account of water competition there.

Question.—What articles of merchandise are shipped from Los Angeles to Europe and the eastern coast of the United States by the way of the Straits of Magellan?

Answer.—Very little, if any, traffic this way.

Question.—What are the principal articles of merchandise received at Los Angeles from Europe and the eastern part of the United States by the way of the Straits of Magellan?

Answer.—From Europe come occasional cargoes in sailing vessels of cement, coke, pig iron, steel rails, and miscellaneous merchandise. From the eastern coast comes a considerable quantity of iron and steel, hardware, some groceries and canned goods, paints and oils, an occasional cargo of coal.

Question.—What are the rates charged for such freight?

Answer.—The cargoes and sailing vessels from Europe are figured on a basis that is so variable that it would hardly be of any service to you in this matter. At least so it seems to me, in talking with the agents of these lines. The tariff is fixed largely according to the state of the market and by the relative supply and demand of vessels or shipments.

From the eastern coast of the United States the rate is fixed at about 30% less than the all rail shipment across the continent. This, however, is pretty nearly made up by the additional expense on account of marine shipments, interest on the money invested in the shipment and the time consumed in making the trip.

Question.—Would it not be practicable to ship such articles of freight by the way of Panama? If not, why not?

Answer.—In our investigation as to the utility of the Panama Route as a means of exchange of commodities between this vicinity and the eastern coast, we find at the present time the following conditions unfavorable to traffic:

(1.) Loss of time in transit. At the present time all rail shipments come through in from two to four weeks, whereas by Panama it requires from 40 to 60 days. This long time is due in part to the fact that under present conditions freight for this point is carried via San Francisco, no vessels stopping between that city and Panama in the United States.

(2.) Extra handling necessitated by transshipment from car to steamer and from steamer to car, both at San Francisco and at each side of the Isthmus, increasing the chance of damage or leakage. For this reason many articles of merchandise cannot be shipped by this route. We find considerable complaint from shippers who have used the Panama route as to the difficulties and delays experienced in collecting damages or claims for loss to goods in transit, it being much more difficult matter to get a settlement with the various transportation companies handling the traffic than with the transcontinental railroads.

(3.) Lack of steamer service between our Southern California ports and Panama, as noted in above paragraph. At the present time there is a very small amount of traffic via Panama compared to the possibilities under more favorable circumstances. Freight by this route now has to be shipped to and from San Francisco, thereby adding several days to the time in transit, and necessitating considerable extra handling, especially, as is often the case, the goods are taken to and from San Francisco by steamer. As to the local charges to and from San Francisco, we find this is in part or wholly absorbed, not adding much to the tariff rates.

It is estimated that the tariff by the way of Panama averages about one-third lower than the all rail rates, but to offset this is the marine insurance, which has to be added, the extra time to be allowed and an added risk of damage and leakage.

The amount of traffic between this market and the eastern part of the United States could undoubtedly be materially increased by a line of steamers plying between Panama and points on this coast, making San Pedro a regular port, having regular sailing dates and operating in conjunction with the Panama Railroad and a similar line of steamers plying between Panama and New York, with a tariff giving, if possible, a slightly more favorable differential in favor of the Panama route than at present, to offset the various drawbacks of this route.

(EXHIBIT J—4.)

Copy of list of questions submitted to the Chamber of Commerce of Portland, Oregon, and answers thereto.

Portland, Oregon, *March* 28, 1905.

What kind of freight originates in Portland and the vicinity within its commercial radius for shipment to the eastern part of the United States and Europe?

Estimate the amount of each of the principal articles of such freight.

What part of this freight could be successfully transported by the way of Panama?

Are there any articles of such freight that it would not be practicable to ship by the way of Panama? If so, please name the articles and the reason why shipment by the Panama route would be impracticable.

What per cent. of the freight that could be successfully shipped by the way of Panama is transported by that route; what part by the Straits of Magellan; what part by the transcontinental railroads? In answering the above questions, please state, if practicable, the per cent. of each article that is shipped by the way of the various routes.

Please state in detail why any part of the freight that it is practicable to ship by the way of Panama is not shipped by that route.

What are the principal articles of freight shipped from Portland to points east of the Alleghany Mountains?

Estimate the amount of each article.

What are the freight rates charged by the railroads on each article?

What is the time consumed in transporting freight by rail from Portland to the large eastern cities, namely, Boston, New York, Philadelphia, and Baltimore?

What are the principal articles of freight that are shipped from Portland to the Mississippi Valley?

Estimate the amount of each of the principal articles of such freight.

What are the freight rates charged on each of the principal articles of such freight?

What is the average time consumed in shipping by rail to points in the Mississippi Valley?

Is any freight shipped from Portland to the Mississippi Valley by the way of Panama, or the Straits of Magellan? If so, please state the kind of freight, the amount, and the rates charged.

What are the principal articles of freight received at Portland from Europe, the eastern coast of the United States, and the Mississippi Valley?

Estimate the amount of each of the principal articles of such freight.

What per cent. of this freight comes by the way of Panama, the Straits of Magellan, and the transcontinental railroads?

What are the freight rates charged on the principal articles by each of these routes?

What part of this freight that does not come by the way of Panama would it be practicable to ship by that route?

If a large part of the freight that could be shipped by the way of Panama is shipped by the other routes, please state the reasons why such shipment is made by other routes.

Is it essential to the commercial interests of Portland that there should be a line of steamers making regular schedule trips between Panama and Portland?

What American steamship companies doing business on the Pacific Coast have vessels that would be equipped for handling efficiently cargo and passengers between the Pacific ports of the United States and Panama?

Is there any American steamship line that would establish a regular service between Panama and the Pacific Coast of the United States if it were given the same privilege as to through bills of lading now held by the Pacific Mail Steamship Company with the Panama Railroad Company? If so, please state the lines.

Under normal conditions with rates fixed upon a basis of reasonable compensation for services rendered would there be sufficient business between the Pacific and Atlantic ports of the United States to warrant the establishment of a first-class line of steamers to make regular schedule weekly trips from Pacific Coast ports to Panama? Please answer this question in detail, giving the conditions under which, in your judgment, such line would or would not be successful.

Is there any freight originating elsewhere than at Portland and brought here by steamship companies that is transported to the eastern coast of the United States from Portland by rail? If so, please state the character of this freight, the amount, the place where it originates,

and the rates charged by the railroad companies for its transportation across the continent.

Is any freight of this character after it is shipped across the continent reshipped from the eastern ports of the United States to Europe?

Is there now, or has there been in the recent past, any freight shipped to Portland from the eastern coast of the United States via Europe? If so, please state why such shipments were made by that route.

In answering these inquiries it is desired that a full discussion of the subject matter of each question be given so that each answer will present a clear and comprehensive statement of all of the facts that have a direct or indirect bearing on the subject.

State any objections that the commercial interests of Portland may have against the present rate-making system of the Panama Railroad Company.

Please make any statement not covered by the above questions that you think may have a bearing on the subject of transportation by the way of Panama.

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

To the President of the Chamber of Commerce.

THE PORTLAND CHAMBER OF COMMERCE.

Portland, Oregon, *April* 27, 1905.

HONORABLE J. L. BRISTOW,
Special Panama Railroad Commissioner,
War Department, Washington, D. C.

My Dear Sir—Again replying to your favor of the 15th inst., in which you ask that the answers to questions submitted by you on your recent visit to this city be forwarded as early as possible, I have to say that I have pleasure in sending you today as full a report on all the matters submitted by you as it has been possible for us to obtain in the short time allowed.

Hoping this will reach you in time for the compilation of your report, I have the honor to be,

Yours very respectfully,
WM. D. WHEELWRIGHT,
President.

P. S.—You will not overlook the fact that all the business done for a series of years by way of the Isthmus has been done under a great disadvantage. The Railroad Company having control of the Pacific Mail S. S. Co. has influenced the fixing of rates with a view to discouraging business, and what has been done under such circumstances is of course no criterion of what will be done if reasonable rates are made.

Portland, Oregon, *April* 26, 1905.

Question.—What kind of freight originates in Portland and the vicinity within its commercial radius for shipment to the eastern part of the United States and Europe?

Answer.—Lumber, wool, grain, hops, salmon, fruit—green and dried, canned fruits.

Question.—Estimate the amount of each of the principal articles of such freight.

Answer.—The shipments of *lumber* in 1904 to points in the eastern part of the United States from Washington and Oregon were 4,892 carloads, and shingles 5,136 carloads. As these shipments emanate from Portland, Gray's Harbor and Puget Sound points, and interior mills, it is impossible to segregate them.

Grain.—No regular movement. On account of abnormal prices, a large part of the 1904 crop moved east, but usually goes to the Orient and Europe by water, so it necessarily could not be estimated.

Hops.—5,550 tons.

Salmon.—13,800 tons.

Wool.—10,000 tons. The wool crop comes from the eastern part of the State and is not directly tributary to Portland, but with proper rates would seek this port to be shipped by Panama.

Fruit (green).—500 cars.

Prunes.—4,500 tons.

Canned Goods.—700 to 1,000 tons.

Question.—What part of this freight could be successfully transported by the way of Panama?

Answer.—All except fresh fruits.

Question.—Are there any articles of such freight that it would not be practicable to ship by the way of Panama? If so, please name the articles and the reason why shipment by the Panama route would be impracticable.

Answer.—Fresh fruits will not stand transportation on account of climate in the tropics and the time employed in shipment.

Question.—What per cent. of the freight that could be successfully shipped by the way of Panama is transported by that route; what part by the Straits of Magellan; what part by the transcontinental railroads? In answering the above question please state, if practicable, the per cent. of each article that is shipped by the way of the various routes.

Answer.—Practically all of the above is now shipped by the transcontinental railroads.

Question.—Please state in detail why any part of the freight that it is practicable to ship by the way of Panama is not shipped by that route.

Answer.—There is no ship coming here from Panama, and goods would have to be shipped from Portland to San Francisco and reshipped from there, the cost in delay of which overcomes advantages offered in the way of lower freights. Were a regular steamship line instituted from Panama to Seattle and return that would make regular calls at this port and were the rates offered such as were enforced, say, in the 90's and the railroads should not reduce their rates, most of these products would go by the Isthmus. If the railroads should reduce their rates to the same proportionate differences that now exists, the shipments by the Isthmus would not be as heavy.

Question.—What are the principal articles of freight shipped from Portland to points east of the Alleghany Mountains?

Answer.—Dried fruit, salmon, hops, canned fruits and vegetables.

Question.—Estimate the amount of each article.

Answer.—See page 1, paragraph 2.

Question.—What are the freight rates charged by the railroads on each article?

Answer.—

Dried Fruits.—Boxes—CL, $1.00; LCL, $2.20; sacks—CL, $1.20; LCL, $2.20.

Salmon.—CL, $0.75; LCL, $1.90.

Hops.—LCL, $2.00; CL, $2.00.

Canned Fruits and Vegetables.—CL, $0.75; LCL, $1.90.

Question.—What is the time consumed in transporting freight by rail from Portland to the large eastern cities, namely, Boston, New York, Philadelphia and Baltimore?

Answer.—Two to three weeks.

Question.—What are the principal articles of freight that are shipped from Portland to the Mississippi Valley?

Answer.—Dried fruits, hops, salmon, lumber and shingles, fresh fruits, canned fruits, 1904 crop wheat.

Question.—Estimate the amount of each of the principal articles of such freight.

Answer.—Prunes, 4,500 tons; hops, 1,350 tons; salmon, 2,600 tons; lumber, 10,000 cars; shingles, 14,000 cars. As these shipments emanate from Portland, Gray's Harbor and Puget Sound points, and interior mills, it is impossible to segregate them. Fresh fruits, 3,500 tons; canned friuts, 600 tons.

Question.—What are the freight rates charged on each of the principal articles of such freight?

Answer.—Dried fruits—Boxes—CL, $1.00; LCL, $2.20; sacks—CL, $1.20; LCL, $2.20; hops—CL and LCL, $2.00; salmon—CL, $0.75; LCL, $1.90.

Lumber is not shipped in less than carload lots. The rate to St. Louis and common points is 52½ cents; to Texas and common points (Houston and Galveston), 72½ cents.

Canned fruits and vegetables, CL, $0.75; LCL, $1.65 (average).

Question.—What is the average time consumed in shipping by rail to points in the Mississippi Valley?

Answer.—Two weeks.

Question.—Is any freight shipped from Portland to the Mississippi Valley by the way of Panama, or the Straits of Magellan? If so, please state the kind of freight, the amount, and the rate charged.

Answer.—None at present.

Question.—What are the principal articles of freight received at Portland from Europe, the eastern coast of the United States, and the Mississippi Valley?

Answer.—All kinds of merchandise.

Question.—Estimate the amount of each of the principal articles of such freight.

Answer.—150.000 tons all told. It is impossible to segregate them.

Question.—What per cent. of this freight comes by the way of Panama, the Straits of Magellan, and the transcontinental railroads?

Answer.—Estimated 2% by Isthmus, 8% by Straits of Magellan, 90% by the transcontinental railroads.

Question.—What are the freight rates charged on the principal articles by each of these routes?

Answer.—As all grades of merchandise are brought by the transcontinental railroads to this port, the proper answer to this question is to refer you to the Westbound Tariff of the Transcontinental Freight Bureau 1-G.

The Isthmus Rates—The rates via the Isthmus are 20% less in carload lots and 30% less in less than car lots than all-rail rates, the Pacific Mail Steamship Company absorbing any local freights from interior points to the Eastern Seaboard up to 20 cents per cwt.

American-Hawaiian Line—We submit a table showing the rail rates and American-Hawaiian rates on some of the principal commodities purchased in the East. Would state, however, that the American-Hawaiian Line does not publish a tariff and frequently takes freight in quantities at a much less rate.

COMPARISON OF RATES FROM NEW YORK TO PORTLAND (ALL RAIL) VS. AMERICAN-HAWAIIAN LINE.

	American-Hawaiian Line.			All Rail.	
	CL.	LCL.		CL.	LCL.
Canned goods:					
Fruits, vegetables, soups, etc....	$0.60	$0.65		$1.00	$1.50
Corn, peas, beans, fish, meats...	...	...		.95	
Iron—bar, band, hoop, rod.....	.55	.60		.75	1.25
Nails and spikes, kegs and cases.....	.55	.70	kegs boxes	.80 .85	1.35
Iron pipe, wrought.....	.55	.65		.65	1.25
Pipe fittings	.55	.70		.65	1.25
Whiskies, cases	.90	.90		...	1.35
Whiskies, barrels	3.75	4.00	per barrel	1.25	....
Barb wire	.55	.75		.80	....
Copper wire	.60	.80		...	1.75
Wire cloth	.65	.80		...	1.60
Saddlery, hardware.....	.80	.80		...	1.75
Curry combs	.80	.80		...	1.75
Hames	.55	.75		...	1.75
Harness pads	.75	1.00		1.25	1.75
Paper wrapping—book	.55	.85		.75	1.10
Paper bags	.65	.75		1.20	1.75
Paper—Building	.60	.70		1.10	1.75

Question.—What part of this freight that does not come by the way of Panama would it be practicable to ship by that route?

Answer.—Nearly all except perishable articles.

Question.—If a large part of the freight that could be shipped by the way of Panama is shipped by the other routes, please state the reasons why such shipment is made by other routes.

Answer.—Because the rates across the Isthmus have been so adjusted as to draw the bulk of the shipments by all-rail routes; the differentials mentioned above are practically overcome by difference in time absorbed in transportation, marine insurance, chafing, breakage and deterioration from handling the goods from ship to lighter, lighter to pier, and pier to cars at Colon, and from cars to pier, pier to lighter, lighter to ship at Panama, and from ship to pier and pier to ship at San Francisco.

Question.—Is it essential to the commercial interests of Portland that there should be a line of steamers making regular schedule trips between Panama and Portland?

Answer.—It certainly is.

Question.—What American steamship companies doing business on the Pacific Coast have vessels that would be equipped for handling efficiently cargo and passengers between the Pacific ports of the United States and Panama.

Answer.—See answer to following question.

Question.—Is there any American steamship line that would establish a regular service between Panama and the Pacific Coast of the United States if it were given the same privilege as to through bills of lading now held by the Pacific Mail Steamship Company with the Panama Railroad Company? If so, please state the lines.

Answer.—Do not know of any at present, but if the contract between the Pacific Mail Steamship Company and the Panama Railway Company were not renewed, and any vessel owners were allowed to receive freight at Panama for transshipment to Pacific Coast ports who would put on a regular line, there is no doubt in our mind that more than one line of vessels would be put on this route.

Question.—Under normal conditions with rates fixed upon a basis of reasonable compensation for services rendered would there be sufficient business between the Pacific and Atlantic ports of the United States to warrant the establishment of a first-class line of steamers to make regular schedule weekly trips from Pacific Coast ports to Panama? Please answer this question in detail, giving the conditions

under which, in your judgment, such line would or would not be successful.

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

Question.—Is there any freight originating elsewhere than at Portland and brought here by steamship companies that is transported to the Eastern Coast of the United States from Portland by rail? If so, please state the character of this freight, the amount, the place where it originates, and the rates charged by the railroad companies for its transportation across the continent.

Answer.—Oriental products, teas, silk, spices, matting, works of art, rice, sago, tapioca and sundries.

Question.—Is any freight of this character after it is shipped across the continent reshipped from the eastern ports of the United States to Europe?

Answer.—Teas and silks.

Question.—Is there now, or has there been in the recent past, any freight shipped to Portland from the Eastern Coast of the United States via Europe? If so, please state why such shipments were made by that route.

Answer.—Do not know of any. At one time, however, barley was shipped from Portland to Europe thence back to the Atlantic Coast of the United States.

In answering these inquiries it is desired that a full discussion of the subject matter of each question be given so that each answer will present a clear and comprehensive statement of all the facts that have a direct or indirect bearing on the subject.

Question.—State any objections that the commercial interests of Portland may have against the present rate-making system of the Panama Railroad Company.

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

Please make any statement not covered by the above questions that you think may have a bearing on the subject of transportation by the way of Panama.

(EXHIBIT J—5.)

Copy of list of questions submitted to the Chamber of Commerce of Tacoma, Washington, and answers thereto, and letter of Mr. William Jones, President of the Chamber of Commerce.

Seattle, Washington, *March* 30, 1905.

What kind of freight originates in Tacoma and the vicinity within its commercial radius for shipment to the eastern part of the United States and Europe?

Estimate the amount of each of the principal articles of such freight.

What part of this freight could be successfully transported by the way of Panama?

Are there any articles of such freight that it would not be practicable to ship by the way of Panama? If so, please name the articles and the reason why shipment by the Panama route would be impracticable.

What per cent. of the freight that could be successfully shipped by the way of Panama is transported by that route? What part by the Straits of Magellan? What part by the transcontinental railroads? In answering the above questions, please state, if practicable, the per cent. of each article that is shipped by the way of the various routes.

Please state in detail why any part of the freight that it is practicable to ship by the way of Panama is not shipped by that route.

What are the principal articles of freight shipped from Tacoma to points east of the Alleghany Mountains?

Estimate the amount of each article.

What are the freight rates charged by the railroads on each article?

What is the time consumed in transporting freight by rail from Tacoma to the large Eastern cities—namely, Boston, New York, Philadelphia, and Baltimore?

What are the principal articles of freight that are shipped from Tacoma to the Mississippi Valley?

Estimate the amount of each of the principal articles of such freight.

What are the freight rates charged on each of the principal articles of such freight?

What is the average time consumed in shipping by rail to points in the Mississippi Valley?

Is any freight shipped from Tacoma to the Mississippi Valley by the way of Panama or the Straits of Magellan? If so, please state the kind of freight, the amount, and the rates charged.

What are the principal articles of freight received at Tacoma from Europe, the eastern coast of the United States, and the Mississippi Valley?

Estimate the amount of each of the principal articles of such freight.

What per cent. of this freight comes by the way of Panama, the Straits of Magellan, and the transcontinental railroads?

What are the freight rates charged on the principal articles by each of these routes?

What part of this freight that does not come by the way of Panama would it be practicable to ship by that route?

If a large part of the freight that could be shipped by the way of Panama is shipped by the other routes, please state the reasons why such shipment is made by other routes.

Is it essential to the commercial interests of Tacoma that there should

be a line of steamers making regular schedule trips between Panama and Tacoma?

What American steamship companies doing business on the Pacific Coast have vessels that would be equipped for handling efficiently cargo and passengers between the Pacific ports of the United States and Panama?

Is there any American steamship line that would establish a regular service between Panama and the Pacific Coast of the United States if it were given the same privilege as to through bills of lading now held by the Pacific Mail Steamship Company with the Panama Railroad Company? If so, please state the lines.

Under normal conditions, with rates fixed upon a basis of reasonable compensation for services rendered, would there be sufficient business between the Pacific and Atlantic ports of the United States to warrant the establishment of a first-class line of steamers to make regular schedule trips weekly from Pacific Coast ports to Panama? Please answer this question in detail, giving the conditions under which, in your judgment, such line would or would not be successful.

Is there any freight originating elsewhere than at Tacoma and brought here by steamship companies that is transported to the eastern coast of the United States from Tacoma by rail? If so, please state the character of this freight, the amount, the place where it originates, and the rates charged by the railroad companies for its transportation across the continent.

Is any freight of this character, after it is shipped across the continent, reshipped from the eastern ports of the United States to Europe?

Is there now, or has there been in the recent past, any freight shipped to Tacoma from the eastern coast of the United States via Europe? If so, please state why such shipments were made by that route.

In answering these inquiries, it is desired that a full discussion of the subject-matter of each question be given, so that each answer will present a clear and comprehensive statement of all of the facts that have a direct or indirect bearing on the subject.

State any objections that the commercial interests of Tacoma may have against the present rate-making system of the Panama Railroad Company.

Please make any statement not covered by the above questions that you think may have a bearing on the subject of transportation by the way of Panama.

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

To the President of the Chamber of Commerce.
Tacoma, Wash.

TACOMA, Wash., *April* 27, 1905.

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

Dear Sir:—In addition to the report of the Committee appointed by the Tacoma Chamber of Commerce to prepare answers to your inter-

rogatories concerning the Panama Railroad, we wish to add the following:

There is shipped from Tacoma about 150 carloads of wheat starch per annum—80 per cent. to the Atlantic Coast and 20 per cent. to the Mississippi Valley—at 75c. per hundred, carload lots. This could be shipped to advantage by way of Panama, and particularly by way of the canal. The starch is at its best about ninety days after the date of manufacture. Rehandling will not hurt it, except, of course, in cases of breakage. (Shipments are made in barrels.) The amount shipped to the Atlantic seaboard could easily be shipped by way of the Panama Railroad provided satisfactory rates and through bills of lading could be obtained.

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

N. B.—The Tacoma Smelter is about to erect a copper refinery and engage in the manufacture of copper wire and sheet copper. They are also about to largely extend their copper smelting, so that it is probable that the amount mentioned for shipment to the East would still be continued.

There is shipped from the State of Washington about 4,500 tons of hops per annum—more than one-fourth from this city and county—and 80 per cent. of the entire amount is shipped to Great Britain or Germany by rail via New York. Rate, $2.00 per hundred to New York; $2.60 per hundred to London, warehouse delivery. The balance of the hop crop is shipped to various centers of the United States, particularly Milwaukee and St. Louis. Small shipments are made to London by water via Suez direct at $6.20 per ton of 2,000 pounds.

All of this could be shipped by way of the Panama Canal, but, in the absence of a direct steamer line from the eastern terminus of the railroad to Great Britain and Europe, it is doubtful if any could be shipped until the canal is completed. The question of whether the numerous rehandlings would affect the shipment of this article could only be determined after experiment.

There are shipped from Tacoma east by rail about 6,000 carloads of lumber and shingles per annum. From the State of Washington there are about 80,000 carloads shipped per annum. Most of this is marketed in the upper Mississippi Valley. About 2,000 carloads of lumber and 6,000 or 8,000 carloads of shingles are marketed east of the Alleghany Mountains. Freight rate: Lumber, 40c. per hundred to St. Paul; shingles, 50c.; to Chicago, 10c. additional on each, and to Eastern points the full local freight rate from Chicago. During lake navigation the rates on shingles are less than during the winter. It is not at all probable that any part of this can be shipped by way of the Panama Railroad by reason of the cost of handling it. It is probable that all of that consumed immediately on the Atlantic seaboard could be shipped by way of the Panama Canal; but, by reason of the cost of handling lumber and shingles, it could not be sent very far west of the Atlantic seaboard. No lumber or shingles are marketed in the lower Mississippi Valley. The Southern pine supplies all this market.

The question of shipping flour from the Pacific Coast to the Atlantic Coast is one of speculation. As a rule, our wheat is 11c. per bushel lower than Chicago. This would mean from 50c. to 55c. less per barrel on flour. Add to this difference the cost of shipping flour from Chicago to the Atlantic seaboard, the Panama Railroad and the canal would have to make a rate of not more than 60c. per barrel from Tacoma to the Atlantic seaboard in order to secure the business. This rate could easily

be given by the canal, and we think it could also be made by the railroad. If rates are made which will permit our flour to get to the eastern seaboard, there is no reason why we should not supply a substantial part of the flour consumed east of the Alleghany Mountains. The present wheat production tributary to the mills of this city is from 55,000,000 to 60,000,000 bushels per annum. The possible production would be over 150,000,000 bushels.

The total pack of canned salmon for Puget Sound will average about 3,000 tons per annum, and of Alaska, which is all handled and shipped through Puget Sound, about 9,000 tons per annum. Of this amount 300 tons are shipped to the Orient by water, and 2,200 tons are shipped to other foreign ports—80 per cent. of it to Great Britain and Europe. The rate to Liverpool is $8.60 per ton of 2,240 pounds. The balance of nearly 10,000 tons is marketed in the United States. It is impossible to give the localities in which it is consumed, but a very rough estimate would give about 2,000 tons east of the Alleghany Mountains and 3,000 tons in the Southern States. The rate to St. Paul, Chicago, and New York is 75c. per hundred, in carload lots. Shipments to points on or near the Gulf coast and Atlantic coast could be made by way of the canal, and practically all of that to Great Britain and Europe could be shipped that way. The question of shipment by way of the Panama Railroad would depend upon the facilities for handling. Too much jarring would break the boxes and cause leakage of the cans. The foregoing and all tables concerning salmon, unless otherwise stated, include the entire State. The proportion shipped from Tacoma would include about two-thirds of the above shipments by water and about one-half of the amount shipped by rail.

About 500 cars of frozen salmon and 700 cars of pickled salmon per annum are shipped to different points in the United States. A rough estimate would give about 400 cars of the frozen fish to New York and about one-half that amount of pickled. These are shipped in refrigerator cars. Probably none would ever be shipped by the Panama Railroad, but probably all of that to the Atlantic Coast and Europe would be shipped by the canal. About 1,000 tons of smoked and pickled salmon is shipped to Hamburg or other European points by rail from Puget Sound in refrigerator cars through New York, the rate to New York being $1.50 per hundred on frozen and 75c. on pickled salmon.

About 300 or 400 cars per annum of fresh fish are shipped East from Tacoma in refrigerator cars—80 per cent. to New York and Boston. Probably none of this could be shipped by the Panama Railroad or canal on account of time.

This is to be considered as part of and annexed to the report of our Committee, hereto attached, which is made a part of this report.

Respectfully submitted,

TACOMA CHAMBER OF COMMERCE AND BOARD OF TRADE,

J. S. WHITEHOUSE, *Secretary.* WILLIAM JONES, *President.*

TACOMA, Wash., *April* 20, 1905.

J. S. WHITEHOUSE, ESQ.,
Secretary, Tacoma Chamber of Commerce,
City.

Dear Sir:—Your Committee, appointed for the consideration of particulars asked for by Hon. J. L. Bristow, Special Panama Railroad Commissioner, inasmuch as it tends to affect the commerce of Tacoma and vicinity, begs to report as follows:

With the view of condensing our report, we have prepared our remarks under various headings, embracing in each a number of the ques-

tions asked, but, of course, they only include the questions which appear to belong to the particular grouping we have made:

Shipments from Tacoma Eastward to Points in United States and Europe.—These principally consist of lumber, lath, shingles, various manufactures of wood, bullion, wheat, barley, flour, wheat starch, hops, apples, and salmon. We submit herewith an analysis of our harbormaster's report for 1904, from which can be got a fairly accurate idea of the quantity of each of these articles shipped by water. Of course, the Harbormaster's report embraces a wider field than the one included in our report, but, in a sense, all of his report has a bearing on the question, seeing that a considerable quantity of our shipments to and from the Orient originate from or terminate in the Eastern States.

In our opinion, under present conditions, there is very little of this freight which could successfully be transported by way of Panama. The difficulties in the way are the necessity of so many rehandlings of freight by this route, which is a matter of very serious consideration for any shipper, but more especially for those whose goods in the rehandling might be subjected to breakage, leakage, etc., thus causing excessive shortages, which, with only one handling at point of shipment and another at point of discharge, would be practically avoided. This would practically exclude such freight as grain, flour, canned salmon, and, to a lesser extent, probably lumber products.

As to the percentage of the total freight shipped under above heading, it is rather difficult to arrive at what is now going by the various routes, but, approximately, we would say the following is not out of the way:

Not to exceed 1 per cent. by Panama route.

About 59 per cent. by Cape Horn and/or Straits of Magellan.

About 40 per cent. by railroad overland.

A larger percentage than the above has undoubtedly gone overland during 1904, but this must be considered exceptional, as it was brought about by a phenomenal demand for our wheat and flour in the Middle and Eastern States. This under ordinary conditions would not be repeated.

What percentage of this freight could successfully be transported by way of Panama is an open question. The percentage, however, in our opinion, could no doubt be materially increased with better handling facilities at the Isthmus. This, however, would only apply to shipments to the eastern seaboard, for until the Panama Canal is an accomplished fact shipments to Europe will continue to go by sail and steam by the Cape Horn route and by steamer via Suez Canal.

Shipments to Eastern Seaboard, United States.—These are principally lumber and its products, bullion, canned salmon, fresh fish, hops, flour, starch, cascara bark, and apples. The time consumed in transporting these by rail to the eastern seaboard is from three to four weeks.

From statistics beside you you can no doubt fill in the approximate quantity of each, as called for, and as to the freight rates, we leave you to get this data.

Shipments to Mississippi Valley.—These are principally lumber and its products, canned salmon, fruit (including considerable shipments of small fruits, such as blackberries, raspberries, etc.). Particulars to be filled in from your statistics, as well as data regarding railroad rates of freight.

These shipments all go East by railroad. There are no shipments to this territory going by way of Panama or Straits of Magellan.

Shipments from Eastern Seaboard of United States, Mississippi Valley and Europe to Tacoma.—These are principally as follows:

From Eastern States: Steel rails, pig iron, and other products of iron, such as steel beams, billets, etc.; tin plates, hardware of all kinds,

groceries, chemicals, drugs, and other articles of various description, and, in fact, a good line of most of our wholesale and jobbing stocks, including dry goods, wagons, harness, etc., besides those already mentioned.

From Europe: Cement, pig iron, steel rails and other products of iron, salt, fire bricks, fire clay, chemicals, etc.

A mere fraction of this freight from Eastern States comes by way of Panama, and probably 2 per cent. comes by way of Straits of Magellan. The balance comes overland by railroad.

All of the freight from Europe comes by sail round Cape Horn or by steamer by way of Suez Canal. The same reasons hold good for shipment from the eastern seaboard via Panama Railroad, as we have stated above in connection with shipments from here to the eastern seaboard, but we hold the opinion that shipments of freight westward from the eastern seaboard could be considerably increased by the Panama route, with better handling facilities at the Isthmus and a direct steamship service from there north to the various points on the Pacific Coast. However, as long as conditions exist as at present, whereby the connecting steamship line from Panama only brings the goods to San Francisco, from which point they are transshipped north to Tacoma, we do not think there is much chance of successfully devoloping this business.

Regarding necessity and practicability of operating line of steamers between Panama and Pacific Coast ports, it is, in our opinion, not essential to the commercial interests of Tacoma that there should be a line of steamers making regular schedule trips between Panama and Tacoma as conditions exist to-day, but it would be an advantage to have such a line. In our opinion, there is not sufficient business in sight at present to justify the establishment of a first-class line of steamers to make regular weekly trips between Pacific Coast ports and Panama to be operated by an individual steamship line. The aggregate of tonnage now carried would, in our opinion, offer no inducement; but, as we have already indicated, with more attractive facilities at Panama, and with an assurance that such steamship line would call at all of the principal cities on the Pacific Coast, we believe there is room for a considerable extension of this commerce.

We do not know that there is any steamship line which, if given the same privilege of through bills of lading as the Pacific Mail Steamship Company, would establish a regular service, but we suggest the names of the American-Hawaiian Steamship Company and the Pacific Coast Steamship Company as having vessels now trading in these waters sufficiently equipped to enter this trade.

There are considerable shipments originating in the Orient constantly passing through this port. These include tea, matting, hemp, silk, and other Chinese and Japanese wares. Full particulars of these will be found in the analysis of the Harbormaster's report already referred to. They all go East by rail—most of them on a through bill of lading from the Orient—shipment being made by the regular steamship lines having traffic arrangements with the railroads.

There has in the recent past been no freight shipped to Tacoma from the eastern seaboard of the United States via Europe.

General Remarks.—The general sentiment prevailing with us appears to be that as long as the present arrangement with the Pacific Mail Steamship Company is operative the Panama route will be of little service to the North Pacific Coast outside of California, and the remedy suggested is that our government throw the ports and facilities on both the Atlantic and Pacific sides of the Panama Railroad open to the com-

petiton of all steamship lines willing to compete for freight to and from these points. We do not know whether or not this is practicable at this stage, having in view that a good deal of development would be required to bring about volume worth competing for. Believing that competition is the life of trade, it is natural to assume that this course would bring about increase of traffic sooner than any other.

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

Respectfully submitted,
L. G. PATTULLO,
CARL L. STEBBINS,
LOUIS W. PRATT.

How Tacoma's ocean commerce has grown during the last six years may be shown from a comparison of the Harbormaster's reports from 1899 to 1904, inclusive. These reports may be briefly summarized as follows:

Year.	Inward Cargoes.	Outward Cargoes.	Total Ocean Commerce.
1899	$8,607,196	$12,195,915	$20,803,111
1900	9,058,325	14,858,507	23,916,822
1901	11,495.859	22,904,877	34,400,730
1902	12,544,865	27,886,800	40,431,665
1904	16,531,055	24,719,789	41,250,844

It will be observed from these figures that there has been a steady progress in the ocean commerce of the port of Tacoma, except during the year 1903. This was due to the shrinkage of the wheat crop of 1902. During the year 1902 the shipments of wheat from Tacoma amounted to 11,829,093 bushels, valued at $8,086,206. The wheat crop in Eastern Washington, which in 1901 amounted to 33,000,000 bushels, in 1902 aggregated a trifle less than 20,000,000 bushels, and the exports of wheat from Tacoma during the year 1903 amounted to only 3,836,906, valued at $3, 074,253. As will be seen, this loss in wheat exports accounted for the $5,000,000 decrease in the ocean commerce of the port in 1903, other gains and losses about balancing each other. The year 1904 shows no improvement over the year 1903 in the item of wheat exports. On the contrary, the wheat exports for 1904, including coastwise shipments to California, amounted to 2,892,838 bushels, valued at $2,357,504. Here is a falling off in shipments of wheat of nearly 1,000,000 bushels, and a loss in value of more than $700,000, as compared with 1903, which was an exceptionally light season in wheat exports.

This is accounted for by the fact that for the first time in the commercial history of the Pacific Northwest, the wheat of the Inland Empire has been in great demand for shipment to Minneapolis, Chicago, and other eastern cities, owing to the failure of the wheat crop of the upper Mississippi and Missouri River valleys in 1904. It is estimated that not less than 15,000,000 bushels of wheat, which would otherwise have come to tidewater at Tacoma and Portland, have already been shipped East by rail, or are now being held in railway warehouses awaiting shipment. A large share of this 15,000,000 bushels of Inland Empire wheat was purchased from the farmers by the Tacoma grain dealers, and sold by them for Eastern delivery.

Wheat Shipments Fluctuate.

Wheat shipments fluctuate from year to year, according to the size of the crop and the nature of the market. Tacoma is the most favorably located port in the Pacific Northwest; has the best facilities for the handling of wheat for export, and leads all other ports in this section of the country in the volume and value of its wheat and wheat flour shipments. The following figures show the volume and value of wheat shipments by water from Tacoma, by years, since 1899:

Year.	Wheat, Bushels.	Value.
1899	3,913,780	$2,428,359
1900	4,244,804	2,524,236
1901	10,713,826	6,329,822
1902	11,829,093	8,086,206
1904	2,892,838	2,357,504

Of the shipments of wheat from Tacoma in 1904 more than 1,000,000 bushels were shipped coastwise to California.

Water Shipments of Flour.

Wheat flour shipments in 1904 were somewhat less than in either 1902 or 1903, but were more than double in quantity and value the flour shipments from Tacoma five years ago. The Harbormaster's record of shipments of flour, foreign and coastwise, from the port of Tacoma during the last six years is as follows:

Year.	Flour, Barrels.	Value.
1899	500,979	$1,517,749
1900	738,937	2,175,173
1901	924,744	2,653,516
1902	1,351,224	4,039,543
1903	1,294,527	4,685,587
1904	1,013,933	3,857,925

Cargo Shipments of Lumber.

The cargo shipments of lumber from the port of Tacoma during the last six years, in quantity and value, were as follows:

Year.	Lumber, Feet.	Value.
1899	82,472,580	$917,355
1900	77,818,557	922,540
1901	78,810,265	797,352
1902	108,645,364	1,179,927
1903	129,036,317	1,735,018
1904	95,717,635	1,065,827

The conditions which have affected the lumber mills of the Pacific Northwest, and, indeed, of all sections of the country, during the year 1904, naturally produced their effect upon the cargo shipments from this port. A decline of 33,000,000 feet in the shipments from Tacoma is about in proportion to the decreased output for the year, and fairly reflects the temporary slackness which 1904 witnessed in the lumber trade. It will be seen, however, that Tacoma's cargo shipments of lumber in 1904 exceeded by more than 15,000,000 feet the record of any previous year, with the exception of 1902 and 1903, when the demand in California and abroad was the heaviest ever known.

Shipments of Coal.

The following is the record by years of coal shipments from the port of Tacoma during the last six years:

Year.	Coal, Tons.	Value.
1899	470,234	$1,401,032
1900	607,164	1,833,169
1901	636,106	2,013,537
1902	375,183	1,227,005
1903	488,725	1,628,014
1904	403,530	1,306,089

Coal is also one of the natural products of Western Washington, which seeks an outlet through the port of Tacoma. Cargo shipments of coal from the port of Tacoma in 1904 amounted to 403,530 tons, valued at $1,306,089. Of this, 9,815 tons, valued at $43,247, were evported in sacks to foreign countries, while the balance of 393,715 tons represents the shipments coastwise to San Francisco and other American ports. Coal shipments show a decrease of 75,000 tons, as compared with the shipments in 1903, and an increase of 28,000 tons as compared with 1902. There is no overlooking the fact that the California market for the coal of Western Washington has been seriously affected by the discovery of oil in Southern California and the increase in its use for fuel purposes.

Enormous Traffic at the Smelter.

The largest and most important item in the ocean commerce of the port of Tacoma during the last year was the receipt of ores and concentrates at the Tacoma smelter and the shipments of bullion therefrom. The enormous sum paid by this single manufacturing concern for ocean and railway freights is shown in the first section of this issue, on page 5. The Harbormaster's records show that during the year the bullion shipped by water from the smelter was valued at $4,293,280. This item, the largest item in the detailed statement of outward cargoes shipped from this port during the year, represents the product of a single industry in this city. It exceeds in value the shipments of flour from this port by more than $400,000, and while the latter represents, to a considerable extent, the value of the product of Tacoma mills, it includes, also, flour shipped by rail to Tacoma from Portland and interior milling points; but the bullion shipments from the Tacoma smelter represent, as before stated, the contribution of a single Tacoma industry to the ocean commerce of the port. As most of the ores received at the smelter are brought by water to its wharves, it is also evident that this item must represent a large share of the inward cargoes received at Tacoma.

Shipments of Canned Salmon.

During the year 1904, 319,227 cases of canned salmon, valued at $1,996,757, were exported from the port of Tacoma. The salmon exported from this port is either canned on the Sound or at British Columbia or Alaska canneries, and is assembled at Tacoma for distribution.

Shipments of Barley.

Another item of a Washington production which makes a fair showing in the Harbormaster's report for 1904 is the export of 541,855 bushels of barley grown in Eastern Washington, valued at $320,943.

Merchandise for Alaska.

The jobbers of Tacoma have a large trade in Alaska. The records of the Harbormaster's office show that during the year 1904 merchandise to the value of $812,579 was shipped to Alaska from this port. Under a

recent change in the law it is necessary to obtain shipping permits in order to transport merchandise to the non-contiguous territory of the United States, and manifests are filed at the custom house when the permits are applied for. During the last two years there has, therefore, been an accurate and reliable record of shipments from Alaska to Puget Sound, and *vice versa*. The trade of Alaska is shared by the wholesalers and jobbers of Seattle, San Francisco, Tacoma and Portland.

Local Origin of Traffic.

In the foregoing partial review of some of the principal articles which enter into the ocean traffic from Tacoma, nothing has been mentioned which is not a native product of the region of which Tacoma is the natural assembling and distributing point. While these items do not by any means represent the full share of the outward cargoes from this port which originate in the section of the country tributary to Tacoma, they are sufficient to show that the great bulk of the traffic is of local origin. The shipments in 1904 of bullion from the Tacoma smelter, wheat and wheat flour, salmon, coal, lumber, barley, and general merchandise to Alaska, amount in value to $16,010,904, as follows:

	Value.
Bullion	$4,293,280
Flour, 1,013,933 barrels	3,857,925
Wheat, 2,892,838 bushels	2,357,504
Canned salmon, 319,227 cases	1,996,757
Coal, 403,530 tons	1,306,089
Lumber, 95,717,635 feet	1,065,827
Barley, 541,855 bushels	320,943
General merchandise to Alaska	812,579
Total (eight items)	$16,010,904

The total outward cargoes from Tacoma during the year 1904 were valued at $24,719,789. The foregoing items represent 65 per cent. of the total shipments of merchandise by water from this city. This is really a remarkable showing, as it indicates that far more than two-thirds of the total cargoes which are carried from this city originate in Tacoma, or in the country tributary to it, and represent the native products of the Pacific Northwest—products of the farms, the forests, the mines and the waters. To a very considerable extent, also, these native products have been increased in value prior to their shipment by manufacture in the mills of Tacoma into finished products.

Other Articles of Local Production.

There are many other articles of native production which enter into the statement of outward cargoes from this port. Among them may be mentioned oats, flax seed, cattle and hides, potatoes, box shooks, hay, feed, cedar poles, salted meats and fish, mutton, bottled beer, furniture, hops, and other products, which amount in the aggregate for the year to many hundred thousand dollars. Exports of products not originating in this vicinity amount also to a considerable sum, chief among them being raw cotton and domestics, of which, during the year 1904, the exports from Tacoma were valued at $2,919,490.

Products from the East and South.

There were also large exports from this city of tobacco, steel rails, machinery and miscellaneous merchandise, which was brought to Tacoma from the East by the Northern Pacific Railway, and shipped from this port by the various steamship lines operating to and from the Orient and other foreign ports. The most interesting and significant fact, however, in connection with the study of Tacoma's ocean commerce is that

the great bulk of the outward cargoes represent the industry and effort of the people of Tacoma and the State of Washington.

Increase in Imports.

The increase which will be noted in the foregoing statement of inward cargoes during the year 1904, as compared with any previous year in the history of the port, is chiefly due to the large receipts of Manila hemps which were brought to Tacoma during the year from the Philippines by the steamships of the Boston Steampship Company, regularly operated between this port and Manila. Prior to November, 1903, no Manila hemp was imported into the United States by the Pacific route, but was carried by foreign vessels to New York, Boston or Philadelphia via the Suez Canal and Mediterranean route. The Boston Steamship Company's line, now operating across the North Pacific, handles a large share of the hemp imported into this country, and will doubtless continue to do so, discharging it for distribution at the port of Tacoma.

Rail Shipments of Lumber and Shingles from Tacoma During the Years 1900-04, *Inclusive, by Months.*

Months.	Lumber, Cars.					Shingles, Cars.				
	1904.	1903.	1902.	1901.	1900.	1904.	1903.	1902.	1901.	1900.
January	260	260	288	166	167	77	70	25	44	41
February	381	337	349	191	184	103	75	59	83	74
March	401	544	441	256	283	96	106	137	90	79
April	397	449	461	250	239	111	117	109	110	65
May	457	497	493	322	240	106	121	97	94	65
June	434	479	471	332	162	84	144	39	86	72
July	363	382	447	349	189	64	140	89	126	85
August	414	421	446	318	145	134	106	119	107	63
September	318	352	418	247	135	140	86	106	67	58
October	345	350	415	326	172	135	111	136	119	70
November	303	256	354	305	165	151	125	87	99	73
December	285	380	359	348	149	111	104	88	85	66
Totals	4,358	4,707	4,932	3,410	2,330	1,312	1,305	1,091	1,110	811

The Collector of Customs of the Puget Sound customs district reports that the total imports of the district for the year 1904 amounted in value to $8,608,485, and the exports of domestic merchandise to $26,777,262. The foreign trade of the district for the year 1904 is credited to the two leading and the other minor ports of the district in the following proportions:

	Imports.	Exports.	Total Foreign Commerce.
Tacoma	$4,858.249	$13,759,758	$18,618,007
Seattle	2,268,280	7,927,940	10,196,220
Minor ports	1,481,956	5,089,565	6,571.521
Total	$8,608,485	$26,777,263	$35,385,748

Of the imports of the district in 1904 Tacoma handled 56.5 per cent.; Seattle 26.3 per cent., and the other fourteen ports 17.2 per cent.

Of the exports of the district, Tacoma handled 51.4 per cent.; Seattle 29.6 per cent., and the other ports of the district 19 per cent.

Portland is generally credited with the entire foreign trade of the Willamette customs district, of which it is the leading port. The entire foreign trade, imports and exports combined, of the Willamette customs district for 1904 was less than that of Seattle. Tacoma's foreign trade in 1904 was almost as large as the foreign trade of Seattle and Portland combined.

Columns of figures could be presented to show the details of the foreign commerce of these North Pacific Coast ports. It is quite unnecessary to do so, as the figures may be found in the official publications of the Bureau of Statistics and examined in every particular.

The imports credited to Tacoma and other ports by the customs

officials do not include foreign merchandise received and forwarded in bond to interior ports without appraisement. During the year 1904 merchandise to the value of $4,379,975 was so received and forwarded through the Puget Sound district, the bulk of which was discharged at Tacoma.

Tacoma is the chief loading port on Puget Sound for several lines of steamships operating between Puget Sound and the Orient, Liverpool and Glasgow by way of the Orient, the Suez Canal and the Mediterranean, Hamburg by way of Mexican, Central and South American ports, and New York by way of Honolulu, besides lines to Alaska and San Francisco.

The steamship lines now operating over these routes are the Boston Steamship Company and the Boston Tow Boat Company to Manila and Oriental ports; the Great Northern Steamship Company, whose mammoth new steamships *Minnesota* and *Dakota* are the largest American-built vessels afloat; the Nippon Yusen Kaisha, Japanese line, which has heretofore operated in connection with the Great Northern only; the Ocean Steamship Company, Limited, and the China Mutual Steamship Company, Limited, which operate a large fleet of modern freighters between Tacoma and Liverpool; the Kosmos Line, to Hamburg, and the American-Hawaiian Line to Honolulu and New York.

There were seventy-four sailings by vessels of these lines from Tacoma in 1904.

The record cargo in value ever taken from a North Pacific port was loaded at Tacoma and cleared on October 27 for the Orient and Liverpool on the *Telemachus,* of the "Blue Funnell," or Ocean Steamship Company's line.

Another record made by Tacoma in 1904 was the shipment of 91,080 barrels of flour for the Orient by the *Oanfa,* of the same line, on August 31. This was the largest flour shipment ever carried on a single vessel in the world.

Tacoma holds the records for the largest lumber, flour and wheat cargoes ever loaded on a vessel.

TACOMA'S OCEAN COMMERCE FOR 1904, TABULATED FROM MONTHLY REPORTS OF HARBORMASTER R. M. MOUNTFORT.

Deep sea arrivals	741
Inward registered tonnage	896,595
Inward cargo tonnage	213,193
Value of inward cargoes	$16,531,699
Deep sea departures	760
Outward registered tonnage	909,628
Outward cargo tonnage	858,103
Value of outward cargoes	$24,719,789
Total ocean commerce, tons	1,071,296
Total value of merchandise	$41,250,844

The following table shows the foreign and coastwise receipts at, and the foreign and coastwise shipments of merchandise from, the port of Tacoma during the calendar year 1904, by months:

Months.	Receipts.			Shipments.			Total Ocean Commerce.
	Foreign.	Coastwise.	Total.	Foreign.	Coastwise.	Total.	
January	$1,186,313	$444,192	$1,630,505	$2,191,306	$774,939	$2,966,245	$4,596,750
February	444,796	370,205	815,001	860,435	748,528	1,608,963	2,423,964
March	1,123,546	537,512	1,661,058	1,067,711	1,044,196	2,111,907	3,772,965
April	880,210	418,590	1,298,800	391,681	795,118	1,186,799	2,485,599
May	740,871	448,635	1,189,506	791,756	887,543	1,679,299	2,868,805
June	1,048,527	586,725	1,635,252	342,699	777,107	1,119,806	2,755,058
July	666,486	688,216	1,354,702	292,543	647,911	940,454	2,295,156
August	347,613	588,725	936,338	989,121	793,008	1,782,129	2,718,467
September	553,813	560,542	1,114,355	1,154,976	884,498	2,039,474	3,153,829
October	773,716	755,662	1,529,378	2,908,029	639,621	3,547,650	5,077,028
November	1,580,875	593,921	2,174,796	2,194,084	695,269	2,889,353	5,064,149
December	636,590	554,774	1,191,364	2,272,529	575,181	2,847,710	4,039,074
Totals	$9,983,356	$6,547,699	$16,531,055	$15,456,870	$9,262,919	$24,719,789	$41,259,844

(EXHIBIT J—6.)

Copy of list of questions submitted to the Board of Trade of New Orleans, and answers thereto, and letter of Fred Muller, Secretary, of the Board of Trade.

NEW ORLEANS, La., *April* 18, 1905.

What kind of freight originates in New Orleans and the vicinity within its commercial radius for export? In answering this question, define what you consider the commercial radius of New Orleans.

What is the extent of the commerce between New Orleans and the Pacific Coast ports of the United States, Mexico, Central and South America?

By what routes does this commerce go; that is, what per cent. by rail to the Pacific Coast ports of the United States, what per cent. by the Isthmus of Panama, and what per cent. by the Straits of Magellan?

Is there any freight shipped from New Orleans by rail to the Pacific Coast ports of the United States and then reshipped to ports in Mexico, Central and South America?

Are there any impediments of any kind that prevent the full development of commerce between New Orleans and the Pacific Coast ports of Mexico, Central and South America? If so, please state fully what such impediments are.

What are the principal articles of freight that originate within the commercial radius of New Orleans that are shipped by rail to Pacific Coast ports of the United States? Estimate the amount of each of the principal articles, and state the freight rates charged by the railroads upon each article to the places of destination; that is, the rate to San Diego, Los Angeles, San Francisco, etc.

How much of this freight would it be practicable to ship by the way of Panama? If there is any part of this freight that could not be shipped by the way of Panama, state why it could not be shipped by that route.

State the principal articles that could be shipped by the Panama route, and the amount of each.

If freight has not moved by the way of Panama, please state the reasons why.

What is the time consumed in transporting freight from New Orleans to San Francisco, Los Angeles, and San Diego by rail?

How much freight that originates within the commercial radius of New Orleans is shipped to Oriental countries?

What per cent. of such freight goes by all-water routes; that is, via the Suez Canal or the Straits of Magellan, and what per cent. by part rail and part water?

Give the rates charged on the principal articles by each of the above-mentioned routes.

Are there any products that originate within the commercial radius of New Orleans that cannot be successfully exported to the western coast of the United States, Mexico, Central and South America and

the Orient, but that could be with improved shipping facilities by the way of Panama?

What are the principal articles of freight received at New Orleans from the Orient and from the western coast of the United States, Mexico, Central and South America?

Estimate the amount of each of the principal articles of such freight.

What per cent. of this freight comes by the transcontinental railroads? what per cent. by all water? and what per cent. by Panama?

What are the freight rates charged on the principal articles by each of these routes?

What part of this freight that does not come by the way of Panama would it be practicable to ship by that route?

If a large part of such freight that could be shipped by the way of Panama is shipped by other routes, please state why shipment is made by other routes.

What are the present shipping facilities between New Orleans and Colon?

Are there any impediments that prevent the free movement of commerce between New Orleans and Colon? If so, please state in detail what these impediments are.

Is it essential to the commercial interests of New Orleans that there should be a line of steamers making regular schedule trips between New Orleans and Colon?

Is there any American steamship line that would establish a regular service between New Orleans and Colon if it were given the privilege of through bills of lading from New Orleans to Pacific Coast ports of the United States by the way of Panama, with connecting lines on the Pacific Coast?

Would there be sufficient business between New Orleans, Colon, Panama and Pacific Coast ports of the United States, Mexico, Central and South America to warrant the establishment of a first-class line of steamers making regular schedule weekly trips between New Orleans and Colon? Please answer this question in detail, giving the conditions under which, in your judgment, such line would or would not be successful.

Is there any freight originating outside of the United States that is shipped by water to any of the Pacific Coast ports of the United States, thence by rail to New Orleans, thence by water to Europe, the eastern coast of the United States, Mexico or South America? If so, please state the character of this freight, the amount, the places where it originates, and the rates charged by the railroad companies for its transportation across the continent, and the rates by water to its destination.

Is there any freight originating on the eastern coast of the United States, in Europe, or on the eastern coast of Mexico or South America that is shipped by water to New Orleans and thence by rail to the Pacific Coast ports of the United States, and is any of such freight transshipped by water to Alaska or the Orient? If so, please state the

freight rates charged from the points where it originates by water to New Orleans and from New Orleans to the Pacific Coast ports of the United States or the places of its destination.

What are the wharfage facilities of New Orleans?

What is the depth of the channel to the Gulf at low water?

In answering these inquiries, it is desired that a full discussion of the subject-matter of each question be given, so that each answer will present a clear and comprehensive statement of all the facts that have a direct or indirect bearing upon the subject.

State any objections that the commercial interests of New Orleans may have against the present commercial policy and rate-making system of the Panama Railroad Company.

Please make any statement not covered by the above questions that you think may have a bearing on the subject of transportation by the way of Panama.

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

To the President of the Board of Trade.

NEW ORLEANS BOARD OF TRADE, LTD.

NEW ORLEANS, *May* 5, 1905.

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

Dear Sir:—Referring to consultation between your good self and our Panama Committee, and the questions propounded by you under date of April 18, 1905, we now have the pleasure to submit to you the following data:

In order to cover your inquiries thoroughly and exhaustively, and to fully review the situation so that it will enable you to judge for yourself as to the advantages New Orleans affords as a commercial centre and export outlet, it unavoidably became necessary to go into more details than might be desirable. Yet, in order to answer the questions intelligently, it was deemed essential to do so.

Question No. 1.—What kind of freight originates in New Orleans and the vicinity within its commercial radius for export? In answering this question, define what you consider the commercial radius of New Orleans.

Answer.—The commercial radius of the city of New Orleans covers the States lying between the Alleghanies and the Rocky Mountains, and particularly the States of Minnesota, South Dakota, Iowa, Illinois, Ohio, Indiana, Kansas, Missouri, Arkansas, Texas, Indian Territory, Oklahoma, Tennessee, North and South Carolina, Georgia, Alabama, Florida, Mississippi, and Louisiana.

The freight originating within this commercial radius comprises wheat, corn, oats, hay, produce, dairy products, fruits, vegetables, poultry, manufactures, cement, coal, coke, iron, manufactures of iron and steel, lead, zinc, lumber, phosphate, cotton, petroleum, rice, sugar, salt, sulphur, rosin, turpentine, cotton seed products, oysters, shrimp, and fish.

In claiming the above territory as belonging to the commercial radius of the city of New Orleans, we take as a basis the fact that the territory is nearer by mileage to the port of New Orleans than to New York.

A few instances are herewith given:

SHORT RAIL DISTANCE.

	New York. Miles.	New Orleans. Miles.
Minneapolis	1,334	1,280
Duluth	1,390	1,340
St. Paul	1,322	1,268
Sioux Falls	1,443	1,261
Sioux City	1,422	1,172
Omaha	1,402	1,070
Dubuque	1,079	988
Chicago	912	912
Kansas City	1,385	878
St. Louis	1,058	700
Indianapolis	818	827
Cincinnati	757	830
Louisville	867	748
Nashville	997	557
Knoxville	735	602
Chattanooga	846	491
Charlotte	608	743
Charleston	739	775
Atlanta	876	495
Augusta	796	666
Savannah	854	680
Memphis	1,156	394
Denver	1,932	1,356
Montgomery	1,051	321
Birmingham	990	349

Question No. 2.—What is the extent of the commerce between New Orleans and the Pacific Coast ports of the United States, Mexico, Central and South America?

Answer.—The extent of commerce between New Orleans and the Pacific Coast ports of the United States, Mexico, Central and South America is at this time very limited.

The following figures on this subject, compiled for the year ending June 30, 1904, will give a clear insight into the comparatively small business now done by the port of New Orleans, not only with the west coast, but in some instances with the east coast of Central and South America and Mexico, notwithstanding her proximity to these localities.

From—	Imports into New Orleans.	Total into United States.
Honduras	$847,624	$2,047,981
Costa Rica	707,823	3,529,088
Nicaragua	578,784	1,578,807
Guatemala	145,106	2,601,841
British Honduras	150,036	636,534
Panama	.....	440,747
Mexico	5,592,734	43,633,275
Brazil	8,761,602	76,152,745
Colombia	211,586	7,949,211
Venezuela	6,675	6,878,348
Argentine	.....	9,835,161
Chili	.....	10,775,810
Peru	.....	2,899,915
Uruguay	.....	1,644,413
Ecuador	.....	2,350,493

To—	Exports from New Orleans.	Total from United States.
Honduras	$921,597	$1,527,387
Costa Rica	545,049	1,936,369
Nicaragua	1,023,978	1,837,682
Guatemala	217,355	1,281,342
British Honduras	804,139	1,070,449
Panama	47,430	979,724
Mexico	1,432,555	45,844,729
Brazil	.....	11,046,856
Colombia	238,250	4,660,891
Venezuela	.....	3,165,465
Argentine	.....	16,902,017
Chili	.....	4,824,857
Peru	.....	3,961,360
Uruguay	.....	1,362,708
Ecuador	.....	2,135,321

From these figures it will be seen that, while New Orleans has trade relations, both imports and exports, with Honduras, Guatemala, Nicaragua, Panama, and Mexico, its relations with Brazil, Chili, Argentine, Venezuela, Peru, Uruguay, and Ecuador are practically nil, with the exception of the import business from Brazil, which covers shipments of coffee from that country.

It will also be seen that an immense trade is being carried on between the United States and Mexico, of which New Orleans is hardly getting a fair share.

Question No. 3.—By what routes does this commerce go; that is, what per cent. by rail to the Pacific Coast ports of the United States? what per cent. by the Isthmus of Panama? and what per cent. by the Straits of Magellan?

Answer.—The import and export traffic carried on by New Orleans with the countries named in answer to Question No. 2 is at present taken care of by fruit steamers plying between New Orleans and the countries south of us.

The import business from Brazil, as mentioned before, consists mainly of coffee, and the steamers carrying these goods are those of the British Steamship Line of Lamport & Holt.

At present the percentage of cargo moving between New Orleans and the Pacific Coast of the United States is too nominal to classify.

Taking into consideration the figures on hand showing the movement of merchandise between New York and San Francisco via the Isthmus of Panama during the year ending June 30, 1904, it must be conceded that, with proper facilites, New Orleans should get a proportion of this business.

The figures are as follows:

Movement of merchandise between New York and San Francisco via the Isthmus of Panama..... $5,178,703

Movement of merchandise between San Francisco and New York via the Isthmus of Panama..... 3,130,311

The movement of vessels between the Atlantic and Pacific ports of the United States via Cape Horn during the year ending June 30, 1904, shows the following:

	Number of Vessels.	Tons.
Baltimore to San Francisco	6	13,988
Newport News to San Francisco	1	975
New York to San Diego	3	13,126
Norfolk to San Francisco	1	8,750
New Orleans to San Francisco	1	793
Hawaii to New York	5	13,968
Puget Sound to New York	5	21,112
Philadelphia to San Francisco	1	2,916
San Francisco to New York	12	40,124

Question No. 4.—Is there any freight shipped from New Orleans by

rail to the Pacific Coast ports of the United States and then reshipped to ports in Mexico, Central and South America?

Answer.—Very little; too insignificant to classify.

Question No. 5.—Are there any impediments of any kind that prevent the full development of commerce between New Orleans and the Pacific Coast ports of Mexico, Central and South America? If so, state fully what such impediments are.

Answer.—The combination between the Panama Railroad Company and the different steamship lines from New York and other points excluded in the past all competition from New Orleans, since steamers from here were outside of the agreement to discharge goods at Colon for transshipment via the Panama Railroad.

This has made competition impossible in the past. Since the government has promised to remove this obstacle, by allowing everybody to ship goods over the Panama Railroad on the same fixed basis to all, New Orleans will soon be enabled to enter the field as a strong competitor of the New York lines.

Question No. 6.—What are the principal articles of freight that originate within the commercial radius of New Orleans that are shipped by rail to Pacific Coast ports of the United States? Estimate the amount of each of the principal articles, and state the freight rates charged by the railroads upon each article to the places of destination; that is, the rate to San Diego, Los Angeles, San Francisco, etc.

How much of this freight would it be practicable to ship by the way of Panama? If there is any part of this freight that could not be shipped by the way of Panama, state why it could not be shipped by that route.

Answer.—The principal articles of freight shipped from New Orleans to the Pacific Coast are cotton, sugar, rice, general merchandise, and imports, such as coffee, iron, steel, and general merchandise.

The effect of the combination between the Panama Steamship Company and the Panama Railroad and the continental railroads has been very far-reaching. It not only put New Orleans to a great disadvantage when doing business with the City of Panama and points along the railroad, but the same disadvantages have been experienced whenever New Orleans merchants have tried to do business with the Pacific Coast of Costa Rica, Nicaragua, Salvador, Spanish Honduras, and Mexico.

Just to cite one instance, it may be stated right here that, while the short rail route from New Orleans to San Francisco is 2,456 miles, against the distance from New York via Chicago, Council Bluffs and Union Pacific of 3,237 miles; or, in other words, a difference of 781 miles in favor of New Orleans, the rate of freight on the commodities below mentioned is as follows:

	New Orleans to San Francisco.	New York to San Francisco.
Iron	$0.75 per cwt.	$0.75 per cwt.
Sugar	1.65 per cwt.	1.65 per cwt.
Coffee, green	.90 per cwt.	.90 per cwt.
Coffee, roasted	1.10 per cwt.	1.10 per cwt.
Rice	.55 per cwt.	.75 per cwt.

Under readjusted conditions New Orleans should secure at least 50 per cent. of the goods heretofore shipped from New York via Panama.

Question No. 7.—State the principal articles that could be shipped by the Panama route, and the amount of each.

Answer.—All manufactures of iron and steel that originate in the Birmingham district; the manufactures of leather, such as shoes and saddlery; also tin and enamel ware, rice and sugar; also imported goods from Europe and other parts of the world, such as dry goods, cement, cutlery, chemicals, machinery, coffee, and numerous other articles which it would be difficult to classify.

In this connection we would like to emphasize that goods from the Middle West can be brought down by the river to New Orleans, and thence transshipped by steamers to the Isthmus and the west coast of the United States, Central and South America and the Orient much cheaper than by all rail.

Question No. 8.—If freight has not moved by the way of Panama, please state the reason why.

Answer.—The reason is the same as mentioned before. No steamship line not connected with the close combination between the Panama Steamship Company and the Panama Railroad Company has been allowed to deliver goods through the ports of Colon and Panama for transshipment to other points.

Question No. 9.—What is the time consumed in transporting freight from New Orleans to San Francisco, Los Angeles, and San Diego by rail?

Answer.—All the way from eight to thirty days.

Question No. 10.—How much freight that originates within the commercial radius of New Orleans is shipped to Oriental countries?

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

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

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

Question No. 11.—What per cent. of such freight goes by all-water routes; that is, via the Suez Canal or the Straits of Magellan, and what per cent. by part rail and part water?

Answer.—As far as New Orleans is concerned, the only direct shipments which have up to this time been made were the following:

To Kobe, Japan—	Cotton. Bales.
November 18, 1899	8,971
January, 1900	16,569
February, 1900	3,237
March, 1900	5,951

Question No. 12.—Give the rates charged on the principal articles by each of the above-mentioned routes.

Answer.—This question is answered by the negative answer to Question No. 11.

Question No. 13.—Are there any products that originate within the commercial radius of New Orleans that cannot be successfully exported to the western coast of the United States, Mexico, Central and South America and the Orient, but that could be with improved shipping facilities by the way of Panama?

Answer.—Yes; all commodities mentioned in answer to Question No. 7.

Question No. 14.—What are the principal articles of freight received at New Orleans from the Orient and from the western coast of the United States, Mexico, Central and South America?

Answer.—From the Orient: Matting, silks, tea, and assorted Japanese merchandise.

From the west coast of the United States: Wine, dried and canned fruits.

From Mexico, Central and South America: Hemp, sisal grass, hides,

skins, bones, nitrate, fruits, nuts, mahogany, coffee, india rubber, and hats.

Question No. 15.—Estimate the amount of each of the principal articles of such freight.

Answer.—The data on hand does permit of a proper division of such goods which come from the west coast and those coming from the east coast of Mexico, Central and South America. Therefore the following data, which is the latest available, and covers principal articles imported from December 1, 1903, to December 1, 1904, only partly answers the question:

FREE OF DUTY.

	Quantity.	Value.
Coffee, pounds	153,003,202	$11,542,418
Tampico fiber, tons	81	4,608
Sisal grass, tons	29,652	3,795,430
Fruits and nuts of all kinds	.....	2,482,943
India rubber, pounds	480,976	296,760
Tea, pounds	79,840	10,862
Mahogany, M feet	5,796	279,920

DUTIABLE.

	Quantity.	Value.
Panama hats	.....	$16,761
Hides of cattle, pounds	26,448	3,708
Matting, square yards	1,077,505	83,218
Silks	.....	9,724

For complete details, refer to "Twenty-second Annual Report of the New Orleans Board of Trade," pages 24, 25 and 26.

Question No. 16.—What per cent. of this freight comes by the transcontinental railroad? what per cent. by all water? and what per cent. by Panama?

Answer.—Nearly 90 per cent. of all goods from the west coast of the United States comes by all rail.

Question No. 17.—What are the freight rates charged on the principal articles by each of these routes?

Answer.—The freight rates charged from the west coast of the United States, or, rather, from California points to New Orleans, as compared with those fixed from the same territory to New York, are more favorable to New Orleans than to New York.

You will remember that answer to Question No. 6 showed that the rate from the east coast to the west coast favored New York, as against New Orleans.

The difference in favor of New Orleans from the west coast is as follows: First class, 50c.; second class, 50c.; third class, 35c.; fourth class, 25c.; fifth class, 20c.

Question No. 18.—What part of this freight that does not come by the way of Panama would it be practicable to ship by that route?

Answer.—With proper steamship facilities, not only nearly all of the commodities mentioned would come that way, but the business could be materially stimulated.

Questions Nos. 19-24.—Dealt with in one answer:

19. If a large part of such feight that could be shipped by the way of Panama is shipped by other routes, please state why shipment is made by other routes?

20. What are the present shipping facilities between New Orleans and Colon?

21. Are there any impediments that prevent the free movement of commerce between New Orleans and Colon? If so, please state in detail what these impediments are.

22. Is it essential to the commercial interests of New Orleans that there should be a line of steamers making regular schedule trips between New Orleans and Colon?

23. Is there any American steamship line that would establish a

regular service between New Orleans and Colon if it were given the privilege of through bills of lading from New Orleans to Pacific Coast ports of the United States by the way of Panama, with connecting lines on the Pacific Coast?

24. Would there be sufficient business between New Orleans, Colon, Panama and Pacific Coast ports of the United States, Mexico, Central and South America to warrant the establishment of a first-class line of steamers making regular schedule weekly trips between New Orleans and Colon? Please answer this question in detail, giving the conditions under which, in your judgment, such line would or would not be successful.

Answer.—Since these questions are interdependent, the following explanation is given:

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

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

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

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

Questions Nos. 25 and 26 dealt with in one answer:

25. Is there any freight originating outside of the United States that is shipped by water to any of the Pacific Coast ports of the United States, thence by rail to New Orleans, thence by water to Europe, the eastern coast of the United States, Mexico, or South America? If so, please state the character of this freight, the amount, the places where it originates, and the rates charged by the railroad companies for its transportation across the continent, and the rates by water to its destination.

26. Is there any freight originating on the eastern coast of the United States, in Europe, or on the eastern coast of Mexico or South America that is shipped by water to New Orleans, and thence by rail to the Pacific Coast ports of the United States? and is any of such freight transshipped by water to Alaska or the Orient? If so, please state the freight rates charged from the points where it originates by water to New Orleans, and from New Orleans to the Pacific Coast ports of the United States, or the places of its destination.

Answer.—These two questions are practically answered by the replies to previous questions.

Questions Nos. 27 and 28 dealt with in one answer:

27. What are the wharfage facilities of New Orleans?

28. What is the depth of the channel to the Gulf at low water?

Answer.—The harbor of New Orleans is one of the most capacious

in the world. It is accessible through the Eads Jetties at the mouth of the river, where there is a safe navigable channel of 28 feet in depth of water through South Pass.

The government is preparing to open through the delta of the river another deep water pass, called Southwest Pass, the depth of which, within the next two years, will be increased to 35 feet, with a much greater width than South Pass.

Vessels meet with no delay whatever in entering and ascending South Pass, either by day or night.

The channel at the city is 2,000 to 3,000 feet wide. The depth ranges from 30 to 60 feet alongside the wharf, to as much as 280 feet in the stream. The length of the shore line from Chalmette, the lower port limit, up to Southport is about 20 miles.

There are landing places upon both banks, but chiefly on the city side.

The docks extend along the stretch of water front in one continuous line of timbered levee of more than 30,000 feet. These wharves are in charge of a Dock Commission, and are maintained by the payment of tonnage dues, payable by all vessels landing alongside.

The charge made for this service is as follows: Two cents per ton per day on the gross tonnage of a vessel for the first three days, and one cent per ton per day on the gross tonnage for the next three days, or a charge of nine cents for the first six days. Thereafter a vessel can use the wharf for a period of thirty days free from any charges.

The public wharves are being modernized with iron sheds and other improvements, and the railroads centering here have also splendid dock and export facilities.

The port conveniences are both adequate and modern. The charges to shipping and upon commerce, as compared with those of other ports, are moderate, since the water front has passed to public control.

Many improvements, as already stated, have been made, and others have been inaugurated in line with the commercial expansion of our city.

Steps have also been taken to further increase the facilities by speedily constructing a belt railroad to receive from the railroads terminating in New Orleans their freight, and switch the same, with the least possible delay, to its ultimate destination, either on the river front or at some factory or jobbing warehouse anywhere within the city.

Our facilities for towing ships, for coaling, repairing, supplying and inspection are complete.

Large iron works making marine business a specialty are available.

The great naval dock, which floats a 15,000-ton battleship, is, in case of necessity, at the disposal of a merchant vessel requiring its service.

Coal in abundance comes here via the Mississippi from the great Pennsylvania fields, as well as from Alabama.

Questions Nos. 29-31 dealt with in one answer:

29. In answering these inquiries, it is desired that a full discussion of the subject-matter of each question be given, so that each answer will present a clear and comprehensive statement of all the facts that have a direct or indirect bearing upon the subject.

30. State any objections that the commercial interests of New Orleans may have against the present commercial policy and rate-making system of the Panama Railroad Company.

31. Please make any statement not covered by the above question that you think may have a bearing on the subject of transportation by the way of Panama.

Answer.—With proper effort New Orleans should command a large share of the traffic with Latin America, as well as the Orient.

Heretofore the financial and commercial enterprises of the city have been fully occupied without branching out in new directions. With the