

construction of the Isthmian Canal, however, it is plain that New Orleans must ultimately have a leading part in this trade.

As the nearest of the large ports having rail and water connection to all parts of the central section of the United States, there can be but one of two results: either the traffic of the Mississippi Valley with the Pacific Coast must be done through New Orleans or the east and west railroads must make competitive rates. In either case, and from a similar cause, the country will receive the same benefit as that which inured to the Western farmer when the Eads Jetties were opened.

In further answer to the above questions, since you invite additional testimony, we might say that our request made to the Southern Pacific Company for information regarding certain data touched upon in your questions was refused.

Therefore the answers had to be made up as thorough as was possible under the circumstances.

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

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 After the wine reached here the Southern Pacific raised their rate again to 50c., and finally, after the boat was withdrawn, back to 75c.

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jobbers thought the Southern Pacific would protect the recently reduced rate, but, as stated above, when the ship was withdrawn the Southern Pacific put their rate back to 75c.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

This is one of the many instances where competition would bring about better conditions.

A brief résumé of facts regarding New Orleans and her commercial position shows the following:

Our city is located in the heart of the sugar, rice and cotton section.

New Orleans is only 165 to 280 miles distant from the oil fields of Louisiana and Texas.

She is only 115 miles distant from the salt mines of Louisiana; 230 miles from the sulphur mines of Louisiana; 400 miles from the coal and iron mines and mills of Alabama, and 110 to 500 miles from the cotton mills of the Southeastern States.

Among other products, New Orleans is famed for its oysters, fish and shrimps, with canning and packing factories at its very doors.

New Orleans is within a few hours of the vast pine, cypress and hardwood forests, with rosin, turpentine, tar and pitch.

New Orleans is the only outlet to the great Mississippi River and its tributaries.

New Orleans has six trunk lines and twelve railroads.

New Orleans has twenty-one steamship lines plying to all parts of the world.

Thirty miles of dock facilities.

Largest floating dry dock in the world.

New Orleans has six elevators, with 5,500,000 bushels capacity.

Belt railroad, under public ownership.

Low port charges.

The commerce of New Orleans, including both exports and imports, for 1904 amounted to \$182,631,619, an increase of 83.3 per cent. over 1894.

New Orleans is the largest sugar, rice and cotton market in the world, and second only to New York as a coffee market.

New Orleans imports more fruit than any other port.

Population of 325,000.

Bank clearances for 1904 of \$970,928,984.

Post office receipts for 1904, \$687,614.43.

Customs receipts for 1904, \$8,404,824.96.

New Orleans has a navy yard, cotton mills, wireless station, mint, etc.

Some of the leading crop outputs of Louisiana are:

Sugar, 739,000,000 pounds; rice, 500,000,000 pounds; molasses and syrup, 13,800,000 gallons; cotton, 824,000 bales; oysters, 539,013 half barrels.

Besides, there is salt, lumber, sulphur, rosin, turpentine, tar, pitch, oil, fruit, vegetables, rice, straw, hay, shrimps and fish in large quantities produced in Louisiana.

In conclusion, permit us to state that the New Orleans Board of Trade considered it a great privilege to answer your inquiries, and should you find, upon investigation, that some points are not covered as fully as you might desire, please do not hesitate to command us further.

The merchants of New Orleans are fully alive to the situation as relating to the trade expansion with Panama and over the Isthmus with Central and South America, and strenuous efforts will be made, with the assistance of our Exchange, to overcome such obstacles as up to this time have interfered with the free movement through this port.

It is needless for us to add that your good offices are heartily solicited, and will be highly appreciated in connection with our efforts.

Yours very sincerely,

E. F. KOHNKE, *President*.

FRED MULLER, *Secretary*.

NEW ORLEANS BOARD OF TRADE, LTD.

NEW ORLEANS, *May* 22, 1905.

J. L. BRISTOW, ESQ.,

Special Panama Railroad Commissioner,

Washington, D. C.

Dear Sir:—Your esteemed favor of the 17th inst. came duly to hand, and, agreeable to your request, I now beg to furnish you with the enclosed data relative to freight rates on some of the principal export commodities moving through New Orleans.

The rates shown on sulphur, pig iron, packing house products, and phosphates are from the only sources of supply which are tributary to New Orleans.

The rates shown on the remaining commodities are from the principal Southern points.

The source of supply on some of these articles, however, is not confined to the points mentioned, but is largely drawn from the local territory contiguous to New Orleans. Some of those commodities are rice, molasses and lumber, on which the various local rates apply, which are, in the main, reasonable.

If I can be of any further service to you, do not hesitate to command me.

Yours very truly,

FRED MULLER, *Secretary*.

The following are the rates in question:

From Sulphur Mines to New Orleans:	
Sulphur	\$3.00 long ton..
From Birmingham to New Orleans:	
Pig iron.....	\$2.50 long ton..
Lumber .....	.13 per cwt.
Staves .....	.13 per cwt.
Cotton seed oil.....	.20 per cwt.
Bales of cotton.....	.45 per cwt.
Cotton seed meal.....	1.95 per ton.
From Dallas and Ft. Worth to New Orleans:	
Packing house products.....	\$0.21 per cwt.
Bales of cotton.....	.70 per cwt.
Tennessee Points to New Orleans:	
Tennessee phosphate.....	\$2.43 to \$2.93 long ton..
Louisiana Points on M., L. & T. to New Orleans:	
Clean rice.....	\$0.13 to \$0.25 per cwt.
Molasses .....	.60 to 1.25 per bbl.
Lumber .....	.07½ to .10 per cwt.
Cotton seed meal.....	3.00 per ton..
Cotton seed oil.....	.70 to .80 per bbl.
Memphis to New Orleans:	
Packing house products.....	\$0.15 per cwt.
Clean rice.....	.10 per cwt.
Molasses .....	.10 per cwt.
Lumber .....	.12 per cwt.
Staves .....	.12 per cwt.
Cotton seed meal.....	2.32 per ton.
Cotton seed oil.....	.12½ per cwt..
Cotton .....	.17 per cwt.
Vicksburg to New Orleans:	
Clean rice.....	\$0.10 per cwt.
Molasses .....	.10 per cwt.
Lumber .....	.10 per cwt.
Staves .....	.10 per cwt.
Cotton seed meal.....	2.44 per ton.
Cotton .....	.18 per cwt..
Meridian to New Orleans:	
Lumber	\$0.08 per cwt.
Staves .....	.08 per cwt.
Cotton seed meal.....	1.50 per ton.
Cotton seed oil.....	.15 per cwt.
Cotton .....	.36 per cwt.
Texarkana to New Orleans:	
Lumber	\$0.13 per cwt.
Cotton seed meal.....	3.50 per ton.
Cotton seed oil.....	.21¼ per cwt..
Cotton .....	.60 per cwt.
Lake Charles to New Orleans:	
Lumber	\$0.10 per cwt.
Cotton .....	.30 per cwt.
Texas Producing Points to New Orleans:	
Clean Rice.....	\$0.19 to \$0.22 per cwt..

(EXHIBIT J—7.)

Copy of list of question submitted to the Chamber of Commerce of Mobile, Ala., and answers thereto.

MOBILE, Ala., April 20, 1905.

What kind of freight originates in Mobile and the vicinity within its commercial radius for export? In answering this question, define what you consider the commercial radius of Mobile.

What is the extent of the commerce between Mobile and the Pacific Coast ports of the United States, Mexico, Central and South America?

Are there any impediments of any kind that prevent the full development of commerce between Mobile 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 Mobile 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 Mobile to San Francisco, Los Angeles, and San Diego by rail?

How much freight that originates within the commercial radius of Mobile 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 Mobile that cannot be successfully exported to the western coast of the United States, Mexico, Central and South America and the Orient but which could be with improved shipping facilities by the way of Panama?

What are the principal articles of freight received at Mobile 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?

What are the present shipping facilities between Mobile and Colon?

Are there any impediments that prevent the free movement of commerce between Mobile and Colon? If so, please state in detail what these impediments are.

Is it essential to the commercial interests of Mobile that there should be a line of steamers making regular schedule trips between Mobile and Colon?

Is there any American steamship line that would establish a regular service between Mobile and Colon if it were given the privilege of through bills of lading from Mobile to Pacific Coast ports of the United States by way of Panama with connecting lines on the Pacific Coast?

What are the wharfage facilities of Mobile?

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 Mobile 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 Chamber of Commerce.

MOBILE CHAMBER OF COMMERCE.

Mobile, Ala., May 6, 1905.

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

Dear Sir—I have the honor to submit the following answers to the questions you submitted to me while on your visit to Mobile. I regret the delay in forwarding this report, but as indicated in my letter of April 27, it has been unavoidable and not of my making.

For convenience I have answered your interrogations by number.

No. 1.—The freight originating within the commercial radius of Mobile for export are cotton, cotton seed oil, coke and meal. Cotton goods, timber of all kinds, coal, pig iron and manufactures of iron, wheat, corn, oats, hay, flour, packing house products, and all the products of the Mississippi Valley. Technically speaking, there is no limit to the extent of commercial radius of Mobile, so far as may relate to exportation of traffic. Mobile draws its principal supplies of food stuffs, manufactured articles, etc., from all the Northern, Western and Central States. As to iron and coal interests of Alabama, you, of course, are in position to set out clearly Mobile's advantages over that of any other Gulf port. In attempting, however, to limit the commercial radius by description, would suggest that you take the territory lying east of the Mississippi, as far north as Memphis, then States of Arkansas, Missouri, Kansas, Nebraska, Iowa, Minnesota,

Wisconsin, Illinois, Indiana, Michigan, Ohio, Kentucky, Tennessee, the Carolinas, Georgia, and Alabama.

No. 2.—There is no interchange of commerce between Mobile and the Pacific Coast ports of Mexico, Central and South America. From Mobile to the Pacific Coast ports of the United States there is regular movement of cotton factory products, raw cotton compressed into bales destined to the Orient, generally handled by Seattle, Portland, Ore., and San Francisco. The major portion of cotton factory products referred to are likewise destined to the Orient. In the reverse direction from the Pacific Coast to Mobile there is considerable volume of canned goods, moving regularly, such as salmon, canned fruits, California wines and other articles indigenous to California.

No. 3.—The only impediment or obstacle preventing the full development of commerce from Mobile to Pacific Coast ports of Central and South America is the lack of proper transportation facilities, and such facilities have been impossible, not only from Mobile but from other Gulf ports on account of the great advantage New York and the Atlantic Seaboard of the United States have had, by reason of the preferential workings of the Panama Railroad with the Panama Steamship Co. In other words, with the arbitrariness demanded by the Panama Railroad for its rail service from Colon to Pacific Coast terminal where connection is to be had with diverging water carriers, it is impossible for Gulf ports to maintain water connection and pay these charges in competition with Eastern Seaboard referred to.

No. 4.—This question is practically answered by information given in Question No. 2 as to character of freight interchanged between Mobile and points within its commercial radius and the Pacific Coast ports of the United States. I am not advised that San Diego or Los Angeles handle any Southern products. San Francisco is a regular receiver of imported hemp that comes from Progreso, Mexico, by way of Mobile and principally large quantities of cotton factory products, that move from southeastern points, iron and iron articles, such as iron pipe, etc. I will cite a few commodities and endeavor to quote rates. Cotton factory products from principal cities of the South, such as drills and domestics (usually known as cotton piece goods) from Atlanta, Augusta, and Carolinas, approximately \$1.25 per hundred pounds; from Mobile \$1.00, carloads, minimum 30,000 pounds, less than carloads, \$1.50 per hundred pounds. Canned goods in the reverse direction to Mobile proper, 75 cents per hundred pounds, carloads, minimum 40,000 pounds, and claret from San Francisco and Los Angeles to Mobile, 75 cents, with somewhat higher rates to Atlanta, Birmingham, and other points or territory contiguous to Mobile, that would be supplied by this port in event of Panama service. A large amount of dried beans and peas, evaporated and dried fruits, and green fruits come to this territory from California; the freight on these articles is from 75 cents to \$1.25 per hundred pounds in carload lots.

No. 5.—It will be entirely practical to ship by the way of Panama all the traffic mentioned in the foregoing except that which is considered of perishable nature, which route would not be practical for the handling of the latter commodities on account of longer distance and time necessary to be consumed en route.

No. 6.—All of the articles mentioned in answer to No. 1 could be marketed and shipped in large quantities to great advantage by the Panama route.

No. 7.—Freight is not moved by the way of Panama for reason as explained in answer to Query No. 3, that is, no service or discrimination of the Panama Railroad in its charges against the Gulf in favor of the Atlantic Seaboard or New York.

No. 8.—Usual time to transport freight from Mobile to California terminals, San Francisco, Los Angeles, etc., ten to twelve days; Mobile

to North Pacific points, namely, Tacoma, Seattle, Portland and Vancouver, fifteen days to twenty days.

No. 9.—Large quantities of cotton piece goods, raw cotton compressed in bales is moved from territory contiguous to Mobile, or fairly lying within its commercial radius of Mobile to China and Japan, principally moves by North Pacific Coast ports, Seattle or Portland.

No. 10.—A very small percentage of the freight for the Orient is moved via the all-water route, that is, by the Suez Canal, on account of the transshipment necessary from some European port, longer time consumed, cost of insurance, etc., on property, and invariably this traffic is moved by rail to the North Pacific Coast ports of the United States, thence by water carrier direct to Oriental destination. In fact, I should estimate that 95 per cent. of the traffic at least was routed that way against the Suez Canal route.

No. 11.—Rates on cotton factory products from principal manufacturing centers contiguous to Mobile or within its commercial radius to Japan and China common points, as Kobe, or Yokohama, Japan, or Shanghai, China, are as follows: On raw cotton, compressed in bales to the density of $22\frac{1}{2}$ pounds to the cubic foot, takes rates ranging from \$1.20 to \$1.35 per hundred pounds, according to the point of origin.

No. 12.—In my judgment the handling of cotton and cotton goods to the Orient and foreign countries could be greatly increased or stimulated with improved shipping facilities by Panama. Furthermore, the products of the Pacific Coast ports of Mexico, Central and South America could be stimulated and largely developed by the port of Mobile for the interior. For instance, such as nitrate of soda, which comes from Chili, coffees and woods of value that now have to be moved by water around Cape Horn, if they move at all. The coal, iron and timber industries are susceptible to large development to the West Coast, principally of Central and South America, and proper shipping facilities and reasonable rates are only needed to promote its successful handling.

No. 13.—Matting and a few other articles of Oriental manufacture are all that is received here. From the Western Coast of the United States we receive the articles mentioned in answer to No. 4. From the Western Coast of Mexico, Central and South America nothing is now received.

No. 14.—Have not the data to answer intelligently.

No. 15.—All by transcontinental railroads.

No. 16.—See answer to No. 4.

No. 17.—See answer to No. 5.

No. 18.—The present shipping facilities between Mobile and Colon are considered equal with any port out of the Gulf. The steamship companies, of which there are several, hold themselves in readiness to put on any required number and class of steamers to take care of the business offering out of Mobile for Panama. Of course, these lines cannot be established until the business is offered. In order to secure a regular service out of Mobile it is necessary for Mobile to be given equal advantages in competing for the supplies purchased, in order to develop a regular service from Mobile to Panama.

The Munson S. S. Line, which is now operating an extensive and regular service from Mobile to Cuba, is in the field for this Panama business, and has already secured two cargoes of creosoted material, which will move from Mobile to Panama.

The Atlantic & Mexican Gulf S. S. Co., which operates an efficient and regular service from Mobile to Mexico, is also prepared to handle any business from this port to Panama that may be offering.

No. 19.—The chief impediment that prevents the free movement of commerce between Mobile and Colon is simply the demand at Colon. The inauguration of service so far as may relate to Colon proper is con-

cerned with the opening up of the Panama Railroad as a connection on reasonable rate basis, a free movement of commerce to the Pacific Coast of the United States, Mexico, Central and South America, would be greatly stimulated and handled in large quantities. Any rate adjustment that might be considered or made should be in dollars and cents per one hundred pounds, whether it relates to ocean or rail carrier.

No. 20.—It is very essential to the commercial interests at Mobile that there should be a regular line of steamers making regular scheduled sailings between Mobile and Colon, the reasons for which are of great importance.

No. 21.—With the opening up of the Panama Railroad and its steamer connection on the Pacific Coast to the Pacific Coast ports on a reasonable rate basis, adjusted with relation to the current per cents. and rail rates between this territory and such Pacific Coast ports there is no doubt that sufficient exchange of traffic or opportunities for handling such offerings at Mobile and its vicinity would be made attractive to steamship interests. I am informed that there are companies which would establish an American S. S. Line maintaining a regular service between Mobile and Colon if they were given the privilege of through bills of lading from Mobile and interior points in connection with connecting lines to the Pacific Coast ports of the United States by way of Panama and for Panama, with connecting lines on the Pacific Coast.

No. 22.—The wharfage facilities of Mobile, now in use and in course of construction, are modern, up to date in equipment and thoroughly ample for the handling of this line. Furthermore, the port charges, which might be mentioned in this connection, are cheaper than any other Gulf port, which with the low price of coal, less than any other South Atlantic or Gulf port south of Newport News, its unlimited supply of fresh water, and the cheapest labor in the country, 50 or 100 per cent. less than New Orleans, Galveston, and other Gulf ports, places Mobile on a par with, if not above, any Gulf port.

No. 23.—Depth of the channel to Gulf is 22 feet 6 inches in low water.

No. 24.—Observed in answering the other questions.

No. 25.—See answer to Question No. 3.

No. 26.—At the present time while Mobile does not have a purchasing agent stationed at this place, which is the case at New Orleans, we are possibly placed at a disadvantage in getting some of the business that would otherwise be handled through this port. It is to be hoped, however, that this objection will be remedied within a short time by having the Commission station here a purchasing agent to cover our territory the same as has been done at New Orleans.

Mobile is the cheapest coaling port for steamers south of Newport News. This, combined with the cheap rates for stevedoring in loading and unloading of steamers and other advantages which Mobile has, as compared with competitive ports, should, if we are given the opportunity to compete for this Panama business, secure for Mobile her full share of the business.

In addition to the above I would respectfully call your attention to the statement enclosed herewith of the export and import trade at Mobile for the years ending December 31, 1904. The exports went to nearly every port of the world, but with the exception of cotton, lumber and timber, principally to Cuba and Central American ports with which our trade now is very large.

Very respectfully yours,

CHAS. H. BROWN,
President.
By LEE F. IRWIN,
Secretary.

VALUES OF IMPORTS BY COUNTRIES, AND THE PRINCIPAL ARTICLES
IMPORTED FROM EACH INTO THE PORT OF MOBILE, ALA.,
DURING THE CALENDAR YEAR ENDED DECEMBER 31, 1904.

COUNTRIES.	Values.	Principal Articles Imported.
France	\$332	Wines.
Italy	208	Wines, clays and earth.
Spain	24,226	Sulphur ore.
Norway	2,231	Dried fish, matches, etc.
Scotland	206	Whisky.
England	22,702	Paints, oils, etc.
British Honduras	84,771	Fruits and nuts.
Costa Rica	212,660	Fruits and nuts.
Guatemala	79,601	Fruits and nuts.
Honduras	460,240	Fruits and nuts.
Nicaragua	44,694	Fruits and nuts.
Panama	425,176	Fruits and nuts.
Mexico	2,692,210	Sisal grass and mahogany.
Cuba	246,360	Fruits, vegetables, iron pyrites.
British West Indies	10,171	Fruits and nuts.
Colombia	2,372	Fruits and nuts.
Brazil	33,590	Manganese ore.
Germany	36,063	Phosphate.
Switzerland	453	Cotton laces.
Turkey	201	Nuts.
Total value of imports, \$4,378,767.		

MR. F. TEBBETTS,
Collector of Customs.

COL. L. T. IRWIN,
Chamber of Commerce.

FOREIGN EXPORTS. THE QUANTITY AND VALUE OF THE PRINCIPAL
ARTICLES EXPORTED THROUGH THE PORT OF MOBILE.

The principal articles exported through the port of Mobile, Ala., during the
calendar year ending December 31, 1904, were as follows:

ARTICLES.	Quantity.	Value.
Agricultural implements .....	.....	\$27,949
Cattle, number head	6,585	199,429
Hogs, number	1,942	21,675
Horses and mules, number	689	107,993
All other animals .....	.....	4,559
Corn, bushels	494,922	303,434
Oats, bushels	110,564	43,250
Flour, barrels of 196 lbs.	356,616	1,618,944
Bran, tons of 2,240 lbs.	3,065	54,980
All other breadstuffs .....	.....	6,741
Medicines, patent and proprietary .....	.....	8,743
Bituminous coal, tons of 2,240 lbs.	8,771	31,394
Other coal and coke .....	.....	4,926
Cotton, bales	64,896,681	7,236,526
Cotton, lintens, lbs.	110,133	3,630
Cotton, cloth, yards	5,821,600	184,968
Cotton, wearing apparel .....	.....	57,462
Cotton waste, lbs.	207,460	15,982
Cotton seed, lbs.	3,531,042	38,118
Other manufactures of cotton .....	.....	9,489
Fertilizers .....	.....	23,361
Bags, cordage and twine .....	.....	4,316
Fish, dried, smoked and cured .....	.....	3,610
Fruits and nuts .....	.....	4,863
Hay, tons of 2,240 lbs.	1,378	23,524
Iron and steel, and manufactures of .....	.....	383,871
Sewing machines and parts of .....	.....	20,083
Nails, cut and wire, lbs.	43,622	1,348
Pipes and fittings .....	.....	56,017
Boots and shoes, pairs	92,152	108,384
Other manufactures of leather .....	.....	2,718
Rosin, barrels of 280 lbs.	39,495	127,140
Other naval stores .....	.....	671
Paper and manufactures of .....	.....	21,889
Beef products, lbs.	125,652	9,693
Hams, lbs.	2,602,361	222,903
Pork, salted and pickled, lbs.	3,535,131	238,983
Lard and lard compounds, lbs.	14,773,031	920,203
Other meat products .....	.....	98,201
Dairy products (butter, cheese, milk) .....	.....	30,855
Rice, lbs.	2,541,793	54,795
Beer, number of dozen quarts	84,452	129,833
Vegetables .....	.....	22,710

ARTICLES.	Quantity.	Value.
Sawn timber (1,000 superficial feet).....	98,589	1,295,901
Hewn timber, cubic feet.....	1,207,239	238,954
Logs and other.....	.....	32,807
Boards, deals and planks (1,000 superficial feet).....	134,819	2,020,177
Staves, number.....	1,903,401	116,261
Furniture not elsewhere specified.....	.....	52,654
Other lumber and manufactures of.....	.....	145,815
Miscellaneous .....	.....	338,329
Total domestic merchandise.....	.....	\$16,731,067
Foreign merchandise exported.....	.....	51,916
Total value of exports.....	.....	\$16,782,983
Total exports for calendar year 1903.....	.....	15,146,504
Increase over 1903.....	.....	\$1,636,479

(EXHIBIT J—8.)

Copy of list of questions submitted to the Chamber of Commerce of Pensacola, Florida; letter of Mr. W. C. Jones, Secretary, with enclosures from Mr. E. O. Saltmarsh, Superintendent, and Mr. W. C. Compton, Traffic Manager of the Louisville & Nashville Railroad Company.

Pensacola, Florida, April 21, 1905.

What kind of freight originates in Pensacola and the vicinity within its commercial radius for export? In answering this question define what you consider the commercial radius of Pensacola.

What is the extent of the commerce between Pensacola and the Pacific Coast ports of the United States, Mexico, Central and South America?

Are there any impediments of any kind that prevent the full development of commerce between Pensacola 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 Pensacola 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, Tacoma, Seattle, 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 Pensacola to San Francisco, Los Angeles, San Diego, Tacoma, and Seattle by rail?

How much freight that originates within the commercial radius of Pensacola 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?

Gives the rates charged on the principal articles of each of the above-mentioned routes?

Are there any products that originate within the commercial radius of Pensacola that cannot be successfully exported to the Western Coast of the United States, Mexico, Central and South America and the Orient but which could be with improved shipping facilities by the way of Panama?

What are the principal articles of freight received at Pensacola 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?

What are the present shipping facilities between Pensacola and Colon?

Are there any impediments that prevent the free movement of commerce between Pensacola and Colon? If so, please state in detail what these impediments are.

Is it essential to the commercial interests of Pensacola that there should be a line of steamers making regular schedule trips between Pensacola and Colon?

Is there any American steamship line that would establish a regular service between Pensacola and Colon if it were given the privilege of through bills of lading from Pensacola to Pacific Coast ports of the United States by way of Panama with connecting lines on the Pacific Coast?

What are the wharfage facilities of Pensacola?

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 Pensacola 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 Chamber of Commerce.

THE CHAMBER OF COMMERCE OF PENSACOLA.

Pensacola, May 25, 1905.

HON. JOSEPH L. BRISTOW,
Washington, D. C.

Dear Sir—Referring to your inquiry of April 21, ultimo, inquiring as to facilities obtaining at Pensacola to handle supplies destined for Panama, etc., I beg to inclose herewith letters from Mr. E. O. Saltmarsh, Superintendent of the Louisville & Nashville R. R. Co., at Pensacola, and Mr. C. B. Compton, Traffic Manager of the Louisville & Nashville R. R. Co., Louisville, Ky.

If there is any further information which we can give you, please command me, and oblige,

Very truly yours,

W. C. JONES,
Secretary.

LOUISVILLE & NASHVILLE RAILROAD COMPANY—PENSACOLA DIVISION.
OFFICE OF THE SUPERINTENDENT.

Pensacola, Fla., May 25, 1905.

HON. J. E. STILLMAN,
Pensacola, Fla.

Dear Sir—Referring to inquiries made by Mr. Bristow on his visit to Pensacola, and information desired from the Traffic Department of this company in regard to same.

I enclose letter which I have just received from the Traffic Manager, replying fully in regard to the matter. Please note that Mr. Compton states it is his understanding that you would, in connection with his reply, prepare and submit to Mr. Bristow such further information as called for by him. I presume that you will do this.

Yours truly,

E. O. SALTMARSH,
Superintendent.

LOUISVILLE & NASHVILLE RAILROAD COMPANY.
OFFICE OF THE TRAFFIC MANAGER.

Louisville, Ky., May 22, 1905.

MR. E. O. SALTMARSH,
Superintendent, Pensacola, Fla.

Dear Sir—You will recall when Mr. Bristow, Special Panama Railroad Commissioner, was in Pensacola a short time ago he gave Mr. Stillman a memorandum of the information he desired concerning the facilities at Pensacola, the export traffic handled through that port, and the practicability of forwarding via that route traffic for Panama, also traffic for the Orient, etc., in connection with the Panama Railroad.

I return the memorandum herewith, and in answer to the inquiries concerning traffic, etc., desire to submit the following:

The inquiries involve consideration of what might be called four distinct territories, as indicated below, and information is asked:

- A. As to the commercial radius of Pensacola with respect to these territories, or, in other words, to what extent competition via the present routes can be met via Pensacola.
- B. What the traffic consists of.
- C. The quantity.
- D. The present routes.
- E. The rates charged on principal articles.
- F. Existing facilities from Pensacola.

Oriental Territory.

A. The commercial radius of Pensacola, in view of existing competition, could hardly be reckoned as including any points on or north of the Ohio River; though all southern territory east of the Mississippi River could possibly be worked via Pensacola without much interference from the Pacific Coast or New York lines.

B. The traffic from the territory just described is composed chiefly of cotton and cotton piece goods.

C. The movement of cotton to Japan this year greatly exceeded that of any previous year. For instance, during the seven months ending March 31, 1905, there were shipped 171,146 bales, as against 39,467 bales during the same period of last year. We are not advised how many bales moved from the territory east of the Mississippi River, nor can we say what quantity of cotton piece goods moved from this territory.

D. Cotton and cotton piece goods from this territory moves via the following routes:

- 1. Via the Pacific Coast.
- 2. Via the Gulf, South Atlantic and Virginia ports direct, also via Liverpool.

Cotton mostly moves via Pacific ports, cotton piece goods via Virginia ports, also via New York and Suez Canal.

E. The rate on cotton during the past season has been \$1.21, cotton piece goods about \$1.18 per hundred pounds.

There does not seem to be much encouragement for the establishment of a line between Pensacola and Panama, in so far as business to or from the Orient is concerned. The only nucleus for such service would be cotton and cotton piece goods, and the former would occupy too much room under hand stowage to find any profit in the through rate accorded via the Pacific Coast, especially since, from that figure it is likely an allowance would have to be made to cover lost weight resulting from additional handling at Colon and Panama, and port of transshipment.

If a steamship line was established from Panama to Japanese and Chinese ports, the project would look more feasible, provided capable cotton screwmen were maintained at Panama.

Colon.

A. We are today competing with the New York line for all business as far east as the Buffalo-Pittsburg zone, and I would therefore consider Pensacola's commercial radius so far as cotton is concerned as being all territory west of the Buffalo-Pittsburg zone, including, of course, all southern territory.

B. The traffic consists largely of machinery and supplies for the Isthmian Canal Commission.

C. We have no information relative to the total movement.

D. Shipments are at present handled in connection with the United States Fruit Company's steamers from New Orleans, and their time from that port to Colon, according to our information, is about six days.

E. On the principal articles consigned to the Canal Commission, the rate from New Orleans is 22½ cents per hundred pounds; for other consignees in the Republic of Panama the rate is about 25 cents per hundred pounds.

F. There are no transportation facilities from Pensacola at present.

Panama and Ports along the West Coast of Central and South America, Etc., Etc.

A. The commercial radius of Pensacola, so far as these ports are concerned, is all territory west of the Buffalo-Pittsburg zone and all southern territory.

B. As the movement of traffic has heretofore been entirely via New York, we have no information as to what it consists of.

C. We are not advised of the volume of this traffic.

D. The time occupied in sailing from New York to Colon, according to our information, is about eight days.

E. We are not advised as to the rates charged.

F. There are no transportation facilities from Pensacola at present. This business, particularly for Mexican and South American ports, is conducted exclusively through New York brokers, though considerable of the traffic originates in Western territory. If a line were established from Pensacola, we would have to interest parties in shipping direct from factories, instead of via New York, the same as was done with the Cuban traffic. Pensacola should seemingly enjoy quite a share of the movement of pine lumber for these ports. The competition would be timber from the Pacific Coast.

California Terminals, San Francisco, Los Angeles, Etc.

The commercial radius of Pensacola or the territory from and to which competition could possibly be met via that port, is probably that lying between the Buffalo-Pittsburg zone and the Mississippi River. Traffic from Ohio River points and territory south thereof, especially the latter, comes unquestionably within her commercial radius.

B. The character of traffic forwarded to and from territory north of the Ohio River is of a variable nature, but from Ohio River points and points south thereof, from which Pensacola should enjoy a more advantageous position, the traffic consists principally of whiskey, cotton piece goods, iron pipe, canned fish, cigars and phosphate rock. That shipped into this territory consists of canned goods, dried fruits, nuts, etc.

C. We have no statistics showing the volume of traffic to and from the territories named.

D. The routes are via the transcontinental lines and via the Mississippi River gateways, principally New Orleans and St. Louis.

E. The present rates from southern territory on the articles above described are, cotton piece goods, from southeastern points, \$1.35 per hundred pounds; iron pipe from Birmingham and Anniston districts, \$15.00 per ton; pig iron from Birmingham district, \$12.70 per ton; canned fish from Biloxi, Miss., etc., \$1.00 per hundred pounds; cigars from Key West, \$4.81 per hundred pounds; phosphate rock from Mt. Pleasant, Tenn., \$15.19 per ton.

I shall be glad if you will convey the above information to Mr. Stillman. It was the understanding, I believe, that he would prepare

such other information as is called for in the memorandum and submit all the data to Mr. Bristow.

Yours truly,
C. B. COMPTON,
Traffic Manager.

(EXHIBIT J—9.)

Copy of list of questions submitted to the Chamber of Commerce of Galveston, Texas, and letters of Mr. C. R. Kitchell, Secretary, in response thereto.

Galveston, Texas, April 24, 1905.

What kind of freight originates in Galveston and the vicinity within its commercial radius for export? In answering this question define what you consider the commercial radius of Galveston.

What is the extent of the commerce between Galveston 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?

Are there any impediments of any kind that prevent the full development of commerce between Galveston 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 Galveston 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 Galveston 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?

Gives 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 Galveston that cannot be successfully exported to the Western Coast of the United States, Mexico, Central and South America and the Orient but which could be with improved shipping facilities by the way of Panama?

What are the principal articles of freight received at Galveston from the Orient and from the Western Coast of the United States, Mexico and 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?

What are the present shipping facilities between Galveston and Colon?

Are there any impediments that prevent the free movement of commerce between Galveston and Colon? If so, please state in detail what these impediments are.

Is it essential to the commercial interests of Galveston that there should be a line of steamers making regular schedule trips between Galveston and Colon?

Is there any American steamship line that would establish a regular service between Galveston and Colon if it were given the privilege of through bills of lading from Galveston to Pacific Coast ports of the United States by the way of Panama with connecting lines on the Pacific Coast?

What amount of freight is transported across the continent from the Pacific Coast by rail to Galveston and then reshipped by water to New York and Atlantic Coast ports of the United States?

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 Galveston, 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 railroads 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 Galveston and thence by rail to the Pacific Coast ports of the United States; and is any of such freight transhipped by water to Alaska or the Orient? If so, please state the freight rates charged from the points where it originates by water to

Galveston and from Galveston to the Pacific Coast ports of the United States or the places of its destination.

What are the wharfage facilities of Galveston, and who own and control the wharves?

What are the port charges of Galveston?

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 Galveston 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 upon 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.

GALVESTON CHAMBER OF COMMERCE.

Galveston, Texas, May 15, 1905.

IN RELATION TO COMMERCE BETWEEN GALVESTON AND PANAMA.

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

Dear Sir—Referring to your favor of the 10th inst. and to the list of questions regarding commerce of Galveston, which you left with us on the occasion of your recent visit to this port. We beg leave to offer the following replies to your inquiries from our standpoint based not so much on present business but instead on commerce which is naturally due to this port and which we believe will materialize under favorable and equal conditions.

Kind of Freight within Galveston's Commercial Radius for Export.

Freight originating within the commercial radius of Galveston includes lumber and dimension stuff of all kinds, staves, handles, coal, crude and refined oil, flour, bran and mill stuffs, wheat, corn, oats and other grains, hay, broom corn, horses, cattle, hogs, sheep, poultry, eggs, butter, cheese, packing house products, lard and lard products, salt, cotton, sugar, rice, tobacco, cement, brick, lime, machinery, agricultural implements, structural iron, railway equipment and supplies, glass, sewer pipe, powder and high explosives, fruits and vegetables of all kinds, cotton goods and dry goods, domestic utensils, furniture of all sorts, groceries, canned meats, fish, fruits, vegetables, hardware, iron, nails, wire, drugs and chemicals. The commercial radius of Galveston extends to a limit surrounding the territory on and west of the

Mississippi River, including Chicago. Therein are the vast natural fields of mineral wealth, coal, lumber, oil; the country bearing the grains, fruits, vegetables, cotton, live stock. In such area also are the prosperous, growing commercial centres containing manufactories of all descriptions. Such is the country that is now shipping to, from and through Galveston. This commercial territory tributary to this port extends to and even beyond the Rockies and into Mexico. Recently over 67% of the exports of the United States were agricultural products of which 65% originated west of the Mississippi River. The centre of the country is nearly 50% closer to tide water via Galveston than via New York, that is, half of the territory of the United States is nearer Galveston than any other port east thereof. Chicago may well be said to be the centre of a large manufacturing district which is practically the same distance from Galveston as from New York. Galveston is 500 miles nearer Colon than New York is. Factories are gradually coming west and south into the midst of natural resources. Galveston is reached by several of the largest railway systems in the United States. Galveston is the only eastern ocean port of the Santa Fe system with over 9,000 miles of track ramifying the very best parts of the country and reaching the prosperous cities of the North and West. This also is the terminus of the I. & G. N. R. R., the Texas part of the Gould System, which provides an outlet this way as a near, practical and accessible port for about 9,000 miles of railway of that system west of the Mississippi River. This is the only tide water terminus of the M. K. & T. System, having 3,000 miles. Galveston is the principal freight Gulf port terminus of the Southern Pacific System with about 3,000 miles of road in Texas. This is the best Gulf outlet for the Kansas City Southern—G. & I. Route—with 900 miles of track. The Rock Island System has large terminal property at this port. Both the Rock Island and Frisco Systems will soon enter here according to projected plans, thus opening up for direct through shipments to this port something over 13,000 miles of railway.

Extent of Commerce Between Galveston and Pacific Coast Ports of the United States, Mexico, Central and South America, Routing and Development.

There is extensive tonnage between Galveston and the Pacific Coast ports of the United States for transshipment by water service to the Atlantic Seaboard, but we apprehend that such commerce is outside of the matter under consideration because of the impracticability of handling such commerce by way of Panama and this port. Such freight is at present transported by rail between Galveston and the Pacific Coast ports of the United States. The extent of commerce between commercial radius of Galveston and Mexico, Central and South America is small because of the absence of ocean transportation, but we submit that this question of the amount of commerce this way with the ports of Mexico, Central and South America is not of so much importance as a present one, but more so with respect to the future, and we see no reasons why this port should not carry on a full share of the existing commerce between this country and the Western Coasts of Mexico, Central and South America, with due and equal transportation facilities. No impediments exist that we know of or can discern which will prevent the full development of commerce with Pacific Coast ports of Mexico, Central and South America through Galveston. The statistics of the Department of Commerce and Labor show the volume and value of such present trade and traffic. The source of similar commerce unquestionably exists within Galveston's commercial radius and would, we believe, find ready and accessible exit and entrance through this port under favorable and equal circumstances which would permit and warrant competition.

Freight Between Commercial Radius of Galveston and Pacific Coast Ports of the United States.

We understand that your next series of questions concerning the movement of freight between the commercial radius of Galveston and Pacific Coast ports of the United States to comprehend domestic commerce and we would answer accordingly. The number and variety of commodities in such commerce are too numerous to mention and in the absence of statistics, of which we are not in possession and could not readily secure, we shall not attempt to name any special class of freights and, therefore, in not doing so we shall not attempt to specify freight rates at present charged by the railroads for all rail service. One point we would make right here is that railroad freight rates between Galveston and Pacific Coast ports are lower than or the same as the Mississippi River basis. For inspection, we would refer specifically to Trans-Continental Freight Bureau Tariffs of the several railroads, Westbound, I. C. C. No. 375; Eastbound, I. C. C. No. 318, of which issues we have no extra copies, but they are on file with the Interstate Commerce Commission in Washington. No statistics or information are available to us showing the volume of this present rail traffic. As to the practicability of moving this freight by the way of Panama, would say that there are no impediments in the way through this port. The same conditions in this matter would exist through Galveston as through any other Gulf or Atlantic port. The character of the commodity would have to be considered. Location so far as point of origin and final destination are concerned would naturally affect the situation surrounding the handling of all transcontinental freight through any port by the way of Panama. The cost of transportation and the rates chargeable are important factors. Railways from all sections will, no doubt, stand ready to actively meet Panama Railroad competition so far as they can profitably go. The available rate through any port via Panama would be largely influenced by the cost of transportation to and from the port. In discussing this matter frankly, we would question whether there are any commodities that are produced right at tide water on the Pacific Coast which are consumed right at tide water on the Atlantic Coast south of Philadelphia or on the Gulf Coast or *vice versa* that would amount to enough to be considered. It might be also questioned whether the handling of any transcontinental business is practical by way of Panama to or from ports south of Philadelphia. But if the answer is in the affirmative, we believe it should and will include the port of Galveston as well as any other. The number of handlings via Panama, of course, are the same to or through any port. Transcontinental freight has not moved through Galveston by the way of Panama because no water service through the Gulf has been in existence. Otherwise we see no reason why the movement of freight between Pacific Coast ports of the United States and this territory could not be moved via Panama. The time consumed by rail from Mississippi River territory and Galveston to San Francisco, Los Angeles and San Diego is approximately seven days.

Freight Between Commercial Radius of Galveston and Oriental Countries, Routing, Rates Chargeable and Volume of Business.

The next series of questions we understand comprehend the matter of movement of export and import commerce between Galveston and the territory tributary hereto and the Orient and here again, we would submit for due consideration replies based not on present commerce, which is not being carried on through Gulf ports through the lack of steamship service, but would reply, having in mind the unquestionable fact that such commerce can be, should be and will, no doubt, be extensively developed and carried on through Gulf ports and Panama

via such shorter and direct routes should the necessary transportation facilities be provided. As to the amount of such freight, we would refer to the full and complete statistics compiled by the Departments of Commerce and Labor and of Agriculture. These statistics are prepared in most elaborate forms and in better ways than we could re-form them for you, and we also believe that as they are published by the said Departments, they are more preferable to you than in any other way that we could get them up. We would state, however, that a large percentage of such commerce originates and is consumed in territory tributary to this port and we believe and submit that such fact and condition should not be overlooked in considering and providing for the full and free development of transportation through the various ports of the United States and the Panama Canal. We can offer no reply to show the present routing of such Oriental commerce other than it is our understanding that a very considerable portion of it moves by rail through Pacific Coast ports of the United States. In answer to the question as to rates charged, would refer to Transcontinental Freight Bureau Import and Export Tariffs between Oriental countries and overland common points in the United States, Nos. S. R. 617 and 650, copies of which you, no doubt, have at hand. There are a great many of these rates and we believe they are more readily accessible for you as information in their printed tariff form than they would be if we re-copied them for you here. In our belief there are no commodities originating within the commercial radius of Galveston that could not be successfully exported this way to the Western Coast of the United States, Mexico, Central and South America and the Orient with improved and equal shipping facilities by the way of Panama. We believe that it would be practicable to ship any and every part of such Oriental and Pacific Ocean commerce by way of the shorter and more direct route between Panama and this Port.

Shipping Facilities Between Galveston and Colon.

Following the questions in form we state that there are no present shipping facilities between Galveston and Colon. There are no impediments of any kind that would prevent the free movement of commerce between Galveston and Colon. We feel that it is very essential to the commercial interests of Galveston and of vital importance in the due and proper maintenance of this great port that there should be a line of steamers making regular schedule trips between Galveston and Colon. We do not know of any steamship line that would establish regular service if given the privilege of through bills of lading, as suggested, from Galveston to Pacific Coast ports of the United States by way of Panama with connecting lines on the Pacific Coast.

*Freight Across Continent from Pacific Coast by Rail to Galveston,
Thence Water to New York and Atlantic Coast Ports
of the United States.*

We have no comprehensive figures or statistics at hand, and have not been able to secure the complete compilation of the same. It is our understanding that such tonnage is very heavy. For example, we are advised the movement during the last fiscal year from San Francisco to New York via Galveston of Hawaiian sugar was 127,094 tons; of California canned goods, 56,389 cases; of wine, 12,137 packages; of hops, 24,113 bales. There is a considerable quantity of foreign commerce moved by way of Pacific Coast ports of the United States and Galveston over the Pacific Ocean on the one hand and the Atlantic on the other, or *vice versa*; but our information is in such form as not to enable us to know or state at the present time the kind and volume of such commerce.

Wharfage Facilities of Galveston.

The wharfage facilities of Galveston are substantial and first-class in every particular. Galveston has the most extensive and best improved wharves on the Gulf. Practically all the piers have covered warehouses. Length of improved wharf front at the present time is 5.2 miles. Length of railroad trackage on the wharves, 35 miles. Number of cars which have been handled in one day, emptied of their freight and set out of the way, 800. Number of carloads that can be handled in one day with present force and facilities, 1,000. Warehouse space at the docks, not including the Southern Pacific docks, is 1,514,289 feet, or 36½ acres. The foregoing are the wharves owned by the Galveston Wharf Company. The Southern Pacific Company has in Galveston a dock, pier and warehouse larger than anywhere else in the country. The Santa Fe system has large unimproved wharf property, as also has the Rock Island system. The depth of water across the outer bar to the Gulf is 28 feet. The channel and harbor and wharves have from 30 to 35 feet. We can state without boasting or fear of contradiction that the harbor facilities at Galveston are superior to those of all other Gulf ports, and superior to most of the Atlantic ports. The wharves are nearer to the high sea than any of the other ports. There is no river or bay navigation; there is no consequent time lost or incidental risk and detention. The quarantine rules are, under agreement, equal to those at other Southern ports. Ships can go in or out at day or at night.

Port Charges at Galveston.

The port charges at Galveston are on an exceedingly reasonable basis, and it may be said, without contradiction, that they are generally lower here than at any other port in the country. The only pilotage is that into and out of the harbor, amounting to \$3.50, or to a maximum of \$4.00 per foot. This would mean, for illustration, on a steamship drawing 18 feet, in, \$72.00; 26 feet, out, \$104.00. Quarantine fees, \$50.00 to \$75.00 per steamer. A steamship pays \$100.00 for berth. There are uniform terminal charges over all of the docks and piers at the port of Galveston. This cargo wharfage is handled in different ways, either equalized by transportation lines or attached to the freight rate, as conditions may require and warrant. These terminal charges for the very superior dock, pier and warehouse facilities afforded here are most reasonable. They range from ½c. to 2½c. per 100 pounds, grading up on high-class freight. These charges are in cents per 100 pounds, or per package, or per ton, or measurement, depending upon the kind of freight. The piers, docks and covered wharves which you saw here were erected at large expense, and they are maintained in the best condition at all times. The wharves at Galveston are readily accessible without crossing bridges or using barge transfers. They are most conveniently located. The wharf charges operate in compensation for the most excellent facilities which are provided for the placing, transfer, handling and storage of all freight. There are unlimited track facilities directly to and along all the piers and docks. The covered warehouses afford complete protection of commodities from the weather, and they give most complete fire protection. There are no other wharfage or cargo expenses, except the usual custom house charges. Day labor is from 30c. to 40c. per hour.

Further Discussion.

The questions you have asked might, in general, be sub-divided as follows:

1. What trade will Galveston territory furnish to a steamship service between this port and Colon during canal construction period?
2. What trade will develop after the canal is finished?

3. Why should the government establish a steamship at this port?

1. The trade that can, and which we firmly believe will, develop during the construction of the canal is that covering the enormous quantities and varieties of construction materials; also the large volume of supplies which will be needed in sustaining both the construction and the labor incident thereto. All such trade and traffic is tributary to this port, and this business, no doubt, can and would be developed, built up and increased through the channel of competition opened up by the establishment of a steamship line at Galveston.

2. The possibilities of trade to be developed through this port after the canal is finished are unlimited, and we believe that it is unnecessary to the subject in hand to comment at length on them in this letter.

3. We believe that Galveston should have steamship service, because tributary to this port is the territory which contains and produces commodities of commerce which can and will furnish supplies, and which offers a wide market for the disposition of imports. Further, because of the extensive and reliable railway transportation reaching this port over the shortest distance and in the most direct way. Again, because of the fine, accessible harbor existing here, with its first-class and abundant facilities for commerce. The government most wisely developed this port, and is continuing to do so, and to maintain it in all respects. Compared with other Southern ports, it can be said, without over statement, that this is the best port, and Galveston is correspondingly able to handle Panama Canal commerce. So far this port has not handled such business, because there has been no steamer service, and private steamer service can hardly be established so long as the government runs a steamer line from any other port in competition. If the government changes the present system, and runs steamers from other ports to Colon than from New York, then this port should have the utmost consideration, for the following reasons:

Galveston is the only Southern port west of the Mississippi River which opens tidewater transportation to a larger natural territory than any other port in the United States. This port furnishes the water-rate basis for products and commodities of commerce originating in the territory between the Mississippi River and the Rockies. The people in said territory furnish now a very large share of the government funds which are paying canal expenses, and which will provide for the creation of that waterway. They have sustained, and are continuing to sustain, their due share of government expenses, such as for Cuban war, Philippine government expenses, and each and every other government expenditure, without so far receiving government trade in return. Galveston territory is entitled to government steamship service, if any is established, and requests it in return, in a measure, for its share of government funds necessary for the canal. This port, being so readily accessible to all territory west of the line from Chicago to New Orleans, will in all likelihood offer a competitive rate basis to strengthen competition and produce cheaper supplies than heretofore from Eastern territory. A steamship service from this port to Colon will give tributary territory an opportunity to furnish such materials, commodities and supplies as are produced within its confines.

We are ready, and earnestly desire, to, according to your wishes and suggestions, enter into further discussion of this matter, which is of so much concern, not alone to this port and the various public interests centered here, but also to the highly important, prosperous parts of the United States which are and should be served by this gateway. We shall be glad to furnish or prepare any additional arguments, statistics or information of whatsoever nature and in whatsoever form as is possible for us to supply, and we offer you our hearty co-operation.

Very respectfully,

C. R. KITCHELL, *Secretary.*

GALVESTON CHAMBER OF COMMERCE.

GALVESTON, TEXAS, June 23, 1905.

COMMERCE OF GALVESTON.

HON. J. L. BRISTOW.

My Dear Sir:—Referring to our conversation when I called on you in Washington last month, and to our letter of the 15th ult., beg leave to say that I did not return direct to Galveston, but came home by Chicago, stopping on the way, and hence some delay in following out your additional line of inquiry.

I attach a brief comparison of freight rates on some of the products of Texas.

You spoke of the low rate, against river transportation, on cotton from Memphis to New Orleans, the rate from Dallas to Galveston being so much higher. In such case the powerful water factor simply affects the value on the cotton in commerce.

Records of this office do not show a classified description in detail of the coastwise traffic through this port, and it is not practicable for me to secure and prepare the same in proper time. You have been furnished with comprehensive statistics of foreign commerce to, from and through Galveston.

Coastwise Traffic.

An extensive list of commodities and all kinds of merchandise comprise the coastwise trade through this port, such as china, crockery, earthenware, hardware, cigars, tobacco, wine, machinery, ammunition, cotton, petroleum, eggs, fibres, wool, sugar, rice, canned goods, dry goods, spelter, copper matte, dried fruit, lumber, hides, flour, etc., etc. The total value of coastwise goods received and forwarded here was \$447,516,106 during last calendar year 1904:

LAST SIX YEARS COMPARED.

YEAR.	ENTERED.		CLEARED.	
	No. vessels.	Tons.	No. vessels.	Tons.
1899.....	244	342,066	228	334,378
1900.....	182	278,831	209	295,065
1901.....	280	490,465	214	358,804
1902.....	313	705,502	267	504,844
1903.....	472	1,083,100	385	798,279
1904.....	421	1,012,840	354	803,208

The area for this coastwise traffic is Texas, Louisiana, Arkansas, Oklahoma and Indian Territories, Missouri, Iowa, and the States of the Missouri Valley west through the Mountain States to the Pacific Coast. I attach a tabulation of some figures. Please notice the record of coastwise business handled over the Galveston Wharf Company's property for the fiscal year ending November 30, 1904.

Outward.—Total ships, 112; pounds, 306,602,032. This does not include the Morgan Line Southern Pacific business, which was again as much, and more.

Inward.—Similar record, not including Morgan Line: merchandise, in pounds, 331,154,958.

Total.—Pounds, 637,756,990.

Double this, and more, to include Morgan Line business.

We earnestly hope that this information will add to the importance of the showing we have made with respect to commerce of the extensive, influential and productive part of the United States nearest Eastern tidewater at this port.

A late report sets forth that a firm in the coast country here in Texas has secured an order from the Panama Commission for 3,000,000 bricks. Such shipment could be made much cheaper and quicker through Gal-

veston. Numerous inquiries are being made from various directions about transportation and rates on considerable varieties and quantities of freight for Colon, showing that the public is looking towards this port in connection with Isthmian commerce, which justifies the firm belief that, under favorable and at least equal conditions, canal traffic will quickly seek and find this natural gateway, and will largely develop, to the benefit of the people of the country.

Federal appropriations for making and maintaining a deep-sea channel and harbor at Galveston are returned many, many fold to the people in the saving in cost of transportation of their tidewater commerce, both foreign and domestic, and we are positively certain that the opening of ocean transportation by the government between this port and the Isthmus will produce like results.

Respectfully and faithfully yours,

C. R. KITCHELL, *Secretary.*

C. L. RATES, IN CENTS, PER 100 LBS., ON PRODUCTS NAMED BELOW,
TO GALVESTON.

	Maximum rates, grading down as distance decreases from Texas points.	Rates from Texas points to California terminals.
Bran	\$0.15	\$0.55
Cotton .....	.55	1.10
Corn .....	.12½	.55
Eggs .....	.49	2.00
Flour .....	.17½	.65
Lard .....	.42	1.25
Packing house products.....	.42	1.40
Oil, crude.....	.10½	.78½
Oil, refined.....	.28	.78½
Lumber .....	.08¾	.85
Wheat .....	.15	.65

(EXHIBIT J—10.)

*Copy of list of question submitted to the Chamber of Commerce of
Seattle, Wash. No response.*

SEATTLE, Wash., March 30, 1905.

What kind of freight originates in Seattle and 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 Seattle 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 Seattle to the large Eastern cities—namely, Boston, New York, Philadelphia, and Baltimore?

What are the principal articles of freight that are shipped from Seattle 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 Seattle 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 Seattle from Europe, the Eastern part 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 Seattle that there should be a line of steamers making regular schedule trips between Panama and Seattle?

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 Seattle and brought here by steamship companies that is transported to the eastern coast of the United States from Seattle by rail? If so, please state the character of this freight, the amount, 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 Seattle 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 Seattle 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.

EXHIBIT K.

Reference of letter of Major General George W. Davis, Governor of Isthmian Canal Zone, enclosing extract from report of the Select Committee on Panama Canal, Pacific Mail Steamship Company and Panama Railroad Company, March 3, 1893, and copy of said Congressional report.

WAR DEPARTMENT, OFFICE OF THE SECRETARY.

Memorandum for the Hon. J. L. Bristow: Letter of Gen. G. W. Davis, dated Dec. 17, 1904, enclosing extract of a report of House Committee, 1893.

Respectfully referred to Mr. Bristow.

By direction of the Secretary of War:

FRED W. CARPENTER,
Private Secretary.

January 17, 1905.

ISTHMIAN CANAL ZONE, EXECUTIVE OFFICE.

Ancon, Isthmian Canal Zone, December 17, 1904.

My Dear Mr. Secretary:—In overhauling some old government documents, I chanced upon one today which contains the report of a special committee appointed by the House of Representatives, in the year 1893, to investigate certain matters connected with the Panama Canal and the Panama Railroad, and the portion of this report that relates to the Panama Railroad I have had copied, and send to you herewith, as it is relevant to the subject concerning which we had a conversation when you were here.

You will see that the disease from which certain interests are suffering is an old one, and it is quite time that some remedy should be applied; if necessary, a drastic one.

I think you will find that the extract I send to you is worth the few minutes it will take to read it.

Sincerely yours,

GEO. W. DAVIS.

Hon. WM. H. TAFT,
Secretary of War,
Washington, D. C.

Enclosure.

REPORT

OF THE SELECT COMMITTEE ON PANAMA CANAL, PACIFIC MAIL STEAMSHIP COMPANY AND PANAMA RAILROAD COMPANY.

MARCH 3, 1893.

"Resolved, That a special committee of five be appointed by the Speaker to investigate and report as to what sums of money, if any, were expended by the Panama Canal Company, or its promoters, directly or indirectly, for the purpose of preventing opposition in this country to the plans of said company, or securing acquiescence in America thereto, and what disposition was made of such sums; and generally, as to the situation of affairs upon the Isthmus so far as American commerce seeking transit across the same may be concerned; and also, as to the contracts and relations between the Pacific Mail Steamship Company and the Southern Pacific Railroad Company, the Transcontinental Railroad Association, and other railroads; and as to

what contracts or other collusive arrangements have been made by said companies whereby the traffic by way of the Isthmus of Panama has been suppressed or diminished; and as to whether said steamship company, by virtue of said contracts or otherwise, has been practically absorbed by or subjected to the control of said railroad companies; and as to whether the business which it was the design of this Government to foster by the sums granted to said steamship company, through mail contracts or otherwise, has been thereby diverted from the Isthmus of Panama and the Panama Railroad Company to such transcontinental companies; and as to whether such acts are detrimental to the interests of American maritime commerce and the producers, manufacturers, and merchants of the United States; and if such abuses are found to exist, by what means the same can or should be suppressed, and as to whether the further grant of said sums to said steamship company should be withdrawn. Said committee shall have the power to send for persons and papers and administer oaths, and the expenses incurred in said investigation shall be paid out of the contingent fund of the House, and said committee shall have leave to sit during the sessions of the House in Washington or elsewhere."

* * * * *

As to the second part of the resolution referred to your Committee relating to the situation in the last few years, and at present, of American commerce upon the Isthmus, your Committee feels that it has obtained all the evidence needed to establish certain facts beyond controversy. On the first of February, 1878, the Pacific Mail Company, a corporation organized under the laws of New York, owning and running steamers between New York and Aspinwall on the Atlantic, and between Panama and San Francisco on the Pacific, together with certain intermediate Central American and Mexican ports, made a contract for fifteen years with the Panama Railroad Company, also a corporation under the laws of New York. At that time there was no showing that there were any foreign stockholders in either of these two corporations.

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

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

After the passage of the Interstate Commerce law had compelled

the dissolution of the so-called "Pool," a Trans-continental Railway Association was formed, which, under some name or other, is still in existence, and down to the present time the Pacific Mail, subsidized by the Government in a large amount each year, has been allowing the Transcontinental Railway to fix the rates and limit the traffic over its lines. These two contracts were so far practically parts of one and the same that the amount paid the Panama Railroad monthly was fixed with regard to that paid to the Pacific Mail by the Trans-continental Roads, and when the latter was lowered from \$90,000 a month to \$75,000 the former was lowered from \$75,000 to \$55,000. The object is frankly stated by the officers of both the Trans-continental Roads and the Pacific Mail. It was to maintain rates above the level to which they would fall, if free competition between these several routes had continued. It seems to be certain that a very large if not an absolutely controlling interest in the stock and Directory of the Pacific Mail Company is owned by individuals and estates very largely interested in the stock and Directory of the Trans-continental Roads; and it is proven that the same individuals composing a majority of the Directory of the Pacific Mail composed a majority of the Directors present at the meeting of the Panama Railroad Company's Directory at which the contract between Pacific Mail and the Railroad Company of February 1, 1878, was ratified and executed. That this system has for fifteen years been diminishing commerce between New York and San Francisco, across the Isthmus, is not denied. It is stated, as a justification, that the Trans-continental Railway Association, controlling, as it did, under these contracts, the prices and traffic of the Pacific Mail, used the latter as an active factor to defeat the competition of sailing vessels' traffic around Cape Horn, and thus were able to maintain the rates of the Railroad Companies as against that of sailing vessel competition. It is obvious that this did not tend to increased American shipping or tend to the encouragement of the merchant marine or the commerce of the United States.

It seems to your committee that this state of things cannot be beneficial to the general interstate trade or commerce of the United States, nor can it see that it is of any particular benefit to our trade with foreign countries.

It is stated that this arrangement between the Pacific Mail and the Transcontinental Railway Association came to an end in December last, which is just about the time that negotiations between the Panama Railroad Company and the Pacific Mail as to a renewal of the former contract seems to have fallen through. And it is likewise in evidence that the final check to the attempts at making a new contract between the Panama Railroad Company and the Pacific Mail was given by the following letter to the Vice-President of the Railroad Company from the controlling member of the Executive Committee of the Pacific Mail, who is also universally recognized as one of the controlling influences of the Transcontinental Railways:

C. P. HUNTINGTON, 23 BROAD STREET.

New York, *December 28, 1892.*

CHARLES COUDERT, Esq.,
68-70 William Street,
New York.

My Dear Sir:—Herewith I return memorandum that you gave me on Monday. Of course this would not do, but it does seem to me as though there could be such a contract made as would be largely beneficial to both interests.

Yours truly,
C. P. HUNTINGTON.

Whatever be the case in the last 60 days, it is perfectly clear to your Committee that the Panama Railroad Company has for fifteen years been prevented by these arrangements from being a competitor with the Transcontinental Railway lines.

Your Committee recommends that whenever, under provisions of the Act of March 3, 1891, "for ocean mail service and to promote commerce," the Postmaster-General shall enter into a contract with any line of vessels, a clause shall be inserted in said contract to the effect that if said steamship line shall enter into any combination or arrangement with competing lines of traffic the result of which is to diminish traffic or raise or maintain rates of freight on American commerce, foreign or domestic, over what free competition would effect, that said contract may be terminated forthwith by the Postmaster-General.

Your Committee regret, so far as the ownership of nearly all the stock goes, that the control of any American corporation, as the Panama Railroad is, should be held in foreign hands, particularly in the hands of the liquidator or receiver of another corporation, also foreign, appointed by foreign judicial authority and subject to foreign judicial supervision. It fails to see, however, that any law, treaty stipulation, or contract obligation has been violated by the purchase of these railroad shares by the Panama Canal Company, or that as yet any discrimination has been attempted against American commerce or any injustice practiced thereon on account of such foreign ownership of this stock. The restrictions and injuries American trade and commerce have sustained have been laid on them by American citizens controlling various other American corporations; and it is not a pleasing subject to contemplate.

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

(Signed) JOHN R. FELLOWS, *Chairman.*

T. J. GEARY.

JOSIAH PATTERSON.

H. HENRY POWERS.

BELLAMY STORER.

52D CONGRESS,
2d Session.

HOUSE OF REPRESENTATIVES.

REPORT
No. 2615.

INVESTIGATION OF PANAMA CANAL.

MARCH 3, 1893.—Laid on the table and ordered to be printed.

MR. FELLOWS, from the Special Committee to Investigate the Panama Canal Company, etc., submitted the following

REPORT:

The Committee on Rules, to whom were referred the resolutions heretofore introduced by Mr. Fellows and Mr. Geary, respectively, reported the same back with the recommendation that the resolution herewith submitted be adopted in lieu thereof, viz:

Resolved, That a special committee of five be appointed by the Speaker to investigate and report as to what sums of money, if