RAILROAD LINES EXPRESS AGENCIES CLOSELY ALLIED

Report of Interstate Commerce Commission Shows That Maze of Interlocking Ownerships Have Been Produced

How express companies have heavily invested in the securities of railroads over which they operate, have become interested in the stock of other supposedly competing companies, and how great railroad owners have acquired stock of the express companies, producing a maze of interlocking ownerships that is bewildering, is set forth in the report of the interstate commerce commission upon the express companies, which has just been made public.

Included in the massive report of express company operations is a statement dealing with each of the great companies. One of these statements is enough to give an idea of the others. Wells Fargo & Co. are thus set forth:

Many Important Holdings.

"As of June 30, 1911, this company had investments in bonds of railroads and other common carriers to the amount of $8,022,000, par value, and in stocks of similar companies to a par value of $559,000, making a total investment in such securities of $8,581,000. Among its important holdings in railroad lines may be mentioned the following: Atchison, Topeka & Santa Fe Railway, bonds $232,000, stocks $200,000; Baltimore & Ohio Railroad, bonds and notes $1,156,000; Central Pacific Railway, bonds $250,000; Chesapeake & Ohio Railway, bonds and notes $700,000; Chicago, Milwaukee & St. Paul Railway, bonds $300,000, stocks $200,000; Chicago, Milwaukee & Puget Sound Railway, bonds $778,000; Illinois Central Railroad, bonds $500,000; National Railways of Mexico, bonds and notes $560,000; New York Central Lines, bonds $500,000; Pennsylvania Railroad, bonds $750,000; Southern Pacific and associated lines, bonds $1,223,000, stocks $70,000; Union Pacific Railroad, bonds $300,000, stocks $310,000.

"Of the lines above named Wells, Fargo & Co. operate over the following:

"Atchison, Topeka & Santa Fe Railway; Central Pacific Railway; Chicago, Milwaukee & St. Paul Railway; Chicago, Milwaukee & Puget Sound Railway; Southern Pacific; and through a subsidiary, the Campania Mexicanna de Express S. A., over the National Railways of Mexico. At least a degree of common interest between the express company and the roads named may fairly be inferred from the facts herein stated.

"The returns to the commission's order dated October 16, 1911, show that shares to a par value of $4,530,000 were held by the American Express company in Wells, Fargo & Co. on June 30, 1911, and that shares amounting to $282,200, par value, were held by officers and directors of common carriers. To the latter may be added the holdings of Mrs. Mary W. Harriman (widow of the late E. H. Harriman) $6,465,500, who is the largest holder of the company's shares, and who is also the largest holder of shares in the United States Express company.

Mrs. Harriman Has 27 Per Cent.

"It will be observed that Mrs. Harriman owns 27 per cent of the capital stock, the American Express company 19 per cent, and that the remaining 54 per cent is divided among 1991 other shareholders, one per cent being held by officers or directors of common carriers.

"The total capital stock of this company is 239,674 shares. The directors and the number of shares held by each on June 30, 1911, were as follows:

Richard Delafield 1, H. W. De Forest 25, William F. Herrin 15, H. E. Huntington 30, William Mahl 1, John J. McCook 60, L. F. Loree 10, Charles A. Peabody 10, William Sproule 100, E. A. Stedman 10, W. V. S. Thorne 1800, P. M. Warburg 300, F. D. Underwood 30.

"The ratio of shares held by directors to the total number, 1 per cent.

"Of the above named, Mr. Sproule was chairman of the board of directors and Mr. Stedman vice president of Wells Fargo & Co. Mr. Sproule has since retired and is now president of the Southern Pacific company. Mr. Herrin is vice president, Mr. Mahl is comptroller, and Mr. Thorne is director of purchases of the Southern Pacific company. Mr. Peabody is a director in the Southern Pacific company, Union Pacific Railroad company, vice president of the Delaware & Hudson company, Illinois Central Railroad company, and Pittsburg, Fort Wayne & Chicago Railroad company.

"Mr. Loree is president of the Delaware & Hudson company and director in the following:

"Baltimore & Ohio Railroad company, Capitol Railway, Champlain Transportation Co., Chateagay & Lake Placid Railway, Cohoes Railway, Cooperstown & Charlotte Valley Railroad, Kansas City Southern Railway, National Railroad of Mexico, and a number of other small steam and electric lines.

Own Other Companies.

"Mr. Underwood is president of the Erie Railroad and president or director of its associated lines and interests, including coal, iron, steel, dock, land, banking, and other companies. In the interim between the death of the former president of the express company in March, 1910, and the appointment of his successor in November, 1910, Mr. Underwood acted as managing director of Wells Fargo & Co.

"It will be observed that the Southern Pacific, the Delaware & Hudson, and the Erie roads are strongly represented on the directorate of Wells Fargo & Co.; that the largest stockholder is also the largest stockholder in the United States Express company, and that the second largest stockholder is a nominally strong competitor, the American Express company. Examination of the list of stockholders shows Ida C. Potts a holder of 1500 shares, who is a large holder of United States Express company's stock and also of the American and Adams Express companies' securities, and Samuel Thorne, holding 1600 shares, who is a director in the Chicago, Burlington & Quincy Railroad and in the Great Northern Railway, both Hill lines. As shown by the list, 12 holders own 54 per cent of the stock.

"G. W. Bovenizer, the third largest holder of stock, 5706 shares, is said to be an employee of Kuhn, Loeb & Co. His name does not appear in the "Directory of Directors," and it is assumed that the stock is held for the banking firm or for some of the Harriman lines. P. M. Warburg, one of the directors, is a member of the firm of Kuhn, Loeb & Co., bankers for the Harriman interests.

"Through Mr. Thorne a common interest exists between the Hill lines owning the Great Northern Express company and the Northern Express company and Wells Fargo & Co."

TROPHY WON BY AD CLUB MEMBER

Trophy Presented to Lewis M. Head

At a meeting of the Inner Circle of the Portland Ad club held at the Bowers hotel Monday night, the L. Samuel trophy, donated by L. Samuel of the Oregon Life Insurance company, was awarded to Lewis M. Head, Mr. Samuel himself making the presentation.

Mr. Samuel offered the trophy four months ago, and since then there has been a spirited rivalry among most of the members of the Inner Circle for the honor of winning it. The purpose of the donation, as explained by Mr. Samuel, was to stimulate interest in all matters pertaining to advertising. Only those members of the ad club, who are also members of the Inner Circle, were permitted to enter the competition for the trophy.

RAILROADS NEED HAVE NO FEAR FROM CANAL

Though transportation will be revolutionized by the Panama canal traffic, neither business nor railroads need fear loss because of the period of disturbed conditions following the opening of the canal, said Judge W. D. Fenton, counsel for the Southern Pacific in an address before the Rotary club meeting at luncheon in the Commercial club yesterday afternoon.

He predicted that the opening of the canal will absolutely change the rate structure between the Atlantic and Pacific coasts. He said that intermountain rates will not be cause of trouble then, because the railroads will take freight from the ships, and merchants, if given reasonable distributive rates, will be able to build up jobbing businesses of great proportions west of mountains. Mr. Fenton also predicted that the highest rates paid after the opening of the canal will be to a point just east of Denver.

The Rotarians were surprised to hear such predictions from a railroad lawyer It had been assumed that railroads would fight the canal and predict failure in its operation. Judge Fenton, on the other hand, declared his belief that the opening of the Panama canal will place maunfactures and industries on the Pacific coast now only found on the Atlantic coast, and added, "It is assured that the future great domain of the United States will be west of the mountains."

The speaker also urged the keeping of Great Britians interpretation of the Hay-Pauncefote treaty which guarantees free use of the canal by the merchant marine of all nations."

Harry P. Palmer served as chairman of the day. R. R. Denny, was introduced as a new member, come from Seattle and bringing the business of the Dennos Food company, a malted milk preparation for babies and invalids.

Visiting Rotarians from St. Joseph, Missouri and San Francisco, were introduced. It was announced that R. W. Raymond would serve as chairman of the day next Tuesday.

WELLS & CO. MAY PRINT REPORT ON CITY PLANS

The city plans commission recommended to the executive board yesterday that the contract for printing the preliminary Greater Portland report be awarded to Wells & Co. Mr. Wells' bid was by far the lowest of nine, the amount being $1580, for which he agrees to print 25,000 copies of the report, including illustrations and three pages of city information. The next highest bid was from Bushong & Co., $1645, and the highest bid was from the Kilham Printing & Stationery Co., $2314.75. It is proposed to issue the Greater Portland report as paid for by the city within 60 days. It will contain about 20,000 words of text, and the chairman of the committee announced yesterday that he had prepared about 10,000 words of it. William Bittle Wells, to whom the contract will likely be awarded, has had extensive experience in producing such publications, as he was connected several years with the Pacific Monthly and community publicity department of the Harriman lines.

A meeting of the city plans commission to consider the bids was held yesterday evening in the mayor's committee room. There were present Albert G. Clark, W. A. Marshall, George H. Howell and the chairman. Ellis F. Lawrence was absent.

BALLOT TITLES OF HIGHWAY BILLS

Ballots Received From Secretary of State; Terms of Measures.

C. T. Prall, president of the Oregon Association for Highway Improvement, has received from the secretary of state the ballot titles of the six highway bills proposed by the association as drafted by the attorney general. These are the bills drafted by the harmony highway committee appointed by Governor West. They propose state bonds, county bonds, a state highway board made up of the governor, secretary of state and state treasurer, a highway commissioner, amendments to the constitution prohibiting the issuance of state or county bonds to an amount in the aggregate of more than 2 per cent of the assessed valuation, and prohibiting the use of state or county convicts by private interests, but permitting their employment in road building. The titles read as follows:

State Road Board.

"A bill for an act creating a state road board, authorizing it to issue and sell state bonds, payable in 30 years from date of issue, for building public roads, not to exceed $1,000,000 per year, creating the office of state highway commissioner, fixing his salary at $3600 per annum, providing for the expenditure of the funds raised in the building of public roads, and after 10 years creating a sinking fund for the payment of the principal and interest of said bonds."

"A bill for an act authorizing the respective counties of the state of Oregon to issue 20 year bonds for building roads within the county, providing a method for expending the money in actual road construction and for calling and holding county elections to vote upon the question of issuing bonds and authorizing county courts to levy taxes to pay principal and interest on bonds as they may mature."

Liabilities Limited.

"For amendment of section X, article XI, of the constitution of Oregon, prohibiting counties from voting any indebtedness for roads in excess of 2 per cent of assessed valuation of all property in the county."

"For amendment of section VII, article XI, of the Oregon constitution prohibiting the state from increasing its indebtedness for road building in excess of 2 per cent of the taxable property of the state."

"A bill for an act prohibiting the employment of convicts of the state penitentiary by any private person, firm or corporation and authorizing their use on public highways and state institutions on the request of the county court or superintendent of the state institution desiring to employ them."

"A bill for an act prohibiting the employment of county, city or town convicts by any private firm, person or corporation, and providing for their employment on public highways and other works of a public nature, and authorizing county courts to prescribe rules and regulations in regard to such employment."

DAIRY CATTLE SALE TO BE OPEN TO ALL

At a meeting of officers and directors of the Pacific International Dairy Show association held at the offices of the Portland Union stockyards yesterday afternoon, it was decided to hold two and a half days' of public sales during the coming show, which will be held at the stockyards November 18-23, and to allow dairy cattle from all parts of the world to be sold. In competition only cattle from states west of the Rocky mountains and British Columbia will be eligible.

Another important matter decided upon was the raising of $6000 for prizes and trophies. No entrance fee for cattle placed in competition is charged, and no admission to the show. All expenses are paid by those interested in the upbuilding of the dairying industry, and the men in charge of arrangements gave their services free of charge.

Three committees were appointed as follows: Selection of judges, D. O. Lively, chairman; finances, T. S. Townsend, chairman; sales, O. M. Plummer, chairman. Twenty-one officers, directors and prominent dairymen were present, and Manager D. O. Lively presided.

In addition to the displays of dairy cattle there will be exhibits of market milk and cream, and of certified milk and cream, as well as all phases of the dairying industry and utensils connected with dairying. One of the features of the show will be the students' judging contest, in which students at the various agricultural colleges west of the Rocky mountains and British Columbia will be given a chance to show their knowledge of points of judging.

B. H. Rawl of Washington, D. C., chief of the dairy division, bureau of animal industry, department of agriculture, gave an interesting talk on the value of shows of the character of one approaching in raising the standard of the dairy cattle of the section in which the show is held. He declared that this standard raising was one of the changes in the industry most necessary in this country.

In speaking of the selection of judges for the big show, Mr. Lively said that every effort will be made to bring the most competent eastern judges.

LAY PLANS FOR AUTO TRIP TO SAN FRANCISCO

Judge J. T. Ronald, president of the Pacific Highway association, has announced definite plans for the advance guard of the motorists who will tour to San Francisco to attend the third annual Pacific highway convention, August 5-6-7.

According to the schedule laid down by Judge Ronald, the first party will leave Seattle July 22. A stop overnight will be made at Chehalis. Next morning, July 23, leaving Chehalis, Portland will be made that night. Samuel Hill has invited all who care to to visit him at Maryhill July 24. The party will go to Maryhill by way of North Bank train, leaving the station at Eleventh and Hoyt streets at 10 o'clock. Mr. Hill will show the visitors the roads he has built at Maryhill. The return will be made during the afternoon by train. Next morning, July 25, the delegation will leave Portland and drive either to Eugene or Cottage Grove.

Journal Want Ads bring results.