FACTS FROM AN AUTHORITY.

President Roswell Miller of the Chicago, Milwaukee and St. Paul Railway Company was in New York yesterday to attend a routine meeting of the Directors of the company. He talked of the condition of the St. Paul system and the general business prospect with a representative of THE NEW YORK TIMES.

"General business conditions," he said, "are good universally, so far as my observation goes. They are certainly good through our territory. The crop question is settled. It is going to be big—immense. And we're going to have our share of haulage and it will be a big share, as it is a big crop. The St. Paul is well prepared to meet any demands, as it has plenty of rolling stock. When the movement is going to start I can't say.

"Speaking for our system, I have noted a tendency on the part of farmers to stack their wheat for higher prices. This is because of last year's prosperity, which made them independent. They can hold their wheat as long as they wish. They have the money to hold out on.

"I can illustrate why they are independent by this instance. I know of a Mississippi River farmer in Wisconsin who sold three crops in the Leiter deal. The outlook for corn on our system is very good, but this grain is only raised through our territory for consumption. It is used for feeding. We are not a corn road.

"The general railroad prospects are, in my judgment, as bright as they have ever been in the history of railroads, and St. Paul is in the van in this era of prosperity.

"The next dividend? Well, that is a subject on which I don't care to talk. The showing will be good, but curiosity will have to wait to be satisfied till the 8th of next month.

"St. Paul is pushing ahead in the line of betterments and improvements. At Chicago we are about to lay out $1,000,000 to raise five miles of track. This work is just started. Then on each division fifty miles of track are to be ballasted; nearly all of this ballasting has been done or is under way.

"I might call attention to the fact that while our reports show an increase in earnings, such earnings come at a time when the supply of 1897 wheat is exhausted and the new crop is hardly moving.

"In the matter of general business St. Paul is doing excellently.

"Western rates are well held and our gains from west-bound traffic are excellent.

"In fact, we are doing a capital business in the transportation of first-class merchandise and have ample reason for gratification."

SUGAR TRUST SETTLEMENT.

Sugar Trust shares rose sharply yesterday. the net gain for the day being close to 3 per cent. Almost 50,000 shares were traded in. For some time past the oversold condition of the stock has been clear to every observer of the loan crowd on the Stock Exchange, borrowers short of the stock having to pay premiums to get certificates with which to make deliveries against their short contracts. The rise of yesterday was, however, not in any sense a rounding up of traders on the short side. It represented something much more consequential.

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For over a year past Wall Street has been bombarded daily with reiterations of terrific things to happen in the Sugar Trust quarter just as soon as the Messrs. Arbuckle and the Messrs. Doscher were ready to start their new independent refineries. The same tale which induced some insiders to let go their stock a year ago above 150 was used to extend the short interest under 120 last Spring, and only a month or so ago Stock Exchange traders were plugging away on the same line under 130.

Meantime Sugar Trust stock has seemed utterly to ignore all the speculative theorizing and short selling. Somebody on a big scale has been buying—absorbing stock with complacency in the face of all the bearish agitation.

Little traders on the curb round about the Stock Exchange affecting to know all about President H. O. Havemeyer's personal business affairs, are still full of assertions that Mr. Havemeyer has sold all his own stock, and is prepared for the trust's utter collapse. Sane people, of course, do not heed riffraff talk like this, but the professional sentiment in Wall Street has rather welcomed such foolishness.

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Yesterday's market was only suggestive of what may at any moment happen. The short interest in Sugar is probably now double what it has averaged at any time recently, so confident—or reckless—is the position of some of the room traders and their followers.

Such shorts are not prepared to believe that anything like a trade agreement can be reached between the Sugar Trust and the new independent refineries, neither of which is yet or likely soon to be in any sense a commercial competitor.

Yet such an agreement has already been reached. It is an agreement, moreover, which practically will leave with Mr. Havemeyer and the Sugar Trust complete domination of the American sugar trade.

For reasons (which business men can appreciate) the agreement reached cannot well be officially announced.

But there is agreement.

STANDARD OIL IN COTTON OIL.

Two representatives of the Standard Oil Company will probably enter the Directory of the American Cotton Oil Company. There are intimations that the Messrs. Rockefeller, Mr. Rogers, and Mr. Flagler have acquired such an important interest in the securities of the Cotton Oil Company that they have been urged by the present management to put representatives in the Board of Directors. A Standard Oil authority said yesterday:

"Wall Street's expectation that from 1 to 2 per cent. may be paid on Cotton Oil common stock is based on good information. The dividend will be 3 per cent. More than twice that has been earned during the past year."

HOW EARNINGS RISE.

Chicago and Eastern Illinois continued its upward course yesterday, gaining between 1 and 2 points, with transactions going beyond 11,000 shares. People of importance refuse to trust denials that the property is to figure in the big three C's consolidation, which Mr. J. P. Morgan and Mr. W. K. Vanderbilt are proceeding with.

Dispatches from Chicago last night announced an increase in Chicago and Eastern Illinois earnings of over $102,000. This record explains somewhat the enthusiasm which is prevailing among the property's insiders. But Wall Street cannot be dissuaded from the idea that there is something in addition to the good earnings back of the new activity and strength which the company's securities are showing.

A RECORD TO BE PROUD OF.

In issuing yesterday the twelfth annual report of the Denver and Rio Grande Railroad covering the fiscal year to June 30, President Jeffery reviews comprehensively the progress of the company—the presentation being in many ways of exceptional interest to every student of American railway progress. Denver and Rio Grande security holders will find the record especially inspiriting, but the report stands for more than is represented in their direct gains—for Denver and Rio Grande stock and bonds are much held abroad; and the results of the progressiveness which this report stands for will go far toward shaping favorable European investment sentiment.

In full, President Jeffery says:

The income of your company from all sources, exclusive of accretions to the renewal fund, during the fiscal year ended June 30, 1898, including $62,402.91 interest on securities, &c., was $8,405,328.95, an increase of $1,408,531.68 compared with the previous year. The gross earnings from the operation of the railroad were $8,342,926.04, being an increase of $1,397,811.51. The operating expenses were $5,017,599.38, an increase of $942,262.89. The net earnings from traffic were $3,325,326.66, being $455,548.62 more than for the previous fiscal year. The increase in gross earnings was 20.13 per cent.; in expenses 23.12 per cent., and in net earnings 15.87 per cent. The net income afforded a surplus of $257,252.31 after providing for interest on funded debt, taxes, insurance, and all other charges against income; also two semi-annual dividends aggregating 2½ per cent. upon the preferred stock and contributions of $30,000 to the renewal fund, and $20,000 to a special fund established for meeting the expenses of converting the outstanding 7 per cent. bonds.

Current assets show an increase of $451,672.34, and current liabilities an increase of only $191,459.94, from $1,749,910.01 in 1897 to $1,941,369.95 in 1898. On June 30, 1898, the current assets exceeded the current liabilities $2,168,709.38, an increase of $260,212.40 from June 30, 1897, when the excess of current assets over current liabilities was $1,908,496.98. The unpaid vouchers at the close of the fiscal year, payable in the usual course of business during the succeeding month, amounted to $175,885.85, which is less than the amount that was audited for the month of June. There is no floating indebtedness of any kind whatever.

Your company has in its treasury bonds and stocks aggregating at par $5,955,870, appearing on the books at $2,017,350.20, and in addition it has in its special renewal fund and special bond conversion fund cash and securities at par $612,892.29, carried on the books at $473,069.71, total of all being at par $6,568,762.29.

For the fiscal year covered by this report the revenues from freight traffic were $6,181,777.34, against $4,894,611.61 for the preceding year. The passenger revenues for the year just closed were $1,360,715.84 against $1,247,991.29 for the preceding year.

In conformity with the practice of the company a committee was appointed at the annual meeting of the shareholders in October, 1897, to select an experienced and disinterested person to examine on their behalf the accounts and verify them if found satisfactory. The committee again selected Mr. Warren G. Purdy, now President of the Chicago, Dock Island & Pacific Railway Company, who kindly consented to act, and who, after a careful examination in Denver of the books and accounts, verified them.

Of the increase in operation expenses of $942,262.89, compared with previous year, $579,645.21 was in conducting transportation, and was caused by the larger volume of traffic to be handled and transported; the increase in maintenance of equipment was $191,148.57, and was due to the same cause; the increase in maintenance of way, $128,405.11, was mainly caused by the use of about 5,300 tons more new rails than were used in the preceding year and by increased track forces, and the increase in maintenance of structures, $65,389.84, was largely due to the replacement with heavy spans of steel of several important bridges on the standard gauge main line, where the original structures were built many years ago, some of wood and some of iron, of light design and inadequate for the weight and speed of your standard-gauge trains. The permanent way was substantially improved, and the rolling stock was increased in efficiency during the year on both the standard and narrow gauge systems; all the standard-gauge motive power has been actively employed, and the narrow gauge to a greater extent than since the panic of 1893.

In pursuance of the policy heretofore entered upon of strengthening the track throughout the system, 7,870 tons of new eighty-five-pound steel rail were laid between Denver and Colorado Springs, which completed the work referred to in former reports, of replacing all the sixty-five-pound rail with eighty-five-pound in the single main track, 92 miles, between Denver and Pueblo. It is proposed to relay with eighty-five-pound steel during the ensuing year the 28 miles of double track between these points, and have all the main tracks of the First District of the First Division, Denver to Pueblo, a distance of 120 miles, where the traffic is the heaviest, laid with this weight of rail, and in renewing rails in future on other parts of the standard gauge main line the same pattern of rail will be used. The second-hand rails released in these renewals are laid on other parts of the system in place of rails of lighter weight, and the entire cost of replacing the light rails with heavier ones is charged to operation expenses. This plan has been followed for seven years, and accomplishes the double purpose of renewing with heavy rail the standard-gauge main line, and strengthening the narrow-gauge main lines with good second-hand rail of larger section than that with which they were originally constructed.

During the year four heavy ten-wheel standard-gauge locomotives were added to the equipment, of which two were built at the shops of the company in Denver, and the other two were purchased. They are of the same type as those described in the last annual report, except that the capacity of the tenders has been increased to 5,500 gallons of water. About four-fifths of the cost of these engines was paid for out of the renewal fund, and the remainder was charged to maintenance of equipment. Six more of the same class are now under contract, and will be received about the end of August.

The gratifying increase in earnings was caused by a marked improvement in business conditions, not only in Colorado, but throughout the country generally. Both the local and through traffic of your company show substantial gains over the previous year, but they were mainly in freight traffic, as will be observed by reference to figures previously given. Nearly all interests served by your lines—the mining, the manufacturing, the commercial, and the agricultural — yielded larger volumes of traffic, and the outlook at present is encouraging The agricultural valleys traversed by your lines give promise of greater crops than those of 1897, which were the largest harvested to that time on farming lands tributary to your railroad.

In view of the fact that the 7 per cent. first mortgage bonds of the Denver and Rio Grande Railway Company, amounting to $6,382,500, will mature on Nov. 1, 1900, your Directors believed it prudent to prepare for refunding them at a lower rate of interest, and they are pleased to be able to inform the shareholders that a satisfactory arrangement to that end has been made. Under the terms of the general mortgage, no greater amount than that of the outstanding 7 per cent. bonds can be issued in exchange for them, so that it was necessary to fix such rate of interest for the new bonds as would assure refunding at reasonable cost to the company. After careful deliberation, your Directors decided upon 4½ per cent. per annum, and a contract has been entered into with responsible parties for refunding the 7 per cents. on this basis. As the maturing bonds are a first mortgage upon about 296 miles of the most valuable part of the railroad, their lien upon that mileage will be removed when they are retired, and the 4 per cent. general mortgage bonds, together with the new 4½ per cents. mentioned, will then become a first lien upon the entire property of your company. Satisfactory progress has already been made in the refunding, and when the transaction is completed the annual interest on the funded debt will be about $160,000 less than heretofore.

In their annual report for the fiscal year ended June 30, 1895, your Directors explained a contract entered into with the Rio Grande Southern Railroad Company, whose property, owing to adverse business conditions and consequent inability to meet obligations, had been placed in the hands of a receiver. It was stated that an arrangement had been made whereby your company advanced to the Rio Grande Southern $169,839.10 in cash and indorsed that company's notes to the amount of $573,408.25 the notes running for one, two, and three years in equal amounts, with interest at the rate of 6 per cent. per annum to the secured and 4 per cent. to the unsecured creditors. As part consideration, the Rio Grande Southern Company assigned to your company $671,000 of its first mortgage bonds, which were held as collateral by the secured creditors. In addition to this, and under the general plan of settlement, the Rio Grande Southern stockholders were to transfer to your company, free of cost, one-half the capital stock of their company. The bondholders were to cancel all unpaid coupons up to and including Jan. 1, 1895, and the interest on the bonds was to be reduced from 5 per cent. per annum to 3 per cent. per annum for three years from the 1st of January, 1895, and 4 per cent. thereafter during the life of the bonds. In their annual report for the fiscal year ended June 30, 1896, your Directors stated that every bondholder, stockholder, and creditor had assented to the plan and that a majority of the stock of the Southern Company had been assigned to your company. The last of the notes herein referred to, indorsed by your company, matured Jan. 1, 1898, and with its payment the entire transaction was closed. The bonds of the Southern Company now bear interest at the rate of 4 per cent. per annum, and those held by your company afford a satisfactory income upon the investment. As the arrangement required the Southern Company to pay over to your company its surplus, if any, standing to the credit of profit and loss on Dec. 31, 1897, the Southern Company on that date paid to your company the sum of $83,238.10.

The earnings of your company on traffic to and from the Rio Grande Southern Railroad during the fiscal year were $351,783.75, against $351,239.78 for the year ended June 30, 1897. The gross income of the Rio Grande Southern, from all sources, during the year was $429,905.75, an increase of $25,678.02, compared with the previous year. The net revenue afforded a surplus of $7,587.74, after providing for interest on funded debt, taxes, insurance, and other charges against income.

By order of the Board of Directors.

E. T. JEFFERY, President.

Denver, Col., Aug. 12, 1898.

WALL STREET TALK.

The following topics of interest were discussed in Wall Street yesterday:

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Increase of $60,499 in Baltimore and Ohio's gross earnings for July 1.

Sale of £25,000 gold by Bank of England for shipment to Cuba.

Pamphlet report of Chicago Great Western for year ended June 30, 1898, showing a balance after operating expenses and taxes of $1,435,671, an increase of $335,399.

Favorable vote by all the lines interested in the organization of an independent Trans-Missouri Passenger Association, on proposition to appoint a committee to draft an agreement.

Decrease of $67,316 in St. Paul's net earnings for July.

Statement of Denver and Rio Grande for fiscal year ended June 30, 1898, showing a surplus of $257,253 after charges and dividends an increase of $226,057.

Increase of $11,352 in Lake Shore's surplus net earnings for the quarter ended June 30.

No change in the Bank of England's rate of discount.

Circular to Rio Grande Western stockholders stating that surplus, after 5 per cent. dividends on the preferred stock for the year, was $220,000, and that this will be devoted to betterments and a 2 per cent. dividend has been declared to common stockholders payable in preferred stock at par.

Increase of $17,174 in Northern Central's net earnings for July, but decrease of $142,551 since Jan. 1.

Postal Telegraph and Cable stockholders to vote on Sept. 8 on proposition to reduce capital stock from $15,000,000 to $10,000,000.

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