

ST. PAUL MAY EXTEND ITS LINE TO PACIFIC

Wall Street Talks of a Possible Announcement To-morrow.

BRANCH ALREADY BUILDING

Road Now Has a Traffic Agreement with Union Pacific—\$25,000,000 In Stock Available.

At the annual meeting of the stockholders of the Chicago, Milwaukee and St. Paul Railway, to be held to-morrow, an announcement may be made in regard to plans to extend the road to the Pacific Coast, according to rumors current in Wall Street yesterday. No confirmation of the report was had. In fact at the offices of the company it was said that in all probability only routine matters were likely to come before the meeting of the stockholders.

A representative of interests identified with the St. Paul said yesterday that the plan for the construction of an extension to the Pacific has been considered, but that he did not know whether or not the matter had been definitely concluded.

In the past these rumors have been based on the fact that the stockholders several years ago authorized the Directors at their discretion to issue \$25,000,000 of new stock. It has since been admitted that the purpose of this authorization was to provide funds with which to extend the lines of the company toward the Pacific Coast in the event of a failure to obtain a satisfactory traffic agreement with a line running to the coast. Following this move on the part of the St. Paul a traffic agreement was made with the Union Pacific, and this agreement is still in force.

At the same time it is believed that the plan for a Pacific Coast extension was postponed rather than altogether abandoned. At frequent intervals reports have been current of steps by the St. Paul to obtain a right of way and in other ways to prepare for this extension. It was said that property had been acquired recently at Pacific Coast points in the interest of the St. Paul to be used as terminal sites, and active work on surveys through territory that the extension of the St. Paul would probably traverse has been reported.

Should the St. Paul decide at this time to extend to the Pacific Coast it would not be regarded as an expression of hostility toward the Pacific lines. The first report of the St. Paul's plan to go to the Pacific was interpreted as a threat that unless it was treated fairly in the matter of traffic agreements with other lines it would construct a line of its own.

At present there is under construction a line about seventy-five miles long from the present terminus of the St. Paul at Chamberlain, South Dakota, to Rapid City, South Dakota. While this line so far has not assumed greater importance than a branch line, it is in effect an extension of one of the St. Paul's main lines, and may serve eventually as part of an extension still further west.

PRESIDENT McHARG'S REPORT.

Virginia and Southwestern Railway's Net Income, \$119,906.

President H. K. McHarg of the Virginia and Southwestern Railway Company, in his annual report to the stockholders of the Virginia Iron, Coal, and Coke Company, which controls the railway, says that a traffic agreement has been arranged with the Norfolk and Western which permits of freer shipment of the product of the Coal and Iron Company's mines, and also allows some concession on freight charges on raw material shipped to the furnaces of the Virginia Iron, Coal, and Coke Company.

For the year ended June 30 last, the Virginia Iron, Coal, and Coke Company reports net earnings of \$516,512 and surplus earnings of \$89,679 after the payment of taxes, fixed charges, &c. Attention is called in the report to the low ratio between the company's gross business and its general expenses. In the year the company took in and disbursed \$3,769,912, and the general expenses amounted to \$56,866.

The statement of the Virginia and Southwestern shows gross earnings of \$679,532, operating expenses of \$427,752, and net earnings of \$251,780. The net income after the payment of taxes and fixed charges was \$119,906.