

12(17) - 81 - 221
[1901] [?]

TOPICS SUGGESTED FOR STATEMENT RESPECTING RAILROAD FINANCE:

I CAPITALIZATION:

Digest of State Laws and Regulative Powers of state
railroad commissions.

Movements of capitalization since 1890 per mile, ten
mile, etc., by years, and geographically distrib-
uted

Form of securities issued, such as stocks or bonds,
floating debts, debentures, income bonds, etc.:
reprints and reproductions of the forms in use to
be made in an appendix to the report

Fixed vs. contingent charges, and relation to main-
tenance as in securities on equipment or permanent
property, etc.

Listing on the stock exchange, procedure and regula-
tion; manner of issue; at par, discount, premium,
with proceeds to the company, fees, etc., and
burdens at maturity

Equipment trusts, history and development.

Relation to the original or total cost of investment

Relation to cost of duplication at the present time--

Michigan data available

Relation to earning power with analysis in detail

Surplus available for new improvement--electric
traction, for example

Policy for paying for new construction in making improvements--charge to capital or expense account
Refunding at lower rates of interest
Proportion of foreign and domestic ownership--effect on the kinds of issues on policy in rate making on the directorate, etc.
Sinking funds or policies in force for meeting securities at maturity
Amounts held for investment or subject to proxy as bearing upon speculative changes
Amounts of stock voting at the annual meetings with the proportions of total investment necessary to give virtual control
Speculative movement of stocks and bonds especially during the period of reorganization or consolidation, together with the relation of railroad financing to the money market
Comparison with European experience and governmental policy

II REORGANIZATIONS:-

Causes productive of --false accounts, over competition, mis-management, etc.; reprints of original data
Detailed history of a half dozen of the important ones, such as the Reading B. & O. Southern Railway, etc.
Form of new securities, and relation in volume, locus and fixed charge to older issues

Origin and powers of self constituted or official
committees

Position and rights of dissenting security holders--
witnesses easy to obtain

Possible effects of foreclosure as against continuance
as a going concern

Effects upon branch or leased lines when dismembered

Effects upon earnings; volume of traffic etc. when
dismembered

Voting trusts, their constitution and powers

RECEIVERSHIPS

Digest of state laws

History since 1875 and development in detail since
1890

Statistics 1890-1900

Causes, productive of; relation to overconstruction,
speculation etc.

Development and effect of friendly receiverships

Direction and termination of receivership

Relation of receivers to the public in the matter of
rates

Relations of receivers to employees, in strikes, etc.

Relation to the public in matters of injury or damage

The issue of receiver's certificates, their fiscal
relation to prior liens, etc.

CONSOLIDATION:-

Modes of combination- by lease, purchase, traffic
contracts or common financial control

Analysis of leasing contracts, as affecting rights to
issue new stock; to make improvements to maintain
at full efficiency; and avoid competition, etc.,

History since 1890- and in detail since 1898

Effects of capitalization and earnings

Relation to underwriting Trust Companies

Effect upon character and volume of traffic; the
proportion of through and local hauls, etc.

Relation to subsidiary, or branch lines; guarantees
of interest-division of mileage

Effects upon rates and cost of operation

Effects upon service, administrative organization,
agency wages, etc.

Participation in other industrial undertaking as in
coal roads, etc; making of joint through rates, etc.

State laws and commissions as a means of regulation

Special report upon past and present attempts to
combine all the anthracite coal producers

Comparison of growth by purchase or lease with growth
through building by parent company; Pennsylvania
railroad, east and west of Pittsburgh

Defects and weaknesses of the financial pools and
digest of remedies proposed

OPERATION AND COST OF SERVICE-IN RELATION TO RATES AND
CAPITALIZATION:

Economies due to improved methods such as large cars,
heavier locomotives, etc. with their effect on
operating and maintenance charges, etc.

Division of costs in case of through and local traffic;
wholesale (car-load) and retail shipments

Depreciation as distinct from maintenance how far pro-
vided for and in what way

Operating expenses vs. capital account; what is their
relation in making improvements; English and
American practice

Construction mileage and relation to branch line op-
eration

Relation to density- direction- season.