

THIRD

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ANNUAL REPORT

OF THE

MILWAUKEE & PRAIRIE DU CHIEN

Railway Company

TO THE STOCKHOLDERS.

FOR 1863.



MILWAUKEE:
DAILY WISCONSIN BOOK AND JOB STEAM PRINTING OFFICE.
.....
1864.

DIRECTORS AND OFFICERS, FOR THE YEAR 1863.

DIRECTORS.

L. H. MEYER,.....New York.
JOHN CATLIN,.....Milwaukee.
WILLIAM P. LYNDE,.....Milwaukee.
CHARLES F. ILSLEY,.....Milwaukee.
ADOLPH RUSCH,.....New York.
ALLEN CAMPBELL,.....New York.
GEORGE SMITH,.....New York.
WM. SCHALL,.....New York.
H. L. DOUSMAN,.....Prairie du Chien, Wis.

OFFICERS OF THE COMPANY.

L. H. MEYER,.....PRESIDENT.
JOHN CATLIN,.....VICE PRESIDENT AND COUNSEL.
WM. TAINTOR,.....SECRETARY AND TREASURER.
H. F. TAINTOR,.....TRANSFER AGENT, NEW YORK.

OFFICERS IN CHARGE OF THE LINE.

JAMES C. SPENCER,.....GENERAL MANAGER.
WM. JERVIS,.....SUPERINTENDENT.
E. P. BACON,.....AUDITOR AND GENERAL TICKET AGENT.
H. B. WILKINS,.....GENERAL FREIGHT AGENT.

ANNUAL MEETING OF THE STOCKHOLDERS.

On the 9th day of June,
AT MILWAUKEE.

ELECTION NOTICE.

Chapter 308, Act published April 14, 1860.

SECTION 4. The preferred stockholders of the first and second class, shall elect the directors under the new organization, until a dividend shall have been earned on all the preferred shares of the several classes, when all of the preferred stockholders shall elect the directors, until a dividend shall have been earned on all the shares of the said company, both preferred and common stock, and thereafter all the shareholders of the said company shall elect the directors.

Chapter 80, Act published March 25, 1863.

SECTION 1. The annual meeting of the stockholders, and election of directors, of the Milwaukee and Prairie du Chien Railway Co., may, with the approval of the stockholders, be hereafter held in the month of June of each year, at such time and place within the State of Wisconsin, as the directors may specify.

RESOLUTION OF THE BOARD OF DIRECTORS.

PASSED JANUARY 26th, 1864.

Resolved, That the Annual Meeting of the Stockholders, fixed by law to be held in June, and by the by-laws to be held second Thursday in June, shall be held, for the year 1864, at Milwaukee, at the Company's Office, at 12 M.

Pursuant to the above resolution of the Directors, in accordance with the above extracts of the law, the articles of association, and the by-laws of the Company, a meeting of the Stockholders of the Milwaukee and Prairie du Chien Railway Company will be held at Milwaukee, on Thursday, the 9th day of June, 1864, at twelve o'clock M., for the purpose of electing nine directors for the ensuing year, and the transaction of such other business as may come before it.

WM. TAINTOR.

Secretary.

MILWAUKEE, January, 27th. 1864.

THIRD ANNUAL REPORT

OF THE

Milwaukee & Prairie du Chien Railway Co.,

FOR THE YEAR 1863.

The Annual Report from Superintendent, Secretary and Treasurer, required by law, is subjoined.

A fuller statement of the condition of the Company will be found in the annexed reports :

1. Of the General Manager,
2. Of the Secretary and Treasurer,
3. Of the Transfer Agent,
4. Of the Trustees of the Sinking Fund,

which, being ample and plain, leave room only for a few general remarks from me on them.

The taxes paid in 1862, were.....\$26,611 73
being \$16,441 44 in excess of 1861.

In 1863, taxes paid amounted to... .. 51,029 71
an excess over 1862 of \$24,417 98
and an excess over 1861 of 40,859 42

The taxes of 1863 amount to about 4 1-8 per cent on the Total Gross Earnings.

For reasons stated in another part of this, as well as in the General Manager's Report, the Extraordinary Expenses were curtailed to such an extent, that I should not mention them except for maintaining the plan of Report once adopted, and showing the actual running expenses. They were—

For new buildings,	\$9,166 64
Nine freight cars, new, less amount from car reserve account.	3,300 00
Covering bridges not covered before.	1,170 00
Application Patent Brake	2,361 89
Patent rights.	1,789 95
New side-tracks.	4,178 00
Increased Tax.	24,417 98
Total.	<u>\$46,384 46</u>

Or 3 72-100 per cent of gross earnings.

Total operating expenses. 63 63-100 per cent.

Less above extraordinary expenses. . 3 72-100 per cent.

Leaves running expenses. 59 91-100 per cent.

Against in 1862, 64 36-100 per cent., 7 94-100 per cent., and
56 42-100 per cent., respectively.

And against in 1861, 60 67-100 per cent., 9 40-100 per cent., and
51 27-100 per cent., respectively.

The tax increase this year amounts to nearly 2 per cent. over
last year, on gross earnings.

Reference to the first and second Annual Reports of the General Manager, shows that 84 miles of the East Division, were, on taking possession of the property, found with iron on an average ten years laid down, and in bad condition. Of this about 15 and 22 miles were relaid with new or re-rolled iron, in 1861 and 1862, respectively. The rest was patched by interlaying repaired iron and underlaying more ties. This year, about 16 miles have been relaid with re-rolled iron. It follows, then, that of the 84 miles found in bad condition on taking possession, yet about 31 miles are not relaid, and must be relaid. The wear and tear of rails is generally considered to be 10 per cent. yearly, on roads in full operation, with a good business. This road is essentially a freight road, on which the wear and tear is heavier, and nothing beyond undertieing and interlaying with repaired rail has been done, towards making good the wear and tear, since we came in possession. To keep the rail up fully from depreciation, 20 miles of new or re-rolled iron should be yearly laid. In other words, for 1861 and 1863, 60 miles should have been relaid to keep off depreciation, and 84 found bad, is equal to 144 miles that should have been relaid, to put the property in the condition intended and desired before taking possession; only in all about 53 miles of such

144 have been relaid. Though it is not necessary to relay 91 miles this next year, still as near as possible, one half of that should be relaid.

In 1861, under the organization plan, the full mortgage did not draw interest, and the total of interest on bonds amounted to	\$118,405
In 1862, the outstanding Bond Debt all drew interest, viz :	\$172,900
And one installment of Sinking Fund	13,000
Making for 1862, interest and Sinking Fund	185,900
This year, Interest and Sinking Fund for the first time were paid full in accordance with terms of mortgage . . .	204,480

Owing to conversion of \$10,000 Bonds, the Sinking Fund payment for 1863 was larger, and interest less than figures given in last report; cancellation of Bonds 34,000.

The special attention of Bond holders is called to the terms of the mortgage, which constitutes the Trustees their agents. The money for redemption once paid to the Trustees, the designated numbers have no further claim upon the Company. Interest ceases next interest day after the designation. Every pains is taken to notify holders by printed circular and advertisement, but unless the owners attend to transfer of Scrip Stock to their names, notice direct becomes impossible. Several Bonds have lost full half year's interest because the owners could not be found.

It is not deemed necessary to explain or comment upon the items of accounts as in the two prior reports, because the same rules governed in making entries, and former remarks apply fully to this year's accounts. The total reduction of capital since organization of this Company amounts to \$253,200.

At the last Stockholder's meeting a Committee was appointed to examine into the condition of the road and its finances, with power to examine Books and Vouchers, to report on the propriety of the location of the new Elevator at Prairie du Chien, and of the extraordinary expenditures in 1861 and 1862, as also into the necessity of further large outlay for further imperative renewals and repairs. The Committee fully sustained the management. Their report is annexed, as ordered by Stockholders Meeting.

The Elevator at Prairie du Chien has more than fully answered the most sanguine expectations we had of it. The extremely low stage of water in the Mississippi river would have crippled the business of the Road, and seriously endangered the dividend or annual interest on the second preferred Stock, but for this new

Elevator, which proved perfectly accessible to the heaviest laden boats and barges during the whole period of almost unheard of low water in the Mississippi river, while even the light boats and barges could not approach the old or lower Station and Elevator, within one-third to one-half of a mile, where no facilities for landing and handling freight existed.

Thanks are due to Messrs. Harwood & Rudd, the acting members of the Stockholders Examination Committee, from the Stockholders, for the fidelity with which they acted, and for the time and trouble given to the examinations; from the Officers and Directors of the Company present, for the patience and cheerfulness with which they bore the privations, inconveniences and fatigues of such examination.

The special attention of Stockholders is called to the Committee's Report, a careful perusal of which must convince even those most hopeful and desirous of a dividend, that none can be earned so long as such important renewals, repairs and alterations are required; their imperativeness can only be fully appreciated by those most familiar with the daily working of the line. The early necessity is easily perceptible, to any one who will take the pains to look and judge for himself.

On the first day of September the Company's gross earnings were \$80,000 short of those of 1862. The falling off commenced about May and lasted till 1st September. In view of this falling off of gross earnings, it became the Company's policy to continue making merely the most imperative renewals; and only when, and as it became evident that the crops in the field would give a good fall and spring business, could we venture on the less imperative renewals. It was then, however, too late to do all that should be done, and should and would have been done in 1861 and 1862, if it had then been possible. Much remains to be done yet, to make good depreciation found to exist when we took possession. In this sense, the net earnings, are not properly net earnings nor distributable. No dividend on stock can properly be considered earned and made payable, so long as the condition of the property has not been fully restored, and when restored is not fully kept up. To define a line where the property is fully kept up to a given standard, or even to fix such standard, is a matter of great difficulty, and the subject of great diversity of opinion. To my mind there is in railroad management but one course: it is sound, gradual progress: to stand still, halt, hesitate, pause, and barely nominally keep up, to

the eye of the casual observer, the outward appearance of maintaining the condition of the property, is to retrograde. Few, if any, roads in the United States have been or could be built to at once meet the necessary requirements of a rapidly growing population, and a still more rapid increase of production. In a general sense, railroads have been built more for development of the country, than for the accommodation of an existing business sufficient to make the investment a paying one from the outset. This, from known results, is proved to have been greatly the case in the western more thinly peopled States. It follows inevitably, that as population and production increase, the existing roads cannot merely stop to maintain in good condition the original property. They must increase their facilities in proportion to the growth of business, as far as their means allow. The privileges granted by charter were not donated on the sole idea that they need or were expected only to do business on a certain limited scale. The fundamental idea can have been none other than that the country and railroad would develop more or less simultaneously, and thus the railroads would take care of the growing traffic, and accommodate the increasing population. If this is correct, if settlements and villages have sprung up along the lines, or beyond their termini in districts naturally tributary to the roads, and in reliance on legitimate facilities from the road, can, in justice, their claims to reasonable accommodation be utterly ignored? Can a dividend be considered, earned where just claims for reasonable accommodation remain unsatisfied?

OUR WESTERN TERMINI.

We have two Western Termini. That of the main line at Prairie du Chien, on this side, or McGregor on West side, of the Mississippi river, taken as one. That of the Southern Wisconsin Branch, at Monroe.

The terminus at Prairie du Chien and McGregor, as referred to in Committee Report, has already had and is still having our daily attention. The McGregor Western Railroad is in rapid progress of building, the heavy work and expensive cuts up the grade from the Mississippi river are overcome, and the track laid to about the summit. The great difficulty, the expensive work on the naturally least rentable part of the line, is overcome. It had repeatedly, in earlier days and in less able and energetic hands, been the cause of the failure of the enterprize. Now this being overcome, the fur-

ther progress seems secured. Rails sufficient to lay twenty to thirty miles of track, have either passed over our line to McGregor or are being hauled over now, a similar quantity being understood to be on the way hither. The work on the McGregor Western, after reaching the summit, is mostly of a nature to be done quick and at little expense. Considerable grading and laying of ties has already been done thereon, and if the same energy and ability is displayed on this easy part of the work as has been shown in overcoming the heretofore insurmountable difficulty, the McGregor Western Railroad will, for the fall of 1864, stand as an important feeder to, or extension of our line. After reaching the summit it immediately strikes a productive country. Its success can by us therefore no longer be questioned, and it behooves us to make necessary preparation to accommodate its business.

In accordance with the recommendation of the Stockholders Committee, further expenditures for maintaining the old Station at Prairie du Chien were stopped, and the extremely low stage of water availed of, to lay the foundation for a necessary freight house near the new Elevator.

The Board of Directors, appreciating the value of such a western connection as the McGregor Western gives us, determined by all legitimate means in their power, to encourage and aid the building of the line, and in this sense passed a resolution to take Bonds in payment for certain services and spare material furnished. This explains the items of Bonds of the McGregor Western Company in our accounts, part being received for freight on iron, part as purchase price of certain old rolling stock in sound available condition, but not adapted to our wants.

There still remains much to be done to put our Station at Prairie du Chien, opposite the terminus of the McGregor Western, in condition to accommodate the business it will give us. The Elevator exists, the Freight House is building; platforms and other facilities for ferry landing must be built. This, for a time will meet the requirements for freight business.

A station building for sale of tickets, accommodation of passengers, and for luggage and refreshment rooms, is inevitable.

I have, in my first report, had the pleasant occasion to mention the liberality of one of our Directors, with regard to the sale of a lot on our Milwaukee Station. I cannot forego the pleasure of again reporting the liberality of another of our Directors, Col. Hercules L. Dousman, of Prairie du Chien, who, aside from

many, I might say, almost daily valuable and gratuitous services to the Company, with a full knowledge of its necessities for land at Prairie du Chien, has, by exchange, acquired a piece of land of the first importance to us, and donated it to the Company. This service is the more valuable, as we could not, by purchase, acquire the desired property.

On this piece of land it is intended to erect the station building, provided no arrangement can be made with others to build a hotel thereon and give the Company necessary accommodation in it.

If nobody can be found to carry out this latter plan, the Company will be under the necessity of erecting a commodious Station building at Prairie du Chien, similar to the one built at Madison. The existing hotels at Prairie du Chien lay back from the river too far, and are too distant from both old and new Stations at Prairie du Chien, to meet the requirements of travellers, after the McGregor Western Railroad has once been opened to the public. These improvements and alterations do not merely, or solely belong to a class of improvements justice would seem to require, in sense of remarks in other parts of this report. They are a class of improvement, which, by accommodating the wants of a large section, suddenly and newly made tributary, and by encouraging a feeder line, must, in a single good year, return as profit their entire cost; a result to which, few, if any Stockholders will, or can reasonably object, and which a large majority will require to be attained, if possible.

From all I am able to learn, it would seem that with the McGregor Western Railroad opened 60 miles out from McGregor, our annual traffic increase from it, under the influence of an average good crop, should be equal to \$200,000 gross earnings; if not in the first year, at least within three years from its opening.

The terminus at Monroe merits no less attention. It is hardly necessary to say that this is no terminus in the proper sense, and that it never was meant for a terminus. The financial troubles of 1857 extemporized it as a terminus. What the intent was, is explained by reference to the documents showing the origin and growth of the road from its inception to the day of sale under foreclosure, and the organization of the present Company, purchaser of the sold road. These documents are published in pamphlet form, and to be had at the Company's offices. Page 66, Sec. 1, explains the intent as to terminus. Force of circumstances prevent this

intent being carried out. Reference to the same pamphlet, page 17, end of Article fourth, Articles of Association, shows the power the present Company have to carry out the former intent. If the proprietors will act under Sec. 9, of the Art. of Association. page 19, of the aforesaid pamphlet, they have but to raise the question at the next annual meeting, in June, here, or to signify their wish for a special and earlier meeting, which will be promptly called. If they disincline to such course, then I must request their earnest attention to the feeling of the mercantile community here, and to that of the people in Southern Wisconsin, west of Monroe, to the existence of certain charters, which will enable those desiring it, to build one or more independent lines from Monroe to the Mississippi river, opposite Dubuque. These projects are being agitated. Stock subscriptions are being solicited, meetings will be called to express public opinion, the aid of any Railroad Company that can be benefited by such line from Monroe to Dubuque will be solicited. The strongest demands and most urgent solicitations will be made upon this Company; and we should be prepared to meet them, in justice, or state our inability under existing laws, and the unwillingness of proprietors to alter the laws, *i. e.*, articles of association. From what is known and officially published as to business from the section of country between Monroe and Dubuque, and from what is known of accumulation of freight at Dubuque, all now tributary to railroads without the boundaries of this State, it is evident that a line from Monroe to Dubuque should, at its opening, be a more important feeder to our line, than even the McGregor Western; because, from Dubuque West, lines are and have for years past, been in full operation, and we would, by having a connecting link, be at once thrown in direct connection with hundreds of miles of country west of the Mississippi river, now producing more than the existing outlets can relieve them of.

The results or yield of the Southern Wisconsin branch is given in the General Manager's Reports for 1861, 1862 and 1863. An extension of it from Monroe to Dubuque, would not only make it a paying line in itself, but would greatly increase the earnings of the main line.

Notwithstanding former remarks as to the sinking fund, it is evident from inquiries made and yet continually making, that few, very few, understand the working of it, sufficiently to be able to form any judgment of what temporary and permanent effect its working may have upon the 2nd Preferred and Common Stock—a few

explanatory remarks seem due to those interested. The yearly payment for interest and sinking fund remains unchangeable, \$204,480 yearly, until the whole mortgage debt is cancelled, either by redemption or by conversion, or both. The working would be simple and generally understood, were it not that conversion of bonds into 1st Preferred Stock increases the payment on 1st Preferred Stock in ratio as bonds convert, and of course in same ratio lessens, for the time, the means wherewith to pay 2nd Preferred and Common Stock dividend. The effect is best judged from following illustrations :

The Company stands say as follows :

\$2,410,000 Bonds: Interest and Sinking Fund..	...	\$204,480
1,061,000 1st Preferred Stock.....	8 per cent.	84,880
1,014,000 2nd " "	7 " "	70,980

Payment ahead of Common Stock. \$360,340

Now, convert \$1,000,000 bonds, and the Company will stand as follows :

\$1,410,000 Bonds: Interest and Sinking Fund.....	\$204,480
2,061,000 1st Preferred Stock.....	8 per cent. 164,880
1,014,000 2nd " "	7 " 70,980

Would make payment ahead of Common Stock... \$440,340

Convert another million Bonds, and the result is—

\$410,000 Bonds, Interest and Sinking Fund	\$204,480
3,061,000 1st Preferred Stock.....	8 per cent. 244,880
1,014,000 2nd " "	7 " 70,980

Payment ahead of Common Stock..... \$520,340

Inasmuch as the conversion increases the Sinking Fund by amount of interest on what is converted, the conversion of one million dollars would increase it by 70,000, or from its present stand, \$34,000 to \$104,000 for the year; the result would be, that if in the next two years, each year one million Bonds were converted, then in the third year the mortgage would be extinguished, either by redemption or conversion, and the position would be, say—

Bonds, none—Interest and Sinking Fund.....	\$
\$3,100,000 1st Preferred Stock... 8 per cent.	248,000 00
1,014,000 2nd " " ... 7 " "	70,980 00

Payment ahead of Common Stock..... \$318,980 00

If the mortgage were extinguished, or the total payment ahead of Common Stock were only \$318,980, the Company would soon be in condition to pay dividend on Common Stock.

The indications are, that on payment of next interest on 1st Preferred Stock a considerable amount of Bonds will be converted. The time for conversion, as the holders of Bonds will see from their documents, is only ten days next succeeding and including the day on which the 1st Preferred Dividend or interest is payable. Conversion once fairly commenced, it will rapidly increase, because the increased and increasing Sinking Fund operates on a decreased and decreasing number of Bonds, and in numerical progression increases the liability to be designated for redemption at par. Nothing, then, can prevent rapid conversion, except a decline in the value of the 1st Preferred to or under par, ex-dividend. The Second Preferred Stock being entitled to a dividend for each and every year, the dividend thereon becomes accumulative, in case the operation of the Sinking Fund and Conversion, should put it out of the Company's power to pay it at maturity; while dividend is thus postponed, the stock intrinsically becomes of as much more value per cent. as the increase of Sinking Fund from conversion stands in proportion to \$1,014,000 of stock. The same rule in different ratio, applies to the Common Stock.

The increased earnings have given rise to many calculations as to the probable net amount to be left after paying interest, Sinking Fund and dividend on Preferred Stock of both classes, and which it has been assumed without much consideration, must be available for dividend on Common Stock.

This has caused violent fluctuations in the market value of the Common Stock, and the temporary rise has, it is evident, created for a time in the public mind, a conviction that a dividend was earned and would be declared. I have in another part of this report, shown that no dividend can be considered earned, so long as the depreciation found to exist when we took possession, is not fully made good. It was the fundamental idea of the plan of organization, to make amply good, before any dividend could be earned, the depreciation known to exist, not only, but also to reduce the capital from seven and a half to six millions. The repeal of Section 7, of Chapter 308, of the Laws of Wisconsin, while it obviates the necessity of reducing the capital thus seriously, thereby needlessly delaying dividend on Common Stock, cannot

affect the fundamental idea of the organization, subject to which the very wording of every certificate of every class of stock shows it issued and accepted.

Even setting this legal point totally aside, can a dividend be earned and claimed in view of the imperative large demands for outlay, and of the general position, as follows :

The demands for outlay are, for three large bridges over the Wisconsin River, including piers. These were originally estimated at \$120,000. The delay incidental to a want of laboring power to make permanent renewals, entails upon us the expense of temporary repairs extra, as also the risk of higher prices for material.

One high bridge at Janesville, jointly used with the Chicago and Northwestern, requires serious repair ; it is of wood, and so high that, if burnt, it could not be promptly replaced ; it should be rebuilt of iron, one half at our outlay.

The shops want enlargement ; we daily feel that we are more and more thrown upon our own resources for renewing and building rolling stock of every description ; the wants of Government absorb nearly all the factories can supply ; our own small and defective shops do not suffice to keep up repairs fully, now in face of increased business and wear and tear. We must have more new freight engines, and would have ordered them, if we could only be sure of their delivery.

The Station at Prairie du Chien has already been mentioned in another part of this report. Here, at Milwaukee, our station building is small and defective ; a proper station building, with offices for the Company, accommodation for passengers, and shelter for our passenger cars, is badly needed—would save \$1,500 yearly rent, much injury to cars, and would expedite business.

Aside from annual wear and tear to be made good, a considerable amount of rail found defective on taking possession, and temporarily repaired, has to be taken up and renewed.

Before a dividend on Common Stock, even if earned and declarable, should be passed upon, the following position presents itself: The First and Second Preferred Stock receive only yearly dividends. This is owing to the wording of the Stock Certificates, in accordance with the terms agreed upon for the organization of this Company, and from the want of funds in July to meet a half yearly dividend on First and Second Preferred Stock, after paying interest and sinking fund on bonds.

Under a strict construction of the wording of the stock certificates, no dividends on them are claimable, or can be properly declared, unless the full year's interest and sinking fund under the mortgage has been paid. Even if the Directors would assume the responsibility of declaring those dividends half yearly, the funds are wanting, because from July to October, when receipts increase again, the business of the road is not only small, but the outlay for interest, sinking fund, repairs, renewals, labor, etc., is largest. The Company is prohibited from having a floating debt, and at no time since its existence, has it had sufficient cash after paying interest and sinking fund on mortgage, to pay half yearly dividend on preferred stock, without incurring a floating debt; either direct, to pay such dividend, or indirect, by using the cash on hand to pay dividend, and incurring a floating debt to carry out required renewals and repairs. The Common Stock is equally interested in the question. It could never have a half yearly dividend, even if earned, unless the preferred stock had first had its half yearly dividend. It should, therefore, in its own ultimate interest, not merely allow, but urge, a sufficient accumulation of funds after doing all needful to and for the road, to enable conveniently the payment of half yearly dividend on preferred stock.

Lastly. I would call the attention of Common Stockholders, specially to my remarks on the sinking fund, and the illustrations of its workings in event of large conversion of bonds. Should the dividend on 2nd preferred stock ever have to be postponed, the Common Stock can never claim a dividend, until the arrears are fully paid up on the 2nd preferred. A careful consideration of all I have said on this subject, must, I think, convince Common Stockholders, that a dividend on their stock is neither earned, claimable nor practicable. If this is not thought so, it is a question proper to be discussed at the next stockholders meeting in June, with due reference to Chapter 86 of the Laws of Wisconsin of 1862, repealing Section 7 of Chapter 308 of said laws of 1860, and the un-repealed Section 8 of said last named law.

The laws, Chapter 86 of 1862, and Chapter 80 of 1863, are the only ones passed since the organization of this Company, directly affecting the articles of association, and not being embodied in the pamphlet previously referred to, copies thereof are hereto annexed for reference.

The latter law was approved by the stockholders in their June meeting, and certificate duly filed.

At the annual meeting to be held here, on the 2nd Thursday in June next, we must expect important questions to be passed upon. A full representation is desired and earnestly requested.

All of which is respectfully submitted.

L. H. MEYER,
President.

MILWAUKEE, January 28, 1864.

Attention is called to the election notice prefixed.

TO THE STOCKHOLDERS

OF THE

Milwaukee and Prairie du Chien Railway Co.

The undersigned, a majority of your Committee appointed at the stockholders meeting held at Milwaukee on the 11th day of June, 1863, "to satisfy themselves for and in behalf of the stockholders of all classes, as to the propriety of the extraordinary expenditures of 1861 and 1862, as stated in the Company's reports; as to the propriety of building and locating the elevator at Prairie du Chien; also to examine into the position and relations of the Company with regard to other lines; with power to examine books, accounts and vouchers; and also to examine into the condition of the Road, its track, bridges, and all other appurtenances, and to satisfy themselves as to the necessity and propriety of repairing and altering the bridges over the Wisconsin river, and of any other extraordinary expenses proposed," having devoted as much time and attention as we were able to our duties as such Committee, do respectfully report:

That we examined the Company's real estate in the city of Milwaukee and find it unusually extensive and valuable, with an abundant river front; it is well graded, in good condition, and well adapted to the uses and wants of the Company.

That the shops of the Company at Milwaukee for the manufacture and repairs of cars and locomotives are well managed, and although they do not possess all the facilities of some large establishments for turning out work cheaply, we regard the manufacture of locomotives and cars, at such shops, as a matter of substantial economy, for the reason that all the material which enters into their manufacture, passes under the eye of the master mechanic, and the work, when completed, is of the most substantial and durable kind.

The passenger depot at Milwaukee is small and insignificant in appearance for a terminal point of the importance of that city, and before long should be replaced by a more suitable building, unless the various lines terminating at Milwaukee shall come to some arrangement by which a union passenger depot may be constructed, which shall be alike convenient and creditable to all.

The locomotives, passenger and freight cars, so far re-built, built, or purchased by the new company, are in excellent condition, and in our judgment will compare favorably with those of other roads. Such of the old rolling stock as has not been rebuilt, is necessarily more or less defective and must be gradually replaced. In this connection we take pleasure in signifying our approval of the use on some of the passenger trains of this line, of the Loughridge patent brake, as applied by Mr. Manning, the company's master mechanic. Our attention was called to this appliance more particularly from the circumstance, that while we were on the line of the road, a very serious accident was prevented, and probably thousands of dollars saved to the Company by its use. We would recommend the use of this brake on all the passenger trains of the Company.

That portion of the track on the Eastern Division which has been renewed with new or re-rolled iron and new chairs, is in fine condition; the other portions of the track on this division, from the substitution of repaired rails for those most worn, and relaying the whole with new ties, is in fair running order; the iron, however, is much worn, and we concur with the General Manager in the opinion that it should be renewed as soon as practicable.

Most of the bridges on this division have been rebuilt by the new Company, all well covered, and the wooden abutments upon which the old bridges rested, have been mostly replaced by substantial masonry. The large bridge across the Rock River is now being rebuilt. The station and eating house at Madison we examined, and find it a convenient and substantial structure. A less commodious and valuable building at that point would not, in our judgment, be adequate to the wants of the Company or the public. We regard the expenditure for that building as a most judicious one.

The crossing of the lake at Madison, over half a mile in length, was formerly on piles. The work of filling up was commenced by the Receiver and finished by this Company at a cost to them of \$20,000. It is now a permanent stone roadway with covered

bridges at each end of the embankment, for water-way, and is a substantial piece of work, saving the Company much expense in repairs and in protecting the piles from ice.

The Western Division, from Madison to Prairie du Chien, we found in excellent condition in all respects, with the exception of the three bridges across the Wisconsin River. These bridges we examined with care; they were never covered or otherwise protected from the weather, and already require extensive repairs, which must be increased every year. We have no doubt ourselves, and we believe that a personal examination will satisfy every stockholder, that the interests of the Company require that these bridges should be rebuilt, and the piles and wooden cribs on which they now rest replaced with masonry, as rapidly as the state of the water and other circumstances will permit. It must of necessity take considerable time to complete them.

The freight depot and old elevator, built under the Receiver at Prairie du Chien, are located on what is commonly called on the Mississippi, a "slough." In seasons of low water in the river it is so shallow in the "slough," that it is difficult and at times impossible for boats to reach the freight depot and old elevator, and this difficulty is constantly being increased from the deposit of sand in the "slough." This elevator was found to be insufficient for the requirements of the grain traffic, and could not be used at some stages of the water; the freight depot adjoins the elevator, and both are badly exposed to fire. The building of the new elevator was therefore absolutely demanded, in our opinion, by the interests of the Company. It is situated on the Main Channel of the river at Upper Prairie du Chien, about one mile above the old elevator, and we believe no other as suitable location for the same could have been selected. There can be no failure of water at this point, at any time,—besides, the "McGregor Western Rail Road," now being built, will strike the river at a point almost exactly opposite the new elevator.

We would recommend that no further considerable expenditure be made upon the buildings at the old station, and that the design be kept in view of ultimately concentrating all the through freight and passenger business at Upper Prairie du Chien. It will be a matter of economy in the station expenses, to transact all the business at one point, besides an important saving of time in transferring freights and passengers from boats; and when the McGregor

Western R. R. shall, as we hope it will before long, be opened for traffic, it will become an almost absolute necessity that this Company should have proper freight and passenger depots on the main channel of the river opposite the terminus of that road.

The rich agricultural sections of northern Iowa and southern Minnesota, which will be tributary to the McGregor Western Rail Road, and in turn further developed by it, give promise of immediate and increasing reward to the parties engaged in the enterprise, while at the same time the prospective importance and value to your Company of this western connection strongly commend it, as we believe, to your encouragement and support

As to the extraordinary expenditures of about \$100,000 for each of the years 1861 and 1862, so far as we can judge from observation or learn otherwise as to the nature and extent of the improvements and the previous condition of the Railway and its appurtenances, we have no doubt but that the money has been most judiciously expended, and we believe the present receipts of the line are thereby largely increased. We consider the present condition of the property, and its business for the past two years, as the most substantial evidence that can be furnished of the wisdom of the policy adopted at first, and since pursued by the present managing officers of the Company; and we heartily recommend that the same course of policy be continued until the whole property shall be in first class condition.

Judging from information and our observation as to the working of this and the other Rail Roads leading westward from Milwaukee, we believe that the interests of all such lines and of that city, and the State of Wisconsin, would be promoted by a union of these roads under one corporation; provided a basis of consolidation could be agreed upon, which should secure to the several holders of the securities and stock of the different classes of this Company, and those of such other lines, an equivalent for their respective interests, as now existing, and also an equitable proportion of the benefits which must inevitably result from such union. To find such basis will be a task of some difficulty. The shareholders of this Company, and its creditors, have a right, one and all, to insist on the fundamental principle of its organization being upheld. No plan for consolidation, therefore, can be successful unless it shall present such advantages to the stock and bond holders, of all classes, as will commend it to their individual acceptance. The relative position and amount of the securities and stock of the different

classes of this company, and those of such other lines as are now existing, or proposed to be created in completing and perfecting the same, as compared to the value of the respective property and interests represented thereby, we think merit careful consideration; and may require, as to some classes, that some allowance should be made to secure equality. It would seem difficult to determine at present what would form an equitable basis for consolidation. Hasty action in a matter of such importance is of course to be avoided. Meanwhile, until the owners of the different lines can satisfy themselves more fully, and be prepared to act understandingly, we think a running arrangement or contract upon the plan adopted by various leading Railroad lines in Ohio, Pennsylvania, &c., within the last twelve months, putting the combined lines under one management, so as effectually to end the injurious competition, and avoid the expense of a large body of agents, runners, &c., would best serve the interests of this Company and those in competition with it. Such an arrangement would, from the common interest and frequent interchange of views, naturally lead to a better understanding and appreciation of the relative value of the respective interests, and give time to mature an equitable plan for consolidation.

G. M. HARWOOD,
JOSEPH RUDD,

Dated Milwaukee, Wis., June, 1863.

GENERAL MANAGER'S REPORT.

TO THE PRESIDENT AND DIRECTORS

OF THE

Milwaukee & Prairie du Chien Railway Co.

GENTLEMEN:

The following Report of the management of the Milwaukee & Prairie du Chien Railway for the year 1863, is respectfully submitted:

As in last Report, a comparison with the previous year is made.

EARNINGS.

The gross earnings for the year 1863 have been—	
From Freight...	\$904,157 52
“ Passengers.....	294,885 04
“ Mails and rents.....	48,215 27
Total ..	\$1,247,257 83
The expenses for operating the Road, including all repairs, renewals, new cars, taxes, &c., have been.	
	793,747 48
Net earnings.....	\$453,510 35
The gross Earnings for the year 1862, were.....	
The gross expenses for the year 1862, were ...	1,163,734 25
	748,993 44
Net earnings.....	\$414,740 81

The gross earnings for the year 1863, were.....	1,247,257 83
The gross earnings for the year 1862, were.....	1,163,734 25
Increase in 1863.....	<u>\$83,523 58</u>
Increase in freight earnings.....	\$48,255 72
Increase in passenger earnings.....	37,858 04
Decrease in mails and rents.....	2,590 18
Net earnings for the year 1863.....	453,510 35
Net earnings for the year 1862.....	414,740 81
Increase in 1863.....	<u>\$38,769 54</u>
The earnings of the Southern Wisconsin Branch, included in the above, for 1863, have been—	
From Freight.....	\$31,684 75
From Passengers.....	14,418 12
“ Mails and Rents.....	2,953 11
Total.....	<u>\$49,055 98</u>
Expenses have been.....	<u>\$21,388 37</u>
Net earnings.....	<u>\$27,667 61</u>
The earnings in 1862, were.....	38,515 66
The expenses in 1862, were.....	19,135 70
Net earnings.....	<u>\$19,379 96</u>
The earnings in 1861, were.....	\$39,047 16
The expenses in 1861, were.....	26,130 50
Net earnings in 1861, were.....	<u>\$12,916 66</u>
Increase in net earnings in 1863, over 1862.....	\$8,287 65
Increase in net earnings in 1863, over 1861.....	<u>14,750 95</u>

FREIGHT.

Number of tons of local freight carried during the year 1863.....	179,498
Income from same.....	\$536,174 53
Number of tons of local freight carried in 1862..	167,197
Income from same.....	<u>\$479,746 42</u>

Increase in number of tons in 1863.....	12,301
Increase in income in 1863	\$56,428 11
Number of tons local freight carried Eastward during the year 1863.....	129,296
Same during the year 1862.....	118,632
Number of tons of local freight carried Westward during the year 1863.....	50,202
Same during the year 1862.....	48,565
Number of tons of through freight carried during the year 1863	\$98,674
Income from same.....	\$355,012 59
Number of tons of through freight carried in 1862.....	115,153
Income from same.....	\$366,103 95
Decrease in number of tons in 1863.	16,479
Decrease in income in 1863	\$11,091 36
Number of tons of through freight carried East- ward in 1863.....	79,159
Same in 1862.....	99,285
Number of tons of through freight carried West- ward in 1863....	19,515
Same in 1862.....	15,868

The above statement of the movement of freight shows an increase in tonnage and income from local freight, an increase in tonnage of through freight carried Westward, and decrease in through freight Eastward.

The failure of the crops in 1862, in that part of this State tributary to our road, was felt in our business until September, when the crop of 1863 commenced to move, causing reduction in our freight earnings up to that time of \$101,714.91, compared with previous year. Unusually low water in the Mississippi river throughout the whole season, which prevented shipments of wheat from Minnesota to any large extent, contributed to this decrease in freight earnings, and accounts for the lessened tonnage of the Eastward bound through freight.

The crop of 1863 being a good one, more than made up this decrease before the end of the year, and insures us fair receipts from our freight traffic, whilst being marketed, which usually occupies the first half of the year.

PASSENGERS.

Number of local passengers carried during the year 1863.....	163,708
Income from same.....	\$197,691 '95
Number of local passengers carried in 1862....	126,435
Income from same.....	\$148,681 34
<hr/>	
Increase in number in 1863.....	37,273
Increase in income in 1863.....	\$49,010 61
Number of through passengers carried during 1863.....	12,976
Income from same.....	\$53,076 47
Number of through passengers carried in 1862....	10,269
Income from same.....	\$40,799 69
<hr/>	
Increase in number 1863.....	2,707
Increase in income in 1863.....	\$12,276 78
Military service, miscellaneous, &c., in 1863.	\$44,116 62
Same in 1862.....	62,688 56
Decrease in 1863.....	18,571 94

Soldiers traveling on furlough are included in the item Military Service, showing that the increase in the number of passengers carried, is entirely independent from that service, which shows decrease from last year. This is encouraging, as it was anticipated that the large number of residents from along the line of road, who have entered the military service, would have caused decrease, especially in our local travel.

REPAIRS.

REPAIRS OF TRACK.

The Expenditure for repairs and renewals of track for the year 1863 has been.....	\$191,698 86
The Expenditure for same in 1862 was.....	219,352 11
<hr/>	
Decrease in 1863.....	\$27,653 25

The amount and cost of materials used in repairs and renewals of track during the year is as follows:

1,420 Tons re-rolled Iron.....	\$50,320 00	
7,181 Joints, Fish plate splices	6,602 00	
63,681 lbs. Spike.....	2,547 24	
90,717 New Ties....	28,122 37	
10,912 Rails, repairing and put on track.....	7,997 80	
		<u>\$95,589 41</u>

As against in 1862 :

1,635 Tons re-rolled Iron.....	\$44,145 00	
300 " New Iron.....	17,126 00	
4,970 Cast Chairs, including bolts and wedges.....	6,958 00	
6,543 Wro't Chairs.....	2,278 92	
97,691 lbs. Spike.....	3,297 06	
138,842 New Ties.....	44,429 44	
8,407 Rails, repaired and put in track.....	6,869 29	
		<u>\$125,103 71</u>
Decrease in 1863.....		\$29,701 29

The increased prices for labor and all materials used for renewals, with the increased taxation and reduced earnings for the first eight months of the year, caused less to be done in renewal of track than was intended, or the road needed, until the certainty of a fair crop, insuring good earnings, demonstrated our ability to do more.

Other renewals were more imperative, and could not be delayed. In track renewal we economised, until the earnings of the fall months warranted the outlay, when, from the inability of the rolling mills to meet the demands made upon them, not as much iron could be obtained, as should have been laid.

We have, beyond the actual annual depreciation of the rails, still to make good the depreciation which existed when you took possession of the road, not as yet made good. The number of cross ties put in this year on the main line, has made good the depreciation which existed, and hereafter, but the annual depreciation will have to be kept up on that part of the road. The Southern Wisconsin Branch needs renewal of ties, which is contemplated to be done the present season.

The Road bed has been materially improved, by ballasting some portions, deepening ditches and widening cuts.

REPAIRS OF BRIDGES.

The expenditure for repairs and renewals of bridges for the year have been	\$28,987 12
Same for 1862, were	16,841 26
	<hr/>
Increase in 1863	\$12,145 86

In this branch of renewals improvement has been made during the year, by rebuilding a number of the smaller bridges, covering two rebuilt last year, and replacing wooden abutments with masonry.

The following statement shows the renewals and cost :

737 lineal feet, long Howe truss	\$11,055 00
258 lineal feet, short Howe truss	2,838 00
234 lineal feet truss bridge, covered	1,170 00
949 lineal feet new pile bridge	2,847 00
924 yards of masonry, in place of wooden abutments	5,544 00
	<hr/>
	23,454 00

To the Wisconsin River bridges, mentioned in last Report as requiring speedy renewal, we have been able to do but little, owing to the difficulty in getting an adequate force of masons, at the time low water in that river allowed work on the foundations of the piers. Arrangements have been made, by which we hope to finish the piers and rebuild one of the bridges the coming year. The bridge over Rock River, at Janesville, owned jointly with the Chicago & Northwestern Company, a long and costly bridge, requires such extensive repairs, that it would be economy to rebuild it. The expenditures in this branch of renewals must continue large, until these bridges are rebuilt.

REPAIRS OF FENCES.

The expenditures for this year have been	\$5,271 75
In 1862, were	3,131 22
	<hr/>
Increase in 1863	\$2,140 53

586 Rods new post and board fence have been built.
5,328 Rods new post and board fence have been rebuilt.

REPAIRS OF BUILDINGS.

The expenditures for new, and repairs of old buildings, in 1863, have been	\$24,782 86
Expenditures in 1862 were	14,645 69
	<hr/>
Increase in 1863	\$10,137 17

The various buildings have been kept in repair, and the following new ones erected :

New carpenter shop at Prairie du Chien.....	\$500 00
Bridge tenders house at 2d Bridge Wis. River..	822 88
Brick tank house, new engine and pipe at Madison.	2,005 00
Five additional stalls to engine house at Madison.	3,651 50
Tank house at Cross Plains.	562 00
Blacksmith shop at Prairie du Chien.....	1,134 26
Dry kiln for seasoning lumber, at Milwaukee.....	491 00
	<hr/>
	\$9,166 64

The blacksmith shop at Prairie du Chien was erected for car work, and is large enough, in case the car shops at that place shall be enlarged.

REPAIRS OF LOCOMOTIVES.

The Expenditure in 1863 has been	\$56,301 61
The Expenditure in 1862 was	60,963 62
	<hr/>
Decrease in 1863	\$4,662 01

No addition to the equipment has been made this year; the repairs of the engines in use have been extensive, and fully taxed the capacity of our shops, which are limited in size. Our equipment is inadequate for the business of the road, and necessitates when freight presses upon us, the overworking of the freight engines, and as a consequence entails heavy repairs.

We should increase our equipment by purchase, or enlarge our shops to rebuild some of the old engines, of which there are still five, not used for some years. These are small, and do not make, when rebuilt, an economical freight engine; but with the present and prospective demand upon the different locomotive shops, and the increased price asked, it would probably not only be economy to rebuild them, but even necessity.

The equipment is as last year :

- 7 First class Passenger Engines.
- 28 Second class Freight Engines.
- 4 Second class Engines, used for switching.
- 5 old Engines, not in use for some years.

The mileage of engines in 1863 has been 803,752 miles.

Cost of repairs per mile, 7 cents.

The mileage of engines in 1862 was 823,642 miles.

Cost of repairs per mile was 7.41 cents.

REPAIRS OF CARS.

Expenditures for repairs of cars for the year have been.....	\$75,744 31
Expenditure in 1862 was.....	81,264 07
Decrease in 1863.....	\$5,519 76

\$3,263.58, amount received for cars destroyed on a connecting road in 1862, and credited to Car Reserve account in report for last year, has been expended during the year, in the construction of new cars, making the actual amount expended for car repairs \$79,007 89, an actual decrease as compared with previous year of \$2,256 18.

The freight business of the road steadily increasing each year, a corresponding increase in freight car equipment is necessary. Until this year, the shop facilities were barely able to keep up the repairs of the cars, and keep good the number received with the road, by building new ones to take the place of those not worth repairing. The equipment was therefore only increased by purchase, there being 50 more freight cars Jan. 1st, 1863, than in Jan. 1861, which number were purchased in 1861 and '62. The demands upon the various car shops by Government, limited their ability to supply the roads, which were forced to rely on themselves, to increase their equipment to any extent. With this view, we, in 1862, took the machine shop at Prairie du Chien for a car shop, and put in the necessary machinery for repairing and building a limited number of cars yearly. These facilities have been further increased this year, by erecting a blacksmith shop and additional machinery. We have kept up the repairs and improved the condition, but have been able to add but nine to the equipment, not

enough for the increasing business of the road, as over \$5,000 has been paid during the year, for car service to connecting roads; we not having sufficient number to furnish our proportion of cars for through business.

I should advise that the car shops be enlarged as early as practicable, that we may, within ourselves, be able to increase our equipment as business demands.

The repairs and renewals have been extensive, as shown in the following statement :

- 2 New Passenger Cars have been built.
- 3 New Passenger Cars have been rebuilt.
- 1 Baggage Car rebuilt.
- 26 Freight Box Cars built.
- 8 Freight Flat Cars built.
- 10 Old Box Cars rebuilt.
- 100 have had new trucks.
- 104 have had new roofs.
- 616 old wheels replaced by new.
- 138 New Axles.

The Car Equipment is as follows :

- 27 First Class Passenger Cars.
- 4 Second Class Passenger Cars.
- 10 Baggage Cars.
- 472 Box Freight Cars.
- 98 Flat Freight Cars.
- 6 Gravel Cars.
- 30 Ditching Cars.
- 48 Hand Cars.

One passenger car, one baggage car, and twenty-three gravel cars, not well adapted for use on our road, were sold to the McGregor Western Railway Company, and First Mortgage Bonds of that road taken in payment, at 90 per cent. These Bonds are credited to car reserve account.

REPAIRS OF TOOLS AND MACHINERY.

Expenditure for new, and repairs of old tools and machinery, have been.....	\$10,102 03
Expenditures for same in 1862, were.....	6,425 91
Increase in 1863.....	\$3,676 12

This increase is mainly for additional machinery put in car shop at Prairie du Chien.

The total expenditure for repairs and renewals of road and machinery, including \$3,263 58 car reserve fund for 1863, have been.....	\$396,152 12
Against, in 1862,.....	402,623 88
	<hr/>
Decrease in 1863,....	\$6,471 76

This decrease in expenditure for repairs and renewals, is explained under head of track repairs. Increased expenditure in 1864 will be necessary in such renewals as were economised in.

OPERATING.

Expenditure in 1863.....	\$400,858 94
Expenditure in 1862.....	346,369 56
	<hr/>
Increase in 1863.....	\$54,489 38

I make comparison in a few of the items, to show wherein this increase mainly consists :

TAXES.

Taxes for the year 1863.....	\$51,029 71
Taxes for the year 1862.....	26,611 73
	<hr/>
Increase in 1863.....	\$24,417 98

The taxes are divided as follows :

State tax, 3 per cent. on gross earnings of 1862..	\$34,912 02
United States tax, 3 per cent on passenger earnings of 1863, paid monthly..	8,967 84
Grading streets in the city of Milwaukee, lying adjacent to Depot ground, ordered by the city, work done by the Company...	6,554 52
Taxes in Milwaukee and Janesville on property owned by the Company, not used for railroad purposes, and construed taxable.....	595 33
	<hr/>
	\$51,029 71

PERSONAL INJURIES.

Amount paid in 1863,	\$8,223 65
Amount paid in 1862,	1,887 25
	<hr/>
Increase in 1863,	\$6,336 40

This is the result of an accident to a passenger train in January, 1863, by which a number of persons were more or less injured. The above sum includes the settlement with all parties injured, excepting two, with whom we have been unable to agree, their demand being considered excessive. Suits have been commenced against the Company, not yet decided.

MISSISSIPPI RIVER FERRY.

Expenditure in 1863,	\$23,174 53
Expenditure in 1862,	15,239 56
	<hr/>
Increase in 1863,	\$7,934 97

Increase caused by more extensive repairs to steam ferry boats and barges, and building new barges, with increased prices of labor and fuel.

INSURANCE.

Amount paid in 1863,	\$3,945 55
Amount paid in 1862,	973 25
	<hr/>
Increase in 1863,	\$2,972 30

Increase, from taking out new form of policy, which insures against fire all property owned by the Company on their line of road, or for which they may be liable, against in 1862, special policies on a few of the more important buildings at a lower rate of premium.

New side-tracks	\$4,178 00
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Increase in other items is the result of the increased prices paid for all kinds of labor and material.

Respectfully,

J. C. SPENCER,

General Manager.

MILWAUKEE, January 25th, 1864.

OPERATION OF THE ROAD,

EARNINGS.	
From Freight,.....	\$904,157 52
From Passengers,.....	294,885 04
From Mails and Rents... ..	48,215 27
	<hr/>
Gross Earnings.	\$1,247,257 83
EXPENSES.	
REPAIRS OF ROAD.	
Repairs of Track,	
Labor,.....	\$96,109 45
Material,	95,589 41
	<hr/>
	191,698 86
Repairs of Bridges,	
Labor,.....	17,037 26
Material,.....	11,949 86
	<hr/>
	28,987 12
Repairs of Fences,	
Labor,.....	2,540 57
Material,	2,731 18
	<hr/>
	5,271 75
Repairs of Buildings.	
Labor,.....	11,979 99
Material,	12,802 87
	<hr/>
	24,782 86
	\$250,740 59
REPAIRS OF MACHINERY.	
Repairs of Locomotives,	
Labor,.....	37,442 12
Material,	18,859 49
	<hr/>
	56,301 61
Repairs of Cars,	
Labor,.....	38,630 09
Material,.....	37,114 22
	<hr/>
	75,744 31
Repairs of Tools and Machinery,	
Labor,	4,866 46
Material,	5,235 57
	<hr/>
	10,102 03
	142,147 95
Carried forward,.....	<hr/>
	\$392,888 54

FOR THE YEAR 1863.

EXPENSES—CONTINUED.

Amount forward, \$392,888 54

OPERATING.

Management and General Offices,	\$31,509 64	
Foreign Agency and Advertising,	5,529 05	
Station Service,	80,440 35	
Conductors, Baggage-men and Brakemen,	33,838 71	
Train and Station Supplies,	15,158 67	
Engineers, Firemen and Wipers,	48,123 43	
Oil and Waste,	14,533 56	
Fuel,	63,764 47	
Damage to Property,	394 12	
Loss and Damage of Freight and Baggage	1,472 04	
Personal Injuries,	8,223 65	
Legal Expenses,	3,671 82	
Mississippi River Ferry Expenses,	23,174 53	
Car Service,	5,061 60	
Miscellaneous Expenses,	1,606 81	\$336,502 45

OTHER EXPENSES.

Expenses of New York Office,	\$3,413 28	
Taxes,	51,029 71	
Insurance,	3,945 55	
Patents,	1,789 95	
New Side Tracks,	4,178 00	\$64,356 49
Total Expenses,	\$793,747 48	

RECAPITULATION.

Gross Earnings,	\$1,247,257 83	
Total Expenses,	793,747 48	
Net Earnings,		\$453,510 35

STATEMENT OF EARNINGS, MONTHLY, FOR THE YEAR 1863.

	FREIGHT.	PASSENGERS.	MAILS AND RENTS.	TOTAL.
JANUARY	\$45,967 92	17,188 09	4,023 98	\$67,129 99
FEBRUARY	54,835 89	17,305 26	3,991 81	76,131 96
MARCH	21,874 25	18,964 90	4,086 19	44,925 34
APRIL	63,117 88	20,567 08	4,491 78	88,176 74
MAY	81,273 39	21,601 33	4,092 12	106,966 84
JUNE	81,619 75	25,734 19	3,906 02	111,259 96
JULY	43,668 29	23,931 17	3,987 92	71,587 38
AUGUST	39,102 07	26,331 13	3,919 83	69,352 53
SEPTEMBER	121,676 97	29,815 75	3,923 98	155,416 70
OCTOBER	170,812 97	30,244 85	3,996 75	205,054 57
NOVEMBER	103,718 70	30,793 43	3,830 27	138,342 40
DECEMBER	76,489 94	32,457 86	3,965 62	112,913 42
TOTAL	\$904,157 52	\$294,885 04	\$48,215 27	\$1,247,257 83

COMPARATIVE STATEMENT OF THE EARNINGS OF THE ROAD,

COMMENCING WITH THE YEAR 1857, THE ROAD BEING COMPLETED IN MARCH, 1857.

	1857.	1858.	1859.	1860.	1861.	1862.	1863.	Comparison of 1868 with 1862.
JANUARY,	\$28,461 23	\$43,131 44	\$39,730 42	\$37,319 76	\$54,245 81	\$33,903 55	\$37,129 99	\$16,773 56 Decrease.
FEBRUARY,	34,107 55	39,396 23	40,056 94	32,301 23	44,026 96	62,906 67	76,131 96	13,925 29 Increase.
MARCH,	40,591 80	51,924 38	39,370 53	39,501 04	43,636 62	47,009 87	44,925 84	2,064 53 Decrease.
APRIL,	45,936 75	76,005 95	45,934 50	45,310 59	49,102 19	61,759 41	83,176 74	26,417 33 Increase.
MAY,	31,478 88	36,737 32	59,312 09	59,032 39	112,265 44	130,213 01	106,966 84	23,251 17 Decrease.
JUNE,	113,443 49	108,699 56	62,332 84	48,797 30	141,771 08	144,915 42	111,259 96	33,655 46 Decrease.
JULY,	91,364 06	99,446 44	45,334 49	37,429 36	107,116 61	108,721 51	71,537 33	37,134 13 Decrease.
AUGUST,	30,734 09	66,137 02	40,336 30	60,228 67	90,469 73	76,132 50	69,332 53	6,310 27 Decrease.
SEPTEMBER,	123,007 99	106,904 33	104,373 71	139,761 43	134,723 35	109,660 32	155,416 70	45,755 33 Increase.
OCTOBER,	115,920 69	92,476 42	124,354 06	133,615 13	177,379 07	134,333 39	205,054 57	50,635 63 Increase.
NOVEMBER,	31,033 93	63,330 56	36,270 92	30,339 96	130,134 04	122,271 61	133,342 40	16,070 79 Increase.
DECEMBER,	41,377 33	53,415 32	55,376 93	44,334 39	67,990 32	61,333 39	112,913 42	51,077 73 Increase.
TOTAL,	\$332,317 39	\$333,136 02	\$746,493 73	\$799,341 45	\$1,153,406 67	\$1,163,734 25	\$1,247,257 33	\$33,523 53 Increase.

MILEAGE OF TRAINS,
AND
EXPENSES PER MILE RUN,
IN THE YEAR 1863.

Passenger Trains,	292,944
Freight Trains.....	434,069
Wood and Repair Trains,	76,739
	803,752

EXPENSES PER MILE,

INCLUDING EXTRAORDINARY RENEWALS.

Repairs of Road and Bridges,	27-45 cents.
Repairs of Locomotives,.....	7 “
Repairs of Cars, ...	9-42 “
Engineers, Firemen and Wipers	5-98 “
Conductors, Baggage-men and Brakemen,.....	4-21 “
Fuel,	7-93 “
Oil and Waste,	1-80 “
Other Expenses, ..	34-41 “
	98-20 “

VALUE OF SUPPLIES,

ON HAND DECEMBER 31st, 1863.

Wood,.....	Cords,.....	7,136	\$16,056 00
Coal,.....	Tons,.....	403	3,884 20
Oil,.....	Gallons,.....	1,070	1,172 97
New Iron Rails,.....	Gross Tons,...	10 $\frac{480}{240}$	623 07
Old Iron Rails,.....	Net Tons,...	974 $\frac{6}{10}$	19,492 00
Chairs,.....	Number,.....	390	201 25
Spike,.....	Pounds,.....	6,408	291 48
Ties,.....	Number,...	34,086	10,131 91
Iron, unworked,.....	Pounds, ...	49,419	2,933 40
Iron, worked and partly worked,.....	Pounds,...	268,440	14,679 55
Copper and Brass,	Pounds,....	12,799	5,022 00
Lumber,.....	Feet,.....	715,939	13,275 47
Truck and Car Wheels,.....	Number.....	346	4,408 00
Steel and Steel Springs,.....	Pounds,...	24,643	2,304 48
Engine, Car and Road Castings,	Pounds,...	193,204	3,564 35
Lumber, Posts and Nails, for Fencing,.....			716 44
Paints and Oil,.....			546 33
Scrap Iron,.....	Pounds, ..	327,857	4,824 36
Other Materials,.....			7,399 38
Store-keeper's Stock,.....			6,893 91
Total,.....			\$118,420 55

MILEAGE OF FREIGHT.

	Number of Tons carried one mile.	Average rate per ton per mile
Eastward,	25,303,590	2-71 cents.
Westward,	6,699,527	3-07 cents.
Total,	32,003,117	2-78 cents.

MILEAGE OF PASSENGERS.

	Number carried one mile.	Average rate per mile.
Eastward,	3,771,080	3-24 cents.
Westward,	3,942,585	3-26 cents.
Total,	7,713,665	3-25 cents.

MILEAGE OF FREIGHT CARS.

	Miles Run.	Average load per Car.
Loaded, going East,	3,068,342	8 $\frac{688}{3000}$ Tons.
Loaded, going West,	1,619,988	4 $\frac{271}{3000}$ "
Total, Loaded Cars,	4,688,330	6 $\frac{1058}{3000}$ "
Empty, going East,	391,855	Miles.
Empty, going West,	1,844,967	"
Total Empty Cars,	2,236,822	"

MOVEMENT AND REVENUE
OF
FREIGHT AND PASSENGERS,
MONTHLY, DURING THE YEAR 1863.

F R E I G H T .

	EASTWARD.		WESTWARD.		TOTAL.	
	Tons.	Revenue.	Tons.	Revenue.	Tons.	Revenue.
JANUARY...	8,595	\$37,766 27	2,531	\$7,289 09	11,126	45,055 36
FEBRUARY,	11,985	47,364 96	2,540	6,582 61	14,525	53,947 57
MARCH, . .	4,263	11,900 83	3,180	9,079 28	7,433	20,980 11
APRIL,.....	14,651	45,650 10	4,688	16,466 58	19,339	62,116 68
MAY,	18,524	59,616 68	6,329	20,648 63	24,853	80,266 31
JUNE,.....	19,796	60,451 62	6,678	20,137 17	26,474	80,588 79
JULY,	9,765	26,629 83	5,999	15,743 83	15,764	42,373 66
AUGUST,...	6,948	19,907 88	7,314	18,021 47	14,262	37,929 35
SEPTEMBER	30,863	92,643 98	9,551	27,858 20	40,414	120,502 18
OCTOBER,...	42,214	139,202 72	9,430	30,405 81	51,644	169,608 53
NOVEMBER,	24,204	82,101 44	6,969	20,437 40	31,173	102,538 84
DECEMBER.	16,657	62,486 35	4,508	12,794 39	21,165	75,280 74
TOTAL,	208,455	\$685,722 66	69,717	\$205,464 46	278,172	\$891,187 12

P A S S E N G E R S .

	EASTWARD.		WESTWARD.		TOTAL.	
	Number.	Revenue.	Number.	Revenue.	Number.	Revenue.
JANUARY...	5,469	\$7,041 22	5,645	\$6,887 01	11,114	\$13,928 23
FEBRUARY,	5,106	6,811 74	5,557	7,184 19	10,663	13,995 93
MARCH,...	6,742	8,250 66	7,232	8,864 05	13,974	17,114 71
APRIL.....	6,353	8,797 60	6,868	10,068 88	13,221	18,866 48
MAY,	5,910	8,909 38	6,518	10,255 93	12,428	19,165 31
JUNE,	6,820	10,906 06	7,358	11,777 46	14,178	22,683 52
JULY,	6,305	8,821 55	7,390	10,309 59	13,695	19,131 14
AUGUST.....	7,667	11,113 20	8,039	12,081 89	15,706	23,195 09
SEPTEMBER	8,667	13,208 67	8,487	12,934 18	17,154	26,142 85
OCTOBER...	8,366	12,528 84	9,175	14,241 79	17,541	26,770 63
NOVEMBER.	9,207	13,070 38	9,157	12,082 43	18,364	25,152 81
DECEMBER.	9,400	12,716 02	9,246	11,905 70	18,646	24,621 72
TOTAL,.....	86,012	\$122,175 32	90,672	\$128,593 10	176,684	\$250,768 42

TONNAGE AND REVENUE OF FREIGHT

FORWARDED FROM AND RECEIVED AT THE SEVERAL STATIONS, DURING THE YEAR 1863.

STATIONS.	FORWARDED.						RECEIVED.	
	EASTWARD.		WESTWARD.		TOTAL.		TOTAL.	
	Tons.	Revenue.	Tons.	Revenue.	Tons.	Revenue.	Tons.	Revenue.
Milwaukee Way,			32,425	82,750 81	32,425	82,750 81	112,272	875,363 14
Milwaukee Thro,			11,793	52,695 35	11,793	52,695 35	55,710	205,899 01
Elm Grove,							3	3 25
Junction,	11	10 34	71	126 23	82	136 57	36	45 21
Forest House,							8	6 80
Waukesha,	2,604	2,553 10	258	541 20	2,862	3,694 30	1,974	2,537 77
Genesee,	1,466	2,174 97	20	55 84	1,486	2,230 81	357	495 61
North Prairie,	4,333	6,382 05	32	226 47	4,365	6,608 52	503	742 88
Eagle,	3,847	6,540 83	48	219 30	3,895	6,760 13	1,097	1,585 56
Palmyra,	2,484	5,144 04	195	531 24	2,679	5,675 28	452	1,078 05
Whitewater,	6,423	14,622 30	1,228	4,168 61	7,651	18,790 91	6,382	16,643 22
Lima,	244	659 14	18	113 51	262	772 65	52	149 92
Milton,	632	1,677 13	152	263 88	784	1,940 51	235	516 60
Milton Junction,	242	429 17	3,481	5,079 34	3,723	5,508 51	562	1,725 26
Janesville Way,	10,467	25,986 50	9,140	15,997 32	19,607	44,983 82	13,576	27,546 23
Janesville Thro,			7,722	32,023 76	7,722	32,023 76	23,449	64,894 47
Hanover,	920	1,848 88	501	2,011 48	1,421	3,860 36	2,615	2,963 76
Orford,	1,048	3,007 40	3	15 10	1,051	3,022 50	258	397 17
Brodhead,	6,231	17,178 40	48	123 05	6,279	17,301 45	2,986	3,913 18
Juda,	2,069	6,892 98	31	80 75	2,100	6,973 73	585	945 55
Monroe,	10,833	34,042 81	95	256 08	10,928	34,298 89	3,374	8,291 45
Edgerton,	4,446	9,650 11	1,147	1,066 99	5,593	10,717 10	1,562	2,866 64
Stoughton,	5,653	16,534 95	59	263 75	5,712	16,803 70	2,296	3,515 05
McFarland,	2,202	7,966 44	3	15 41	2,205	7,981 85	319	627 92
Madison,	17,929	63,123 84	572	2,132 56	18,501	65,256 40	17,717	38,265 51
Middleton,	3,214	12,594 42	12	44 39	3,226	12,938 81	156	444 54
Cross Plains,	2,605	9,676 75	19	31 59	2,624	9,708 34	547	1,961 51
Black Earth,	4,004	17,235 71	34	84 52	4,038	17,320 23	549	2,010 71
Mazomanie,	9,062	34,711 73	111	395 17	9,173	35,106 90	1,877	7,613 49
Arena,	3,341	13,075 91	31	77 42	3,372	13,153 33	425	1,931 46
Helena,	70	307 35	1	1 51	71	308 86	11	58 25
Spring Green,	2,198	9,243 55	11	36 80	2,209	9,285 35	284	1,303 54
Lone Rock,	2,963	14,290 66	136	293 37	3,099	14,589 03	921	5,279 56
Avoca,	4,221	16,345 90	33	63 66	4,254	16,412 56	835	3,920 06
Muscoda,	1,141	5,845 11	59	116 62	1,200	5,461 73	269	1,064 33
Blue River,	10	55 74			10	55 74	23	166 51
Boscobel,	5,256	24,876 15	74	119 53	5,330	24,995 68	1,117	6,539 13
Woodman,	887	4,319 46	41	44 43	928	4,363 89	790	1,005 53
Wauzeka,	895	1,917 07	69	48 83	964	1,965 90	152	554 49
Bridgeport,	2,521	12,271 01	44	39 09	2,565	12,310 10	380	2,168 61
Pra. du Chien Way,	2,824	12,129 28			2,824	12,129 28	1,641	8,777 01
Pra. du Chien Thro,	79,159	270,293 48			79,159	270,293 48	19,515	84,719 11
Total Way,	129,296	415,429 18	50,202	120,745 35	179,498	536,174 53	179,498	536,174 53
Total Thro,	79,159	270,293 48	19,515	84,719 11	98,674	355,012 59	98,674	355,012 59
Total,	208,455	685,722 66	69,717	205,464 46	278,172	891,187 12	278,172	891,187 12
Express and Storage,								12,970 40
Total Freight Earnings,								\$904,157 52

NUMBER AND REVENUE OF PASSENGERS

CARRIED FROM AND TO THE SEVERAL STATIONS,
DURING THE YEAR 1863.

STATIONS.	FROM.						TO.	
	EASTWARD.		WESTWARD.		TOTAL.		TOTAL.	
	No.	Revenue.	No.	Revenue.	No.	Revenue.	No.	Revenue.
Milwaukee Way,			22,011	84,190 84	22,011	84,190 84	19,424	81,125 91
Milwaukee Thro,			2,164	9,847 69	2,164	9,847 69	1,740	8,115 87
Wauwatosa,	731	151 85	282	857 08	1,013	508 88	1,887	588 71
Elm Grove,	466	166 10	109	83 60	575	249 70	988	885 49
Junction,	431	206 45	1,264	762 10	1,695	968 55	1,648	874 94
Forest House,	48	80 20	13	15 70	61	45 90	48	25 85
Waukesha,	7,212	4,268 85	2,659	3,164 02	9,871	7,432 87	10,187	7,205 88
Genesee,	1,249	799 61	280	243 57	1,529	1,043 18	1,564	1,042 16
North Prairie,	1,287	966 12	463	422 12	1,750	1,888 24	1,762	1,421 28
Eagle,	1,698	1,625 99	1,034	1,023 07	2,732	2,649 06	2,779	2,661 90
Palmyra,	1,439	1,449 84	1,570	1,161 84	8,009	2,610 68	2,901	2,494 26
Whitewater,	3,042	3,567 20	3,495	3,969 42	6,537	6,986 62	6,708	7,046 06
Lima,	888	185 98	583	302 20	921	488 18	957	469 81
Milton,	987	948 47	2,387	1,117 07	3,374	2,065 54	3,848	1,902 07
Milton Junct. Way,	2,617	2,216 17	12,502	17,857 64	15,119	20,078 81	7,517	9,108 68
Milton Junct. Thro,			4,685	18,598 08	4,685	18,598 08		
Janesville Way,	4,051	4,022 86	9,968	9,849 02	14,049	18,871 88	21,889	29,558 56
Janesville Thro,							4,887	16,514 88
Hanover,	1,691	488 76	876	590 84	2,567	1,074 10	2,599	1,092 98
Orford,	1,087	458 57	816	377 41	1,353	885 98	1,399	696 29
Brodhead,	2,617	1,860 87	1,036	921 29	3,653	2,782 16	3,929	2,971 67
Juda,	784	585 68	422	243 68	1,206	829 26	1,147	766 10
Monroe,	3,652	4,124 42	262	898 85	3,914	5,017 77	4,071	5,885 81
Edgerton,	2,124	1,516 95	924	919 97	3,048	2,436 92	3,067	2,308 92
Stoughton,	2,073	2,165 85	1,570	1,700 28	3,643	3,865 63	3,615	3,438 96
McFarland,	299	320 17	764	308 98	1,063	629 10	966	625 55
Madison,	14,887	23,470 97	9,228	12,700 47	23,615	36,171 44	24,625	36,854 65
Middleton,	891	474 63	415	394 55	1,306	869 18	1,121	766 75
Cross Plains,	1,340	887 59	445	376 50	1,785	1,264 09	1,778	1,205 64
Black Earth,	1,615	1,447 75	858	616 21	2,473	2,068 96	2,527	2,011 86
Mazomanie,	3,850	4,095 01	1,229	1,479 68	4,579	5,574 69	4,699	5,459 03
Arena,	1,243	1,464 90	670	660 81	1,913	2,125 71	1,749	1,881 22
Spring Green,	1,022	1,168 50	608	446 00	1,625	1,614 50	1,651	1,676 17
Lone Rock,	2,582	4,499 75	922	748 82	3,504	5,248 07	3,520	4,998 95
Avoca,	1,168	1,464 83	625	516 58	1,793	1,981 41	1,708	1,829 76
Muscoda,	1,000	1,557 85	826	628 11	1,826	2,185 96	1,894	2,310 59
Boscobel,	1,934	4,227 17	1,745	1,121 79	3,679	5,348 96	3,942	5,814 18
Woodman,	576	846 11	398	185 95	974	482 06	808	807 10
Wauzeka,	770	649 89	681	388 02	1,401	987 41	1,585	951 15
Wright's Ferry,	48	49 15	85	25 85	128	75 00	189	101 60
Bridgeport,	485	1,048 90	408	84 60	888	1,188 50	795	708 52
Pra. du Chien Way,	7,526	18,572 21			7,526	18,572 21	7,187	18,737 04
Pra. du Chien Thro,	6,127	24,630 75			6,127	24,630 75	6,849	28,445 72
Total Way,	79,885	97,544 57	88,828	100,147 88	168,708	197,691 95	163,708	197,691 95
Total Thro,	6,127	24,630 75	6,849	28,445 72	12,976	58,076 47	12,976	58,076 47
Total,	86,012	122,175 32	90,672	128,593 10	176,684	250,768 42	176,684	250,768 42
Ferry Passenger Earnings,								5,329 48
Military Service, Miscellaneous, &c.,								88,787 14
Total Passenger Earnings,								\$294,885 04

Abstract of Commodities of Freight Transported for the Year 1863—Eastward.

FORWARDED FROM	Flour, Bbls.	Wheat, Bush.	Rye, Bush.	Barley, Bush.	Oats, Bush.	Corn, Bush.	Potatoes, Bush.	Beans, Bush.	Grass Seed, Bush.	Hay, Lbs.	Dressed Hogs, Lbs.	Eggs, Lbs.	Butter, Lbs.	Lard, Lbs.	Tallow, Lbs.	Wool, Lbs.	Hides, Lbs.
Waukesha.....	1,257	41,270	771	1,645	1,045	501	59	.....	.....	.....	11,730	6,044	5,320	.....	490	74,150	13,680
Genesee.....	987	45,837	2,242	370	1,543	1,118	249	15	4,800	.....	17,629	6,040	22,702	785	333	1,187	4,160
North Prairie.....	873	90,410	17,673	3,711	8,371	4,142	649	15	.....	.....	37,629	8,950	12,075	1,050	1,630	23,920	13,128
Pagle.....	6,489	74,070	6,736	1,994	12,227	3,069	535	64	.....	.....	59,490	3,950	3,950	340	1,710	14,433	14,333
Palmyra.....	2,120	108,792	4,286	2,883	7,901	589	3,658	951	12	.....	37,349	9,620	16,130	3,020	4,460	19,017	25,244
Whitewater.....	3,876	113,863	214	20,620	19,404	137	2,604	167	237,350	.....	24,359	10,730	963,400	9,220	71,190	54,820	54,820
Lima.....	2	14,848	.....	3,026	.....	104	26	.....	.....	.....	6,650	250	1,890	.....	1,590	.....	1,590
Milton.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	8,656	488	8,584	532	3,198	40	6,596
Milton Junction.....	4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,201	2,760
Janesville.....	3,287	242,382	829	1,061	66,848	2,836	.....	38	.....	.....	641,952	500	130	.....	7,330	1,700	215,160
Hanover.....	99	14,337	814	5,391	5,391	2,119	661	64	.....	.....	11,283	1,510	275	.....	.....	4,726	1,750
Orford.....	.....	17,044	1,830	31	17,474	4,325	1,412	44	11	.....	74,833	5,450	2,164	40	76	.....	4,980
Broadhead.....	7,428	40,904	16,676	2,587	109,355	83,846	417	879	2,763	.....	463,905	31,620	65,610	2,762	1,920	15,850	41,705
Juda.....	145	14,899	136	54	16,392	3,182	19	165	.....	.....	94,568	9,140	6,840	1,160	.....	1,960	8,690
Monroe.....	2,280	121,665	2,142	1,790	92,447	18,519	833	940	335	.....	2,067,143	101,720	203,865	51,870	9,850	28,800	134,072
Engerton.....	4,906	62,368	165	2,460	8,624	57	24	628	.....	.....	165,841	4,360	1,140	.....	1,360	19,110	31,665
Stoughton.....	3,596	189,533	23	306	1,108	97	284	81	351	.....	129,063	1,270	24,000	140	2,500	21,910	22,772
McFarland.....	2,834	69,166	839	839	394	115	100	18	.....	.....	72,965	390	875	.....	7,449	.....	7,449
Madison.....	.....	458,052	333	6,841	29,251	1,150	1,598	440	.....	.....	652,376	2,065	12,840	64,710	86,103	16,890	298,894
Middleton.....	511	99,536	.....	557	5,134	.....	14	19	240	.....	31,180	.....	.....	.....	120	7,400	7,400
Cross Plains.....	4,685	52,525	6	10,929	39,767	624	1,002	66	.....	.....	29,789	2,695	5,347	760	.....	680	13,660
Black Earth.....	2,678	100,943	317	3,295	16,522	1,395	351	231	1,400	.....	290,890	1,425	26,330	1,415	165	2,160	20,250
Mazomanie.....	27,457	115,870	10,810	5,667	38,719	7,397	2,834	329	219	.....	851,579	4,125	39,627	7,455	6,525	5,535	91,870
Arena.....	6,330	46,997	4,551	1,246	24,186	3,331	1,595	21	.....	.....	436,236	4,675	17,170	1,500	273	1,760	13,210
Spring Green.....	1,290	34,252	6,114	2,137	19,710	1,542	857	117	30	.....	210,012	4,167	12,835	500	.....	1,250	12,193
Lone Rock.....	280	29,177	4,552	1,158	28,030	6,394	722	254	.....	.....	756,610	11,750	16,506	2,270	950	4,400	17,330
Avoca.....	2,815	61,900	1,401	1,037	9,596	3,501	449	135	.....	.....	860,757	620	13,036	3,300	110	4,627	21,344
Muscoda.....	79	9,628	1,459	7,271	888	29	72	12	.....	.....	157,770	708	1,377	350	.....	1,696	13,561
Rosobel.....	1,718	99,428	1,060	148	31,894	2,187	8	414	20	.....	546,774	630	6,405	1,560	45	2,386	30,271
Woodman.....	.....	14,746	43	2,013	9,304	312	188	37	.....	.....	94,940	.....	1,060	.....	.....	2,350	7,730
Wauzeka.....	.....	5,587	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3,868
Bridgeport.....	128	41,160	.....	606	23,652	142	.....	.....	.....	.....	516,010	.....	.....	.....	.....	632	21,901
Prairie du Chien.....	19,047	2,094,857	974	85,983	138,460	.....	2,607	1,877	2,373	.....	10,250,120	67,750	786,612	664,460	79,680	96,910	575,825
Total.....	106,201	4,592,197	85,943	132,877,786,216	106,638,82,233	11,275,6,344	242,160	19,780,205	277,418	1300,880,1774,824	216,604	440,661	1,722,529	.....	.....	.....	.....

Abstract of Commodities of Freight Transported for the Year 1863—Eastward—(Continued.)

FORWARDED FROM.	Beef and Pork, Bbls.	High Wines, Bbls.	Horses, No.	Cattle, No.	Hogs, No.	Sheep, No.	Lumber, Feet.	Stone, Tons.	Brick, No.	Pig Iron, Lbs.	Lead, Lbs.	Merchandise, Lbs.	Machinery, Lbs.	Agricultural Implements, Lbs.	Miscellaneous, Lbs.
Waukesha, . . . . .	..	..	..	12	551	66	28,260	608	..	..	..	..	6,000	7,640	237,300
Geneseo, . . . . .	..	..	..	30	374	16	..	79	..	..	..	..	700	2,140	74,490
North Prairie,	8	..	..	510	1,971	824	..	..	..	..	..	10,830	4,000	800	79,512
Eagle, . . . . .	..	..	3	116	546	21	..	..	..	..	..	1,000	140	1,880	60,125
Palmyra,	4	..	..	138	1,129	225	..	..	..	..	..	..	..	99,970	141,775
Whitewater, . . . . .	..	747	5	117	124	124	..	..	..	..	..	..	..	3,166,115	3,450
Lima, . . . . .	..	..	1	3	..	42	..	..	..	..	..	..	..	..	3,450
Milton,	16	..	31	1	253	4	..	..	..	..	..	..	..	780	86,667
Milton Junction, . . . . .	..	..	..	..	..	..	355,300	..	..	..	..	..	..	40,010	121,578
Janesville, . . . . .	..	..	4	..	978	..	..	..	1,000	..	..	..	..	16,750	588,630
Hanover, . . . . .	..	..	..	..	..	..	..	..	..	..	..	..	..	71,462	46,023
Orford, . . . . .	..	..	1	..	..	..	..	..	..	..	..	..	50	50	11,145
Brodhead,	1	..	12	171	2,297	..	4,300	..	..	..	..	..	..	12,070	444,285
Juda,	2	..	..	340	12,674	..	5,600	..	..	..	..	..	..	16,000	76,110
Monroe, . . . . .	..	..	118	1,258	6,305	..	61,060	..	4,900	..	..	..	..	12,350	3,789,842
Edgerton,	3	..	..	96	1,882	174	..	..	607,100	..	..	..	..	..	212,770
Stoughton, . . . . .	..	..	15	305	1,884	..	..	..	..	..	..	..	..	9,380	183,940
McFarland, . . . . .	..	..	..	..	65	..	..	..	..	..	..	..	..	..	7,090
Madison,	154	30	1,725	649	770	50	..	25	..	..	..	..	..	..	6,500
Middletown, . . . . .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,173,838
Cross Plains, . . . . .	..	1	..	..	109	..	..	..	..	..	..	..	..	..	42,620
Black Earth, . . . . .	..	..	4	791	475	..	500	..	..	6,000	..	..	..	1,200	6,500
Mazomanie,	4	..	2	461	1,835	..	35,228	..	..	5,315	..	..	..	4,581	7,730
Arens, . . . . .	..	..	1	75	1,210	..	5,000	..	..	..	..	..	..	2,350	40,806
Spring Green, . . . . .	..	..	..	..	..	..	..	..	..	..	..	..	..	..	24,785
Lone Rock,	2	..	34	665	2,556	..	..	..	..	..	341,270	..	..	9,560	884,741
Avoca, . . . . .	..	..	59	286	864	..	..	..	..	..	..	..	..	4,450	116,460
Muscoda,	187	..	..	4,369	1,990	..	2,000	..	..	..	..	..	..	150	162,000
Boscobel, . . . . .	..	..	121	1,031	4,403	70	12,950	..	..	..	..	..	..	5,600	265,620
Woodman, . . . . .	..	..	..	170	649	..	2,500	..	..	..	..	..	..	830	144,124
Wauzeka, . . . . .	..	..	1	225	132	..	2,600	..	..	..	..	..	..	15,280	884,601
Bridgeport, . . . . .	..	..	..	502	1,308	..	278,000	..	..	..	..	..	..	60	98,075
Prairie du Chien,	1,463	..	345	9,548	8,066	..	..	50	..	..	..	..	..	..	28,256
Total,	1,847	798	2,483	22,112	56,037	1,625	800,608	1,562	622,000	231,815	814,270	3,449,677	115,401	512,942	13,733,161

Abstract of Commodities of Freight Transported for the Year 1863—Westward.

FROM.	Merchandise, Lbs.	Machinery, Lbs.	Agricultural Implements, Lbs.	Miscellaneous, Lbs.	Lumber, Feet.	Shingles, No.	Lath, Feet.	Posts, No.	Staves and Headings, No. Pieces.	Coal, Lbs.	Pig Iron, Lbs.	Brick, No.	Stone, Tons.	Salt, Bbls.	W. Lime, Cem't & Plaster, Bbls.	High Wines, Bbls.	Flour, Bbls.	Empty Bbls., No.	Horses, No.	Cattle, No.	Hogs, No.	Sheep, No.
Milwaukee,	29,102,400	110,820	861,830	4,380,770	5,685,923	2,462,650	573,870	15,171	50,000	10,288,800	58,390	119,070	47,863	2,799	277	5	10,854	157	1	1,683		
Junction,		200		358					157,000													
Waukesha,	310	7,600	11,010	161,670	800				24,000									2	31	49		
Geneseo,				24,008																		
North Prairie,		650	300	26,761																		
Eagle,	10,185	4,800	1,400	31,964	530																	
Palmyra,	26,450	8,450	7,140	189,510	5,000																	
Whitewater,			687,200	1,223,180	21,100																	
Lima,			180	36,170																		
Milton,	520		2,170	39,914																		
Milton Junction,	88,610	61,010	82,710	285,070	1,123,786	1,323,600	188,550		62,000													
Janesville,	16,687,773	136,210	1,378,639	2,306,676	2,104,038	2,165,000	209,025	1,000	47,160	362,130	40,000	200	3,074	52	1,990	135	2	6,654	236	2	3,722	
Hanover,	383,548	13,067	381,250	0	58,773							1,000										
Orford,				6,157																		
Brookhead,			11,750	17,835	1,000																	
Juda,	600	150	4,570	29,490	37,050																	
Monroe,				46,934	16,000	12,000						660,076										
Edgerton,	6,370			87,985																		
Stoughton,	1,640		10,440	87,985																		
McFarland,			225,470	7,140	6,866	4,400																
Madison,	743,083	51,330	225,470	19,350	860																	
Middletown,	580	1,050	75	10,933																		
Cross Plains,	1,700	500	200	8,595																		
Black Earth,	18,665		4,370	182,515	6,000					6,000												
Mazomanie,			2,110	33,070																		
Arena,		2,200		7,390	2,000																	
Spring Green,			700	191,460	350																	
Lone Rock,	10,480						400				61,230											
Avoca,			11,255	61,250			500															
Muscoda,	15,790	320	19,390	85,430	200																	
Boscobel,				92,609		6,000			4,500													
Woodman,				40,742	420	12,000			4,282													
Wauzeka,	1,100			4,870				200	1,000													
Bridgeport,	590			3,100																		
Total,	47,101,026	397,957	3,598,650	9,706,468	9,056,673	5,981,250	976,745	16,371	349,942	10,656,930	159,620	779,946	107,511	107,3,090	2,054,724	14,486	509	288	47,029			

SECRETARY AND TREASURER'S REPORT.

Milwaukee and Prairie du Chien Railway Co.

SECRETARY AND TREASURER'S OFFICE,
MILWAUKEE, January 25th, 1864.

*To the President and Directors of the Milwaukee and Prairie du Chien
Railway Company :*

GENTLEMEN :

I respectfully submit the accompanying statement, of the standing of the company in general account, at 31st December, 1863.

Your obedient servant,

WM. TAINTOR,

Secretary and Treasurer.

["A"]

Dr. STATEMENT OF INCOME ACCOUNT, 1863.

Cr.

<p>To Operating Expenses for the year 1863,</p> <p>" Cost of Prairie du Chien Elevator,</p> <p>" Cost of extension of track to Prairie du Chien Elevator,</p> <p>" Cost of new Freight House at Pra. du Chien,</p> <p>" Paid for Real Estate,</p> <p>" Paid for account of Milwaukee & Miss. R. R. Co., under liens on property,</p> <p>" Amount of interest for the year 1863, on outstanding bonds, .. \$170,485 00</p> <p>" Paid installment of Sinking Fund due April 1st, 1863, \$16,700 00</p> <p>" Paid same due Oct. 1st, 1863,</p>	<p>\$793,747 48</p> <p>3,774 94</p> <p>9,352 61</p> <p>13,053 34</p> <p>50 00</p> <p>5,384 21</p> <p>204,480 00</p> <p>155,060 00</p> <p>278,581 69</p> <hr/> <p>\$1,463,484 27</p>	<p>By Balance, December 31st, 1862, as per last report,</p> <p>" Gross Earnings for the year 1863:</p> <p style="padding-left: 20px;">From Freight,</p> <p style="padding-left: 20px;">Passengers,</p> <p style="padding-left: 20px;">Mails and Rents,</p> <p>" Interest received on Loans, Discount on pre-paid Coupons, &c.,</p>	<p>\$211,067 14</p> <p>1,247,257 83</p> <hr/> <p>5,169 30</p> <hr/> <p>\$1,463,484 27</p>
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Dr. GENERAL ACCOUNT, DEC. 31st 1863. Cr.

<p>General Property Account—cost of road.....</p> <p>Stock of Materials—materials on hand at this date,</p> <p>Balances due from Agents, other Companies and Government, to wit:</p> <p> On Freight and Passenger Accounts,</p> <p> " Military Accounts,</p> <p>U. S. Post Office Department due on acc't of transportation of Mails,</p> <p>McGregor Western Railway Co. Bonds:</p> <p> Bonds received from said Company, at 90 cents on the dollar, for old rolling stock,</p> <p>Cash,</p> <p> Funds in New York, including \$14,000 U. S. Certificates of Indebtedness,</p> <p> Funds in Bank and on hand at Milwaukee, applicable to payment of expenses for December, and amounts due other Companies,</p> <p> \$428,918 50</p>	<p>\$7,500,000 00</p> <p>118,420 55</p> <p>35,368 98</p> <p>5,202 10</p> <p>4,388 88</p> <p>428,918 50</p>
<p>First Mortgage Bonds and Scrip Stock:</p> <p> Amount outstanding, to wit:—</p> <p> Original issue was</p> <p> Deduct as follows:</p> <p> Cancelled as per last report,</p> <p> Converted into 1st Preferred Stock, in February last,</p> <p> Designated for purchase by Trustees of S. Fund in April and October, 1863,</p> <p>First Preferred stock, to wit:</p> <p> Original issue was</p> <p> Add issued in Feb'y last for \$10,000 First M. Bonds converted,</p> <p> Deduct amount cancelled as per last report,</p> <p>Second Preferred Stock, to wit:</p> <p> Original issue was</p> <p> Deduct cancelled as per last report,</p> <p>Common Stock, total issue,</p> <p> Sinking Fund, Bonds and Stock cancelled to date,</p> <p> Convertible Property and Old Debts account,</p> <p>Balances due individuals and other companies, to wit:</p> <p> Due individuals on Pay Rolls and Bills, payable January 1864,</p> <p> Due other Companies on Freight and Passenger accounts, on demand,</p> <p>Car Reserve Account, represented by McGregor Western R. Co. Bonds received for old rolling stock,</p> <p>Reserved Government Tax, 3 per cent. reserved from coupons and dividends paid,</p> <p>Coupon Account, amt unpaid coupons due January 1, 1864,</p> <p>Income Account, balance as per Statement "A",</p> <p> Consisting of cash,</p> <p> Bonds of McGregor W. R. Co. rec'd for frt.</p> <p> U. S. Certificates of Indebtedness,</p>	<p>\$2,555,000 00</p> <p>\$102,000 00</p> <p>10,000 00</p> <p>84,000 00</p> <p>146,000 00</p> <p>1,095,400 00</p> <p>10,000 00</p> <p>\$1,105,400 00</p> <p>44,400 00</p> <p>\$1,061,000 00</p> <p>\$1,061,000 00</p> <p>72,800 00</p> <p>\$1,086,800 00</p> <p>2,761,800 00</p> <p>259,200 00</p> <p>141,268 59</p> <p>\$58,801 59</p> <p>28,961 96</p> <p>57,163 85</p> <p>4,388 88</p> <p>9,768 85</p> <p>78,190 00</p> <p>278,851 69</p> <p>\$278,581 69</p>
<p>\$8,092,803 41</p>	<p>\$8,092,803 41</p>

WM. TAINTOR, Secretary and Treasurer.

TRANSFER AGENT'S REPORT.

NEW YORK, December 31st, 1863.

*To the President and Directors of the Milwaukee and Prairie du Chien
Railway Company :*

GENTLEMEN :

I have to report the cancellation and conversion into the First Preferred Stock of the Company, on the 10th of February last, the following named First Mortgage Bonds with Scrip Stock attached, to-wit :

Numbers 208, 209, 346, 466, 909, 910, 1672, 1673, 1784, 2012; total ten Bonds of \$1,000 each, \$10,000; for which Certificate Number 1,121 was issued for 100 Shares of First Class Preferred stock.

The annexed statement of Capital Stock will furnish you the detail of changes in the various accounts during the year, and show amounts of Bonds and Stocks outstanding this date.

Respectfully, &c.,

H. F. TAINTOR,

Transfer Agent.

1863. Jan. 1.	To Balance, as per last Report, as follows: First Preferred Scrip Stock with Bonds.....\$2,454,000 First Preferred Stock, full paid, .. 1,051,000 Second Preferred Stock, full paid, .. 1,014,000 Common Stock, full paid..... 2,761,800				
Feb. 10.	" First Preferred Stock, issued for First Preferred Scrip Stock with Bonds, Surrendered for conversion.....				\$44,000
					7,246,800
					<u>\$7,290,800</u>
1863. Feb. 10.	By First Preferred Scrip Stock with Bonds, cancelled and converted into First Preferred full paid Stock.....			\$10,000	
April 1.	" First Preferred Scrip Stock and Bonds, designated for Sinking Fund.....			17,000	
Oct. 1.	" First Preferred Scrip Stock and Bonds designated for Sinking Fund.....			17,000	
Dec. 31.	" Balance forward, Capital Stock outstanding.....				
					<u>\$7,290,800</u>
1864. Jan. 1.	To Balance brought forward, capital stock outstanding.....	\$7,280,800			
	To wit: First Preferred Scrip Stock with Bonds, outstanding..... 2,410,000 First Preferred full paid Stock, .. 1,051,000 Second Preferred full paid Stock, .. 1,014,000 Common Stock..... 2,761,800				
		10,000			
		<u>\$7,290,800</u>			
					<u>\$7,246,800</u>

REPORT OF TRUSTEES

OF

MORTGAGE AND SINKING FUND.

NEW YORK, January 1st, 1864.

To the Milwaukee and Prairie du Chien Railway Company :

GENTLEMEN :

The undersigned, Trustees under the Mortgage Deed of Trust, made by you, January 22d, 1861, respectfully Report :

That they have duly received from the Company the payments due the Sinking Fund for the year 1863, \$33,995, and thereupon, as required by the Trust Deed, designated \$34,000, Bonds of the following numbers for payment: (April 1st, 1863,) Nos. 46, 283, 307, 341, 601, 679, 687, 721, 1103, 1264, 1293, 1393, 1626, 2019, 2104, 2239, 2543, 2555. (October 1st, 1863,) Nos. 3, 475, 783, 785, 1008, 1100, 1419, 1574, 1600, 1976, 1990, 2155, 2228, 2338, 2341, 2388, 2433, 2588, and have since paid \$19,500, which they herewith hand you, duly cancelled, of the Bonds designated; the holders of the other \$14,500, have not yet presented their Bonds for payment, including \$3,500, designated for payment, April 1st, 1863, Nos. 721, 1393 and 2019, of \$1,000, and No. 2555, of \$500.

The \$6,500 of Bonds of those designated for payment, October 1st, 1862, and reported by us December 31, 1862, as not paid, have since that report been presented to us and paid.

Your President has exhibited to us \$10,000 of Bonds cancelled February, 1863, by conversion into first Preferred Stock.

The accompanying statements will show how the accounts stand.

W. SCHALL,
N. A. COWDREY, } Trustees.

STATEMENT NO. 1.

The Milwaukee and Prairie du Chien Railway Company, To W. Schall and N. A. Cowdrey, Trustees :		
1861.	DR.	
January 22.	To amount of Mortgage Bonds given for purchase money, paid for Company's property.....	\$2,556,000
1863.	CR.	
January 1.	By amount cancelled to date. \$102,000	
February	By Bonds converted into First Preferred Stock... 10,000	
1864.		
January 1.	By Bonds designated by us for payment, 1863,.... \$34,000	
	Total amount cancelled to date,....	<u>\$146,000</u>
	Balance due as per Mortgage.	\$2,410,000

STATEMENT NO. 2.

United States Trust Co., New York, In account with W. Schall and N. A. Cowdrey, Trustees :		
1863.	DR.	
January 1.	To Balance.....	\$6,555 86
April 1.	To Installment on Sinking Fund	16,700 00
July 16.	To 1 Coupon collected. ..	33 95
October 1.	To Installment on Sinking Fund	17,295 00
Dec. 31.	To Interest on balance of deposit.....	315 34
		<u>\$40,900 15</u>
1863.	CR.	
Dec. 31.	By checks to pay Bonds designated for payment. \$26,070 64	
Dec. 31.	Balance to new account... 14,829 51	
		<u>\$40,900 15</u>

COPIES OF LAWS REFERRED TO IN REPORT.

CHAPTER 86.

Published April 16, 1862.

AN ACT TO AMEND CHAPTER 308 OF THE GENERAL LAWS OF 1860, ENTITLED AN ACT TO FACILITATE AND AUTHENTICATE THE FORMATION OF CORPORATION, BY THE PURCHASE OF THE MILWAUKEE AND MISSISSIPPI RAILROAD COMPANY.

The People of the State of Wisconsin, represented in Senate and Assembly, do enact as follows :

SECTION 1. Section 7. of Chapter 308, of the General Laws of 1860, entitled "An Act to facilitate and authenticate the formation of a Corporation by the purchase of the Milwaukee and Mississippi Railroad Company," is hereby repealed.

SEC. 2. This act shall not be construed as in any manner impairing or invalidating the Articles of Association of the purchasers of the Milwaukee and Mississippi Railroad Company, executed by L. H. Meyer, John Catlin, Allen Campbell, W. Schall, and Louis A. Von Hoffman, on the twenty-first day of January, 1861, and filed in the office of the Secretary of State; and the said Articles of Association of the Milwaukee and Prairie du Chien Railway Company are hereby ratified and confirmed.

SEC. 3. This act shall take effect and be in force from and after its passage and publication.

Approved 5th April, 1862.

CHAPTER 80.

Published March 25, 1863.

AN ACT TO AMEND THE ARTICLES OF ASSOCIATION OF THE
MILWAUKEE AND PRAIRIE DU CHIEN RAILWAY COMPANY.

*The People of the State of Wisconsin represented in Senate and Assembly
do enact as follows :*

SECTION 1. The annual meetings of the Stockholders, and election of Directors of the Milwaukee and Prairie du Chien Railway Company may, with the approval of the Stockholders, be hereafter held in the month of June of each year, at such time and place within the State of Wisconsin as the Directors may specify.

SEC. 2. The annual report of the Company's business, acts and doings, shall hereafter be sent to each Stockholder, as registered in the Company's Books, on the 1st day of February of each year succeeding the year for which the report is made.

SEC. 3. The approval by the Stockholders, or a majority of them, at any general or special meeting, of these alterations of their Articles of Associations, shall be certified to by the Chairman and Secretary of such meeting, and such certificate shall be filed with the Secretary of State, of this State, and thereupon so much of the Articles of Association of the Milwaukee and Prairie du Chien Railway Company as is not in accordance herewith, shall be repealed and stand null and void.

SEC. 4. This act shall be in force and take effect from and after its passage.

Approved 19th March, 1863.

[Copy of Report filed with the Secretary of the State, in due form, as required by law.]

ANNUAL REPORT
OF THE OPERATIONS OF THE
MILWAUKEE & PRAIRIE DU CHIEN
RAILWAY COMPANY,

Being a Railway Company in the State of Wisconsin, during the year ending on the thirty-first day of December, 1863, made to the Stockholders of said Company, in accordance with the provisions of Chapter 91, of the General Laws of 1858.

FIRST—The whole length of road in operation is 235 25-100 miles.

Single Track,.....235 25-100 miles.

Double Track,..... None.

SECOND—The amount of Capital actually subscribed is \$7,500,000 00

Paid thereon,.....\$7,500,000 00

Unpaid,..... None.

THIRD—The whole cost of the Road, is, (by purchase,) \$7,500,000 00

FOURTH—The amount of indebtedness is,.... \$2,497,162 95

as follows :

First Mortgage,..... \$2,410,000 00

Insecured,..... \$87,162 95

The amount due the Corporation is.... \$40,631 03

FIFTH—The number of passengers and the rate of fare is as follows :

Through passengers, 12,976. Rate per mile, 2-72 cents.

Way passengers, .. 163,708. Rate per mile, 3-43 cents.

SIXTH—The amount received for transportation is as follows :

Passengers,	\$294,885 04	
Mails,	20,773 83	
Property,	904,157 52	
		<u>\$1,219,816 39</u>
The amount received for Interest is		5,169 30
The amount received from other sources is		27,441 44
as follows :		
Rents,	\$27,441 44	

Total Receipts (earned,) including interest received, \$1,252,427 13

SEVENTH—The amount of Freight, \$278,172 tons.

EIGHTH—The amount paid out and incurred for expenses, &c., is \$1,306,830 63
as follows :

For Repairs of the Road, . . .	\$191,698 86	
“ Repairs of Buildings, ..	24,782 86	
“ Repairs of Engines, ..	56,301 61	
“ Repairs of Cars,	75,744 31	
“ Fuel,	63,764 47	
“ Taxes,	51,029 71	
Interest on First Mortgage		
Bonds,	170,485 00	
For indebtedness,	121,928 05	
For other purposes,	551,095 76	
		<u>\$1,306,830 63</u>

Wages of employees, \$421,404 41, which is included in other items stated.

Salaries paid to each officer exceeding \$1,000 00, and amount of each, are as follows :

President,	\$3,000 00
General Manager,	4,000 00
Superintendent,	3,000 00
Secretary and Treasurer, com- bined,	2,000 00

NINTH—The amount of loss to the Company from casualty, \$8,223 65

TENTH—The number of dividends, one.

Amount of dividends,	\$155,060 00
When made—	Declared January 22d, 1863.
In what manner paid—	In cash.