Dup

TWENTY-SECOND

ANNUAL REPORT

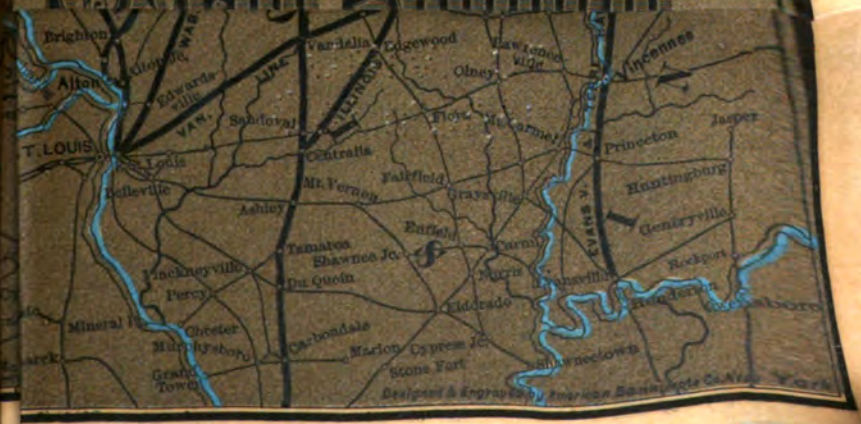
OF THE

CHICAGO, MILWAUKEE & ST. PAUL

RAILWAY COMPANY.

1885.

MAP of the Chicago, Milwaukee & St. Paul Railway



1885.

TWENTY-SECOND ANNUAL REPORT

OF THE

Chicago, Milwaukee and St. Paul

RAILWAY COMPANY.

MILWAUKEE:
CRAMER, AIKENS & CRAMER, PRINTERS.
1886.

OFFICERS AND DIRECTORS

OF THE

CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY.

DIRECTORS.

ALEX. MITCHELL,	MILWAUKEE.
JULIUS WADSWORTH,	NEW YORK.
SELAH CHAMBERLAIN,	CLEVELAND.
JOSEPH MILBANK,	NEW YORK.
JOHN B. DUMONT,	"
JAMES T. WOODWARD,	"
WM. ROCKEFELLER,	"
PETER GEDDES,	"
HUGH T. DICKEY,	"
JAMES STILLMAN,	"
JOHN PLANKINTON,	MILWAUKEE.
PHILIP D. ARMOUR,	CHICAGO.
JASON C. EASTON,	LA CROSSE.

OFFICERS.

ALEX. MITCHELL,	President,	MILWAUKEE.
JULIUS WADSWORTH,	Vice President,	NEW YORK.
J. B. DUMONT,	Second Vice President,	"
ROSWELL MILLER,	General Manager,	MILWAUKEE.
J. F. TUCKER,	Assistant General Manager,	"
P. M. MYERS,	Secretary, and Assistant to Manager,	"
J. M. McKINLAY,	Assistant Secretary and Transfer Agent,	NEW YORK.
J. M. BOKEE,	Assistant Secretary and Transfer Agent,	"
R. D. JENNINGS,	Treasurer,	MILWAUKEE.
F. G. RANNEY,	Assistant Treasurer,	"
JOHN W. CARY,	General Solicitor,	"
BURTON HANSON,	Assistant General Solicitor,	"
J. P. WHALING,	General Auditor,	"
W. N. D. WINNE,	Assistant General Auditor,	"
E. Q. SEWALL,	Comptroller,	"
A. V. H. CARPENTER,	General Passenger and Ticket Agent,	"
GEO. H. HEAFFORD,	Assistant General Passenger and Ticket Agt.	"
A. F. MERRILL,	Assistant General Ticket Agent,	"
A. C. BIRD,	General Freight Agent,	"
D. W. KEYES,	Assistant General Freight Agent,	"
N. J. GOLL,	Assistant General Freight Agent,	"
D. J. WHITTEMORE,	Chief Engineer,	"
F. W. KIMBALL,	Assistant Chief Engineer,	"
JOHN T. CROCKER,	Purchasing Agent,	"
J. T. CLARK,	General Superintendent,	"
CHAS. H. PRIOR,	Assistant General Superintendent,	MINNEAPOLIS.
D. A. OLIN,	Assistant General Superintendent,	RACINE.
A. J. EARLING,	Assistant General Superintendent,	MILWAUKEE.
L. B. ROCK,	Superintendent Northern Division,	"

REPORT

OF THE

BOARD OF DIRECTORS.

THE

TWENTY-SECOND ANNUAL REPORT

OF THE DIRECTORS OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.,

TO THE STOCKHOLDERS.

For the Year Ending December 31st, 1885.

The President and Directors of the Chicago, Milwaukee & St. Paul Railway Company submit to the stockholders the following report of the Company's business for the year ending December 31st, 1885:

Gross Earnings	$24,413,272 92
Operating Expenses (including taxes)	14,512,471 35
Net Earnings	$9,900,801 57

At the date of the last report the Company owned 4,804 miles of road, to which was added during the year 1885 the mileage of the Fargo & Southern Railway, 117 miles, located as follows:

In the State of Minnesota	46 miles.
In the Territory of Dakota	71 miles.
Total	117 miles.
Length of road at last report	4,804 miles.
Making the present mileage of the road	4,921 miles.

The comparative earnings, expenses and general condition of the Company for the years 1884 and 1885 are as follows, viz.:

GROSS EARNINGS.

1884	$23,470,998 18		
1885	24,413,272 92	Increase	$942,274 74

OPERATING EXPENSES.

1884	$13,859,628 33		
1885	14,512,471 35	Increase	$652,843 02

NET EARNINGS.

1884	$9,611,369 85		
1885	9,900,801 57	Increase	$289,431 72

INTEREST ON MORTGAGE BONDS.

1884	$5,918,608 00		
1885	6,096,573 65	Increase	$177,965 65

TONS OF FREIGHT MOVED.

1884	6,023,016		
1885	6,482,869	Increase	459,853

NUMBER OF PASSENGERS CARRIED.

1884	4,904,678		
1885	4,819,187	Decrease	85,491

MILES RUN BY FREIGHT AND PASSENGER TRAINS.

1884	19,220,510		
1885	19,743,207	Increase	522,697

COST OF OPERATING ROAD PER TRAIN MILE RUN.

1884	.72		
1885	.74	Increase	.02

GROSS EARNINGS PER MILE OF ROAD.

1884	$4,910 25		
1885	5,021 24	Increase	$110 99

OPERATING EXPENSES PER MILE OF ROAD.

1884	$2,899 50		
1885	2,984 88	Increase	$85 38

NET EARNINGS PER MILE OF ROAD.

1884	$2,010 75		
1885	2,036 36	Increase	$25 61

VALUE OF SUPPLIES AND MATERIALS DECEMBER 31ST.

1884	$1,483,364 70		
1885	1,543,216 74	Increase	$59,852 04

AVERAGE MILES OF ROAD OPERATED DURING THE YEAR.

1884	4,780		
1885	4,862	Increase	82

The average price per ton per mile received for freights for a series of years past, has been as follows, viz.:

1865	4.11 cts.	1872	2.43 cts.	1879	1.72 cts.
1866	3.76 cts.	1873	2.50 cts.	1880	1.76 cts.
1867	3.94 cts.	1874	2.38 cts.	1881	1.70 cts.
1868	3.49 cts.	1875	2.10 cts.	1882	1.48 cts.
1869	3.10 cts.	1876	2.04 cts.	1883	1.39 cts.
1870	2.82 cts.	1877	2.08 cts.	1884	1.29 cts.
1871	2.54 cts.	1878	1.80 cts.	1885	1.28 cts.

STATEMENT OF INCOME ACCOUNT.

1885.				
Jan. 1—By Balance				$5,532,981 10
April 30—To second Dividend out of Net Earnings of 1884, viz.:				
On Preferred Stock, $16,540,983 @ 3½%			$578,934 40	
On Common Stock, $30,904,261 @ 1½%			463,563 92	1,042,498 32
Balance				$4,490,482 78
Dec. 31—By Gross Earnings 1885		$24,413,272 92		
Less Operating Expenses, (including taxes and insurance) 59.45%			14,512,471 35	
Balance			$9,900,801 57	
By Income from other sources			105,939 13	
			$10,006,740 70	
Dec. 31—To Interest on Bonds in 1885	$6,096,573 65			
" —To Dividend out of Net Earnings of 1885, viz.:				
On Preferred Stock, $16,540,983 @ 3½%	578,934 40			
On Common Stock, $30,904,261 @ 2½%	772,606 53		7,448,114 58	2,558,626 12
Balance, December 31st, 1885				$7,049,108 90

CAPITALIZATION AND COST OF PROPERTY.

Total Bonded debt at date of last report, including all liens on purchased roads		$100,254,000 00
Add as follows:		
Real Estate bonds	$50,000 00	
Fargo & Southern R'y bonds assumed	1,450,000 00	1,500,000 00
		$101,754,000 00
Less Bonds redeemed, as follows:		
Dubuque Division bonds	$67,000 00	
Wisconsin Valley Division bonds	17,000 00	
Land Grant bonds	200,000 00	284,000 00
Total bonded debt Dec. 31st, 1885		$101,470,000 00
Increase during the year		$1,216,000 00
Total Capital Stock at date of last report, viz.:		
Preferred	$16,540,983 00	
Common	30,904,261 00	47,445,244 00
Issued in 1885: Preferred Stock, 49,999.17 shares		4,999,917 00
Total Capital Stock Dec. 31st, 1885		$52,445,161 00

The entire cost of the Company's property, including rolling stock, depot grounds, cattle yards, elevators, machine shops, warehouses, docks, and other property, together with five bridges across the Mississippi River, is represented by stock and bonds as follows, viz.:

Preferred Stock	$21,540,900 00
Common Stock	30,904,261 00
Total Stock	$52,445,161 00
Mortgage and Land Grant bonds, including all liens on purchased roads	101,470,000 00
Total Capitalization, Stock and Bonds	$153,915,161 00

For 4,921 miles, being at the rate of $31,277.00 per mile.

EXTRAORDINARY EXPENDITURES.

There have been purchased and added to the equipment of the Company as follows:

Locomotives	20		
Passenger coaches	20		
Box cars	100		
Refrigerator cars	50	At a cost of	$338,759 77
Additional expenditure has been made in the Company's shops, on equipment, amounting to			73,106 07
Making the cost of additions to Rolling Stock...			$411,865 84

Real Estate, Depot Grounds, etc., purchased :		
At Chicago	$42,452 06	
At Milwaukee	4,034 40	
At St. Paul	32,160 50	
At Minneapolis	8,299 13	
And for additional grounds at other points	13,214 58	100,160 67
There have also been expended for new buildings (shops, freight houses, foundries, depots, warehouses, etc.), at different points on the road	$204,065 04	
For viaducts, iron bridges, etc.	119,819 54	
For new fences and culverts...	36,708 98	
For new side tracks	130,130 03	490,723 59
Total extraordinary expenditures		$1,002,750 10

The Company has acquired by purchase the Fargo & Southern Railway, 117 miles in length, extending from Ortonville, on the Hastings and Dakota Division, to Fargo. It has assumed the bonded indebtedness thereof, amounting to $1,450,000. By this purchase it has acquired an important position in the Red River Valley, which is believed to be essential to its protection. No other new lines have been acquired or built.

The policy of maintaining the excellent condition of the property has been continued, and a liberal expenditure in bet-

terments has been made. Notwithstanding the depression in commercial affairs during the past year, the earnings of the Company have increased $942,274.74. With a return of commercial prosperity, a further increase in earnings is confidently expected.

The Company has acquired right of way and depot grounds in a favorable location for a new passenger station at Milwaukee, which will greatly facilitate the handling of its large passenger traffic at that point. It has also begun the purchase of grounds for additional freight houses at Chicago, in order to meet the needs of its growing freight traffic at that point.

You are referred to the annexed report of Roswell Miller, General Manager, for the details of the management and operation of the road, to whom and to the other officers and employés of the Company much credit is due for the faithful and efficient manner in which they have discharged their respective duties.

Respectfully submitted,

ALEX. MITCHELL,
President.

REPORT

OF THE

GENERAL MANAGER.

MILWAUKEE, MARCH, 1886.

HON. ALEXANDER MITCHELL,

President.

DEAR SIR:

The following tables give in detail the Earnings, Operating Expenses, etc., of this Company for the year 1885.

Very Respectfully,

ROSWELL MILLER,

General Manager.

STATEMENT

OF

EARNINGS AND EXPENSES

FOR THE YEAR 1886.

EARNINGS.

From Freight	17,358,294 49
From Passengers	5,661,689 76
From Mails, Express, etc	1,698,418 92
Total Earnings	$24,718,403 17

EXPENSES.

Repairs of Track	1,824,999 11
Renewal of Track	287,252 42
Trackage	65,359 62
Repairs of Bridges	253,430 62
Repairs of Fences	93,707 60
Repairs of Buildings	182,577 47
Repairs of Locomotives	937,220 16
Repairs of Cars	1,310,797 00
Repairs of Tools and Machinery	79,858 36
Management and General Offices	494,852 47
Foreign Agency and Advertising	212,782 31
Carried forward	$5,742,837 14

Brought forward	5,742,837 14
Station Service	2,252,732 72
Conductors, Baggage and Brakemen	1,148,861 44
Engineers, Firemen and Wipers	1,485,206 78
Train and Station Supplies	393,475 23
Fuel Consumed	1,962,681 25
Oil and Waste	161,557 34
Personal Injuries	137,155 30
Damage to Property	42,339 82
Loss and Damage of Freight and Baggage	16,862 42
Legal Expenses	76,025 56
New York Office Expenses	27,216 90
Taxes	759,350 44
Insurance	57,333 94
Miscellaneous Expenses	156,017 32
Stock Yard Expenses	15,515 61
Expenses of Elevator "A"	10,089 42
Expenses of Elevators "B" and "C"	14,910 09
Expenses of Elevator "E"	15,054 11
Expenses of Elevator Minneapolis	18,460 23
Mileage of Cars	66,581 04
Total Expenses	$14,560,264 10

RECAPITULATION.

Gross Earnings	24,718,403 17
Total Expenses	14,560,264 10
Net Earnings	$10,158,139 07

COMPARATIVE STATEMENT

OF

EARNINGS AND EXPENSES

FOR THE YEARS 1885 AND 1886.

EARNINGS.

	1885.	1886.	Increase.	Decrease.
From Freight	17,101,742 22	17,358,294 49	256,552 27	
From Passengers	5,499,737 19	5,661,689 76	161,952 57	
From Mails, Express, etc	1,811,793 51	1,698,418 92		113,374 59
Gross Earnings	$24,413,272 92	$24,718,403 17	$305,130 25	

EXPENSES.

	1885.	1886.
Repairs of Track	1,734,827 87	1,824,999 11
Renewal of Track	420,310 77	287,252 42
Trackage	154,559 18	65,359 62
Repairs of Bridges	168,960 28	253,430 62
Repairs of Fences	77,960 99	93,707 60
Repairs of Buildings	149,267 43	182,577 47
Repairs of Locomotives	943,696 51	937,220 16
Repairs of Cars	1,403,981 24	1,310,797 00
Repairs of Tools and Machinery	83,131 15	79,858 36
Carried forward	$5,136,695 42	$5,035,202 36

	1885.	1886.
Brought forward	5,136,695 42	5,035,202 36
Management and General Offices	497,099 36	494,852 47
Foreign Agency and Advertising	213,771 84	212,782 31
Station Service	2,173,572 23	2,252,732 72
Conductors, Bag'e and Brakemen	1,101,835 94	1,148,861 44
Engineers, Firemen and Wipers	1,428,578 08	1,485,206 78
Train and Station Supplies	424,267 80	393,475 23
Fuel Consumed	1,946,707 43	1,962,681 25
Oil and Waste	188,026 80	161,557 34
Personal Injuries	127,499 46	137,155 30
Damage to Property	50,926 68	42,339 82
Loss and Damage of Fr't and B'ge.	22,671 75	16,862 42
Legal Expenses	46,391 66	76,025 56
New York Office Expenses	28,703 34	27,216 90
Taxes	733,545 08	759,350 44
Insurance	68,419 50	57,333 94
Miscellaneous Expenses	150,657 85	156,017 32
Stock Yard Expenses	14,716 11	15,515 61
Mileage of Cars	100,574 97	66,581 04
Expenses of Elevator "A"	9,655 92	10,089 42
Expenses of Elevators "B" & "C"	16,145 09	14,910 09
Expenses of Elevator "E"	16,177 57	15,054 11
Expenses of Elevator Minneapolis	15,831 47	18,460 23
Total Expenses	$14,512,471 35	$14,560,264 10

RECAPITULATION.

	1885.	1886.	Increase.
Gross Earnings	24,413,272 92	24,718,403 17	305,130 25
Total Expenses	14,512,471 35	14,560,264 10	47,792 75
Net Earnings	$9,900,801 57	$10,158,139 07	$257,337 50

Statement of Earnings Monthly for the Year 1886.

	FREIGHT.	PASSENGERS.	MAILS, EXPRESS, ETC.	TOTAL.
January	1,000,957 58	324,017 68	120,199 23	1,445,174 49
February	1,095,310 70	350,022 70	118,567 63	1,563,901 03
March	1,416,830 49	497,551 95	119,231 32	2,033,613 76
April	1,139,977 03	485,041 52	138,877 53	1,763,896 08
May	1,189,712 45	445,138 59	132,217 66	1,767,068 70
June	1,395,130 01	517,652 21	151,439 68	2,064,221 90
July	1,323,982 72	570,755 16	141,988 68	2,036,726 56
August	1,282,886 12	551,423 14	137,289 44	1,971,598 70
September	1,773,962 74	620,560 40	159,448 19	2,553,971 33
October	2,111,895 11	510,079 97	176,701 92	2,798,677 00
November	1,916,484 59	422,753 24	130,075 14	2,469,312 97
December	1,711,164 95	366,693 20	172,382 50	2,250,240 65
Total	17,358,294 49	5,661,689 76	1,698,418 92	$24,718,403 17

Statement of Income from all Sources for the Year 1886.

From Freight	17,358,294	49
" Passengers	5,661,689	76
" Mail Service	676,971	74
" Express Service	379,036	79
" News Service	14,978	22
" Rents	37,089	42
" Telegraph	17,639	73
" Extra Baggage	84,971	87
" Sleeping Cars	106,234	30
" Parlor Cars	15,294	10
" Stock Yards	90,945	34
" Milk	72,879	74
" Elevator "A"	60,429	72
" Elevators "B" and "C"	24,740	98
" Elevator "E"	31,682	73
" Elevator Minneapolis	85,524	24
Total	$24,718,403	17

Mileage and Revenue of Freight for the Year 1886.

	EASTWARD.	WESTWARD.	TOTAL.
No. Tons Freight carried...	3,809,736	3,275,336	7,085,072
No. Tons Freight carried one mile	788,876,315	697,633,398	1,486,509,713
Revenue	$9,028,399 47	$8,337,094 60	$17,365,494 07
	Less O. & M. Riv. R'y proportion of Earnings.		7,199 58
	Total Freight Earnings		$17,358,294 49
Rate per Ton per mile	1.14 cts.	1.20 cts.	1.17 cts.

Mileage and Revenue of Passengers for the Year 1886.

	EASTWARD.	WESTWARD.	TOTAL.
No. Passengers carried	2,818,419	2,662,981	5,481,400
No. Passengers carried one mile	109,638,155	124,806,585	234,444,740
Revenue	$2,776,919 02	$2,888,320 27	$5,665,239 29
	Less O. & M. Riv. R'y proportion of Earnings.		3,549 53
	Total Passenger Earnings		$5,661,689 76
Rate per Passenger per mile	2.53 cts.	2.31 cts.	2.42 cts.

Statement of Commodities Transported

During the Years 1885 and 1886.

Commodity.	1885.		1886.	
	Tons.	Per Cent.	Tons.	Per Cent.
Wheat	817,849	12.62	878,850	12.41
Barley	232,005	3.58	294,170	4.15
Oats	158,406	2.44	149,010	2.09
Corn	170,404	2.63	185,500	2.62
Flax Seed	128,690	1.98	122,700	1.73
Other Cereals	100,634	1.55	53,810	0.76
Hay	51,336	0.79	66,100	0.93
Flour	380,904	5.88	320,425	4.52
Mill Feed	97,122	1.50	73,751	1.04
Pork and Beef	75,712	1.17	83,250	1.18
Dairy Product	37,718	0.58	13,669	0.19
Salt	58,319	0.90	56,098	0.79
Lime, Cement and Plaster	107,677	1.66	108,302	1.53
Brick and Stone	247,239	3.81	275,900	3.89
Merchant Pig and R. R. Iron	132,275	2.04	196,525	2.77
Agricultural Implements	64,773	1.00	74,963	1.06
Coal	695,478	10.73	675,520	9.54
Live Stock	386,925	5.97	362,050	5.11
Lumber	969,425	14.96	912,850	12.89
Merchandise	536,178	8.27	709,500	10.02
Miscellaneous	1,033,800	15.94	1,472,129	20.78
Totals	6,482,869	100.00	7,085,072	100.00

EQUIPMENT

OWNED BY THE CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY, DECEMBER 31ST, 1886.

Locomotives	704
Passenger Cars (1st and 2d class)	303
Sleeping Cars	51
Parlor Cars	9
Dining Cars	10
Baggage, Postal, Mail and Express Cars	223
Box Cars	13,947
Stock Cars	2,313
Flat and Coal Cars	4,652
Refrigerator Cars	351
Caboose, Wrecking, Tool Cars, etc	467

Statement of Extraordinary Expenditures During Year 1886.

Additional Equipment	1,224,146 96
Real Estate, Chicago	13,399 79
Real Estate, Milwaukee	2,685 30
Real Estate, La Crosse	8,436 47
Real Estate, Dubuque	10,301 50
Real Estate, Sundry Points	8,468 83
Foundry Shops, Coal Chutes, etc., Milwaukee	10,315 55
Round House, Boiler House, etc., Madison	9,478 18
Warehouses, Chicago	4,333 98
Round House and other Buildings, Watertown	16,398 76
Warehouses, Shops, etc., Minneapolis	9,534 18
New Depot, Racine	9,840 90
Depot, Round House, etc., Mason City	10,188 32
Depot, Red Wing	3,813 02
Elevator, McGregor	6,795 86
Depots, Warehouses, Coal Sheds, Water Tanks, etc., at Sundry Points	65,485 91
Stock Yards Viaduct, Milwaukee	3,675 19
Viaduct, Minneapolis	3,245 28
Iron Bridges, Sundry Points	84,472 64
New Fences	16,282 13
New Culverts	21,630 40
Yard Improvements, Chicago	19,993 05
Yard Improvements, Milwaukee	50,731 67
Yard Improvements, Minneapolis	12,061 60
Yard Improvements, La Crosse	23,357 42
Yard Improvements, Brookfield	6,377 34
Yard Improvements, Sundry Points	1,373 77
Double Track, Chicago and Milwaukee Div	21,392 66
Widening Embankments, Ballasting, etc	75,966 64
New Side Tracks, Sundry Points	52,597 92
Miscellaneous Improvements	57,389 31
Total	$1,864,170 53

VALUE OF FUEL AND SUPPLIES

ON HAND DECEMBER 31ST, 1886.

Coal	44,031	Tons,	88,583	12
Wood	33,128	Cords,	82,118	83
Ties	789,323	Number,	358,628	31
Steel and Iron Rails	11,581	Tons,	327,688	53
Oil	114,478	Gallons,	24,233	38
Waste	76,571	Pounds,	6,435	75
Splices, Bolts and Spikes	1,020,877	Pounds,	25,287	09
Iron (worked and unworked)	10,350,992	Pounds,	172,817	29
Copper and Brass	598,431	Pounds,	57,503	63
Lumber and Timber	12,377,877	Feet,	215,138	19
Piles	163,508	Feet,	15,782	96
Posts	40,862	Number,	5,718	17
Engine and Car Wheels	5,751	Number,	42,795	09
Engine and Car Wheels (on axles)	2,420	Pairs,	57,476	50
Engine and Car Axles	1,154,980	Pounds,	24,344	04
Tires	170,171	Pounds,	8,848	53
Steel and Steel Springs	529,397	Pounds,	26,417	50
Engine, Car and Road Castings	3,895,455	Pounds,	68,498	06
Rubber Springs	2,889	Pounds,	1,392	12
Paints and Oils			14,273	83
Stationery Supplies			18,108	78
Other Supplies			406,894	99
Total			$2,048,984	69

SUMMARY.

No. of miles run by Passenger trains.....		6,500,218
*No. of miles run by Freight trains.....		14,190,797
No. of miles run by Wood and Gravel trains..		1,185,427
Total No. of miles run		21,876,442
No. of tons of Freight carried one mile.....		1,486,509,713
No. of Passengers carried one mile.....		234,444,740
Earnings per mile run, on Freight.....		$1 22
Earnings per mile run, on Passengers.....		87
Expenses per mile run, including all expenditures....		67
Percentage of Expenses to Earnings, including all expenditures.....		58.90 %
Amount received per ton per mile.....		1.17 cts.
Amount received per Passenger per mile.....		2.42 cts.
Cost of maintaining Track and Bridges per mile run.....		11.11 cts.
Cost of repairs of Locomotives, per mile run	4.28 cts.	
Cost of Engineers, Firemen and Wipers, per mile run.....	6.79 cts.	
Cost of Oil and Waste, per mile run..	.74 cts.	
Cost of Fuel, per mile run.....	8.97 cts.	20.78 cts.
Length of road owned, December 31st, 1886...		5,298 miles.
Average No. of miles in operation during the year.....		4,977 miles.
‡Gross Earnings per mile of road operated....		4,966 53
‡Net Earnings per mile of road operated.....		2,041 02

*Includes Switching.

‡In arriving at these results, the average number of miles in operation for the entire year were used, viz.: 4,977 miles.

Statement of Bonds, January 1st, 1887.

DESCRIPTION OF BONDS.	RATE OF INTEREST.	INTEREST PAYABLE.	DATE.	YEAR PAYABLE.	AMOUNT.
Consolidated Mortgage Bonds	7 per cent.	Jan. and July.	1875	1905	11,470,000 00
Terminal Bonds	5 "	" "	1884	1914	4,303,000 00
Income Sinking Fund Convertible Bonds	5 "	" "	1886	1916	2,000,000 00
First Mortgage La Crosse Division Bonds	7 "	" "	1863	1893	5,264,000 00
" " Iowa & Minnesota Division Bonds	7 "	" "	1867	1897	3,198,000 00
" " Prairie du Chien " "	8 "	Feb. and Aug.	1868	1898	3,674,000 00
Second " " " " "	7.3 "	" "	1868	1898	1,241,000 00
First " Chicago & Milwaukee " "	7 "	Jan. and July.	1873	1903	2,393,000 00
" " St. Paul (or River) " "	7 "	" "	1872	1902	3,094,000 00
" " " " " " Sterling	7 "	" "	1872	1902	710,500 00
" " Iowa & Dakota " "	7 "	" "	1869	1899	541,000 00
" " Iowa & Dakota Div. Extension "	7 "	" "	1878	1908	3,505,000 00
" " Hastings & Dakota Division "	7 "	" "	1872	1902	89,000 00
" " Hastings & Dakota Div. Exten. "	7 "	" "	1880	1910	5,680,000 00
" " " " " " "	5 "	" "	1880	1910	585,000 00
" " Southwestern Division "	6 "	" "	1879	1909	4,000,000 00
" " La Crosse & Davenport Div. "	5 "	" "	1879	1919	2,500,000 00
" " Chicago & Pacific Division "	6 "	" "	1880	1910	3,000,000 00
" " Chicago & Pacific Western Div. "	5 "	" "	1881	1921	22,100,000 00
" " Southern Minnesota Division "	6 "	" "	1880	1910	7,432,000 00
" " Mineral Point " "	5 "	" "	1880	1910	2,840,000 00
" " Dubuque " "	6 "	" "	1880	1920	8,576,000 00
" " Wisconsin Valley " "	6 "	" "	1880	1920	1,669,000 00
" " Wisconsin & Minnesota " "	5 "	" "	1881	1921	4,755,000 00
" " Chicago & Lake Superior Div. "	5 "	" "	1881	1921	1,360,000 00
" " Chicago & Missouri River Div. "	5 "	" "	1886	1926	2,049,000 00
Land Grant Income Bonds	7 "	" "	1880	1890	1,437,000 00
Real Estate Mortgage Bonds	5 "	Mar. and Sept.	1884	1894	225,000 00
" " " "	5 "	April and Oct.	1885	1890	50,000 00
Minnesota Central R. R. Bonds	7 "	Jan. and July.	1864	1894	123,000 00
Milwaukee & Western R. R. Bonds	7 "	" "	1861	1891	215,000 00
Wisconsin Valley R. R. Bonds	7 "	" "	1879	1909	1,106,500 00
Oshkosh & Miss. River R'y Bonds	8 "	" "	1871	1891	35,000 00
Fargo & Southern R'y Bonds—First Mortgage	6 "	" "	1883	1924	1,250,000 00
Fargo & Southern R'y Bonds—Income	6 "	April and Oct.	1885	1895	200,000 00
Dakota & Great Southern R'y Bonds	5 "	Jan. and July.	1886	1916	988,000 00
Total					$111,658,000 00

52460.161
52445.161
15.000

General Account, December 31st, 1886.

Dr.			Cr.		
Cost of Road and Equipment		165,898,616 21	Capital Stock, Preferred	21,555,900 00	
Coal Lands	583,525 71		" " Common	30,904,261 00	52,460,161 00
Bonds, Stock, etc., of other Companies	877,486 45		Bonds Outstanding		111,658,000 00
Balances due from Agents, Conductors, etc.	409,084 73		Unpaid Vouchers and Pay Rolls	2,249,108 77	
United States Government	228,395 06		Miscellaneous Accounts, "Current Balances"	341,471 82	
Stock of Material and Fuel on hand	2,048,984 69		Dividends and Interest Unclaimed	93,353 93	2,683,934 52
Bills Receivable	131,302 66	4,278,779 30	Income Account		8,057,733 52
Cash on hand, Milwaukee and New York		4,682,433 53			
		$174,859,829 04			$174,859,829 04

JAMES P. WHALING, *General Auditor.*

TWENTY-FOURTH

ANNUAL REPORT

OF THE

CHICAGO, MILWAUKEE & ST. PAUL

RAILWAY COMPANY.

1887.

1887.

TWENTY-FOURTH ANNUAL REPORT

OF THE

Chicago, Milwaukee and St. Paul

RAILWAY COMPANY.

MILWAUKEE:
CRAMER, AIKENS & CRAMER, PRINTERS.
1888.

INDEX.

DIRECTORS AND OFFICERS

OF THE

CHICAGO, MILWAUKEE AND ST. PAUL RAILWAY COMPANY.

DIRECTORS.

PHILIP D. ARMOUR,	CHICAGO.
FRANK S. BOND,	NEW YORK.
SELAH CHAMBERLAIN,	CLEVELAND.
HUGH T. DICKEY,	NEW YORK.
JASON C. EASTON,	LA CROSSE.
PETER GEDDES,	NEW YORK.
GEORGE C. MAGOUN,	"
JOSEPH MILBANK,	"
JOHN PLANKINTON,	MILWAUKEE.
WILLIAM ROCKEFELLER,	NEW YORK.
JAMES STILLMAN,	"
A. VAN SANTVOORD,	"
JAMES T. WOODWARD,	"

OFFICERS.

.....	President,	.....
FRANK S. BOND,	Vice President,	NEW YORK.
ROSWELL MILLER,	General Manager,	MILWAUKEE.
J. F. TUCKER,	Assistant General Manager,	"
J. T. CLARK,	General Superintendent,	"
P. M. MYERS,	Secretary, and Assistant to Manager,	"
J. M. McKINLAY,	Assistant Secretary and Transfer Agent,	NEW YORK.
J. M. BOKEE,	Assistant Secretary and Transfer Agent,	"
C. B. FERRY,	Assistant Secretary and Transfer Agent,	"
F. G. RANNEY,	Treasurer,	MILWAUKEE.
JOHN W. CARY,	General Counsel,	"
JOHN T. FISH,	General Solicitor,	"
J. P. WHALING,	General Auditor,	"
W. N. D. WINNE,	Assistant General Auditor,	"
E. Q. SEWALL,	Comptroller,	"
H. G. HAUGAN,	Land Commissioner,	"
W. S. MILLIGAN,	Tax Commissioner,	"
A. V. H. CARPENTER,	General Passenger and Ticket Agent,	"
A. C. BIRD,	General Freight Agent,	"
D. J. WHITTEMORE,	Chief Engineer,	"
ONWARD BATES,	Engineer and Supt. of Bridges and Buildings,	"
F. W. KIMBALL,	Manager of Construction,	"
JOHN T. CROCKER,	Purchasing Agent,	"

REPORT

OF THE

BOARD OF DIRECTORS.

THE

TWENTY-FOURTH ANNUAL REPORT

OF THE DIRECTORS OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.,

TO THE STOCKHOLDERS,

For the Year ending December 31st, 1887.

The Vice-President and Directors of the Chicago, Milwaukee & St. Paul Railway Company submit to the Stockholders the following report as to the property of the Company, its business and operations during the year, and its financial condition at the close of the fiscal year ending December 31st, 1887.

MILES OF TRACK.

The length of railways owned and operated is as follows :

Main track owned solely by your Company	5,661.43	
Main track owned jointly with other Companies	8.52	
Total length of main track		5,669.95
Second and third tracks, and connections with other roads owned solely by your Company and not included above	65.85	

Second and third tracks, and connections with other roads owned jointly with other Companies, and not included above	2.56	
Total length of second and third tracks and connections		68.41
Tracks owned by other Companies, but used by your Company under agreements, and not included above		44.81
Yard tracks, sidings and spur tracks owned solely by your Company	1,035.54	
Yard tracks, sidings and spur tracks owned jointly with other Companies,	14.40	
Total length of yard tracks, sidings and spur tracks		1,049.94
Total miles of track		6,833.11

The main lines of railroad are located as follows:

In Illinois	316.15	miles.
" Wisconsin	1,305.05	"
" Iowa	1,573.20	"
" Minnesota	1,120.17	"
" Missouri	140.27	"
" Dakota	1,215.11	"
Total length of main track	5,669.95	"

Steel rails are laid on 3,737 miles of main track, and the remaining iron rails are being rapidly replaced with steel: 204 miles having been replaced during the year.

EXTENSIONS AND BRANCH LINES OPENED IN 1887.

Several important extensions and branch lines, under construction at the commencement of the year, were completed and opened for public use, as follows:

Roscoe to Orient, in Dakota.....	Opened	May,	1887.
Sioux City to Manilla, in Iowa,....	"	June,	1887.
Madison to Bristol, in Dakota,....	"	September,	1887.
Ottumwa, Iowa, to Kansas City, Mo.	"	December,	1887.
Merrill to Minocqua, in Wisconsin,	"	December,	1887.

The completion of these lines, with the construction of several small branches and extensions in Wisconsin and Minnesota, and the acquisition of the Chicago, Evanston & Lake Superior Railway, by lease for 999 years, and the purchase of its share capital, have added during the past year to the main track of your Company...	371.95	miles.
The last Annual Report showed that the number of miles of single track, main line, at the close of 1886, was.....	5,298.00	"
And that the average number of miles operated during the year, was.....	4,977.00	"
At the close of 1887, the total number of miles of single track, main line, was.....	5,669.95	"
And the average number of miles operated during the year, was.....	5,355.00	"
Being an increase, in miles of main line owned, of.....	371.95	"
And in miles of main line operated, of.....	378.00	"

In the miles of main track reported are included 182.2 miles of branch feeding lines, constructed during 1887 and preceding years, that are not covered by any of the existing mortgages. These branches are valuable assets, being revenue-producing properties, entirely unencumbered.

With the completion of the foregoing lines all new construction was practically finished at the close of the year, and no new work has since been authorized or undertaken by the Company.

EARNINGS AND EXPENSES.

The following statement shows the gross earnings and expenses for the fiscal year ending December 31st:

EARNINGS.	1886.	1887.	INCREASE.	DECREASE.
From Freight	$17,358,294 49	$17,742,141 58	$383,847 09	
From Passengers	5,661,689 76	5,849,260 77	187,571 01	
From Mails, Express, etc.	1,698,418 92	1,774,721 63	76,302 71	
Gross Earnings	$24,718,403 17	$25,366,123 98	$647,720 81	
Total Expenses	14,560,264 10	15,326,693 80	766,429 70	
Net Earnings	$10,158,139 07	$10,039,430 18		$118,708 89
Per cent of expenses	58.90	60.42	1.52	

These figures show an increase of $647,720.81 in gross earnings, say 2.6 per cent. In number of passengers carried the increase was 12 per cent.; while the passenger revenue shows an increase of but 3.3 per cent.

In number of tons of freight transported there was an increase of 6.9 per cent.; while the revenue derived therefrom was increased but 2.2 per cent.

This loss in revenue from freight traffic is accounted for by the decrease from 1.17 cents to 1.09 cents (7%) in rate per ton per mile for freight transported. Had your Company received for its tonnage the same average rate per ton per mile as in 1886, the net revenue would have been $1,321,657 more than is reported, an amount equal to 3⅓ per cent. on the total amount of Common Stock outstanding.

During the five years, from 1882 to 1887, the rate per ton per mile has been reduced from 1.48 cents to 1.09 cents, or 26.35 per cent and during the preceding five years (1877 to 1882), from 2.08 cents to 1.48 cents, or 28.8 per cent. This makes a total reduction of 47.6 per cent. during ten years in the average rate received for freight transported over your lines.

The following is a comparative statement of earnings, expenses and statistical information as to the traffic of the Company for the years 1886 and 1887:

GROSS EARNINGS.

1886	$24,718,403 17		
1887	25,366,123 98	Increase	$647,720 81

OPERATING EXPENSES.

1886	$14,560,264 10		
1887	15,326,693 80	Increase	$766,429 70

NET EARNINGS.

1886	$10,158,139 07		
1887	10,039,430 18	Decrease	$118,708 89

INTEREST ON MORTGAGE BONDS.

1886	$6,241,092 52		
1887	6,456,637 13	Increase	$215,544 61

TONS OF FREIGHT MOVED.

1886	7,085,072		
1887	7,573,795	Increase	488,723

NUMBER OF PASSENGERS CARRIED.

1886	5,481,400		
1887	6,144,068	Increase	662,668

MILES RUN BY FREIGHT AND PASSENGER TRAINS.

1886	20,691,015		
1887	21,820,530	Increase	1,129,515

MILEAGE OF LOADED FREIGHT CARS.

1886	164,335,686		
1887	169,513,964	Increase	5,178,278

MILEAGE OF EMPTY FREIGHT CARS.

1886	59,411,273		
1887	61,210,749	Increase	1,799,476

COST OF OPERATING ROAD PER TRAIN MILE RUN.

1886	.67		
1887	.66	Decrease	.01

GROSS EARNINGS PER MILE OF ROAD.

1886	$4,966 53		
1887	4,736 90	Decrease	$229 63

OPERATING EXPENSES PER MILE OF ROAD.

1886	$2,925 51		
1887	2,862 13	Decrease	$63 38

NET EARNINGS PER MILE OF ROAD.

1886	$2,041 02		
1887	1,874 77	Decrease	$166 25

The average rate per ton per mile received for freights for a series of years past, has been as follows, viz:

1865.....4.11 cts.	1873.....2.50 cts.	1881.....1.70 cts.
1866.....3.76 cts.	1874.....2.38 cts.	1882.....1.48 cts.
1867.....3.94 cts.	1875.....2.10 cts.	1883.....1.39 cts.
1868.....3.49 cts.	1876.....2.04 cts.	1884.....1.29 cts.
1869.....3.10 cts.	1877.....2.08 cts.	1885.....1.28 cts.
1870.....2.82 cts.	1878.....1.80 cts.	1886.....1.17 cts.
1871.....2.54 cts.	1879.....1.72 cts.	1887.....1.09 cts.
1872.....2.43 cts.	1880.....1.76 cts.	

VALUE OF SUPPLIES AND MATERIALS, DECEMBER 31ST.

1886.....	$2,048,984 69	
1887.....	2,927,171 00	Increase.....$878,186 31

AVERAGE MILES OF ROAD OPERATED DURING THE YEAR.

1886.....	4,977	
1887.....	5,355	Increase.....378

STATEMENT OF INCOME ACCOUNT.

1887.		
Jan'y 1—Balance Surplus Income from 23rd Annual Report...		$8,057,733 52
Less interest accrued in 1886 and payable in Jan'y, Feb., March and April, 1887, on Funded Debt of the Company....	$3,213,377 64	
Less Old Accounts charged off.....	501,036 69	
July 25—Less Fifteen per ct. credited on account of 57,761 shares of Common Stock subscribed for at par by shareholders of record June 25th, 1887, under circular letter dated June 4, 1887.....	866,415 00	4,580,829 33
Surplus Income,		$3,476,904 19

Dec. 31—Gross Earnings for 1887	$25,366,123 98		
Less Operating expenses (including taxes)	15,326,693 80	10,039,430 18	
Income from other sources		272,824 98	
Net Revenue for the year			10,312,255 16
Total			$13,789,159 35
Dec. 31—Interest accrued during the year 1887, on Funded Debt			6,456,637 13
Balance			7,332,522 22
Dec. 31—Dividend No. 34 payable April 15, 1887.			
3½% on $21,555,900 Preferred Stock.	754,456 50		
2½% on $30,904,261 Common Stock..	772,606 52	1,527,063 02	
Dec. 31—Dividend No. 35 payable October 14th, 1887.			
3½% on $21,596,900 Preferred Stock.	755,891 50		
2½% on $38,982,761 Common Stock..	974,569 02	1,730,460 52	
Total Dividends			3,257,523 54
Surplus Income			$4,074,998 68

THE INTER-STATE LAW.

On the 5th of April, 1887, an Act of Congress, known as the Inter-State Commerce Act, became operative. This law required a re-formation of the then existing freight tariffs on all railways, and established an entirely new basis for determining the freight charges for non-competitive traffic carried by railway companies; a basis rigid and inflexible, unlike any that had ever before existed in any country. The old com-

mon law rule that rates fair and reasonable in themselves could properly be charged, was done away with, and a new rule substituted, making the low rates forced by competition the basis of rates for non-competitive traffic at intermediate stations.

Such a basis for local freight rates necessarily works unequally on different roads; but the effect on many lines has been either to force the railway companies to decline certain classes of competitive traffic that could be carried at a small profit in connection with their much larger volume of local traffic; or, to correspondingly reduce their rates for local traffic. This is practically equalizing at its own (the railway company's) cost and expense any difference in advantage of location between towns having two or more competing transportation lines and towns dependent on one line; and is the inevitable result of such a forced reduction of local rates that were fair and reasonable in themselves, in compliance with the new law. The law has, however, been generally accepted in good faith by the railway companies, and new tariffs have been put into effect in conformity with it.

Another result of such sweeping changes has been a serious disturbance of rates that for many years had been *relatively* adjusted via different routes into common territory; and the re-adjustment, *relatively*, of such rates has been very difficult for the companies to agree upon, for the reason that under the long and short haul restrictions of the law, such changes seriously affected local traffic. Because of these rate disturbances and complications during the eight months of 1887 that the new law was in force, its full effect upon the movement of traffic cannot be satisfactorily determined. It will take another year's experience to show the extent of the injury that will result to railway property and to the public, under the fourth section of the law relating to long and short haul charges, which is in direct conflict with the last paragraph of section one, requiring that rates "shall be reasonable and just." It will also take time to determine the extent of injury that will result from section five of the Act, which prohibits agreements between transportation lines for an equitable division of traffic or traffic revenue; as it is by such agreements only that reasonable and uniform rates can

be permanently secured, to prevent that "undue and unreasonable preference or advantage" in favor of individuals or localities (invariably resulting from railway wars and reductions in rates below cost of service), which the first paragraph of section three, forbidding preferences, was evidently intended to provide against, and if properly enforced will certainly prevent.

It is to be hoped that Congress in its wisdom will repeal the two objectionable sections, or so amend the law as to permit railway companies to charge rates for transportation that are in themselves reasonable and just, limited of course by the common law rule that all shippers and localities that are alike situated shall be treated alike; and also provide that the federal judiciary shall on application, after a hearing, determine when rates are unreasonable or extortionate, and when unjust discriminations are made against localities or individual shippers. Such legislation will not only fully protect the public who must use the roads, but will give to the owners of our railways the same protection, no more and no less, than is now given under existing laws to investments in other corporate properties.

LOCAL STATE LEGISLATION.

The State of Minnesota has, during the year, passed an Act regulating railroads, similar in character to the Inter-State Commerce Act, except that there is one clause which the Commissioners claim allows them to fix rates and to compel the companies to accept them. It is also claimed that the Courts have no right to determine whether such rates are reasonable or unreasonable, but are bound to enforce them as fixed by the Commissioners.

The Legislature of Missouri has also passed a law, in most of its features similar to the Inter-State Commerce Act, and enlarging the powers of their Commission. The general tendency of the railroad legislation, both in Missouri and Minnesota, is on the line of the Inter-State Commerce Law, except that in Minnesota the Commission claims the right to fix the rates. The Roads, however, deny this right, and the

question is now before the Supreme Court, the railway companies insisting that rates established by the Commission are but recommendatory, and can only be enforced by the Court finding that they are reasonable and just.

There was no other important legislation during 1887 in respect to railway companies by the States in which your lines are located.

EQUIPMENT.

The following described Rolling Stock, in service December 31st, 1887, is owned by your Company, entirely free from liens of every character, other than Divisional and General Mortgage liens, viz:

Locomotives	740
Passenger Cars (1st and 2d class)	345
Sleeping Cars	11
Parlor Cars	9
Dining Cars	10
Baggage, Postal, Mail and Express Cars	233
Box Cars	14,312
Stock Cars	2,301
Flat and Coal Cars	4,551
Refrigerator Cars	349
Caboose, Wrecking, Tool Cars, &c	510

And contracts are outstanding for an early delivery of additional equipment.

SLEEPING CAR SERVICE.

In addition to the equipment above mentioned, the Pullman Palace Car Company controls and operates 40 Sleeping Cars on your line.

BRIDGES.

Your Company owns seven bridges, crossing the Mississippi and Missouri Rivers, which are altogether free from any arbi-

trary or specific charge for the traffic of your lines passing over them. Their location and description is as follows:

Over Mississippi River at Sabula, Iowa: 7 iron spans, including 1 draw-span. Total length, including approaches	8,681 feet
Over Mississippi River at La Crosse, Wis.: 10 iron spans (including 1 draw-span over the river proper and 1 draw-span over Black River) and 1 Howe Truss span. Total length, including approaches	6,393 "
Over Mississippi River at Reed's Landing, Minn.: 3 Howe Truss spans, and 1 pontoon span. Total length, including approaches	4,601 "
Over Mississippi River at Hastings, Minn.: 4 iron spans, including 1 draw-span. Total length, including approaches	2,270 "
Over Mississippi River on "Short Line" between St. Paul and Minneapolis: 8 iron spans. Total length	1,140 "
Over Mississippi River at St. Paul, Minn. (owned jointly with C., St. P., M. & O. Ry.): 2 iron spans, including 1 draw-span, and 6 Howe Truss spans (now being replaced with iron spans). Total length, including approaches	3,001 "
Over Missouri River at Kansas City, Mo.: 5 iron spans and 1,544 feet of double-track iron trestle. Total length, including approaches	7,387 "

STATIONS AND STATION BUILDINGS.

Your Company has 848 Passenger and Freight Station Agencies on its line of road; and Station Buildings for the accommodation of its traffic, as follows:

Passenger Houses	70
Freight Houses (other than Grain Elevators and Warehouses)	102
Passenger and Freight Houses (combined)	743
Total	915

ELEVATORS.

There are on the lines of railroad of your Company 1,410 Grain Elevators and Warehouses, owned by the Company and by private parties, with an aggregate capacity of.....	29,968,500 bushels.
Of these your Company owns:	
At Milwaukee, 5 Elevators, with a total capacity of.....	3,130,000 bushels.
At Minneapolis, 2 Elevators, with a total capacity of.....	1,895,000 "
And at various interior points, 156 Elevators and Warehouses, with a total capacity of.....	2,390,300 "
At Chicago, private parties have erected on the Company's tracks, 4 Elevators, having an aggregate capacity of.....	2,850,000 "
And a fifth elevator is nearly completed, with a capacity of.....	2,000,000 "
At various interior points, private parties also own 1,242 Elevators and Warehouses, having a total capacity of....	17,703,200 "
	29,968,500 bushels.

COAL PROPERTIES.

During the years 1886 and 1887 your Company has used coal for fuel purposes on its lines of railroad, as follows:

	1886. TONS.	1887. TONS.
Coal used.....	932,967	1,009,459
Of which the mines owned by your Company produced.....	615,535	606,649
And other sources supplied.....	317,432	402,810
	932,967	1,009,459

The following is a description of the Coal Properties so owned, with their out-put in 1887; the estimated capacity of the present workings for delivering coal on cars, and the estimated quantity of coal not yet mined:

THE BRACEVILLE MINES, located at Braceville, Grundy County, Ill., comprise 3,322 acres of coal land (494 acres of which have been exhausted) with 97 miners' and other houses on the property. There are on the premises three shafts, or openings, only two of which are now operated, Shaft No. 1 having been "mined out," and closed in June, 1883. During the year 1887 Shaft No. 2 produced from 40 to 60 car-loads—say 900 tons—daily, for each working day. Shaft No. 3 was closed from February, 1886, to December, 1887, but can produce daily 700 tons. The total output of both shafts in 1887 was 260,338 tons, which can be increased, at trifling cost, to 450,000 tons for the year 1888. The quantity of coal not yet mined is estimated at 14,000,000 tons.

THE EXCELSIOR MINES, located at Oskaloosa, Mahaska County, Iowa, comprise 2,038 acres of coal land (450 acres of which have been exhausted) with 103 miners' and other houses on the property. There are on the premises three shafts, or openings, only two of which are now operated, Shaft No. 1 having been "mined out" and closed in October, 1886. Shaft No. 2 has a daily capacity of 85 car-loads—say 1,300 tons—and No. 3 a daily capacity of 50 car-loads—say 750 tons. Neither shaft was worked full time in 1887, but their total output was for that year, 330,580 tons, which can be increased at trifling cost to 500,000 tons in 1888. The quantity of coal not yet mined is estimated at 8,000,000 tons.

THE EAGLE MINE, located at Angus, Boone County, Iowa, comprises 240 acres of land with 20 miners' and other houses upon the property. The coal was exhausted and the mine abandoned in July, 1887. The machinery, tools, etc., have been removed or sold, and the land is offered

for sale at $30 per acre. Its total output for the year 1887 was 13,731 tons.

The coal lands and mining properties above mentioned stand on the books of your Company as costing, interest included, $546,654.03. This cost is reduced currently as coal is taken from the mines, by a Sinking Fund charge made monthly as coal is delivered, sufficient to mark off the entire cost of the properties with all improvements, by the time the mines shall have become exhausted.

REAL ESTATE AND TERMINAL PROPERTIES.

Your Company owns very valuable Real Estate and Terminal properties at the principal cities on its lines; the most important being as follows:

At Milwaukee it owns 485 acres of ground, with 13,800 lineal feet of improved dock frontage, accessible to shipping for receiving and delivering cargo.

It has on this property 13 Freight Warehouses, aggregating 347,335 superficial feet (nearly 8 acres) of floor space; several of the buildings are under rental to other Railway Companies, and to Lake Steamer Lines. There are also on the property 5 Elevators belonging to the Company, and 89.33 miles of side-track.

A handsome Union Passenger Depot—one of the finest in the West—was also completed last year, and is used jointly with the Wisconsin Central and the Milwaukee & Northern Railway Companies.

The principal machine, wood and smith shops of the Company—a very extensive and complete plant for the construction and repair of rolling stock—are located at this point, 80 acres of ground being set apart and occupied for such use.

At Chicago the Company has two independent entrances into the city as far as the Union Passenger Station on Canal and Adams streets; one by way of its Chicago & Milwaukee Division and one by its Chicago & Evans-

ton Line. It also owns 154 acres of land, with 6,100 lineal feet of improved dock frontage, accessible to lake steamers and sailing vessels for the receipt and delivery of freight. It has on this property 7 Freight Warehouses for its own use, aggregating 245,690 superficial feet (nearly 5.6 acres) of floor space; and the length of its yard and side-tracks is 56.20 miles.

At Kansas City the Company owns 97 acres of land usable for depot and yard purposes, with convenient Freight Buildings, and 5.06 miles of side-tracks; and it also owns one-fifth interest in the Kansas City Belt Railway, with which it has a permanent contract, providing for the running of trains to all points reached by the tracks of that Company.

At St. Paul the Company owns 70 acres of land, and 10.45 miles of side-tracks, with sufficient depot accommodations for passenger and freight traffic.

At Minneapolis the Company owns 134 acres of land, upon a portion of which are located very extensive machine, wood and blacksmith shops, for the repair of equipment. It has also 33.90 miles of side-tracks, and ample Passenger and Freight Buildings for the accommodation of its traffic.

At Council Bluffs the Company owns 61 acres of land and 9.41 miles of side-tracks; and at La Crosse it owns 103 acres of land and 15.66 miles of sidings; and at both places has ample accommodations for the handling of its freight and passenger traffic.

TITLE TO THE PROPERTY.

Your Company's ownership of its extensive system of railways, with its equipment, real estate and other properties, is by a tenure unlike that by which any correspondingly large railway property has ever before been acquired, and is very different from that of corporations that control large systems by lease of the corporate property, or by ownership of a majority interest in the original corporate organizations. It is practically an absolute ownership, in fee, without partners,

subject only to mortgage liens; as in the few cases where a corporate property has been acquired under a lease, your Company is owner of the entire share capital of the lessor Company.

LAND DEPARTMENT.

I

	Acres.	Acres.
The unsold lands owned by your Company in Iowa and Minnesota aggregated January 1, 1887.....	26,156.76	
And its unsold lands in Wisconsin aggregated.....	60,079.27	
The number of acres for which applications for patents were pending in Washington, was.....	5,000.00	
Total lands owned and claimed		91,236.03
The sales during the year were as follows:		
In Iowa.....	9,205.86	
In Minnesota.....	12,119.92	
In Wisconsin.....	1,855.53	
Total sales in 1887.....		23,181.31
Balance unsold Dec. 31, 1887.		68,054.72

Estimated value of unsold lands, $179,439.20.

II

At commencement of the year the amount due on contracts and mortgages, for sales of lands in Iowa and Minnesota, was.....	$394,429 95	
And for sales of land in Wisconsin.	98,734 06	
Total amount due on contracts		$493,164 01

The amounts realized from sales made during the year are as follows:		
From Iowa and Minnesota lands..	$126,936 97	
From Wisconsin lands.....	19,323 48	146,260 45
Total contracts and sales.....		$639,424 46
LESS collected during the year:		
On contracts prior to 1887, Iowa and Minnesota lands.....	$143,267 72	
On contracts prior to 1887, Wisconsin lands.....	14,153 40	
On new sales, Iowa and Minnesota lands.....	20,104 53	
On new sales, Wisconsin lands....	4,908 44	
Deposits made prior to January, 1887, and applied on sales closed during the year.....	17,781 29	
Total collections.....		$200,215 38
Balance uncollected Dec. 31, 1887		$439,209 08

III

Cash received for lands sold during 1887.....	$ 25,012 97
Cash received on contracts made prior to 1887	157,421 12
Cash received for miscellaneous accounts.....	1,337 73
Total cash receipts in 1887.....	$183,771 82

Estimated value of lands unsold Dec. 31, 1887		$179,439 20
Balance due on contracts Dec. 31, 1887:		
Iowa and Minnesota lands	$340,213 38	
Wisconsin lands	98,995 70	$439,209 08
Total value of unsold lands and uncollected contracts		$618,648 28

CAPITAL STOCK.

At the commencement of the year the amount of Preferred Stock outstanding was	$21,555,900 00
Which has been increased 410 shares during the year by the conversion of 41 La Crosse Division Bonds	41,000 00
Total Preferred Stock outstanding Dec. 31, 1887	$21,596,900 00
At the commencement of the year the amount of Common Stock outstanding was	$30,904,261 00
At the annual meeting in June last the shareholders authorized an increase of 100,000 shares. By circular of June 4th there was offered to the shareholders of record, June 25th, 1887, the privilege of subscribing for 66,601 shares of this increased stock, pro-rata, to the extent of 12 per cent. of their holdings: 85 per cent. of such subscriptions to be paid in cash on delivery of shares, and 15 per cent. to be credited on the subscriptions and charged against undivided earnings or surplus income. Of the shares so offered 57,761 were subscribed for, and that amount of additional Common Stock has been issued, say	5,776,100 00

There were also issued and delivered 30,000 shares of the new stock, in payment for 17,466 shares (the entire capital stock) of the Chicago, Evanston & Lake Superior R'y Company, and for $1,254,000 of the 6 per cent. first mortgage bonds of that company, say	3,000,000 00
Total Common Stock outstanding Dec. 31, 1887	$39,680,361 00

By the purchase of the Chicago, Evanston & Lake Superior securities above mentioned, your Company has secured control of a most valuable corporate property, consisting of an independent entrance into the City of Chicago to a point as far south as the Union Passenger Depot on Canal and Adams Streets, with about 16 acres of land, advantageously located for station and yard purposes, and 12 miles of double track city and suburban railway, extending from a central point in the City of Chicago to the Village of Evanston.

The remaining 12,239 shares of the 100,000 shares of Common Stock authorized, are held as unissued stock in the Treasury of the Company for use in the purchase of additional railway property, or for such other purposes as in the opinion of the Board of Directors the interests of the company may require.

The amount of capital stock outstanding at the close of the year was 215,969 shares of Preferred Stock	$21,596,900 00
And 396,803.61 shares of Common Stock	39,680,361 00
Making a total of	$61,277,261 00

of share capital; representing the absolute ownership of 5,669.95 miles of main line, single track railway, thoroughly well constructed and equipped, with more than 1100 miles additional of side and other tracks, together with coal properties worth $546,654.03; and other valuable assets not necessary for railway purposes, largely in excess of all floating liabilities.

This is an average of $10,807 per mile of main track ($3,809 in Preferred and $6,998 in Common Stock) subject to a bonded indebtedness of $21,029 per mile; making the aggregate cost of the property $31,836 per mile, represented by stock and bonds.

FUNDED DEBT.

The funded debt of the Company at date of the last report, including bonds assumed for railway property acquired by lease or purchase, was.....		$111,658,000 00
The Consolidated and Divisional Bonds issued and assumed in 1887, were as follows:		
Sixteen Consolidated Bonds, issued in exchange for 6 Oshkosh & Mississippi River R'y Co. Bonds, and 10 Equipment and Bridge Bonds cancelled.....	$ 16,000 00	
Five hundred and six Terminal Bonds, issued for additional real estate purchased, and improvements.....	506,000 00	
Thirty-two hundred and forty Chicago & Pacific Western Division Bonds, issued on road and equipment.....	3,240,000 00	
Eight hundred and seventeen Wisconsin Valley Division Bonds, issued on road and equipment.....	817,000 00	
Eighteen hundred and sixty-eight Dakota & Great Southern Bonds, issued on road and equipment.....	1,868,000 00	
Ten hundred and thirty-four Chicago & Missouri River Division Bonds, issued on road and equipment.....	1,034,000 00	
Four hundred and five Hastings & Dakota Division Bonds, issued on road and equipment.....	405,000 00	
Total issued.....	$7,886,000 00	

Less:—			
Thirty-five Oshkosh & Mississippi River R'y Co. Bonds..	$ 35,000 00		
Forty-one La Crosse Division Bonds, exchanged for Preferred Stock and cancelled..	41,000 00		
Eleven Dubuque Division Bonds cancelled for Sinking Fund.	11,000 00		
Twenty Wisconsin Valley Division Bonds, cancelled for Sinking Fund.....	20,000 00		
Two hundred and one Land Grant Bonds, cancelled for Sinking Fund.....	201,000 00		
Total Bonds retired and cancelled.....		$ 308,000 00	
Net increase in Funded Debt.....			$ 7,578,000 00
*Total Funded Debt.			$119,236,000 00

*NOTE.—This includes all bonds issued or liable to be issued under the several mortgages for road already constructed; and all lines under construction at commencement of the year have been practically completed.

Of the new issues of bonds your Company has unsold in its Treasury, $3,354,000.

Fifty-six thousand dollars of Wisconsin Valley Division Bonds have been deposited with the New England Trust Company, Trustee, and are held in trust as part of the Sinking Fund of the Dubuque Division mortgage.

Eighty-four thousand dollars of St. Paul Division Sterling Bonds have, at request of the holders, been exchanged for Thousand Dollar Bonds.

EQUIPMENT AND IMPROVEMENT EXPENDITURES.

For Equipment:			
For Locomotives and Cars purchased	$598,852 12		
Amount Expended in Company's Shops	231,939 37		$830,791 49
For Real Estate, Depot Grounds, etc., purchased:			
At Chicago	6,015 33		
At St. Paul	18,143 30		
Additional grounds at other points	6,578 91		30,737 54
For New Shops, Engine Houses, Freight Houses, Depots, etc		260,380 94	
Iron Bridges		44,652 85	
New Fences and Culverts		35,217 62	
Improvements and Extension of Yard Facilities at sundry points		94,184 66	
Widening Embankments, Ballasting, etc		22,278 76	
New Side Tracks, sundry points		85,511 69	
Round House, Buildings, Yard, etc., at Marion		60,796 13	
Miscellaneous Improvements		156,571 96	759,594 61
Total			$1,621,123 64

The following is a comparative statement of the cost of Coal consumed by Locomotives during the years 1886 and 1887:

	1886.	1887.
Tons of Coal used	875,091	934,226
Aggregate cost	$1,848,903 40	$1,926,439 55
Cost per ton	$2 11¼	$2 06
Miles run, per ton	26 8/10	26 1/10

The following is a comparative statement of the steel rails laid in renewals during the years 1886 and 1887:

	1886.	1887.
60 lbs. per yard (tons)	20,815	18,634
67 lbs. per yard (tons)	13,394	10,873
Total	34,209	29,507

FINANCIAL.

The following condensed balance sheet shows the capital and other accounts at the close of the year:

CAPITAL ACCOUNTS.

CREDIT ITEMS.

Capital Stock, Preferred	21,596,900 00	
" " Common	39,680,361 00	
Funded debt, including $3,365,000.00 of Mortgage Bonds issued but unsold, held in the Treasury of the Company	119,236,000 00	
Total Credits		$180,513,261 00

DEBIT ITEMS.

Cost of Road and Equipment	177,374,429 79	
Cost of Coal Lands and Mining property	546,654 03	
Total Debits		177,921,083 82
Excess of Credits		$2,592,177 18

The current assets and liabilities stand as follows:

ASSETS.

Investment Account—Stock and Bonds:		
Chicago, Evanston & Lake Superior R'y Bonds	1,253,400 00	
Oshkosh & Mississippi River R'y Bonds	211,000 00	
Kansas City Belt R'y Bonds and Stock	154,838 88	
Minnesota Transfer R'y Co. Bonds and Stock	101,601 56	
St. Paul Union Depot Co. Stock	70,000 00	
Sundry other investments	1,118,307 71	2,909,148 15
Stock of Material and Fuel on hand	2,927,171 00	
Miscellaneous accounts, current balances	566,735 71	3,493,906 71
Mortgage Bonds of the Company unsold, held in the Treasury of the Company		3,365,000 00
Bills Receivable	21,200 00	
Due from Agents and Conductors	299,883 36	
Due from U. S. Government	253,090 44	
Cash, New York Office	2,021,945 67	
" Call Loans, New York	500,000 00	
" F. G. Ranney, Treasurer	194,373 67	3,290,493 14
Total Assets		$13,058,548 00

LIABILITIES.

Due on Vouchers and Pay Rolls.....	2,896,431 90	
" for Dividends not called for.....	66,610 27	
" " Interest Coupons not presented..	32,844 32	
Interest accrued but not yet payable.....	3,395,485 65	
Surplus Income Account.....	4,074,998 68	
Total Liabilities.....		10,466,370 82
Excess of Assets over Liabilities.....		$2,592,177 18

From these figures it appears that at the close of the year your Company had no floating indebtedness other than current monthly vouchers and pay rolls, and that its assets were largely in excess of all liabilities, including among its liabilities $4,074,998.68 of surplus income.

DECISION IN AN IMPORTANT SUIT.

The case of William Barnes, Trustee, *vs.* the Chicago, Milwaukee & St. Paul Railway Company, was decided by the Supreme Court of the United States, in May last. This case, during its progress, was the frequent subject of comment in the newspapers on account of the legal questions claimed to be involved. It arose out of the following facts:

William Barnes was Trustee of the so-called "Third Mortgage," given in 1858 by the La Crosse & Milwaukee Railway Company, covering the line of road from Milwaukee to La Crosse to secure two millions of dollars of bonds. In May, 1859, Barnes, as Trustee, assumed to foreclose said mortgage by a sale under the power in the mortgage, in pursuance of the statute in such case made and provided. At that sale, in virtue of a statute of the State, he became the purchaser for the benefit of the bond-holders and immediately thereafter, in connection with them, organized the Milwaukee & Minnesota Railroad Company, and transferred to the Company so organized, all the property included in the mortgage, and purchased by him at the sale. Nearly all the bond-holders surrendered their bonds to the new organi-

zation and took stock of the Company, and none of them made any objection to Barnes' proceedings. From that time the La Crosse & Milwaukee Company ceased to exist as a corporation, and the Company so formed claimed to be the owner of the property, subject to prior liens, and was so treated and made a party in all the subsequent foreclosure proceedings of the prior mortgages; and in virtue of a decision of the Supreme Court was placed in possession of the eastern division of the road as such owner, and held and operated the same until its title was extinguished by the foreclosure of prior liens and the purchase by this Company. It was the principal defendant in all of the foreclosure suits of the prior encumbrances. Afterwards, in 1878, Barnes filed a bill in the Circuit Court of the United States for the Eastern District of Wisconsin, claiming that his former foreclosure, in 1859, of said mortgage was illegal and invalid; that the Company formed by him with the assent of the bond-holders, on his first foreclosure never acquired any title to the property, and asking to have the whole of his former proceedings set aside and annulled, and that his mortgage be declared an existing and valid lien upon the property, and that he have a foreclosure thereof. To this bill our Company pleaded the former foreclosure, the formation by the purchasers, under the statute, of the Milwaukee & Minnesota Railway Company, and the transfer to it of all the mortgaged property with the assent of the bond-holders.

The Circuit Court, on the hearing in 1883, sustained the defense and dismissed the bill, from which decree Barnes appealed to the Supreme Court, and by its decision that decree was affirmed in all respects, and is a final bar to any claim under that mortgage.

IN MEMORIAM.

It is proper that formal record be made in this Annual Report of the death of Mr. Alexander Mitchell, which occurred in New York on April 19, 1887. Mr. Mitchell's official connection with your Company commenced on June 8, 1863, when he was elected a Director, the Company having at that time but 180 miles of road; and on the 30th day of June, 1865, he was chosen President of the Company. In recognition and in commemoration of his most valuable services on behalf of the Company, the minutes of the Annual Meeting of Stock-holders in June of last year show the following action:

Before proceeding with the regular order of business, the Vice-President spoke as follows:

"Mr. Alexander Mitchell was elected President of the Chicago, Milwaukee & St. Paul Railway Company in June, 1865, and for twenty-two successive years he held that position and presided at the Annual meetings of the share-holders of the Company.

"During his administration the absolute ownership in upwards of 5,000 miles of railway, located in seven of the States and Territories of the Northwest, was acquired by your Company, making your corporate property among the largest of any in this country.

"At this, the first meeting of share-holders since the death of Mr. Mitchell, on the 19th of April last, it is fitting that we should place on record a proper tribute to his memory, and that in the minutes of this meeting the valuable services he has rendered to this Company should be formally recognized.

"With your permission, therefore, the Secretary will read a preamble with resolutions, adopted by the Board of Directors, which are now submitted for your consideration and such action as shall seem to you proper."

And thereupon the Secretary read the following preamble and resolution, adopted by the Board of Directors at their meeting in New York, on the 20th of April:

"ALEXANDER MITCHELL, of Milwaukee, President of this Company, departed this life in this city on the afternoon of yesterday, April 19th, after a brief illness.

"This Company is called upon to mourn the loss of its best known and most distinguished member, whose vacant place has left a chasm in its counsels, as well as in the hearts of all who have ever been associated with him. He was from an early period of its history a Director, and has been for many years the President of this Company. He had known it in its infancy, had witnessed its early struggles and had watched its growth from weakness to strength until it had reached a vast and comprehensive system. During all this period his far-reaching sagacity aided to outline its policy. His sound judgment directed its councils, and his energy and perseverance contributed in a great measure to secure to them their practical results; but it was not alone to this Company that his mind and character have given direction; in the city where he resided, and in his adopted State, and in the councils of the Nation, the same clear, discriminating judgment and strong traits of character were equally felt; so that his influence wherever he was known, was supreme, and to his fellow-citizens he was a tower of strength.

"In private life, kind, courteous and large-hearted, true in all his relations with others, and of unblemished

integrity, he was beloved by all who came within the circle of his friends and associates. The Directors, many of whom have long been associated with him in this Board, especially mourn the death of the President, upon whose wise judgment they have been accustomed to rely in the conduct of the affairs and in the management of the vast interests of this Company.

"*Resolved*, That we tender to the family of the deceased our profound sympathy in the great loss they have sustained."

And on motion duly seconded, it was

"*Resolved*, That the preamble and resolution be and are hereby adopted as the action of the share-holders of this Company, and that they be recorded as a part of the proceedings of this meeting."

The attention of shareholders is specially called to the annexed report of Roswell Miller, General Manager, for details as to the management and operation of their road during the year. To Mr. Miller and to the officers and employes of the Company much credit is due for the manner in which they have discharged their respective duties.

By order of the Board of Directors.

FRANK S. BOND,

Vice-President.

March, 1888.

REPORT

OF THE

GENERAL MANAGER.

MILWAUKEE, MARCH, 1888.

MR. FRANK S. BOND,

Vice President,

DEAR SIR:

The following tables give in detail the Earnings, Operating Expenses, etc., of this Company for the year 1887.

Very Respectfully,

ROSWELL MILLER,

General Manager.

COMPARATIVE STATEMENT

OF

EARNINGS AND EXPENSES

FOR THE YEARS 1886 AND 1887.

EARNINGS.

	1886.	1887.	Increase.
From Freight	17,358,294 49	17,742,141 58	383,847 09
From Passengers	5,661,689 76	5,849,260 77	187,571 01
From Mails, Express, Etc.	1,698,418 92	1,774,721 63	76,302 71
Gross Earnings	$24,718,403 17	$25,366,123 98	$647,720 81

EXPENSES.

	1886.	1887.
Repairs of Track	1,824,999 11	2,006,428 33
Renewal of Track	287,252 42	240,053 50
Trackage	65,359 62	89,108 78
Repairs of Bridges	253,430 62	354,170 35
Repairs of Fences	93,707 60	103,837 46
Repairs of Buildings	182,577 47	167,413 08
Repairs of Locomotives	937,220 16	947,519 35
Repairs of Cars	1,310,797 00	1,305,872 39
Repairs of Tools and Machinery	79,858 36	88,923 11
Carried forward	$5,035,202 36	$5,303,326 35

	1886.	1887.
Brought forward	5,035,202 36	5,303,326 35
Management and General Offices	494,852 47	519,422 78
Foreign Agency and Advertising	212,782 31	216,354 39
Station Service	2,252,732 72	2,385,108 45
Conductors, Bag'e and Brakemen	1,148,861 44	1,238,277 93
Engineers, Firemen and Wipers	1,485,206 78	1,593,155 50
Train and Station Supplies	393,475 23	463,735 07
Fuel Consumed	1,962,681 25	2,031,803 43
Oil and Waste	161,557 34	158,766 06
Personal Injuries	137,155 30	123,918 24
Damage to Property	42,339 82	60,782 22
Loss and Damage of Fr't and B'ge,	16,862 42	26,041 64
Legal Expenses	76,025 56	99,126 25
New York Office Expenses	27,216 90	27,842 85
Taxes	759,350 44	767,022 08
Insurance	57,333 94	50,106 75
Miscellaneous Expenses	156,017 32	154,516 11
Stock Yard Expenses	15,515 61	14,696 08
Expenses of Elevators	58,513 85	58,175 03
Mileage of Cars	66,581 04	34,516 59
Total Expenses	$14,560,264 10	$15,326,693 80

RECAPITULATION.

	1886.	1887.	Increase.	Decrease.
Gross Earnings	24,718,403 17	25,366,123 98	647,720 81	
Total Expenses	14,560,264 10	15,326,693 80	766,429 70	
Net Earnings	$10,158,139 07	$10,039,430 18		$118,708 89

Statement of Earnings Monthly, for the Year 1887.

	FREIGHT.	PASSENGERS.	MAILS, EXPRESS, ETC.	TOTAL.
January	1,027,511 16	336,575 05	126,153 13	1,490,239 34
February	1,118,309 59	287,458 44	119,204 46	1,524,972 49
March	1,639,781 22	444,964 94	127,940 59	2,212,686 75
April	1,379,670 00	465,428 05	134,563 27	1,979,661 32
May	1,242,795 71	472,056 24	151,860 98	1,866,712 93
June	1,459,586 16	523,094 97	136,518 03	2,119,199 16
July	1,128,624 78	577,077 06	140,753 79	1,846,455 63
August	1,268,179 14	582,025 34	157,691 98	2,007,896 46
September	1,575,747 56	635,744 68	148,131 41	2,359,623 65
October	2,070,502 52	578,562 31	151,624 46	2,800,689 29
November	1,968,822 06	513,090 69	158,305 41	2,640,218 16
December	1,862,611 68	433,183 00	221,974 12	2,517,768 80
Total	$17,742,141 58	$5,849,260 77	$1,774,721 63	$25,366,123 98

Detail of Earnings for the Year 1887.

From	Freight	17,742,141	58
"	Passengers	5,849,260	77
"	Mail Service	729,304	87
"	Express Service	399,521	52
"	News Service	13,646	54
"	Rents	32,668	21
"	Telegraph	21,453	22
"	Extra Baggage	88,180	34
"	Sleeping Cars	86,299	86
"	Parlor Cars	13,985	30
"	Stock Yards	80,510	50
"	Milk	99,117	17
"	Elevators	210,034	10
	Total	$25,366,123	98

Mileage and Revenue of Freight for the Year 1887.

	EASTWARD.	WESTWARD.	TOTAL.
No. Tons Freight carried	4,052,172	3,521,623	7,573,795
No. Tons Freight carried one mile	913,469,837	715,914,664	1,629,384,501
Total Freight Earnings	$9,236,052 62	$8,506,088 96	$17,742,141 58
Rate per Ton per mile	1.01 cents.	1.19 cents.	1.09 cents.

Mileage and Revenue of Passengers for the Year 1887.

	EASTWARD.	WESTWARD.	TOTAL.
No. Passengers carried	3,158,977	2,985,091	6,144,068
No. Passengers carried one mile	106,933,858	123,510,715	230,444,573
Total Passenger Earnings	$2,854,933 21	$2,994,327 56	$5,849,260 77
Rate per Passenger per mile	2.67 cents.	2.42 cents.	2.54 cents.

Statement of Commodities Transported

During the Years 1886 and 1887.

Commodity.	1886.		1887.	
	Tons.	Per Cent.	Tons.	Per Cent.
Flour	320,425	4.52	383,630	5.06
Mill Feed	73,751	1.04	84,212	1.11
Wheat	878,850	12.41	946,428	12.50
Barley	294,170	4.15	266,278	3.52
Oats	149,010	2.09	169,766	2.24
Corn	185,500	2.62	172,218	2.27
Flax Seed	122,700	1.73	82,249	1.09
Other Cereals	53,810	.76	80,410	1.06
Hay	66,100	.93	93,639	1.24
Provisions	83,250	1.18	101,437	1.34
Dairy Product	13,669	.19	28,239	.37
Salt	56,098	.79	53,582	.71
Lime, Cement and Plaster	108,302	1.53	112,526	1.49
Brick and Stone	275,900	3.89	354,699	4.68
Merchant, Pig and R. R. Iron	196,525	2.77	219,334	2.90
Agricultural Implements	74,963	1.06	183,434	2.42
Coal	675,520	9.54	868,589	11.47
Live Stock	362,050	5.11	366,089	4 83
Lumber	912,850	12.89	1,001,782	13.22
Merchandise	709,500	10.02	630,614	8.33
Miscellaneous	1,472,129	20.78	1,374,640	18.15
Totals	7,085,072	100.00	7,573,795	100.00

Detail of Equipment and Improvement Expenditures for the Year 1887.

Additional Equipment	830,791 49
Real Estate, Chicago	6,015 33
Real Estate, St. Paul	18,143 30
Real Estate, Sundry Points	6,578 91
Round House, Shops, etc., Milwaukee	34,825 66
New Shop Office, Milwaukee	6,798 85
Coal Chutes, etc., Milwaukee	14,228 31
Round House, Boiler House, etc., Madison	3,798 87
Round House and other Buildings, Watertown	4,215 99
Shops, Crossing Gates, etc., Minneapolis	16,567 21
New Depot, Racine	980 28
Depot, Round House, etc., Mason City	3,011 07
Shops, Austin	28,458 53
Depot, Wauwatosa	3,625 02
Depot, National Avenue, Milwaukee	6,810 60
Depot, Round House, etc., North McGregor	11,642 53
Round House, Tomah	11,196 09
Depots, Warehouses, Coal Sheds, Water Tanks, etc., at Sundry Points	114,221 93
Round House, Buildings, Yards, etc., at Marion	60,796 13
Iron Bridges, Sundry Points	44,652 85
New Fences	10,417 36
New Culverts	24,800 26
Yard Improvements, Chicago	8,686 94
Yard Improvements, Milwaukee	40,746 85
Yard Improvements, North Milwaukee	17,612 23
Yard Improvements, La Crosse	5,006 57
Yard Improvements, Faribault	14,129 23
Yard Improvements, Sundry Points	8,002 84
Widening Embankments, Ballasting, etc	22,278 76
New Side Tracks, Sundry Points	85,511 69
Miscellaneous Improvements	156,571 96
Total	$1,621,123 64

VALUE OF FUEL AND SUPPLIES.

ON HAND DECEMBER 31ST, 1887.

Coal	40,746	Tons,	89,227 60
Wood	36,596	Cords,	95,997 83
Ties	1,621,267	Number,	694,732 85
Steel and Iron Rails	32,322	Tons,	872,307 12
Oil	161,421	Gallons,	33,545 42
Waste	105,983	Pounds,	8,013 90
Splices, Bolts and Spikes	2,112,675	Pounds,	50,349 82
Iron (worked and unworked)	7,813,647	Pounds,	170,990 79
Copper and Brass	698,800	Pounds,	70,383 42
Lumber and Timber	15,936,924	Feet,	288,122 89
Piles	108,295	Feet,	11,894 87
Posts	27,247	Number,	4,058 93
Engine and Car Wheels	2,538	Number,	18,710 64
Engine and Car Wheels (on axles)	2,730	Pairs,	62,681 19
Engine and Car Axles	252,822	Pounds,	7,098 14
Tires	166,099	Pounds,	8,662 32
Steel and Steel Springs	618,984	Pounds,	34,200 10
Engine, Car and Road Castings	3,845,881	Pounds,	68,229 61
Paints and Oils			16,597 93
Stationery Supplies			31,080 39
Other Supplies			290,285 24
Total			$2,927,171 00

SUMMARY.

No. of miles run by Passenger trains.....		6,690,804
No. of miles run by Freight trains		*15,129,726
No. of miles run by Wood and Gravel trains..		1,400,339
Total No. of miles run.....		23,220,869
No. of tons of Freight carried one mile.....		1,629,384,501
No. of Passengers carried one mile		230,444,573
Earnings per mile run, on Freight		$1 17
Earnings per mile run, on Passenger		87
Expenses per mile run, including all expenditures		66
Percentage of Expenses to Earnings, including all expenditures		60.42%
Amount received per ton per mile.....		1.09 cts.
Amount received per Passenger per mile		2.54 cts.
Cost of maintaining Track and Bridges per mile run.....		11.58 cts.
Cost of repairs of Locomotives, per mile run.....	4.08 cts.	
Cost of Engineers, Firemen and Wipers, per mile run.....	6.86 cts.	
Cost of Oil and Waste, per mile run..	.68 cts.	
Cost of Fuel, per mile run.....	8.75 cts.	20.37 cts.
Length of road, December 31st, 1887.....		5,670 miles.
Average No. of miles in operation during the year.....		5,355 miles.
‡Gross Earnings per mile of road operated....		$4,736 90
‡Net Earnings per mile of road operated.....		1,874 77

*Includes switching.

‡In arriving at these results, the average number of miles in operation for the entire year were used, viz: 5355 miles.

Statement of Bonds, January 1st, 1888.

DESCRIPTION OF BONDS.	RATE OF INTEREST.	INTEREST PAYABLE.	DATE.	YEAR PAYABLE.	AMOUNT.
Consolidated Mortgage Bonds	7 per cent.	Jan. and July.	1875	1905	$11,486,000 00
Terminal Bonds	5 "	" "	1884	1914	4,809,000 00
Income Sinking Fund Convertible Bonds	5 "	" "	1886	1916	2,000,000 00
First Mortgage La Crosse Division Bonds	7 "	" "	1863	1893	5,223,000 00
" " Iowa & Minnesota Division Bonds	7 "	" "	1867	1897	3,198,000 00
" " Prairie du Chien " "	8 "	Feb. and Aug.	1868	1898	3,674,000 00
Second " " " " " "	7.3 "	" "	1868	1898	1,241,000 00
First " Chicago & Milwaukee " "	7 "	Jan. and July.	1873	1903	2,393,000 00
" " St. Paul (or River) " "	7 "	" "	1872	1902	3,178,000 00
" " " " " Sterling	7 "	" "	1872	1902	626,500 00
" " Iowa & Dakota " "	7 "	" "	1869	1899	541,000 00
" " " " Div. Extension "	7 "	" "	1878	1908	3,505,000 00
" " Hastings & Dakota Division "	7 "	" "	1872	1902	89,000 00
" " " " Div. Exten. "	7 "	" "	1880	1910	5,680,000 00
" " " " " " "	5 "	" "	1880	1910	990,000 00
" " Southwestern Division "	6 "	" "	1879	1909	4,000,000 00
" " La Crosse & Davenport Div. "	5 "	" "	1879	1919	2,500,000 00
" " Chicago & Pacific Division "	6 "	" "	1880	1910	3,000,000 00
" " Chicago& Pacific Western Div."	5 "	" "	1881	1921	25,340,000 00
" " Southern Minnesota Division "	6 "	" "	1880	1910	7,432,000 00
" " Mineral Point " "	5 "	" "	1880	1910	2,840,000 00
" " Dubuque " "	6 "	" "	1880	1920	6,565,000 00
" " Wisconsin Valley " "	6 "	" "	1880	1920	2,466,000 00
" " Wisconsin & Minnesota " "	5 "	" "	1881	1921	4,755,000 00
" " Chicago & Lake Superior Div."	5 "	" "	1881	1921	1,360,000 00
" " Chicago Missouri River Div. "	5 "	" "	1886	1926	3,083,000 00
Land Grant Income Bonds	7 "	" "	1880	1890	1,236,000 00
Real Estate Mortgage Bonds	5 "	Mar. and Sept.	1884	1894	225,000 00
" " " "	5 "	April and Oct.	1885	1890	50,000 00
Minnesota Central R. R. Bonds	7 "	Jan. and July.	1864	1894	123,000 00
Milwaukee & Western R. R. Bonds	7 "	" "	1861	1891	215,000 00
Wisconsin Valley R. R. Bonds	7 "	" "	1879	1909	1,106,500 00
Fargo & Southern R'y Bonds—First Mortgage	6 "	" "	1883	1924	1,250,000 00
Fargo & Southern R'y Bonds—Income	6 "	April and Oct.	1885	1895	200,000 00
Dakota & Great Southern R'y Bonds	5 "	Jan. and July.	1886	1916	2,856,000 00
Total					$119,236,000 00

Dr. General Account, December 31st, 1887. Cr.

Cost of Road and Equipment..		$177,374,429 79	Capital Stock, Preferred.....	$21,596,900 00	
Coal Lands.....	$546,654 03		" " Common.....	39,680,361 00	$61,277,261 00
Bonds, Stock, etc., of other companies.....	2,909,148 15		Funded Debt.....		119,236,000 00
Balances due from Agents, Conductors, etc.....	299,883 36		Unpaid Vouchers and Pay Rolls.	2,896,431 90	
United States Government.....	253,090 44		Dividends Unclaimed.....	66,610 27	
Miscellaneous Accounts, "Current Balances".....	566,735 71		Interest Coupons not presented	32,844 32	
Stock of Material and Fuel on hand.....	2,927,171 00		Interest accrued, not yet payable.....	3,395,485 65	6,391,372 14
Bills Receivable.....	21,200 00	7,523,882 69	Income Account.....		4,074,998 68
Mortgage Bonds of the Company unsold and held in its Treasury.....	3,365,000 00				
Cash on hand, Milwaukee and New York.....	2,716,319 34	6,081,319 34			
		$190,979,631 82			$190,979,631 82

JAMES P. WHALING, *General Auditor.*

REPORT

OF THE

Chicago, Milwaukee & St. Paul

RAILWAY COMPANY,

For the Calendar Year Ending December 31st, 1888.

1888.

1888.

REPORT

OF THE

Chicago, Milwaukee & St. Paul

RAILWAY COMPANY,

For the Calendar Year Ending December 31st, 1888.

MILWAUKEE:
CRAMER, AIKENS & CRAMER, PRINTERS.
1889.

DIRECTORS AND OFFICERS

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.

DIRECTORS.

PHILIP D. ARMOUR,	CHICAGO.
FRANK S. BOND,	NEW YORK.
HUGH T. DICKEY,	"
JASON C. EASTON,	LA CROSSE.
PETER GEDDES,	NEW YORK.
ROSWELL MILLER,	MILWAUKEE.
GEORGE C. MAGOUN,	NEW YORK.
JOSEPH MILBANK,	"
JOHN PLANKINTON,	MILWAUKEE.
WILLIAM ROCKEFELLER,	NEW YORK.
JAMES STILLMAN,	"
A. VAN SANTVOORD,	"
JAMES T. WOODWARD,	"

OFFICERS.

ROSWELL MILLER,	President and General Manager,	MILWAUKEE.
FRANK S. BOND,	Vice-President,	NEW YORK.
J. F. TUCKER,	Assistant General Manager,	MILWAUKEE.
A. J. EARLING,	General Superintendent,	"
P. M. MYERS,	Secretary and Assistant to Manager,	MILWAUKEE.
J. M. McKINLAY,	Assistant Secretary and Transfer Agent,	NEW YORK.
J. M. BOKEE,	Assistant Secretary and Transfer Agent,	"
C. B. FERRY,	Assistant Secretary and Transfer Agent,	"
F. G. RANNEY,	Treasurer,	MILWAUKEE.
JOHN W. CARY,	General Counsel,	"
JOHN T. FISH,	General Solicitor,	"
J. P. WHALING,	General Auditor,	"
W. N. D. WINNE,	Assistant General Auditor,	"

REPORT

TO THE

BOARD OF DIRECTORS.

REPORT OF THE OPERATION

OF THE

CHICAGO, MILWAUKEE & ST. PAUL

RAILWAY COMPANY,

For the Calendar Year Ending December 31st, 1888.

To the Board of Directors:

The Legislature of the State of Wisconsin having changed the fiscal year of this Company so that it will hereafter end June 30th, the next or twenty-fifth Annual Report will therefore be made for the year ending June 30th, 1889, and correspond with the Annual Reports required by the Interstate Commerce Commission and by the various State Commissions.

For the purpose of comparing the operation of the Calendar year 1888, with the operation of the Calendar year 1887, for which the last Annual Report was made, the following report is submitted:

MILES OF TRACK.

Main track owned solely by this Company	5,669.47	
Main track owned jointly with other Companies	8.68	
Total length of main track		5,678.15
Second and third tracks and connection tracks owned solely by this Company	68.14	
Second and third tracks and connection tracks owned jointly with other Companies	2.84	
Total length of second and third tracks and connections		70.98
Tracks owned by other Companies, but used by this Company under agreements		44.81
Yard tracks, sidings and spur tracks owned solely by this Company	1,071.60	
Yard tracks, sidings and spur tracks owned jointly with other Companies	16.53	
Total length of yard tracks, sidings and spur tracks		1,088.13
Total miles of track		6,882.07

The lines of road are located as follows:

In Illinois	317.78	miles.
" Wisconsin	1,310.09	"
" Iowa	1,574.73	"
" Minnesota	1,120.17	"
" Missouri	140.27	"
" Dakota	1,215.11	"
Total length of main track	5,678.15	"

COMPARATIVE SUMMARY OF OPERATION.

GROSS EARNINGS.

1887	$25,366,123 98		
1888	24,867,730 56	Decrease	$498,393 42

OPERATING EXPENSES.

1887	$15,326,693 80		
1888	17,377,353 39	Increase	$2,050,659 59

NET EARNINGS.

1887	$10,039,430 18		
1888	7,490,377 17	Decrease	$2,549,053 01

TONS OF FREIGHT CARRIED.

1887	7,573,795		
1888	7,776,381	Increase	202,586

NUMBER OF PASSENGERS CARRIED.

1887	6,144,068		
1888	7,556,886	Increase	1,412,818

MILES RUN BY FREIGHT, PASSENGER AND MIXED TRAINS.

1887	17,463,409		
1888	19,380,244	Increase	1,916,835

MILEAGE OF LOADED FREIGHT CARS.

1887	169,513,964		
1888	182,516,157	Increase	13,002,193

MILEAGE OF EMPTY FREIGHT CARS.

1887	61,210,749		
1888	68,001,901	Increase	6,791,152

COST OF OPERATING ROAD PER REVENUE TRAIN MILE RUN.

1887	87.77 cts.		
1888	89.67 cts.	Increase	1.90 cts.

GROSS EARNINGS PER MILE OF ROAD.

1887	$4,736 90		
1888	4,389 71	Decrease	$347 19

OPERATING EXPENSES PER MILE OF ROAD.

1887	$2,862 13		
1888	3,067 49	Increase	$205 36

NET EARNINGS PER MILE OF ROAD.

1887	$1,874 77		
1888	1,322 22	Decrease	$552 55

AVERAGE MILES OF ROAD OPERATED DURING THE YEAR.

1887	5,355		
1888	5,665	Increase	310

The average rate per ton per mile received for freights for a series of years past, has been as follows, viz:

1865.....4.11 cts.	1873.....2.50 cts.	1881....1.70 cts.
1866.....3.76 cts.	1874.....2.38 cts.	1882....1.48 cts.
1867.....3.94 cts.	1875.....2.10 cts.	1883....1.39 cts.
1868.....3.49 cts.	1876.....2.04 cts.	1884....1.29 cts.
1869.....3.10 cts.	1877.....2.08 cts.	1885....1.28 cts.
1870.....2.82 cts.	1878.....1.80 cts.	1886....1.17 cts.
1871.....2.54 cts.	1879.....1.72 cts.	1887....1.09 cts.
1872.....2.43 cts.	1880.....1.76 cts.	1888....1.006 cts.

For details of operation reference is made to the Statements of the General Auditor appended hereto.

Respectfully submitted,

ROSWELL MILLER,
President and General Manager.

To the President:—

Herewith are submitted Statements of Operation and of the General Accounts for the calendar year ending December 31st, 1888.

JAMES P. WHALING,
General Auditor.

DETAILED STATEMENT

OF

EARNINGS AND EXPENSES

FOR THE YEARS 1887 AND 1888

EARNINGS.

	1887.	1888.
From Freight	17,742,141 58	16,998,118 35
From Passengers	5,849,260 77	6,031,091 19
From Mails, Express, Etc	1,774,721 63	1,838,521 02
Gross Earnings	$25,366,123 98	$24,867,730 56

EXPENSES.

	1887.	1888.
Repairs of Track	988,563 35	1,206,568 11
Renewal of Rails	392,236 92	326,959 61
Renewal of Ties	865,681 56	768,959 98
Trackage	89,108 78	122,429 34
Repairs of Bridges	354,170 35	574,966 36
Repairs of Fences	103,837 46	47,849 01
Repairs of Buildings	167,413 08	191,271 77
Repairs of Locomotives	947,519 35	1,140,135 22
Repairs of Cars	1,305,872 39	1,420,127 75
Repairs of Tools and Machinery	88,923 11	105,529 34
Carried forward	5,303,326 35	5,904,796 49

	1887.	1888.
Brought forward	5,303,326 35	5,904,796 49
Management and General Offices	519,422 78	532,507 42
Foreign Agency and Advertising	216,354 39	230,215 59
Station Service	2,385,108 45	2,605,745 97
Conductors, Bag'e and Brakemen	1,238,277 93	1,426,477 20
Engineers, Firemen and Wipers	1,593,155 50	1,802,494 31
Train and Station Supplies	463,735 07	521,097 28
Fuel Consumed	2,031,803 43	2,401,668 77
Oil and Waste	158,766 06	164,860 48
Personal Injuries	123,918 24	176,827 39
Damage to Property	60,782 22	70,588 78
Loss and Damage of Fr't and B'ge	26,041 64	37,136 83
Legal Expenses	99,126 25	131,167 16
New York Office Expenses	27,842 85	27,246 29
Taxes	767,022 08	828,628 90
Insurance	50,106 75	42,564 96
Miscellaneous Expenses	154,516 11	165,340 91
Stock Yard Expenses	14,696 08	12,863 59
Expenses of Elevators	58,175 03	54,202 03
Mileage of Cars	34,516 59	240,923 04
Total Expenses	$15,326,693 80	$17,377,353 39

RECAPITULATION.

	1887.	1888.	Increase.	Decrease.
Gross Earnings	25,366,123 98	24,867,730 56		498,393 42
Total Expenses	15,326,693 80	17,377,353 39	2,050,659 59	
Net Earnings	$10,039,430 18	$7,490,377 17		$2,549,053 01

STATEMENT OF EARNINGS MONTHLY, FOR THE YEAR 1888.

	FREIGHT.	PASSENGERS.	MAILS, EXPRESS, ETC.	TOTAL.
January	961,727 39	349,196 13	141,123 01	1,452,046 53
February	1,092,599 04	345,808 67	138,654 25	1,577,061 96
March	1,329,257 21	463,444 37	138,187 71	1,930,889 29
April	1,207,903 35	479,675 21	138,120 12	1,825,698 68
May	1,145,729 87	477,185 85	144,148 83	1,767,064 55
June	1,321,337 61	538,455 30	141,535 71	2,001,328 62
July	1,207,582 85	571,025 67	145,956 80	1,924,565 32
August	1,318,259 25	591,225 00	169,192 50	2,078,676 75
September	1,680,268 27	643,129 60	154,769 13	2,478,167 00
October	2,194,402 92	585,880 07	162,208 05	2,942,491 04
November	1,955,965 64	497,279 19	162,014 97	2,615,259 80
December	1,583,084 95	488,786 13	202,609 94	2,274,481 02
Total	$16,998,118 35	$6,031,091 19	$1,838,521 02	$24,867,730 56

DETAIL OF EARNINGS FOR THE YEAR 1888.

From	Freight	16,998,118 35
"	Passengers	6,031,091 19
"	Mail Service	840,944 55
"	Express Service	434,288 51
"	News Service	11,979 84
"	Rents	45,282 04
"	Telegraph	22,738 43
"	Extra Baggage	94,607 34
"	Sleeping Cars	58,501 86
"	Parlor Cars	14,553 71
"	Stock Yards	53,402 01
"	Milk	106,063 04
"	Elevators	156,159 69
	Total	$24,867,730 56

EQUIPMENT IN SERVICE DEC. 31, 1888.

Locomotives	786
Passenger Cars (1st and 2d class)	354
Sleeping Cars	9
Parlor Cars	9
Dining Cars	10
Baggage, Postal, Mail and Express Cars	244
Box Cars	15,125
Stock Cars	2,540
Flat and Coal Cars	4,355
Refrigerator Cars	345
Caboose, Wrecking, Tool Cars, etc	531

In addition to the equipment above mentioned, the Pullman Palace Car Company controls and operates on the lines of the company 45 Sleeping Cars in which this Company owns a three-fourths interest.

MILEAGE AND REVENUE OF FREIGHT FOR THE YEAR 1888.

	EASTWARD.	WESTWARD.	TOTAL.
No. Tons Freight carried	3,988,394	3,787,987	7,776,381
No. Tons Freight carried one mile	928,870,639	761,358,022	1,690,228,661
Total Freight Earnings	$9,770,197 67	$7,227,920 68	$16,998,118 35
Rate per Ton per mile	1.052 cents.	0.949 cents.	1.006 cents.

MILEAGE AND REVENUE OF PASSENGERS FOR THE YEAR 1888.

	EASTWARD.	WESTWARD.	TOTAL.
No. Passengers carried	3,869,069	3,687,817	7,556,886
No. Passengers carried one mile	118,638,564	136,030,213	254,668,777
Total Passenger Earnings	$2,938,565 81	$3,092,525 38	$6,031,091 19
Rate per Passenger per mile	2.48 cents.	2.27 cents.	2.37 cents.

STATEMENT OF COMMODITIES TRANSPORTED

DURING THE YEARS 1887 AND 1888.

COMMODITIES.	1887.		1888.	
	Tons.	Per Cent.	Tons.	Per Cent.
Flour	383,630	5.06	423,280	5.44
Mill Feed	84,212	1.11	92,915	1.20
Wheat	946,428	12.50	708,143	9.11
Barley	266,278	3.52	264,767	3.40
Oats	169,766	2.24	171,987	2.21
Corn	172,218	2.27	232,336	2.99
Flax Seed	82,249	1.09	82,893	1.06
Other Cereals	80,410	1.06	79,667	1.02
Hay	93,639	1.24	138,805	1.80
Provisions	101,437	1.34	102,338	1.32
Dairy Products	28,239	.37	32,086	.41
Salt	53,582	.71	102,929	1.32
Lime, Cement and Plaster	112,526	1.49	174,695	2.25
Brick and Stone	354,699	4.68	292,772	3.76
Iron, Merchant Pig and R.R.	219,334	2.90	149,424	1.92
Manufactures and Ag'l Im.	183,434	2.42	202,378	2.60
Coal	868,589	11.47	1,002,840	12.90
Live Stock	366,089	4.83	463,593	5.96
Lumber	1,001,782	13.22	1,110,355	14.28
Merchandise	630,614	8.33	677,448	8.71
Miscellaneous	1,374,640	18.15	1,270,730	16.34
Totals	7,573,795	100.00	7,776,381	100.00

DETAIL OF EQUIPMENT AND IMPROVEMENT EXPENDITURES FOR THE YEAR 1888.

Additional Equipment	$1,346,622 96
Real Estate, Sundry points	37,400 65
Round House, Shops, etc., Milwaukee	14,661 99
Coal Chutes, etc., Milwaukee	4,266 35
Pavement, etc., Milwaukee	19,908 22
Shops, Austin	6,083 64
Round House, etc., Savanna	12,587 02
Round House, etc., Montevideo	12,046 72
Round House, etc., Jackson	6,331 24
Round House, etc., Aberdeen	6,484 21
Coal Chute, Western Avenue	7,119 48
Coal Chute, Wausau	2,409 00
Pavement, St. Paul	4,492 00
Pavement, Sioux Falls	2,748 96
Elevator, Yorkshire	7,493 04
Elevator, Underwood	6,801 65
Elevator, Weston	6,700 22
Eating House, Austin	5,510 25
Filling Approaches to Sabula Bridge	7,211 77
Depot, etc., Winona	10,604 43
Depot, etc., Decorah	4,090 12
Depot, etc., Tomah	3,458 51
Depot, etc., Beloit, Wis	2,977 64
Depot, etc., Northfield	4,388 19
Depot, etc., Welcome	2,213 08
Depot, etc., Monroe, Wis	2,423 04
Depots, Warehouses, Coal Sheds, Water Tanks, etc., at Sundry Points	146,060 15
Round House, Buildings, Yards, etc., at Marion	38,178 28
Change of Line, Marion to Cedar Rapids	89,790 44
Iron Bridges, Sundry Points	158,256 27
New Fences	30,397 81
New Culverts	18,160 26
Yard Improvements, Chicago	34,095 23
Yard Improvements, Milwaukee	15,481 97
Yard Improvements, Spaulding	8,808 17
Yard Improvements, Winona	5,944 48
Yard Improvements, Savanna	7,460 99
Yard Improvements, North Milwaukee	4,100 17
Yard Improvements, Sundry Points	20,654 67
Widening Embankments, Ballasting, etc	103,068 83
New Side Tracks, Sundry Points	124,999 81
Miscellaneous Improvements	482,059 18
Total	$2,834,551 09

MATERIAL AND FUEL ON HAND.

Coal	76,549	Tons,	$149,504 15
Wood	29,479	Cords,	73,516 36
Ties	550,945	Number,	217,204 50
New Steel Rails	972	Tons,	32,732 55
Old Steel Rails	7,621	Tons,	185,626 48
Old Iron Rails	12,299	Tons,	261,542 41
Oil	134,909	Gallons,	30,837 57
Waste	111,609	Pounds,	8,021 69
Splices, Bolts and Spikes	3,457,243	Pounds,	64,969 78
Iron (worked and unworked)	6,742,313	Pounds,	129,156 05
Copper and Brass	486,686	Pounds,	60,933 29
Lumber and Timber	17,450,886	Feet,	321,423 73
Piles	173,250	Feet,	21,036 72
Posts	101,074	Number,	12,609 33
Engine and Car Wheels	3,712	Number,	26,521 24
Engine and Car Wheels (on axles)	2,711	Pairs,	59,366 70
Engine and Car Axles	448,753	Pounds,	11,360 98
Tires	84,738	Pounds,	4,599 87
Steel and Steel Springs	555,884	Pounds,	33,291 08
Engine, Car and Road Castings	4,554,888	Pounds,	100,191 31
Paints and Oils			12,805 00
Stationery Supplies			26,142 06
Other Supplies			362,556 19
Total Dec. 31st, 1888			$2,205,949 04
Total Dec. 31st, 1887			$2,927,171 00
Decrease			$721,221 96

TRANSPORTATION STATISTICS.

Miles run by Passenger trains	7,058,417
Miles run by Freight trains	11,741,612
Miles run by Mixed trains	580,215
Total miles run by trains earning revenue	19,380,244
Miles run by Switching trains	4,680,065
Miles run by Construction and other trains	1,268,142
Total miles run by trains	25,328,451
Number of passengers carried	7,556,886
Number of passengers carried one mile	254,668,777
Average miles each passenger was carried	33.70
Revenue per passenger per mile	2.37 cts.
Revenue from passengers per train mile run	83.72 cts.
Number of tons of freight carried	7,776,381
Number of tons of freight carried one mile	1,690,228,661
Average miles each ton was carried	217.35
Received per ton per mile	1.006 cts.
Revenue from freight per train mile run	$1.3959
Repairs of Locomotives per revenue train mile run	5.88 cts.
Repairs of Cars " " " " "	7.33 cts.
Station Service " " " " "	13.45 cts.
Train Service " " " " "	7.36 cts.
Locomotive Service " " " " "	9.30 cts.
Train and Station supplies " " " "	2.69 cts.
Fuel " " " " "	12.39 cts.
Oil and Waste " " " " "	.85 cts.
All other expenses " " " " "	30.42 cts.
Total operating expenses " " " " "	89.67 cts.
Percentage of expenses (including taxes) to earnings	69.88 %

STATEMENT OF INCOME ACCOUNT.

Balance at credit January 1, 1888.....		$4,074,998 68
Gross earnings for 1888.....	$24,867,730 56	
Less operating expenses (including taxes).....	17,377,353 39	
Net earnings.....	7,490,377 17	
Income from other sources.....	218,173 91	
Net revenue for the year.....		7,708,551 08
Total.....		$11,783,549 76
Interest accrued during the year 1888 on Funded Debt.....	7,048,976 24	
Old accounts charged off.....	234,126 10	
Dividend No. 36 payable April 23, 1888, 3½% on $21,596,900, preferred stock...	755,891 50	
2½% on $38,982,761, common stock....	974,569 02	
Dividend No. 37, payable Oct. 22, 1888, 2½% on $21,610,900, preferred stock...	540,272 50	
Total charges to Income Account.		9,553,835 36
Balance at credit December 31, 1888. ...		$2,229,714 40

GENERAL ACCOUNT, DECEMBER 31st, 1888.

Dr.			Cr.		
Cost of Road and Equipment.		$180,452,974 35	Capital Stock, Preferred.....	$21,610,900 00	
Bonds, Stock, etc., of other companies.....	$3,671,172 74		" " Common.....	39,868,961 00	$61,479,861 00
Balances due from Agents, Conductors, etc.....	271,744 08		Funded debt.....		118,984,000 00
Due from United States Government.....	269,467 11		Pay Rolls, Vouchers and Accounts.....	2,797,152 34	
Miscellaneous Accounts, "Current Balances".....	355,440 64		Dividends Unclaimed.....	61,250 67	
Stock of Material and Fuel on hand.....	2,205,949 04		Interest Coupons not presented.....	41,862 16	
Bills Receivable.....	12,200 00		Interest accrued, not yet payable.....	3,451,961 81	
Mortgage Bonds of the Company unsold and held in its Treasury.....	763,000,00		Loan Account, New York.....	1,550,000 00	7,902,226 98
Cash on Hand.....	2,593,854,42	10,142,828 03	Income Account.....		2,229,714 40
		$190,595,802 38			$190,595,802 38

JAMES P. WHALING, *General Auditor.*

STATEMENT OF BONDS, OUTSTANDING DECEMBER 31st, 1888.

DESCRIPTION OF BONDS.	RATE OF INTEREST.	INTEREST PAYABLE.	DATE.	YEAR PAYABLE.	AMOUNT.
Consolidated Mortgage Bonds	7 per cent.	Jan. and July.	1875	1905	$11,486,000 00
Terminal Bonds	5 "	" "	1884	1914	4,773,000 00
Income Sinking Fund Convertible Bonds	5 "	" "	1886	1916	*2,000,000 00
First Mortgage La Crosse Division Bonds	7 "	" "	1863	1893	5,209,000 00
" " Iowa & Minnesota Division Bonds	7 "	" "	1867	1897	3,198,000 00
" " Prairie du Chien " "	8 "	Feb. and Aug.	1868	1898	3,674,000 00
Second " " " " " "	7.3 "	" "	1868	1898	1,241,000 00
First " Chicago & Milwaukee " "	7 "	Jan. and July.	1873	1903	2,393,000 00
" " St. Paul (or River) " "	7 "	" "	1872	1902	3,198,000 00
" " " " " Sterling	7 "	" "	1872	1902	606,500 00
" " Iowa & Dakota " "	7 "	" "	1869	1899	541,000 00
" " " " Div. Extension "	7 "	" "	1878	1908	3,505,000 00
" " Hastings & Dakota Division "	7 "	" "	1872	1902	89,000 00
" " " " Div. Exten. "	7 "	" "	1880	1910	5,680,000 00
" " " " " " "	5 "	" "	1880	1910	990,000 00
" " Southwestern Division "	6 "	" "	1879	1909	4,000,000 00
" " La Crosse & Davenport Div. "	5 "	" "	1879	1919	2,500,000 00
" " Chicago & Pacific Division "	6 "	" "	1880	1910	3,000,000 00
" " Chicago & Pacific West'n Div. "	5 "	" "	1881	1921	25,340,000 00
" " Southern Minnesota Division "	6 "	" "	1880	1910	7,432,000 00
" " Mineral Point " "	5 "	" "	1880	1910	2,840,000 00
" " Dubuque " "	6 "	" "	1880	1920	6,565,000 00
" " Wisconsin Valley " "	6 "	" "	1880	1920	2,466,000 00
" " Wisconsin & Minnesota " "	5 "	" "	1881	1921	4,755,000 00
" " Chicago & Lake Superior Div. "	5 "	" "	1881	1921	1,360,000 00
" " Chicago Missouri River Div. "	5 "	" "	1886	1926	3,083,000 00
Land Grant Income Bonds	7 "	" "	1880	1890	1,034,000 00
Real Estate Mortgage Bonds	5 "	Mar. and Sept.	1884	1894	225,000 00
" " " "	5 "	April and Oct.	1885	1890	50,000 00
Minnesota Central R. R. Bonds	7 "	Jan. and July.	1864	1894	123,000 00
Milwaukee & Western R. R. Bonds	7 "	" "	1861	1891	215,000 00
Wisconsin Valley R. R. Bonds	7 "	" "	1879	1909	1,106,500 00
Fargo & Southern R'y Bonds—First Mortgage	6 "	" "	1883	1924	1,250,000 00
Fargo & Southern R'y Bonds—Income	6 "	April and Oct.	1885	1895	200,000 00
Dakota & Great Southern R'y Bonds	5 "	Jan. and July.	1886	1916	2,856,000 00
Total					$118,984,000 00

*The authorized issue of these bonds is $5,000,000 of which but $2,000,000 have been sold.

TWENTY-FIFTH

ANNUAL REPORT

OF THE

Chicago, Milwaukee & St. Paul

RAILWAY COMPANY,

For the Fiscal Year Ending June 30th, 1889.

1889.

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TWENTY-FIFTH

ANNUAL REPORT

OF THE

Chicago, Milwaukee & St. Paul

RAILWAY COMPANY,

For the Fiscal Year Ending June 30th, 1889.

1889.

1889.

TWENTY-FIFTH ANNUAL REPORT

OF THE

Chicago, Milwaukee & St. Paul

RAILWAY COMPANY,

For the Fiscal Year Ending June 30th, 1889.

MILWAUKEE:
CRAMER, AIKENS & CRAMER, PRINTERS,
1889.

DIRECTORS AND OFFICERS

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.

DIRECTORS.

PHILIP D. ARMOUR,	CHICAGO.
AUGUST BELMONT, JR.,	NEW YORK.
FRANK S. BOND,	"
HUGH T. DICKEY,	"
PETER GEDDES,	"
FREDERICK LAYTON,	MILWAUKEE.
GEORGE C. MAGOUN,	NEW YORK.
JOSEPH MILBANK,	"
ROSWELL MILLER,	MILWAUKEE.
WILLIAM ROCKEFELLER,	NEW YORK
SAMUEL SPENCER,	"
A. VAN SANTVOORD,	"
J. HOOD WRIGHT,	"

OFFICERS.

ROSWELL MILLER,	President and General Manager,	MILWAUKEE.
FRANK S. BOND,	Vice-President,	NEW YORK.
J. F. TUCKER,	Assistant General Manager,	MILWAUKEE.
A. J. EARLING,	General Superintendent,	"
P. M. MYERS,	Secretary and Assistant to Manager,	"
J. M. McKINLAY,	Assistant Secretary and Transfer Agent,	NEW YORK.
J. M. BOKEE,	Assistant Secretary and Transfer Agent,	"
C. B. FERRY,	Assistant Secretary and Transfer Agent,	"
F. G. RANNEY,	Treasurer,	MILWAUKEE.
JOHN W. CARY,	General Counsel,	"
JOHN T. FISH,	General Solicitor,	"
J. P. WHALING,	General Auditor,	"
W. N. D. WINNE,	Assistant General Auditor,	"

REPORT

OF THE

BOARD OF DIRECTORS.

THE

TWENTY-FIFTH ANNUAL REPORT

OF THE DIRECTORS OF THE

CHICAGO, MILWAUKEE & ST. PAUL

RAILWAY COMPANY,

TO THE STOCKHOLDERS.

For the Fiscal Year Ending June 30th, 1889.

The President and Directors submit to the stockholders the following report of the business and operations of the Company for the year ending June 30th, 1889, and of the condition of its property and finances at the close of that year.

By an act approved February 28th, 1889, the Legislature of the State of Wisconsin amended the Articles of Association, and provided that the fiscal year of this Company shall end June 30th

instead of December 31st, as heretofore; that the time of holding the annual meeting shall be in September instead of June; and that the Directors elected in June, 1889, shall continue in office until the annual meeting in September, 1890. The fiscal year now covers the same period as that for which reports are required by the Interstate Commerce Commission and the State Boards of Railway Commissioners.

At the annual meeting held in June last, the stockholders approved the action of the Board in authorizing the execution of a general mortgage to the United States Trust Company of New York, covering all the Railway property and franchises of the Company, to secure an issue of $150,000,000 of general mortgage gold bonds payable May 1st, 1989.

The purpose of this issue is to retire and refund at a lower rate of interest the bonded indebtedness of the Company; to provide funds for the extension of its railway and for additional equipment, real estate, and such other improvements as may be ordered by the Board of Directors; to pay off the bonds issued by the Chicago, Evanston & Lake Superior Railway Company on its railroad and terminal property in the city of Chicago, previously acquired by this Company, and to reimburse this Company for expenditures made in constructing and equipping such portions of its railway as were not covered by any of its mortgages.

Of the bonds so authorized, $6,000,000 bearing 4% interest, have been issued—$5,000,000 of which have been sold. These represent the cost of constructing and equipping about 178 miles of railroad not theretofore mortgaged, and the amount expended by the Company in paying off and cancelling $2,500,000 first mortgage bonds of the Evanston Company.

Of the remaining bonds, a sufficient amount is by the terms of the mortgage, reserved to retire, dollar for dollar, the underlying divisional and other bonds issued or assumed by the Company, and the balance is to be applied to the other uses set forth in the mortgage. If, as is confidently expected, all outstanding bonds of the Company can be refunded at 4%, an annual saving of about $2,400,000 in fixed charges will be effected.

The miles of railway owned and operated are as follows:

MILES OF TRACK.

Main track owned solely by this Company...	5,669.47	
Main track owned jointly with other Companies	8.68	
Total length of main track		5,678.15
Second and third tracks and connection tracks owned solely by this Company.....	68.14	
Second and third tracks and connection tracks owned jointly with other Companies.	2.84	
Total length of second and third tracks and connections.....		70.98
Tracks owned by other Companies, but used by this Company under agreements.....		44.81
Yard tracks, sidings and spur tracks owned solely by this Company.....	1,071.60	
Yard tracks, sidings and spur tracks owned jointly with other Companies.....	16.58	
Total length of yard tracks, sidings and spur tracks		1,088.18
Total miles of track		6,882.07

The miles of road constructed during the year are as follows:

From Evanston, to Hill Street, Wilmette, in Illinois, 1.68 miles, at a cost of $93,340.87, to preserve ordinance rights.

From Maquoketa, to Hurstville, in Iowa, 2.84 miles, at a cost of $22,627.90, to reach lime kilns at the latter place.

From Lapham Junction, to Zeda, in Wis., 2.66 miles, at a cost of $24,260.06, an extension of the Mather branch of the Wisconsin Valley Division, to reach bodies of timber.

The lines of road are located as follows:

In Illinois.....	317.78	miles.
" Wisconsin	1,310.09	"
" Iowa.....	1,574.78	"
" Minnesota	1,120.17	"
" Missouri	140.27	"
" Dakota	1,215.11	"
Total length of main track.....	5,678.15	"

The following statement shows the earnings, expenses and statistics relating to traffic, for the years ending June 30th, 1888 and 1889, respectively:

COMPARATIVE SUMMARY OF OPERATION.

GROSS EARNINGS.

1888	$24,726,741 62		
1889	25,422,559 22	Increase	$695,817 60

OPERATING EXPENSES.

1888	$16,474,316 62		
1889	16,548,385 41	Increase	$74,068 79

NET EARNINGS.

1888	$8,252,425 00		
1889	8,874,173 81	Increase	$621,748 81

TONS OF FREIGHT CARRIED.

1888	7,675,934		
1889	7,769,875	Increase	93,941

NUMBER OF PASSENGERS CARRIED.

1888	6,730,065		
1889	7,888,332	Increase	1,158,267

MILES RUN BY REVENUE TRAINS.

1888	18,906,445		
1889	18,609,618	Decrease	296,827

MILEAGE OF LOADED FREIGHT CARS.

1888	178,908,923		
1889	173,687,993	Decrease	5,220,930

MILEAGE OF EMPTY FREIGHT CARS.

1888	64,856,236		
1889	67,006,264	Increase	2,150,028

COST OF OPERATING ROAD PER REVENUE TRAIN MILE RUN.

1888	87.14 cts.		
1889	88.92 cts.	Increase	1.78 cts.

GROSS EARNINGS PER MILE OF ROAD.

1888	$4,433 70		
1889	4,480 54	Increase	$46 84

OPERATING EXPENSES PER MILE OF ROAD.

1888	$2,953 97		
1889	2,916 53	Decrease	$37 44

NET EARNINGS PER MILE OF ROAD.

1888	$1,479 73		
1889	1,564 01	Increase	$84 28

AVERAGE MILES OF ROAD OPERATED DURING THE YEAR.

1888	5,577		
1889	5,674	Increase	97

The average rate per ton per mile received for freights, for a series of years past, has been as follows, viz.:

1865.....4.11 cts.	1874.....2.38 cts.	1883.....1.39 cts.
1866.....3.76 cts.	1875.....2.10 cts.	1884.....1.29 cts.
1867.....3.94 cts.	1876.....2.04 cts.	1885.....1.28 cts.
1868.....3.49 cts.	1877.....2.08 cts.	1886.....1.17 cts.
1869.....3.10 cts.	1878.....1.80 cts.	1887.....1.09 cts.
1870.....2.82 cts.	1879.....1.72 cts.	1888.....1.006 cts.
1871.....2.54 cts.	1880.....1.76 cts.	1889.....1.059 cts.
1872.....2.43 cts.	1881.....1.70 cts.	
1873.....2.50 cts.	1882.....1.48 cts.	

While there has been a reduction in some items of operating expenses during the year, it will be seen by the statement herewith, that it has chiefly been in those which do not pertain to maintenance of the property. It is the policy of the Board to permit no deterioration of the property of the Company, and the expenditures for maintenance during the year have resulted in its improvement.

Eighteen thousand and thirty-eight tons of steel rails, and 1,900,623 cross-ties have been put in the track, and there are now 3,986.80 miles of main track laid with steel, and 1,691.35 miles with iron rails.

About two miles of pile and trestle bridges have been filled with earth, and a large number of wooden culverts have been replaced with iron, thus making a permanent way, and avoiding a large and constantly recurring expenditure for renewals.

The excess in cost of filling, over renewing in wood, has been charged to permanent improvements.

The improved condition of the motive power of the Company is indicated by the decrease in fuel expense—some portion of which is however due to the mildness of the winter of 1888–9.

During the year 40 locomotives have been purchased at a cost of $375,700; 10 have been scrapped and 5—too light for service—

have been sold. 20 passenger coaches have been purchased at a cost of $95,612.07, and one rotary snow plow, at a cost of $15,000.

Twenty-four caboose cars costing $18,514.45; 1 mail car costing $8,102.65; 500 lumber and furniture cars costing $217,932.97; and 100 refrigerator cars costing $75,385.92, have been built at the West Milwaukee shops. In building these cars, the Company has made some saving in repair expense, by using its surplus capacity of machinery.

The Company has expended during the year, for viaducts, sidewalks, crossing-gates and other improvements required by public authorities, the sum of $134,245.90.

It seems superfluous to add to what has already been given to the stockholders from various sources and in various forms, relative to the traffic complications that have prevailed during the past year. It must be apparent that the sources of the worst complications have been ill-advised and restrictive legislation and needless railways—some of them constructed for speculative purposes. It is a question which of these evils has proven the greater. The latter is primarily responsible for the complications which have produced unstable rates. It was to mitigate this evil, principally, that the Interstate Commerce Association was formed. To that association, this Company has hitherto given its hearty support and co-operation, deeming its object vital to railway interests, and the experiment deserving of a fair trial. In some cases it has operated to the detriment of the interests of this Company, without producing any general good. On the whole, however, it has hitherto proven a benefit, although the failure to secure the co-operation of important lines, has, from the outset, impaired its usefulness and prevented a full and fair trial of its methods. It has been demonstrated, however, to be the best form of agreement that has been devised, and it is hoped that the co-operation of outside lines may yet be secured, so that its objects may be accomplished as nearly as is practicable and its continuance assured. It is idle to expect that any association or agreement for securing stable rates can be a complete success so long as pools are prohibited. The expedient of a physical division of traffic must necessarily prove a fruitful source of dissatisfaction both to the public and to the railways, and the only methods by

which it can be accomplished are of doubtful legality. It is, therefore, to be hoped that pools will eventually be legalized—under the supervision, if need be, of the Interstate Commission—and that pool contracts will be subject to enforcement by the courts.

The increasing influence of foreign competition excites apprehension as to its ultimate effect on American railways. It is a competition of railways built for political and military purposes, with government subsidy, and definite guarantees to the owners; with the advantage of free markets for materials and supplies, both for construction and operation, and with freedom from taxation and the burdensome restrictions with which American railways are encumbered, as well by State as by National legislation. The result, thus far, has been, principally, a diversion of through traffic. The loss of through traffic inevitably impairs the ability of railways to give the best service to local traffic; and, therefore, the narrow view of this subject, which would permit the diversion of through traffic to foreign lines, because some sections may, for the time being, ship their products at a lower rate in consequence, ought only to be accepted when the public are prepared to accept all the results of such a policy in respect to all American interests and industries.

It is not easy to suggest a complete remedy for this condition of things. It is obvious that neither American laws, nor the jurisdiction of American courts, can be extended into foreign states; and, therefore, the least that should be done is to amend the present statutes, so as to leave no doubt of the freedom of American railways to meet foreign competition, unembarrassed by any doubt as to whether they may be sustained by the courts in making such rates as may be deemed necessary for that purpose, without affecting their local rates, or subjecting them to danger of prosecution for discrimination.

For details of operation reference is made to the statements of the General Auditor appended hereto.

By order of the Board of Directors,

ROSWELL MILLER,
President.

SEPTEMBER, 1889.

To the President:—

Herewith are submitted Statements of Operation and of the General Accounts for the fiscal year ending June 30th, 1889.

JAMES P. WHALING,
General Auditor.

DETAILED STATEMENT

OF

EARNINGS AND EXPENSES

FOR THE YEARS ENDING JUNE 30, 1888 AND 1889.

EARNINGS.

	1888.	1889.
From Freight	$16,933,042 21	$17,163,721 34
From Passengers	5,973,448 61	6,241,090 89
From Mails, Express, Etc	1,820,250 80	2,017,746 99
Gross Earnings	$24,726,741 62	$25,422,559 22

EXPENSES.

	1888.	1889.
Repairs of Track	$1,053,375 83	$1,095,141 02
Renewal of Rails	344,115 67	343,578 83
Renewal of Ties	590,879 67	851,228 64
Repairs of Bridges	458,229 34	612,361 50
Repairs of Fences	86,560 75	49,297 93
Repairs of Buildings	178,144 83	170,233 16
Repairs of Locomotives	1,059,386 69	1,102,413 84
Repairs of Cars	1,423,454 26	1,289,919 06
Repairs of Tools and Machinery	96,657 22	109,785 30
Carried forward	$5,290,804 26	$5,623,959 28

	1888.	1889.
Brought forward	$5,290,804 26	$5,623,959 28
Management and General Offices	516,804 50	546,815 99
Foreign Agency and Advertising	248,806 76	202,227 30
Station Service	2,577,843 28	2,506,746 43
Conductors, Bag'e and Brakemen	1,371,583 65	1,348,759 11
Engineers, Firemen and Wipers	1,745,483 71	1,710,379 06
Train and Station Supplies	530,525 88	445,395 90
Fuel Consumed	2,344,886 56	2,087,890 72
Oil and Waste	156,953 54	132,200 92
Personal Injuries	141,308 94	172,454 71
Damage to Property	69,711 72	63,967 27
Loss and Damage of Fr't and B'ge	26,691 16	42,776 86
Legal Expenses	118,497 73	116,723 16
New York Office Expenses	28,462 74	26,824 34
Taxes	808,312 62	803,517 30
Insurance	46,890 31	50,962 00
Miscellaneous Expenses	157,936 90	177,415 13
Stock Yard Expenses	14,070 59	12,657 51
Expenses of Elevators	56,915 35	52,376 27
Mileage of Cars	128,423 03	172,904 07
Trackage and Switching Charges	98,453 44	251,432 08
Total Expenses	$16,474,316 62	$16,548,385 41

RECAPITULATION.

	1888.	1889.	Increase.
Gross Earnings	$24,726,741 62	$25,422,559 22	$695,817 60
Total Expenses	16,474,316 62	16,548,385 41	74,068 79
Net Earnings	$8,252,425 00	$8,874,173 81	$621,748 81

STATEMENT OF EARNINGS MONTHLY.

	FREIGHT.	PASSENGER.	MAILS, EXPRESS, ETC.	TOTAL.
July, 1888	1,207,582 85	571,025 67	145,956 80	1,924,565 32
August, "	1,318,259 25	591,225 00	169,192 50	2,078,676 75
September, "	1,680,268 27	643,129 60	154,769 13	2,478,167 00
October, "	2,194,402 92	585,880 07	162,208 05	2,942,491 04
November, "	1,955,965 64	497,279 19	162,014 97	2,615,259 80
December, "	1,583,084 95	488,786 13	202,609 94	2,274,481 02
January, 1889	1,076,400 38	421,864 37	157,645 12	1,655,909 87
February, "	1,143,614 55	387,674 55	145,318 72	1,676,607 82
March, "	1,344,697 33	518,441 42	156,758 68	2,019,897 43
April, "	1,183,586 08	485,509 39	150,435 62	1,819,531 09
May, "	1,236,540 26	498,396 85	194,830 88	1,929,767 99
June, "	1,239,318 86	551,878 65	216,006 58	2,007,204 09
Total	17,163,721 34	6,241,090 89	2,017,746 99	25,422,559 22

EQUIPMENT IN SERVICE JUNE 30th, 1889.

Locomotives	783
Passenger Cars (1st and 2d class)	351
Sleeping Cars	9
Parlor Cars	9
Dining Cars	10
Baggage, Postal, Mail and Express Cars	244
Box Cars	15,234
Stock Cars	2,527
Flat and Coal Cars	4,269
Refrigerator Cars	445
Caboose, Wrecking, Tool Cars, etc	527

In addition to the equipment above mentioned, the Pullman Palace Car Company controls and operates on the lines of the Company 45 Sleeping Cars in which this Company owns a three-fourths interest.

MILEAGE AND REVENUE OF FREIGHT, YEAR ENDING JUNE 30TH, 1889.

	EASTWARD.	WESTWARD.	TOTAL.
No. Tons Freight carried	4,045,992	3,723,883	7,769,875
No. Tons Freight carried one mile	905,605,058	715,318,903	1,620,923,961
Total Freight Earnings	$9,974,680 46	$7,189,040 88	$17,163,721 34
Rate per Ton per mile	1.101 cents.	1.005 cents.	1.059 cents.

MILEAGE AND REVENUE OF PASSENGERS, YEAR ENDING JUNE 30TH, 1889.

	EASTWARD.	WESTWARD.	TOTAL.
No. Passengers carried	4,014,488	3,873,844	7,888,332
No. Passengers carried one mile	119,870,685	138,197,021	258,067,706
Total Passenger Earnings	$3,022,377 21	$3,218,713 68	$6,241,090 89
Rate per Passenger per mile	2.521 cents.	2.329 cents.	2.418 cents.

STATEMENT OF COMMODITIES TRANSPORTED

During the Years Ending June 30th, 1888 and 1889.

Commodities.	1888.		1889.	
	Tons.	Per Cent.	Tons.	Per Cent.
Flour	495,226	6.45	363,835	4.67
Mill Feed	108,708	1.42	79,866	1.04
Wheat	765,117	9.97	662,584	8.53
Rye	35,603	.46	39,146	.50
Barley	244,788	3.19	288,951	3.72
Oats	182,064	2.37	190,951	2.46
Corn	228,432	2.98	248,024	3.19
Flax Seed	90,022	1.17	79,257	1.02
Hay	108,402	1.41	119,247	1.54
Dairy Products	37,503	.49	42,282	.54
Other Agricultural Products	63,664	.83	87,577	1.12
Provisions	109,444	1.43	186,033	2.40
Salt	54,131	.71	105,109	1.35
Lime, Cement and Plaster	132,895	1.73	150,142	1.93
Brick and Stone	329,613	4.29	294,941	3.80
Iron, Merchant Pig and R. R.	216,846	2.82	150,278	1.93
Manufactures and Agr'l Im.	206,571	2.69	222,923	2.87
Coal	878,714	11.45	932,039	12.00
Live Stock	377,156	4.91	457,221	5.88
Lumber	1,250,039	16.29	1,347,745	17.35
Merchandise	669,670	8.72	746,956	9.61
Miscellaneous	1,091,326	14.22	974,768	12.55
Totals	7,675,934	100.00	7,769,875	100.00

DETAIL OF EQUIPMENT AND IMPROVEMENT EXPENDITURES

FOR THE YEAR ENDING JUNE 30TH, 1889.

Additional Equipment	$853,362 15
Real Estate, Chicago	4,038 41
Real Estate, St. Paul	4,056 00
Real Estate, sundry points	41,455 41
Round House and Shops, Milwaukee	13,661 42
Coal Chutes, Milwaukee	4,736 48
Pavement, Milwaukee	19,908 22
Shops, Austin	2,556 27
Round House, Savanna	6,628 94
Coal Chute, Western Avenue	7,912 86
Coal Chute, Wausau	2,298 32
Pavement, St. Paul	4,492 00
Pavement, Sioux Falls	2,748 96
Depot, Winona	10,716 54
Depot, Decorah	3,499 15
Depot, Tomah	3,606 14
Depot, Beloit, Wis	3,018 93
Depot, Northfield	4,519 38
Depot, Aberdeen	5,833 14
Depot, Welcome	2,213 08
Depot, Monroe, Wis	2,566 02
Depots, Warehouses, Coal Sheds, and Water Tanks at sundry points	111,187 11
Buildings and Yard at Marion	15,942 90
Change of Line, Marion to Cedar Rapids	34,452 85
Iron Bridges and Viaducts, sundry points	166,380 63
New Fences	38,206 88
New Culverts	26,057 14
Yard Improvements, Chicago	16,683 51
Yard Improvements, Milwaukee	7,491 73
Yard Improvements, Schwartzburg	4,548 50
Yard Improvements, Winona	5,571 80
Yard Improvements, Savanna	7,971 39
Yard Improvements, sundry points	29,606 09
Widening Embankments, Raising Grades, Filling and rip-rapping	93,200 14
New Side Tracks, sundry points	111,889 01
Miscellaneous Improvements	327,999 30
Total	$2,001,016 80

NOTE.—Expenditures made necessary by orders of State, County, City or other officers, included above, $134,245.90.

MATERIAL AND FUEL ON HAND.

Coal	35,518 Tons,	$ 68,357	60
Wood	24,838 Cords,	60,210	55
Ties	719,655 Number,	281,178	60
New Steel Rails	3,120 Tons,	97,676	05
Old Steel Rails	4,816 Tons,	113,360	62
Old Iron Rails	5,946 Tons,	127,094	09
Oil	145,314 Gallons,	28,203	21
Waste	77,808 Pounds,	5,985	02
Splices, Bolts and Spikes	2,339,427 Pounds,	44,851	56
Iron (worked and unworked)	6,224,997 Pounds,	128,992	22
Copper and Brass	479,630 Pounds,	57,032	32
Lumber and Timber	13,634,602 Feet,	246,788	33
Piles	525,150 Feet,	63,555	81
Posts	116,926 Number,	14,343	96
Engine and Car Wheels	2,288 Number,	16,383	12
Engine and Car Wheels (on axles)	2,791 Pairs,	59,162	69
Engine and Car Axles	948,490 Pounds,	21,889	03
Tires	103,654 Pounds,	4,707	28
Steel and Steel Springs	817,391 Pounds,	42,735	98
Engine, Car and Road Castings	4,155,170 Pounds,	80,552	03
Paints and Oils		12,206	98
Stationery Supplies		26,017	66
Other Supplies		331,211	24
Total June 30th, 1889		$1,932,490	95
Total June 30th, 1888		$2,764,414	74
Decrease		$831,923	79

NOTE.—A statement of material on hand on the 30th June necessarily includes a large amonnt of track and bridge material accumulated for the summer work.

TRANSPORTATION STATISTICS.

FOR THE YEARS ENDING JUNE 30TH, 1888 AND 1889.

	1888.	1889.
Miles run by Passenger trains	6,856,597	7,152,101
Miles run by Freight trains	11,499,157	10,780,603
Miles run by Mixed trains	550,691	676,914
Total miles run by revenue trains	18,906,445	18,609,618
Miles run by Switching trains	4,654,092	4,334,982
Miles run by Construction and other trains	1,576,087	769,853
Total miles run by trains	25,136,624	23,714,453
Number of passengers carried	6,730,065	7,888,332
Number of passengers carried one mile	244,302,662	258,067,706
Average miles each passenger was carried	36.30	32.72
Revenue per passenger per mile	2.445 cts.	2.418 cts.
Revenue from passengers per train mile run	85.40 cts.	85.25 cts.
Number of tons of freight carried	7,675,934	7,769,875
Number of tons of freight carried one mile	1,660,089,864	1,620,923,961
Average miles each ton was carried	216.27	208.62
Revenue per ton per mile	1.020 cts.	1.059 cts.
Revenue from freight per train mile run	$1.4215	$1.5205
Repairs of Locomotives per revenue train mile run	5.60 cts.	5.92 cts.
Repairs of Cars " " " " "	7.53 cts.	6.93 cts.
Station Service " " " " "	13.64 cts.	13.47 cts.
Train Service " " " " "	7.26 cts.	7.25 cts.
Locomotive Service " " " " "	9.23 cts.	9.19 cts.
Train and Station Supplies " " " " "	2.81 cts.	2.39 cts.
Fuel " " " " "	12.40 cts.	11.22 cts.
Oil and Waste " " " " "	.83 cts.	.71 cts.
All other expenses " " " " "	27.84 cts.	31.84 cts.
Total operating expenses " " " " "	87.14 cts.	88.92 cts.
Percentage of expenses (including taxes) to earnings	66.63%	65.09%

LAND DEPARTMENT.

On the 1st of July, 1888, the Company owned lands in Iowa, Minnesota and Wisconsin amounting to		64,667.40 acres.
It received during the year.....	7,030.62 acres.	
And sold during the year.....	4,430.18 acres.	2,600.44 acres.
Unsold June 30th, 1889.....		67,267.84 acres.

Estimated value of unsold lands	$152,277 12
Balance due on lands previously sold	297,646 52
Total June 30th, 1889	$449,923 64

STATEMENT OF INCOME ACCOUNT

FOR THE FISCAL YEAR ENDING JUNE 30TH, 1889.

Balance at credit, July 1st, 1888		$ 699,818 36
Gross Earnings	$25,422,559 22	
Less Operating Expenses (including taxes)	16,548,385 41	
Net Earnings	8,874,173 81	
Income from other sources	225,777 86	
Net Revenue for the year		9,099,951 67
Total		$9,799,770 03
Interest accrued during the year on Funded Debt	7,054,470 99	
Old accounts charged off	234,126 10	
Dividend No. 37, payable Oct. 22d, 1888, 2½% on $21,610,900, preferred stock	540,272 50	
Dividend No. 38, payable April 26th, 1889, 2% on $21,610,900, preferred stock	432,218 00	
Total		8,261,087 59
Balance at credit June 30th, 1889		$1,538,682 44

GENERAL ACCOUNT, JUNE 30th, 1889.

Dr.			Cr.		
Cost of Road and Equipment		$183,889,871 34	Capital Stock, Preferred	$21,610,900 00	
			" " Common	39,868,961 00	$61,479,861 00
Bonds, Stock, etc., of other Companies	$1,197,965 10		Funded Debt		123,765,000 00
Balances due from Agents, Conductors, etc	195,253 92		Pay Rolls, Vouchers and Accounts	2,183,076 34	
			Dividends Unclaimed	75,963 67	
Due from United States Government	316,003 20		Interest Coupons not presented	43,925 66	
Miscellaneous Accounts	1,346,611 85		Interest accrued, not yet payable	3,478,496 81	5,781,462 48
Stock of Material and Fuel on hand	1,932,490 95		Income Account		1,538,682 44
Bills Receivable	12,200 00				
Mortgage Bonds of the Company unsold, held in its Treasury	738,000 00				
Cash on Hand	2,936,609 56	8,675,134 58			
		$192,565,005 92			$192,565,005 92

FUNDED DEBT, JUNE 30th, 1889.

DESCRIPTION OF BONDS.	TIME. DATE OF ISSUE.	TIME. WHEN DUE.	AMOUNT OUTSTANDING.	INTEREST. RATE.	INTEREST. WHEN PAYABLE.	INTEREST. AMOUNT ACCRUED DURING YEAR.	INTEREST. AMOUNT PAID DURING YEAR.
Milwaukee & St. Paul R'y	1863	1893	$5,209,000 00	7 per cent.	Jan. and July.	$364,630 00	$364,175 00
Iowa & Minnesota Division	1867	1897	3,198,000 00	7 "	" "	223,860 00	222,775 00
Prairie du Chien " 1st Mortgage	1868	1898	3,674,000 00	8 "	Feb. and Aug.	293,920 00	292,760 00
Prairie du Chien " 2d Mortgage	1868	1898	1,241,000 00	7.3 "	" "	90,593 00	89,972 50
Chicago & Milwaukee "	1873	1903	2,393,000 00	7 "	Jan. and July.	167,510 00	167,615 00
St. Paul (or River) "	1872	1902	3,198,000 00	7 "	" "	223,860 00	223,160 00
St. Paul (or River) " Sterling	1872	1902	606,500 00	7 "	" "	42,455 00	42,752 50
Iowa & Dakota "	1869	1899	541,000 00	7 "	" "	37,870 00	37,520 00
Hastings & Dakota "	1872	1902	89,000 00	7 "	" "	6,230 00	6,195 00
Consolidated	1875	1905	11,486,000 00	7 "	" "	803,320 00	802,270 00
Terminal	1884	1914	4,773,000 00	5 "	" "	238,650 00	238,525 00
Iowa & Dakota Division Extension	1878	1908	3,505,000 00	7 "	" "	245,350 00	244,965 00
Hastings & Dakota Division Extension	1880	1910	5,680,000 00	7 "	" "	397,600 00	395,955 00
Hastings & Dakota Division Extension	1880	1910	990,000 00	5 "	" "	49,500 00	49,500 00
Southwestern Division	1879	1909	4,000,000 00	6 "	" "	240,000 00	239,010 00
La Crosse & Davenport Division	1879	1919	2,500,000 00	5 "	" "	125,000 00	124,675 00
Chicago & Pacific "	1880	1910	3,000,000 00	6 "	" "	180,000 00	180,240 00
Chicago & Pacific Western "	1881	1921	25,340,000 00	5 "	" "	1,267,000 00	1,267,250 00
Southern Minnesota "	1880	1910	7,432,000 00	6 "	" "	445,800 00	446,580 00
Mineral Point "	1880	1910	2,840,000 00	5 "	" "	142,000 00	142,450 00
Dubuque "	1880	1920	6,565,000 00	6 "	" "	393,360 00	393,600 00
Wisconsin Valley "	1880	1920	2,441,000 00	6 "	" "	101,520 00	101,580 00
Wisconsin & Minnesota "	1881	1921	4,755,000 00	5 "	" "	237,750 00	236,800 00
Chicago & Lake Superior "	1881	1921	1,360,000 00	5 "	" "	68,000 00	68,200 00
Chicago & Missouri River "	1886	1926	3,083,000 00	5 "	" "	154,150 00	154,075 00
Dakota & Great Southern R'y	1886	1916	2,856,000 00	5 "	" "	142,500 00	142,500 00
Fargo & Southern R'y	1883	1924	1,250,000 00	6 "	" "	75,000 00	75,000 00
Minnesota Central R. R	1864	1894	123,000 00	7 "	" "	8,610 00	8,435 00
Milwaukee & Western R. R	1861	1891	215,000 00	7 "	" "	14,980 00	14,455 00
Wisconsin Valley R. R	1879	1909	1,106,500 00	7 "	" "	77,455 00	77,455 00
Fargo & Southern R'y, Income	1885	1895	200,000 00	6 "	April and Oct.	12,000 00	11,040 00
Real Estate	1884	1894	225,000 00	5 "	Mar. and Sept.	11,250 00	11,117 50
Real Estate	1885	1890	50,000 00	5 "	April and Oct.	2,500 00	2,500 00
Income Sinking Fund, Convertible	1886	1916	*2,000,000 00	5 "	Jan. and July.	100,000 00	100,000 00
Land Grant Income	1880	1890	840,000 00	7 "	" "	67,059 98	74,059 98
General Mortgage	1889	1989	5,000,000 00	4 "	" "	3,188 01	.....
							$7,049,162 48
Less amount of accrued interest received							30,136 99
Total			$123,765,000 00			$7,054,470 99	$7,019,025 49

*The authorized issue of these bonds is $5,000,000, of which but $2,000,000 have been sold.

TWENTY-SIXTH

ANNUAL REPORT

OF THE

Chicago, Milwaukee & St. Paul

RAILWAY COMPANY,

For the Fiscal Year Ending June 30th, 1890.

1890.

1890.

TWENTY-SIXTH ANNUAL REPORT

OF THE

Chicago, Milwaukee & St. Paul

RAILWAY COMPANY,

For the Fiscal Year Ending June 30th, 1890.

MILWAUKEE:
CRAMER, AIKENS & CRAMER, PRINTERS,
1890.

DIRECTORS AND OFFICERS

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.

DIRECTORS.

PHILIP D. ARMOUR,	CHICAGO.
AUGUST BELMONT, JR.,	NEW YORK.
FRANK S. BOND,	"
HUGH T. DICKEY	"
PETER GEDDES,	"
FREDERICK LAYTON,	MILWAUKEE.
GEORGE C. MAGOUN,	NEW YORK.
JOSEPH MILBANK,	"
ROSWELL MILLER,	CHICAGO.
WILLIAM ROCKEFELLER,	NEW YORK.
SAMUEL SPENCER,	"
A. VAN SANTVOORD,	"
J. HOOD WRIGHT,	"

OFFICERS.

ROSWELL MILLER,	President,	CHICAGO.
FRANK S. BOND,	Vice-President,	NEW YORK.
E. P. RIPLEY	3rd Vice-President,	CHICAGO.
J. F. TUCKER,	Assistant to the President	"
A. J. EARLING,	General Manager,	"
W. G. COLLINS,	General Superintendent,	MILWAUKEE.
P. M. MYERS,	Secretary,	"
J. M. McKINLAY,	Assistant Secretary and Transfer Agent,	NEW YORK.
J. M. BOKEE,	Assistant Secretary and Transfer Agent,	"
C. B. FERRY,	Assistant Secretary and Transfer Agent,	"
F. G. RANNEY,	Treasurer,	CHICAGO.
JOHN W. CARY,	General Counsel,	"
JOHN T. FISH,	General Solicitor,	"
J. P. WHALING,	General Auditor,	"
W. N. D. WINNE,	Assistant General Auditor,	"

REPORT

OF THE

BOARD OF DIRECTORS.

THE

TWENTY-SIXTH ANNUAL REPORT

OF THE DIRECTORS OF THE

CHICAGO, MILWAUKEE & ST. PAUL

RAILWAY COMPANY,

TO THE STOCKHOLDERS.

For the Fiscal Year Ending June 30th, 1890.

The President and Directors submit to the Stockholders the following report of the business and operations of the Company for the year ending June 30th, 1890, and of the condition of its property and finances at the close of that year.

The Company owns and operates 5,656.83 miles of railway, as follows:

MILES OF TRACK.

Main track owned solely by this Company...	5,647.66	
Main track owned jointly with other Companies	9.17	
Total length of main track.....		5,656.83
Second and third tracks and connection tracks owned solely by this Company.....	73.67	
Second and third tracks and connection tracks owned jointly with other Companies.	2.82	
Total length of second and third tracks and connections.....		76.49
Tracks owned by other Companies, but used by this Company under agreements.....		44.81
Yard tracks, sidings and spur tracks owned solely by this Company	1,103.92	
Yard tracks, sidings and spur tracks owned jointly with other Companies	19.14	
Total length of yard tracks, sidings and spur tracks		1,123.06
Total miles of track.....		6,901.19

The miles of main track owned solely by this Company show a decrease of about 22 miles from the number of miles as stated in report for year ending June 30th, 1889.

This is caused by the abandonment and taking up of track between Emmetsburg and Estherville, in Iowa.

The lines of road are located as follows:

In Illinois.....	318.08	miles.
" Wisconsin	1,310.09	"
" Iowa	1,553.27	"
" Minnesota	1,120.09	"
" North Dakota.....	118.21	"
" South Dakota..... ..	1,096.82	"
" Missouri	140.27	"
Total length of main track.....	5,656.83	"

The construction of the following new road has been begun during the year, but is not yet completed:

From Necedah, on the Necedah Branch of the La Crosse Division, to Dexterville Junction, on the Wisconsin Valley Division, a distance of 17 miles; and from Lynn, Clark County, Wisconsin, northwesterly in the direction of Greenwood, Clark County, a distance of 12 miles. This construction is being done under the name of the Lisbon, Necedah and Lake Superior Railway Co., and has been undertaken in order to open the hardwood country in that section, and make it tributary to the main lines of this Company. Negotiations have been concluded, to take effect July first, for the acquisition of the railroad already constructed from Dexterville Junction to Lynn, with branches, aggregating 40.92 miles at a cost of $531,960.

Construction of the following second main track, aggregating 35 miles, has been begun and will be completed by winter:

Lake to Minerva, on the Chicago and Milwaukee Division.

Savanna to Mt. Carroll, Cragin to Mont Clare, and Genoa to Davis Junction, on the Chicago and Council Bluffs Division.

The line from Estherville to Emmetsburg in Iowa, not covered by any mortgage, about 22 miles in length, has been abandoned and the track taken up. This action was ordered by the Board, because the line did not pay operating expenses, and required the expenditure of a considerable sum for renewals.

This Company has concluded a contract with the Union Pacific Railway Company by which it obtains the right to the use of the Union Pacific main tracks from the terminus of this Company's tracks in Council Bluffs, Iowa, to a point in South Omaha, including the use of the bridge over the Missouri River and the Union Passenger Station in Omaha, with other rights necessary to place this Company on the same basis as if it owned its own tracks from Council Bluffs to South Omaha. This contract is for a period of nine hundred and ninety-nine years. It obviates the necessity of building another bridge at Omaha, which had been seriously considered by the Board.

The following statement shows the earnings, expenses, and statistics relating to traffic, for the years ending June 30th, 1889 and 1890, respectively:

COMPARATIVE SUMMARY OF OPERATION.

GROSS EARNINGS.

1889	$25,422,559 22		
1890	26,405,708 35	Increase	$983,149 13

OPERATING EXPENSES.

1889	$16,548,385 41		
1890	17,173,097 79	Increase	$624,712 38

NET EARNINGS.

1889	$8,874,173 81		
1890	9,232,610 56	Increase	$358,436 75

TONS OF FREIGHT CARRIED.

1889	7,769,875		
1890	9,292,992	Increase	1,523 117

NUMBER OF PASSENGERS CARRIED.

1889	7,888,332		
1890	7,505.946	Decrease	382,386

MILES RUN BY REVENUE TRAINS.

1889	18,609,618		
1890	19,581,174	Increase	971,556

MILEAGE OF LOADED FREIGHT CARS.

1889	173,687,993		
1890	186,715,164	Increase	13,027,171

MILEAGE OF EMPTY FREIGHT CARS.

1889	67,006,264		
1890	71,739,953	Increase	4,733,689

COST OF OPERATING ROAD PER REVENUE TRAIN MILE RUN.

1889	88.92 cts.		
1890	87.70 cts.	Decrease	1.22 cts.

GROSS EARNINGS PER MILE OF ROAD.

1889	$4,480 54		
1890	4,667 79	Increase	$187 25

OPERATING EXPENSES PER MILE OF ROAD.

1889	$2,916 53		
1890	3,035 72	Increase	$119 19

NET EARNINGS PER MILE OF ROAD.

1889	$1,564 01		
1890	1,632 07	Increase	$68 06

AVERAGE MILES OF ROAD OPERATED DURING THE YEAR.

1889	5,674		
1890	5,657	Decrease	17

The average rate per ton per mile received for freights, for a series of years past, has been as follows, viz.:

1865.....4.11 cts.	1874.....2.38 cts.	1883.....1.39 cts.
1866.....3.76 cts.	1875.....2.10 cts.	1884.....1.29 cts.
1867.....3.94 cts.	1876.....2.04 cts.	1885.....1.28 cts.
1868.....3.49 cts.	1877.....2.08 cts.	1886.....1.17 cts.
1869.....3.10 cts.	1878.....1.80 cts.	1887.....1.09 cts.
1870.....2.82 cts.	1879.....1.72 cts.	1888.....1.006 cts.
1871.....2.54 cts.	1880.....1.76 cts.	1889.....1.059 cts.
1872.....2.43 cts.	1881.....1.70 cts.	1890.....0.995 cts.
1873.....2.50 cts.	1882.....1.48 cts.	

Seventeen thousand three hundred and eighteen tons of steel rails and 1,431,378 cross-ties have been put in the track, and there are now 4,074.77 miles of main track laid with steel and 1,582.06 miles with iron rails.

About 4⅝ miles of pile and trestle bridges have been filled with earth, and a large number of wooden culverts have been replaced with iron.

The entire cost of filling has been charged to operating expenses.

About 1,600 feet of wooden bridges have been, or are in process of being, replaced with iron structures. Of the amount expended in this work during the year, $29,968.44, representing the cost of replacement with wooden structures, has been charged to operating expenses, and $61,526.05 has been charged to permanent improvements.

During the year 12 locomotives have been purchased at a cost of $102,763.06, and 2 have been built at the West Milwaukee shops at a cost of $14,677.36; 9 locomotives have been scrapped, and 12, too light for service, have been sold.

Two hundred and fifteen furniture cars, costing $104,000.43; 400 lumber cars, costing $178,174.98; 3 baggage, mail and express cars, costing $9,548.74; and 1 flat car, costing $291.22, have been built at the West Milwaukee shops.

There has also been expended during the year in the Com

pany's shops, for steam heat and electric light equipment, air brakes, automatic couplers, and other improvements to rolling stock, the sum of $109,093.95.

Of the above expenditure for new rolling stock, the sum of $197,857.55, has been charged to expenses during the year, for the purpose of maintaining at the cost of operating expenses, the full capacity of the equipment.

The rate per ton per mile on the freight traffic of the past year, was $\frac{995}{1000}$ of a cent. In the previous year it was 1 $\frac{59}{1000}$ cents.

If the freight tonnage of the past year had been carried at the average rate of the previous year, the revenues of the Company would have been increased $1,178,134.95, all of which would have been net revenue.

During the past year traffic conditions have been unfavorable. The withdrawal of some of the most important lines from the Interstate Association deprived the railways of an influence which, although it could not altogether prevent reductions of rates, yet exerted a most wholesome restraint and saved much revenue.

It is not apparent how a more effective agreement can be devised. A provision for division of tonnage may be added, but that cannot be efficient and fully satisfactory unless coupled with a division of revenue. The Interstate Law prohibits this, and the consequence is fluctuating rates—the natural result of unrestrained competition, and the source of the worst form of discrimination.

The conditions which have led to low rates on competitive traffic have also reduced rates on local traffic through the operation of the long and short haul clause of the Interstate Law.

It is easy to say that these results can be avoided by simply obeying the law and maintaining rates. Obedience to the law will cure some of the evils that prevail, but will not enable inferior lines to compete with superior lines on even terms and secure a sufficient share of the traffic to support them.

The only result possible under the law, as it now stands, is the absorption of the weaker by the stronger; and that is a painful process which can stop only when there is but one corporation, and competition is absolutely destroyed. Unrestrained competition will, in the end, destroy all competition.

The efforts of Legislatures and Railway Commissions have also contributed not a little toward reduction of rates. An improvement in public sentiment had been hoped for, but is not yet apparent. It can hardly be expected until hostility to railways ceases to be a short route to political preferment. In some of the States recent legislation is practical confiscation under the form of law, by the reduction of revenues and the increase of burdens.

The decision of the Supreme Court of the United States in the case of this Company against the State of Minnesota, known as the "Milk Case," rendered at its last session, is very important, as settling and defining the powers of the Legislature in fixing rates of transportation.

The statute of that State authorized the Railroad Commission, in certain contingencies, to fix the compensation to be paid railroad companies for transportation.

The Commission assumed to fix the rates of this Company for the transportation of milk.

The Company claimed that the compensation fixed was inadequate and unreasonably low, and refused to comply with the order of the Commission establishing the rate. The Commission applied to the Supreme Court for a mandamus to compel the Company to adopt the rate fixed. The Company answered that it was unjust and unreasonable. The Supreme Court of Minnesota held that the statute authorized the Commissioners to fix the rate; that the Company could not be heard to object that the rate was not a reasonable and just rate; that the rate fixed by the Commissioners was the only reasonable rate under the law; that the Company was bound to obey it, and that the Court had no power to inquire into the question as to the reasonableness of the rate fixed by the Commission.

The Company removed the case by writ of error to the Supreme Court of the United States, and that Court filed a decision by which the decision of the Supreme Court of Minnesota was reversed, the Court holding that although the Legislature had the power to regulate and control railroads, they were not authorized to fix their compensation below what was reasonable

for the service rendered; that the question as to what was a reasonable compensation was a judicial question to be decided by the courts, and not by the Legislature; and that any statute that attempted to fix the compensation of railroads beyond the power of the courts to inquire into its reasonableness was unconstitutional and void.

The effect of this decision is to enable a railroad company to question any rate established by a Legislature or Commission, and to show that it is in fact unreasonable and unjust; and if so held by the Court, to defeat its operation. In other words, that Railway Companies have the right to a hearing in the courts the same as other persons, and are not subject to the arbitrary will of the Legislature or Commissioners in the matter of fixing rates of transportation.

For details of operation, reference is made to the statements of the General Auditor, appended hereto.

By order of the Board of Directors,

ROSWELL MILLER,
President.

SEPTEMBER, 1890.

To the President:—

Herewith are submitted Statements of Operation and of the General Accounts for the fiscal year ending June 30th, 1890.

JAMES P. WHALING,
General Auditor.

DETAILED STATEMENT

OF

EARNINGS AND EXPENSES

FOR THE YEARS ENDING JUNE 30, 1889 AND 1890.

EARNINGS.

	1889.	1890.
From Freight	$17,163,721 34	$18,337,009 51
From Passengers	6,241,090 89	5,981,639 36
From Mails, Express, Etc	2,017,746 99	2,087,059 48
Gross Earnings	$25,422,559 22	$26,405,708 35

EXPENSES.

	1889.	1890.
Repairs of Track	$1,095,141 02	$1,224,684 23
Renewal of Rails	343,578 83	274,918 72
Renewal of Ties	851,228 64	632,547 31
Repairs of Bridges	612,361 50	781,395 61
Repairs of Fences	49,297 93	48,220 89
Repairs of Buildings	170,233 16	157,947 58
Repairs of Locomotives	1,102,413 84	1,147,851 61
Repairs of Cars	1,289,919 06	1,373,950 61
Repairs of Tools and Machinery	109,785 30	118,047 58
Carried forward	$5,623,959 28	$5,759,564 14

	1889.	1890.
Brought forward	$5,628,959 28	$5,759,564 14
Management and General Offices	546,815 99	556,603 17
Foreign Agency and Advertising	202,227 30	219,177 60
Station Service	2,506,746 43	2,595,822 08
Conductors, Bag'e and Brakemen	1,348,759 11	1,420,854 12
Engineers, Firemen and Wipers	1,710,379 06	1,776,300 80
Train and Station Supplies	445,395 90	464,194 34
Fuel Consumed	2,087,890 72	1,998,325 42
Oil and Waste	132,200 92	125,576 73
Personal Injuries	172,454 71	170,022 66
Damage to Property	63,967 27	62,938 93
Loss and Damage of Fr't and B'ge	42,776 86	89,300 84
Legal Expenses	116,723 16	115,552 35
New York Office Expenses	26,824 34	27,393 67
Taxes	803,517 30	830,046 55
Insurance	50,962 00	57,126 24
Miscellaneous Expenses	177,415 13	195,106 38
Stock Yard Expenses	12,657 51	13,531 93
Expenses of Elevators	52,376 27	47,382 32
Mileage of Cars	172,904 07	207,665 58
Trackage and Switching Charges	251,432 08	440,612 44
Total Expenses	$16,548,385 41	$17,173,097 79

RECAPITULATION.

	1889.	1890.	Increase.
Gross Earnings	$25,422,559 22	$26,405,708 35	$983,149 13
Total Expenses	16,548,385 41	17,173,097 79	624,712 38
Net Earnings	$8,874,173 81	$9,232,610 56	$358,436 75

STATEMENT OF MONTHLY EARNINGS AND EXPENSES.

		FREIGHT.	PASSENGER.	MAILS, EXPRESS, ETC.	GROSS EARNINGS.	OPERATING EXPENSES.	NET EARNINGS.
July,	1889	$1,226,696 30	$580,103 85	$170,597 66	$1,977,397 81	$1,373,488 27	$603,909 54
August,	"	1,355,347 34	678,388 42	178,956 33	2,212,692 09	1,440,969 00	771,723 09
September,	"	1,725,777 38	651,876 56	172,540 83	2,550,194 77	1,522,557 89	1,027,636 88
October,	"	2,226,389 84	553,462 59	171,987 50	2,951,839 93	1,619,667 69	1,332,172 24
November,	"	2,077,061 69	485,759 44	174,555 27	2,737,376 40	1,593,896 68	1,143,479 72
December,	"	1,721,663 55	452,860 13	187,275 31	2,361,798 99	1,320,067 23	1,041,731 76
January,	1890	1,236,361 46	383,705 53	174,344 17	1,794,411 16	1,341,167 13	453,244 03
February,	"	1,281,700 79	355,109 99	156,335 54	1,793,146 32	1,350,595 34	442,550 98
March,	"	1,481,905 00	435,930 34	159,918 95	2,077,754 29	1,332,258 20	745,496 09
April,	"	1,379,363 96	448,580 10	171,021 73	1,998,965 79	1,462,635 31	536,330 48
May,	"	1,372,651 12	442,773 91	184,829 31	2,000,254 34	1,505,721 51	494,532 83
June,	"	1,252,091 08	513,088 50	184,696 88	1,949,876 46	1,310,073 54	639,802 92
Total		$18,337,009 51	$5,981,639 36	$2,087,059 48	$26,405,708 35	$17,173,097 79	$9,232,610 56

EQUIPMENT IN SERVICE JUNE 30th, 1890.

Locomotives	776
Passenger Cars	349
Sleeping Cars	9
Parlor Cars	9
Dining Cars	10
Baggage, Postal, Mail and Express Cars	247
Box Cars	15,648
Stock Cars	2,499
Flat and Coal Cars	4,101
Refrigerator Cars	468
Caboose, Wrecking, Tool Cars, etc	514

In addition to the equipment above mentioned, Pullman's Palace Car Company controls and operates on the lines of the Company forty-five sleeping cars in which this Company owns a three-fourths interest.

MILEAGE AND REVENUE OF FREIGHT, YEAR ENDING JUNE 30th, 1890.

	EASTWARD.	WESTWARD.	TOTAL.
No. Tons Freight carried.....	5,182,362	4,110,630	9,292,992
No. Tons Freight carried one mile.....	1,124,480,493	718,309,352	1,842,789,845
Total Freight Earnings.....	$11,184,843 47.	$7,152,166 04	$18,337,009 51
Rate per Ton per mile, 1890.....	.995 cents.	.996 cents.	.995 cents.
Rate per Ton per mile, 1889.....	1.101 cents.	1.005 cents.	1.059 cents.

MILEAGE AND REVENUE OF PASSENGERS, YEAR ENDING JUNE 30th, 1890.

	EASTWARD.	WESTWARD.	TOTAL.
No. Passengers carried	3,849,910	3,656,036	7,505,946
No. Passengers carried one mile	123,140,624	133,248,721	256,389,345
Total Passenger Earnings	$2,919,103 87	$3,062,535 49	$5,981,639 36
Rate per Passenger per mile, 1890	2.371 cents.	2.298 cents.	2.333 cents.
Rate per Passenger per mile, 1889	2.521 cents.	2.329 cents.	2.418 cents.

STATEMENT OF COMMODITIES TRANSPORTED.

DURING THE YEARS ENDING JUNE 30TH, 1889 AND 1890.

COMMODITIES.	1889.		1890.	
	Tons.	Per Cent.	Tons.	Per Cent.
Flour	363,835	4.67	335,846	3.61
Mill Feed	79,866	1.04	73,721	.79
Wheat	662,584	8.53	827,517	8.91
Rye	39,146	.50	65,612	.71
Barley	288,951	3.72	330,183	3.55
Oats	190,951	2.46	308,031	3.32
Corn	248,024	3.19	391,314	4.21
Flax Seed	79,257	1.02	90,339	.97
Hay	119,247	1.54	95,953	1.03
Dairy Products	42,282	.54	52,571	.57
Other Agricultural Products	87,577	1.12	103,046	1.11
Provisions	186,033	2.40	223,431	2.40
Salt	105,109	1.35	75,821	.82
Lime, Cement and Plaster	150,142	1.93	158,216	1.70
Brick and Stone	294,941	3.80	377,583	4.06
Iron, Merchant, Pig and R. R	150,278	1.93	243,215	2.62
Manufactures and Agrcul't Imp.	222,923	2.87	259,579	2.79
Coal	932,039	12.00	1,007,080	10.84
Live Stock	457,221	5.88	643,122	6.92
Lumber	1,347,745	17.35	1,340,252	14.42
Merchandise	746,956	9.61	850,492	9.15
Miscellaneous	974,768	12.55	1,440,068	15.50
Totals	7,769,875	100.00	9,292,992	100.00

DETAIL OF EQUIPMENT AND IMPROVEMENT EXPENDITURES

FOR THE YEAR ENDING JUNE 30TH, 1890.

Additional Equipment	$320,692 19
Real Estate, Chicago	5,863 28
Real Estate, Omaha	89,521 85
Real Estate, sundry points	30,450 28
Freight House, Milwaukee	13,557 10
Round House and Shops, Milwaukee	8,562 74
Dock, Milwaukee	2,920 82
Pavement, Chicago	5,568 25
Car Repair Shed, Minneapolis	3,301 24
Transfer House, Western Avenue	4,480 52
Machine Shop, Sanborn	2,592 82
Rail Mill, Savanna	5,021 38
Round House, Calmar, Steam Heating	2,815 46
Round House, Mason City, Steam Heating	3,203 73
Depot, Darlington	2,379 96
Sewer, Minneapolis Shops	2,367 08
Interlocking Signal, Grayland	2,285 29
Interlocking Signal, Duplainville	1,166 59
Turn Table. Perry	2,172 96
Bridge Yard and Office, Tomah	3,535 41
Depots, Warehouses, Coal Sheds and Water Tanks at sundry points	112,546 45
Iron Bridges and Viaducts, sundry points	112,130 91
New Fences	105,237 38
New Culverts	23,563 82
Yard Improvements, Chicago	6,891 44
Yard Improvements, Milwaukee	17,678 19
Yard Improvements, Yankton	11,580 87
Yard Improvements, Spaulding	9,713 91
Yard Improvements, Rondout	6,652 94
Yard Improvements, Janesville	5,978 68
Yard Improvements, Winona	3,290 65
Yard Improvements, St. Paul	9,646 20
Yard Improvements, sundry points	23,374 09
Second Track, Cragin to Mont Clare	15,377 56
Second Track, Savanna to Mt. Carroll	22,979 38
Second Track, Lake to Minerva	28,098 27
Second Track, Genoa to Davis Junction	17,699 49
Widening Embankments, Raising Grades, Ballasting, Filling and rip-rapping	291,166 31
New Side Tracks, sundry points	122,628 31
Miscellaneous Expenditures	203,106 19
Total	$1,661,799 99

NOTE.—Expenditures made necessary by orders of State, County, City or other officers, included above, $98,366.26.

MATERIAL AND FUEL ON HAND.

Coal	43,549	Tons,	$80,240	39
Wood	17,335	Cords,	38,665	80
Ties	965,671	Number,	408,777	49
New Steel Rails	9,071	Tons,	294,736	57
Old Steel Rails	5,254	Tons,	122,203	06
Old Iron Rails	1,985	Tons,	41,536	55
Oil	128,998	Gallons,	23,827	17
Waste	110,482	Pounds,	7,806	97
Splices, Bolts and Spikes	4,718,807	Pounds,	102,823	65
Iron (worked and unworked)	7,934,842	Pounds,	148,989	31
Copper and Brass	398,610	Pounds,	51,227	61
Lumber and Timber	13,801,637	Feet,	235,309	47
Piles	519,110	Feet,	71,269	91
Posts	30,824	Number,	4,178	90
Engine and Car Wheels	5,211	Number,	37,522	39
Engine and Car Wheels (on axles)	2,923	Pairs,	68,191	91
Engine and Car Axles	837,288	Pounds,	19,778	44
Tires	171,303	Pounds,	4,282	57
Steel and Steel Springs	699,892	Pounds,	37,954	56
Engine, Car and Road Castings	5,036,841	Pounds,	88,353	41
Paints and Oils			9,218	30
Stationery Supplies			18,181	79
Other Supplies			492,793	34
Total June 30th, 1890			$2,407,369	56
Total June 30th, 1889			$1,932,490	95
Increase			$474,878	61

NOTE.—A statement of material on hand on the 30th June, necessarily includes a large amount of track and bridge material accumulated for the summer work.

TRANSPORTATION STATISTICS.

FOR THE YEARS ENDING JUNE 30TH, 1889 AND 1890.

	1889.	1890.
Miles run by Passenger trains	7,152,101	7,131,071
Miles run by Freight trains	10,780,603	11,655,518
Miles run by Mixed trains	676,914	794,585
Miles run by revenue trains	18,609,618	19,581,174
Miles run by Switching trains	4,334,982	4,599,181
Miles run by Construction and other trains	769,853	794,277
Total miles run by trains	23,714,453	24,974,632
Number of passengers carried	7,888.332	7,505,946
Number of passengers carried one mile	258,067,706	256,389,345
Average miles each passenger was carried	32.72	34.16
Revenue per passenger per mile	2.418 cts.	2.333 cts.
Revenue from passengers per train mile run	85.25 cts.	81.61 cts.
Number of tons of freight carried	7,769,875	9,292,992
Number of tons of freight carried one mile	1,620,923,961	1,842,789,845
Average miles each ton was carried	208.62	198.30
Revenue per ton per mile	1.059 cts.	.995 cts.
Revenue from freight per train mile run	$1.5205	$1.4967
Repairs of Locomotives per revenue train mile run	5.92 cts.	5.86 cts.
Repairs of Cars " " " " "	6.93 cts.	7.02 cts.
Station Service " " " " "	13.47 cts.	13.26 cts.
Train Service " " " " "	7.25 cts.	7.26 cts.
Locomotive Service " " " " "	9.19 cts.	9.07 cts.
Train and Station Supplies " " " " "	2.39 cts.	2.37 cts.
Fuel " " " " "	11.22 cts.	10.20 cts.
Oil and Waste " " " " "	.71 cts.	.64 cts.
All other expenses " " " " "	31.84 cts.	32.02 cts.
Total operating expenses " " " " "	88.92 cts.	87.70 cts.
Percentage of expenses (including taxes) to earnings	65.09%	65.04%

LAND DEPARTMENT.

On the 1st of July, 1889, the Company owned lands in Iowa, Minnesota and Wisconsin, amounting to	67,267.84 acres.
It received during the year	8,298.62 "
	75,566.46 acres.
And sold during the year	9,208.67 "
Unsold June 30th, 1890	66,357.79 acres.

Estimated value of unsold lands	$165,763 38
Balance due on lands previously sold	248,809 30
Total, June 30th, 1890	$414,572 68

STATEMENT OF INCOME ACCOUNT

FOR THE FISCAL YEAR ENDING JUNE 30TH, 1890.

Balance at credit July 1st, 1889		$1,538,682 44
Old Accounts charged off	$56,794 22	
Additional interest accrued prior to July 1st, 1889, on Funded Debt	4,025 00	
Dividend No. 39, payable Oct. 21st, 1889, from net earnings of fiscal year ending June 30th, 1889; 2½% on $21,610,900 preferred stock	540,272 50	601,091 72
		$937,590 72
Gross Earnings	$26,405,708 35	
Less Operating Expenses (including taxes)	17,173,097 79	
Net Earnings	9,232,610 56	
Income from other sources	220,024 61	
Net Revenue for the year		9,452,635 17
Total		$10,390,225 89
Interest accrued during the year on Funded Debt	$7,214,154 84	
Dividend No. 40, payable April 16th, 1890, from net earnings of fiscal year ending June 30th, 1890; 3½% on $21,615,900 preferred stock	756,556 50	7,970,711 34
Balance at credit June 30th, 1890		$2,419,514 55

GENERAL ACCOUNT, JUNE 30th, 1890.

Dr.			Cr.		
Cost of Road and Equipment		$185,631,301 37	Capital Stock, Preferred	$21,839,900 00	
Bonds, Stock, etc., of other Companies	$1,233,388 06		" " Common	39,868,961 00	$61,708,861 00
Balances due from Agents, Conductors, etc	214,956 54		Funded Debt		125,693,000 00
Due from United States Government	247,858 08		Pay Rolls, Vouchers and Accounts	2,880,277 90	
Miscellaneous Accounts	1,449,497 10		Dividends Unclaimed	36,763 94	
Stock of Material and Fuel on hand	2,407,369 56		Interest Coupons not presented	56,391 96	
Mortgage Bonds of the Company unsold, held in its Treasury	2,178,000 00		Interest accrued, not yet payable	3,529,491 81	6,502,925 61
Cash on Hand	2,961,930 45	10,692,999 79	Income Account		2,419,514 55
		$196,324,301 16			$196,324,301 16

FUNDED DEBT, JUNE 30th, 1890.

Total Funded Debt at date of last report, including all liens on purchased roads..		$123,765,000 00
Issued during the year: General Mortgage Bonds, as follows:		
For Land Grant Income Bonds cancelled.	$840,000 00	
For Income Sinking Fund Convertible Bonds cancelled.....	80,000 00	
For Wisconsin Valley Division Bonds cancelled.....	50,000 00	
For expenditures for additional property and improvements, May 1st to December 31st, 1889, under provisions of General Mortgage.....	1,132,000 00	
For balance of 6,000 Bonds authorized by Article I, General Mortgage.....	1,000,000 00	3,102,000 00
		$126,867,000 00
Less Bonds redeemed and cancelled:		
Land Grant Income Bonds.....	$840,000 00	
Income Sinking Fund Convertible Bonds.	80,000 00	
Wisconsin Valley Division Bonds.....	25,000 00	
Milwaukee & St. Paul Railway Bonds....	229,000 00	1,174,000 00
Funded Debt, June 30th, 1890.....		$125,693,000 00

Two thousand two hundred and ninety shares of Preferred Stock were issued during the year in exchange for 229 Milwaukee & St. Paul Railway Bonds.

Of the total amount of bonds outstanding, as stated above, there remain in the treasury, unsold, $2,178,000.

FUNDED DEBT, JUNE 30th, 1890.

DESCRIPTION OF BONDS.	TIME.		AMOUNT OUTSTANDING.	INTEREST.			
	DATE OF ISSUE.	WHEN DUE.		RATE.	WHEN PAYABLE.	AMOUNT ACCRUED DURING THE YEAR.	AMOUNT PAID DURING YEAR.
Milwaukee & St. Paul R'y	1863	1893	$4,980,000 00	7 per cent.	Jan. and July.	$356,440 00	$365,435 00
Iowa & Minnesota Division	1867	1897	3,198,000 00	7 " "	" "	223,860 00	225,155 00
Prairie du Chien " 1st Mortgage	1868	1898	3,674,000 00	8 " "	Feb. and Aug.	293,920 00	294,800 00
Prairie du Chien " 2d Mortgage	1868	1898	1,241,000 00	7.3 " "	" "	90,593 00	90,410 50
Chicago & Milwaukee " ...	1873	1903	2,393,000 00	7 " "	Jan. and July.	167,510 00	167,475 00
St. Paul (or River) " ...	1872	1902	3,262,000 00	7 " "	" "	228,340 00	225,085 00
St. Paul (or River) " Sterling	1872	1902	542,500 00	7 " "	" "	37,975 00	41,352 50
Iowa & Dakota " ...	1869	1899	541,000 00	7 " "	" "	37,870 00	38,255 00
Hastings & Dakota " ...	1872	1902	89,000 00	7 " "	" "	6,230 00	6,265 00
Consolidated	1875	1905	11,486,000 00	7 " "	" "	803,320 00	803,040 00
Terminal	1884	1914	4,773,000 00	5 " "	" "	238,650 00	236,975 00
Iowa & Dakota Division Extension	1878	1908	3,505,000 00	7 " "	" "	245,350 00	245,595 00
Hastings & Dakota Division Extension	1880	1910	5,680,000 00	7 " "	" "	397,600 00	394,625 00
Hastings & Dakota Division Extension	1880	1910	990,000 00	5 " "	" "	49,500 00	49,500 00
Southwestern Division	1879	1909	4,000,000 00	6 " "	" "	240,000 00	241,290 00
La Crosse & Davenport Division	1879	1919	2,500,000 00	5 " "	" "	125,000 00	125,100 00
Chicago & Pacific " ...	1880	1910	3,000,000 00	6 " "	" "	180,000 00	180,120 00
Chicago & Pacific Western " ...	1881	1921	25,340,000 00	5 " "	" "	1,267,000 00	1,263,525 00
Southern Minnesota " ...	1880	1910	7,432,000 00	6 " "	" "	445,800 00	445,590 00
Mineral Point " ...	1880	1910	2,840,000 00	5 " "	" "	142,000 00	141,875 00
Dubuque " ...	1880	1920	6,565,000 00	6 " "	" "	393,360 00	393,930 00
Wisconsin Valley " ...	1880	1920	2,416,000 00	6 " "	" "	109,560 00	101,670 00
Wisconsin & Minnesota " ...	1881	1921	4,755,000 00	5 " "	" "	237,750 00	238,125 00
Chicago & Lake Superior " ...	1881	1921	1,360,000 00	5 " "	" "	68,000 00	68,225 00
Chicago & Missouri River " ...	1886	1926	3,083,000 00	5 " "	" "	154,150 00	153,900 00
Dakota & Great Southern R'y	1886	1916	2,856,000 00	5 " "	" "	142,500 00	142,500 00
Fargo & Southern R'y	1883	1924	1,250,000 00	6 " "	" "	75,000 00	75,000 00
Minnesota Central R. R	1864	1894	123,000 00	7 " "	" "	8,610 00	8,820 00
Milwaukee & Western R. R	1861	1891	215,000 00	7 " "	" "	14,980 00	14,980 00
Wisconsin Valley R. R	1879	1909	1,106,500 00	7 " "	" "	77,455 00	77,455 00
Fargo & Southern R'y, Income	1885	1895	200,000 00	6 " "	April and Oct.	12,000 00	11,010 00
Real Estate	1884	1894	225,000 00	5 " "	Mar. and Sept.	11,250 00	11,535 00
Real Estate	1885	1890	50,000 00	5 " "	April and Oct.	2,500 00	2,500 00
Income Sinking Fund Convertible	1886	1916	*1,920,000 00	5 " "	Jan. and July.	98,000 00	100,000 00
General Mortgage	1889	1989	8,102,000 00	4 " "	" "	202,681 84	114,800 54
Land Grant Income (matured and paid)	....	....	.....	.....	.....	29,400 00	58,800 00
Total	....	....	$125,693,000 00	.....	.....	$7,214,154 84	$7,154,718 54

* The authorized issue of these bonds is $5,000,000, of which but $2,000,000 have been sold.

TWENTY-SEVENTH

ANNUAL REPORT

OF THE

Chicago, Milwaukee & St. Paul

RAILWAY COMPANY,

For the Fiscal Year Ending June 30th, 1891.

1891.

TWENTY-SEVENTH

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For the Fiscal Year Ending June 30th, 1891.

MILWAUKEE:
CRAMER, AIKENS & CRAMER, PRINTERS.
1891.

DIRECTORS AND OFFICERS

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.

DIRECTORS.

PHILIP D. ARMOUR,	CHICAGO.
AUGUST BELMONT, JR.,	NEW YORK.
FRANK S. BOND,	"
HUGH T. DICKEY,	"
PETER GEDDES,	"
FREDERICK LAYTON,	MILWAUKEE.
GEORGE C. MAGOUN,	NEW YORK.
JOSEPH MILBANK,	"
ROSWELL MILLER,	CHICAGO.
WILLIAM ROCKEFELLER,	NEW YORK.
SAMUEL SPENCER,	"
A. VAN SANTVOORD,	"
J. HOOD WRIGHT,	"

OFFICERS.

ROSWELL MILLER,	President,	CHICAGO.
FRANK S. BOND,	Vice-President,	NEW YORK.
E. P. RIPLEY,	3d Vice-President,	CHICAGO.
A. J. EARLING,	General Manager,	"
W. G. COLLINS,	General Superintendent,	"
P. M. MYERS,	Secretary,	MILWAUKEE.
J. M. McKINLAY,	Assistant Secretary and Transfer Agent,	NEW YORK.
C. B. FERRY,	Assistant Secretary and Transfer Agent,	"
W. S. THORN, JR.,	Assistant Secretary and Transfer Agent,	"
F. G. RANNEY,	Treasurer,	CHICAGO.
JOHN W. CARY,	General Counsel,	"
JOHN T. FISH,	General Solicitor,	"
W. N. D. WINNE,	General Auditor,	"

REPORT

OF THE

BOARD OF DIRECTORS.

THE

TWENTY-SEVENTH ANNUAL REPORT

OF THE DIRECTORS OF THE

CHICAGO, MILWAUKEE & ST. PAUL

RAILWAY COMPANY,

TO THE STOCKHOLDERS.

For the Fiscal Year Ending June 30th, 1891.

The President and Directors submit to the Stockholders the following report of the business and operations of the Company for the year ending June 30th, 1891, and of the condition of its property and finances at the close of that year.

The operation for the year shows the following result:

Gross Earnings	$27,504,224 49
Operating Expenses	18,366,500 07
Net Earnings	$9,137,724 42
Income from other sources	334,207 40
Total	$9,471,931 82
Fixed Charges, Interest on Bonds	7,237,251 61
Balance above Fixed Charges	$2,234,680 21

Out of above balance 3½% dividend on Preferred Stock, amounting to $767,756.50, was declared, payable in April, 1891.

The Company owns and operates 5,721.40 miles of railway, as follows:

Main track owned solely by this Company...	5,711.95	
Main track owned jointly with other Companies	9.45	
Total length of main track.....		5,721.40
Second and third tracks and connection tracks owned solely by this Company.....	110.16	
Second and third tracks and connection tracks owned jointly with other Companies.....	2.82	
Total length of second and third tracks and connections.....		112.98
Tracks owned by other Companies, but used by this Company under agreements.....		44.81
Yard tracks, sidings and spur tracks owned solely by this Company	1,147.84	
Yard tracks, sidings and spur tracks owned jointly with other Companies.....	21.94	
Total length of yard tracks, sidings and spur tracks.....		1,169.78
Total miles of track.....		7,048.97

The lines of road are located as follows:

In Illinois.....	318.08	miles.
" Wisconsin	1,374.66	"
" Iowa	1,553.27	"
" Minnesota.....	1,120.09	"
" North Dakota.....	118.21	"
" South Dakota.....	1,096.82	"
" Missouri.....	140.27	"
Total length of main track.....	5,721.40	"

Your Company has acquired, by purchase of the Capital Stock of the Milwaukee & Northern Railroad Company, a control of the following lines of railway, namely:

Main line, Milwaukee & Northern Railroad from Milwaukee, Wisconsin, to Champion, Michigan....	254.20	miles.
Ontonagon & Brule River Railway from Ontonagon, Michigan, to Sidnaw, Michigan.....	46.00	"
Oconto & Southwestern Railway from Oconto Jct. to Oconto, Wisconsin.....	12.50	"
Branch from Hilbert, Wisconsin, to Neenah and Appleton, Wisconsin.....	22.00	"
Branch from Ellis Junction, Wisconsin, to Marinette, Wisconsin, and Menominee, Michigan.....	27.55	"
Total miles of main track.....	362.25	"

For this purchase the Chicago, Milwaukee & St. Paul Railway Company has issued 61,588 shares of its Common Stock for 61,582½ shares of the Capital Stock of the Milwaukee & Northern Railroad Company.

The lines of road included in this purchase have been merged into the Milwaukee & Northern Railroad, and are subject to an issue of first mortgage bonds of that Company at the rate of $17,000 per mile, bearing interest at the rate of six per cent. per annum. There is no other incumbrance on the property. It is in excellent condition, and has a fair equipment of rolling stock. It is operated in connection with the lines of your Company, but the revenue and expense accounts are kept separate and distinct, and the division of joint rates is made upon the basis prescribed by a contract in force at the time of purchase.

These lines of railway are a valuable acquisition to your Company—especially because they give access to the iron regions of the Peninsula of Michigan.

A report of the Milwaukee & Northern Railroad Company is appended hereto. The net earnings for the year ending June 30th, 1891, were $619,802.58, from which the Chicago, Milwaukee & St. Paul Railway Company, as the sole stockholder of the Milwaukee & Northern Railroad Company, has received a dividend of 4 per cent.

Construction of the following branches and extensions begun during the year ending June 30th, 1890, has been completed during the past year:

From Necedah, on the Necedah Branch of the La Crosse Division, to Babcock, on the Wisconsin Valley Division, a distance of 18.94 miles; and from Lynn, Clark County, Wisconsin, northwesterly in the direction of Greenwood, Clark County, 2.45 miles. This construction was done under the name of the Lisbon, Necedah & Lake Superior Railway Company, which Company has since sold and conveyed its property to the Chicago, Milwaukee & St. Paul Railway Company for $153,000, the cost of construction at date of sale.

The lines of road from Dexterville Junction, on the Wisconsin Valley Division, to Lynn, Clark County, Wisconsin, and to Pittsville and Vesper, in Wood County, Wisconsin, aggregating 40.92 miles of road, built by the Wisconsin, Pittsville & Superior and the Milwaukee, Dexterville & Northern Railroad Companies, have been acquired at a cost of $547,000. All the Stock and Bonds of these Companies were purchased for cash by the Chicago, Milwaukee & St. Paul Railway Company, and deeds of conveyance, covering the railway property above described, have since been executed and placed on record.

These branches and extensions, located in a section of country which contains valuable hard wood timber, will be good feeders to the main lines of your Company.

DOUBLE TRACK.

Construction of the following sections of second main track has been substantially completed, and they are in use:

On the Chicago & Milwaukee Division,		
Lake to Minerva	5.71	miles.
On the Chicago & Council Bluffs Division in Illinois,		
Savanna to Mount Carroll	10.21	"
Cragin to Mont Clare	4.27	"
Genoa to Davis Junction	20.61	"
Total	40.80	"

The completion of this second track gave such relief that it was not necessary to construct more during the past year. Addi-

tional second track will, however, soon be required on the Chicago & Council Bluffs Division in Illinois, and also on the Northern Division from Milwaukee to Schwartzburg.

The Company has added to its plant at West Milwaukee, at a cost of $41,864.91 the additional buildings and machinery necessary for the construction of ten freight cars per day. With these facilities the Company can build cars at less cost than it can buy them.

The contract between this Company and the Pullman Car Company, made in September, 1882, having expired by limitation, has not been renewed. Some controversy has arisen between this Company and the Pullman Company relative to the final settlement of claims and accounts under the contract, which will doubtless be settled by the courts.

Our operation of the Sleeping Car Lines has proven very satisfactory to ourselves as well as to the traveling public.

The following statement shows the earnings, expenses and statistics relating to traffic for the years ending June 30th, 1890 and 1891, respectively:

COMPARATIVE SUMMARY OF OPERATION.

	GROSS EARNINGS.		
1890	$26,405,708 35		
1891	27,504,224 49	Increase	$1,098,516 14
	OPERATING EXPENSES.		
1890	$17,173,097 79		
1891	18,366,500 07	Increase	$1,193,402 28
	NET EARNINGS.		
1890	$9,232,610 56		
1891	9,137,724 42	Decrease	$94,886 14
	TONS OF FREIGHT CARRIED.		
1890	9,292,992		
1891	10,397,035	Increase	1,104,043
	NUMBER OF PASSENGERS CARRIED.		
1890	7,505,946		
1891	7,919,229	Increase	413,283
	MILES RUN BY REVENUE TRAINS.		
1890	19,581,174		
1891	19,985,317	Increase	404,143
	MILEAGE OF LOADED FREIGHT CARS.		
1890	186,715,164		
1891	190,973,870	Increase	4,258,706

MILEAGE OF EMPTY FREIGHT CARS.

1890	71,739,953		
1891	71,481,974	Decrease	257,979

COST OF OPERATING ROAD PER REVENUE TRAIN MILE RUN.

1890	87.70 cts.		
1891	91.90 cts.	Increase	4.20 cts.

GROSS EARNINGS PER MILE OF ROAD.

1890	$4,667 79		
1891	4,816 85	Increase	$149 06

OPERATING EXPENSES PER MILE OF ROAD.

1890	$3,035 72		
1891	3,216 55	Increase	$180 83

NET EARNINGS PER MILE OF ROAD.

1890	$1,632 07		
1891	1,600 30	Decrease	$31 77

AVERAGE MILES OF ROAD OPERATED DURING THE YEAR.

1890	5,657		
1891	5,710	Increase	53

The average rate per ton per mile received for freights, for a series of years past, has been as follows, viz.:

1865	4.11 cts.	1874	2.38 cts.	1883	1.39 cts.
1866	3.76 "	1875	2.10 "	1884	1.29 "
1867	3.94 "	1876	2.04 "	1885	1.28 "
1868	3.49 "	1877	2.08 "	1886	1.17 "
1869	3.10 "	1878	1.80 "	1887	1.09 "
1870	2.82 "	1879	1.72 "	1888	1.006 "
1871	2.54 "	1880	1.76 "	1889	1.059 "
1872	2.43 "	1881	1.70 "	1890	0.995 "
1873	2.50 "	1882	1.48 "	1891	1.003 "

Thirty-two thousand three hundred and thirty-three tons of steel rails and 1,419,713 cross-ties have been put in the track, and there are now 4,220 miles of main track laid with steel and 1,501.40 miles with iron rails.

About 2.82 miles of pile and trestle bridges have been filled with earth, and 135 wooden culverts have been replaced with iron.

The entire cost of filling has been charged to operating expenses.

About 228 feet of wooden bridges have been replaced with iron structures. The pontoon bridge across the Mississippi at Read's Landing is being rebuilt on a heavier and better plan and is nearly completed. The iron bridge, 600 feet long, across the Mississippi at Hastings, has been replaced with an iron bridge of a heavier type.

During the year the following rolling-stock has been purchased:

18 Locomotives	Costing,	$181,559 85	
125 Ore Cars	"	53,567 38	
100 Flat Cars	"	33,730 24	
150 Gravel Dump Cars	"	51,936 20	
1,475 Box Cars	"	786,143 88	
3 Parlor Cars	"	28,819 57	
3 Sleeping Cars	"	42,834 38	
3 Coaches	"	13,333 09	
			$1,191,924 59

And rolling-stock as follows has been built at the West Milwaukee Shops:

200 Furniture Cars	Costing,	$111,609 13	
250 Lumber Cars	"	134,251 04	
50 Refrigerator Cars	"	45,708 83	
150 Flat Cars	"	54,520 62	
65 Log Cars	"	17,846 65	
3 Postal Cars	"	10,925 14	
1 Ore Care (Experimental)	"	627 99	
7 Locomotives without Tenders	"	46,664 66	
2 Locomotives	"	14,482 92	
10 Tenders	"	9,116 77	
			445,753 75
There has also been expended during the year in the Company's shops, for power brakes, automatic couplers, steam-heat and electric-light equipment, and other improvements to rolling-stock, the sum of			119,855 12
			$1,757,533 46

One locomotive has been scrapped and one, too light for service, has been sold.

Of the above expenditure for new rolling-stock the sum of $238,174.34 has been charged to expenses during the year, for the purpose of maintaining at the cost of operating expenses the full capacity of the equipment.

The operation of your Company's lines for the year shows increase of gross earnings, $1,098,516.14; increase of expenses, $1,193,402.28, and decrease of net earnings, $94,886.14.

Of the total increase in expenses, $819,512.00 were for the maintenance of property—being $644,268.94 for maintenance of way, and $175,243.06 for maintenance of motive power, machinery and cars.

The maintenance of way expenses included $250,000 for the repair of damage by floods in Iowa, in the early part of the year, which made it necessary to rebuild forty miles of road bed, and to relay the track with new rails.

The maintenance of bridges shows a decrease of $98,715.06, as compared with last year—the expenditures of last year having been very heavy in consequence of the renewal of a large number of wooden bridges on lines that were constructed about the same time.

Of the total increase in expenses, $350,174.35 were for conducting transportation. This was partially due to increased tonnage, and partially to increase of wages and reduction of the standard of a day's work, in train service, from twelve to ten hours—which had effect only during the latter part of the year, and will be felt more in the coming year, because it will apply to the entire year.

It is an unavoidable conclusion that when so large an increase of gross earnings produces no increase of net revenue the rates obtained for transportation are too low. This conclusion is often met by the assertion that existing rates would be sufficient for all needs if they were maintained.

It seems idle to prescribe maintenance of rates in view of the fact that legislation has prohibited pooling—the only satisfactory method of providing for the necessities of railways whose disadvantages prevent them from competing on equal terms with railways that are more favorably situated; and the only efficient means of restraining within safe bounds the destructive competition that results from the existence of too many competitors.

Maintenance of rates will not relieve American Railways from the disastrous effects of the competition of foreign railways, for legislation has tied up American Railways and leaves foreign railways free to carry off their traffic. American Railways are compelled either to reduce through rates, under penalty of probably reducing intermediate rates, or pay subsidies to foreign railways, or lose the traffic.

Maintenance of rates will not cure the evil effects of the unremitting efforts of state authorities to reduce local tariffs.

In view of these conditions, it is not surprising that the efforts made by railway managements to maintain rates have not been fully successful, but that they should have had even a moderate and spasmodic success is surprising, when all the conditions have been adverse.

During the past year efforts to improve the general situation gave rise to the Western Traffic Association, which has this feature that especially distinguishes it from former Associations—that the governing authority rests in the Boards of Directors of the various companies. It is not to be expected that any Association of so strong competitive elements should at once cure all the evils it has to deal with. It should be judged by general results, after fair and patient trial. Certainly this Association, notwithstanding the fact that the co-operation of all lines has not been secured, has been of valuable service to railway interests in bringing, for the first time, into the determination of questions arising between competing lines the highest representatives of the companies, as a permanent Board of Control; in terminating the demoralization which existed when the Association was formed; and in since preventing hasty and needless reductions of rates. It is with railways as with individuals—absolute independence of action is impossible. The railway systems are so interwoven that the policy of each is subject to the dictation of its competitors; and more so when each assumes to act independently than when all are restrained by association.

It is often asserted that present rates would be sufficient to meet all needs if the companies were not over-capitalized, but it can hardly be demonstrated that the principal lines of rail-

way in the West are over-capitalized, or even that their capitalization represents so much as the present value of their physical property. It is not material whether the present owners have paid dollar for dollar for their interest in the railways, for the history of railways in the West shows that more actual money has been put into them than is now represented in their capitalization. If, in some cases, individuals have taken out more than they have put in, in more cases other individuals have hopelessly buried all they have put in. This has resulted from the anticipation of the needs of the country, for which the public is as much responsible as investors, and from which the public has reaped the principal benefit. The development of the country has been hastened, and the farmer finds that land for which he paid five dollars per acre is now worth thirty, because there is a railway to haul his products to market; while the owner of railway property finds it a constant struggle to save his original investment.

The principal lines of railway in the West cannot be duplicated for their present capitalization. This is the material point. There seems to be no good reason why the owners of a railway which it would cost more than its present capitalization to duplicate, should be deprived of the right to a fair return on the value of its physical property, any more in the case of railway property than in the case of mills, or farms, or factories, or newspapers, or any other property; nor should owners of railway property be denied all benefit from appreciation of value, while owners of other forms of property have the benefit of an appreciation to which railways have contributed no small part.

A constant pressure has resulted in a considerable advance in wages, without a corresponding increase in net revenue. It is impossible that a liberal standard of wages can long be maintained, unless the capital which sustains the enterprises in which labor is employed is permitted also to receive a liberal compensation for its use. This conclusion concerns not only labor directly employed by railways, but the many other commercial and industrial interests which absorb the wages of railway labor, or employ the multitude of workmen who are engaged in the production of the enormous amount of supplies and material which railways consume—the cost of which consists principally of wages paid for

labor in production. The difference between the value of iron in the ground and in a rail, or of a tree in the forest and in lumber, or of coal in the mine and on the tender of a locomotive, is mostly labor.

The railways, directly and indirectly, are the largest employers of labor, and labor has more interest in their welfare than capital. It is not unreasonable, therefore, to expect that the element of labor, which ambitious politicians are so eager to propitiate, will, with a more intelligent appreciation of its own interests, exercise in time a strong influence in securing legislative action relative to railways, which shall be dictated by a just regard for the welfare of so important an interest.

The payments of this Company for labor directly employed in its service during the past year, were $12,468,362.94; and for material and supplies, $6,955,777.07, of which at least 75%, or $5,216,832.80, were for labor in production, making a total of $17,680,195.74 expended for labor. Nearly all of this sum is distributed among the sellers of merchandise, food products and fuel, so that the larger part of payments for transportation, goes directly back to the sources from which it came.

Whoever takes the narrow view that, because he owns no railway stock, it is no concern of his whether anything is paid on the stock, is about as sensible as the man who, because he owns no farm, and grows no corn, thinks it no concern of his if the corn crop is a failure. The same nerve runs through all commercial and industrial interests, and most of the errors of railway legislation have sprung from the assumption that one can be injured without detriment to the others.

Another important element is beginning to interest the public in the necessity for an increase in the net revenue of railways. The development of the country and consequent increase of commerce demand more and better facilities and a higher standard of railway property. How can these be furnished unless the net income of railways is increased? If railway companies are not permitted to earn enough to pay for improving their property, they must borrow; and how can they borrow unless they can show a reasonable certainty of enough net earnings to pay for borrowed money? It is not sufficient to earn merely enough to

pay interest on mortgages. No company can obtain money on favorable terms, if for a long time it can pay nothing to its stockholders. It is a very easy matter for legislatures or boards of railway commissioners to legislate that a railway company shall expend a million of dollars in equipping freight cars with air-brakes, or in building viaducts over street crossings; but neither legislatures nor commissioners, nor railway companies themselves, can provide the means to meet the cost, when earnings are insufficient to furnish good credit.

It is apparent that the railways of the West cannot meet such demands without a very considerable increase in their capitalization. The proper way to accomplish this is to make the shares of the companies a safe and sure investment, so that they can raise money by sale of shares instead of sale of bonds. While it is a proper subject for the care of legislatures and courts that such increase of capital shall be represented by additional property and facilities, it is vital that equal care shall be taken that the revenues of the companies shall protect the increased capitalization, and prevent the disaster that will surely result from expenditure that cannot be made remunerative. It is an impossibility that increased capitalization shall represent only actual additions to property if its rates and revenues do not enable a company to place its bonds and stock at par.

The necessity for more and better facilities and a higher standard of railway property should therefore produce an enlightened and liberal view as to rates of transportation and the regulation of railways, for upon them depends the fulfillment of the public needs.

For details of operation, reference is made to the statements of the General Auditor, appended hereto.

By order of the Board of Directors,

ROSWELL MILLER,

President.

AUGUST, 1891.

To the President: —

Herewith are submitted Statements of Operation and of the General Accounts for the fiscal year ending June 30th, 1891.

W. N. D. WINNE,
General Auditor.

DETAILED STATEMENT

OF

EARNINGS AND EXPENSES

FOR THE YEARS ENDING JUNE 30, 1890 AND 1891.

EARNINGS.

	1890.	1891.
From Freight	$18,337,009 51	$19,012,159 12
From Passengers	5,981,639 36	6,277,774 05
From Mails, Express, Etc.	2,087,059 48	2,214,291 32
Gross Earnings	$26,405,708 35	$27,504,224 49

EXPENSES.

	1890.	1891.
Repairs of Track	$1,224,684 23	$1,517,324 90
Renewal of Rails	274,918 72	457,657 02
Renewal of Ties	632,547 31	838,189 83
Repairs of Bridges	781,395 61	682,680 55
Repairs of Fences	48,220 89	60,461 17
Repairs of Buildings	157,947 58	212,669 81
Repairs of Locomotives	1,147,851 61	1,177,122 26
Repairs of Cars	1,373,950 61	1,519,923 02
Repairs of Tools and Machinery	118,047 58	90,879 02
Carried forward	$5,759,564 14	$6,551,907 58

	1890.	1891.
Brought forward	$ 5,759,564 14	$ 6,551,907 58
Management and General Offices	556,603 17	587,130 92
Foreign Agency and Advertising	219,177 60	192,195 72
Station Service	2,595,822 08	2,750,056 79
Conductors, Bag'e and Brakemen	1,420,854 12	1,455,192 01
Engineers, Firemen and Wipers	1,776,300 30	1,839,459 51
Train and Station Supplies	464,194 34	503,088 86
Fuel Consumed	1,998,325 42	2,040,290 97
Oil and Waste	125,576 73	143,159 20
Personal Injuries	170,022 66	204,643 24
Damage to Property	62,938 93	83,610 23
Loss and Damage of Fr't and B'ge	89,300 84	63,493 57
Legal Expenses	115,552 35	124,985 07
New York Office Expenses	27,393 67	27,448 29
Taxes	830,046 55	857,906 53
Insurance	57,126 24	57,518 39
Miscellaneous Expenses	195,106 88	242,214 69
Stock Yard Expenses	13,531 93	14,255 50
Expenses of Elevators	47,382 32	42,942 10
Mileage of Cars	207,665 58	287,607 52
Sleeping and Parlor Car Expenses	.....	42,458 44
Trackage and Switching Charges	440,612 44	254,934 94
Total Expenses	$17,173,097 79	$18,366,500 07

RECAPITULATION.

	1890.	1891.	Increase.	Decrease.
Gross Earnings	$26,405,708 35	$27,504,224 49	$1,098,516 14	.....
Total Expenses	17,173,097 79	18,366,500 07	1,193,402 28	.....
Net Earnings	$9,232,610 56	$9,137,724 42	.....	$94,886 14

STATEMENT OF MONTHLY EARNINGS AND EXPENSES.

		FREIGHT.	PASSENGER.	MAILS, EXPRESS, ETC.	GROSS EARNINGS.	OPERATING EXPENSES.	NET EARNINGS.
July,	1890	$1,327,300 20	$634,854 21	$186,913 15	$2,149,067 56	$1,482,342 18	666,725 38
August,	"	1,527,816 58	604,982 83	189,889 33	2,322,688 74	1,570,805 62	751,883 12
September,	"	1,816,005 24	717,524 41	181,098 51	2,714,628 16	1,692,878 53	1,021,749 63
October,	"	2,143,311 75	594,001 77	168,457 03	2,905,770 55	1,729,779 94	1,175,990 61
November,	"	1,992,096 44	473,595 34	185,293 95	2,650,985 73	1,593,038 92	1,057,946 81
December,	"	1,779,529 94	479,757 75	193,992 27	2,453,279 96	1,497,675 99	955,603 97
January,	1891	1,328,676 54	434,866 35	182,653 18	1,946,196 07	1,427,280 39	518,915 68
February,	"	1,308,063 52	388,373 35	182,555 77	1,878,992 64	1,466,396 71	412,595 93
March,	"	1,499,418 49	456,410 36	176,064 14	2,131,892 99	1,378,795 33	753,097 66
April,	"	1,442,380 87	482,421 57	180,757 42	2,105,559 86	1,509,415 19	596,144 67
May,	"	1,445,031 26	468,399 71	184,116 60	2,097,547 57	1,545,093 59	552,453 98
June,	"	1,402,528 29	542,586 40	202,499 97	2,147,614 66	1,472,997 68	674,616 98
Total		$19,012,159 12	$6,277,774 05	$2,214,291 32	$27,504,224 49	$18,366,500 07	$9,137,724 42

EQUIPMENT IN SERVICE JUNE 30th, 1891.

Locomotives	801
Passenger Cars	352
Sleeping Cars	57
Parlor Cars	12
Dining Cars	9
Baggage, Postal, Mail and Express Cars	248
Box Cars	17,447
Stock Cars	2,340
Flat and Coal Cars	4,327
Refrigerator Cars	509
Ore Cars	126
Log Cars	65
Caboose, Wrecking, Tool Cars, etc	503

MILEAGE AND REVENUE OF FREIGHT, YEAR ENDING JUNE 30th, 1891.

	EASTWARD.	WESTWARD.	TOTAL.
No. Tons Freight carried	5,808,976	4,588,059	10,397,035
No. Tons Freight carried one mile	1,138,763,045	756,872,066	1,895,635,111
Total Freight Earnings	$11,848,613 19	$7,163,545 93	$19,012,159 12
Rate per Ton per mile, 1891	1.040 cents.	.946 cents.	1.003 cents.
Rate per Ton per mile, 1890	.995 cents.	.996 cents.	.995 cents.

MILEAGE AND REVENUE OF PASSENGERS, YEAR ENDING JUNE 30th, 1891.

	EASTWARD.	WESTWARD.	TOTAL.
No. Passengers carried	4,072,678	3,846,551	7,919,229
No. Passengers carried one mile	127,978,200	134,572,900	262,551,100
Total Passenger Earnings	$3,085,912 33	$3,191,861 72	$6,277,774 05
Rate per Passenger per mile, 1891	2.411 cents.	2.372 cents.	2.391 cents.
Rate per Passenger per mile, 1890	2.371 cents.	2.298 cents.	2.333 cents.

STATEMENT OF COMMODITIES TRANSPORTED

DURING THE YEARS ENDING JUNE 30TH, 1890 AND 1891.

COMMODITIES.	1890.		1891.	
	Tons.	Per Cent.	Tons.	Per Cent.
Flour	335,846	3.614	417,006	4.011
Mill Feed	73,721	.793	91,538	.881
Wheat	827,517	8.905	708,162	6.811
Rye	65,612	.706	61,562	.592
Barley	330,183	3.553	426,042	4.098
Oats	308,031	3.315	410,647	3.950
Corn	391,314	4.211	335,822	3.227
Flax Seed	90,339	.972	161,796	1.556
Hay	95,953	1.033	108,479	1.043
Dairy Products	52,571	.566	56,065	.539
Other Agricultural Products	103,046	1.109	121,786	1.172
Provisions	223,431	2.404	223,168	2.147
Salt	75,821	.816	63,051	.607
Lime, Cement and Plaster	158,216	1.702	177,260	1.705
Brick and Stone	377,583	4.063	498,693	4.796
Iron and Steel	243,215	2.617	233,230	2.243
Manuf'r and Agricult'l Imp	259,579	2.793	342,869	3.298
Coal	1,007,080	10.837	1,111,555	10.980
Live Stock	643,122	6.921	674,559	6.489
Lumber	1,340,252	14.422	1,824,786	17.551
Merchandise	850,492	9.152	822,240	7 909
Ice	.....	.....	389,190	3.743
Miscellaneous	1,440,068	15.496	1,107,529	10.652
Totals	9,292,992	100.000	10,397,035	100.000

DETAIL OF EQUIPMENT AND IMPROVEMENT EXPENDITURES

FOR THE YEAR ENDING JUNE 30TH, 1891.

Additional Equipment	$1,519,359 12
Real Estate, Chicago	30,290 00
Real Estate, Omaha	34,492 80
Real Estate, Galewood	67,094 95
Real Estate, Kirkland	410 00
Real Estate, Milan	25 00
Real Estate, Rockton	2,479 50
Right-of-Way	51,464 84
New Car Shops, Milwaukee	41,864 91
Paving Yard, Milwaukee	5,008 83
Retaining Wall, St. Paul	25,249 72
Water Trough, Wadsworth	7,337 18
Coal Chute, Minneapolis	4,734 38
Depot, Whitewater	7,056 49
Coal Chute, La Crosse	5,452 98
Coal Dock, Chicago	3,285 33
Rail Mill, Savanna	24,893 86
Coal Chute, Savanna	6,491 34
Freight House, Sioux City	6,081 36
Depot, Dawson	1,404 92
Stock Yard, Kirkland	4,815 11
Interlocking Signal, Milwaukee	3,457 72
Record Room, Chicago	1,055 47
Dickens, Depot	1,461 67
Depots, Warehouses, Coal Sheds and Water Tanks at sundry points	88,475 42
Iron Bridges and Viaducts, sundry points	75,413 14
New Fences	60,912 42
New Culverts	34,246 81
Yard Improvements, Milwaukee	33,509 20
Yard Improvements, Watertown	11,532 08
Yard Improvements, Janesville	12,556 92
Yard Improvements, Marion	12,592 56
Yard Improvements, Tomahawk	5,191 91
Yard Improvements, Deering	5,213 53
Yard Improvements, Rockton	4,945 42
Yard Improvements, Mosinee	7,919 41
Yard Improvements, Mont Clare	3,473 96
Yard Improvements, Savanna	3,907 05
Yard Improvements, sundry points	15,103 33
Second Track, Savanna to Mt. Carroll	77,729 90
Second Track, Lake to Minerva	62,687 07
Second Track, Genoa to Davis Junction	187,440 56
Joint Tracks, Omaha	12,690 88
Widening Embankments, Raising Grades, Ballasting, Filling and Rip-rapping	250,079 96
New Side Tracks, sundry points	117,101 57
Miscellaneous Expenditures	287,049 14
Total	$3,225,039 72
Less proceeds of sales of Real Estate	277,771 25
Total	$2,947,268 47

MATERIAL AND FUEL ON HAND.

Coal	53,252	Tons,	$99,063 53
Wood	22,148	Cords,	44,137 91
Ties	620,404	Number,	226,224 01
New Steel Rails	7,422	Tons,	226,045 50
Old Steel Rails	10,502	Tons,	246,504 06
Old Iron Rails	2,833	Tons,	58,784 85
Oil	122,356	Gallons,	17,662 06
Waste	103,327	Pounds,	7,650 63
Splices, Bolts and Spikes	406,415	Pounds,	10,649 99
Iron (worked and unworked)	10,441,161	Pounds,	181,293 25
Copper and Brass	547,415	Pounds,	59,488 47
Lumber and Timber	20,824,774	Feet,	386,762 73
Piles	507,619	Feet,	68,781 10
Posts	73,304	Number,	9,332 35
Engine and Car Wheels	4,495	Number,	31,043 50
Engine and Car Wheels (on axles)	3,079	Pairs,	63,090 37
Engine and Car Axles	514,365	Pounds,	12,274 94
Tires	117,735	Pounds,	3,977 10
Steel and Steel Springs	691,670	Pounds,	39,718 16
Engine, Car and Road Castings	5,598,070	Pounds,	89,487 63
Paints and Oils			9,147 38
Stationery Supplies			20,275 57
Other Supplies			401,828 21
Total June 30th, 1891			$2,313,223 30
Total June 30th, 1890			$2,407,369 56
Decrease			$94,146 26

NOTE.—The above includes material valued at $157,545.90 for new cars and new locomotives now in course of construction.

TRANSPORTATION STATISTICS

FOR THE YEARS ENDING JUNE 30TH, 1890 AND 1891.

	1890.	1891.
Miles run by passenger trains	7,131,071	7,300,932
Miles run by freight trains	11,655,518	11,866,637
Miles run by mixed trains	794,585	817,748
Miles run by revenue trains	19,581,174	19,985,317
Miles run by switching trains	4,599,181	4,979,318
Miles run by construction and other trains	794,277	833,227
Total miles run by trains	24,974,632	25,797,862
Number of passengers carried	7,505,946	7,919,229
Number of passengers carried one mile	256,389,345	262,551,100
Average miles each passenger was carried	34.16	33.15
Revenue per passenger per mile	2.333 cts.	2.391 cts.
Revenue from passengers per train mile run	81.61 cts.	83.64 cts.
Number of tons of freight carried	9,292,992	10,397,035
Number of tons of freight carried one mile	1,842,789,845	1,895,635,111
Average miles each ton was carried	198.30	182.32
Revenue per ton per mile	.995 cts.	1.003 cts.
Revenue from freight per train mile run	$1.4967	$1.5234
Repairs of locomotives per revenue train mile run	5.86 cts.	5.89 cts.
Repairs of cars " " " " "	7.02 cts.	7.60 cts.
Station service " " " " "	13.26 cts.	13.76 cts.
Train service " " " " "	7.26 cts.	7.28 cts.
Locomotive service " " " " "	9.07 cts.	9.20 cts.
Train and station supplies " " " " "	2.37 cts.	2.52 cts.
Fuel " " " " "	10.20 cts.	10.21 cts.
Oil and waste " " " " "	.64 cts.	.72 cts.
All other expenses " " " " "	32.02 cts.	34.72 cts.
Total operating expenses " " " " "	87.70 cts.	91.90 cts.
Percentage of expenses (including taxes) to earnings	65.04%	66.78%

LAND DEPARTMENT.

On the 1st of July, 1890, the Company owned lands in Iowa, Minnesota and Wisconsin, amounting to	66,357.79 acres.
It received during the year	6,932.28 "
	73,290.07 acres.
And sold during the year	14,130.58 "
Unsold June 30th, 1891	59,159.49 acres.

Estimated value of unsold lands	$166,018 90
Balance due on lands previously sold	213,177 43
Total, June 30th, 1891	$379,196 33

STATEMENT OF INCOME ACCOUNT

FOR THE FISCAL YEAR ENDING JUNE 30TH, 1891.

Balance at credit July 1st, 1890		$2,419,514 55
Old Accounts charged off	$27,189 10	
Dividend No. 41, payable October 22d, 1890, from net earnings of fiscal year ending June 30th, 1890; 3½ % on $21,839,900 preferred stock	764,396 50	791,585 60
		$1,627,928 95
Gross Earnings	$27,504,224 49	
Less Operating Expenses (including taxes)	18,366,500 07	
Net Earnings	9,137,724 42	
Dividend of 4% on 61,578½ shares of Mil. & Northern R. R. Co. stock owned by the Company	246,314 00	
Income from other sources	172,110 73	
Net Revenue for the year		9,556,149 15
Total		$11,184,078 10
Interest accrued during the year on Funded Debt	$7,237,251 61	
Interest and Exchange	84,217 33	
Dividend No. 42, payable April 12th, 1891, from net earnings of fiscal year ending June 30th, 1891; 3½% on $21,935,900 preferred stock	767,756 50	8,089,225 44
Balance at credit June 30th, 1891		$3,094,852 66

GENERAL ACCOUNT, JUNE 30th, 1891.

Dr.			Cr.		
Cost of Road and Equipment		$189,624,727 91	Capital Stock, Preferred	$22,198,900 00	
Bonds, Stock, etc., of other Companies	$7,337,240 72		" " Common	46,027,261 00	$68,226,161 00
Balances due from Agents, Conductors, etc	256,954 26		Funded Debt		129,797,000 00
Due from United States Government	276,251 11		Pay Rolls, Vouchers and Accounts	2,786,778 16	
Miscellaneous Accounts	2,021,462 62		Loans and Bills Payable	3,477,228 44	
Stock of Material and Fuel on hand	2,313,223 30		Dividends Unclaimed	30,027 08	
Stock of the Company, held in its Treasury	4,821 00		Interest Coupons not presented	61,618 16	
Mortgage Bonds of the Company unsold, held in its Treasury or due from Trustee	5,692,000 00		Interest accrued, not yet payable	3,546,775 42	9,902,427 26
Cash on hand	3,493,760 00	21,395,713 01	Income Account		3,094,852 66
		$211,020,440 92			$211,020,440 92

CAPITAL STOCK, JUNE 30th, 1891.

Total Preferred Stock at date of last report,		$21,839,900 00
Issued during the year:		
In exchange for Milwaukee & St. Paul Railway Bonds	$357,000 00	
In exchange for Prairie du Chien Division: Second Mortgage Bonds	2,000 00	359,000 00
Total Preferred Stock June 30th, 1891		$22,198,900 00
Total Common Stock at date of last report.		$39,868,961 00
Amount issued during the year, for exchange for, or purchase of, Milwaukee & Northern R. R. Co. Stock		6,158,300 00
Total Common Stock, June 30th, 1891		$46,027,261 00
Total Capital Stock, June 30th, 1891		$68,226,161 00

FUNDED DEBT, JUNE 30th, 1891.

Total Funded Debt at date of last report, including all liens on purchased roads..		$125,693,000 00
Issued during the year: General Mortgage Bonds, as follows:		
For Income Sinking Fund Convertible Bonds canceled.....	$80,000 00	
For Wisconsin Valley Division Bonds canceled.....	25,000 00	
For Real Estate Bonds canceled.....	50,000 00	
For expenditures for additional equipment January 1st to December 31st, 1890, under provisions of the General Mortgage.....	1,174,000 00	
For expenditures for additional property and improvements January 1st to December 31st, 1890, under provisions of the General Mortgage.....	1,409,000 00	
For expenditures for construction of second main track, January 1st to December 31st, 1890, under provisions of the General Mortgage.....	390,000 00	
Bonds due from Trustee for purchase of Wisconsin, Pittsville & Superior, Milwaukee, Dexterville & Northern, and Lisbon, Necedah & Lake Superior Railways, and for additional equipment, real estate and improvements, January 1st to June 30th, 1891, under provisions of the General Mortgage.....	1,490,000 00	4,618,000 00
		$130,311,000 00
Redeemed and canceled during the year:		
Income Sinking Fund Convertible Bonds.	$80,000 00	
Wisconsin Valley Division Bonds.....	25,000 00	
Real Estate Bonds...	50,000 00	
Milwaukee & St. Paul Railway Bonds....	357,000 00	
Prairie du Chien Division Second Mortgage Bonds.....	2,000 00	514,000 00
Funded Debt, June 30th, 1891.....		$129,797,000 00

Of the total amount of bonds outstanding, as stated above, there remain in the treasury, unsold, or due from Trustee, $5,692,000.

FUNDED DEBT JUNE 30th, 1891.

Description of Bonds.	Time. Date of Issue.	Time. When Due.	Amount Outstanding.	Interest. Rate.	Interest. When Payable.	Interest. Amount Accrued During the Year.	Interest. Amount Paid During Year.
Milwaukee & St. Paul R'y	1863	1893	$4,623,000 00	7 per cent	Jan. and July.	$332,745 00	$344,505 00
Iowa & Minnesota Division	1867	1897	3,198,000 00	7 " "	" "	223,860 00	221,900 00
Prairie du Chien " 1st Mortgage.	1868	1898	3,674,000 00	8 " "	Feb. and Aug.	293,920 00	295,000 00
Prairie du Chien " 2d Mortgage.	1868	1898	1,239,000 00	7.3 " "	" "	90,532 17	91,140 50
Chicago & Milwaukee "	1873	1903	2,393,000 00	7 " "	Jan. and July.	167,510 00	167,650 00
St. Paul (or River) "	1872	1902	3,283,000 00	7 " "	" "	229,810 00	228,655 00
St. Paul (or River) " Sterling	1872	1902	521,500 00	7 " "	" "	36,505 00	38,010 00
Iowa & Dakota "	1869	1899	541,000 00	7 " "	" "	37,870 00	37,520 00
Hastings & Dakota "	1872	1902	89,000 00	7 " "	" "	6,230 00	6,230 00
Consolidated	1875	1905	11,486,000 00	7 " "	" "	803,320 00	803,425 00
Terminal	1884	1914	4,773,000 00	5 " "	" "	238,650 00	237,675 00
Iowa & Dakota Division Extension	1878	1908	3,505,000 00	7 " "	" "	245,350 00	245,350 00
Hastings & Dakota Division Extension	1880	1910	5,680,000 00	7 " "	" "	397,600 00	393,085 00
Hastings & Dakota Division Extension	1880	1910	990,000 00	5 " "	" "	49,500 00	49,475 00
Southwestern Division	1879	1909	4,000,000 00	6 " "	" "	240,000 00	238,320 00
La Crosse & Davenport Division	1879	1919	2,500,000 00	5 " "	" "	125,000 00	124,700 00
Chicago and Pacific "	1880	1910	3,000,000 00	6 " "	" "	180,000 00	180,270 00
Chicago & Pacific Western "	1881	1921	25,340,000 00	5 " "	" "	1,267,000 00	1,260,275 00
Southern Minnesota "	1880	1910	7,432,000 00	6 " "	" "	445,800 00	446,010 00
Mineral Point "	1880	1910	2,840,000 00	5 " "	" "	142,000 00	142,075 00
Dubuque "	1880	1920	6,565,000 00	6 " "	" "	393,360 00	393,390 00
Wisconsin Valley "	1880	1920	2,391,000 00	6 " "	" "	114,300 00	119,940 00
Wisconsin & Minnesota "	1881	1921	4,755,000 00	5 " "	" "	237,750 00	238,775 00
Chicago & Lake Superior "	1881	1921	1,360,000 00	5 " "	" "	68,000 00	67,800 00
Chicago & Missouri River "	1886	1926	3,083,000 00	5 " "	" "	154,150 00	154,400 00
Dakota & Great Southern R'y	1886	1916	2,856,000 00	5 " "	" "	142,500 00	142,500 00
Fargo & Southern R'y	1883	1924	1,250,000 00	6 " "	" "	75,000 00	75,000 00
Minnesota Central R. R.	1864	1894	123,000 00	7 " "	" "	8,610 00	8,610 00
Milwaukee & Western R. R.	1861	1891	215,000 00	7 " "	" "	14,980 00	14,945 00
Wisconsin Valley R. R.	1879	1909	1,106,500 00	7 " "	" "	77,455 00	77,455 00
Fargo & Southern R'y, Income	1885	1895	200,000 00	6 " "	April and Oct.	12,000 00	11,040 00
Real Estate	1884	1894	225,000 00	5 " "	Mar. and Sept.	11,250 00	10,940 00
Income Sinking Fund Convertible	1886	1916	*1,840,000 00	5 " "	Jan. and July.	94,000 00	96,000 00
General Mortgage	1889	1989	12,720,000 00	4 " "	" "	280,000 00	251,426 30
Real Estate (matured and paid)	....	....	.....	.....	.....	694 44	1,250 00
Total	....	....	$129,797,000 00	.....	.....	$7,237,251 61	$7,214,741 80

*The authorized issue of these bonds is $5,000,000, of which but $2,000,000 have been sold.

To the President:—

Herewith are submitted statements of the Operation and Income Accounts of the Milwaukee & Northern Railroad Company for the fiscal year ending June 30th, 1891.

W. N. D. WINNE,
Auditor.

DETAILED STATEMENT

OF

EARNINGS AND EXPENSES

Milwaukee & Northern Railroad Company

FOR THE YEAR ENDING JUNE 30, 1891.

EARNINGS.

From Freight	$1,204,342 32
From Passengers	365,565 62
From Mails, Express, Etc	60,533 73
Gross Earnings	$1,630,441 67

EXPENSES.

Repairs of Track	$105,365 14
Renewal of Rails	2,873 75
Renewal of Ties	25,404 39
Repairs of Bridges	21,941 11
Repairs of Fences	4,110 35
Repairs of Buildings	8,059 03
Repairs of Locomotives	56,141 24
Repairs of Cars	33,279 93
Repairs of Tools and Machinery	5,896 18
Carried forward	$313,071 12

Brought forward	$813,071 12
Management and General Offices	54,138 44
Foreign Agency and Advertising	22,573 64
Station Service	110,751 25
Conductors, Bag'e and Brakemen	85,945 41
Engineers, Firemen and Wipers	120,540 86
Train and Station Supplies	18,862 61
Fuel Consumed	135,617 47
Oil and Waste	9,270 81
Personal Injuries	23,533 26
Damage to Property	2,473 14
Loss and Damage of Freight and Baggage	1,480 97
Legal Expenses	3,930 54
Taxes	51,492 72
Insurance	2,625 59
Miscellaneous Expenses	8,082 50
Mileage of Cars	17,541 82
Trackage and Switching Charges	28,706 94
Total Expenses	$1,010,639 09

RECAPITULATION.

Gross Earnings	$1,630,441 67
Total Expenses	1,010,639 09
Net Earnings	$619,802 58

STATEMENT OF INCOME ACCOUNT.

FOR THE FISCAL YEAR ENDING JUNE 30TH, 1891.

Gross Earnings	$1,630,441 67	
Less Operating Expenses (including taxes).	1,010,639 09	
Net Earnings		$619,802 58
Income from other sources		627 80
Net revenue		$620,430 38
Interest accrued during the year on Funded Debt	$369,480 00	
Dividend from net earnings of fiscal year ending June 30th, 1891; 4% on $6,158,250 of stock	246,330 00	615,810 00
Balance		$4,620 38

TWENTY-EIGHTH

ANNUAL REPORT

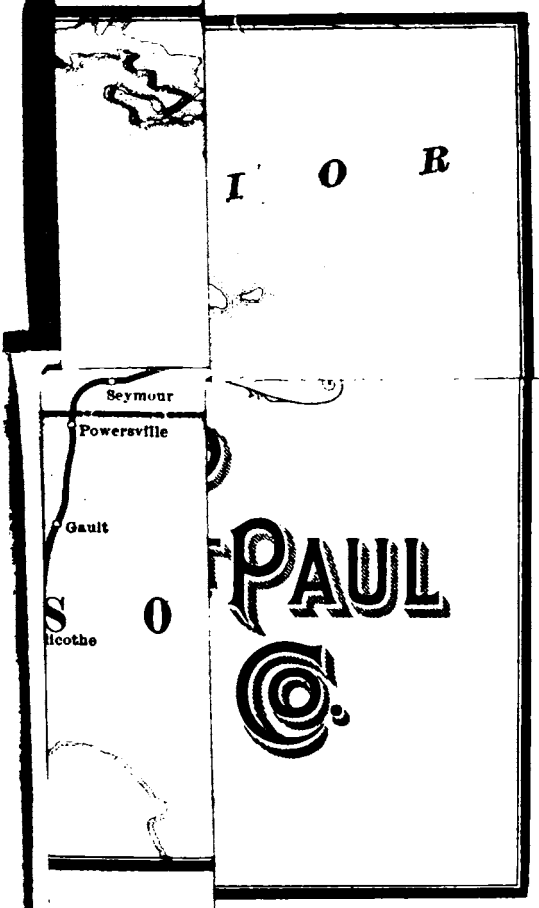
OF THE

Chicago, Milwaukee & St. Paul

RAILWAY COMPANY,

For the Fiscal Year Ending June 30th, 1892.

1892.



1892.

TWENTY-EIGHTH ANNUAL REPORT

OF THE

Chicago, Milwaukee & St. Paul

RAILWAY COMPANY,

For the Fiscal Year Ending June 30th, 1892.

MILWAUKEE:
CRAMER, AIKENS & CRAMER, PRINTERS.
1892.

DIRECTORS AND OFFICERS

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.

DIRECTORS.

PHILIP D. ARMOUR,	CHICAGO.
AUGUST BELMONT,	NEW YORK.
FRANK S. BOND,	"
CHARLES D. DICKEY, JR.,	"
PETER GEDDES,	"
FREDERICK LAYTON,	MILWAUKEE.
JOSEPH MILBANK,	NEW YORK.
ROSWELL MILLER,	CHICAGO.
WILLIAM ROCKEFELLER,	NEW YORK.
SAMUEL SPENCER,	"
A. VAN SANTVOORD,	"
J. HOOD WRIGHT,	"

OFFICERS.

ROSWELL MILLER,	President,	CHICAGO.
FRANK S. BOND,	Vice-President,	NEW YORK.
E. P. RIPLEY,	Third Vice-President,	CHICAGO.
A. J. EARLING,	General Manager,	"
W. G. COLLINS,	General Superintendent,	"
P. M. MYERS,	Secretary,	MILWAUKEE.
J. M. McKINLAY,	Assistant Secretary and Transfer Agent,	NEW YORK.
C. B. FERRY,	Assistant Secretary and Transfer Agent,	"
W. S. THORN, JR.,	Assistant Secretary and Transfer Agent,	"
F. G. RANNEY,	Treasurer,	CHICAGO.
JOHN W. CARY,	General Counsel,	"
JOHN T. FISH,	General Solicitor,	"
W. N. D. WINNE,	General Auditor,	"

REPORT

OF THE

BOARD OF DIRECTORS.

THE

TWENTY-EIGHTH ANNUAL REPORT

OF THE DIRECTORS OF THE

CHICAGO, MILWAUKEE & ST. PAUL

RAILWAY COMPANY,

TO THE STOCKHOLDERS.

For the Fiscal Year Ending June 30th, 1892.

The President and Directors submit to the Stockholders the following report of the business and operations of the Company for the year ending June 30th, 1892, and of the condition of its property and finances at the close of that year.

The operation for the year shows the following result:

Gross Earnings	$32,288,508 84
Operating Expenses	20,815,004 50
Net Earnings	$11,468,503 84
Income from other sources	124.939 49
Total	$11,593,443 33
Fixed charges—interest on bonds	7,161,736 56
Balance above fixed charges	$4,431,706 77

Out of above balance 3½% dividend on preferred stock, amounting to $795,651.50, was declared, payable in April, 1892.

The Company owns and operates 5,721.40 miles of railway, as follows:

Main track owned solely by this Company....	5,712.07	
Main track owned jointly with other Companies	9.33	
Total length of main track.....		5,721.40
Second and third tracks and connection tracks owned solely by this Company.....	110.72	
Second and third tracks and connection tracks owned jointly with other Companies.....	2.82	
Total length of second and third tracks and connections.....		113.54
Tracks owned by other Companies, but used by this Company under agreements.....		62.01
Yard tracks, sidings and spur tracks owned solely by this Company.....	1,175.16	
Yard tracks, sidings and spur tracks owned jointly with other Companies.....	22.09	
Total length of yard tracks, sidings and spur tracks..... ..		1,197.25
Total miles of track.....		7,094.20

The lines of road are located as follows:

In Illinois	318.08	miles.
" Wisconsin.....	1,374.66	"
" Iowa.....	1,558.27	"
" Minnesota.....	1,120.09	"
" North Dakota.....	118.21	"
" South Dakota.....	1,096.82	"
" Missouri.....	140.27	"
Total length of main track.....	5,721.40	"

DOUBLE TRACK.

Construction of the following sections of second main track has been begun, and will be completed this summer:

Chicago & Milwaukee Division:		
Forest Glen to Wadsworth	32.7	miles.
Lake to Western Union Junction	16.1	"
Chicago & Council Bluffs Division:		
Mont Clare to Franklin Park	8.5	"
Kittredge to Mt. Carroll	11.2	"
Northern Division:		
Grand Avenue to North Milwaukee	5.0	"
Total	68.5	"

COMPARATIVE SUMMARY OF OPERATION.

Gross Earnings.			
1891	$27,504,224 49		
1892	32,283,508 34	Increase	$4,779,283 85
Operating Expenses.			
1891	$18,366,500 07		
1892	20,815,004 50	Increase	$2,448,504 43
Net Earnings.			
1891	$9,137,724 42		
1892	11,468,503 84	Increase	$2,330,779 42
Tons of Freight Carried.			
1891	10,397,035		
1892	11,568,930	Increase	1,171,895
Number of Passengers Carried.			
1891	7,919,229		
1892	8,026,906	Increase	107,677
Miles Run by Revenue Trains.			
1891	19,985,317		
1892	22,458,299	Increase	2,472,982
Mileage of Loaded Freight Cars.			
1891	190,973,870		
1892	219,965,905	Increase	28,992,035
Mileage of Empty Freight Cars.			
1891	71,481,974		
1892	80,978,980	Increase	9,497,006

Cost of Operating Road Per Revenue Train Mile Run.

1891	91.90 cts.		
1892	92.68 "	Increase	.78 cts.

Gross Earnings Per Mile of Road.

1891	$4,816 85		
1892	5,642 98	Increase	$826 13

Operating Expenses Per Mile of Road.

1891	$3,216 55		
1892	3,638 35	Increase	$421 80

Net Earnings Per Mile of Road.

1891	$1,600 30		
1892	2,004 63	Increase	$404 33

Average Miles of Road Operated During the Year.

1891	5,710		
1892	5,721	Increase	11

The average rate per ton per mile received for freights, for a series of years past, has been as follows, viz.:

1865	4.11 cts.	1875	2.10 cts.	1885	1.28 cts.
1866	3.76 "	1876	2.04 "	1886	1.17 "
1867	3.94 "	1877	2.08 "	1887	1.09 "
1868	3.49 "	1878	1.80 "	1888	1.006 "
1869	3.10 "	1879	1.72 "	1889	1.059 "
1870	2.82 "	1880	1.76 "	1890	0.995 "
1871	2.54 "	1881	1.70 "	1891	1.008 "
1872	2.43 "	1882	1.48 "	1892	1.026 "
1873	2.50 "	1883	1.39 "		
1874	2.38 "	1884	1.29 "		

Twenty-seven thousand eight hundred and fifty-two tons of steel rails and 1,597,570 cross-ties have been put in the track during the year, and there are now 4,395.06 miles of main track laid with steel and 1,326.34 miles with iron rails.

About two and seven-tenths miles of pile and trestle bridges have been filled with earth, and one hundred and sixty-seven wooden culverts have been replaced with iron, at cost of operating expenses.

The replacement of about three hundred and fifty-three feet of wooden bridges and one hundred and sixty-five feet of embankment, with iron structures, has been completed during the year and other work of this character is in progress.

During the year the following rolling-stock has been purchased:

26 Locomotives	$236,866 59	
100 Ore Cars	51,230 22	
2 Coaches	9,739 59	
1 Parlor Car	9,341 44	
		$307,177 84

The following rolling-stock has been built at the Company's shops:

100 Refrigerator Cars	$90,170 98	
1,400 Box Cars	784,194 06	
350 Stable Stock Cars	204,414 67	
8 Baggage, Mail and Express Cars	23,916 69	
4 Tenders	3,875 00	
		1,106,571 40
There has also been expended during the year, in the Company's shops, for power brakes, automatic couplers, steam-heat and electric-light equipment, and other improvements to rolling-stock, the sum of		153,999.74
		$1,567,748.98

The sum of $524,598.11 has been charged to operating expenses for the purpose of maintaining car equipment by the replacement of cars worn out, destroyed by wreck, fire, or on foreign roads; and $260,866.59 for the replacement of 29 old, small locomotives scrapped.

The operation of your Company's lines for the year shows increase of gross earnings, $4,779,288.85; increase of expenses, $2,448,504.43, and increase in net earnings, $2,330,779.42.

The increase in earnings is due to good crops, to the increase in general traffic in consequence of good crops, to the development of the territory and industries along the lines of your Company, and to maintenance of rates in the larger part of the territory.

The principal items of increase in expenses were in maintenance of property and conducting transportation.

Maintenance of track increased $581,576.54; fences, $80,832.80; buildings, $58,905.14. Maintenance of motive power, machinery and cars increased $1,096,448.98, being $785,464.70 for replacement as stated above, and $810,984.28 for repairs.

Maintenance of bridges decreased $144,782.99, in consequence of large renewals in previous years.

For conducting transportation there was an increase in expenses as follows: Station service, $100,835.99; train service, $138,801.72; locomotive service, $137,981.75; train and station supplies, $65,688.05; fuel, oil and waste, $266,849.81—a total of $704,556.82.

The payments of this Company for labor directly employed in its service during the past year were $13,257,797.99, and for material and supplies $7,593,471.11.

Since the termination of the Pullman contract, the past year was the first full year of operation by this Company of its sleeping car lines. The gross earnings were $196,066.32, operating expenses $82,546.52, and net earnings $113,519.80.

The investment of this Company in its sleeping cars stands on its books at $678,965.13 for 52 cars. It will appear, therefore, that the net earnings are sufficient to pay for the new cars required each year to replace old cars, and pay a fair return on the investment. The result is specially gratifying, because it has not been obtained by impairing the service, which has been satisfactory to the public.

The net earnings of the Milwaukee & Northern Railroad Company, for the fiscal year ending June 30th, 1892, were $642,904.13, against $619,802.58 for the last fiscal year, an increase of $23,101,55. No dividend has been declared on its stock (which is owned by the Chicago, Milwaukee & St. Paul Railway Company) pending the decision of the question of combining the two properties, which may make it desirable to use the net earnings of the year in payment of the improvement account for the past two years.

The Milwaukee & Northern Railroad Company has commenced the construction of a line of road about forty-five miles in length, from Channing, on its main line, to Sidnaw, the terminus

of its Ontonagon Line. It is expected that this will be completed this season, and close the gap which has heretofore existed between those points.

The Board have to place upon record a minute of the death, on the second day of June, 1892, of Hugh T. Dickey, a member of the Board.

He was first elected a Director of this Company on the 7th of June, 1879, and from that date served continuously as a Director and as a Member of the Executive Committee to the time of his death. He was faithful, earnest and devoted in the discharge of his duties as a Director, and his advice and counsel in regard to the management and business of the Company were always highly appreciated by his associates. In his intercourse with the other members of the Board he was always kind and considerate. We deeply deplore his loss, and regret that we shall hereafter be deprived of his wise counsel.

For details of operation, reference is made to the statements of the General Auditor, appended hereto.

By order of the Board of Directors,

ROSWELL MILLER,

President.

AUGUST, 1892.

To the President:—

Herewith are submitted Statements of Operation and of the General Accounts for the fiscal year ending June 30th, 1892.

W. N. D. WINNE,
General Auditor.

DETAILED STATEMENT

OF

EARNINGS AND EXPENSES

FOR THE YEARS ENDING JUNE 30, 1891 AND 1892.

EARNINGS.

	1891.	1892.
From Freight	$19,012,159 12	$23,241,420 76
From Passengers	6,277,774 05	6,639,136 75
From Mails, Express, etc	2,214,291 32	2,402,950 83
Gross Earnings	$27,504,224 49	$32,283,508 34

EXPENSES.

	1891.	1892.
Repairs of Track	$1,517,324 90	$1,756,214 62
Renewal of Rails	457,657 02	744,556 46
Renewal of Ties	833,189 83	838,977 21
Repairs of Bridges	682,680 55	537,897 56
Repairs of Fences	60,461 17	91,293 47
Repairs of Buildings	212,669 81	266,574 95
Repairs of Locomotives	1,177,122 26	1,597,876 66
Repairs of Cars	1,519,923 02	2,184,032 05
Repairs of Tools and Machinery	90,879 02	102,964 57
Carried forward	$6,551,907 58	$8,119,887 55

	1891.	1892.
Brought forward.....	$6,551,907 58	$8,119,887 55
Management and General Offices	587,180 92	600,690 21
Foreign Agency and Advertising	192,195 72	189,872 40
Station Service.....	2,750,056 79	2,850,892 78
Conductors, Bag'e and Brakemen	1,455,192 01	1,588,998 78
Engineers, Firemen and Wipers	1,889,459 51	1,977,391 26
Train and Station Supplies....	508,088 86	568,726 91
Fuel Consumed.....	2,040,290 97	2,284,281 28
Oil and Waste.....	148,159 20	165,518 20
Personal Injuries.....	204,648 24	207,628 17
Damage to Property.....	88,610 28	78,281 32
Loss and Damage of Fr't and B'ge	68,498 57	102,752 54
Legal Expenses.....	124,985 07	182,767 18
New York Office Expenses	27,448 29	26,097 88
Taxes	857,906 58	988,147 64
Insurance.....	57,518 89	65,999 91
Miscellaneous Expenses.....	242,214 69	246,158 81
Stock Yard Expenses.....	14,255 50	14,718 76
Expenses of Elevators.....	42,942 10	47,085 56
Mileage of Cars.....	287,607 52	221,568 78
Sleeping and Parlor Car Expenses	42,458 44	92,218 08
Trackage and Switching Charges	254,984 94	305,891 65
Total Expenses.....	$18,366,500 07	$20,815,004 50

RECAPITULATION.

	1891.	1892.	Increase.
Gross Earnings.....	$27,504,224 49	$32,283,508 34	$4,779,283 85
Total Expenses.....	18,366,500 07	20,815,004 50	2,448,504 43
Net Earnings.....	$9,137,724 42	$11,468,503 84	$2,330,779 42

STATEMENT OF MONTHLY EARNINGS AND EXPENSES.

	FREIGHT.	PASSENGER.	MAILS, EXPRESS, ETC.	GROSS EARNINGS.	OPERATING EXPENSES.	NET EARNINGS.
July, 1891	$1,447,377 68	$657,557 99	$204,616 21	$2,309,551 88	$1,584,240 33	$725,311 55
August, "	1,562,623 92	609,755 03	194,627 17	2,367,006 12	1,712,111 85	654,894 27
September, "	2,207,999 26	685,505 99	200,103 75	3,093,609 00	1,763,732 43	1,329,876 57
October, "	2,669,357 49	588,192 45	219,106 11	3,476,656 05	1,904,632 00	1,572,024 05
November, "	2,532,807 80	484,119 02	197,235 19	3,214,162 01	1,809,867 13	1,404,294 88
December, "	2,339,578 94	540,860 92	211,610 20	3,092,050 06	1,719,551 88	1,372,498 18
January, 1892	1,750,659 52	476,736 81	193,520 89	2,420,917 22	1,741,395 17	679,522 05
February, "	1,671,979 14	441,995 12	190,128 30	2,304,102 56	1,720,179 27	583,923 29
March, "	1,987,539 08	560,681 70	192,819 71	2,741,040 49	1,667,035 10	1,074,005 39
April, "	1,719,536 34	512,671 78	195,808 03	2,428,016 15	1,730,220 88	697,795 27
May, "	1,576,569 48	476,069 30	198,979 86	2,251,618 64	1,678,128 41	573,490 23
June, "	1,775,392 11	604,990 64	204,395 41	2,584,778 16	1,783,910 05	800,868 11
Total	$23,241,420 76	$6,639,136 75	$2,402,950 83	$32,283,508 34	$20,815,004 50	$11,468,503 84

EQUIPMENT IN SERVICE JUNE 30th, 1892.

STANDARD GAUGE.

Locomotives	791
Passenger Cars	354
Sleeping Cars	52
Parlor Cars	13
Dining Cars	8
Baggage, Postal, Mail and Express Cars	248
Box Cars	18,037
Stock Cars	2,442
Flat, Coal and Dump Cars	4,018
Refrigerator Beer Cars	158
Refrigerator Cars	392
Ore Cars	225
Log Cars	65
Caboose Cars	426
Wrecking, Tool Cars, etc	61

NARROW GAUGE.

Locomotives	7
Passenger Cars	3
Baggage, Mail and Express Cars	6
Box Cars	204
Stock Cars	54
Flat Cars	50
Caboose Cars	6

Operating expenses for the year have been charged with $136,670.00 being the sum needed to replace rolling stock worn out and destroyed and not yet actually replaced, viz.: three locomotives, ten cabooses and two hundred and fifty-seven flat and dump cars, of the standard gauge, and nine box cars, nine stock cars and two flat cars, of narrow gauge.

STATEMENT OF COMMODITIES TRANSPORTED

DURING THE YEARS ENDING JUNE 30TH, 1891 AND 1892.

COMMODITIES.	1891.		1892.	
	Tons.	Per Cent.	Tons.	Per Cent.
Flour	417,006	4.011	485,350	4.195
Mill Feed	91,538	.881	106,540	.921
Wheat	708,162	6.811	1,219,383	10.540
Rye	61,562	.592	83,675	.723
Barley	426,042	4.098	587,743	5.081
Oats	410,647	3.950	400,382	3.461
Corn	335,822	3.227	301,695	2.608
Flax Seed	161,796	1.556	234,890	2.030
Hay	108,479	1.043	131,793	1.139
Dairy Products	56,065	.539	53,654	.464
Other Agricultural Products	121,786	1.172	117,778	1.018
Provisions	223,168	2.147	229,966	1.988
Salt	63,051	.607	60,221	.520
Lime, Cement and Plaster	177,260	1.705	215,967	1.867
Brick and Stone	498,693	4.796	482,093	4.167
Iron and Steel	233,230	2.243	267,655	2.314
Manufactures	342,869	3.298	457,469	3.954
Coal	1,141,555	10.980	1,367,646	11.822
Live Stock	674,559	6.489	654,412	5.657
Lumber	1,824,786	17.551	1,894,191	16.373
Merchandise	822,240	7.909	841,341	7.272
Ice	389,190	3.743	252,774	2.185
Miscellaneous	1,107,529	10.652	1,122,312	9.701
Totals	10,397,035	100.000	11,568,930	100.000

DETAIL OF EQUIPMENT AND IMPROVEMENT EXPENDITURES

FOR THE YEAR ENDING JUNE 30th, 1892.

Additional Equipment		$918,954 28
Real Estate—		
Pacific Junction, Ill	$14,523 00	
Galewood, Ill., Yard	27,748 05	
Chicago, Ill	12,500 00	
Omaha, Neb	14,856 71	
Council Bluffs, Ia	500 00	
Hartland, Wis	3,912 50	
Right-of-Way	34,343 52	108,383 78
Buildings—		
Milwaukee, Wis., Car Shops	$26,677 41	
Milwaukee, Wis., Shops, Humboldt Ave	2,707 01	
Dubuque, Ia., Shops	2,652 00	
Chicago, Ill., Boiler House, Western Ave	2,618 18	
Austin, Minn., Turn Table	1,353 22	
Milbank, So. Dak., Turn Table	1,138 53	
Mystic, Ia., Turn Table	932 91	
Sioux City, Ia., Track Scale	1,012 20	
Chicago, Ill., Depot, Michigan Street	1,073 76	
Cylinder, Ia., Depot	1,063 25	
Volga, Ia., Coal House	984 91	
Milwaukee, Wis., Traveling Hoist	1,134 42	
Sundry points	38,708 52	82,056 32
Chicago, Ill., Street Improvements		11,272 86
Iron Bridges and Viaducts, sundry points		41,483 20
New Fences		15,047 35
New Culverts		2,091 93
Yard Improvements—		
Milwaukee, Wis	$29,186 32	
Milwaukee, Wis., Paving	5,526 39	
St. Paul, Minn., Retaining Wall	7,076 75	
Mosinee, Wis	18,001 90	
Wabasha, Minn	3,795 71	
Delmar Junction, Ia	7,907 09	
Pickering, Ia	1,992 02	
Tomahawk, Wis	1,324 80	
Cragin, Ill	2,264 54	
Chicago, Ill	14,685 01	91,760 53
Second Track—		
Milwaukee to Lake	$ 2,438 17	
Genoa to Davis Junction	10,889 35	
Savanna to Mt. Carroll	4,175 79	
Lake to Western Union Junction	29,269 47	
Forest Glen to Wadsworth	15,459 24	
Mont Clare to Franklin Park	6,360 69	
Kittredge to Mt. Carroll	24,620 12	
Grand Avenue to North Milwaukee	8,003 44	101,216 27
Widening Embankments, Raising Grades, Ballasting, Filling and Rip-rapping,		215,692 09
New Side Tracks, sundry points		30,220 57
Miscellaneous Expenditures		22,958 93
Total		$1,641,138 11

MATERIAL AND FUEL ON HAND.

Coal	40,298	Tons,	$82,286	54
Wood	17,089	Cords,	27,562	88
Ties	716,677	Number,	258,862	88
New Steel Rails	5,199	Tons,	160,861	10
Old Steel Rails	7,543	Tons,	163,611	12
Old Iron Rails	7,988	Tons,	158,282	35
Oil	72,418	Gallons,	15,404	62
Waste	117,662	Pounds,	7,976	62
Splices, Bolts and Spikes	169,988	Pounds,	4,167	57
Iron (worked and unworked)	10,844,175	Pounds,	182,792	53
Copper and Brass	438,878	Pounds,	39,440	81
Lumber and Timber	18,564,427	Feet,	320,174	92
Piles	856,014	Feet,	44,928	23
Posts	58,874	Number,	5,683	57
Engine and Car Wheels	4,500	Number,	29,907	35
Engine and Car Wheels (on axles)	2,955	Pairs,	66,256	22
Engine and Car Axles	787,871	Pounds,	17,068	26
Tires	149,908	Pounds,	9,253	94
Steel and Steel Springs	582,186	Pounds,	34,035	75
Engine, Car and Road Castings	6,082,158	Pounds,	93,664	44
Paints and Oils			6,158	89
Stationery Supplies			17,515	41
Other Supplies			649,661	18
Total June 30th, 1892			$2,385,001	63
Total June 30th, 1891			$2,313,223	30
Increase			$71,778	33

TRANSPORTATION STATISTICS.

FOR THE YEARS ENDING JUNE 30TH, 1891 AND 1892.

	1891.	1892.
Miles run by passenger trains	7,300,932	7,405,805
Miles run by freight trains	11,866,637	14,172,436
Miles run by mixed trains	817,748	880,058
Miles run by revenue trains	19,985,317	22,458,299
Miles run by switching trains	4,979,318	5,065,466
Miles run by construction and other trains	833,227	733,924
Total miles run by trains	25,797,862	28,257,689
Number of passengers carried	7,919,229	8,026,906
Number of passengers carried one mile	262,551,100	270,817,683
Average miles each passenger was carried	33.15	33.74
Revenue per passenger per mile	2.391 cts.	2.452 cts.
Revenue from passengers per train mile run	83.64 cts.	87.06 cts.
Number of tons of freight carried	10,397,035	11,568,930
Number of tons of freight carried one mile	1,895,635,111	2,265,993,968
Number of tons of freight carried per loaded car	9.93	10.30
Average miles each ton was carried	182.32	195.87
Revenue per ton per mile	1.003 cts.	1.026 cts.
Revenue from freight per train mile run	$1.5234	$1.5669
Repairs of locomotives per revenue train mile run	5.89 cts.	7.11 cts.
Repairs of cars " " " " "	7.60 cts.	9.73 cts.
Station service " " " " "	13.76 cts.	12.69 cts.
Train service " " " " "	7.28 cts.	7.08 cts.
Locomotive service " " " " "	9.20 cts.	8.80 cts.
Train and station supplies " " " " "	2.52 cts.	2.53 cts.
Fuel " " " " "	10.21 cts.	10.17 cts.
Oil and waste " " " " "	.72 cts.	.74 cts.
All other expenses " " " " "	34.72 cts.	33.83 cts.
Total operating expenses " " " " "	91.90 cts.	92.68 cts.
Percentage of expenses (including taxes) to earnings	66.78%	64.48%

LAND DEPARTMENT.

On the 1st of July, 1891, the Company owned lands in Iowa, Minnesota and Wisconsin amounting to.....	59,159.49 acres.
It received during the year.....	4,244.69 "
	63,404.18 acres.
And sold during the year.....	58,882.57 "
Unsold June 30th, 1892.....	4,521.61 acres.

Estimated value of unsold lands	$22,608 05
Balance due on lands previously sold.....	125,022 20
	$147,630 25

STATEMENT OF INCOME ACCOUNT

FOR THE FISCAL YEAR ENDING JUNE 30TH, 1892.

Balance at credit July 1st, 1891		$3,094,852 66
Old Accounts charged off	$84,737 63	
Dividend No. 43, payable October 22d, 1891, from net earnings of fiscal year ending June 30th, 1891 3½% on $22,198,900 preferred stock	776,961 50	861,699 13
		$2,233,153 53
Gross Earnings	$32,283,508 34	
Less Operating Expenses (including taxes)	20,815,004 50	
Net Earnings	$11,468,503 84	
Income from other sources	237,353 61	
Net Revenue for the year		11,705,857 45
Total		$13,939,010 98
Interest accrued during the year on funded debt	$7,161,736 56	
Interest and Exchange	112,414 12	
Dividend No. 44, payable April 19th, 1892, from net earnings of fiscal year ending June 30th, 1892; 3½% on $22,732,900 preferred stock	795,651 50	8,069,802 18
Balance at credit June 30th, 1892		$5,869,208 80

GENERAL ACCOUNT, JUNE 30th, 1892.

Dr.			Cr.		
Cost of Road and Equipment		$191,544,852 57	Capital Stock, Preferred	$24,364,906 00	
Bonds, Stock etc., of other Companies		7,419,240 72	" " Common	46,027,261 00	70,392,161 00
Balance due from Agents, Conductors, etc	232,971 68		Funded Debt		129,195,000 00
Due from United States Government	256,159 94		Pay Rolls, Vouchers and Accounts	2,722,549 27	
Stock of Material and Fuel on hand	2,385,001 63		Miscellaneous Accounts	131,631 94	
Stock of the Company, held in its Treasury	4,770 00		Dividends Unclaimed	27,285 58	
Mortgage Bonds of the Company unsold, held in its Treasury or due from Trustee	5,996,000 00		Interest Coupons not presented	58,352 16	
Cash on hand	4,043,530 96	12,918,434 21	Interest accrued, not yet payable	3,486,338 75	6,426,157 70
			Income Account		5,869,208 80
		$211,882,527 50			$211,882,527 50

CAPITAL STOCK JUNE 30th, 1892.

PREFERRED STOCK.

Amount of Preferred Stock June 30th, 1891,		$22,198,900 00
Issued during the year in exchange for Bonds convertible into Preferred Stock by terms of mortgage, viz.:		
For 2088 Bonds, Milwaukee & St. Paul R'y Co.	$2,088,000 00	
For 4 Bonds, Prairie du Chien Division: Second Mortgage.....	4,000 00	
For 72 Bonds, Iowa & Minnesota Division.	72,000 00	
For 1 Bond, Iowa & Dakota Division.....	1,000 00	
For 1 Bond, Consolidated Mortgage.....	1,000 00	2,166,000 00
Total Preferred Stock June 30th, 1892...		$24,364,900 00

COMMON STOCK.

Amount of Common Stock June 30th, 1891.	$46,027,261 00
Total Common Stock June 30th, 1892 ...	46,027,261 00
Total Capital Stock June 30th, 1892.....	$70,392,161 00

FUNDED DEBT, JUNE 30th, 1892.

Total Funded Debt at date of last report, including all liens on purchased roads..		$129,797,000 00
Issued during the year: General Mortgage Bonds, as follows:		
For Milwaukee & Western Railroad Bonds, canceled.....		215,000 00
For balance of expenditures for purchase of road, and for additional equipment, real estate and improvements, January 1st to June 30th, 1891, under provisions of the General Mortgage...		14,000 00
Bonds due from Trustee for additional equipment, real estate and improvements, July 1st, 1891, to June 30th, 1892, under provisions of the General Mortgage.....		1,680,000 00
		$131,706,000 00
Redeemed and canceled during the year:		
Income Sinking Fund Convertible Bonds.	$80,000 00	
Wisconsin Valley Division Bonds.....	25,000 00	
Terminal Bonds.....	25,000 00	
Milwaukee & St. Paul Railway Bonds...	2,088,000 00	
Prairie du Chien Division Second Mortgage Bonds.....	4,000 00	
Consolidated Mortgage Bonds.....	1,000 00	
Iowa & Minnesota Division Bonds.....	72,000 00	
Iowa & Dakota Division Bonds.....	1,000 00	
Milwaukee & Western Railroad Bonds..	215,000 00	2,511,000 00
Funded Debt, June 30th, 1892.....		$129,195,000 00

Of the total amount of bonds outstanding, as stated above, there remain in the treasury, unsold, or due from Trustee, $5,996,000.

FUNDED DEBT, JUNE 30th, 1892.

	Description of Bonds.	Time. Date of Issue.	Time. When Due.	Amount Outstanding.	Interest. Rate.	Interest. When Payable.	Interest. Amount Accrued during the Year.	Interest. Amount Paid during Year.
a	Milwaukee & St. Paul R'y	1863	1893	$2,535,000 00	7 per cent.	Jan. and July.	$221,655 00	$304,955 00
a	Iowa & Minnesota Division	1867	1897	3,126,000 00	7 " "	" "	221,025 00	225,820 00
	Prairie du Chien " 1st Mortgage	1868	1898	3,674,000 00	8 " "	Feb. and Aug.	293,920 00	293,400 00
a	Prairie du Chien " 2d Mortgage	1868	1898	1,235,000 00	7.3 " "	" "	90,325 33	89,680 50
a	Chicago & Milwaukee "	1873	1903	2,393,000 00	7 " "	Jan. and July.	167,510 00	167,720 00
a d	St. Paul (or River) "	1872	1902	3,305,000 00	7 " "	" "	231,350 00	231,000 00
a e	St. Paul (or River) " Sterling	1872	1902	499,500 00	7 " "	" "	34,965 00	34,737 50
a	Iowa & Dakota "	1869	1899	540,000 00	7 " "	" "	37,835 00	38,255 00
a	Hastings & Dakota "	1872	1902	89,000 00	7 " "	" "	6,230 00	6,195 00
b	Consolidated	1874	1904	186,000 00	7 " "	" "	13,020 00	13,020 00
a	Consolidated	1875	1905	11,299,000 00	7 " "	" "	790,265 00	790,195 00
d	Terminal	1884	1914	4,748,000 00	5 " "	" "	237,400 00	240,325 00
a	Iowa & Dakota Division Extension	1878	1908	3,505,000 00	7 " "	" "	245,350 00	244,930 00
	Hastings & Dakota Div. Extension	1880	1910	5,680,000 00	7 " "	" "	397,600 00	402,150 00
	Hastings & Dakota Div. Extension	1880	1910	990,000 00	5 " "	" "	49,500 00	49,525 00
	Southwestern Division	1879	1909	4,000,000 00	6 " "	" "	240,000 00	241,170 00
	La Crosse & Davenport Division	1879	1919	2,500,000 00	5 " "	" "	125,000 00	125,175 00
	Chicago & Pacific "	1880	1910	3,000,000 00	6 " "	" "	180,000 00	179,760 00
d	Chicago & Pacific Western "	1881	1921	25,340,000 00	5 " "	" "	1,267,000 00	1,272,350 00
	Southern Minnestota "	1880	1910	7,432,000 00	6 " "	" "	445,800 00	446,850 00
	Mineral Point "	1880	1910	2,840,000 00	5 " "	" "	142,000 00	142,175 00
	Dubuque "	1880	1920	6,565,000 00	6 " "	" "	393,360 00	391,770 00
	Wisconsin Valley "	1880	1920	2,306,000 00	6 " "	" "	119,040 00	107,910 00
d	Wisconsin & Minnesota "	1881	1921	4,755,000 00	5 " "	" "	237,750 00	237,825 00
d	Chicago & Lake Superior "	1881	1921	1,360,000 00	5 " "	" "	68,000 00	68,100 00
	Chicago & Missouri River "	1886	1926	3,083,000 00	5 " "	" "	154,150 00	154,175 00
d	Dakota & Great Southern R'y	1886	1916	2,856,000 00	5 " "	" "	142,500 00	142,450 00
d	Fargo & Southern R'y	1883	1924	1,250,000 00	6 " "	" "	75,000 00	75,000 00
	Minnesota Central R. R.	1864	1894	123,000 00	7 " "	" "	8,610 00	8,400 00
	Wisconsin Valley R. R.	1879	1909	1,106,500 00	7 " "	" "	77,455 00	77,455 00
	Fargo & Southern R'y, Income	1885	1895	200,000 00	6 " "	April and Oct.	12,000 00	11,010 00
	Real Estate	1884	1894	225,000 00	5 " "	Mar. and Sept.	11,250 00	11,300 00
c	Income Sinking Fund Convertible	1886	1916	1,760,000 00	5 " "	Jan. and July.	90,000 00	92,000 00
d	General Mortgage	1889	1989	14,629,000 00	4 " "	" "	334,871 23	301,131 23
	Mil. & Western R. R. (matured & paid)	....	....	.....	.....	.....	.....	7,525 00
	Total	....	....	$129,195,000 00	.....	.....	$7,161,736 56	$7,225,439 23

a Bonds thus designated are convertible into Preferred Stock at any time within ten (10) days after a Dividend becomes payable on said Preferred Stock.
b Bonds thus designated are convertible into Preferred Stock at any time within fifteen (15) days after a Dividend becomes payable on said Preferred Stock.
c Bonds thus designated are exchangeable for Common Stock at any time within sixty (60) days after any Dividend becomes payable on the stock of the company. The authorized issue of these bonds is $5,000,000, of which but $2,000,000 have been sold.
d Bonds thus designated are payable, principal and interest, in gold, at the office of the company, in the City of New York.
e Bonds thus designated are payable, principal and interest, in gold, in London.

To the President:

Herewith are submitted statements of the Operation and Income Accounts of the Milwaukee & Northern Railroad Company for the fiscal year ending June 30th, 1892.

W. N. D. WINNE,

Auditor.

DETAILED STATEMENT

OF

EARNINGS AND EXPENSES

Milwaukee & Northern Railroad Company

FOR THE YEAR ENDING JUNE 30, 1892.

EARNINGS.

From Freight	$1,818,448 61
From Passengers	882,298 35
From Mails, Express, Etc.	64,619 92
Gross Earnings	$1,765,366 88

EXPENSES.

Repairs of Track	$99,676 77
Renewal of Rails	887 46
Renewal of Ties	48,243 32
Repairs of Bridges	65,046 66
Repairs of Fences	1,645 69
Repairs of Buildings	10,892 79
Repairs of Locomotives	62,276 86
Repairs of Cars	74,064 15
Repairs of Tools and Machinery	5,974 28
Carried forward	$368,657 98

Brought forward	$868,657 98
Management and General Offices	50,468 44
Foreign Agency and Advertising	24,558 64
Station Service	111,998 26
Conductors, Bag'e and Brakemen	91,560 97
Engineers, Firemen and Wipers	120,658 48
Train and Station Supplies	18,811 62
Fuel Consumed	148,776 48
Oil and Waste	9,175 34
Personal Injuries	12,400 08
Damage to Property	10,746 28
Loss and Damage of Freight and Baggage	5,181 26
Legal Expenses	5,979 12
Taxes	61,210 74
Insurance	8,906 57
Miscellaneous Expenses	3,549 91
Mileage of Cars	46,782 63
Trackage and Switching Charges	27,447 82
Mileage of Locomotives	6,097 18
Total Expenses	$1,122,462 75

RECAPITULATION.

Gross Earnings	$1,765,366 88
Total Expenses	1,122,462 75
Net Earnings	$642,904 13

STATEMENT OF INCOME ACCOUNT.

FOR THE FISCAL YEAR ENDING JUNE 30TH, 1892.

Gross Earnings		$1,765,366 88
Less Operating Expenses (including taxes).		1,122,462 75
Net Earnings		$642,904 13
Interest accrued during the year on Funded Debt	$369,480 00	
Interest and Exchange	198 55	369,678 55
Balance		$273,225 58

1893.

TWENTY-NINTH

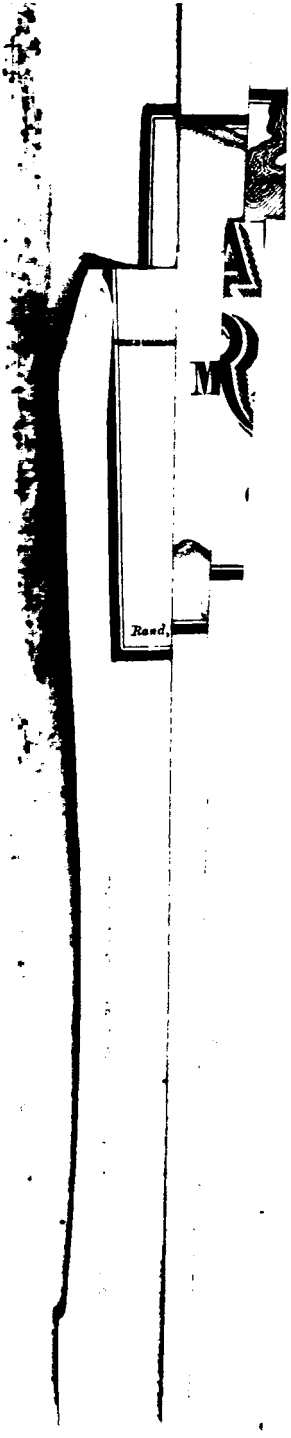
ANNUAL REPORT

OF THE

Chicago, Milwaukee & St. Paul

RAILWAY COMPANY,

For the Fiscal Year Ending June 30th, 1893.



1893.

TWENTY-NINTH ANNUAL REPORT

OF THE

Chicago, Milwaukee & St. Paul

RAILWAY COMPANY,

For the Fiscal Year Ending June 30th, 1893.

MILWAUKEE:
THE EVENING WISCONSIN COMPANY, PRINTERS.
1893.

DIRECTORS AND OFFICERS

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.

DIRECTORS.

PHILIP D. ARMOUR,	CHICAGO.
AUGUST BELMONT,	NEW YORK.
FRANK S. BOND,	NEW YORK.
CHARLES D. DICKEY, JR.,	NEW YORK.
PETER GEDDES,	NEW YORK.
FREDERICK LAYTON,	MILWAUKEE.
JOSEPH MILBANK,	NEW YORK.
ROSWELL MILLER,	CHICAGO.
J. M. McKINLAY,	NEW YORK.
WILLIAM ROCKEFELLER,	NEW YORK.
SAMUEL SPENCER,	NEW YORK.
A. VAN SANTVOORD,	NEW YORK.
J. HOOD WRIGHT,	NEW YORK.

OFFICERS.

ROSWELL MILLER,	President,	CHICAGO.
FRANK S. BOND,	Vice-President,	NEW YORK.
E. P. RIPLEY,	Third Vice-President,	CHICAGO.
A. J. EARLING,	General Manager,	CHICAGO.
W. G. COLLINS,	General Superintendent,	CHICAGO.
P. M. MYERS,	Secretary,	MILWAUKEE.
J. M. McKINLAY,	Assistant Secretary and Transfer Agent,	NEW YORK.
C. B. FERRY,	Assistant Secretary and Transfer Agent,	NEW YORK.
H. C. WESTON,	Assistant Secretary and Transfer Agent,	NEW YORK.
F. G. RANNEY,	Treasurer,	CHICAGO.
JOHN W. CARY,	General Counsel,	CHICAGO.
JOHN T. FISH,	General Solicitor,	CHICAGO.
W. N. D. WINNE,	General Auditor,	CHICAGO.

REPORT

OF THE

BOARD OF DIRECTORS.

THE

TWENTY-NINTH ANNUAL REPORT

OF THE DIRECTORS OF THE

CHICAGO, MILWAUKEE & ST. PAUL

RAILWAY COMPANY,

TO THE STOCKHOLDERS.

For the Fiscal Year Ending June 30th, 1893.

The President and Directors submit to the Stockholders the following report of the business and operations of the Company for the year ending June 30th, 1893, and of the condition of its property and finances at the close of that year.

The operation for the year shows the following result:

Gross Earnings		$33,975,054 71
Operating Expenses		22,488,107 83
Net Earnings		$11,486,946 88
Income from other sources	$122,139 92	
Less Interest and exchange	21,470 32	100,669 60
Total		$11,587,616 48
Fixed charges—interest on bonds		7,065,215 71
Balance above fixed charges		$4,522,400 77

During the year two dividends aggregating seven per cent. were paid on preferred stock, and two dividends aggregating four per cent. were paid on common stock.

MILES OF TRACK.

The Company owns and operates 5,724.13 miles of railway, as follows:

Main track owned solely by this Company	5,714.80	
Main track owned jointly with other Companies	9.33	
Total length of main track		5,724.13
Second and third tracks and connection tracks owned solely by this Company	203.51	
Second and third tracks and connection tracks owned jointly with other Companies	2.82	
Total length of second and third tracks and connections		206.33
Tracks owned by other Companies, but used by this Company under agreements		62.01
Yard tracks, sidings and spur tracks owned solely by this Company	1,200.11	
Yard tracks, sidings and spur tracks owned jointly with other Companies	22.81	
Total length of yard tracks, sidings and spur tracks		1,222.92
Total miles of track		7,215.39

The lines of road are located as follows:

In Illinois	318.08	miles.
" Wisconsin	1,377.41	"
" Iowa	1,553.25	"
" Minnesota	1,120.09	"
" North Dakota	118.21	"
" South Dakota	1,096.82	"
" Missouri	140.27	"
Total length of main track	5,724.13	"

DOUBLE TRACK.

The following sections of second main track have been completed during the year:

Chicago & Milwaukee Division:		
Forest Glen to Lake	67.43	miles.
Chicago & Council Bluffs Division:		
Mont Clare to Bensenville	8.00	"
Kittredge to Mt. Carroll	11.40	"
Northern Division:		
Milwaukee to North Milwaukee	5.06	"
Total	91.89	"

Second main track is now completed between Chicago and Milwaukee. The grading for second main track on Chicago & Council Bluffs Division in Illinois, Bensenville to Genoa, 41.72 miles, is now under construction under contract made last fall. The track will not be laid this season.

ROLLING STOCK.

The following rolling-stock has been purchased:

23 Locomotives	$179,686 67	
2 Sleeping Cars	31,041 31	
38 Coaches	201,533 01	
3 Parlor Cars	30,641 20	
		$442,902 19

The following rolling-stock has been built at the Company's shops:

1,500 Flat Cars	$518,957 29	
350 Stable Stock Cars	201,370 48	
13 Baggage, Postal, Mail and Express Cars	27,338 04	
24 Caboose Cars	13,400 62	
5 Narrow Gauge Stock Cars	1,036 93	
		$762,103 36
There has also been expended during the year, in the Company's shops, for power brakes, automatic couplers, steam-heat and electric-light equipment and other improvements to rolling-stock, the sum of		153,747 74
Total		$1,358,753 29

Of this amount the sum of $379,734.10 has been charged to operating expenses for the purpose of maintaining car equipment by the replacement of cars worn out, destroyed by wreck, fire, or on foreign roads; and $179,686.67 for the replacement of twenty-three old, small locomotives scrapped.

COMPARATIVE SUMMARY OF OPERATION.

Gross Earnings.			
1892	$32,283,508 34		
1893	33,975,054 71	Increase	$1,691,546 37
Operating Expenses.			
1892	$20,815,004 50		
1893	22,488,107 83	Increase	$1,673,103 33
Net Earnings.			
1892	$11,468,503 84		
1893	11,486,946 88	Increase	$18,443 04
Tons of Freight Carried.			
1892	11,568,930		
1893	12,261,705	Increase	692,775
Number of Passengers Carried.			
1892	8,026,906		
1893	8,279,158	Increase	252,252
Miles Run by Revenue Trains.			
1892	22,458,299		
1893	23,236,121	Increase	777,822
Mileage of Loaded Freight Cars.			
1892	219,965,905		
1893	226,684,888	Increase	6,718,983
Mileage of Empty Freight Cars.			
1892	80,978,980		
1893	82,615,404	Increase	1,636,424
Cost of Operating Road Per Revenue Train Mile Run.			
1892	92.68 cts.		
1893	96.78 cts.	Increase	4.10 cts.
Gross Earnings Per Mile of Road.			
1892	$5,642 98		
1893	5,936 58	Increase	$293 60
Operating Expenses Per Mile of Road.			
1892	$3,638 35		
1893	3,929 42	Increase	$291 07

Net Earnings Per Mile of Road.

1892	$2,004 63		
1893	2,007 16	Increase	$2 53

Average Miles of Road Operated During the Year.

1892	5,721		
1893	5,723	Increase	2

The average rate per ton per mile received for freights, for a series of years past, has been as follows, viz.:

1865	4.11 cts.	1875	2.10 cts.	1885	1.28 cts.
1866	3.76 "	1876	2.04 "	1886	1.17 "
1867	3.94 "	1877	2.08 "	1887	1.09 "
1868	3.49 "	1878	1.80 "	1888	1.006 "
1869	3.10 "	1879	1.72 "	1889	1.059 "
1870	2.82 "	1880	1.76 "	1890	0.995 "
1871	2.54 "	1881	1.70 "	1891	1.003 "
1872	2.43 "	1882	1.48 "	1892	1.026 "
1873	2.50 "	1883	1.39 "	1893	1.026 "
1874	2.38 "	1884	1.29 "		

GENERAL REMARKS.

The operation of your Company's lines for the year shows increase of gross earnings, $1,691,546.37; increase of expenses, $1,673,103.33, and increase in net earnings, $18,443.04.

The principal items of increase in expenses were in maintenance of property and conducting transportation.

Maintenance of track and bridges increased $793,312.23.

Forty-one thousand and fifty-one tons of steel rails and 1,745,606 cross-ties have been put in the track during the year, and there are now 4,735.70 miles of main track laid with steel and 988.43 miles with iron rails.

About two miles of pile and trestle bridges have been filled with earth, and one hundred and thirty-eight wooden culverts have been replaced with iron, and cost charged to operating expenses.

The replacement of 1,513 feet of wooden bridges by iron structures has been completed during the year, and seven wooden bridges have been replaced with stone, rail-covered and arch culverts. Other work of this character is in progress.

Maintenance of motive power, machinery and cars decreased $223,129.95 in consequence of large replacements during the previous year.

For conducting transportation there was an increase in expenses as follows: Station service, $162,857.05; conductors, baggagemen and brakemen, $133,302.41; engineers, firemen and wipers, $149,817.43; train and station supplies, $28,697.58; fuel, oil and waste, $265,597.29—a total of $740,271.76.

The payments of this Company for labor directly employed in its service during the past year were $14,585,874.09, and for material and supplies $9,313,036.44.

The gross earnings from sleeping cars were $190,125.11, a decrease of $5,941.21 from the previous year. The operating expenses were $84,540.43, and net earnings $105,584.68. Two new sleeping cars, costing $31,041.31, were bought for replacement account and charged to the operating expense account of repairs of cars.

The net earnings of the Milwaukee & Northern Railroad Company, for the fiscal year ending June 30th, 1893, were $543,538.65, against $642,904.13 for the last fiscal year, a decrease of $99,365.48. The decrease is due to the depressed condition of the iron industry.

Your Board has decided that, for greater convenience and economy of operation, the Milwaukee & Northern Railroad should be purchased and merged with the property of your Company, which owns all of the stock of the Milwaukee & Northern Company. You will, therefore, be asked to take the necessary action at your annual meeting in September next to ratify and approve such purchase and transfer of the Milwaukee & Northern property, subject to a mortgage of seventeen thousand dollars per mile.

The floating indebtedness of your Company, consisting of bills payable, is $3,240,000, against which there is in the treasury of the Company and due from Trustees $8,824,000 of bonds which may be sold.

The principal items of this indebtedness were incurred by the redemption of La Crosse Division and other bonds, under-

lying the general mortgage, that have matured or been retired for sinking fund purposes, for which a like amount of general mortgage bonds have been or will be issued; also for building 64 miles of Milwaukee & Northern R. R. extension, for which $1,089,000 Milwaukee & Northern R. R. Co. 6% Consolidated bonds have been issued and are in the Company's treasury, or due from Trustees.

So soon as the bonds issued for these purposes shall be sold this floating indebtedness will disappear and there will still remain in the treasury over $5,000,000 of the $8,824,000 of bonds referred to above as available for sale.

Your Board has not deemed it advisable to offer bonds for sale in the present condition of the money market, preferring to borrow money temporarily to recoup the treasury funds used, which they have been able to do without difficulty.

For details of operation, reference is made to the statements of the General Auditor, appended hereto.

By order of the Board of Directors,

ROSWELL MILLER,
President.

AUGUST, 1893.

To the President:—

Herewith are submitted Statements of Operation and of the General Accounts for the fiscal year ending June 30th, 1893.

W. N. D. WINNE,
General Auditor.

DETAILED STATEMENT

OF

EARNINGS AND EXPENSES

FOR THE YEARS ENDING JUNE 30, 1892 AND 1893.

EARNINGS.

	1892.	1893.
From Freight	$23,241,420 76	$24,393,848 64
From Passengers	6,639,136 75	7,138,560 75
From Mails, Express, Etc	2,402,950 83	2,442,645 32
Gross Earnings	$32,283,508 34	$33,975,054 71

EXPENSES.

	1892.	1893.
Repairs of Track	$1,756,214 62	$2,139,340 81
Renewal of Rails	744,556 46	1,030,525 89
Renewal of Ties	838,977 21	935,955 27
Trackage and Switching Charges	305,391 65	341,519 60
Repairs of Bridges	537,897 56	565,136 11
Repairs of Fences	91,293 47	65,964 47
Repairs of Buildings	266,574 95	267,240 23
Repairs of Locomotives	1,597,376 66	1,459,081 93
Repairs of Cars	2,184,032 05	2,087,555 93
Repairs of Tools and Machinery	102,964 57	114,605 47
Carried forward	$8,425,279 20	$9,006,925 71

	1892.	1893.
Brought forward	$8,425,279 20	$9,006,925 71
Management and General Offices	600,690 21	630,476 60
Foreign Agency and Advertising	189,872 40	199,209 99
Station Service	2,850,892 78	3,013,749 83
Conductors, B'g'e and Brakemen	1,588,993 73	1,722,296 14
Engineers, Firemen and Wipers	1,977,391 26	2,127,208 69
Train and Station Supplies	568,726 91	597,424 49
Fuel Consumed	2,284,281 28	2,552,376 54
Oil and Waste	165,518 20	163,020 23
Personal Injuries	207,628 17	276,856 37
Damage to Property	73,231 32	51,014 43
Loss and Damage of F't and B'ge	102,752 54	104,847 57
Legal Expenses	132,767 18	148,490 85
New York Office Expenses	26,097 33	23,635 00
Taxes	933,147 64	1,058,319,93
Insurance	65,999 91	79,983 93
Miscellaneous Expenses	246,158 31	257,113 55
Stock Yard Expenses	14,713 76	14,217 58
Expenses of Elevators	47,085 56	48,632 65
Mileage of Cars	221,563 78	317,537 35
Sleep'g and Parlor Car Expenses	92,213 03	94,770 40
Total Expenses	$20,815,004 50	$22,488,107 83

RECAPITULATION.

	1892.	1893.	Increase.
Gross Earnings	$32,283,508 34	$33,975,054 71	$1,691,546 37
Total Expenses	20,815,004 50	22,488,107 83	1,673,103 33
Net Earnings	$11,468,503 84	$11,486,946 88	$18,443 04

STATEMENT OF MONTHLY EARNINGS AND EXPENSES.

	FREIGHT.	PASSENGER.	MAILS, EXPRESS, ETC.	GROSS EARNINGS.	OPERATING EXPENSES.	NET EARNINGS.
July, 1892	$1,875,256 62	$638,599 47	$203,142 44	$2,716,998 53	$1,855,648 40	$861,350 13
August, "	1,879,397 00	674,335 41	206,278 91	2,760,011 32	1,929,148 64	830,862 68
September, "	2,196,655 31	712,087 06	200,632 29	3,109,374 66	1,994,448 95	1,114,925 71
October, "	2,696,941 66	649,865 50	206,712 95	3,553,520 11	2,121,246 68	1,432,273 43
November, "	2,586,921 35	552,487 60	200,872 18	3,340,281 13	2,001,115 87	1,339,165 26
December, "	2,366,227 60	569,598 15	203,128 64	3,138,954 39	1,863,825 27	1,275,129 12
January, 1893	1,886,205 36	466,970 24	202,006 43	2,555,182 03	1,884,472 75	670,709 28
February, "	1,572,931 57	400,940 81	187,573 51	2,161,445 89	1,731,080 54	430,365 35
March, "	1,974,123 58	539,697 89	192,534 63	2,706,356 10	1,700,439 18	1,005,916 92
April, "	1,914,602 85	525,702 07	204,352 65	2,644,657 57	1,861,597 82	783,059 75
May, "	1,715,554 76	607,859 54	216,879 75	2,540,294 05	1,801,187 04	739,107 01
June, "	1,729,030 98	800,417 01	218,530 94	2,747,978 93	1,743,896 69	1,004,082 24
Total	$24,393,848 64	$7,138,560 75	$2,442,645 32	$33,975,054 71	$22,488,107 83	$11,486,946 88

EQUIPMENT IN SERVICE JUNE 30th, 1893.

STANDARD GAUGE.

Locomotives		790
Passenger Cars		392
Sleeping Cars		53
Parlor Cars		16
Dining Cars		8
Baggage, Postal, Mail and Express Cars		260
Freight Cars—		
Box Cars	17,994	
Stock Cars	2,710	
Flat, Coal, Ore and Dump Cars	5,627	
Refrigerator Cars	390	26,721
Caboose Cars		440
Wrecking, Tool Cars, etc		61

NARROW GAUGE.

Locomotives		7
Passenger Cars		3
Baggage, Mail and Express Cars		6
Freight Cars—		
Box Cars	203	
Stock Cars	59	
Flat Cars	49	311
Caboose Cars		6

Operating expenses for the year have been charged with $46,369.36, being the sum needed to replace rolling stock worn out and destroyed and not yet actually replaced.

Three hundred and seventy-eight passenger cars are equipped for steam heat, 6,160 freight cars are equipped with air-brakes and 9,000 freight cars have automatic couplers.

STATEMENT OF COMMODITIES TRANSPORTED

During the Years Ending June 30th, 1892 and 1893.

Commodities.	1892.		1893.	
	Tons.	Per Cent.	Tons.	Per Cent.
Flour	485,350	4.195	429,704	3.504
Mill Feed	106,540	.921	156,201	1.274
Wheat	1,219,383	10.540	1,476,071	12.038
Rye	83,675	.723	61,587	.502
Barley	587,743	5.081	585,047	4.771
Oats	400,382	3.461	455,926	3.718
Corn	301,695	2.608	251,220	2.049
Flax Seed	234,890	2.030	140,617	1.147
Hay	131,793	1.139	151,404	1.235
Dairy Products	53,654	.464	44,788	.365
Other Agricultural Products	117,778	1.018	184,253	1.503
Provisions	229,966	1.988	188,208	1.535
Salt	60,221	.520	68,939	.562
Lime, Cement and Plaster	215,967	1.867	170,632	1.392
Brick and Stone	482,093	4.167	639,945	5.219
Iron and Steel	267,655	2.314	330,066	2.692
Manufactures	457,469	3.954	519,035	4.233
Coal	1,367,646	11.822	1,568,006	12.788
Live Stock	654,412	5.657	608,599	4.963
Lumber	1,894,191	16.373	2,038,329	16.624
Merchandise	841,341	7.272	1,135,727	9.263
Ice	252,774	2.185	178,432	1.455
Miscellaneous	1,122,312	9.701	878,969	7.168
Totals	11,568,930	100.000	12,261,705	100.000

DETAIL OF EQUIPMENT AND IMPROVEMENT EXPENDITURES

For the Year Ending June 30th, 1893.

Additional Equipment		$799,332 52
Real Estate—		
Chicago, Ill	3,250 00	
Milwaukee, Wis	2,400 00	
Omaha, Neb	12,039 22	
Galewood, Ill	26,516 12	
Other Points	1,987 00	
Right-of-Way	96,102 53	142,294 87
Buildings—		
Ottumwa, Ia., Depot	7,219 69	
Milwaukee, Wis., Boiler House	26,178 80	
Oxford Junction, Ia., Coal Chute	4,389 68	
Chicago, Ill., Depot, Kinzie Street	4,121 97	
Babcock, Wis., Depot	1,932 77	
North Milwaukee, Wis., Depot	2,293 57	
Hartford, Wis., Depot	1,863 34	
Foster, Ia., Depot	1,454 82	
Racine Junction, Wis., Depot	3,026 70	
Savanna Stock Yard	2,213 97	
Milwaukee, Wis., Car Shops	5,648 19	
Chula, Mo., Depot	1,769 96	
Elm Grove, Wis., Depot	1,882 84	
Mason City, Ia., Depot	2,663 83	
Sundry points	82,840 42	149,500 55
Iron Bridges and Viaducts, sundry points		114,002 85
New Fences		46,569 93
New Culverts		22,592 74
Yard Improvements—		
Milwaukee, Wis	10,812 35	
Milwaukee, Wis., Paving	21,067 29	
Minneapolis, Minn	4,435 45	
Minneapolis, Minn., Paving	12,882 39	
Chicago Outside Yard, Galewood	66,562 68	
Milwaukee Stock Yards, Wis	7,007 38	
Wausau, Wis	2,995 69	
Mystic, Ia	2,943 09	
Freeport, Ill	2,227 96	
Manilla, Ia	2,978 79	
Rathbun, Ia	2,618 51	
Nekoosa, Wis	13,590 94	
St. Paul, Minn., Retaining Wall	11,032 68	161,155 20
Second Track—		
Chicago & Milwaukee Division	616,214 74	
Chicago & Council Bluffs Division	255,614 12	
Milwaukee to North Milwaukee	46,808 18	918,637 04
Widening Embankments, Raising Grades, Ballasting, Filling and Rip-rapping,		450,645 04
New Side Tracks, sundry points		19,651 69
Miscellaneous Expenditures		53,435 46
Total		$2,877,817 89

MATERIAL AND FUEL ON HAND.

Coal	51,457	Tons,	94,881	10
Wood	16,895	Cords,	31,690	77
Ties	758,247	Number,	255,988	58
New Steel Rails	16,432	Tons,	495,297	55
Old Steel Rails	7,805	Tons,	169,018	18
Old Iron Rails	11,305	Tons,	227,962	65
Oil	131,444	Gallons,	25,072	11
Waste	57,715	Pounds,	4,150	37
Splices, Bolts and Spikes	354,400	Pounds,	8,165	37
Iron, (worked and unworked)	11,661,212	Pounds,	203,226	28
Copper and Brass	344,878	Pounds,	33,754	59
Lumber and Timber	20,670,572	Feet,	373,303	61
Piles	294,265	Feet,	36,546	42
Posts	62,591	Number,	6,145	98
Engine and Car Wheels	2,539	Number,	17,396	87
Engine & Car Wheels (on axles)	2,475	Pairs,	61,167	81
Engine and Car Axles	874,906	Pounds,	22,951	47
Tires	159,886	Pounds,	11,343	34
Steel and Steel Springs	1,047,508	Pounds,	49,612	57
Engine, Car and Road Castings	6,433,523	Pounds,	102,026	40
Paints and Oils			13,613	94
Stationery Supplies			23,573	66
Other Supplies			364,776	37
Total June 30th, 1893			$2,631,665	99
Total June 30th, 1892			2,385,001	63
Increase			$246,664	36

TRANSPORTATION STATISTICS.

FOR THE YEARS ENDING JUNE 30TH, 1892 AND 1893.

	1892.	1893.
Miles run by passenger trains	7,405,805	7,441,245
Miles run by freight trains	14,172,436	14,853,528
Miles run by mixed trains	880,058	941,348
Miles run by revenue trains	22,458,299	23,236,121
Miles run by switching trains	5,065,466	5,557,134
Miles run by construction and other trains	733,924	1,209,719
Total miles run by trains	28,257,689	30,002,974
Number of passengers carried	8,026,906	8,279,158
Number of passengers carried one mile	270,817,683	299,057,356
Average miles each passenger was carried	33.74	36.12
Revenue per passenger per mile	2.452 cts.	2.387 cts.
Revenue from passengers per train mile run	87.06 cts.	92.99 cts.
Number of tons of freight carried	11,568,930	12,261,705
Number of tons of freight carried one mile	2,265,993,968	2,378,470,481
Number of tons of freight carried per loaded car	10.30	10.49
Average miles each ton was carried	195.87	193.98
Revenue per ton per mile	1.026 cts.	1.026 cts.
Revenue from freight per train mile run	$1.5669	$1.5678
Repairs of locomotives per revenue train mile run	7.11 cts.	6.28 cts.
Repairs of cars " " " " "	9.73 cts.	8.98 cts.
Station service " " " " "	12.69 cts.	12.97 cts.
Train service " " " " "	7.08 cts.	7.41 cts.
Locomotive service " " " " "	8.80 cts.	9.16 cts.
Train and station supplies " " " " "	2.53 cts.	2.57 cts.
Fuel " " " " "	10.17 cts.	10.99 cts.
Oil and waste " " " " "	.74 cts.	.70 cts.
All other expenses " " " " "	33.83 cts.	37.72 cts.
Total operating expenses " " " " "	92.68 cts.	96.78 cts.
Percentage of expenses (including taxes) to earnings	64.48%	66.19%

LAND DEPARTMENT.

On the 1st of July, 1892, the Company owned lands in Iowa and Minnesota amounting to	4,521.61 acres.
It received during the year.....	1,914.52 acres.
	6,436.13 acres.
And sold during the year.....	1,728.74 acres.
Unsold June 30th, 1893.....	4,707.39 acres.

Estimated value of unsold lands.....	$ 23,536 95
Balance due on lands previously sold.....	89,759 56
	$113,296 51

STATEMENT OF INCOME ACCOUNT

For the Fiscal Year Ending June 30th, 1893.

Balance at credit July 1st, 1892		$5,869,208 80
Dividend No. 45, payable October 20th, 1892, from net earnings of fiscal year ending June 30th, 1892.		
3½% on $24,364,900 preferred stock	$852,771 50	
2% on $45,957,691 common stock	919,153 82	
Amount set apart as an insurance fund, in accordance with resolution of the Board of Directors adopted Dec. 29th, 1892, and of the Executive Committee adopted February 2d, 1893	300,000 00	
Old Accounts charged off	14,044 88	2,085,970 20
		$3,783,238 60
Gross Earnings	$33,975,054 71	
Less Operating Expenses (including taxes)	22,488,107 83	
Net Earnings	$11,486,946 88	
Income from other sources	122,139 92	
Net Revenue for the year		11,609,086 80
Total		$15,392,325 40
Interest accrued during the year on funded debt	$7,065,215 71	
Interest and Exchange	21,470 32	
Dividend No. 46, payable April 19th, 1893, from net earnings of fiscal year ending June 30th, 1893.		
3½% on $25,673,900 preferred stock	898,586 50	
2% on $45,957,691 common stock	919,153 82	8,904,426 35
Balance at credit June 30th, 1893		$6,487,899 05

GENERAL ACCOUNT, JUNE 30th, 1893.

Dr.			Cr		
Cost of Road and Equipment		$195,223,233 67	Capital Stock, Preferred	$25,767,900 00	
Bonds, Stock, etc., of other Companies		7,173,493 22	Capital Stock, Common	46,027,261 00	$71,795,161 00
Due from Agents, Conductors, etc	324,568 27		Funded Debt		130,805,500 00
Due from sundry Companies and individuals	332,592 93		Pay Rolls and Vouchers	2,665,149 49	
Due from U. S. Government	258.420 18		Loans and Bills Payable	3,240,000 00	
Sinking Funds:			Wis. Valley Div. Sinking Fund	180 00	
Vice-President in Special Trust, Account Dubuque Div. Sinking Fund.....378,000 00			Dubuque Div. Sinking Fund	58,480 00	
N. E. Trust Co., Trustee.....74,660 00			Dividends Unclaimed	37,819 64	
U. S. Trust Co., Trustee.....11,477 50			Interest Coupons not presented	62,606 16	
Farmers' Loan & Trust Co., Trustee.....322 83	464,460 33		Interest accrued, not yet payable	3,447,222 92	9,511,458 21
Stock of Material and Fuel	2,631,665 99		Income Account		6,487,899 05
Stock of the Company held in its Treasury	4,770 00				
Mortgage bonds of the Company unsold, held in its Treasury or due from Trustees	7,735,000 00				
Milwaukee & Northern R. R. Co. 6% Consolidated bonds, unsold, held in the Treasury of the Company or due from Trustees	1,089,000 00				
Loans and Bills Receivable	700,000 00				
Cash on hand	2,662,813 67	16,203,291 37			
		$218,600,018 26			$218,600,018 26

CAPITAL STOCK JUNE 30th, 1893.

PREFERRED STOCK.

Amount of Preferred Stock June 30th, 1892,		$24,364,900 00
Issued during the year in exchange for Bonds convertible into Preferred Stock by terms of mortgage, viz.:		
For 1,287 Bonds, Milwaukee & St. Paul Railway Company	$1,287,000 00	
For 114 Bonds, Iowa & Minnesota Division	114,000 00	
For 2 Bonds, Prairie du Chien Division, Second Mortgage	2,000 00	1,403,000 00
Total Preferred Stock June 30th, 1893..		$25,767,900 00

COMMON STOCK.

Total Common Stock June 30th, 1892	$46,027,261 00	
Total Common Stock June 30th, 1893		46,027,261 00
Total Capital Stock June 30th, 1893		$71,795,161 00

FUNDED DEBT, JUNE 30th, 1893.

Total Funded Debt June 30th, 1892, including all liens on purchased roads.....		$129,195,000 00
Issued during the year: General Mortgage Bonds, as follows:		
For expenditures for additional equipment, real estate and improvements, July 1st 1891, to June 30th, 1892.....	$1,620,000 00	
For Wisconsin Valley Division Bonds canceled.....	50,000 00	
For Income Sinking Fund Convertible Bonds, canceled.....	160,000 00	
	$1,830,000 00	
Less amount included in previous report	1,680,000 00	150,000 00
For expenditures for additional equipment, real estate and improvements, July 1st, 1892, to December 31st, 1892.....	1,678,000 00	
For Milwaukee & St. Paul Railway Company Bonds, canceled.....	1,180,000 00	
For Fargo & Southern Railway Company Income Bonds, canceled.....	159,000 00	
For cancellation and satisfaction of Oshkosh & Miss. River Ry. Co's Mortgage..	29,000 00	3,046,000 00
Bonds due from Trustees for Expenditures for additional equipment, real estate and improvements, January 1st, 1893, to June 30th, 1893.....		1,305,000 00
		$133,696,000 00
Redeemed and canceled during the year:		
Income Sinking Fund Convertible Bonds	80,000 00	
Wisconsin Valley Division Bonds.....	25,000 00	
Milwaukee & St. Paul Railway Company Bonds.....	1,220,000 00	
Fargo & Southern Railway Company Income Bonds.....	162,500 00	
Received in exchange for Preferred Stock and canceled:		
Milwaukee & St. Paul Railway Company Bonds.....	1,287,000 00	
Iowa & Minnesota Division Bonds.....	114,000 00	
Prairie du Chien Division Second Mortgage Bonds.....	2,000 00	2,890,500 00
Funded Debt, June 30th, 1893.....		$130,805,500 00

Of the total amount of bonds outstanding, as stated above, there remain in the treasury, unsold, or due from Trustees, $7,735,000.

FUNDED DEBT, JUNE 30th, 1893.

	Description of Bonds.	Time. Date of Issue.	Time. When Due.	Amount Outstanding.	Interest. Rate.	Interest. When Payable.	Interest. Amount Accrued during the year.	Interest. Amount Paid during year.
a	Milwaukee & St. Paul R'y	1863	1893	28,000 00			33,014 46	110,819 46
c	Iowa & Minnesota Division	1867	1897	3,012,000 00	7 per cent.	Jan. and July.	214,130 00	218,050 00
	Prairie du Chien " 1st Mortgage.	1868	1898	3,674,000 00	8 " "	Feb. and Aug.	293,920 00	294,280 00
c	Prairie du Chien " 2d Mortgage.	1868	1898	1,233,000 00	7.3 " "	" " "	90,021 17	88,950 50
	Chicago & Milwaukee "	1873	1903	2,393,000 00	7 " "	Jan. and July.	167,510 00	167,440 00
c f	St. Paul (or River) "	1872	1902	3,343,000 00	7 " "	" " "	234,010 00	233,485 00
c g	St. Paul (or River) " Sterling	1872	1902	461,500 00	7 " "	" " "	32,305 00	32,532 50
c	Iowa & Dakota "	1869	1899	540,000 00	7 " "	" " "	37,800 00	37,695 00
c	Hastings & Dakota "	1872	1902	89,000 00	7 " "	" " "	6,230 00	6,265 00
d	Consolidated Mortgage	1874	1904	186,000 00	7 " "	" " "	13,020 00	13,020 00
e	Consolidated Mortgage	1875	1905	11,299,000 00	7 " "	" " "	790,580 00	791,175 00
f	Terminal	1884	1914	4,748,000 00	5 " "	" " "	237,400 00	237,225 00
c	Iowa & Dakota Division Extension	1878	1908	3,505,000 00	7 " "	" " "	245,350 00	245,140 00
	Hastings & Dakota Div. Extension	1880	1910	5,680,000 00	7 " "	" " "	397,600 00	395,290 00
	Hastings & Dakota Div. Extension	1880	1910	990,000 00	5 " "	" " "	49,500 00	49,225 00
	Southwestern Division	1879	1909	4,000,000 00	6 " "	" " "	240,000 00	239,070 00
	La Crosse & Davenport Division	1879	1919	2,500,000 00	5 " "	" " "	125,000 00	124,475 00
	Chicago & Pacific "	1880	1910	3,000,000 00	6 " "	" " "	180,000 00	179,730 00
f	Chicago & Pacific Western "	1881	1921	25,340,000 00	5 " "	" " "	1,267,000 00	1,270,650 00
	Southern Minnesota "	1880	1910	7,432,000 00	6 " "	" " "	445,860 00	446,370 00
	Mineral Point "	1880	1910	2,840,000 00	5 " "	" " "	142,000 00	141,850 00
	Dubuque "	1880	1920	6,565,000 00	6 " "	" " "	393,360 00	394,410 00
	Wisconsin Valley "	1880	1920	2,341,000 00	6 " "	" " "	124,020 00	119,130 00
f	Wisconsin & Minnesota "	1881	1921	4,755,000 00	5 " "	" " "	237,750 00	237,375 00
f	Chicago & Lake Superior "	1881	1921	1,360,000 00	5 " "	" " "	68,000 00	67,850 00
	Chicago & Missouri River "	1886	1926	3,083,000 00	5 " "	" " "	154,150 00	153,975 00
f	Dakota & Great Southern R'y	1886	1916	2,856,000 00	5 " "	" " "	142,650 00	142,400 00
f	Fargo & Southern R'y	1883	1924	1,250,000 00	6 " "	" " "	75,000 00	75,000 00
	Minnesota Central R. R.	1864	1894	123,000 00	7 " "	" " "	8,610 00	8,785 00
	Wisconsin Valley R. R.	1879	1909	1,106,500 00	7 " "	" " "	77,455 00	77,455 00
b	Fargo & Southern R'y, Income	1885	1895	37,500 00			9,000 00	11,070 00
	Real Estate	1884	1894	225,000 00	5 " "	Mar. and Sept.	11,250 00	11,340 00
e	Income Sinking Fund Convertible	1886	1916	1,680,000 00	5 " "	Jan. and July.	82,478 47	88,728 47
f	General Mortgage	1889	1989	19,130,000 00	4 " "	" " "	439,241 61	389,821 61
	Total	.....	.....	$130,805,500 00	.....	.....	$7,065,215 71	$7,100,077 54

a Bonds thus designated are payable on presentation. Interest ceased January 1, 1893.
b Bonds thus designated are payable on presentation. Interest ceased April 1, 1893.
c Bonds thus designated are convertible into Preferred Stock at any time within ten (10) days after a Dividend becomes payable on said Preferred Stock.
d Bonds thus designated are convertible into Preferred Stock at any time within fifteen (15) days after a Dividend becomes payable on said Preferred Stock.
e Bonds thus designated are exchangeable for Common Stock at any time within sixty (60) days after any Dividend becomes payable on the stock of the company. The authorized issue of these bonds is $5,000,000, of which but $2,000,000 have been sold.
f Bonds thus designated are payable, principal and interest, in gold, at the office of the company, in New York.
g Bonds thus designated are payable, principal and interest, in gold, in London.

To the President:

Herewith are submitted statements of the Operation and Income Accounts of the Milwaukee & Northern Railroad Company for the fiscal year ending June 30th, 1893.

W. N. D. WINNE,
Auditor.

DETAILED STATEMENT

OF

EARNINGS AND EXPENSES

Milwaukee & Northern Railroad Company

FOR THE YEAR ENDING JUNE 30, 1893.

EARNINGS.

From Freight	$1,328,151 91
From Passengers	373,196 48
From Mails, Express, Etc	67,025 75
Gross Earnings	$1,768,374 14

EXPENSES.

Repairs of Track	$126,119 85
Renewal of Rails	15,731 64
Renewal of Ties	42,246 73
Trackage and Switching Charges	31,638 44
Repairs of Bridges	44,674 84
Repairs of Fences	1,693 63
Repairs of Buildings	9,708 13
Repairs of Locomotives	73,666 75
Repairs of Cars	74,621 96
Repairs of Tools and Machinery	5,394 95
Carried forward	$425,496 92

Brought forward	$425,496 92
Management and General Offices	50,463 44
Foreign Agency and Advertising	24,558 64
Station Service	118,565 13
Conductors, Baggagemen and Brakemen	100,766 95
Engineers, Firemen and Wipers	130,034 53
Train and Station Supplies	17,978 69
Fuel Consumed	162,399 96
Oil and Waste	9,496 71
Personal Injuries	24,235 93
Damage to Property	17,828 22
Loss and Damage of Freight and Baggage	2,142 02
Legal Expenses	5,133 86
Taxes	63,622 72
Insurance	5,456 05
Miscellaneous Expenses	4,478 11
Mileage of Cars	62,177 61
Total Expenses	$1,224,835 49

RECAPITULATION.

Gross Earnings	$1,768,374 14
Total Expenses	1,224,835 49
Net Earnings	$543,538 65

STATEMENT OF INCOME ACCOUNT.

For the Fiscal Year Ending June 30th, 1893.

Gross Earnings	$1,768,374 14
Less Operating Expenses (including taxes).	1,224,835 49
Net Earnings	$543,538 65
Income from other sources	444 45
	$543,983 10
Interest accrued during the year on funded debt	369,480 00
Balance	$174,503 10

1894.

Thirtieth Annual Report

OF THE

Chicago, Milwaukee & St. Paul

RAILWAY COMPANY,

FOR THE FISCAL YEAR ENDING JUNE 30th, 1894.

1894.

THIRTIETH ANNUAL REPORT

OF THE

Chicago, Milwaukee & St. Paul

RAILWAY COMPANY,

For the Fiscal Year Ending June 30th, 1894.

MILWAUKEE:
THE EVENING WISCONSIN COMPANY, PRINTERS.
1894.

DIRECTORS AND OFFICERS

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.

DIRECTORS.

PHILIP D. ARMOUR,	CHICAGO.
AUGUST BELMONT,	NEW YORK.
FRANK S. BOND,	NEW YORK.
CHARLES D. DICKEY, JR.,	NEW YORK.
PETER GEDDES,	NEW YORK.
FREDERICK LAYTON,	MILWAUKEE.
JOSEPH MILBANK,	NEW YORK.
ROSWELL MILLER,	CHICAGO.
JAMES M. McKINLAY,	NEW YORK.
WILLIAM ROCKEFELLER,	NEW YORK.
SAMUEL SPENCER,	NEW YORK.
A. VAN SANTVOORD,	NEW YORK.
J. HOOD WRIGHT,	NEW YORK.

OFFICERS.

ROSWELL MILLER,	President,	CHICAGO.
FRANK S. BOND,	Vice-President,	NEW YORK.
E. P. RIPLEY,	Third Vice-President,	CHICAGO.
A. J. EARLING,	General Manager,	CHICAGO.
W. G. COLLINS,	General Superintendent,	CHICAGO.
P. M. MYERS,	Secretary,	MILWAUKEE.
J. M. McKINLAY,	Assistant Secretary and Transfer Agent,	NEW YORK.
C. B. FERRY,	Assistant Secretary and Transfer Agent,	NEW YORK.
H. C. WESTON,	Assistant Secretary and Transfer Agent,	NEW YORK.
F. G. RANNEY,	Treasurer,	CHICAGO.
JOHN W. CARY,	General Counsel,	CHICAGO.
W. N. D. WINNE,	General Auditor,	CHICAGO.

REPORT

OF THE

BOARD OF DIRECTORS.

THE

THIRTIETH ANNUAL REPORT

OF THE DIRECTORS OF THE

CHICAGO, MILWAUKEE & ST. PAUL

RAILWAY COMPANY,

TO THE STOCKHOLDERS.

For the Fiscal Year Ending June 30th, 1894.

The President and Directors submit to the Stockholders the following report of the business and operations of the Company for the year ending June 30th, 1894, and of the condition of its property and finances at the close of that year.

The operations for the year show the following results:

Gross Earnings		$31,327,950 95
Operating Expenses		20,114,332 65
Net Earnings		$11,213,618 30
Income from other sources	$100,684 17	
Less Interest and exchange	95,821 65	4,862 52
Total		$11,218,480 82
Fixed charges—interest on bonds		7,503,747 98
Balance above fixed charges		$3,714,732 84

During the year two dividends aggregating seven per cent. were paid on preferred stock, and two dividends aggregating four per cent. were paid on common stock.

MILES OF TRACK.

The Company owns and operates 6,147.77 miles of railway, as follows:

Main track owned solely by this Company	6,138.44	
Main track owned jointly with other Companies	9.33	
Total length of main track		6,147.77
Second and third tracks and connection tracks owned solely by this Company	212.90	
Second and third tracks and connection tracks owned jointly with other Companies	3.42	
Total length of second and third tracks and connections		216.32
Tracks owned by other Companies, but used by this Company under agreements		62.53
Yard tracks, sidings and spur tracks owned solely by this Company	1,313.22	
Yard tracks, sidings and spur tracks owned jointly with other Companies	36.91	
Total length of yard tracks, sidings and spur tracks		1,350.13
Total miles of track		7,776.75

The lines of road are located as follows:

In Illinois	318.08	miles.
" Wisconsin	1,644.73	"
" Iowa	1,553.25	"
" Minnesota	1,120.09	"
" North Dakota	118.21	"
" South Dakota	1,101.06	"
" Missouri	140.27	"
" Michigan	152.08	"
Total length of main track	6,147.77	"

On account of the opening of the Sisseton Reservation, the branch line from Milbank, on the Hastings and Dakota Division, has been extended from its former terminus into the reservation to Sisseton, a distance of 4.24 miles. The cost of extension to date is shown on page 27 of this report.

The grading for second main track on the Chicago and Council Bluffs Division in Illinois, from Bensenville to Genoa, 41.72 miles, under construction at date of last report, has been completed, and 5.54 miles of track have been laid thereon.

ROLLING STOCK.

The following rolling-stock has been purchased:

2 Compartment Sleeping Cars	$39,171 93	
2 Buffet Cars	21,446 74	
1 Standard Mail Car	3,333 82	
		63,952 49

The following rolling-stock has been built at the Company's shops:

4 Locomotives	$30,000 00	
100 Refrigerator Cars	84,428 00	
10 Box Carriage Cars	6,776 38	
		121,204 38
There has also been expended during the year, for power brakes, automatic couplers, steam-heat equipment and other improvements to rolling-stock, the sum of		50,070 63
Total		$235,227 50

Of this amount the sum of $118,954.47 has been charged to operating expenses, for replacement of cars worn out or destroyed by wreck, fire and on foreign roads, and one locomotive worn out.

The remainder of the rolling-stock enumerated above—three locomotives, two buffet cars, one compartment sleeping car and one mail car—being additions to rolling-stock, has been charged to "Cost of Road and Equipment," as shown on page 27 of this report.

The following equipment was acquired in the purchase of the Milwaukee & Northern R. R.: Thirty-four locomotives, twenty passenger cars, seventeen baggage, postal, mail and express cars, twenty-two caboose cars, six hundred and sixteen box cars, ten stock cars, three hundred and forty-two flat, coal, ore and dump cars, two wrecking and tool cars.

COMPARATIVE SUMMARY OF OPERATION.

Gross Earnings.

1893	$35,743,428 85		
1894	31,327,950 95	Decrease	$4,415,477 90

Operating Expenses.

1893	$23,712,943 32		
1894	20,114,332 65	Decrease	$3,598,610 67

Net Earnings.

1893	$12,030,485 53		
1894	11,213,618 30	Decrease	$816,867 23

Tons of Freight Carried.

1893	13,453,349		
1894	10,794,058	Decrease	2,659,291

Number of Passengers Carried.

1893	8,634,707		
1894	7,921,882	Decrease	712,825

Miles Run by Revenue Trains.

1893	24,583,573		
1894	21,705,624	Decrease	2,877,949

Mileage of Loaded Freight Cars.

1893	238,700,274		
1894	209,261,693	Decrease	29,438,581

Mileage of Empty Freight Cars.

1893	87,923,783		
1894	80,883,822	Decrease	7,039,961

Cost of Operating Road Per Revenue Train Mile Run.

1893	96.46 cts.		
1894	92.67 cts.	Decrease	3.79 cts.

Gross Earnings Per Mile of Road.

1893	$5,851 02		
1894	5,096 40	Decrease	$754 62

Operating Expenses Per Mile of Road.

1893	$3,881 69		
1894	3,272 18	Decrease	$609 51

Net Earnings Per Mile of Road.

1893	$1,969 33		
1894	1,824 22	Decrease	$145 11

Average Miles of Road Operated During the Year.

1893	6,108 92		
1894	6,147 08	Increase	38 16

The average rate per ton per mile received for freights, for a series of years past, has been as follows, viz.:

1865	4.11	cts.	1875	2.10	cts.	1885	1.28	cts.
1866	3.76	"	1876	2.04	"	1886	1.17	"
1867	3.94	"	1877	2.08	"	1887	1.09	"
1868	3.49	"	1878	1.80	"	1888	1.006	"
1869	3.10	"	1879	1.72	"	1889	1.059	"
1870	2.82	"	1880	1.76	"	1890	0.995	"
1871	2.54	"	1881	1.70	"	1891	1.003	"
1872	2.43	"	1882	1.48	"	1892	1.026	"
1873	2.50	"	1883	1.39	"	1893	1.026	"
1874	2.38	"	1884	1.29	"	1894	1.037	"

GENERAL REMARKS.

The results from operation of your Company's lines, compared with the previous year, show a decrease of gross earnings, $4,415,477.90; decrease of expenses, $3,598,610.67, and decrease of net earnings, $816,867.23.

The decrease of earnings is due to the general depression in industrial and commercial affairs which has prevailed during the year.

The earnings from freight traffic decreased $4,171,313.76. Reference to the table of commodities in this report will show the items in which the decrease was greatest. As compared with the previous year, the tons of freight carried decreased 2,659,291 tons, or 19.77%; the tons of freight carried one mile decreased 428,981,223, or 17.11%; the revenue per ton increased 8.46 cts., or 4.42%; and the revenue per ton per mile increased .011 cts., or 1.07%.

The earnings from passenger traffic decreased $199,935.13. The four months of July, August, September and October show an increase of $769,972.62, in consequence of the World's Fair; while the other months of the year show a decrease of $969,907.75. The gain in passenger traffic by reason of the World's Fair was not as large as was anticipated, and it was les-

sened by the decrease in other passenger traffic in consequence of the commercial depression, and by reduced rates for all passenger traffic during the six months of the Fair.

The number of passengers carried during the year, as compared with the previous year, decreased 712,825, or 8.26%; the number of passengers carried one mile increased 24,253,483, or 7.75%; the revenue per passenger increased 5.31 cts., or 6.10%; and the revenue per passenger per mile decreased .232 cts., or 9.66%.

The expenses of operation for the year, as compared with the previous year, decreased $3,598,610.67.

Repairs of track decreased $372,597.75, which is accounted for by the fact that the expenditures in this item were unusually large in 1893—being $2,265,460.66—and included a large expenditure for reballasting some of the principal lines.

Renewal of rails decreased $453,178.61 in consequence of very large renewals during the previous two years—which amounted to sixty-eight thousand nine hundred and three tons. Renewal of ties decreased $16,165.11. Fifteen thousand and six tons of steel rails and 1,877,953 cross-ties have been put in the track during the year; and there are now 5,247.94 miles of main track laid with steel and 899.83 miles with iron rails. Repairs of bridges increased $88,174.71. Repairs of fences increased $6,228.80.

Repairs of locomotives decreased $436,318.86. Part of this decrease is accounted for by the fact that the expenses of last year included $163,686.67 for replacement of twenty-one small, worn-out locomotives, completing the replacement of that part of the locomotive equipment not fit for use.

Repairs of cars decreased $632,931.58. Part of this decrease is accounted for by the fact that the expenses of last year included $305,433.46, for replacement of six hundred and twenty-seven cars which were worn out or destroyed, while this year the number of cars lost through the same causes was three hundred and ninety-four, and the cost of replacement, included in expenses, was $183,754.16—a reduction of $121,679.30 in this item.

In respect to both locomotives and cars, the decrease in volume of traffic has decreased the cost of ordinary repairs, as well as the number of cars destroyed.

In all items which pertain to maintenance of property, the very liberal expenditures made in previous years have rendered it possible to meet the reduced revenues by reduction of these expenditures, without detriment to the property.

In the items which pertain to conducting transportation, there was a decrease in expenses as follows: Station service, $349,286.69; conductors, baggagemen and brakemen, $229,073.29; engineers, firemen and wipers, $332,226.68; fuel, $438,282.06; oil and waste, $35,078.71; total, $1,383,947.43. The reduction in these items is principally due to decrease in tonnage and train service. The wages paid station and trainmen were the same as the previous year.

The amount paid for mileage of cars, in excess of the amount received, decreased $162,533.81—part of which is due to reduction of traffic, and part to additions to equipment.

The amount of taxes paid increased $77,134.35—which is due to increased assessments.

For the purpose of comparison, there is appended to this report a condensed statement of earnings and expenses, for the four years, 1891 to 1894, inclusive.

There was charged to operating expenses during the year the sum of $183,254.16 for replacement of rolling stock, of which $118,954.47 was actually expended as shown on page 9, and the balance $64,299.69 was carried to credit of Rolling Stock Replacement Fund, which, at this date, amounts to $110,669.05.

During the fiscal year, there were constructed 36 iron bridges and viaducts, aggregating 8,360 feet in length, replacing an equal number of wooden structures; about two and one-half miles of wooden pile and trestle bridges were filled with earth—267 bridges being completely filled and 111 others reduced in length by filling—and 306 wooden culverts were replaced with iron.

The most important items of this work are the following: an iron railway and highway bridge, 507 feet long, over the Wisconsin River, on the Wisconsin Valley Division; two iron spans, 126 and 156 feet long respectively, over the Minnesota River, at

Fort Snelling; an iron bridge, 137 feet long, at Medford, on the Iowa and Minnesota Division; an iron bridge, 126 feet long, over the Whitewater River, on the River Division; an iron bridge, 154 feet long, over the Skunk River; an iron bridge, 135 feet long, over the Mill Race, at Ottumwa; seven iron viaducts replacing the same number of wooden trestle bridges, aggregating 3,323 feet in length and ranging from 44 to 70 feet in height, and seven wooden trestle bridges, aggregating 2,089 feet in length, and from 32 to 58 feet in height, replaced with embankments and permanent culverts, on the Kansas City Division; two wooden trestle bridges replaced with iron viaducts, one of them 252 feet long and 63 feet high, and the other 189 feet long and 57 feet high, and six wooden trestle bridges, aggregating 1,274 feet in length, and from 24 to 58 feet in height, replaced with embankments and permanent culverts, on the Sioux City and Dakota Division.

Such portion of the cost of this work as represents the excess over the cost of renewal in the original form has been charged to improvement account, so that the expenditures on bridges for the fiscal year amounts to $697,985.66 charged to expense account and $275,551.00 charged to improvement account.

During the last three years sixty iron bridges and viaducts, aggregating 10,225 feet in length, have been constructed; seven and one-half miles of wooden pile and trestle bridges have been replaced with earth embankments; and 774 iron pipe culverts, varying in diameter from 20 to 60 inches, have been built.

There are under construction thirty-one iron bridges, aggregating 1,643 feet in length, which will replace an equal number of pile bridges—fourteen of which are located on the La Crosse Division, sixteen on the River Division, and one on the Iowa and Dakota Division. Four and one-half miles of pile and trestle bridges are being filled with earth.

The payments of this Company for labor directly employed in its service during the past year were $12,614,433.61, and for material and supplies $5,365,989.37.

By reason of the Company's inability to obtain reasonable rates for insurance, the Board decided on the 29th of December, 1892, to create an Insurance Department to underwrite its fire

risks; and the Executive Committee was authorized to organize such a Department, and to set apart from the balance at credit of Income Account June 30th, 1892, $300,000 as an insurance fund—such fund with its accumulations to be invested in bonds of the Company, or in any other available securities in the Company's treasury. It was also provided that such fund with all accumulations should be held and used only to guarantee and make good losses by fire, to the extent underwritten by the Insurance Department, on property described in schedules and policies made in the usual manner.

An Insurance Department was accordingly organized under direction of the Executive Committee, and was authorized to underwrite from February 11th, 1893, the schedule of property submitted; and the premium for such insurance was fixed at the lowest rate at which the syndicate of insurance companies had offered to place the same. Monthly payments for such insurance have been made to the Insurance Department from February 11th, 1893, to the end of the fiscal year ending June 30th last—16 months and 20 days; losses have been paid by it as required; and the books of the Insurance Department on that date showed a credit balance (including interest and dividends received on the original guarantee fund of $300,000) amounting to $116,257.03. This balance is subject to claims in process of adjustment for losses prior to June 30th, which, it is estimated, will not exceed $10,000. Added to the original fund, it makes $416,257.03, in cash and available cash assets, held in the fund, to make good losses by fire to the extent underwritten by the Insurance Department. By direction of the Executive Committee, the fund is carried on the general books of the Company as of the nominal sum of $10,000. See page 34.

At the annual meeting in September last, the stockholders approved the purchase of the property of the Milwaukee & Northern Railroad Company—the ownership of the capital stock of that Company having been previously acquired by your Company. The purchase has therefore been completed and the property transferred by deed to your Company, subject to a mortgage of seventeen thousand dollars per mile. The transfer was made as of July 1st, 1893, and the operation of the lines heretofore separately reported as lines of the Milwaukee &

Northern Railroad Company, is included in this report as part of the operation of the lines of your Company. All comparisons made in this report with previous years include the Milwaukee & Northern figures for those years.

At the close of the last fiscal year the capitalization of this Company was, as represented by common stock, $46,027,261; preferred stock, $25,767,900. This has been increased during the fiscal year ending June 30th, 1894, by the issue of $206,000 of preferred stock in exchange for a like amount of bonds convertible by terms of mortgage.

At the close of the last fiscal year the total funded debt of this Company was $130,805,500. To this has been added during the year the mortgage debt of the Milwaukee & Northern Railroad Company, amounting to $7,247,000; $911,000 in the general mortgage four per cent. bonds of the Company to represent improvements and additions to property as specified in the statement on pages 27, 28 and 29 of this report; and $43,500 of the same class of bonds issued in place of bonds paid and canceled prior to July 1st, 1893, and there has been deducted therefrom, $206,000 for bonds retired by conversion into preferred stock, leaving the total debt on the Company's property, $138,801,000.

The stock of the Milwaukee & Northern Railroad Company, $6,157,850, owned by this Company, which appeared in the General Account, June 30th, 1893, in the item "Bonds, Stock, etc., of other Companies," has been transferred to "Cost of Road and Equipment," leaving only a nominal sum of $30,789.25 to represent this stock on the books of this Company.

Just at the close of the year a strike was inaugurated at some of the principal points on the lines of your Company, by an organization of recent origin, called the American Railway Union. Only a small part of your employes actually quit work, but the consequent interruption to traffic involved many more. Those who quit work had no grievance against the Company. They engaged in the strike at the bidding of the Union, which did not scruple to involve them in a controversy in which neither they nor the Company had the slightest interest.

The management of your Company accepts the fact that labor organizations are not to be prevented, and although their

influence has not always been good, it has not discriminated against those who are members, and has not hesitated to confer with their chosen representatives on matters of mutual interest. The brief career of the American Railway Union, however, has demonstrated that there may be organizations which are administered with so little wisdom and so little regard for public or private rights, and are so reckless of consequences, even to their own members, as to be unworthy of recognition. It is not to be expected that an organization which has involved its members in a controversy in which they had no interest, in the effort to establish a principle which could not possibly prevail, and has needlessly cost them their places in times when men are more abundant than work, will take deep root, or long survive its own folly. Nor would it be prudent for railway companies to give any recognition or standing to an organization which has recklessly involved them in the losses consequent upon an effort to enforce a demand which was inimical alike to the interest of the companies, the employes and the public.

The direct interest of the railway companies in this controversy is of secondary importance to the greater interest of the entire industrial system of the country, which is at stake. The railway companies are compelled to contest the right of any organization to place restrictions on their power to fulfill the obligations which are by law imposed upon them. The transportation system of the country must not be used by any organization as a weapon against those with whom it may have controversy.

For details of operation, reference is made to the statements of the General Auditor, appended hereto.

By order of the Board of Directors.

ROSWELL MILLER,
President.

AUGUST, 1894.

To the President:—

Herewith are submitted Statements of Operation and of the General Accounts for the fiscal year ending June 30th, 1894.

W. N. D. WINNE,
General Auditor.

DETAILED STATEMENT

OF

EARNINGS AND EXPENSES

FOR THE YEARS ENDING JUNE 30, 1893 AND 1894.

EARNINGS.

	1893.	1894.
From Freight	$25,722,000 55	$21,550,686 79
From Passengers	7,511,757 23	7,311,822 10
From Mails, Express, Etc.	2,509,671 07	2,465,442 06
Gross Earnings	$35,743,428 85	$31,327,950 95

EXPENSES.

	1893.	1894.
Repairs of Track	$2,265,460 66	$1,892,862 91
Renewal of Rails	1,046,257 53	593,078 92
Renewal of Ties	978,202 00	962,036 89
Trackage and Switching Charges	373,158 04	376,233 68
Repairs of Bridges	609,810 95	697,985 66
Repairs of Fences	67,658 10	73,886 90
Repairs of Buildings	276,948 36	249,986 45
Repairs of Locomotives	1,532,748 68	1,096,429 82
Repairs of Cars	2,162,177 89	1,529,246 31
Repairs of Tools and Machinery	120,000 42	72,783 26
Carried forward	$9,432,422 63	$7,544,530 80

	1893.	1894.
Brought forward	$9,432,422 63	$7,544,530 80
Management and General Offices	680,940 04	657,041 30
Foreign Agency and Advertising	223,768 63	168,005 98
Station Service	3,132,314 96	2,783,028 27
Conductors, B'g'e and Brakemen	1,823,063 09	1,593,989 80
Engineers, Firemen and Wipers	2,257,243 22	1,925,016 54
Train and Station Supplies	615,403 18	528,825 97
Fuel Consumed	2,714,776 50	2,276,494 44
Oil and Waste	172,516 94	137,438 23
Personal Injuries	301,092 30	275,479 92
Damage to Property	68,842 65	56,687 36
Loss and Damage of F't and B'ge	106,989 59	112,011 16
Legal Expenses	153,624 71	152,943 32
New York Office Expenses	23,635 00	24,298 14
Taxes	1,121,942 65	1,199,077 00
Insurance	85,439 98	95,673 19
Miscellaneous Expenses	261,591 66	243,816 35
Stock Yard Expenses	14,217 58	9,624 47
Expenses of Elevators	48,632 65	34,803 76
Mileage of Cars	379,714 96	217,181 15
Sleep'g and Parlor Car Expenses	94,770 40	78,365 50
Total Expenses	$23,712,943 32	$20,114,332 65

RECAPITULATION.

	1893.	1894.	Decrease.
Gross Earnings	$35,743,428 85	$31,327,950 95	$4,415,477 90
Total Expenses	23,712,943 32	20,114,332 65	3,598,610 67
Net Earnings	$12,030,485 53	$11,213,618 30	$816,867 23

CONDENSED STATEMENT OF EARNINGS AND EXPENSES

For the Years Ending June 30th, 1891, 1892, 1893 and 1894.

EARNINGS.

	1891.	1892.	1893.	1894.
From Freight	$20,216,501 44	$24,559,869 37	$25,722,000 55	$21,550,686 79
From Passengers	6,643,339 67	7,021,435 10	7,511,757 23	7,311,822 10
From Mails, Express, &c	2,274,825 05	2,467,570 75	2,509,671 07	2,465,442 06
Gross Earnings	$29,134,666 16	$34,048,875 22	$35,743,428 85	$31,327,950 95

EXPENSES.

Maintenance of Way and Structures	$3,931,737 05	$4,456,856 96	$5,244,337 60	$4,469,837 73
Maintenance of Rolling Stock	2,933,241 65	4,032,785 75	3,814,926 99	2,698,459 39
Conducting Transportation	9,495,877 63	10,269,124 78	11,088,475 93	9,621,026 93
Loss and Damage to Persons and Property	379,234 41	411,939 60	476,924 54	444,178 44
General Offices, Agencies and Advertising	1,012,402 62	1,030,428 32	1,081,968 38	1,002,288 74
Mileage of Cars	305,149 34	268,346 41	379,714 96	217,181 15
Taxes	909,399 25	994,358 38	1,121,942 65	1,199,077 00
Miscellaneous	410,097 21	473,627 05	504,652 27	462,283 27
Total Expenses	$19,377,139 16	$21,937,467 25	$23,712,943 32	$20,114,332 65

RECAPITULATION.

Gross Earnings	$29,134,666 16	$34,048,875 22	$35,743,428 85	$31,327,950 95
Total Expenses	19,377,139 16	21,937,467 25	23,712,943 32	20,114,332 65
Net Earnings	$ 9,757,527 00	$12,111,407 97	$12,030,485 53	$11,213,618 30
Average Miles in Operation	6,076.83	6,076.83	6,108.92	6,147.08

Note.—Statement for years ending June 30th, 1891, 1892 and 1893, includes the mileage, earnings and expenses of the Milwaukee & Northern R. R. operated as the Lake Superior Division from July 1st, 1893.

STATEMENT OF MONTHLY EARNINGS AND EXPENSES.

	FREIGHT.	PASSENGER.	MAILS, EXPRESS, ETC.	GROSS EARNINGS.	OPERATING EXPENSES.	NET EARNINGS.
July, 1893	$1,578,667 13	$798,406 45	$216,281 31	$2,593,354 89	$1,857,020 55	$736,334 34
August, "	1,383,132 66	808,519 08	216,191 07	2,407,842 81	1,767,981 04	639,861 77
September, "	1,875,119 59	931,978 24	216,451 82	3,023,549 65	1,856,380 99	1,167,168 66
October, "	2,640,753 86	1,049,963 08	231,940 94	3,922,657 88	2,031,314 51	1,891,343 37
November, "	2,464,078 76	508,000 88	195,996 56	3,168,076 20	1,889,570 39	1,278,505 81
December, "	1,880,318 36	463,462 61	190,393 57	2,534,174 54	1,674,733 84	859,440 70
January, 1894	1,523,021 88	435,180 53	196,620 11	2,154,822 52	1,548,366 54	606,455 98
February, "	1,555,081 31	362,065 33	189,639 19	2,106,785 83	1,531,979 00	574,806 83
March, "	1,830,637 53	494,086 04	191,073 02	2,515,796 59	1,451,453 75	1,064,342 84
April, "	1,624,064 51	442,326 50	190,843 14	2,257,234 15	1,547,813 71	709,420 44
May, "	1,596,777 07	468,773 86	194,163 19	2,259,714 12	1,534,241 41	725,472 71
June, "	1,599,034 13	549,059 50	235,848 14	2,383,941 77	1,423,476 92	960,464 85
Total	$21,550,686 79	$7,311,822 10	$2,465,442 06	$31,327,950 95	$20,114,332 65	$11,213,618 30

EQUIPMENT IN SERVICE JUNE 30th, 1894.

STANDARD GAUGE.

Locomotives		828
Passenger Cars		412
Sleeping Cars		53
Parlor Cars		16
Dining Cars		8
Baggage, Postal, Mail and Express Cars		280
Freight Cars—		
Box Cars	18,401	
Stock Cars	2,662	
Flat, Coal, Ore and Dump Cars	5,852	
Refrigerator Cars	489	27,404
Caboose Cars		459
Wrecking, Tool Cars, etc		70

NARROW GAUGE.

Locomotives		7
Passenger Cars		3
Baggage, Mail and Express Cars		6
Freight Cars—		
Box Cars	203	
Stock Cars	59	
Flat Cars	49	311
Caboose Cars		5
Total		29,862

At date of last report, the inventory of equipment in service showed 27,539 freight, caboose and wrecking cars, to which were added during the year, by purchase of the Milwaukee & Northern R. R., 992 cars, making a total of 28,531 of these classes. The inventory in this report shows 28,249 cars, a shortage of 282 cars. There were short also at date of last report 31 cars, which had not been replaced, making the total shortage at this date, 313 cars. Of this shortage 60 cars are accounted for by replacement of 22 narrow gauge cars by 10 fifty-foot carriage cars and 109 stock cars by 61 refrigerator cars, leaving at this date 253 cars to be replaced. The reserve fund for replacement amounts to $110,669.05 and covers the value of 134 stock, 111 flat and 8 caboose cars—253 cars—the number short as shown.

The inventory in last report showed 797 locomotives—being one short, which has since been replaced. There have been added during the year, by purchase of the Milwaukee & Northern R. R., 34; and as additional equipment 3, making 835 as shown in this report.

The number of sleeping cars shown at date of last report was 53, to which were added one car by purchase as additional equipment and one car in replacement. Capital account includes, however, the cost of 53 sleeping cars only, the cars replaced by charge to expense account have been dropped from the inventory, though still on hand, unfit for service.

The number of baggage, mail and express cars shown at date of last report was 266, to which were added by purchase of the Milwaukee & Northern R. R. 17 cars, and by purchase as additional equipment, two buffet cars and one postal car, making 286 cars, as shown.

Five hundred and eighty-one passenger cars are equipped for steam heat, 6,523 freight cars are equipped with air-brakes and 9,633 freight cars have automatic couplers.

STATEMENT OF COMMODITIES TRANSPORTED

During the Years Ending June 30th, 1893 and 1894.

Commodities.	1893.		1894.	
	Tons.	Per Cent.	Tons.	Per Cent.
Flour	442,934	3.292	440,193	4.078
Mill Feed	163,266	1.214	146,028	1.353
Wheat	1,492,698	11.095	940,878	8.717
Rye	64,316	.478	45,185	.419
Barley	612,465	4.553	516,167	4.782
Oats	464,246	3.451	410,020	3.799
Corn	256,107	1.904	468,017	4.336
Flax Seed	140,811	1.047	116,909	1.083
Hay	158,315	1.177	177,482	1.644
Dairy Products	50,070	.372	47,753	.442
Other Agricultural Products	188,646	1.402	173,685	1.609
Provisions	192,353	1.430	171,900	1.593
Salt	71,644	.532	57,433	.532
Lime, Cement and Plaster	218,773	1.626	160,093	1.483
Brick and Stone	664,564	4.940	438,053	4.058
Iron and Steel	359,819	2.674	222,990	2.066
Manufactures	573,173	4.260	439,794	4.074
Coal	1,616,846	12.018	1,437,393	13.317
Live Stock	615,727	4.577	542,434	5.025
Lumber	2,579,238	19.172	1,781,492	16.504
Merchandise	1,211,971	9.009	1,024,044	9.487
Ice	191,355	1.422	233,090	2.159
Miscellaneous	1,124,012	8.355	803,025	7.440
Totals	13,453,349	100.000	10,794,058	100.000

DETAIL OF EQUIPMENT AND IMPROVEMENT EXPENDITURES

FOR THE YEAR ENDING JUNE 30TH, 1894.

Equipment—		
3 Locomotives	$22,500 00	
2 Buffet Cars	21,446 74	
1 Compartment Sleeping Car	19,572 46	
1 Mail Car	3,333 82	
Air Brakes, Automatic Couplers and other new appliances to Rolling Stock	49,420 01	116,273 03
Extension of branch line to Sisseton, South Dakota, about 4.24 miles—cost to date		20,154 94
Right of Way Evanston, Ill.	8,946 80	
" " Fond du Lac, Wis.	8,959 48	
" " Stillwater, Minn.	5,306 00	
" " Janesville, Wis.	2,000 00	
" " Faribault Co., Minn.	2,500 00	
" " Jackson Co., Mo.	2,212 00	
" " Dickinson Co., Mich.	2,008 75	
" " Iowa Co., Iowa	1,928 50	
" " Hennepin Co., Minn.	1,350 00	
" " Mower Co., Minn.	1,016 89	
" " at Other Points	10,919 21	
Real Estate, Galewood, Ill.	14,421 40	
" " Yankton, S. D.	577 00	
" " Froelich, Iowa	350 00	
" " Clayton, "	190 00	62,686 03
Station Buildings, New—		
Bouton, Iowa	939 83	
Chatsworth, Iowa	1,038 38	
Judkins Crossing, Ill.	989 13	
Prairie Junction, Minn.	1,132 25	
At Other Points	1,682 95	5,782 49
Station Buildings, Additions—		
Chippewa Falls, Wis., filling Depot Grounds	5,452 49	
Milwaukee Stock Yards	1,927 96	
West Milwaukee Sanitary Closet	2,128 78	
At Other Points	2,103 80	11,613 03
New Cinder Pits		1,418 36
New Milk Sheds and Station Platforms		3,377 57
New Coal and Oil Houses—		
Racine & Southwestern Division	566 59	
Chicago & Council Bluffs "	714 60	
La Crosse "	640 03	
Iowa & Dakota "	1,211 58	
Northern "	1,254 04	
Kansas City "	1,120 27	
Other Divisions	1,553 87	7,060 98
Retaining Walls—		
Elgin, Ill.	211 25	
Fort Snelling, Minn.	2,564 73	
St. Paul, Minn.	13,562 30	16,338 28
Carried forward		$244,704 71

Brought forward		$244,704 71
New Iron Turn-Table, Mitchell, S. D.		688 17
New Stock Yards and Stock Scales		3,692 39
New Track Scales, Mystic, Iowa		927 06
New Sidewalks—		
Delavan, Wis.	209 58	
Milwaukee, Wis.	612 83	
Albert Lea, Minn.	108 84	
Madison, S. D.	136 67	
Sheldon, Iowa	100 39	
At Other Points	846 02	2,014 33
New Water Supply—		
Wadsworth, Ill., Track Tank	5,594 35	
Manning, Iowa	1,169 48	
At Other Points	114 31	6,878 14
Round Houses and Shops—		
Dubuque, Iowa, Iron Turn-Table	2,089 21	
Byron, Ill., Round House	1,543 02	
Humboldt Ave. Shops, Milwaukee, New Machinery	454 02	
West Milwaukee Shops, New Machinery	1,492 60	5,578 85
Additions and Improvements to Bridges—		
Chicago & Milwaukee Division	7,021 17	
La Crosse "	27,074 53	
Iowa & Minnesota "	6,040 21	
Sioux City & Dakota "	47,594 03	
Chicago & Council Bluffs "	14,066 03	
Wisconsin Valley "	29,608 46	
Chippewa Valley "	2,066 65	
Kansas City "	120,323 60	
River "	15,719 51	
Other Divisions	1,996 95	
New Iron Guard Rails on Bridges	4,039 86	275,551 00
New Side Tracks		2,670 21
Ballasting Track—		
Sioux City & Dakota Division	21,759 80	
Chicago & Council Bluffs "	10,645 70	
Kansas City "	18,010 26	
Iowa & Dakota "	3,854 11	
Other Divisions	6,361 67	60,631 54
Raising Grade, Widening and Rip-Rapping Banks—		
Chicago & Council Bluffs Division	2,197 66	
Sioux City & Dakota "	16,310 96	
La Crosse "	1,038 39	
River "	1,242 96	
Iowa & Dakota "	5,469 19	
Wisconsin Valley "	2,269 89	
Chippewa Valley "	2,184 31	
Kansas City "	4,340 82	
Other Divisions	3,525 27	38,579 45
Second Main Track—		
Chicago & Milwaukee Division	17,171 93	
Chicago & Council Bluffs "	145,787 55	
Northern "	822 77	163,782 25
Carried forward		$805,698 10

Brought forward		$805,698 10
New Fences—		
Hastings & Dakota Division	10,805 01	
Iowa & Dakota "	8,459 01	
Iowa & Minnesota "	972 73	
Wabasha "	1,462 04	
Sioux City & Dakota "	3,172 90	
Southern Minnesota "	4,556 00	
Dubuque "	4,614 41	
Wisconsin Valley "	782 12	
Fargo & Southern "	7,495 45	
Other Divisions	1,496 83	43,816 50
New Culverts—		
Chicago & Council Bluffs Division	4,668 23	
Sioux City & Dakota "	7,350 23	
Kansas City "	24,054 30	
River "	1,626 03	
Northern "	400 61	
Other Divisions	1,354 02	39,453 42
New Signals and Gates, Railroad Crossings—		
Rondout, Ill	5,501 39	
Chicago, Ill	2,974 36	
Calvary, Ill	2,699 11	
Sheridan Park, Ill	2,505 79	
Kansas City, Mo	2,228 55	
St. Peter Junction, Minn	1,959 44	
Racine Junction, Wis	1,992 16	
Other Stations	2,584 30	
	22,445 10	
Less Proportion Due from Other Companies	12,518 13	9,926 97
New Block Signals—		
Chicago & Milwaukee Division	1,177 69	
La Crosse "	1,432 53	
River "	921 77	
Chicago & Council Bluffs "	2,386 82	
Chicago & Evanston "	1,645 73	
Other Divisions	1,108 87	8,673 41
New Highway Crossing Gates—		
Galewood, Ill	994 75	
Racine, Wis	359 93	
Cragin, Ill	827 19	
Wauwatosa, Wis	310 20	
Evanston, Ill	385 84	
Other Points	323 40	3,201 31
Total		$910,769 71

Cost of Road and Equipment, July 1st, 1893		$195,223,233 67
Purchase of Milwaukee & Northern Railroad		13,284,710 75
Discount on 4 per cent. General Mortgage Bonds.		1,020,000 00
Equipment and Improvement Expenditures as above		910,769 71
Miscellaneous items	11,357 32	
Less sundry credits	9,358 00	1,999 32
Cost of Road and Equipment, June 30th, 1894		$210,440,713 45

MATERIAL AND FUEL ON HAND.

Coal	51,571	Tons,	$156,789	28
Wood	28,866	Cords,	52,051	99
Ties	1,355,703	Number,	442,094	18
New Steel Rails	1,491	Tons,	45,712	93
Old Steel Rails	6,236	Tons,	95,495	04
Old Iron Rails	18,821	Tons,	271,232	63
Oil	71,513	Gallons,	13,309	94
Waste	35,848	Pounds,	2,496	03
Splices, Bolts and Spikes	290,953	Pounds,	5,582	72
Iron (worked and unworked)	10,653,463	Pounds,	154,354	46
Copper and Brass	254,525	Pounds,	20,418	88
Lumber and Timber	18,363,767	Feet,	309,189	80
Piles	209,929	Feet,	27,412	07
Posts	46,555	Number,	4,678	92
Engine and Car Wheels	4,840	Number,	24,616	90
Engine & Car Wheels (on axles)	2,273	Pairs,	33,256	83
Engine and Car Axles	387,704	Pounds,	7,841	08
Tires	65,663	Pounds,	4,920	42
Steel and Steel Springs	682,568	Pounds,	30,845	38
Engine, Car and Road Castings	3,518,549	Pounds,	49,607	64
Paints and Oils			8,929	71
Stationery Supplies			12,401	74
Other Supplies			453,329	78
Total, June 30th, 1894			$2,226,568	35
Total, June 30th, 1893			2,631,665	99
Decrease			$405,097	64

TRANSPORTATION STATISTICS

For the Years Ending June 30th, 1893 and 1894.

	1893.	1894.
Miles run by passenger trains	7,947,371	7,848,438
Miles run by freight trains	15,590,807	12,869,482
Miles run by mixed trains	1,045,395	987,704
Miles run by revenue trains	24,583,573	21,705,624
Miles run by switching trains	5,789,514	4,411,146
Miles run by construction and other trains	1,377,331	575,700
Total miles run by trains	31,750,418	26,692,470
Number of passengers carried	8,634,707	7,921,882
Number of passengers carried one mile	312,879,855	337,133,338
Average miles each passenger was carried	36.24	42.56
Revenue per passenger per mile	2.401 cts.	2.169 cts.
Revenue from passengers per train mile run	91.51 cts.	90.32 cts.
Number of tons of freight carried	13,453,349	10,794,058
Number of tons of freight carried one mile	2,506,850,702	2,077,869,479
Number of tons of freight carried per loaded car	10.50	9.93
Average miles each ton of freight was carried	186.34	192.50
Revenue per ton of freight per mile	1.026 cts.	1.037 cts.
Revenue from freight per train mile run	$1.5701	$1.5834
Repairs of locomotives per revenue train mile run	6.24 cts.	5.05 cts.
Repairs of cars " " " " "	8.80 cts.	7.05 cts.
Station service " " " " "	12.74 cts.	12.82 cts.
Train service " " " " "	7.42 cts.	7.34 cts.
Locomotive service " " " " "	9.18 cts.	8.87 cts.
Train and station supplies " " " " "	2.50 cts.	2.44 cts.
Fuel " " " " "	11.04 cts.	10.49 cts.
Oil and waste " " " " "	.70 cts.	.63 cts.
All other expenses " " " " "	37.84 cts.	37.98 cts.
Total operating expenses " " " " "	96.46 cts.	92.67 cts.
Percentage of expenses (including taxes) to earnings	66.34%	64.21%

LAND DEPARTMENT.

On the 1st of July, 1893, the Company owned lands in Iowa and Minnesota amounting to	4,707.39 acres.
Sold during the year	2,098.52 acres.
Unsold, June 30th, 1894	2,608.87 acres.

Estimated value of unsold lands	$13,044 35
Balance due on lands previously sold	66,251 20
Total	$79,295 55

STATEMENT OF INCOME ACCOUNT

For the Fiscal Year Ending June 30th, 1894.

Balance at credit, July 1st, 1893		$6,487,899 05
Dividend No. 47, payable October 20th, 1893, from net earnings of fiscal year ending June 30th, 1893.		
3½% on $25,767,900 preferred stock	901,876 50	
2% on $45,957,691 common stock	919,153 82	
Old Accounts charged off	34,071 17	1,855,101 49
		$4,632,797 56
Gross earnings	31,327,950 95	
Less Operating Expenses (including taxes)	20,114,332 65	
Net Earnings	11,213,618 30	
Income from other sources	100,684 17	
Net Revenue for the year		11,314,302 47
Total		$15,947,100 03
Interest accrued during the year on funded debt	7,503,747 98	
Interest and Exchange	95,821 65	
Dividend No. 48, payable April 19th, 1894, from net earnings of fiscal year ending June 30th, 1894.		
3½% on $25,923,900 preferred stock	907,336 50	
2% on $45,957,691 common stock	919,153 82	9,426,059 95
Balance at credit, June 30th, 1894		$6,521,040 08

GENERAL ACCOUNT, JUNE 30th, 1894.

Dr.			Cr.		
Cost of Road and Equipment		$210,440,713 45	Capital Stock, Preferred	$25,973,900 00	
Bonds, Stock, etc., of other Companies		976,357 47	Capital Stock, Common	46,027,261 00	72,001,161 00
Sinking Funds:			Funded Debt		138,801,000 00
Vice-President in Special Trust, Account			Wis. Valley Div. Sinking Fund	180 00	
Dubuque Division Sinking Fund	465,000 00		Dubuque Div. Sinking Fund	81,840 00	82,020 00
New England Trust Co., Trustee	78,020 00		Roll'g Stock Replacement Fund		110,669 05
United States Trust Co., Trustee	11,477 50		Pay Rolls and Vouchers	1,669,178 96	
Farmers' Loan & Trust Co., Trustee	409 08	554,906 58	Loans and Bills Payable	1,000,000 00	
*Insurance Department		10,000 00	Dividends Unclaimed	37,136 70	
Stock of Material and Fuel		2,226,568 35	Interest Coupons not presented	70,569 66	
Mortgage bonds of the Company unsold, held in its Treasury or due from Trustees	2,901,800 00		Interest accrued, not yet payable	3,581,982 92	6,358,868 24
Milwaukee & Northern R. R. Co. 6% Consolidated bonds, unsold, held in the Treasury of this Company	1,089,000 00		Income Account		6,521,040 08
Stock of the Company held in its Treasury	4,770 00	3,995,570 00			
Due from Agents, Conductors, etc.	450,268 81				
Due from sundry Companies and individuals	443,725 84				
Due from United States Government	271,061 47				
Loans and Bills Receivable	829,000 00				
Cash on hand	3,676,586 40	5,670,642 52			
		$223,874,758 37			$223,874,758 37

* See statement as to Insurance Department on pages 14 and 15.

CAPITAL STOCK, JUNE 30, 1894.

PREFERRED STOCK.		
Amount of Preferred Stock, June 30th, 1893,		$25,767,900 00
Issued during the year in exchange for Bonds convertible into Preferred Stock by terms of mortgage, viz.:		
For 170 Bonds, Iowa & Minnesota Division	170,000 00	
For 36 Bonds, Prairie du Chien Division, Second Mortgage	36,000 00	206,000 00
Total Preferred Stock, June 30th, 1894		$25,973,900 00
COMMON STOCK.		
Total Common Stock, June 30th, 1893	46,027,261 00	
Total Common Stock, June 30th, 1894		46,027,261 00
Total Capital Stock, June 30th, 1894		$72,001,161 00

FUNDED DEBT, JUNE 30th, 1894.

Total Funded Debt, June 30th, 1893, including all liens on purchased roads.....		$130,805,500 00
Issued during the year:		
General Mortgage Bonds, as follows:		
For Bonds paid and canceled:		
Wisconsin Valley Division.....	25,000 00	
Fargo & Southern R'y Co. Income.....	41,000 00	
Milwaukee & St. Paul R'y Co.....	58,000 00	
Income Sinking Fund Convertible.....	80,000 00	
Real Estate.....	221,000 00	425,000 00
General Mortgage Bonds due from Trustees:		
For Expenditures for additional equipment, real estate and improvements, July 1st, 1893, to June 30th, 1894.....	911,000 00	
For bonds paid and canceled:		
Milwaukee & St. Paul R'y Co.....	2,000 00	
Minnesota Central R'y Co.....	18,000 00	
Real Estate.....	2,800 00	933,800 00
Bonds of the Milwaukee & Northern Railroad Company, viz.:		
First Mortgage.....	2,155,000 00	
Consolidated Mortgage.....	5,092,000 00	7,247,000 00
		$139,411,300 00
Bonds paid and canceled during the year:		
Income Sinking Fund Convertible.....	80,000 00	
Wisconsin Valley Division.....	25,000 00	
Milwaukee & St. Paul R'y Co.....	20,000 00	
Fargo & Southern R'y Co. Income.....	37,500 00	
Real Estate.....	223,800 00	
Minnesota Central R'y Co.....	18,000 00	
Bonds received in exchange for preferred stock, and canceled:		
Iowa & Minnesota Division.....	170,000 00	
Prairie du Chien Div. Second Mortgage.	36,000 00	610,300 00
Total Funded Debt, June 30th, 1894...		$138,801,000 00
Of the total amount of bonds outstanding, as stated above, there remain in the treasury, unsold, or due from Trustees.....		$3,990,800 00

	Description of Bonds.	Time. Date of Issue.	Time. When Due.	Amount Outstanding.	Interest. Rate.	Interest. When Payable.	Interest. Amount Accrued during the Year.	Interest. Amount Paid during the Year.
f	Milwaukee & St. Paul R'y	1863	1893	8,000 00				3,990 00
a	Iowa & Minnesota Division	1867	1897	2,842,000 00	7 per cent.	Jan. and July.	200,340 00	206,640 00
	Prairie du Chien " 1st Mortgage.	1868	1898	3,674,000 00	8 " "	Feb. and Aug.	293,920 00	293,680 00
a	Prairie du Chien " 2d "	1868	1898	1,197,000 00	7.3 " "	" " "	87,965 00	91,834 00
a	Chicago & Milwaukee "	1873	1903	2,393,000 00	7 " "	Jan. and July.	167,510 00	167,265 00
ad	St. Paul (or River) "	1872	1902	3,353,000 00	7 " "	" " "	240,590 00	241,430 00
ae	St. Paul (or River) " Sterling	1872	1902	451,500 00	7 " "	" " "	25,725 00	25,742 50
a	Iowa & Dakota "	1869	1899	540,000 00	7 " "	" " "	37,800 00	37,555 00
a	Hastings & Dakota "	1872	1903	89,000 00	7 " "	" " "	6,230 00	6,370 00
b	Consolidated Mortgage	1874	1904	186,000 00	7 " "	" " "	13,020 00	13,020 00
a	Consolidated Mortgage	1875	1905	11,299,000 00	7 " "	" " "	790,930 00	789,145 00
d	Terminal	1884	1914	4,748,000 00	5 " "	" " "	237,400 00	237,125 00
a	Iowa & Dakota Division Extension	1878	1908	3,505,000 00	7 " "	" " "	245,350 00	245,140 00
	Hastings & Dakota " "	1880	1910	5,680,000 00	7 " "	" " "	397,600 00	398,160 00
	Hastings & Dakota " "	1880	1910	990,000 00	5 " "	" " "	49,500 00	49,500 00
	Southwestern "	1879	1909	4,000,000 00	6 " "	" " "	240,000 00	238,740 00
	La Crosse & Dav'p't "	1878	1919	2,500,000 00	5 " "	" " "	125,000 00	125,475 00
	Chicago & Pacific "	1880	1910	3,000,000 00	6 " "	" " "	180,000 00	179,820 00
d	Chicago & Pacific Western Division	1881	1921	25,340,000 00	5 " "	" " "	1,267,000 00	1,262,050 00
	Southern Minnesota Division	1880	1910	7,432,000 00	6 " "	" " "	445,920 00	446,100 00
	Mineral Point "	1880	1910	2,840,000 00	5 " "	" " "	142,000 00	141,875 00
	Dubuque "	1880	1920	6,565,000 00	6 " "	" " "	393,360 00	393,570 00
	Wisconsin Valley "	1880	1920	2,316,000 00	6 " "	" " "	129,240 00	123,960 00
d	Wisconsin & Minnesota "	1881	1921	4,755,000 00	5 " "	" " "	237,750 00	237,525 00
d	Chicago & Lake Superior Division	1881	1921	1,360,000 00	5 " "	" " "	68,000 00	68,175 00
	Chicago & Missouri River "	1886	1926	3,083,000 00	5 " "	" " "	154,150 00	153,950 00
d	Dakota & Great Southern R'y	1886	1916	2,856,000 00	5 " "	" " "	142,800 00	142,600 00
d	Fargo & Southern R'y	1883	1924	1,250,000 00	6 " "	" " "	75,000 00	75,000 00
g	Minnesota Central R'y	1864	1894	105,000 00	7 " "	" " "	8,606 31	8,676 31
	Wisconsin Valley R. R.	1879	1909	1,106,500 00	7 " "	" " "	77,455 00	77,455 00
h	Fargo & Southern R'y, Income	1885						7,710 00
i	Real Estate	1884	1894	1,200 00			7,497 50	11,802 50
c	Income Sinking Fund Convertible	1886	1916	1,600,000 00	5 " "	Jan. and July.	75,500 00	75,175 00
d	General Mortgage	1889	1989	20,488,800 00	4 " "	" " "	571,109 17	456,009 17
	Milw. & Nor. R. R., 1st Mortgage	1880	1910	2,155,000 00	6 " "	June and Dec.	129,300 00	114,955 00
	Milw. & Nor. R. R., Consolidated	1884	1913	5,092,000 00	6 " "	" " "	240,180 00	213,805 00
	Total	.....	.....	$138,801,000 00	.....	.....	$7,503,747 98	$7,361,024 48

a Bonds thus designated are convertible into Preferred Stock at any time within ten days after a dividend becomes payable on said Preferred Stock.
b Bonds thus designated are convertible into Preferred Stock at any time within fifteen days after a dividend becomes payable on said Preferred Stock.
c Bonds thus designated are convertible into Common Stock at any time within sixty days after any dividend becomes payable on the stock of the Company. The authorized issue of these bonds is $5,000,000, of which but $2,000,000 have been sold.
d Bonds thus designated are payable, principal and interest, in gold, at the office of the Company, in New York.
e Bonds thus designated are payable, principal and interest, in gold, in London.
f Bonds thus designated are payable on presentation. Interest ceased January 1st, 1893.
g Bonds thus designated are payable on presentation. Interest ceased July 1st, 1894.
h Fargo & Southern R'y Income Bonds became payable and interest ceased April 1st, 1893.
i Bonds thus designated are payable on presentation. Interest ceased March 1st, 1894.

1895

THIRTY-FIRST ANNUAL REPORT

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

FISCAL YEAR ENDING JUNE 30, 1895

1895

Thirty-first Annual Report

OF THE

Chicago, Milwaukee & St. Paul Railway Company

FOR THE

Fiscal Year ending June 30, 1895

CHICAGO
CORBITT & BURNHAM, PRINTERS
1895

DIRECTORS AND OFFICERS

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.

DIRECTORS.

PHILIP D. ARMOUR,	CHICAGO.
AUGUST BELMONT,	NEW YORK.
FRANK S. BOND,	NEW YORK.
CHARLES H. COSTER,	NEW YORK.
CHARLES D. DICKEY, JR.,	NEW YORK.
PETER GEDDES,	NEW YORK.
FREDERICK LAYTON,	MILWAUKEE.
JOSEPH MILBANK,	NEW YORK.
ROSWELL MILLER,	CHICAGO.
JAMES M. McKINLAY,	NEW YORK.
WILLIAM ROCKEFELLER,	NEW YORK.
SAMUEL SPENCER,	NEW YORK.
A. VAN SANTVOORD,	NEW YORK.

OFFICERS.

ROSWELL MILLER,	President,	CHICAGO.
FRANK S. BOND,	Vice President,	NEW YORK.
E. P. RIPLEY,	Third Vice-President,	CHICAGO.
A. J. EARLING,	General Manager,	CHICAGO.
W. G. COLLINS,	General Superintendent,	CHICAGO.
P. M. MYERS,	Secretary,	MILWAUKEE.
J. M. McKINLAY,	Assistant Secretary and Transfer Agent,	NEW YORK.
C. B. FERRY,	Assistant Secretary and Transfer Agent,	NEW YORK.
H. C. WESTON,	Assistant Secretary and Transfer Agent,	NEW YORK.
F. G. RANNEY,	Treasurer,	CHICAGO.
BURTON HANSON,	Assistant General Solicitor,	CHICAGO.
W. N. D. WINNE,	General Auditor,	CHICAGO.

REPORT

OF THE

BOARD OF DIRECTORS.

THE

THIRTY-FIRST ANNUAL REPORT

OF THE DIRECTORS OF THE

CHICAGO, MILWAUKEE & ST. PAUL

RAILWAY COMPANY

TO THE STOCKHOLDERS.

For the Fiscal Year Ending June 30th, 1895.

The President and Directors submit to the Stockholders the following report of the business and operations of the Company for the year ending June 30th, 1895, and of the condition of its property and finances at the close of that year.

The operations for the year show the following results:

Gross Earnings	$27,335,369 19
Operating Expenses	17,043,753 09
Net Earnings	$10,291,616 10
Income from other sources	134,647 04
Total	$10,426,263 14
Fixed charges—interest on bonds	7,629,377 07
Balance above fixed charges	$2,796,886 07

During the year two dividends aggregating seven per cent. were paid on preferred stock, and two dividends aggregating three per cent. were paid on common stock—of which, dividend No. 49, paid October 22, 1894—3½ per cent. on preferred and 2 per cent. on common stock—was from net earnings of the previous fiscal year ending June 30th, 1894.

MILES OF TRACK.

The Company owns and operates 6,168.73 miles of railway, as follows:

Main track owned solely by this Company	6,159.40	
Main track owned jointly with other Companies	9.33	
Total length of main track		6,168.73
Second and third tracks and connection tracks owned solely by this Company	211.58	
Second and third tracks and connection tracks owned jointly with other Companies	3.42	
Total length of second and third tracks and connections		215.00
Tracks owned by other Companies, but used by this Company under agreements		61.97
Yard tracks, sidings and spur tracks owned solely by this Company	1,326.09	
Yard tracks, sidings and spur tracks owned jointly with other Companies	38.23	
Total length of yard tracks, sidings and spur tracks		1,364.32
Total miles of track		7,810.02

The lines of road are located as follows:

In Illinois	318.08	miles.
" Wisconsin	1,665.57	"
" Iowa	1,553.37	"
" Minnesota	1,120.09	"
" North Dakota	118.21	"
" South Dakota	1,101.06	"
" Missouri	140.27	"
" Michigan	152.08	"
Total length of main track	6,168.73	miles.

After the construction of the road from McGregor, Iowa, westward, the transfer of freight and passengers across the Mississippi between Prairie du Chien and McGregor was made, for a time, by steamboats owned and operated by John Lawler. Subsequently Mr. Lawler constructed a pontoon bridge across the river, under the charter of the Prairie du Chien & McGregor Railroad Company, and contracts were from time to time made with him for the transfer of all freight and passengers. At the expiration of the last contract, during the past year, the Prairie du Chien & McGregor Railroad with its franchises and property including the pontoon bridge across the river, was purchased by this Company, for the sum of $90,000, and is now operated as part of the Prairie du Chien Division.

An extension of the Wisconsin Valley Division, from Minocqua, its former terminus, to Star Lake, a distance of 18.80 miles has been completed at a cost of $183,623.73.

No other extension has been made.

ROLLING STOCK.

The amount of $54,905.12 has been expended during the past year for new rolling stock and appliances, of which amount $26,204.61 has been charged to the Rolling Stock Replacement Fund, and $28,700.51 has been charged to Cost of Road and Equipment, as follows:

Charged to Rolling Stock Replacement Fund:

100 Flat Cars	$25,203 66	
1 Special Flat Car for heavy machinery	1,000 95	$26,204 61

Charged to Cost of Road and Equipment:

1 Class "C" Locomotive	8,000 00	
Power Brakes, Automatic Couplers, Steam-heat Equipment, and other improvements	20,700 51	$28,700 51

COMPARATIVE SUMMARY OF OPERATION.

Gross Earnings.

1894	$31,327,950 95		
1895	27,335,369 19	Decrease	$3,992,581 76

Operating Expenses.

1894	$20,114,332 65		
1895	17,043,753 09	Decrease	$3,070,579 56

Net Earnings.

1894	$11,213,618 30		
1895	10,291,616 10	Decrease	$922,002 20

Tons of Freight Carried.

1894	10,794,058		
1895	10,475,942	Decrease	318,116

Number of Passengers Carried.

1894	7,921,882		
1895	7,235,299	Decrease	686,583

Miles Run by Revenue Trains.

1894	21,705,624		
1895	19,380,472	Decrease	2,325,152

Mileage of Loaded Freight Cars.

1894	209,261,693		
1895	179,379,217	Decrease	29,882,476

Mileage of Empty Freight Cars.

1894	80,883,822		
1895	78,164,933	Decrease	2,718,889

Cost of Operating Road Per Revenue Train Mile Run.

1894	92.67 cts.		
1895	87.94 cts.	Decrease	4.73 cts.

Gross Earnings Per Mile of Road.

1894	$5,096 40		
1895	4,438 03	Decrease	$658 37

Operating Expenses Per Mile of Road.

1894	$3,272 18		
1895	2,767 14	Decrease	$505 04

Net Earnings Per Mile of Road.

1894	$1,824 22		
1895	1,670 89	Decrease	$153 33

Average Miles of Road Operated During the Year.

1894	6,147 08		
1895	6,159 35	Increase	12 27

GENERAL REMARKS.

The results from operation of your Company's lines, compared with the previous year, show a decrease of gross earnings, $3,992,581.76; decrease of expenses, $3,070,579.56; and decrease of net earnings, $922,002.20.

The earnings from freight traffic in the year ending June 30th, 1894, were $21,550,686.79, and in the year ending June 30th, 1895, $18,978,262.89—a decrease of $2,572,423.90, or 11.94%. The principal decrease in tonnage was in the following commodities: Flour and Mill Feed, 35,235 tons; Wheat, 205,135 tons; Oats, 58,511 tons; Corn, 293,971 tons; Flax Seed, 42,966 tons; other grains, 16,598 tons; Hay, 52,471 tons; Lumber, 23,615 tons; Merchandise, 101,512 tons; Miscellaneous, 118,583 tons.

The number of tons of freight carried in 1894 was 10,794,058, and in 1895, 10,475,942—a decrease of 318,116 tons, or 2.95%: the number of tons of freight carried one mile in 1894 was 2,077,869,479, and in 1895, 1,765,245,552—a decrease of 312,623,927, or 15.05%: the revenue per ton per mile in 1894 was 1.037 cts., in 1895, 1.075 cts.—an increase of .038 cts., or 3.66%: the average miles each ton of freight was carried in 1894 was 192.50, and in 1895, 168.50—a reduction of 24 miles, or 12.47%.

The tonnage of grain and its products, and other agricultural products, in 1894 was 3,482,317 tons, in 1895, 2,794,746 tons—a decrease of 19.74%: the tonnage of all other commodities in 1894 was 7,311,741 tons, in 1895, 7,681,196 tons—an increase of 5.05%.

The average rate per ton per mile received for freights, for a series of years past, has been as follows, viz.:

1866	3.76 cts.	1876	2.04 cts.	1886	1.17 cts.
1867	3.94 "	1877	2.08 "	1887	1.09 "
1868	3.49 "	1878	1.80 "	1888	1.006 "
1869	3.10 "	1879	1.72 "	1889	1.059 "
1870	2.82 "	1880	1.76 "	1890	0.995 "
1871	2.54 "	1881	1.70 "	1891	1.003 "
1872	2.43 "	1882	1.48 "	1892	1.026 "
1873	2.50 "	1883	1.39 "	1893	1.026 "
1874	2.38 "	1884	1.29 "	1894	1.037 "
1875	2.10 "	1885	1.28 "	1895	1.075 "

The principal causes of the large decrease in freight revenues during the past year have been the general commercial depression, and the failure of crops in a considerable section of our territory which had heretofore produced a large volume of long-haul traffic. A loss in traffic receipts of perhaps $500,000 was caused by the strike which occurred in the month of July—reference to which was made in the last report.

The earnings from passenger traffic in the year ending June 30th, 1894, were $7,311,822.10, and in the year ending June 30th, 1895, $5,852,781.16—a decrease of $1,459,040.94, or 19.95%: the number of passengers carried in 1894 was 7,921,882, and in 1895—7,235,299—a decrease of 686,583, or 8.67%: the number of passengers carried one mile in 1894 was 337,133,338, and in 1895—244,225,688—a decrease of 92,907,650, or 27.56%: the revenue per passenger per mile in 1894 was 2.169 cts., and in 1895—2.396 cts.—an increase of .227 cts. per passenger per mile, or 10.47%.

The expenses of operation for the year as compared with the previous year decreased $3,070,579.56.

In the expenditures pertaining to maintenance of property there was a decrease in the following items: Repairs of Track, $467,478.93; Renewal of Rails, $138,965.36; Renewal of Ties, $61,795.19; Repairs of Bridges, $37,652.69; Repairs of Fences, $6,819.90; Repairs of Buildings, $53,660.05; Repairs of Locomotives, $257,421.60; Repairs of Cars, $333,682.53.

The account of Repairs of Cars includes $176,145.56 for replacement. Of this sum there was actually expended $26,204.61, as shown on page 9; and the balance, $149,940.95, was carried to the credit of Rolling Stock Replacement Fund, which now amounts to $260,610.00, and is sufficient to replace the shortage in equipment shown on page 23. Although this amount has been charged to operating expenses, it has not been necessary to expend the fund thus created, because we have had sufficient rolling stock to handle our traffic during the period of depression. With an increase of traffic it will be necessary to use this fund in actual replacement of the shortage.

During the year, there were constructed 46 iron bridges, aggregating 3,229 feet in length, replacing an equal number of wooden bridges: about five and nine-tenths miles of pile bridges were filled with earth—322 bridges being completely filled and 80 others reduced in length by filling—and 389 wooden culverts

were replaced with iron. Such portion of the cost of this work as represents the excess over cost of renewal in the original form, has been charged to improvement account, so that of the expenditures on bridges for the year $660,332.97 was charged to expense account, and $245,871.43 to improvement account.

There are under construction 47 iron bridges, aggregating 3,848 feet in length, which will replace an equal number of wooden bridges; of which the majority are located on the Chicago & Council Bluffs Division in Illinois, the River and Kansas City Divisions.

In the items which pertain to conducting transportation there was a decrease in expenses as follows: Station Service, $210,258.97; Conductors, Baggagemen and Brakemen, $200,411.85; Engineers, Firemen and Wipers, $214,999.94; Fuel, $463,078.86; Oil and Waste, $25,264.12; Total, $1,114,013.74.

The reduction in these items is principally due to decrease in tonnage and train service. The wages paid station and trainmen were the same as in the previous year. A minor part of the reduction in fuel expense is due to reduced cost of coal.

Liberal expenditures upon the property during recent years; the comparative cheapness of rails, ties and other material; and the reduced volume of traffic, made it possible to reduce maintenance and operation expenses, in the year just closed. The physical condition of the property is excellent.

There are substantial reasons for believing that the period of depression which has prevailed for the past two years, is passing away, and with a good crop—which present indications promise—we may expect better results in the coming year.

At the close of the last fiscal year the share capital of the Company was—Preferred Stock, $25,973,900; Common Stock, $46,027,261. It has been increased during the year ending June 30th, 1895, by $183,000 of Preferred Stock issued in exchange for a like amount of convertible bonds canceled.

At the close of the last fiscal year the funded debt of the Company was $138,801,000. There has been added during the year $704,000, general mortgage four per cent bonds of the Company, for improvements and additions to the property, as specified in the statement on pages 25 and 26, and $218,200 for underlying bonds paid and canceled; and there has been deducted, $183,000 for bonds retired by conversion into preferred stock,

$218,200 for bonds paid and canceled, and $1,000 for a bond lost or destroyed—leaving the total funded debt at the close of the year ending June 30th, 1895, $139,321,000.

At the close of the last fiscal year the amount of bonds in the treasury unsold or due from Trustees was $3,990,800. This amount has been increased $704,000 during the year for improvements and additions to the property, and $221,200 representing bonds canceled by sinking funds, etc.; and there has been deducted $100,000 bonds sold to the Insurance Department of the Company, and $198,000 bonds canceled or set apart for sinking funds; so that there remain in the treasury or due from Trustees, June 30th, 1895, bonds to the amount of $4,618,000.

The last annual report showed bills payable to the amount of $1,000,000. During the past year these have been paid off, and there are none now outstanding.

INSURANCE DEPARTMENT.—In the last annual report, statement was made that the Insurance Department had a credit balance of $116,257.03, at the close of the fiscal year ending June 30, 1894. This amount included income received from the original guarantee fund, and was subject to claims in process of adjustment for losses prior to that date. After adjusting such claims the balance was $111,909.80. Of this amount $100,000 was transferred to the guarantee fund and invested in the purchase of $100,000 general mortgage bonds of this Company, and $10,000 bonds of the Kansas City Belt Railway Company, leaving a balance of $11,909.80 carried to the new account.

During the past year the result was as follows:

Amount of premiums received		$91,075 73
Income from investments		18,540 00
Total Receipts		$109,615 73
Losses paid	$28,452 29	
Expenses paid	4,265 17	
Losses not yet adjusted (estimated)	10,000 00	
Total Expenditures		42,717 46
Net Income for the year		$66,898 27
Balance of Income, June 30, 1894		11,909 80
Losses unadjusted		10,000 00
Cash in Bank		$88,808 07

The Guarantee Fund is charged on the Insurance Department books at $400,000, and is invested in the following bonds:

Chicago, Milwaukee & St. Paul Ry. Co. Consolidated Bonds, par value	10,000 00
Chicago, Milwaukee & St. Paul Ry. Co. So. Minn. Div. Bonds, par value	2,000 00
Chicago, Milwaukee & St. Paul Ry. Co. General Mortgage Bonds, par value	296,000 00
Dakota & Great Southern Ry. Co. General Mortgage Bonds, par value	6,000 00
Kansas City Belt Railway Co. First Mortgage Bonds, par value	96,000 00
Total	$410,000 00

Since its organization, on February 11th, 1893, the revenue of the Insurance Department has exceeded its expenses and losses by $188,808.07; and the original fund of $300,000 has been increased to $410,000, par value of securities held; and there is cash on hand, $88,808.07—against which there are possible claims for unadjusted fire losses not exceeding $10,000.

The Board have to place upon record a minute of the death, on the 13th day of November, 1894, of Mr. J. Hood Wright, who had served as a Director since June 1st, 1889. The rectitude of his character, and his faithful and intelligent fulfillment of his duties, rendered his services as Director most valuable to the Company.

The General Counsel of the Company, Mr. John W. Cary, who had been at the head of its Law Department for nearly thirty-two years, died on the 29th of March, 1895. By his death the Company has lost an able, experienced and trusted Counsellor.

For details of operation, reference is made to the statements of the General Auditor, appended hereto.

By order of the Board of Directors.

ROSWELL MILLER,
President.

AUGUST, 1895.

To the President:

Herewith are submitted Statements of Operation and the General Accounts for the fiscal year ending June 30th, 1895.

W. N. D. WINNE,
General Auditor.

DETAILED STATEMENT

OF

EARNINGS AND EXPENSES

FOR THE YEARS ENDING JUNE 30, 1894 AND 1895.

EARNINGS.

	1894.	1895.
From Freight	$21,550,686 79	$18,978,262 89
From Passengers	7,311,822 10	5,852,781 16
From Mails, Express, etc	2,465,442 06	2,504,325 14
Gross Earnings	$31,327,950 95	$27,335,369 19

EXPENSES.

	1894.	1895.
Repairs of Track	$1,892,862 91	$1,425,383 98
Renewal of Rails	593,078 92	454,113 56
Renewal of Ties	962,036 89	900,241 70
Trackage and Switching Charges	376,233 68	312,760 44
Repairs of Bridges	697,985 66	660,332 97
Repairs of Fences	73,886 90	67,067 00
Repairs of Buildings	249,986 45	196,326 40
Repairs of Locomotives	1,096,429 82	839,008 22
Repairs of Cars	1,529,246 31	1,195,563 78
Repairs of Tools and Machinery	72,783 26	50,737 46
Carried forward	$7,544,530 80	$6,101,535 51

	1894.	1895.
Brought forward	$7,544,530 80	$6,101,535 51
Management and General Offices	657,041 30	642,889 31
Foreign Agency and Advertising	168,005 98	160,040 77
Station Service	2,783,028 27	2,572,769 30
Conductors, B'g'e and Brakemen	1,593,989 80	1,393,577 95
Engineers, Firemen and Wipers	1,925,016 54	1,710,016 60
Train and Station Supplies	528,825 97	433,444 10
Fuel Consumed	2,276,494 44	1,813,415 58
Oil and Waste	137,438 23	112,174 11
Personal Injuries	275,479 92	159,160 65
Damage to Property	56,687 36	65,253 42
Loss and Damage of F't and B'ge	112,011 16	69,017 50
Legal Expenses	152,943 32	140,798 67
New York Office Expenses	24,298 14	23,226 22
Taxes	1,199,077 00	1,084,700 45
Insurance	95,673 19	88,847 98
Miscellaneous Expenses	243,816 35	234,075 19
Stock Yard Expenses	9,624 47	10,571 67
Expenses of Elevators	34,803 76	20,733 18
Mileage of Cars	217,181 15	139,819 66
Sleep'g and Parlor Car Expenses	78,365 50	67,685 27
Total Expenses	$20,114,332 65	$17,043,753 09

RECAPITULATION.

	1894.	1895.	Decrease.
Gross Earnings	$31,327,950 95	$27,335,369 19	$3,992,581 76
Total Expenses	20,114,332 65	17,043,753 09	3,070,579 56
Net Earnings	$11,213,618 30	$10,291,616 10	$922,002 20

CONDENSED STATEMENT OF EARNINGS AND EXPENSES

FOR THE YEARS ENDING JUNE 30TH, 1892, 1893, 1894 AND 1895.

EARNINGS.

	1892.	1893.	1894.	1895.
From Freight	$24,559,869 37	$25,722,000 55	$21,550,686 79	$18,978,262 89
From Passengers	7,021,435 10	7,511,757 23	7,311,822 10	5,852,781 16
From Mails, Express, etc.	2,467,570 75	2,509,671 07	2,465,442 06	2,504,325 14
Gross Earnings	$34,048,875 22	$35,743,428 85	$31,327,950 95	$27,335,369 19

EXPENSES.

Maintenance of Way and Structures	$4,456,856 96	$5,244,337 60	$4,469,837 73	$3,703,465 61
Maintenance of Rolling Stock	4,032,785 75	3,814,926 99	2,698,459 39	2,085,309 46
Conducting Transportation	10,269,124 78	11,088,475 93	9,621,026 93	8,348,158 08
Loss and Damage to Persons and Property	411,939 60	476,924 54	444,178 44	293,431 57
General Offices, Agencies and Advertising	1,030,428 32	1,081,968 38	1,002,288 74	966,954 97
Mileage of Cars	268,346 41	379,714 96	217,181 15	139,819 66
Taxes	994,358 38	1,121,942 65	1,199,077 00	1,084,700 45
Miscellaneous	473,627 05	504,652 27	462,283 27	421,913 29
Total Expenses	$21,937,467 25	$23,712,943 32	$20,114,332 65	$17,043,753 09

RECAPITULATION.

Gross Earnings	$34,048,875 22	$35,743,428 85	$31,327,950 95	$27,335,369 19
Total Expenses	21,937,467 25	23,712,943 32	20,114,332 65	17,043,753 09
Net Earnings	$12,111,407 97	$12,030,485 53	$11,213,618 30	$10,291,616 10
Average Miles in Operation	6,076.83	6,108.92	6,147.08	6,159.35

NOTE.—Statement for years ending June 30th, 1892 and 1893 includes the mileage, earnings and expenses of the Milwaukee & Northern R. R. operated as the Superior Division from July 1st, 1893.

STATEMENT OF MONTHLY EARNINGS AND EXPENSES.

	FREIGHT.	PASSENGER.	MAILS, EXPRESS, ETC.	GROSS EARNINGS.	OPERATING EXPENSES.	NET EARNINGS.
July, 1894	$1,043,443 61	$525,384 76	$210,398 07	$1,779,226 44	$1,401,056 03	$378,170 41
August, "	1,720,839 18	565,662 98	206,575 56	2,493,077 72	1,668,155 56	824,922 16
September, "	1,995,796 75	603,975 11	209,603 09	2,809,374 95	1,803,765 11	1,005,609 84
October, "	2,231,581 86	549,382 37	209,909 62	2,990,873 85	1,752,917 27	1,237,956 58
November, "	1,857,870 50	454,908 34	206,235 08	2,519,013 92	1,532,858 13	986,155 79
December, "	1,536,147 45	458,583 94	208,792 20	2,203,523 59	1,302,275 80	901,247 79
January, 1895	1,253,267 75	432,051 21	209,059 55	1,894,378 51	1,254,918 96	639,459 55
February, "	1,384,479 25	341,090 82	201,951 99	1,927,522 06	1,331,928 98	595,593 08
March, "	1,589,004 89	463,545 37	203,686 40	2,256,236 66	1,220,699 87	1,035,536 79
April, "	1,398,221 44	453,016 71	202,944 80	2,054,182 95	1,318,395 09	735,787 86
May, "	1,485,592 87	452,531 91	205,968 76	2,144,093 54	1,311,303 83	832,789 71
June, "	1,482,017 34	552,647 64	229,200 02	2,263,865 00	1,145,478 46	1,118,386 54
Total	$18,978,262 89	$5,852,781 16	$2,504,325 14	$27,335,369 19	$17,043,753 09	$10,291,616 10

EQUIPMENT IN SERVICE JUNE 30TH, 1895.

STANDARD GAUGE.

Locomotives		829
Passenger Cars		411
Sleeping Cars		53
Parlor Cars		16
Dining Cars		8
Baggage, Postal, Mail and Express Cars		279
Freight Cars—		
Box Cars	18,180	
Stock Cars	2,587	
Flat, Coal, Ore and Dump Cars	5,831	
Refrigerator Cars	488	27,086
Caboose Cars		457
Wrecking, Tool Cars, etc.		72

NARROW GAUGE.

Locomotives		7
Passenger Cars		3
Baggage, Mail and Express Cars		6
Freight Cars—		
Box Cars	203	
Stock Cars	59	
Flat Cars	49	311
Caboose Cars		5
Total		29,543

At date of last report a shortage of 253 cars was shown by the inventory of Equipment. Durlng the past year 421 cars of various classes were worn out, wrecked or otherwise destroyed, 1 combination car was changed to a caboose car, 10 stock cars were changed to flat (coal) cars, and 3 flat cars were changed to flangers in the wrecking and tool car class. Of the cars so destroyed 100 flat cars were replaced with 100 new flat cars, and 2 flat cars were replaced with 1 special flat car for heavy machinery, leaving a shortage for the year of 319 cars, which number added to the shortage at date of last report—253 cars—makes a total shortage of 572 cars June 30th, 1895—comprising 1 passenger, 1 combination passenger and baggage, 221 box, 209 stock, 128 flat, 1 refrigerator, 10 caboose and 1 wrecking car.

The amount necessary for the replacement of the 572 cars—$260,610.00—has been charged to Operating Expenses during this and previous years, and stands at the credit of "Rolling Stock Replacement Fund," as shown on page 30 of this report.

STATEMENT OF COMMODITIES TRANSPORTED

During the Years Ending June 30th, 1893, 1894 and 1895.

Commodities.	1893.		1894.		1895.	
	Tons.	Per Cent.	Tons.	Per Cent.	Tons.	Per Cent.
Flour	442,934	3.292	440,193	4.078	413,677	3.949
Mill Feed	163,266	1.214	146,028	1.353	137,309	1.311
Wheat	1,492,698	11.095	940,878	8.717	735,743	7.023
Rye	64,316	.478	45,185	.419	39,865	.381
Barley	612,465	4.553	516,167	4.782	504,889	4.819
Oats	464,246	3.451	410,020	3.799	351,509	3.355
Corn	256,107	1.904	468,017	4.336	174,046	1.661
Flax Seed	140,811	1.047	116,909	1.083	73,943	.706
Hay	158,315	1.177	177,482	1.644	125,011	1.193
Dairy Products	50,070	.372	47,753	.442	47,744	.456
Other Agricultural Products	188,646	1.402	173,685	1.609	191,010	1.823
Provisions	192,353	1.430	171,900	1.593	191,770	1.831
Salt	71,644	.532	57,433	.532	58,360	.557
Lime, Cement and Plaster	218,773	1.626	160,093	1.483	153,153	1.462
Brick and Stone	664,564	4.940	438,053	4.058	515,998	4.926
Iron and Steel	359,819	2.674	222,990	2.066	273,912	2.615
Manufactures	573,173	4.260	439,794	4.074	518,130	4.947
Coal	1,616,846	12.018	1,437,393	13.317	1,585,719	15.137
Live Stock	615,727	4.577	542,434	5.025	575,967	5.498
Lumber	1,953,122	14.518	1,229,011	11.386	1,205,396	11.506
Other Forest Products	626,116	4.654	552,481	5.118	778,327	7.430
Merchandise	1,211,971	9.009	1,024,044	9.487	922,532	8.806
Ice	191,355	1.422	233,090	2.159	217,490	2.075
Miscellaneous	1,124,012	8.355	803,025	7.440	684,442	6.533
Totals	13,453,349	100.000	10,794,058	100.000	10,475,942	100.000

DETAIL OF EXPENDITURES

FOR IMPROVEMENTS AND ADDITIONS TO PROPERTY

FOR THE YEAR ENDING JUNE 30TH, 1895.

Equipment—		
One Locomotive	8,000 00	
Power Brakes, Automatic Couplers and other improvements	20,700 51	28,700 51
Extension of line from Minocqua to Star Lake, Wis., 18.80 miles—cost to date	183,623 73	
Purchase of Prairie du Chien & McGregor Railroad	90,000 00	273,623 73
Viaduct, 16th St., Milwaukee, Wis		125,000 00
Right of Way, Sundry Points		13,068 61
Station Buildings—		
Sioux Falls, S. D., Freight	5,697 50	
Sioux Falls, S. D., Passenger	6,414 15	
Rathbun, Iowa, Freight and Passenger	1,054 24	
Farmington, Minn., Freight and Passenger	1,412 31	
At Other Points	11,180 46	25,758 66
Station Platforms and Sidewalks		2,505 19
Cinder Pits		531 69
Coal and Oil Houses		2,394 42
Stock Yards, Sheds, Scales, etc.		9,886 21
Water Supply—		
Kirkland, Ill., Stand Pipes	1,468 27	
Ferguson, Iowa, Well and Pump	1,069 88	
Red Cedar, Wis., Tank and Well	1,451 93	3,990 08
Round Houses and Shops—Machinery		1,088 63
Bridges—		
Chicago & Council Bluffs Division	8,711 37	
Kansas City "	13,411 18	
River "	55,104 88	
Iowa & Dakota "	6,238 12	
La Crosse "	25,234 76	
Prairie du Chien "	5,274 61	
Chippewa Valley "	1,801 95	
Other Divisions	2,971 56	
Iron Guard Rails on Bridges	2,123 00	120,871 43
Side Tracks		45,506 33
Ballasting Track—		
Chicago & Milwaukee Division	1,204 93	
Chicago & Council Bluffs "	1,715 04	
Iowa & Dakota "	5,027 37	
Hastings & Dakota "	3,333 20	
Sioux City & Dakota "	726 65	
Southern Minnesota "	833 51	
Kansas City "	10,243 46	23,084 16
Carried forward		$676,009 65

Brought forward		$676,009 65
Raising Grade, Widening and Rip-Rapping Banks—		
Iowa & Dakota Division	1,927 70	
Wisconsin Valley "	10,795 63	
Kansas City "	3,580 36	
Sioux City & Dakota "	1,621 42	
Dubuque "	1,834 92	
La Crosse "	1,649 31	
Other Divisions	4.997 58	26,406 92
Fences—New		
Iowa & Dakota Division	5,162 91	
Sioux City & Dakota "	2,098 78	
Southern Minnesota "	2,758 12	
Wabasha "	1,253 64	
Wisconsin Valley "	1,262 07	
Other Divisions	2,150 23	14,685 75
Culverts—New		
Chicago & Milwaukee Division	1,347 42	
La Crosse "	3,483 07	
River "	2,197 19	
Chicago & Council Bluffs "	1,148 08	
Kansas City "	4,526 15	
Other Divisions	1,086 22	13,788 13
Block Signals—New		
Sioux City & Dakota Division	278 81	
Chicago & Council Bluffs "	833 54	
La Crosse "	531 07	
River "	541 45	
Other Divisions	553 68	2,738 55
Highway Crossing Gates		1,176 68
		$734,805 68
Unused material, heretofore charged to Construction Second Main Track	9,306 10	
Proportion of cost of Signals and Gates payable by other Companies	4,536 45	13,842 55
Total		$720,963 13

Cost of Road and Equipment, July 1st, 1894	$210,440,713 45
Improvements and Additions as above	720,963 13
Discount on 4 per cent General Mortgage Bonds	10,000 00
Miscellaneous items	15,875 00
	$211,187,551 58
Sundry credits	19,514 62
Cost of Road and Equipment, June 30th, 1895	$211,168,036 96

MATERIAL AND FUEL ON HAND.

Coal	36,291	Tons,	62,687	95
Wood	21,600	Cords,	41,804	75
Ties	1,038,094	Number,	301,891	64
New Steel Rails	947	Tons,	23,483	66
Old Steel Rails	8,957	Tons,	105,404	02
Old Iron Rails	18,598	Tons,	268,996	72
Oil	60,353	Gallons,	12,831	10
Waste	41,456	Pounds,	2,881	38
Splices, Bolts and Spikes	283,190	Pounds,	5,122	14
Iron (worked and unworked)	7,218,888	Pounds,	98,291	51
Copper and Brass	324,820	Pounds,	23,439	36
Lumber and Timber	13,140,923	Feet,	205,675	91
Piles	305,561	Feet,	37,602	62
Posts	49,552	Number,	3,752	12
Engine and Car Wheels	3,226	Number,	17,580	68
Engine and Car Wheels (on axles)	1,784	Pairs,	31,630	95
Engine and Car Axles	500,062	Pounds,	8,029	91
Tires	68,630	Pounds,	3,000	02
Steel and Steel Springs	619,993	Pounds,	29,261	95
Engine, Car and Road Castings	3,168,195	Pounds,	40,470	03
Paints and Oils			9,633	92
Stationery Supplies			13,422	01
Other Supplies			396,119	17
Total, June 30th, 1895			$1,743,013	52
Total, June 30th, 1894			2,226,568	35
Decrease			$483,554	83

TRANSPORTATION STATISTICS.

FOR THE YEARS ENDING JUNE 30TH, 1893, 1894 AND 1895.

	1893.	1894.	1895.
Miles run by freight trains	15,590,807	12,869,482	10,911,957
Miles run by passenger trains	7,947,371	7,848,438	7,549,199
Miles run by mixed trains	1,045,395	987,704	919,316
Miles run by revenue trains	24,583,573	21,705,624	19,380,472
Miles run by switching trains	5,789,514	4,411,146	3,869,129
Miles run by construction and other trains	1,377,331	575,700	441,227
Total miles run by all trains	31,750,418	26,692,470	23,690,828
Number of tons of freight carried	13,453,349	10,794,058	10,475,942
Number of tons of freight carried one mile	2,506,850,702	2,077,869,479	1,765,245,552
Number of tons of freight carried per loaded car	10.50	9.93	9.84
Average miles each ton of freight was carried	186.34	192.50	168.50
Revenue per ton of freight per mile	1.026 cts.	1.037 cts.	1.075 cts.
Revenue from freight per train mile run	$1.5701	$1.5834	$1.6359
Number of passengers carried	8,634,707	7,921,882	7,235,299
Number of passengers carried one mile	312,879,855	337,133,338	244,225,688
Average miles each passenger was carried	36.24	42.56	33.75
Revenue per passenger per mile	2.401 cts.	2.169 cts.	2.396 cts.
Revenue from passengers per train mile run	91.51 cts.	90.32 cts.	75.25 cts.
Repairs of locomotives per revenue train mile run	6.24 cts.	5.05 cts.	4.33 cts.
Repairs of cars " " " " "	8.80 cts.	7.05 cts.	6.17 cts.
Station service " " " " "	12.74 cts.	12.82 cts.	13.27 cts.
Train service " " " " "	7.42 cts.	7.34 cts.	7.19 cts.
Locomotive service " " " " "	9.18 cts.	8.87 cts.	8.82 cts.
Train and station supplies " " " " "	2.50 cts.	2.44 cts.	2.24 cts.
Fuel " " " " "	11.04 cts.	10.49 cts.	9.36 cts.
Oil and waste " " " " "	.70 cts.	.63 cts.	.58 cts.
All other expenses " " " " "	37.84 cts.	37.98 cts.	35.98 cts.
Total operating expenses " " " " "	96.46 cts.	92.67 cts.	87.94 cts.
Percentage of expenses (including taxes) to earnings	66.34%	64.21%	62.35 %

STATEMENT OF INCOME ACCOUNT

For the Fiscal Year Ending June 30th, 1895.

Balance at credit June 30th, 1894		$6,521,040 08
Dubuque Division Sinking Fund, years 1887 to 1894, inclusive	525,000 00	
Dividend No. 49, payable October 22d, 1894, from net earnings of fiscal year ending June 30th, 1894:		
3½% on $25,973,900—preferred stock	909,086 50	
2% on $46,027,261—common stock	920,545 22	
Old Accounts charged off	113,425 81	2,468,057 53
Balance July 1st, 1894		$4,052,982 55
Gross Earnings	27,335,369 19	
Less Operating Expenses (including taxes)	17,043,753 09	
Net Earnings	10,291,616 10	
Income from other sources	134,647 04	
Net Revenue for the year		10,426,263 14
Total		$14,479,245 69
Interest accrued during the year on funded debt	7,629,377 07	
Dividend No. 50, payable April 19th, 1895, from net earnings of fiscal year ending June, 30th, 1895:		
3½% on $25,991,900—preferred stock	909,716 50	
1% on $46,027,261—common stock	460,272 61	8,999,366 18
Balance at credit June 30th, 1895		$5,479,879 51

GENERAL ACCOUNT, JUNE 30TH, 1895.

Dr.			Cr.		
Cost of Road and Equipment		$211,168,036 96	Capital Stock, Preferred	$26,156,900 00	
Bonds, Stock, etc. of other Companies		956,739 12	Capital Stock, Common	46,027,261 00	72,184,161 00
Sinking Funds:			Funded Debt		139,321,000 00
Vice-President in Special Trust, for Dubuque Division and Wisconsin Valley Division Sinking Funds	588,300 00		Wisconsin Valley Div. Sinking Fund	180 00	
New England Trust Co., Trustee, Dubuque Division and Wisconsin Valley Division Sinking Funds	81,380 00	669,680 00	Dubuque Division Sinking Fund	669,500 00	669,680 00
United States Trust Co., Trustee	16,751 85		Rolling Stock Replacement Fund		260,610 00
Farmers' Loan & Trust Co., Trustee	409 08	17,160 93	Pay Rolls and Vouchers	1,574,465 79	
Insurance Department		10,000 00	Due sundry Companies and individuals	867,820 46	
Stock of Material and Fuel		1,743,013 52	Dividends Unclaimed	43,384 12	
Mortgage bonds of the Company unsold, held in its Treasury or due from Trustees	3,529,000 00		Interest Coupons not presented	53,624 33	
Milwaukee & Northern R. R. Co. 6% Consolidated bonds, unsold, held in the Treasury of this Company	1,089,000 00		Interest accrued, including interest due July 1st	3,582,251 25	6,121,545 95
Stock of the Company held in its Treasury	4,770 00	4,622,770 00	Income Account		5,479,879 51
Due from Agents, Conductors, etc.	280,114 59				
Due from sundry Companies and individ'ls	906,145 66				
Due from United States Government	271,491 79				
Loans and Bills Receivable	600,000 00				
Cash on hand	2,791,723 89	4,849,475 93			
		$224,036,876 46			$224,036,876 46

CAPITAL STOCK JUNE 30TH, 1895.

PREFERRED STOCK.

Amount of Preferred Stock, June 30th, 1894		$25,973,900 00
Issued during the year in exchange for bonds convertible into preferred stock by terms of mortgage, viz.:		
For 167 bonds, Iowa & Minnesota Division	$167,000 00	
For 16 bonds, Prairie du Chien Division, Second Mortgage	16,000 00	183,000 00
Total Preferred Stock, June 30th, 1895		$26,156,900 00

COMMON STOCK.

Total Common Stock, June 30th, 1894	$46,027,261 00	
Total Common Stock, June 30th, 1895		46,027,261 00
Total Capital Stock, June 30th, 1895		$72,184,161 00

FUNDED DEBT JUNE 30TH, 1895.

Total Funded Debt, June 30th, 1894, including all liens on purchased roads		$138,801,000 00
Issued during the year:		
General Mortgage Bonds as follows:		
For Bonds paid and canceled:		
Income Sinking Fund Convertible	80,000 00	
Wisconsin Valley Division	25,000 00	
Milwaukee & St. Paul R'y Co.	7,000 00	
Real Estate	1,200 00	
Minnesota Central R'y Co.	105,000 00	218,200 00
General Mortgage Bonds due from Trustees for expenditures for additional equipment, real estate and improvements, July 1st, 1894, to June 30th, 1895		704,000 00
		$139,723,200 00
Bonds paid and canceled:		
Income Sinking Fund Convertible	80,000 00	
Wisconsin Valley Division	25,000 00	
Milwaukee & St. Paul R'y Co.	7,000 00	
Real Estate	1,200 00	
Minnesota Central R'y Co.	105,000 00	
Bonds received in exchange for preferred stock and canceled:		
Iowa & Minnesota Division	167,000 00	
Prairie du Chien Division, Second Mortgage	16,000 00	
One Milwaukee & St. Paul R'y Co. Mortgage Bond undoubtedly destroyed or lost—no coupons for thirteen years to date of maturity having been presented for payment. It has therefore been credited to Profit and Loss in order to close the La Crosse Division bond account	1,000 00	402,200 00
Total Funded Debt, June 30th, 1895		$139,321,000 00
Increase—For improvements and additions to the property	704,000 00	
Decrease—Bonds received in exchange for preferred stock and canceled	183,000 00	
Decrease—One bond lost or destroyed	1,000 00	
Net Increase		$520,000 00
Of the total amount of bonds outstanding as stated above, there remain in the treasury, unsold, or due from Trustees		$4,618,000 00

FUNDED DEBT, JUNE 30TH, 1895.

	Description of Bonds.	Time. Date of Issue.	Time. When Due.	Amount Outstanding.	Interest. Rate.	Interest. When Payable.	Interest. Amount Accrued during the Year.	Interest. Amount Paid during the Year.
a	Iowa & Minnesota Division	1867	1897	2,675,000 00	7 per cent.	Jan. and July.	192,465 00	196,945 00
	Prairie du Chien " 1st Mortgage	1868	1898	3,674,000 00	8 " "	Feb. and Aug.	293,920 00	294,320 00
a	Prairie du Chien " 2d "	1868	1898	1,181,000 00	7.3 " "	" " "	86,894 33	87,490 50
a	Chicago & Milwaukee "	1873	1903	2,393,000 00	7 " "	Jan. and July.	167,510 00	167,615 00
ad	St. Paul (or River) "	1872	1902	3,362,000 00	7 " "	" " "	235,340 00	234,815 00
ae	St. Paul (or River) " Sterling	1872	1902	442,500 00	7 " "	" " "	30,975 00	31,062 50
a	Iowa & Dakota "	1869	1899	540,000 00	7 " "	" " "	37,800 00	37,485 00
a	Hastings & Dakota "	1872	1903	89,000 00	7 " "	" " "	6,230 00	6,230 00
b	Consolidated Mortgage	1874	1904	186,000 00	7 " "	" " "	13,020 00	13,020 00
a	Consolidated Mortgage	1875	1905	11,299,000 00	7 " "	" " "	790,930 00	793,240 00
d	Terminal	1884	1914	4,748,000 00	5 " "	" " "	237,400 00	237,150 00
a	Iowa & Dakota Division Extension	1878	1908	3,505,000 00	7 " "	" " "	245,350 00	244,300 00
	Hastings & Dakota " "	1880	1910	5,680,000 00	7 " "	" " "	397,600 00	395,150 00
	Hastings & Dakota " "	1880	1910	990,000 00	5 " "	" " "	49,500 00	49,475 00
	Southwestern "	1879	1909	4,000,000 00	6 " "	" " "	240,000 00	239,340 00
	La Crosse & Dav'np't "	1878	1919	2,500,000 00	5 " "	" " "	125,000 00	125,495 83
	Chicago & Pacific "	1880	1910	3,000,000 00	6 " "	" " "	180,000 00	180,510 00
d	Chicago & Pacific Western Division	1881	1921	25,340,000 00	5 " "	" " "	1,267,000 00	1,269,925 00
	Southern Minnesota Division	1880	1910	7,432,000 00	6 " "	" " "	445,920 00	445,020 00
	Mineral Point "	1880	1910	2,840,000 00	5 " "	" " "	142,000 00	142,125 00
	Dubuque "	1880	1920	6,565,000 00	6 " "	" " "	393,360 00	393,270 00
	Wisconsin Valley "	1880	1920	2,291,000 00	6 " "	" " "	134,820 00	145,590 00
d	Wisconsin & Minnesota "	1881	1921	4,755,000 00	5 " "	" " "	237,750 00	236,575 00
d	Chicago & Lake Superior Division	1881	1921	1,360,000 00	5 " "	" " "	68,000 00	67,925 00
	Chicago & Missouri River "	1886	1926	3,083,000 00	5 " "	" " "	154,150 00	153,925 00
d	Dakota & Great Southern R'y	1886	1916	2,856,000 00	5 " "	" " "	142,800 00	143,100 00
d	Fargo & Southern R'y	1883	1924	1,250,000 00	6 " "	" " "	75,000 00	75,000 00
	Wisconsin Valley R. R.	1879	1909	1,106,500 00	7 " "	" " "	77,455 00	77,455 00
c	Income Sinking Fund Convertible	1886	1916	1,520,000 00	5 " "	" " "	75,500 00	75,575 00
d	General Mortgage	1889	1989	21,411,000 00	4 " "	" " "	716,207 74	710,507 74
	Milw. & Nor. R. R. 1st Mortgage	1880	1910	2,155,000 00	6 " "	June and Dec.	129,300 00	128,490 00
	Milw. & Nor. R. R. Consolidated	1884	1913	5,092,000 00	6 " "	" " "	240,180 00	242,460 00
	Interest on other bonds paid and canceled during the year							5,467 50
	Total			$139,321,000 00			$7,629,377 07	$7,646,054 07

a Bonds thus designated are convertible into Preferred Stock at any time within ten days after a dividend becomes payable on said Preferred Stock.
b Bonds thus designated are convertible into Preferred Stock at any time within fifteen days after a dividend becomes payable on said Preferred Stock.
c Bonds thus designated are convertible into Common Stock at any time within sixty days after any dividend becomes payable on the stock of the Company. The authorized issue of these bonds is $5,000,000, of which but $2,000,000 have been sold.
d Bonds thus designated are payable, principal and interest, in gold, at the office of the Company, in New York.
e Bonds thus designated are payable, principal and interest, in gold, in London.

1896

THIRTY-SECOND ANNUAL REPORT

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

FISCAL YEAR ENDING JUNE 30TH, 1896

1896

Thirty-second Annual Report

OF THE

Chicago, Milwaukee & St. Paul Railway Company

FOR THE

Fiscal Year ending June 30th, 1896

CHICAGO
CORBITT & BURNHAM, PRINTERS
1896

DIRECTORS AND OFFICERS

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.

DIRECTORS.

PHILIP D. ARMOUR,	CHICAGO.
AUGUST BELMONT,	NEW YORK.
FRANK S. BOND,	NEW YORK.
CHARLES H. COSTER,	NEW YORK.
CHARLES D. DICKEY, JR.,	NEW YORK.
PETER GEDDES,	NEW YORK.
FREDERICK LAYTON,	MILWAUKEE.
JOSEPH MILBANK,	NEW YORK.
ROSWELL MILLER,	CHICAGO.
JAMES M. McKINLAY,	NEW YORK.
WILLIAM ROCKEFELLER,	NEW YORK.
SAMUEL SPENCER,	NEW YORK.
A. VAN SANTVOORD,	NEW YORK.

OFFICERS.

ROSWELL MILLER,	President,	CHICAGO.
FRANK S. BOND,	Vice-President,	NEW YORK.
A. J. EARLING,	Second Vice-President and General Manager,	CHICAGO.
W. G. COLLINS,	General Superintendent,	CHICAGO.
P. M. MYERS,	Secretary,	MILWAUKEE.
J. M. McKINLAY,	Assistant Secretary and Transfer Agent,	NEW YORK.
C. B. FERRY,	Assistant Secretary and Transfer Agent,	NEW YORK.
H. C. WESTON,	Assistant Secretary and Transfer Agent,	NEW YORK.
F. G. RANNEY,	Treasurer,	CHICAGO.
W. N. D. WINNE,	General Auditor,	CHICAGO.
GEORGE R. PECK,	General Counsel,	CHICAGO.
BURTON HANSON,	General Solicitor,	CHICAGO.

REPORT

OF THE

BOARD OF DIRECTORS.

THE

THIRTY-SECOND ANNUAL REPORT

OF THE DIRECTORS OF THE

CHICAGO, MILWAUKEE & ST. PAUL

RAILWAY COMPANY

TO THE STOCKHOLDERS.

For the Fiscal Year Ending June 30th, 1896.

The President and Directors submit to the Stockholders the following report of the business and operations of the Company for the year ending June 30th, 1896, and of the condition of its property and finances at the close of that year.

The operations for the year show the following results:

Gross Earnings		$32,681,828 88
Operating Expenses (including taxes)		19,676,808 04
Net Earnings		$13,005,020 84
Income from other sources		64,857 13
Total		$13,069,877 97
Fixed charges—interest on bonds	$7,611,928 18	
Premium on bonds purchased	57,560 00	7,669,488 18
Balance above all charges		$5,400,389 79

During the year two dividends aggregating seven per cent were paid on the preferred stock, and two dividends aggregating three per cent were paid on the common stock—of which, the dividend paid October 21st, 1895—3½ per cent on preferred and one per cent on common stock—was from net earnings of the previous fiscal year, ending June 30th, 1895.

MILES OF TRACK.

The Company owns and operates 6,150.75 miles of railway, as follows:

Main track owned solely by this Company	6,139.62	
Main track owned jointly with other Companies	11.13	6,150.75
Second and third tracks and connection tracks owned solely by this Company	212.56	
Second and third tracks and connection tracks owned jointly with other Companies	3.42	215.98
Tracks owned by other Companies, but used by this Company under agreements		61.45
Yard tracks, sidings and spur tracks owned solely by this Company	1,366.04	
Yard tracks, sidings and spur tracks owned jointly with other Companies	40.67	1,406.71
Total miles of track		7,834.89

The lines of road are located as follows:

In Illinois	317.88	miles.
" Wisconsin	1,647.79	"
" Iowa	1,553.37	"
" Minnesota	1,120.09	"
" North Dakota	118.21	"
" South Dakota	1,101.06	"
" Missouri	140.27	"
" Michigan	152.08	"
Total length of main track	6,150.75	miles.

No extension of the Company's lines has been made during the year. The track from Mather to Goodyear, in Wisconsin, and its two short branches, aggregating 18.67 miles in length, has been taken up, as the timber which it was built to reach is exhausted. A sufficient fund is provided out of charges to Operating Expenses to build a like number of miles elsewhere.

ROLLING STOCK.

At the close of the last fiscal year the Rolling Stock Replacement Fund amounted to $260,610. During the past year the sum of $362,705.81 was added to the fund by charging to Operating Expenses the cost of making good the losses which occurred during the year; and there was expended out of the fund the sum of $364,909.81 for actual replacements as follows:

11 Locomotives	$101,824 36
1 Standard Postal Car	3,291 07
575 Box Cars	257,863 96
5 Flat and Coal Cars	1,930 42

The unexpended balance of this fund now amounts to $258,406, and is sufficient to replace the shortage of equipment, shown by statement on page 33, and will be expended as needed.

There has also been expended during the year, for new and additional rolling stock, and for air-brakes and automatic couplers, as required by act of Congress, and for other improvements to rolling stock, the sum of $387,815.72, which has been charged to Capital Account, as follows:

25—50 ft. Carriage Cars	$15,262 73
1 Standard Postal Car	3,291 07
One-fourth interest in 45 Sleeping Cars, being the interest of the Pullman's Palace Car Co. in said Cars at the termination of the contract with that Company, November 10th, 1890. Settlement made January 31st, 1896	105,260 60
Air Brakes, Automatic Couplers and other improvements to rolling stock	264,001 32

SUMMARY OF CAPITAL EXPENDITURES.

The following expenditures (detailed statement on page 31), representing additions to capital, have been made during the year:

For Equipment	$387,815 72
" Real Estate	11,009 34
" Station Buildings at new stations	3,201 16
" Additions to Station Facilities at old stations	12,466 01
" Side-Tracks—new	56,753 10
" Ballasting Lines not previously ballasted	115,036 34
" New Fences on parts of road not heretofore fenced	15,314 26
" Viaduct, Minneapolis	10,123 43
Total	$611,719 36

CAPITAL STOCK AND FUNDED DEBT.

At the close of the last fiscal year the share capital of the Company amounted to $72,184,161; and consisted of $26,156,900 of preferred stock, and $46,027,261 of common stock. It has been increased during the year by $739,000 of preferred stock, issued in exchange for the same amount of convertible bonds canceled, and now amounts to $72,923,161.

At the close of the last fiscal year the funded debt of the Company was $139,321,000. There have been added during the year $579,000 of general mortgage four per cent bonds for additions and improvements to the property (as specified in the statement on page 31); and $183,000 of general mortgage four per cent bonds issued in exchange for underlying bonds paid and canceled—total additions, $762,000.

There have been deducted $739,000 for convertible bonds received in exchange for preferred stock; and $183,000 for other bonds paid and canceled—total deductions $922,000; leaving the total funded debt at the close of the fiscal year ending June 30th, 1896, $139,161,000—a decrease of $160,000 since last report.

The amount of the capital stock of the Company per mile of road is $11,866.73; the amount of the funded debt per mile of

road is $22,645.55, on which the interest charge per mile of road is $1,238.68. The total capitalization of the Company per mile of road is $34,512.28.

At the close of the last fiscal year the amount of bonds in the treasury or due from trustees was $4,618,000. To this there has been added during the year the following amounts: $309,000 Dubuque Division Bonds, purchased for sinking fund purposes; $183,000 General Mortgage Bonds, $56,000 Wisconsin Valley Division Bonds, and $1,000 La Crosse and Davenport Division Bond, received from trustees for bonds paid and canceled; and $579,000 General Mortgage Bonds, representing additions and improvements to property during the year; total, $1,128,000. There has been deducted during the year $4,000 Wisconsin Valley Division Bonds; $6,000 Income Sinking Fund Convertible Bonds, and $86,000 Dubuque Division Bonds canceled by sinking fund; and $1,104,000 General Mortgage Bonds sold; total, $1,200,000. There remain in the treasury or due from trustees, June 30th, 1896, bonds to the amount of $4,546,000.

The bonds in the treasury, excepting those specified as held for sinking fund purposes, represent actual cash expenditures for extensions, improvements, additional property, etc., out of the current cash receipts of the Company from the operation of its lines—which expenditures have not been made good by the sale of bonds, but the bonds issued therefor are held in the treasury as stated.

EARNINGS.

The results from operation of your Company's lines during the year ending June 30th, 1896, compared with the previous year, show an increase of $5,346,459.69 in gross earnings; an increase of $2,633,054.95, in operating expenses; and an increase of $2,713,404.74 in net earnings.

The earnings from freight traffic were $23,887,930.06—an increase of $4,909,667.17, or 25.87%.

The number of tons of freight carried was 12,210,055—an increase of 1,734,113 tons, or 16.55%.

The increase in tons of freight carried was principally in the following commodities: flour and mill feed, 73,588 tons; wheat,

356,131 tons; barley, 166,830 tons; oats, 235,467 tons; corn, 64,322 tons; flax seed, 107,703 tons; other grains, 1,683 tons; hay, 28,957 tons; iron and steel, 98,664 tons; manufactures, 79,469 tons; forest products, except lumber, 133,534 tons; live stock, 59,721 tons. There was no decrease in any important item except lumber, which decreased 47,909 tons.

The number of tons of all agricultural products carried during the year was 3,846,426—an increase compared with the previous year of 1,051,680 tons, or 37.63%. Agricultural products made up 31.50% of the total tonnage, as compared with 26.68% of the total tonnage of last year.

The total number of tons of commodities other than agricultural, carried during the year was 8,363,629 as against 7,681,196—an increase of 682,433 tons, or 8.88%—the per cent of total tonnage being 68.50% as against 73.32% last year.

The number of tons of freight carried one mile was 2,381,667,988—an increase of 616,422,436, or 34.92%. The revenue per ton per mile was 1.003 cts.—a decrease of .072 cts. or 6.70%. The average miles each ton of freight was carried was 195.06 miles—an increase of 26.56 miles, or 15.76%.

The number of tons of freight carried per loaded car was 10.90, against 9.84 last year—an increase of 10.77%. The number of tons of freight per freight train mile was 167.08, against 152.16 last year—an increase of 9.81%. The revenue from freight per freight train mile was $1.6758, as against $1.6359 last year—an increase of 2.44%.

It is apparent that the increase in revenue from freight was due principally to the increase in tonnage of agricultural products, in consequence of good crops; and to the increase of 26.56 miles in the average miles each ton of freight was carried. These conditions were offset somewhat by the decrease in the rate per ton per mile; and on the other hand the expense of transportation was diminished by the increase of tons of freight per loaded car.

The average rate per ton per mile received for freights, for a series of years past, has been as follows, viz.:

1867------3.94 cts.	1877------2.08 cts.	1887------1.09 cts.
1868------3.49 "	1878------1.80 "	1888------1.006 "
1869------3.10 "	1879------1.72 "	1889------1.059 "
1870------2.82 "	1880------1.76 "	1890------0.995 "
1871------2.54 "	1881------1.70 "	1891------1.003 "
1872------2.43 "	1882------1.48 "	1892------1.026 "
1873------2.50 "	1883------1.39 "	1893------1.026 "
1874------2.38 "	1884------1.29 "	1894------1.037 "
1875------2.10 "	1885------1.28 "	1895------1.075 "
1876------2.04 "	1886------1.17 "	1896------1.003 "

The earnings from passenger traffic during the year were $6,147,678.88—an increase of $294,897.72 over the previous year, or 5.04%. The number of passengers carried was 7,427,614—an increase of 192,315, or 2.66%. The number of passengers carried one mile was 260,821,497—an increase of 16,595,809, or 6.80%; the revenue per passenger per mile was 2.357 cents—a decrease of .039 cents or 1.63%; the average miles each passenger was carried was 35.12 miles—an increase of 1.37 miles or 4.06%.

EXPENDITURES.

In the expenditures pertaining to Maintenance of Way and Structures, there was an increase over the previous year of $671,258.05, as follows: Repairs of Track, $377,779.26; Renewal of Rails, $14,613.57; Renewal of Ties, $25,137.91; Repairs of Bridges, $140,715.17; Repairs of Fences, $7,927.19; Repairs of Buildings, $105,084.95. The item Repairs of Buildings includes $72,443.07—cost of replacement of freight houses at Milwaukee, destroyed by fire August 22d, 1895.

New steel rails to the amount of 22,480 tons have been laid during the year—an increase of 6,287 tons over the amount laid during the year ending June 30th, 1895; and 2,021,806 cross-ties have been placed in track—an increase of 84,301 over the number used in the previous year.

The expenditures for Repairs of Bridges include the total cost of 56 iron bridges, aggregating 5,573 feet in length—replacing an equal number of wooden bridges; the filling of about 3.9 miles of pile bridges with earth—289 bridges having been completely filled and 158 reduced in length by filling; and the replacing of 247 wooden culverts with iron.

The expenditures for Maintenance of Rolling Stock during the year were $2,942,294.65—an increase of $856,985.19 over the

expenditures of the previous year on this account; and include the amount of $362,705.81 charged to Repairs of Locomotives and Cars to replace the loss of equipment during the year, as stated on page 9, and also general repairs of 361 locomotives and 14,233 cars.

In the items pertaining to Conducting Transportation, there was an increase in expenses of $754,627.38, as follows:

Station Service, $149,004.71; Conductors, Baggagemen and Brakemen, $191,796.84; Engineers, Firemen and Wipers, $186,933.21; Train and Station Supplies, $23,321.66; Fuel, $195,097.53; Oil and Waste, $3,352.36; Trackage and Switching Charges, $5,121.07.

The payments of the Company for labor directly employed in its service during the year were $12,460,923.03, as compared with $10,979,624.29 last year, and for material and supplies $5,820,736.58, as compared with $3,763,444.89 last year.

INSURANCE DEPARTMENT.

The last annual report of the Company showed that the Insurance Department had a credit balance at the close of its fiscal year ending June 30th, 1895, of		$88,808 07
From which there was paid for fire losses prior to that date		6,635 73
Making the true credit cash balance as of that date		$82,172 34
To enable the department to make a purchase of securities for the Guarantee Fund, there was borrowed, temporarily, the sum of		50,000 00
And from this aggregate sum of		$132,172 34
$111,000 par value of bonds were purchased at a cost of		103,250 00
Thus reducing the balance of cash to		$28,922 34
To this amount add premiums received and due for the year ending June 30th, 1896		81,826 71
The income from investments of the Guarantee Fund		23,055 00
Making a credit balance of		$133,804 05
against which there is charged:		
For adjusted losses to June 30th, 1896	$83,556 38	
For losses unadjusted, estimated at	30,000 00	
For expenses paid	1,861 34	
For additional expenses, estimated at	2,000 00	
Total debits		$117,417 72
Leaving a credit cash balance of		$16,386 33
To which add amount reserved for unadjusted losses		30,000 00
And for estimated expenses		2,000 00
Making the cash in bank June 30th, 1896		$48,386 33

For the year just closed the Railway Company's losses by fire were larger than ever before in a single year. In August, four of the Company's warehouses at Milwaukee and a number of freight cars and contents were destroyed by fire; and in June, thirty-four freight cars and contents were burned at Davis Junction. This last fire occurring so near the end of the year represents nearly all of the unadjusted losses for which $30,000.00 is set apart in the foregoing statement.

For the current year, therefore, the Insurance Department losses by fire will exceed its income from premiums and from investments by about $12,536.01—assuming that the amount reserved for unadjusted losses ($30,000.00) shall be sufficient to provide for the Davis Junction fire.

Taking the whole operations of the Department since its organization in February, 1893, its income has exceeded its expenses and losses by $176,372.06, and the original Guarantee Fund of $300,000.00 has been increased to $503,250.00, which is represented by $521,000.00 par value of bonds as per list below. The cash balance on hand June 30th, 1896, was $48,386.33, against which there is reserved for possible claims for unadjusted fire losses and expenses $32,000.00, leaving a balance of $16,386.33 applicable to the $50,000.00 loan made early in the year.

The Guarantee Fund of $503,250.00 charged on the Insurance Department books, is invested as follows:

$400,000	Chi., Mil. & St. Paul R'y Co.	General Mortgage bonds	4	per cent.	
10,000	" " "	Consolidated Mortgage bonds	7	" "	
2,000	" " "	South. Minnesota Div. bonds	6	" "	
2,000	" " "	La Crosse & Dav. Div. bonds	5	" "	
5,000	" " "	Chi. & Pac. West. Div. bonds	5	" "	
6,000	Dakota & Great Southern Railway Company bonds		5	" "	
96,000	Kansas City Belt Railway Company bonds		6	" "	
$521,000	par value of bonds that pay a yearly interest of				$23,230

The Insurance Department property is represented on the general books of the Railway Company by the nominal charge of $10,000.00, that appears on the balance sheet, page 20.

For details of operation, reference is made to the statements of the General Auditor, appended hereto.

By order of the Board of Directors.

ROSWELL MILLER,
President.

AUGUST, 1896.

To the President:

Herewith are submitted Statements of Operation and the General Accounts for the fiscal year ending June 30th, 1896.

W. N. D. WINNE,

General Auditor.

STATEMENT OF INCOME ACCOUNT, JUNE 30TH, 1896.

Balance at Credit, June 30th, 1895			$5,479,879 51
Par value of General Mortgage Bonds received in exchange for Dubuque Division Bonds purchased with Sinking Fund of 1887 and canceled			56,000 00
			$5,535,879 51
Dividend payable October 21st, 1895, from net earnings of fiscal year ending June 30th, 1895, viz:			
3½% on $26,156,900—Preferred Stock		$915,491 50	
1% on $46,027,261—Common Stock		460,272 61	
Sinking Fund—Dubuque Division Bonds	$67,100 00		
Sinking Fund—Wisconsin Valley Division Bonds	25,170 00		
Sinking Fund—Income Convertible Bonds	80,000 00		
	$172,270 00		
Less—Par value of General Mortgage Bonds received in exchange for bonds purchased with part of said Sinking Funds and canceled	127,000 00	45,270 00	1,421,034 11
Balance July 1st, 1895			$4,114,845 40
Gross Earnings for the year ending June 30th, 1896		$32,681,828 88	
Less Operating Expenses (including taxes)		19,676,808 04	
Net Earnings		$13,005,020 84	
Income from other sources		64,857 13	
Net revenue for the year ending June 30th, 1896		$13,069,877 97	
Interest accrued during the year on Funded Debt	$7,011,928 18		
Premium on Bonds purchased for cancellation	57,560 00		
Dividend payable April 20th, 1896, from net earnings of fiscal year ending June 30th, 1896, viz:			
3½% on $26,594,900—Preferred Stock	930,821 50		
2% on $46,027,261—Common Stock	920,545 22	9,520,854 90	
Balance for the year ending June 30th, 1896			3,549,023 07
Balance at Credit June 30th, 1896			$7,663,868 47

GENERAL ACCOUNT, JUNE 30TH, 1896.

Dr.			Cr.		
Cost of Road and Equipment		$211,830,735 42	Capital Stock, Preferred	$26,895,900 00	
Bonds, Stock, etc., of other Companies		900,466 12	Capital Stock, Common	46,027,261 00	72,923,161 00
Vice-President C. M. & St. P. R'y Co. in Special Trust, for Dubuque Division and Wisconsin Valley Division Sinking Funds	659,856 00		Funded Debt		139,161,000 00
New England Trust Co., Trustee, Dubuque Division and Wisconsin Valley Division Sinking Funds	288 89	660,144 89	Wisconsin Valley Division Sinking Fund	360 00	
United States Trust Co., Trustee	1,528 36		Dubuque Division Sinking Fund	659,784 89	660,144 89
Farmers' Loan & Trust Co., Trustee	409 08		Sinking Fund, Income Convertible Bonds		580 00
United States Trust Co.—Depository of Renewal Fund	350,000 00	351,937 44	Rolling Stock Replacement Fund	258,406 00	
Insurance Department		10,000 00	Renewal Fund	387,154 83	645,560 83
Stock of Material and Fuel		1,846,511 36	Pay Rolls and Vouchers	1,618,831 30	
Mortgage Bonds of the Company, unsold, held in its Treasury, or due from Trustees	3,457,000 00		Due Sundry Companies—Traffic Balances	180,162 92	
Milwaukee & Northern R. R. Co. 6% Consolidated Mortgage Bonds, unsold, held in the Treasury of this Company	1,089,000 00		Due Sundry Companies—Operating Balances	18,617 03	
Stock of the Company held in its Treasury	4,770 00	4,550,770 00	Miscellaneous Balances	816,426 60	
Due from Agents and Conductors	246,057 81		Dividends Unclaimed	42,210 04	
Due from Sundry Companies—Traffic Balances	108,473 51		Interest Coupons not presented	68,703 50	
Due from Sundry Companies—Operating Balances	134,808 53		Interest Accrued, not yet payable, including interest due July 1st	3,603,585 00	6,348,536 39
Miscellaneous Balances	865,974 20		Income Account		7,663,868 47
Due from United States Government	303,352 95				
Cash on deposit and on hand	5,593,619 35	7,252,286 35			
		$227,402,851 58			$ 227,402,851 58

FUNDED DEBT, JUNE 30TH 1896.

Total Funded Debt, June 30th, 1895, including all liens on purchased roads		$139,321,000 00
Issued during the year:		
General Mortgage Bonds as follows:		
For Bonds paid and canceled:		
Income Sinking Fund Convertible	$76,000 00	
Wisconsin Valley Division	21,000 00	
Dubuque Division	86,000 00	183,000 00
General Mortgage Bonds due from Trustees for expenditures for additional equipment, real estate and improvements, July 1st, 1895, to June 30th, 1896		579,000 00
		$140,083,000 00
Bonds paid and canceled:		
Income Sinking Fund Convertible	76,000 00	
Wisconsin Valley Division	21,000 00	
Dubuque Division	86,000 00	
Bonds received in exchange for preferred stock and canceled:		
Iowa & Minnesota Division	578,000 00	
Prairie du Chien Division, Second Mortgage	57,000 00	
Iowa & Dakota Division	96,000 00	
St. Paul (or River) Division	4,000 00	
St. Paul (or River) Division—Sterling	4,000 00	922,000 00
Total Funded Debt, June 30th, 1896		$139,161,000 00
Decrease—Bonds received in exchange for preferred stock and canceled	$739,000 00	
Increase—For additions and improvements to the property	579,000 00	
Net Decrease		$160,000 00
Of the total amount of bonds outstanding as stated above, there remain in the treasury, unsold, or due from Trustees		$4,546,000 00

FUNDED DEBT, JUNE 30TH, 1896.

Description of Bonds.	Time. Date of Issue.	Time. When Due.	Amount Outstanding.	Interest. Rate.	Interest. When Payable.	Interest. Amount Accrued during the Year.	Interest. Amount Paid during the Year.
a Iowa & Minnesota Division	1867	1897	2,097,000 00	7 per cent.	Jan. and July.	146,790 00	146,860 00
Prairie du Chien Division, 1st Mortgage	1867	1898	3,674,000 00	8 " "	Feb. and Aug.	293,920 00	293,960 00
a Prairie du Chien Division, 2d Mortgage	1867	1898	1,124,000 00	7.3 " "	" " "	82,052 00	81,869 50
a Chicago & Milwaukee Division	1873	1903	2,393,000 00	7 " "	Jan. and July.	167,510 00	167,720 00
ad St. Paul (or River) Division	1872	1902	3,359,000 00	7 " "	" " "	235,130 00	234,990 00
ae St. Paul (or River) Division, Sterling	1872	1902	437,500 00	7 " "	" " "	30,625 00	30,870 00
a Iowa & Dakota Division	1869	1899	444,000 00	7 " "	" " "	31,080 00	31,010 00
a Hastings & Dakota Division	1872	1903	89,000 00	7 " "	" " "	6,230 00	6,230 00
b Consolidated Mortgage	1874	1904	186,000 00	7 " "	" " "	13,020 00	13,020 00
a Consolidated Mortgage	1875	1905	11,299,000 00	7 " "	" " "	790,930 00	788,690 00
d Terminal Mortgage	1884	1914	4,748,000 00	5 " "	" " "	237,400 00	237,900 00
a Iowa & Dakota Division Extension	1878	1908	3,505,000 00	7 " "	" " "	245,350 00	245,070 00
Hastings & Dakota Division Extension	1880	1910	5,680,000 00	7 " "	" " "	397,600 00	395,850 00
Hastings & Dakota Division Extension	1880	1910	990,000 00	5 " "	" " "	49,500 00	49,800 00
Southwestern Division	1879	1909	4,000,000 00	6 " "	" " "	240,000 00	239,670 00
La Crosse & Davenport Division	1879	1919	2,500,000 00	5 " "	" " "	125,000 00	125,445 83
Chicago & Pacific Division	1880	1910	3,000,000 00	6 " "	" " "	180,000 00	176,760 00
d Chicago & Pacific Western Division	1881	1921	25,340,000 00	5 " "	" " "	1,267,000 00	1,266,350 00
Southern Minnesota Division	1880	1910	7,432,000 00	6 " "	" " "	445,920 00	445,320 00
Mineral Point Division	1880	1910	2,840,000 00	5 " "	" " "	142,000 00	138,950 00
Dubuque Division	1880	1920	6,479,000 00	6 " "	" " "	388,740 00	386,400 00
Wisconsin Valley Division	1880	1920	2,270,000 00	6 " "	" " "	136,200 00	133,920 00
d Wisconsin & Minnesota Division	1881	1921	4,755,000 00	5 " "	" " "	237,750 00	238,850 00
d Chicago & Lake Superior Division	1881	1921	1,360,000 00	5 " "	" " "	68,000 00	68,175 00
Chicago & Missouri River Division	1886	1926	3,083,000 00	5 " "	" " "	154,150 00	154,475 00
d Dakota & Great Southern R'y Co.	1886	1916	2,856,000 00	5 " "	" " "	142,800 00	142,725 00
d Fargo & Southern R'y Co.	1883	1924	1,250,000 00	6 " "	" " "	75,000 00	75,000 00
Wisconsin Valley R. R. Co.	1879	1909	1,106,500 00	7 " "	" " "	77,455 00	37,660 00
c Income Sinking Fund Convertible	1886	1916	1,444,000 00	5 " "	" " "	72,200 00	72,250 00
d General Mortgage	1889	1989	22,173,000 00	4 " "	" " "	886,920 00	732,405 27
Mil. & Northern R. R. Co., 1st Mortgage	1880	1910	2,155,000 00	6 " "	June and Dec.	129,300 00	130,170 00
Mil. & Northern R. R. Co., Consolidated	1884	1913	5,092,000 00	6 " "	" " "	305,520 00	241,050 00
Interest on bonds canceled						15,655 91	46,099 66
						$7,816,747 91	
Less interest accrued on bonds held in the treasury of the Company						204,819 73	
Total			$139,161,000 00			$7,611,928 18	$7,575,515 26

a Bonds thus designated are convertible into Preferred Stock at any time within ten days after a dividend becomes payable on said Preferred Stock.
b Bonds thus designated are convertible into Preferred Stock at any time within fifteen days after a dividend becomes payable on said Preferred Stock.
c Bonds thus designated are convertible into Common Stock at any time within sixty days after any dividend becomes payable on the stock of the Company.
The authorized issue of these bonds is $5,000,000, of which but $2,000,000 have been sold.
d Bonds thus designated are payable, principal and interest, in gold, at the office of the Company, in New York.
e Bonds thus designated are payable, principal and interest, in gold, at the office of the Company, in New York.

CAPITAL STOCK, JUNE 30TH, 1896.

PREFERRED STOCK.

Amount of Preferred Stock, June 30th, 1895		$26,156,900 00
Issued during the year in exchange for bonds convertible into preferred stock by terms of mortgage, viz.:		
For 578 Bonds, Iowa & Minnesota Division	$578,000 00	
For 57 Bonds, Prairie du Chien Division, Second Mortgage	57,000 00	
For 96 Bonds, Iowa & Dakota Division	96,000 00	
For 4 Bonds, St. Paul (or River) Division	4,000 00	
For 8 Bonds, St. Paul (or River) Division, £100 each	4,000 00	739,000 00
Total Preferred Stock, June 30th, 1896		$26,895,900 00

COMMON STOCK.

Total Common Stock, June 30th, 1895	$46,027,261 00	
Total Common Stock, June 30th, 1896		46,027,261 00
Total Capital Stock, June 30th, 1896		$72,923,161 00

DETAILED STATEMENT

OF

EARNINGS AND EXPENSES

FOR THE YEARS ENDING JUNE 30TH, 1895 AND 1896.

EARNINGS.

	1895.	1896.
From Freight	$18,978,262 89	$23,887,930 06
From Passengers	5,852,781 16	6,147,678 88
From Mails, Express, etc.	2,504,325 14	2,646,219 94
Gross Earnings	$27,335,369 19	$32,681,828 88

EXPENSES.

	1895.	1896.
Repairs of Track	$1,425,383 98	$1,803,163 24
Renewal of Rails	454,113 56	468,727 13
Renewal of Ties	900,241 70	925,379 61
Repairs of Bridges	660,332 97	801,048 14
Repairs of Fences	67,067 00	74,994 19
Repairs of Buildings	196,326 40	301,411 35
Repairs of Locomotives	839,008 22	1,234,446 64
Repairs of Cars	1,195,563 78	1,629,271 08
Repairs of Tools and Machinery	50,737 46	78,576 93
Management and General Offices	642,889 31	661,646 47
Foreign Agency and Advertising	160,040 77	170,459 26
Station Service	2,572,769 30	2,721,774 01
Conductors, Bag'e and Brakemen	1,393,577 95	1,585,374 79
Engineers, Firemen and Wipers	1,710,016 60	1,896,949 81
Carried forward	$12,268,069 00	$14,353,222 65

	1895.	1896.
Brought forward	$12,268,069 00	$14,353,222 65
Train and Station Supplies	433,444 10	456,765 76
Fuel Consumed	1,813,415 58	2,008,513 11
Oil and Waste	112,174 11	115,526 47
Personal Injuries	159,160 65	146,063 17
Damage to Property	65,253 42	35,027 59
Loss and Damage, Fr't and Bag'e	69,017 50	70,584 80
Legal Expenses	140,798 67	134,004 08
New York Office Expenses	23,226 22	25,969 43
Taxes	1,084,700 45	1,082,083 74
Insurance	88,847 98	80,065 94
Miscellaneous Expenses	234,075 19	205,139 93
Stock Yard Expenses	10,571 67	10,558 49
Expenses of Elevators	20,733 18	27,002 53
Mileage of Cars	139,819 66	183,314 33
Sleeping and Parlor Car Expenses	67,685 27	75,084 51
Trackage and Switching Charges	312,760 44	317,881 51
Renewal Account	----------	350,000 00
Total Expenses	$17,043,753 09	$19,676,808 04

RECAPITULATION.

	1895.	1896.	Increase.
Gross Earnings	$27,335,369 19	$32,681,828 88	$5,346,459 69
Total Expenses	17,043,753 09	19,676,808 04	2,633,054 95
Net Earnings	$10,291,616 10	$13,005,020 84	$2,713,404 74

CONDENSED STATEMENT OF EARNINGS AND EXPENSES

For the Year Ending June 30th, 1893, 1894, 1895 and 1896.

EARNINGS.

	1893.	1894.	1895.	1896.
From Freight	$25,722,000 55	$21,550,686 79	$18,978,262 89	$23,887,930 06
From Passengers	7,511,757 23	7,311,822 10	5,852,781 16	6,147,678 88
From Mails, Express, etc.	2,509,671 07	2,465,442 06	2,504,325 14	2,646,219 94
Gross Earnings	$35,743,428 85	$31,327,950 95	$27,335,369 19	$32,681,828 88

EXPENSES.

Maintenance of Way and Structures	$5,244,337 60	$4,469,837 73	$3,703,465 61	$4,374,723 66
Maintenance of Rolling Stock	3,814,926 99	2,698,459 39	2,085,309 46	2,942,294 65
Conducting Transportation	11,088,475 93	9,621,026 93	8,348,158 08	9,102,785 46
Loss and Damage to Persons and Property	476,924 54	444,178 44	293,431 57	251,675 56
General Offices, Agencies and Advertising	1,081,968 38	1,002,288 74	966,954 97	992,079 24
Mileage of Cars	379,714 96	217,181 15	139,819 66	183,314 33
Taxes	1,121,942 65	1,199,077 00	1 084,700 45	1,082,083 74
Renewal Account	.....	.....	.....	350,000 00
Miscellaneous	504,652 27	462,283 27	421,913 29	397,851 40
Total Expenses	$23,712,943 32	$20,114,332 65	$17,043,753 09	$19,676,808 04

RECAPITULATION.

Gross Earnings	$35,743,428 85	$31,327,950 95	$27,335,369 19	$32,681,828 88
Total Expenses	23,712,943 32	20,114,332 65	17,043,753 09	19,676,808 04
Net Earnings	$12,030,485 53	$11,213,618 30	$10,291,616 10	$13,005,020 84
Average Miles in Operation	6,108.92	6,147.08	6,159.35	6,153.27

STATEMENT OF MONTHLY EARNINGS AND EXPENSES.

	FREIGHT.	PASSENGER.	MAILS, EXPRESS, ETC.	GROSS EARNINGS.	OPERATING EXPENSES.	NET EARNINGS.
July, 1895	$1,433,539 82	$635,482 73	$220,218 16	$2,289,240 71	$1,552,246 98	$736,993 73
August, "	1,794,621 48	643,032 28	225,332 37	2,662,986 13	1,641,351 37	1,021,634 76
September, "	2,208,992 93	651,433 16	221,865 16	3,082,291 25	1,736,924 22	1,345,367 03
October, "	3,071,283 97	561,318 90	219,260 05	3,851,862 92	1,943,951 46	1,907,911 46
November, "	2,719,776 05	474,661 69	222,250 96	3,416,688 70	1,762,860 63	1,653,828 07
December, "	2,073,614 78	469,830 95	221,206 54	2,764,652 27	1,527,792 61	1,236,859 66
January, 1896	1,673,920 16	434,315 07	221,387 67	2,329,622 90	1,541,909 45	787,713 45
February, "	1,711,911 00	384,700 26	209,068 66	2,305,679 92	1,565,978 55	739,701 37
March, "	2,070,020 48	457,449 05	221,884 91	2,749,354 44	1,634,556 36	1,114,798 08
April, "	1,711,309 35	441,212 70	214,067 95	2,366,590 00	1,590,392 79	776,197 21
May, "	1,572,997 16	458,040 01	226,883 09	2,257,920 26	1,586,789 22	671,131 04
June, "	1,845,942 88	536,202 08	222,794 42	2,604,939 38	1,592,054 40	1,012,884 98
Total	$23,887,930 06	$6,147,678 88	$2,646,219 94	$32,681,828 88	$19,676,808 04	$13,005,020 84

COMPARATIVE SUMMARY OF OPERATION.

Gross Earnings.

1895	$27,335,369 19		
1896	32,681,828 88	Increase	$5,346,459 69

Operating Expenses.

1895	$17,043,753 09		
1896	19,676,808 04	Increase	$2,633,054 95

Net Earnings.

1895	$10,291,616 10		
1896	13,005,020 84	Increase	$2,713,404 74

Gross Earnings per Mile of Road.

1895	$4,438 03		
1896	5,311 29	Increase	$873 26

Operating Expenses per Mile of Road.

1895	$2,767 14		
1896	3,197 78	Increase	$430 64

Net Earnings per Mile of Road.

1895	$1,670 89		
1896	2,113 51	Increase	$442 62

Freight Earnings per Mile of Road.

1895	$3,081 21		
1896	3,882 15	Increase	$800 94

Passenger, Mail and Express Earnings per Mile of Road.

1895	$1,356 82		
1896	1,429 14	Increase	$72 32

Average Miles of Road Operated During the Year.

1895	6,159.35		
1896	6,153.27	Decrease	6.08

TRANSPORTATION STATISTICS.

For the Years Ending June 30th, 1894, 1895 and 1896.

	1894.	1895.	1896.
Miles run by freight trains	12,869,482	10,911,957	13,526,151
Miles run by passenger trains	7,848,438	7,549,199	7,788,709
Miles run by mixed trains	987,704	919,316	970,799
Miles run by revenue trains	21,705,624	19,380,472	22,285,659
Miles run by switching trains	4,411,146	3,869,129	4,005,550
Miles run by construction and other trains	575,700	441,227	609,991
Total miles run by all trains	26,692,470	23,690,828	26,901,200
Number of tons of freight carried	10,794,058	10,475,942	12,210,055
Number of tons of freight carried one mile	2,077,869,479	1,765,245,552	2,381,667,988
Mileage of freight cars—loaded	209,261,693	179,379,217	218,475,022
Mileage of freight cars—empty	80,883,822	78,164,933	92,455,478
Number of tons of freight carried per loaded car	9.93	9.84	10.90
Average number of loaded freight cars per train	15.38	15.46	15.33
Average miles each ton of freight was carried	192.50	168.50	195.06
Number of tons of freight per freight train mile	152.67	152.16	167.08
Revenue per ton of freight per mile	1.037 cts.	1.075 cts.	1.003 cts.
Revenue from freight per freight train mile	$1.5834	$1.6359	$1.6758
Number of passengers carried	7,921,882	7,235,299	7,427,614
Number of passengers carried one mile	337,133,338	244,225,688	260,821,497
Average miles each passenger was carried	42.56	33.75	35.12
Revenue per passenger per mile	2.169 cts.	2.396 cts.	2.357 cts.
Revenue from passengers per passenger train mile	90.32 cts.	75.25 cts.	76.55 cts.
Repairs of Locomotives per revenue train mile	5.05 cts.	4.33 cts.	5.54 cts.
Repairs of Cars " " " "	7.05 cts.	6.17 cts.	7.31 cts.
Station Service " " " "	12.82 cts.	13.27 cts.	12.21 cts.
Train Service " " " "	7.34 cts.	7.19 cts.	7.11 cts.
Locomotive Service " " " "	8.87 cts.	8.82 cts.	8.51 cts.
Train and Station Supplies " " " "	2.44 cts.	2.24 cts.	2.05 cts.
Fuel " " " "	10.49 cts.	9.36 cts.	9.01 cts.
Oil and Waste " " " "	.63 cts.	.58 cts.	.52 cts.
All Other Expenses " " " "	37.98 cts.	35.98 cts.	36.03 cts.
Total Operating Expenses " " " "	92.67 cts.	87.94 cts.	88.29 cts.
Percentage of Expenses (including Taxes) to Earnings	64.21 %	62.35 %	60.21 %

STATEMENT OF COMMODITIES TRANSPORTED

During the Years Ending June 30th, 1894, 1895 and 1896.

Commodities.	1894.		1895.		1896.	
	Tons.	Per Cent.	Tons.	Per Cent.	Tons.	Per Cent.
Flour	440,193	4.078	413,677	3.949	472,322	3.868
Mill Feed	146,028	1.353	137,309	1.311	152,252	1.247
Wheat	940,878	8.717	735,743	7.023	1,091,874	8.942
Rye	45,185	.419	39,865	.381	41,548	.340
Barley	516,167	4.782	504,889	4.819	671,719	5.501
Oats	410,020	3.799	351,509	3.355	586,976	4.807
Corn	468,017	4.336	174,046	1.661	238,368	1.952
Flax Seed	116,909	1.083	73,943	.706	181,646	1.488
Hay	177,482	1.644	125,011	1.193	153,968	1.261
Dairy Products	47,753	.442	47,744	.456	49,374	.404
Other Agricultural Products	173,685	1.609	191,010	1.823	206,379	1.691
Provisions	171,900	1.593	191,770	1.831	213,121	1.746
Salt	57,433	.532	58,360	.557	66,350	.543
Lime, Cement and Plaster	160,093	1.483	153,153	1.462	151,707	1.242
Brick and Stone	438,053	4.058	515,998	4.926	599,541	4.911
Iron and Steel	222,990	2.066	273,912	2.615	372,576	3.052
Manufactures	439,794	4.074	518,130	4.947	597,599	4.893
Coal	1,437,393	13.317	1,585,719	15.137	1,630,220	13.352
Live Stock	542,434	5.025	575,967	5.498	635,688	5.207
Lumber	1,229,011	11.386	1,205,396	11.506	1,157,487	9.480
Other Forest Products	552,481	5.118	778,327	7.430	911,861	7.468
Merchandise	1,024,044	9.487	922,532	8.806	926,509	7.588
Ice	233,090	2.159	217,490	2.075	210,306	1.722
Miscellaneous	803,025	7.440	684,442	6.533	890,664	7.295
Total	10,794,058	100.000	10,475,942	100.000	12,210,055	100.000

DETAIL OF EXPENDITURES

FOR ADDITIONS AND IMPROVEMENTS TO PROPERTY

FOR THE YEAR ENDING JUNE 30TH, 1896.

Equipment—		
25 Carriage Cars	$15,262 73	
1 Standard Postal Car	3,291 07	
One-fourth interest in 45 Sleeping Cars, being the interest of the Pullman's Palace Car Co. in said cars at the termination of the contract with that Company, November 10th, 1890	105,260 60	
Air Brakes, Automatic Couplers and other improvements to Rolling Stock	264,001 32	$387,815 72
Right of Way, Sundry Points		11,009 34
Viaduct, Minneapolis		10,123 43
Station Buildings—		
Minneapolis, Minn., Freight	2,865 16	
Sparta, Wis., Freight	1,887 56	
Cedar Rapids, Iowa, Freight	906 93	
North Chicago, Ill., Freight Office	2,156 12	
Giard, Iowa, Freight and Passenger	813 01	
Summit, S. D., Freight and Passenger	975 78	
Granada, Minn., Freight and Passenger	850 82	
At Other Points	3,575 53	14,030 91
Engine House, Tank and Well, Star Lake, Wis.		1,636 26
Side Tracks		56,758 10
Ballasting Track—		
Iowa & Dakota Division	29,461 79	
Hastings & Dakota Division	10,163 58	
Sioux City & Dakota Division	12,553 09	
Southern Minnesota Division	12,286 10	
Kansas City Division	15,933 95	
Racine & Southwestern Division	12,783 27	
Chicago & Council Bluffs Division—Iowa Branch Lines	21,142 52	
Wisconsin Valley Division	712 04	115,036 34
Fences—New		
Iowa & Dakota Division	2,191 06	
Sioux City & Dakota Division	1,565 86	
Southern Minnesota Division	2,144 89	
Wabasha Division	1,087 51	
Wisconsin Valley Division	4,457 19	
Dubuque Division	2,148 95	
Other Divisions	1,718 80	15,314 26
		$611,719 36
Sundry credits		32,388 90
Total		$579,330 46

Cost of Road and Equipment, June 30th, 1895	$211,168,036 96
Additions and Improvements as above	579,330 46
Discount on General Mortgage Bonds	83,320 00
Purchase of Oshkosh & Mississippi River Ry. Co. Stock	48 00
Cost of Road and Equipment, June 30th, 1896	$211,830,735 42

MATERIAL AND FUEL ON HAND.

Coal	60,965	Tons,	118,058	57
Wood	11,390	Cords,	24,871	22
Ties	927,191	Number,	295,658	85
New Steel Rails	1,390	Tons,	31,842	21
Old Steel Rails	11,248	Tons,	152,008	98
Old Iron Rails	11,550	Tons,	152,190	86
Oil	106,151	Gallons,	16,486	88
Waste	57,514	Pounds,	4,381	58
Splices, Bolts and Spikes	441,106	Pounds,	8,042	78
Iron (worked and unworked)	7,999,958	Pounds,	105,786	50
Copper and Brass	326,043	Pounds,	27,982	63
Lumber and Timber	15,023,039	Feet,	232,836	79
Piles	329,419	Feet,	35,001	69
Posts	106,865	Number,	8,001	18
Engine and Car Wheels	4,061	Number,	24,071	80
Engine and Car Wheels(on axles)	1,977	Pairs,	33,866	91
Engine and Car Axles	834,185	Pounds,	15,188	05
Tires	67,082	Pounds,	2,349	33
Steel and Steel Springs	548,992	Pounds,	23,142	34
Engine, Car and Road Castings	3,473,890	Pounds,	45,882	30
Paints and Oils			9,809	41
Stationery Supplies			18,983	55
Other Supplies			460,066	95
Total, June 30th, 1896			$1,846,511	36
Total, June 30th, 1895			1,743,013	52
Increase			$103,497	84

EQUIPMENT IN SERVICE JUNE 30TH, 1896.

STANDARD GAUGE.

Locomotives		826
Passenger Cars		410
Sleeping Cars		53
Parlor Cars		16
Dining Cars		8
Baggage, Postal, Mail and Express Cars		281
Freight Cars—		
Box Cars	18,460	
Stock Cars	2,472	
Flat, Coal, Ore and Dump Cars	5,706	
Refrigerator Cars	478	27,116
Caboose Cars		456
Wrecking, Tool Cars, etc		73

NARROW GAUGE.

Locomotives		7
Passenger Cars		3
Baggage, Mail and Express Cars		6
Freight Cars—		
Box Cars	203	
Stock Cars	59	
Flat Cars	49	311
Caboose Cars		5
Total		29,571

During the year ending June 30th, 1896, 14 small locomotives, unfit for further service were scrapped; and Operating Expenses were charged with the cost of fourteen new standard locomotives to replace the same—eleven of which were purchased or built, and the amount required to replace the other three—$30,000—is in the Replacement Fund.

At the date of last report, a shortage of 572 cars was shown by the inventory of equipment. During the year 109 cars were destroyed by fire (41 by the destruction of freight houses at Milwaukee, August 22d, 1895), 214 were destroyed by wreck on our own and other roads, and 253 old cars of small capacity were taken down as unfit for further service and not good enough to repair.

During the year 581 new cars were built at the cost of Replacement Fund—comprising 575 box, 5 flat and coal, 1 postal car—and at the date of this report the shortage is 567 cars—comprising 2 passenger, 290 stock, 253 flat, 11 refrigerator and 11 caboose cars. The amount necessary for the replacement of these 567 cars—$228,406.00—has been charged to Operating Expenses and stands to the credit of "Rolling Stock Replacement Fund," as shown on page 20 of this report.

1897

THIRTY-THIRD ANNUAL REPORT

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

FISCAL YEAR ENDING JUNE 30TH, 1897

1897

Thirty-third Annual Report

OF THE

Chicago, Milwaukee & St. Paul Railway Company

FOR THE

Fiscal Year ending June 30th, 1897

CHICAGO
CORBITT & BUTTERFIELD CO., PRINTERS
1897

DIRECTORS AND OFFICERS

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.

DIRECTORS.

PHILIP D. ARMOUR,	CHICAGO.
AUGUST BELMONT,	NEW YORK.
FRANK S. BOND,	NEW YORK.
CHARLES H. COSTER,	NEW YORK.
CHARLES D. DICKEY, JR.,	NEW YORK.
PETER GEDDES,	NEW YORK.
CHARLES W. HARKNESS,	NEW YORK.
FREDERICK LAYTON,	MILWAUKEE.
JOSEPH MILBANK,	NEW YORK.
ROSWELL MILLER,	CHICAGO.
WILLIAM ROCKEFELLER,	NEW YORK.
SAMUEL SPENCER,	NEW YORK.
A. VAN SANTVOORD,	NEW YORK.

OFFICERS.

ROSWELL MILLER,	President,	CHICAGO.
FRANK S. BOND,	Vice-President,	NEW YORK.
A. J. EARLING,	Second Vice-President,	CHICAGO.
W. G. COLLINS,	General Manager,	CHICAGO.
H. R. WILLIAMS,	General Superintendent,	CHICAGO.
P. M. MYERS,	Secretary,	MILWAUKEE.
J. M. McKINLAY,	Assistant Secretary and Transfer Agent,	NEW YORK.
C. B. FERRY,	Assistant Secretary and Transfer Agent,	NEW YORK.
H. C. WESTON,	Assistant Secretary and Transfer Agent,	NEW YORK.
F. G. RANNEY,	Treasurer,	CHICAGO.
W. N. D. WINNE,	General Auditor,	CHICAGO.
GEORGE R. PECK,	General Counsel,	CHICAGO.
BURTON HANSON,	General Solicitor,	CHICAGO.

REPORT

OF THE

BOARD OF DIRECTORS.

THE

THIRTY-FOURTH ANNUAL REPORT

OF THE DIRECTORS OF THE

CHICAGO, MILWAUKEE & ST. PAUL

RAILWAY COMPANY

TO THE STOCKHOLDERS.

For the Fiscal Year Ending June 30th, 1898.

The President and Directors submit to the Stockholders the following report of the business and operations of the Company for the year ending June 30th, 1898, and of the condition of its property and finances at the close of that year.

The operations for the year show the following results :

Gross Earnings	$34,189,663 68
Operating Expenses (including taxes)	21,201,566 61
Net Earnings	$12,988,097 07
Income from other sources	131,018 12
Total	$13,119,115 19
Fixed Charges—Interest on Bonds	7,190,431 46
Balance above all charges	$5,928,683 73

During the year two dividends aggregating seven per cent were paid on the preferred stock, and two dividends aggregating five and one-half per cent were paid on the common stock—of which the dividends paid October 21st, 1897 — three and one-half per cent on preferred and three per cent on common stock —were from net earnings of the previous fiscal year, ending June 30th, 1897.

MILES OF TRACK.

Owned solely by this Company:		
Main track	6,142.64	
Second main track	253.67	
Third main track	3.25	
Connection tracks	30.62	
Yard tracks, sidings and spur tracks	1,383.35	7,813.53
Owned jointly with other Companies:		
Main track	11.19	
Second main track	1.83	
Connection tracks	2.20	
Yard tracks, sidings and spur tracks	47.68	62.90
Used by this Company under contracts:		
Main track	37.17	
Second main track	23.81	
Third main track	1.14	62.12
Total miles of track		7,938.55

The lines of road are located as follows:

In Illinois	317.94
" Wisconsin	1,650.71
" Iowa	1,553.47
" Minnesota	1,120.09
" North Dakota	118.21
" South Dakota	1,101.06
" Missouri	140.27
" Michigan	152.08
Total length of main track	6,153.83

There has been no change during the year in the number of miles of main track owned and operated by the Company.

There are still 517.19 miles of main track laid with iron rail.

The second main track, from Bensenville to Genoa and from Davis Junction to Kittredge, on the Chicago & Council Bluffs Division in Illinois, which was under construction at the time of the last report, has been completed, with the exception of the ballasting. This line is now double track from Chicago to Savanna, on the Mississippi River, a distance of 138 miles.

ROLLING STOCK.

At the close of the fiscal year ending June 30th, 1897, the Rolling Stock Replacement Fund amounted to $431,532.00, of which $60,000.00 was for the replacement of Locomotives, and $371,532.00 for the replacement of Cars.

During the year just closed the sum of $355,879.84 has been added to the fund by charging to Operating Expenses the cost of the replacement of 38 locomotives unfit for service and ordered to be scrapped; and there was expended of the fund for actual replacements the cost of—

23 Locomotives	$227,479 84

The unexpended balance of the Replacement Fund for Locomotives, June 30th, 1898, amounted to $188,400.00, and is sufficient to cover the cost of 21 locomotives which have been contracted for, or are under construction at the Company's shops, to replace the shortage of 21 locomotives shown by statement on page 35.

The Replacement Fund for Cars at the close of the last fiscal year amounted to $371,532.00 as stated above.

During the year just closed the sum of $178,038.10 was added to the fund and Operating Expenses was charged with this sum; and there was expended of the fund the sum of $481,278.10 for actual replacements, as follows :

2 Passenger Cars	$17,000 00
4 Sleeping Cars	82,553 19
311 Box Cars	115,887 37
449 Stock Cars	169,309 16
285 Flat and Coal Cars	87,290 12
15 Refrigerator Cars	9,238 26
Total	$481,278 10

The unexpended balance of the Replacement Fund for Cars June 30th, 1898, amounted to $68,292.00 and is sufficient to replace the shortage of 194 cars shown by statement on page 35.

There has also been expended during the year for additional rolling stock, for air-brakes and automatic couplers as required by Act of Congress, and for other improvements to rolling stock, the sum of $1,197,368.04, which has been charged to Cost of Road and Equipment, as follows :

2 Buffet Cars	$22,000 00
2 Standard Postal Cars	7,030 49
5 Sleeping Cars—Three-fourths Cost	64,932 27
1276 Box Cars	539,115 39
350 Carriage Cars	193,793 86
51 Stock Cars	22,198 61
235 Refrigerator Cars	152,002 14
Air Brakes, Automatic Couplers, etc., applied to cars and locomotives	196,295 28
Total	$1,197,368 04

The five Sleeping Cars, three-fourths cost of which is included in above statement, were constructed in 1888, but owing to litigation between the Pullman's Palace Car Company and the Railway Company, the settlement of accounts was deferred until the present year.

Of the total freight car equipment of the Company, eighty-one per cent had been equipped with automatic couplers and fifty-five per cent had been equipped with air brakes at the close of the fiscal year ending June 30th, 1898.

The total expenditure for Rolling Stock during the past year—including that for replacement and that for additional equipment—2,987 Cars and 23 Locomotives—was $1,709,830.70.

CAPITAL EXPENDITURES.

The following expenditures representing additions and improvements to the property of the Company, have been made during the year: Detailed statement will be found on page 33 of this report.

For Equipment	$1,197,368 04
" Real Estate	36,472 10
" Second Track	513,553 22
" Third and Fourth Tracks	49,477 37
Total	$1,796,870 73

CAPITAL STOCK.

At the close of the last fiscal year the share capital of the Company amounted to $75,081,500; and consisted of $29,054,900 of preferred stock, and $46,026,600 of common stock.

It has been increased during the present year by $2,763,500 of preferred stock, issued in exchange for the same amount of convertible bonds canceled.

The amount of capital stock per mile of road is $12,649.84.

FUNDED DEBT.

At the close of the last fiscal year the funded debt of the Company was $137,762,000.

It has been increased during the present year by the issue of $4,317,000 of General Mortgage Bonds, and it has been decreased $5,490,500 by underlying bonds retired and canceled, as shown on page 23 of this report.

The funded debt at the close of the fiscal year ending June 30th, 1898 was $136,588,500—a decrease of $1,173,500 since last report.

The amount of funded debt per mile of road is $22,195.69, on which the interest charge per mile of road is $1,198.18.

The total capitalization of the Company per mile of road is $34,845.53.

TREASURY BONDS.

At the close of the last fiscal year, the amount of the Company's bonds in its treasury and due from Trustees was $5,433,000.00.

This has been increased during the present year $3,690,000 as follows: $171,000 General Mortgage Bonds received for underlying bonds canceled by sinking funds; $1,929,000 for underlying bonds maturing July 1st, 1897, and February 1st, 1898, paid and canceled; and $1,590,000 for additions and improvements to the property.

It has been decreased $2,536,000, as follows: $2,500,000 of General Mortgage Bonds were sold at a premium for the payment of maturing bonds; and $35,000 of General Mortgage Bonds and $1,000 La Crosse & Davenport Division bond were sold to the Insurance Department.

Bonds in the treasury or due from Trustees, June 30th, 1898, amount to $6,587,000, as shown on page 22 of this report.

These treasury bonds represent actual expenditures for extensions, improvements, additional property and underlying bonds paid and canceled, out of the cash receipts of the Company from the operations of its lines—expenditures which have not been made good by the sale of bonds.

BONDS IN INVESTMENT ACCOUNT.

At the close of the last fiscal year, the amount of bonds purchased by the Company and held in investment account for Sinking Fund purposes was		$400,000 00
There have been canceled during the year:		
28 Income Sinking Fund Convertible Bonds	$28,000 00	
22 First Mortgage Bonds, Wisconsin Valley Division	22,000 00	
84 First Mortgage Bonds, Dubuque Division	84,000 00	134,000 00
Par Value of Bonds in Investment Account, June 30th, 1898, as shown on page 22 of this report		$266,000 00

EARNINGS.

The results from operation of your Company's lines during the year ending June 30th, 1898, compared with the previous year, show an increase of $3,702,895.69 in gross earnings; an increase of $2,624,027.53 in operating expenses; and an increase of $1,078,868.16 in net earnings.

The earnings from freight traffic were $25,468,851.72—an increase of $3,364,049.06 or 15.20%.

The number of tons of freight carried was 14,230,742—an increase of 2,676,589 tons or 23.17%.

The increase in tons of freight carried was in the following commodities: flour and mill feed, 89,931 tons; wheat, 128,877 tons; rye, 20,601 tons; oats, 43,791 tons; corn, 255,836 tons; dairy and other agricultural products, 111,671 tons; provisions, 110,623 tons; salt, 5,710 tons; lime, cement and plaster, 29,733 tons; brick and stone, 71,664 tons; iron and steel, 175,918 tons; iron and other ores, 352,653 tons; manufactures, 212,293 tons; coke, 85,995 tons; live stock, 158,836 tons; lumber, 335,401 tons; other forest products, 438,802 tons; wines, liquors and beers, 96,015 tons; ice, 10,233 tons; and merchandise, 55,058 tons.

The following commodities show a decrease from the previous year: barley, 8,069 tons; flaxseed, 50,399 tons; hay, 10,943 tons; and coal, 43,641 tons.

The number of tons of all agricultural products carried during the year was 4,453,994—an increase compared with the previous year of 581,296 tons, or 15.01%. Agricultural products made up 31.30% of the total tonnage as compared with 33.52% of the total tonnage of last year.

The total number of tons of commodities other than agricultural, carried during the year was 9,776,748 as against 7,681,455—an increase of 2,095,293 tons, or 27.28%—the per cent. of the total being 68.70% as against 66.48% last year.

The number of tons of freight carried one mile was 2,621,348,372—an increase of 428,107,292, or 19.52%. The revenue per ton per mile was .972 cts.—a decrease of .036 cts., or 3.57%. The average miles each ton of freight was carried was 184.20 miles—a decrease of 5.62 miles, or 2.96%.

The number of tons of freight carried per loaded car was 10.94, against 10.74 last year—an increase of 1.86%. The number of tons of freight per freight train mile was 177.89, against 167.02 last year—an increase of 6.51%. The revenue from freight per freight train mile was $1.7284, as against $1.6834 last year—an increase of 2.67%.

The increase of earnings during the past year is due to the general improvement in business.

The average rate per ton per mile received for freights, for a series of years past, has been as follows, viz.:

1869	3.10 cts.	1879	1.72 cts.	1889	1.059 cts.
1870	2.82 "	1880	1.76 "	1890	0.995 "
1871	2.54 "	1881	1.70 "	1891	1.003 "
1872	2.43 "	1882	1.48 "	1892	1.026 "
1873	2.50 "	1883	1.39 "	1893	1.026 "
1874	2.38 "	1884	1.29 "	1894	1.037 "
1875	2.10 "	1885	1.28 "	1895	1.075 "
1876	2.04 "	1886	1.17 "	1896	1.003 "
1877	2.08 "	1887	1.09 "	1897	1.008 "
1878	1.80 "	1888	1.006 "	1898	0.972 "

The earnings from passenger traffic during the year were $5,986,840.18—an increase of $269,344.20 over the previous year, or 4.71%. The number of passengers carried was 7,095,641—a decrease of 59,048, or .83%. The number of passengers carried one mile was 253,485,504—an increase of 2,374,835, or .95%; the revenue per passenger per mile was 2.362 cts.—an increase of .085 cts. or 3.73%; the average miles each passenger was carried was 35.72 miles—an increase of .62 miles, or 1.77%.

EXPENDITURES.

In the expenditures pertaining to Maintenance of Way and Structures, there was an increase from the previous year of $307,320.37 as follows: Repairs of Track, $208,232.05; Repairs of Bridges, $21,167.01; Repairs of Fences, $27,776.68; Repairs of Buildings, $194,032.93. In the expenditures for Renewal of Rails, there was a decrease of $67,994.01; and for Renewal of Ties, a decrease of $75,894.29.

The expenditures for Repairs of Track during the present year, include the amount of $64,680.21 for 100,370 feet of side tracks; $118,605.67 for ballasting on lines not previously ballasted; and $86,466.26 for reducing grades.

Renewal of Rails includes 42,260 tons of new steel rails costing $727,213.81.

During the previous year, 23,625 tons of new steel rails were laid costing $679,741.90.

Renewal of Ties includes 1,670,503 new ties laid during the year costing $508,616.39. During the previous year 1,880,372 new ties costing $605,156.07 were placed in track.

The expenditures for Repairs of Bridges include the total cost of 72 steel bridges, aggregating 5,688 feet in length—replacing an equal number of wooden bridges; the filling of about 2.6 miles of pile bridges with earth—226 bridges having been completely filled and 86 reduced in length by filling; and the replacing of 275 wooden culverts with iron.

The sum of $145,000.00 has been charged to Operating Expenses for the replacement of the Passenger Station at Minneapolis. The new structure is now under construction. Operating Expenses have also been charged with the cost of Freight Warehouses at Chicago and Milwaukee; Car Erecting Shop at West Milwaukee; Passenger Station at Cedar Rapids, and other new structures at various points.

The expenditures for Maintenance of Rolling Stock during the year were $2,918,523.70—an increase of $453,685.18 from the previous year; and include the amount of $533,917.94 charged to Operating Expenses to replace the loss of equipment during the year, as stated on page 9, and the cost of general repairs of 282 locomotives and 13,782 cars.

In the expenditures pertaining to Conducting Transportation there was an increase of expenses of $915,056.67, as follows: Station Service, $43,170.63; Conductors, Baggagemen and Brakemen, $137,013.18; Engineers, Firemen and Wipers, $176,393.49; Train and Station Supplies, $29,154.21; Fuel consumed, $382,145.16; Oil and Waste, $6,612.70; Rental of Tracks and Terminals, $88,933.99; Switching Charges, $51,633.31.

The cost of fuel during the past year has been largely increased by the coal strike which occurred last summer and continued for five months. During this time we were obliged to get coal wherever we could, and to pay whatever price was necessary. The cost of fuel was increased $125,000 from this cause. The remaining increase of cost was due to increased tonnage of freight transported.

By agreement with the City of Chicago, as expressed in the ordinances passed December 2d, 1897, amended December 29th, 1897; and February 21st, 1898, amended May 23d, 1898, this Company has undertaken the elevation of its tracks between Central Park Boulevard and Mayfair, a distance of 4.24 miles, and between Hawthorne Avenue and Wood Street, .15 miles, and the depression of the Deering line track, .22 miles.

This involves the elevation of the Y at Pacific Junction and the North Chicago line, .54 miles — making a total elevation of 4.93 miles, and total depression .22 miles.

The work from Central Park Boulevard to Pacific Junction is under construction, and will be finished during the present year. The remainder of the work, from Pacific Junction to Mayfair, from Hawthorne Avenue to Wood Street and the depression of the Deering line track, will be done next year.

The work now being done, from Central Park Boulevard to Pacific Junction, provides for four tracks.

The renewal fund of the Company, shown in the General Account, was created by current charges to Operating Expenses during this and previous years, to provide for the cost of track elevation in Chicago and for other extraordinary expenses. The estimated cost of track elevation now under construction is $954,425.

The payments of the Company for labor directly employed in its service during the year were $12,477,340.70, as compared with $11,502,924.27 last year, and for Material and Supplies, $7,105,500.37, as compared with $5,114,170.26 last year.

INSURANCE DEPARTMENT.

In the last annual report of the Company, the Insurance Department at the close of its fiscal year ending June 30th, 1897, had a cash credit balance in bank of		$35,988 07
From which there has since been paid for fire losses prior to that date		71 45
Making the true credit balance as of that date		35,916 62
To this amount add premiums received for year ending June 30th, 1898		91,753 84
And income from the Guaranty Fund investments		24,845 00
Increasing the cash balance to		152,515 46
Against which there has been charged for payments made, as follows:		
For Adjusted Losses for year	14,694 47	
For Expenses for the year	3,778 28	
For $14,000 Kansas City Belt R'y Co. bonds purchased	14,000 00	
For $2,000 C. M. & St. P. R'y Co. La Crosse & Davenport Div. bonds purchased	2,090 00	
For $35,000 C. M. & St. P. R'y Co. General Mortgage bonds purchased	35,000 00	
For premium for re-insurance of part of the more hazardous risks (of which there is chargeable to next fiscal year, $16,109.59 for proportional amount of the premium for eight months and ten days to March 11th, 1899)	23,333 33	
Total		92,896 08
Leaving cash in bank June 30th, 1898		$59,619 38

There are no unadjusted claims for fire losses during the year and all expenses of the department have been paid.

The property holdings of the department since its organization in February, 1893, to June 30th, 1898, show a net increase of $313,959.38. The original Guaranty Fund of $300,000 has been increased to $554,340, represented by $572,000 par value of bonds as per list below, in addition to $59,619.38 cash in bank.

The Guaranty Fund of $554,340 shown on the Insurance Department books, is invested as follows.

Chi., Mil. & St. Paul R'y Co. General Mortgage 4% bonds	$435,000 00
" " " " Consolidated Mortgage 7% bonds	10,000 00
" " " " South. Minnesota Div. 6% bonds	2,000 00
" " " " La Crosse & Dav. Div. 5% bonds	4,000 00
" " " " Chi. & Pac. West Div. 5% bonds	5,000 00
Dakota & Great Southern Railway Company 5% bonds	6,000 00
Kansas City Belt Railway Company 6% bonds	110,000 00
Par value of bonds	$572,000 00
Amount of annual interest on same	$25,570 00

The Insurance Department property is represented on the general books of the Railway Company by the nominal charge of $10,000 to Insurance Department, shown on the balance sheet, page 22.

The prospects for business the coming year are good. The crop of small grains on your lines is the best there has been for several years, and general business promises well.

To the officers and employes of the Company much credit is due for the faithful and efficient manner in which they have performed the duties assigned them.

For details of operation, reference is made to the statements of the General Auditor, appended hereto.

By order of the Board of Directors.

ROSWELL MILLER,
President.

AUGUST, 1898.

prohibited by law. It is to be hoped that, in time, Congress will see the wisdom of permitting pooling and make it practicable to maintain rates and avoid discrimination.

To the officers and employes of the Company much credit is due for the faithful and efficient manner in which they have performed the duties assigned them.

For details of operation, reference is made to the statements of the General Auditor, appended hereto.

By order of the Board of Directors.

ROSWELL MILLER,
President.

AUGUST, 1897.

To the President:

Herewith are submitted Statements of Operation and the General Accounts for the fiscal year ending June 30th, 1897.

W. N. D. WINNE,

General Auditor.

STATEMENT OF INCOME ACCOUNT, JUNE 30TH, 1898.

Credit Balance, June 30th, 1897			$8,509,719 85
Dividend payable October 21st, 1897, from net earnings of fiscal year ending June 30th, 1897, viz.:			
3½% on $29,054,900—Preferred Stock		$1,016,921 50	
3% on $46,026,600—Common Stock		1,380,798 00	2,397,719 50
Balance July 1st, 1897			$6,112,000 35
Gross Earnings for the year ending June 30th, 1898		$34,189,663 68	
Less Operating Expenses (including taxes)		21,201,566 61	
Net Earnings		$12,988,097 07	
Income from other sources		131,018 12	
Net revenue for the year ending June 30th, 1898		$13,119,115 19	
Interest accrued during the year on Funded Debt	$7,190,431 46		
Dividend payable April 19th, 1898, from net earnings of fiscal year ending June 30th, 1898, viz.:			
3½% on $31,006,400—Preferred Stock	1,087,324 00		
3% on $46,026,600—Common Stock	1,150,665 00	9,428,420 46	
Balance for the year ending June 30th, 1898			3,690,694 73
Credit Balance, June 30th, 1898			$9,802,695 08

GENERAL ACCOUNT, JUNE 30TH, 1898.

Dr.

Cost of Road and Equipment		$214,195,294 69
Bonds, Stock, etc., of other Companies		840,523 12
Cash, and Bonds held in Special Trust, for Dubuque Division and Wisconsin Valley Division Sinking Funds	589,497 48	
New England Trust Co., Trustee, Dubuque Division and Wisconsin Valley Division Sinking Funds	288 89	589,786 37
Farmers Loan & Trust Co., Trustee		409 08
Depositaries of Renewal Fund—		
United States Trust Co.	1,083,250 62	
Union Trust Co.	528,100 00	
Continental National Bank	50,000 00	1,661,350 62
Insurance Department		10,000 00
Stock of Material and Fuel		2,265,902 03
Investment Account—Cost of Bonds purchased for Sinking Fund purposes		319,247 50
Mortgage Bonds of the Company, unsold, held in its Treasury, and due from Trustees	5,498,000 00	
Milwaukee & Northern R. R. Co. 6% Consolidated Mortgage Bonds, unsold, held in the Treasury of this Company	1,089,000 00	6,587,000 00
Stock of the Company held in its Treasury		4,700 00
Due from Agents and Conductors	415,847 17	
Due from Sundry Companies—		
Traffic Balances	108,429 05	
Operating Balances	147,146 28	
Miscellaneous Balances	979,229 95	
Due from United States Government	307,516 20	
Cash on deposit and on hand	5,087,742 83	7,045,911 48
		$233,520,124 89

Cr.

Capital Stock, Preferred	$31,818,400 00	
Capital Stock, Common	46,026,600 00	77,845,000 00
Funded Debt		136,588,500 00
Wisconsin Valley Division Sinking Fund	593 87	
Dubuque Division Sinking Fund	589,192 50	589,786 37
Sinking Fund, Income Convertible Bonds		12,790 00
Renewal Fund		1,698,505 45
Replacement Fund—Locomotives	188,400 00	
Replacement Fund—Cars	68,292 00	256,692 00
Pay Rolls and Vouchers	1,992,680 11	
Due Sundry Companies—		
Traffic Balances	248,625 91	
Operating Balances	3,604 11	
Miscellaneous Balances	1,010,931 45	
Dividends Unclaimed	47,676 58	
Interest Coupons not presented	44,657 00	
Interest Accrued, not yet payable, including interest due July 1st	3,377,980 83	6,726,155 99
Income Account		9,802,695 08
		$233,520,124 89

FUNDED DEBT, JUNE 30TH, 1898.

Total Funded Debt, June 30th, 1897, including all liens on purchased roads		$137,762,000 00
General Mortgage Bonds issued during the year:		
For underlying bonds paid and canceled as follows:		
Income Sinking Fund Convertible	65,000 00	
Wisconsin Valley Division	22,000 00	
Dubuque Division	84,000 00	
Prairie du Chien Division, First Mortgage	2,212,000 00	
Prairie du Chien Division, Second Mortgage	215,000 00	
Iowa & Minnesota Division	129,000 00	2,727,000 00
For Expenditures for Additional Equipment, Real Estate, and Improvements		1,590,000 00
		$142,079,000 00
Deduct:		
Bonds, paid and canceled:		
Income Sinking Fund Convertible	65,000 00	
Wisconsin Valley Division	22,000 00	
Dubuque Division	84,000 00	
Prairie du Chien Division, First Mortgage	2,212,000 00	
Prairie du Chien Division, Second Mortgage	215,000 00	
Iowa & Minnesota Division	129,000 00	
Bonds received in exchange for preferred stock and canceled:		
Iowa & Dakota Division	136,000 00	
Iowa & Dakota Division Extension	166,000 00	
St. Paul (or River) Division	667,000 00	
St. Paul (or River) Division—Sterling	29,500 00	
Chicago & Milwaukee Division	246,000 00	
Consolidated Mortgage of 1874	2,000 00	
Consolidated Mortgage of 1875	971,000 00	
Prairie du Chien Division, Second Mortgage	546,000 00	5,490,500 00
Total Funded Debt, June 30th, 1898		$136,588,500 00
Decrease		$1,173,500 00
Of the total amount of Bonds outstanding as stated above, there remain in the Treasury unsold, and due from Trustees		$6,587,000 00

FUNDED DEBT, JUNE 30TH, 1898.

Description of Bonds.	Date of Issue.	When Due.	Rate of Interest.	Interest Payable.	Amount of Bonds Outstanding.	Interest. Accrued during the year.	Interest. Paid during the year.
Chicago & Milwaukee Division	1873	1903	7 per cent.	Jan. and July.	$2,145,000 00	$150,150 00	$150,115 00
St. Paul (or River) Division	1872	1902	7 " "	" " "	2,653,000 00	185,710 00	184,345 00
St. Paul (or River) Division, Sterling	1872	1902	7 " "	" " "	387,000 00	27,090 00	27,597 50
Iowa & Dakota Division	1869	1899	7 " "	" " "	285,000 00	19,950 00	20,195 00
Hastings & Dakota Division	1872	1903	7 " "	" " "	89,000 00	6,230 00	6,230 00
Consolidated Mortgage	1874	1904	7 " "	" " "	183,000 00	12,810 00	13,090 00
Consolidated Mortgage	1875	1905	7 " "	" " "	10,327,000 00	722,890 00	724,815 00
Terminal Mortgage	1884	1914	5 " "	" " "	4,748,000 00	237,400 00	236,450 00
Iowa & Dakota Division Extension	1878	1908	7 " "	" " "	3,339,000 00	233,730 00	234,220 00
Hastings & Dakota Division Extension	1880	1910	7 " "	" " "	5,680,000 00	397,600 00	397,110 00
Hastings & Dakota Division Extension	1880	1910	5 " "	" " "	990,000 00	49,500 00	49,525 00
Southwestern Division	1879	1909	6 " "	" " "	4,000,000 00	240,000 00	239,880 00
La Crosse & Davenport Division	1879	1919	5 " "	" " "	2,500,000 00	125,000 00	124,675 00
Chicago & Pacific Division	1880	1910	6 " "	" " "	3,000,000 00	180,000 00	180,030 00
Chicago & Pacific Western Division	1881	1921	5 " "	" " "	25,340,000 00	1,267,000 00	1,266,800 00
Southern Minnesota Division	1880	1910	6 " "	" " "	7,432,000 00	445,920 00	444,930 00
Mineral Point Division	1880	1910	5 " "	" " "	2,840,000 00	142,000 00	142,125 00
Dubuque Division	1880	1920	6 " "	" " "	6,225,000 00	373,500 00	366,030 00
Wisconsin Valley Division	1880	1920	6 " "	" " "	2,227,000 00	133,620 00	129,930 00
Wisconsin & Minnesota Division	1881	1921	5 " "	" " "	4,755,000 00	237,750 00	236,350 00
Chicago & Lake Superior Division	1881	1921	5 " "	" " "	1,360,000 00	68,000 00	67,925 00
Chicago & Missouri River Division	1886	1926	5 " "	" " "	3,083,000 00	154,150 00	153,675 00
Dakota & Great Southern R'y Co.	1886	1916	5 " "	" " "	2,856,000 00	142,800 00	142,850 00
Fargo & Southern R'y Co.	1883	1924	6 " "	" " "	1,250,000 00	75,000 00	75,000 00
Wisconsin Valley R. R. Co.	1879	1909	7 " "	" " "	1,106,500 00	77,455 00	77,227 50
Income Sinking Fund Convertible	1886	1916	5 " "	" " "	1,291,000 00	64,550 00	64,550 00
General Mortgage	1889	1989	4 " "	" " "	29,174,000 00	1,166,960 00	798,182 90
Mil. & Northern R. R. Co., 1st Mortgage	1880	1910	6 " "	June and Dec.	2,155,000 00	129,300 00	129,060 00
Mil. & Northern R. R. Co., Consolidated	1884	1913	6 " "	" " "	5,092,000 00	305,520 00	241,200 00
a Iowa & Minnesota Division	1867	1897	7 " "		33,000 00		
b Prairie du Chien Division, 1st Mortgage	1867	1898	8 " "		26,000 00	1,213 33	1,040 00
b Prairie du Chien Division, 2d Mortgage	1867	1898	7.3 " "		5,000 00	212 91	182 50
c Income Sinking Fund Convertible	1886	1916	5 " "		12,000 00	353 33	300 00
Interest on bonds retired						163,543 99	352,985 40
						$7,536,908 56	$7,278,620 80
Interest on bonds in the Treasury of the Company and in hands of Trustees						346,477 10	
Total					$136,588,500 00	$7,190,431 46	$7,278,620 80

a Bonds matured and interest ceased July 1st, 1897.
b Bonds matured and interest ceased February 1st, 1898.
c Selected by lot for payment. Interest ceased February 3d, 1898.

CAPITAL STOCK, JUNE 30TH, 1898.

PREFERRED STOCK.

Amount of Preferred Stock, June 30th, 1897		$29,054,900 00
Issued during the year in exchange for bonds convertible into preferred stock by terms of mortgage, viz.:		
For Iowa & Dakota Division Bonds	$136,000 00	
For Iowa & Dakota Division Extension Bonds	166,000 00	
For St. Paul (or River) Division Bonds	667,000 00	
For St. Paul (or River) Division Bonds—Sterling	29,500 00	
For Chicago & Milwaukee Division Bonds	246,000 00	
For Consolidated Mortgage Bonds of 1874	2,000 00	
For Consolidated Mortgage Bonds of 1875	971,000 00	
For Prairie du Chien Division Bonds, Second Mortgage	546,000 00	2,763,500 00
Total Preferred Stock, June 30th, 1898		$31,818,400 00

COMMON STOCK.

Total Common Stock, June 30th, 1897	$46,026,600 00	
Total Common Stock, June 30th, 1898		46,026,600 00
Total Capital Stock, June 30th, 1898		$77,845,000 00

DETAILED STATEMENT

OF

EARNINGS AND EXPENSES

FOR THE YEARS ENDING JUNE 30TH, 1897 AND 1898.

EARNINGS.

	1897	1898
From Freight	$22,104,802 66	$25,468,851 72
From Passengers	5,717,495 98	5,986,840 18
From Mails, Express, etc	2,664,469 35	2,733,971 78
Gross Earnings	$30,486,767 99	$34,189,663 68

EXPENSES.

	1897	1898
Repairs of Track	$1,788,295 96	$1,996,528 01
Renewal of Rails	681,274 36	613,280 35
Renewal of Ties	829,820 78	753,926 49
Repairs of Bridges	681,317 33	702,484 34
Repairs of Fences	48,673 56	76,450 24
Repairs of Buildings	305,572 79	499,605 72
Repairs of Locomotives	972,044 65	1,364,046 78
Repairs of Cars	1,431,565 22	1,474,039 16
Repairs of Tools and Machinery	61,228 65	80,437 76
Management and General Offices	668,223 44	691,593 31
Foreign Agency and Advertising	158,898 55	207,994 86
Station Service	2,594,253 41	2,637,424 04
Conductors, Bag'e and Brakemen	1,497,558 89	1,634,572 07
Engineers, Firemen and Wipers	1,781,845 47	1,958,238 96
Carried forward	$13,500,573 06	$14,690,622 09

	1897	1898
Brought forward	$13,500,573 06	$14,690,622 09
Train and Station Supplies	409,714 80	438,869 01
Fuel Consumed	1,798,180 99	2,180,326 15
Oil and Waste	101,620 76	108,233 46
Personal Injuries	136,381 18	117,219 93
Damage to Property	23,098 87	35,773 49
Loss and Damage, Fr't and Bag'e	69,696 72	68,519 90
Legal Expenses	133,984 46	154,057 38
New York Office Expenses	23,098 95	25,170 39
Taxes	1,184,230 86	1,134,130 68
Insurance	91,217 55	89,734 34
Miscellaneous Expenses	294,201 27	265,328 65
Stock Yard Expenses	10,807 25	11,940 20
Expenses of Elevators	27,048 46	32,250 86
Mileage of Cars	210,257 18	217,469 95
Rental of Tracks and Terminals	88,323 03	177,257 02
Switching Charges—Balance	203,816 05	255,449 36
Sleeping and Parlor Car Expenses	71,287 64	74,213 75
Renewal Account	200,000 00	1,125,000 00
Total Expenses	$18,577,539 08	$21,201,566 61

RECAPITULATION.

	1897	1898	Increase
Gross Earnings	$30,486,767 99	$34,189,663 68	$3,702,895 69
Total Expenses	18,577,539 08	21,201,566 61	2,624,027 53
Net Earnings	$11,909,228 91	$12,988,097 07	$1,078,868 16

CONDENSED STATEMENT OF EARNINGS AND EXPENSES

For the Years Ending June 30th, 1895, 1896, 1897 and 1898.

EARNINGS.

	1895	1896	1897	1898
From Freight	$18,978,262 89	$23,887,930 06	$22,104,802 66	$25,468,851 72
From Passengers	5,852,781 16	6,147,678 88	5,717,495 98	5,986,840 18
From Mails, Express, etc.	2,504,325 14	2,646,219 94	2,664,469 35	2,733,971 78
Gross Earnings	$27,335,369 19	$32,681,828 88	$30,486,767 99	$34,189,663 68

EXPENSES.

Maintenance of Way and Structures	$3,703,465 61	$4,374,723 66	$4,334,954 78	$4,642,275 15
Maintenance of Rolling Stock	2,085,309 46	2,942,204 65	2,464,838 52	2,918,523 70
Conducting Transportation	8,348,158 08	9,102,785 46	8,475,313 40	9,390,370 07
Loss and Damage to Persons and Property	293,431 57	251,675 56	229,176 77	221,513 32
General Offices, Agencies and Advertising	966,954 97	992,079 24	984,205 40	1,078,815 94
Mileage of Cars	139,819 66	183,314 33	210,257 18	217,469 95
Taxes	1,084,700 45	1,082,083 74	1,184,230 86	1,134,130 68
Renewal Account	----------	350,000 00	200,000 00	1,125,000 00
Miscellaneous	421,913 29	397,851 40	494,562 17	473,467 80
Total Expenses	$17,043,753 00	$19,676,808 04	$18,577,539 08	$21,201,566 61

RECAPITULATION.

Gross Earnings	$27,335,369 19	$32,681,828 88	$30,486,767 99	$34,189,663 68
Total Expenses	17,043,753 00	19,676,808 04	18,577,539 08	21,201,566 61
Net Earnings	$10,291,616 10	$13,005,020 84	$11,909,228 91	$12,988,097 07
Average Miles in Operation	6,159.35	6,153.27	6,152.55	6,153.83

STATEMENT OF MONTHLY EARNINGS AND EXPENSES.

	FREIGHT	PASSENGER	MAILS, EXPRESS, ETC.	GROSS EARNINGS	OPERATING EXPENSES	NET EARNINGS
July, 1897	$1,881,349 25	$599,093 00	$232,951 09	$2,713,393 34	$1,763,555 58	$949,837 76
August, "	1,933,085 51	610,812 34	236,716 39	2,780,614 24	1,688,488 85	1,092,125 39
September, "	2,382,978 65	601,403 12	226,515 11	3,210,896 88	2,058,002 97	1,152,893 91
October, "	2,830,500 13	521,817 54	227,530 15	3,579,847 82	1,966,549 75	1,613,298 07
November, "	2,625,184 22	479,026 41	224,236 01	3,328,446 64	1,858,029 87	1,470,416 77
December, "	2,155,565 89	430,815 89	230,699 54	2,817,081 32	1,562,566 79	1,254,514 53
January, 1898	1,754,056 23	387,248 77	219,992 33	2,361,297 33	1,604,767 31	756,530 02
February, "	1,813,399 65	363,152 85	218,108 12	2,394,660 62	1,604,856 57	789,804 05
March, "	2,203,793 59	490,619 37	221,960 54	2,916,373 50	1,736,078 36	1,180,295 14
April, "	1,923,697 38	431,914 37	229,933 47	2,585,545 22	1,826,534 41	759,010 81
May, "	2,069,138 93	460,550 99	225,492 86	2,755,182 78	1,789,200 73	965,982 05
June, "	1,896,102 29	610,385 53	239,836 17	2,746,323 99	1,742,935 42	1,003,388 57
Total	$25,468,851 72	$5,986,840 18	$2,733,971 78	$34,189,663 68	$21,201,566 61	$12,988,097 07

COMPARATIVE SUMMARY OF OPERATION.

Gross Earnings.

1897	$30,486,767 99		
1898	34,189,663 68	Increase	$3,702,895 69

Operating Expenses.

1897	$18,577,539 08		
1898	21,201,566 61	Increase	$2,624,027 53

Net Earnings.

1897	$11,909,228 91		
1898	12,988,097 07	Increase	$1,078,868 16

Gross Earnings per Mile of Road.

1897	$4,955 14		
1898	5,555 83	Increase	$600 69

Operating Expenses per Mile of Road.

1897	$3,019 48		
1898	3,445 26	Increase	$425 78

Net Earnings per Mile of Road.

1897	$1,935 66		
1898	2,110 57	Increase	$174 91

Freight Earnings per Mile of Road.

1897	$3,592 79		
1898	4,138 70	Increase	$545 91

Passenger, Mail and Express Earnings per Mile of Road.

1897	$1,362 35		
1898	1,417 13	Increase	$54 78

Average Miles of Road Operated During the Year.

1897	6,152.55		
1898	6,153.83	Increase	1.28

TRANSPORTATION STATISTICS

For the Years Ending June 30th, 1896, 1897 and 1898.

	1896	1897	1898
Miles run by freight trains	13,526,151	12,387,036	13,880,445
Miles run by passenger trains	7,788,709	7,819,919	7,930,481
Miles run by mixed trains	970,799	992,511	1,140,398
Miles run by revenue trains	22,285,659	21,199,466	22,951,324
Miles run by switching trains	4,005,550	3,656,390	4,196,088
Miles run by construction and other trains	609,991	661,119	783,209
Total miles run by all trains	26,901,200	25,516,975	27,930,621
Number of tons of freight carried	12,210,055	11,554,153	14,230,742
Number of tons of freight carried one mile	2,381,667,988	2.193,241,080	2,621,348,372
Mileage of freight cars—loaded	218,475,022	204,291,258	239,610,746
Mileage of freight cars—empty	92,455,478	82,745,785	98,876,373
Number of tons of freight carried per loaded car	10.90	10.74	10.94
Average number of loaded freight cars per train	15.33	15.56	16.26
Average miles each ton of freight was carried	195.06	189.82	184.20
Number of tons of freight per freight train mile	167.08	167.02	177.89
Revenue per ton of freight per mile	1.003 cts.	1.008 cts.	.972 cts.
Revenue from freight per freight train mile	$1.6758	$1.6834	$1.7284
Number of passengers carried	7,427,614	7,154,689	7,095,641
Number of passengers carried one mile	260,821,497	251,110,669	253,485,504
Average miles each passenger was carried	35.12	35.10	35.72
Revenue per passenger per mile	2.357 cts.	2.277 cts.	2.362 cts.
Revenue from passengers per passenger train mile	76.55 cts.	70.87 cts.	72.87 cts.
Repairs of Locomotives per revenue train mile	5.54 cts.	4.59 cts.	5.95 cts.
Repairs of Cars " " " "	7.31 cts.	6.75 cts.	6.43 cts.
Station Service " " " "	12.21 cts.	12.24 cts.	11.49 cts.
Train Service " " " "	7.11 cts.	7.06 cts.	7.12 cts.
Locomotive Service " " " "	8.51 cts.	8.41 cts.	8.53 cts.
Train and Station Supplies " " " "	2.05 cts.	1.93 cts.	1.91 cts.
Fuel " " " "	9.01 cts.	8.48 cts.	9.50 cts.
Oil and Waste " " " "	.52 cts.	.48 cts.	.47 cts.
All Other Expenses " " " "	36.03 cts.	37.69 cts.	40.98 cts.
Total Operating Expenses " " " "	88.29 cts.	87.63 cts.	92.38 cts.
Percentage of Expenses (including Taxes) to Earnings	60.21 %	60.94 %	62.01 %

STATEMENT OF COMMODITIES TRANSPORTED

During the Years Ending June 30th, 1897 and 1898.

Commodities	1897		1898	
	Tons	Per Cent	Tons	Per Cent
Flour	435,368	3.768	459,662	3.230
Mill Feed	130,895	1.133	196,532	1.381
Wheat	1,139,407	9.861	1,268,284	8.912
Rye	61,282	.530	81,883	.575
Barley	595,605	5.155	587,536	4.129
Oats	629,198	5.446	672,989	4.729
Corn	337,590	2.922	593,426	4.170
Flax Seed	162,386	1.405	111,987	.787
Hay	101,423	.878	90,480	.636
Dairy Products	54,622	.473	58,233	.409
Other Agricultural Products	224,922	1.947	332,982	2.340
Provisions	193,752	1.677	304,375	2.139
Salt	57,492	.498	63,202	.444
Lime, Cement and Plaster	123,901	1.072	153.634	1.080
Brick and Stone	529,134	4.579	600,798	4.222
Iron and Steel	271,428	2.349	447,346	3.144
Iron and Other Ores	341,015	2.952	693,668	4.875
Manufactures	571,260	4.944	783,553	5.506
Coal	1,311,411	11.350	1,267,770	8.909
Coke	116,697	1.010	202,692	1.424
Live Stock	635,699	5.502	794,535	5.583
Lumber	1,007,495	8.720	1,342,896	9.436
Other Forest Products	948,686	8.211	1,387,488	9.750
Wines, Liquors and Beers	256,043	2.216	352,058	2.474
Ice	213,466	1.848	223,699	1.572
Merchandise	1,103,976	9.554	1,159,034	8.144
Total	11,554,153	100.000	14,230,742	100.000

DETAIL OF EXPENDITURES

FOR ADDITIONS AND IMPROVEMENTS TO PROPERTY

FOR THE YEAR ENDING JUNE 30TH, 1898.

Equipment—		
2 Buffet Cars	$22,000 00	
2 Standard Postal Cars	7,030 49	
5 Sleeping Cars—Three-fourths Cost	64,932 27	
1276 Box Cars	539,115 39	
350 Carriage Cars	193,793 86	
51 Stock Cars	22,198 61	
235 Refrigerator Cars	152,002 14	
Air Brakes, Automatic Couplers and other improvements to Rolling Stock	196,295 28	1,197,368 04
Second Track, Chicago and Council Bluffs Division, in Illinois—		
Between Bensenville and Genoa	75,101 05	
Between Davis Junction and Kittredge	438,452 17	513,553 22
Third and Fourth Main Tracks, Chicago and Milwaukee Division—		
Between Central Park Boulevard and Pacific Junction		49,477 37
Real Estate, sundry points		36,472 10
		$1,796,870 73
Sundry Credits		71,497 19
Total		$1,725,373 54
Cost of Road and Equipment, June 30th, 1897		$212,594,714 15
Additions and Improvements as above		1,725,373 54
Purchase of Chicago & Pacific R. R. Co. Stock		207 00
		214,320,294 69
Credit—Premium on General Mortgage Bonds		125,000 00
Cost of Road and Equipment, June 30th, 1898		$214,195,294 69

MATERIAL AND FUEL ON HAND.

Coal	64,618	Tons,	$114,802 76
Wood	3,934	Cords,	7,477 66
Ties	488,653	Number,	155,357 78
New Steel Rails	11,187	Tons,	187,909 40
Old Steel Rails	23,078	Tons,	335,107 45
Old Iron Rails	15,169	Tons,	158,124 73
Rail Fastenings	10,143,314	Pounds,	113,278 05
Oil	105,986	Gallons,	15,960 50
Waste	76,739	Pounds,	4,695 94
Iron (worked and unworked)	12,061,876	Pounds,	140,265 71
Copper and Brass	290,372	Pounds,	27,724 93
Lumber and Timber	19,025,970	Feet,	306,320 03
Piles	443,377	Feet,	43,985 97
Posts	143,170	Number,	9,866 69
Engine and Car Wheels	3,541	Number,	23,454 47
Engine and Car Wheels (on axles)	2,032	Pairs,	34,985 24
Engine and Car Axles	1,084,435	Pounds,	15,152 73
Tires	93,875	Pounds,	5,708 53
Steel and Steel Springs	817,774	Pounds,	24,972 88
Engine, Car and Road Castings	5,179,465	Pounds,	66,314 79
Paints and Oils			12,355 02
Stationery Supplies			15,484 48
Other Supplies			446,596 29
Total, June 30th, 1898			$2,265,902 03
Total, June 30th, 1897			1,911,287 76
Increase			$354,614 27

EQUIPMENT IN SERVICE JUNE 30TH, 1898.

STANDARD GAUGE.

Locomotives		808
Passenger Cars		412
Sleeping Cars		53
Parlor Cars		16
Dining Cars		8
Baggage, Mail, Express and Combination Cars		286
Freight Cars—		
Box Cars	20,051	
Stock Cars	2,799	
Flat, Coal and Ore Cars	5,826	
Refrigerator Cars	724	29,400
Caboose Cars		478
Wrecking, Tool Cars, etc		72

NARROW GAUGE.

Locomotives		7
Passenger Cars		4
Baggage, Mail, Express and Combination Cars		5
Freight Cars—		
Box Cars	202	
Stock Cars	59	
Flat Cars	48	309
Caboose Cars		5
Total		31,863

At the close of the year ending June 30th, 1897, a shortage of 6 locomotives and 729 cars was shown by the inventory of equipment, and the sum required to replace this shortage had been charged to Operating Expenses at that date.

During the present year 38 small locomotives unfit for further service were scrapped and Operating Expenses were charged with the cost of 38 new locomotives to replace them, making a total shortage of 44 locomotives. Twenty-three locomotives have been purchased or built during the present year for replacement.

The amount required to replace the remaining shortage of 21 locomotives—$188,400.00 is shown in the account of "Replacement Fund—Locomotives" on page 22 of this report.

During the present year cars of all classes to the number of 527 were destroyed—7 by fire, 250 by wreck on our own and other roads, 270 old cars of small capacity were taken down, being unfit for further service, and 4 sleeping cars were dropped from the equipment list, making a total shortage of 1,260 cars. One thousand and sixty-six cars have been built or purchased for replacement, comprising 4 sleeping, 2 passenger, 311 box, 449 stock, 285 flat and coal and 15 refrigerator cars.

At the close of this fiscal year ending June 30th, 1898, there exists a total shortage of 194 cars, comprising 36 box, 14 stock, 134 flat and coal and 9 caboose cars and 1 pile driver and car.

The amount required to replace the 194 cars—$68,292.00 has been charged to Operating Expenses and stands at the credit of "Replacement Fund—Cars" on page 22 of this report.