

1906

**Forty-second Annual Report**

OF THE

**Chicago, Milwaukee & St. Paul  
Railway Company**

FOR THE

**Fiscal Year ending June 30th, 1906.**

BUREAU OF RAILROADS  
WASHINGTON, D. C.

# CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY.

## DIRECTORS.

TERM EXPIRES SEPTEMBER, 1906.

|                      |           |
|----------------------|-----------|
| PETER GEDDES,        | NEW YORK. |
| ROSWELL MILLER,      | NEW YORK. |
| WILLIAM ROCKEFELLER, | NEW YORK. |
| JOHN A. STEWART,     | NEW YORK. |

TERM EXPIRES SEPTEMBER, 1907.

|                   |           |
|-------------------|-----------|
| J. OGDEN ARMOUR,  | CHICAGO.  |
| FREDERICK LAYTON, | MILWAUKEE |
| JOSEPH MILBANK,   | NEW YORK. |
| SAMUEL SPENCER,   | NEW YORK  |

TERM EXPIRES SEPTEMBER, 1908.

|                      |           |
|----------------------|-----------|
| FRANK S. BOND,       | NEW YORK. |
| A. J. EARLING,       | CHICAGO.  |
| CHARLES W. HARKNESS, | NEW YORK. |
| HERMAN S. LE ROY,    | NEW YORK. |
| HENRY H. ROGERS,     | NEW YORK. |

## OFFICERS.

|                    |   |            |
|--------------------|---|------------|
| ROSWELL MILLER,    | Chairman of the Board,                  | NEW YORK.  |
| A. J. EARLING,     | President,                              | CHICAGO.   |
| E. W. MCKENNA,     | Second Vice-President,                  | CHICAGO.   |
| J. H. HILAND,      | Thrd Vice-President,                    | CHICAGO.   |
| E. D. SEWALL,      | Assistant to the President,             | CHICAGO.   |
| E. W. ADAMS,       | Secretary,                              | MILWAUKEE. |
| J. M. MCKINLAY,    | Assistant Secretary and Transfer Agent, | NEW YORK.  |
| C. B. FERRY,       | Assistant Secretary and Transfer Agent, | NEW YORK.  |
| W. J. GEDDES,      | Assistant Secretary and Transfer Agent, | NEW YORK.  |
| F. G. RANNEY,      | Treasurer,                              | CHICAGO.   |
| JOHN McNAB,        | Assistant Treasurer,                    | CHICAGO.   |
| W. N. D. WINNE,    | General Auditor,                        | CHICAGO.   |
| W. J. UNDERWOOD,   | General Manager,                        | CHICAGO.   |
| D. L. BUSH,        | General Superintendent,                 | CHICAGO.   |
| D. J. WHITTEMORE,  | Chief Engineer,                         | CHICAGO.   |
| H. G. HAUGAN,      | Comptroller and Land Commissioner,      | CHICAGO.   |
| GEORGE R. PECK,    | General Counsel,                        | CHICAGO.   |
| BURTON HANSON,     | General Solicitor,                      | CHICAGO.   |
| C. B. KEELER,      | Assistant General Solicitor,            | CHICAGO.   |
| CHARLES E. VROMAN, | Assistant General Solicitor,            | CHICAGO    |

**REPORT**

**OF THE**

**BOARD OF DIRECTORS.**

THE  
 FORTY-SECOND ANNUAL REPORT  
 OF THE DIRECTORS OF THE  
 CHICAGO, MILWAUKEE & ST. PAUL  
 RAILWAY COMPANY  
 TO THE STOCKHOLDERS.

For the Fiscal Year ending June 30th, 1906.

The Directors submit to the Stockholders the following report of the business and operations of the Company for the year ending June 30th, 1906, 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.....                      | \$55,423,052 99               |
| Operating Expenses, including Taxes..... | 36,444,331 48                 |
| Net Earnings.....                        | <u>\$18,978,721 51</u>        |
| Income from other sources.....           | 258,359 16                    |
| Total.....                               | <u>\$19,237,080 67</u>        |
| Fixed Charges—Interest on Bonds.....     | 5,913,850 00                  |
| Balance above all charges.....           | <u><u>\$13,323,230 67</u></u> |

During the year two dividends aggregating seven per cent were paid on the preferred stock, and two dividends aggregating seven per cent were paid on the common stock, of which the dividends paid October 10th, 1905—three and one-half per cent on preferred and three and one-half per cent on common stock—were from net earnings of the previous fiscal year, ending June 30th, 1905.

## MILES OF TRACK.

## Owned solely by this Company:

|  |          |          |
|--|----------|----------|
| Main track .....                           | 7,015.45 |          |
| Second main track .....                    | 379.74   |          |
| Third main track .....                     | 6.50     |          |
| Fourth main track .....                    | 2.64     |          |
| Connection tracks .....                    | 36.35    |          |
| Yard tracks, sidings and spur tracks ..... | 2,027.38 | 9,468.06 |

## Owned jointly with other Companies:

|  |       |        |
|--|-------|--------|
| Main track .....                           | 28.09 |        |
| Second main track .....                    | 2.96  |        |
| Connection tracks .....                    | 5.26  |        |
| Yard tracks, sidings and spur tracks ..... | 80.72 | 117.03 |

## Used by this Company under contracts:

|                            |        |                 |
|----------------------------|--------|-----------------|
| Main track .....           | 224.13 |                 |
| Second main track .....    | 64.84  |                 |
| Third main track .....     | 1.14   | 290.11          |
| Total miles of track ..... |        | <u>9,875.20</u> |

## The lines of road are located as follows:

|                                  |                 |       |
|----------------------------------|-----------------|-------|
| In Wisconsin .....               | 1,731.75        | miles |
| " Illinois .....                 | 413.08          | "     |
| " Iowa .....                     | 1,871.13        | "     |
| " Minnesota .....                | 1,205.63        | "     |
| " North Dakota .....             | 153.31          | "     |
| " South Dakota .....             | 1,369.25        | "     |
| " Missouri .....                 | 140.27          | "     |
| " Michigan .....                 | 159.12          | "     |
| Total length of main track ..... | <u>7,043.54</u> | "     |

The construction of a line to a point one hundred miles west of Chamberlain, on the Missouri River, was authorized during the last fiscal year. During the present fiscal year, the extension of this line to Rapid City, South Dakota, a total distance of about two hundred and nineteen miles, was authorized. Seventy-six miles of this line were completed at the close of this year.

A line from Madison to Renner in South Dakota, a distance of about thirty-four miles, is under construction, and about nineteen miles were completed at the close of the year.

The extension of the Armour Branch in a northwesterly direction to Stickney, South Dakota, a distance of about twenty-one miles, and of the Gleason Branch in Wisconsin, a distance of about six miles, were both completed during the year.

A road extending from Oglesby to Granville in Illinois, a distance of about eleven miles, was purchased during the year.

A second main track is under construction on the La Crosse Division from Watertown Junction to Portage, Wisconsin, a distance of about forty-seven miles; on the River Division, from River Junction to Richmond, Minnesota, a distance of about ten miles, and from Lake City to Wabasha, Minnesota, a distance of about twelve and one-half miles.

Reduction of grades and improvement of alignment at sundry points on the Chicago & Council Bluffs Division in Iowa, the Chicago & Milwaukee Division, and the River Division, is in progress. There has been expended on this account during the year the sum of \$644,743.42; which has been charged to Renewal and Improvement Account.

The elevation of the tracks used jointly by this Company and the Pittsburgh, Cincinnati, Chicago & St. Louis Railway Company, from Western Avenue to Elizabeth Street, and of the tracks of this Company between Western Avenue and Grand Avenue, all in the city of Chicago, is practically completed. During the past year there was expended on this account the sum of \$501,677.91, which has been charged to Renewal and Improvement Account.

An additional ore dock at Escanaba, 1,440 feet long, has been completed during the year, and \$521,701.14, expended on this account, has been charged to Renewal and Improvement Account.

Improvements of the Company's shops have been made during the year at an aggregate cost of \$414,660.89, as follows:

|                      |           |    |
|----------------------|-----------|----|
| West Milwaukee ..... | \$376,000 | 63 |
| Dubuque .....        | 32,810    | 09 |
| Minneapolis .....    | 4,636     | 41 |
| Savanna .....        | 1,213     | 76 |

Of this amount \$344,143.02 has been charged to Capital Account, \$69,302.79 to Renewal and Improvement Fund, and \$1,215.08 to Operating Expenses as Maintenance of Structures and Machinery.

At West Milwaukee, Wis., the new buildings under construction June 30th, 1905—namely, an addition to the car erection

shop, 103 x 204 feet, and an addition to the passenger car paint shop, 103 x 204 feet, together with the extension of the transfer table between them, have been completed.

A pattern shop, 80 x 80 feet, an extension to the freight car erecting shop, 80 x 674 feet, and a blacksmith and machine shop, 80 x 600 feet, have been completed. An extension to the wheel foundry, 130 x 328 feet, will be completed this fall, and a new pattern storage building, 80 x 120 feet, will be completed before next spring.

### ROLLING STOCK.

At the close of the fiscal year ending June 30th, 1905, the Equipment Replacement Fund amounted to \$219,835.28.

During this year there has been added to the fund, and charged to Operating Expenses, the sum of \$368,861.97 for the cost of the replacement of thirty locomotives, the sum of \$325,783.91 for the cost of the replacement of four hundred and forty-four cars destroyed in service during the year, and there has been added to the fund from Income Account the sum of \$3,295,800 for the replacement of 3,662 old freight cars of small capacity which have been dropped from inventory of June 30th, 1906.

There was expended of this fund, for the replacement of twenty-nine locomotives, \$355,861.97, and for the replacement of five hundred and eighty-two cars, \$406,621.50, a total of \$762,483.47, as follows:

|                           |              |
|---------------------------|--------------|
| 29 Locomotives .....      | \$355,861 97 |
| 1 Passenger Car .....     | 8,731 78     |
| 1 Postal Car .....        | 4,465 27     |
| 245 Box Cars .....        | 197,930 60   |
| 5 Refrigerator Cars ..... | 5,089 35     |
| 9 Vegetable Cars .....    | 8,056 62     |
| 300 Flat Cars .....       | 162,904 72   |
| 20 Ore Cars .....         | 14,080 80    |
| 1 Pile Driver .....       | 5,362 36     |

The unexpended balance of the Replacement Fund, June 30th, 1906, amounted to \$3,447,797.69, which is sufficient to replace one locomotive and the three thousand nine hundred and eight cars referred to in statement on page 38.

The average number of freight cars in service June 30th, 1906, per mile of road, was six.

There were in freight service June 30th, 1896, 27,427 cars, with a carrying capacity of 575,628 tons, while on June 30th, 1906, there were 43,091 cars, with a carrying capacity of 1,198,986 tons.

### CAPITAL EXPENDITURES.

|   |                       |
|---|-----------------------|
| Additional Cars .....   | \$3,098,677 49        |
| Construction of New Lines .....   | 2,562,850 54          |
| Construction of Second Main Track .....   | 435,124 65            |
| Real Estate .....   | 79,486 28             |
| Miscellaneous Improvements .....  | 1,255,726 08          |
| St. Paul Coal Company .....   | 138,880 51            |
| Improvement—Davenport, Rock Island & North<br>Western R'y .....                 | 7,178 00              |
| Minnesota Transfer R'y Co. Bonds .....  | 6,170 39              |
| Chicago & Pacific R. R. Co. Stock .....   | 10 00                 |
| Dubuque South Western R'y Co. Stock .....                                       | 12 00                 |
|   | <u>\$7,584,115 94</u> |
| Sundry Credits .....  | 189,731 51            |
| Total as shown by detailed statement on pages 32<br>and 33 of this Report ..... | <u>\$7,394,384 43</u> |

### RENEWAL AND IMPROVEMENT FUND.

|  |                        |
|--|------------------------|
| Amount credited to Renewal and Improvement<br>Fund, to June 30th, 1906 ..... | \$11,426,758 23        |
| Interest received on balances .....  | 883,716 12             |
| Total .....  | <u>\$12,310,474 35</u> |
| Expenditures:  |                        |
| Elevation of Tracks in Chicago:  |                        |
| Chicago & Milwaukee Division 1,299,428 57                                    |                        |
| Chicago & Council Bluffs Divi-<br>sion in Illinois .....                     | 566,252 49             |
|  | 1,865,681 06           |
| Improvements at Western Avenue, Chicago ..                                   | 226,029 97             |
| Transfer House and Tracks at Galewood, Ill. ..                               | 53,855 08              |
| Third and Fourth Main Tracks: Chicago &<br>Milwaukee Division .....          | 145,224 45             |
| Carried forward .....  | <u>\$2,290,790 56</u>  |

## RENEWAL AND IMPROVEMENT FUND—CONTINUED.

|   |             |    |
|---|-------------|----|
| Brought forward .....   | \$2,290,790 | 56 |
| Reducing Grade and Improving Line:  |             |    |
| La Crosse Division .....  | 1,125,136   | 26 |
| Chicago & Council Bluffs Division in Iowa .....   | 1,491,257   | 23 |
| River Division .....  | 383,142     | 02 |
| Iowa & Minnesota Division .....   | 265,492     | 95 |
| Chicago & Milwaukee Division .....  | 15,030      | 02 |
| Escanaba Docks and Terminal Facilities .....  | 3,280,058   | 48 |
| Change of Line, Redfield, South Dakota .....  | 1,160,572   | 19 |
| Change of Line, Oakwood, Wisconsin .....  | 24,729      | 48 |
| Change of Gauge, Preston Branch .....   | 44,261      | 33 |
| Change of Gauge, Wabasha Division .....   | 173,785     | 64 |
| Change of Gauge, Wabasha Division .....   | 275,051     | 92 |
| Menomonee Valley Connecting Track .....   | 57,135      | 08 |
| Repairs of Damage caused by Kansas City Flood .....   | 85,017      | 40 |
| New Yard and Structures at Laredo, Missouri .....   | 57,788      | 96 |
| Filling Levee in Mississippi River at Red Wing, Minnesota .....   | 20,550      | 00 |
| Replacement of Bridge over the Mississippi River between St. Paul and Minneapolis with a double-track structure ..... | 337,083     | 37 |
| Replacement of Bridge over the Mississippi River at La Crosse, Wisconsin .....  | 275,901     | 31 |
| Replacement of Bridge over the Menomonee River at Milwaukee, Wisconsin .....  | 99,554      | 09 |
| Replacement of Bridge over the Mississippi River at Sabula, Iowa .....  | 224,910     | 31 |
| Replacement of Bridge over the Cedar River at Cedar Rapids, Iowa .....  | 63,321      | 44 |
| Replacement of Bridge over the Rock River at Byron, Illinois .....  | 87,287      | 91 |
| Replacement of Bridge over Burnham's Canal, Milwaukee, Wisconsin .....  | 419         | 04 |
| Replacement of Sixth Street Viaduct, Milwaukee, Wisconsin .....   | 1,307       | 88 |
| Improvements at West Milwaukee Shops .....  | 233,161     | 00 |
| Improvements at Dubuque Shops .....   | 9,380       | 65 |
| Total Expenditure .....   | \$8,802,068 | 04 |
| Unexpended Balance, June 30th, 1906 .....   | \$3,508,406 | 31 |

## CAPITAL STOCK.

At the close of the last fiscal year the share capital of the Company amounted to \$107,511,300, and consisted of \$49,327,400 of preferred stock and \$58,183,900 of common stock.

It has been increased during this fiscal year by \$327,000 of preferred stock, issued in exchange for the same amount of convertible bonds canceled.

The total amount of capital stock at the close of the year is \$107,838,300.

The amount of capital stock per mile of road is \$15,310.24.

## FUNDED DEBT.

At the close of the last fiscal year the funded debt of the Company was \$122,176,500.

It has been increased during this fiscal year by the issue of \$615,000 of General Mortgage Bonds, and it has been decreased \$942,000 by underlying bonds retired and canceled, as shown on page 26 of this report.

The funded debt at the close of the fiscal year ending June 30th, 1906, is \$121,849,500—a decrease of \$327,000 since last report.

The amount of funded debt per mile of road is \$17,299.47, on which the interest charge per mile of road is \$839.12.

The total capitalization of the Company per mile of road is \$32,609.71.

## 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 \$5,912,000.

This has been increased during this fiscal year by \$615,000 General Mortgage Bonds received for underlying bonds paid and canceled.

General Mortgage 3½% Bonds amounting to \$2,450,000 have been sold.

Bonds in the treasury or due from Trustees, June 30th, 1906, amount to \$4,077,000, as shown on page 24 of this report.

These treasury bonds represent actual expenditures for extensions, improvements, additional property and underlying bonds paid and canceled.

## INSURANCE DEPARTMENT.

|   |            |                     |
|---|------------|---------------------|
| Cash on hand, June 30th, 1905.....            |            | \$81,498 47         |
| Receipts during the year:                     |            |                     |
| Premiums .....                                | 148,603 60 |                     |
| Income from Investment of Guaranty Fund ..... | 58,514 86  |                     |
| Interest on Cash on deposit .....             | 1,928 84   | 209,047 30          |
|   |            | <u>\$290,545 77</u> |
| Payments during the year:                     |            |                     |
| Losses .....                                  | 50,742 11  |                     |
| Expenses .....                                | 4,124 25   |                     |
| Reinsurance .....                             | 65,812 94  |                     |
| Purchase of bonds.....                        | 149,843 75 | 270,523 05          |
| Cash on hand, June 30th, 1906 .....           |            | <u>\$20,022 72</u>  |

The Guaranty Fund, June 30th, 1906, is \$1,450,682 50 an increase of \$149,843.75 and is invested as follows:

|   |                |              |
|---|----------------|--------------|
| Chicago, Milwaukee & St. Paul R'y Co. Bonds:      |                |              |
| General Mortgage 4%.....                          | \$600,000 00   |              |
| Southern Minnesota Division 6%..                  | 32,000 00      |              |
| La Crosse & Davenport Div. 5%..                   | 4,000 00       |              |
| Chicago & Pac. Western Div. 5%..                  | 6,000 00       |              |
| Mineral Point Division 5%.....                    | 7,000 00       | \$649,000 00 |
| Chicago, Milw. & St. Paul R'y Co. Preferred Stock | 10,000 00      |              |
| Kansas City Belt R'y Co. 6% Bonds.....            | 150,000 00     |              |
| Dakota & Great Southern R'y Co. 5% Bonds....      | 6,000 00       |              |
| Chicago, Burlington & Quincy R. R. Co. 4% Bonds   | 50,000 00      |              |
| Baltimore & Ohio R. R. Co. 3½% Bonds.....         | 50,000 00      |              |
| Northern Pacific R'y Co. 4% Bonds.....            | 100,000 00     |              |
| Milwaukee & Northern R. R. Co. 6% Bonds.....      | 38,000 00      |              |
| Fargo & Southern R'y Co. 6% Bonds.....            | 2,000 00       |              |
| Wisconsin Valley R. R. Co. 7% Bonds.....          | 2,000 00       |              |
| Atchison, Topeka & Santa Fe R'y Co. 4% Bonds      | 100,000 00     |              |
| Union Pacific R. R. Co. 4% Bonds.....             | 50,000 00      |              |
| Chicago & Western Indiana R. R. Co. 4% Bonds      | 125,000 00     |              |
| Lake Shore & Michigan South. Ry. Co. 4% Bonds     | 100,000 00     |              |
| Par value of Bonds and Stock.....                 | \$1,432,000 00 |              |
| Amount of annual interest and dividends.....      | \$62,060 00    |              |

## EARNINGS.

The results from operation of your Company's lines during the year ending June 30th, 1906, compared with the previous year, show an increase of \$5,538,939.34 in gross earnings, an increase of \$4,150,290.63 in operating expenses, and an increase of \$1,388,648.71 in net earnings.

The earnings from freight traffic were \$40,187,710.03—72.51% of total earnings—an increase of \$4,218,763.56, or 11.73%.

The number of tons of freight carried was 26,201,941—an increase of 2,898,033 tons, or 12.44%.

The increase in number of tons of freight carried was in the following commodities: Flour, 73,342 tons; other mill products, 126,223 tons; wheat, 153,328 tons; barley, 105,234 tons; oats, 363,241 tons; corn, 65,579 tons; flax seed, 55,249 tons; live stock, 36,783 tons; dressed meats, 134,625 tons; anthracite coal, 32,334 tons; bituminous coal, 369,828 tons; coke, 167,744 tons; iron and other ores, 156,779 tons; stone, sand, etc., 174,586 tons; salt, 2,247 tons; lumber, lath and shingles, 142,683 tons; sash, doors and blinds, 5,673 tons; petroleum and other oils, 16,490 tons; iron and steel, 305,951 tons; castings and machinery, 85,751 tons; agricultural implements, 667 tons; wagons, carriages, tools, etc., 13,721 tons; lime, cement and plaster, 66,301 tons; brick, 38,154 tons; household goods and furniture, 22,755 tons; paper, 7,811 tons; other manufactures, 43,134 tons, and commodities not specified, 779,064 tons.

The following commodities show a decrease from the previous year: Rye, 4,720 tons; hay, 47,134 tons; fruit and vegetables, 14,786 tons; other agricultural products, 51,053 tons; other packing house and animal products, 118,435 tons; other forest products, 237,917 tons, and wines, liquors and beers, 173,199 tons.

The number of tons of all agricultural products carried during the year was 6,091,321 tons—an increase compared with the previous year of 824,503 tons, or 15.65%. Agricultural products comprised 23.25% of the total tonnage carried, as compared with 22.60% of the total tonnage of last year.



The number of tons of commodities other than agricultural products carried during the year was 20,110,620 tons—an increase compared with the previous year of 2,073,530 tons, or 11.50%—the per cent of the total being 76.75% against 77.40% last year.

The number of tons of revenue freight carried one mile was 4,663,808,007—an increase of 582,399,448, or 14.27%. The revenue per ton per mile was .8617 cents—a decrease of .0196 cents, or 2.22%. The average miles each ton of revenue freight was carried was 177.99 miles—an increase of 2.85 miles, or 1.63%.

The number of tons of revenue freight carried per loaded car was 14.292, against 13.737 last year—an increase of 4.04%. The number of tons of revenue freight per freight train mile was 281.92, against 264.62 last year—an increase of 6.54%. The revenue from freight per freight train mile was \$2.429, as against \$2.332 last year—an increase of 4.16%.

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

|                    |                    |                     |
|--------------------|--------------------|---------------------|
| 1877.....2.08 cts. | 1887.....1.09 cts. | 1897.....1.008 cts. |
| 1878.....1.80 “    | 1888.....1.006 “   | 1898.....0.972 “    |
| 1879.....1.72 “    | 1889.....1.059 “   | 1899.....0.937 “    |
| 1880.....1.76 “    | 1890.....0.995 “   | 1900.....0.930 “    |
| 1881.....1.70 “    | 1891.....1.003 “   | 1901.....0.861 “    |
| 1882.....1.48 “    | 1892.....1.026 “   | 1902.....0.840 “    |
| 1883.....1.39 “    | 1893.....1.026 “   | 1903.....0.865 “    |
| 1884.....1.29 “    | 1894.....1.037 “   | 1904.....0.891 “    |
| 1885.....1.28 “    | 1895.....1.075 “   | 1905.....0.881 “    |
| 1886.....1.17 “    | 1896.....1.003 “   | 1906.....0.862 “    |

The earnings from passenger traffic during the year were \$11,123,545.22—20.07% of the total earnings—an increase of \$996,587.48 over the previous year, or 9.84%. The number of passengers carried was 11,190,021—an increase of 825,296, or 7.96%. The number of passengers carried one mile was 498,461,791—an increase of 46,971,140, or 10.40%; the revenue per passenger per mile was 2.232 cents—a decrease of .011 cent, or .49%; the average miles each passenger was carried was 44.55 miles—an increase of .99 mile, or 2.27%.

## EXPENDITURES.

The expenses of Maintenance of Way and Structures were \$5,955,432.23; Maintenance of Equipment, \$5,598,046.18; Conducting Transportation, \$19,699,380.60; General Expenses, including Taxes, \$2,967,383.23; for Renewal and Improvement Account, \$1,511,758.23 and for Additions to Property, \$712,331.01.

There was an increase in expenditures for Maintenance of Way and Structures of \$618,806.27; for Maintenance of Equipment of \$416,460.39; for Conducting Transportation of \$1,418,923.06; for General Expenses, including Taxes, of \$91,971.95; for Renewal and Improvement Account of \$1,511,758.23, and for Additions to Property of \$92,370.73.

In the expenditures pertaining to Maintenance of Way and Structures there was an increase in the following items: Roadway, \$401,520.05; Rails, \$173,491.20; Ties, \$83,374.02; Bridges and Culverts, \$7,606.34; Fences, Road Crossings, etc., \$25,752.24. There was a decrease in expenditures for Buildings and Fixtures of \$63,022.05, and other expenditures under this head of \$9,915.53.

The expenditures for Rails include 46,607 tons of new steel rails, costing \$1,328,070.13. During the previous year 31,750 tons of new steel rail were laid, costing \$886,751.63.

The expenditures for Ties include 1,113,853 new ties, costing \$518,317.32. During the previous year 909,805 new ties, costing \$418,453.50, were placed in track.

During the year 46 steel bridges, aggregating 6,297 feet in length, were built—replacing 2,930 feet of wooden bridges, 3,344 feet of iron bridges and 23 feet of embankment; and 545 wooden culverts were replaced with iron. About 1.53 miles of pile bridges were filled with earth, 65 bridges having been completely filled and 58 reduced in length by filling.

The expenditures for Maintenance of Equipment include the amount of \$694,645.88 charged to Operating Expenses to replace the loss of equipment during the year, as against \$682,389.11 charged during the previous year.

In the expenditures pertaining to Conducting Transportation there was an increase, as follows: Engine and Roundhouse Men, \$232,105.60; Fuel and other supplies for Locomotives,

\$283,141.94; Train Service and Supplies, \$156,167.50; Switchmen, Flagmen and Watchmen, \$183,422.53; Station Service and Supplies, \$260,354.08; and Use of Cars and Locomotives, \$124,706.44.

The average cost of Repairs and Renewals of Locomotives during the year was \$1,453.50; of Passenger Cars, \$662.54; and of Freight Cars, \$46.32.

The payments of the Company for labor directly employed in its service during the year were \$22,717,278.14, as compared with \$20,252,790.89 last year; and for material and supplies, \$17,698,260.17; as compared with \$10,331,078.31 last year.

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

By order of the Board of Directors.

A. J. EARLING,  
*President.*

AUGUST, 1906.

*To the President:*

Herewith are submitted the General Accounts of the Company for the fiscal year ending June 30th, 1906, and the Statements of Operation for the same period.

W. N. D. WINNE,  
*General Auditor.*

STATEMENT OF INCOME ACCOUNT, JUNE 30TH, 1906.

|   |                |                |                 |
|---|----------------|----------------|-----------------|
| Credit Balance, June 30th, 1905 .....   |                |                | \$31,185,001 59 |
| Dividend Payable October 10th, 1905, from net earnings of fiscal year ending June 30th, 1905, viz:  |                |                |                 |
| 3½% on \$49,327,400—Preferred Stock .....   | \$1,726,459 00 |                |                 |
| 3½% on \$53,183,900—Common Stock .....  | 2,036,436 50   | \$3,762,895 50 |                 |
| Amount of taxes paid on ad valorem basis, over amount of taxes paid on earnings, as follows:  |                |                |                 |
| Paid State of Wisconsin for the years 1904 and 1905 .....   | 450,434 44     |                |                 |
| Paid State of Michigan for the years 1902, 1903, 1904 and 1905 .....  | 191,567 27     | 642,001 71     | 4,404,897 21    |
| Balance, July 1st, 1905 .....   |                |                | \$26,780,104 38 |
| Gross Earnings for the year ending June 30th, 1906 .....  |                | 55,423,052 99  |                 |
| Less Operating Expenses, including Taxes .....  |                | 36,444,331 48  |                 |
| Net Earnings .....  |                | 18,978,721 51  |                 |
| Income from other sources .....   |                | 258,359 16     |                 |
| Net revenue for the year ending June 30th, 1906 .....   |                | 19,237,080 67  |                 |
| Interest accrued during the year on Funded Debt .....   | 5,913,850 00   |                |                 |
| Dividend payable April 10th, 1906, from net earnings of fiscal year ending June 30th, 1906, viz:  |                |                |                 |
| 3½% on \$49,612,400—Preferred Stock .....   | 1,736,434 00   |                |                 |
| 3½% on \$53,183,900—Common Stock .....  | 2,036,436 50   | 9,686,720 50   |                 |
|   |                | 9,550,360 17   |                 |
| Amount appropriated for the replacement of 3,662 old Box Freight Cars of small capacity, dropped from Inventory of Equipment, June 30th, 1906 | 3,295,800 00   |                |                 |
| Less cost of certain cars charged to Income Account in previous years .....   | 755,333 21     | 2,540,466 79   |                 |
| Balance for the year ending June 30th, 1906 .....   |                |                | 7,009,893 38    |
| Credit Balance, June 30th, 1906 .....   |                |                | \$33,789,997 76 |

|   |                              |                  |  |  |                  |
|---|------------------------------|------------------|--|--|------------------|
| Cost of Road and Equipment.....   | \$250,654,089 84             |                  |  |  | \$49,654,400 00  |
| Bonds, Stock, etc., of other Companies.....   | 4,650,725 97                 |                  |  |  | 58,183,900 00    |
| Amount of Capital Accounts represented by Stock and Bonds outstanding.....  |                              | \$255,304,815 81 |  |  | 107,838,300 00   |
| Earnings and other income, expended for additions and improvements to property.....                                       |                              | \$229,687,800 00 |  |  | 121,849,500 00   |
| Total Capital Accounts.....   |                              | 25,617,015 81    |  |  | 480,408 44       |
| New England Trust Co.—Bonds held in Trust for Dubuque Division Sinking Fund.....  | 412,000 00                   | \$255,304,815 81 |  |  | 539 12           |
| Farmers Loan & Trust Co.—Cash held in Special Trust for Dubuque Division and Wisconsin Valley Division Sinking Funds..... | 68,947 56                    | 480,947 56       |  |  | 13,000 00        |
| General Mortgage Bonds, unsold, held in the Treasury of the Company and due from Trustees.....                            | 2,988,000 00                 |                  |  |  | 3,434,797 69     |
| Milwaukee & Northern R. R. Co. 6% Consolidated Mortgage Bonds, unsold, held in the Treasury of this Company.....          | 1,089,000 00                 | 4,077,000 00     |  |  | 6,850,000 00     |
| *Stock of Material and Fuel.....  |                              | 4,943,872 85     |  |  | 5,025,470 81     |
| Insurance Department.....   |                              | 10,000 00        |  |  | 652,840 87       |
| Renewal and Improvement Fund—United States Trust Co., New York Union Trust Co.; New York.....                             | 1,750,221 55<br>1,758,184 76 | 3,508,406 31     |  |  | 1,109,268 33     |
| Advances to other Railway Companies.....  | 9,463,816 14                 |                  |  |  | 42,451 50        |
| Due from Agents and Conductors.....   | 1,383,438 91                 |                  |  |  | 40,712 50        |
| Due from Transportation Companies.....  | 847,401 46                   |                  |  |  | 2,719,962 50     |
| Miscellaneous Balances.....   | 1,430,536 55                 |                  |  |  |                  |
| Due from United States Government.....  | 418,301 07                   |                  |  |  |                  |
| Due from Trust Companies—Expenditures from Renewal and Improvement Fund during June, 1906.....                            | 210,211 56                   |                  |  |  |                  |
| Cash on hand.....   | 5,276,888 11                 | 19,030,613 80    |  |  |                  |
|   |                              | \$287,355,655 83 |  |  | \$287,355,655 83 |
| Capital Stock—Preferred.....  |                              |                  |  |  |                  |
| Capital Stock—Common.....   |                              |                  |  |  |                  |
| Total Capital Stock.....  |                              |                  |  |  |                  |
| Funded Debt.....  |                              |                  |  |  |                  |
| Total Stock and Funded Debt.....  |                              |                  |  |  |                  |
| Dubuque Division Sinking Fund.....  |                              |                  |  |  |                  |
| Wisconsin Valley Division Sinking Fund.....   |                              |                  |  |  |                  |
| Renewal and Improvement Fund.....   |                              |                  |  |  |                  |
| Replacement Fund—Locomotives.....   |                              |                  |  |  |                  |
| Replacement Fund—Cars.....  |                              |                  |  |  |                  |
| Bills Payable.....  |                              |                  |  |  |                  |
| Pay Rolls and Vouchers.....   |                              |                  |  |  |                  |
| Due Transportation Companies.....   |                              |                  |  |  |                  |
| Miscellaneous Balances.....   |                              |                  |  |  |                  |
| Dividends Unclaimed.....  |                              |                  |  |  |                  |
| Interest Coupons not presented.....   |                              |                  |  |  |                  |
| Interest Accrued, not yet payable.....  |                              |                  |  |  |                  |
| Income Account.....   |                              |                  |  |  |                  |

\* This amount includes about \$2,500,000 for material accumulated for the construction and equipment of extensions.

## CAPITAL STOCK, JUNE 30TH, 1906.

|   |                  |
|---|------------------|
| Amount of Preferred Stock, June 30th, 1905.....                           | \$49,327,400 00  |
| Amount of Common Stock, June 30th, 1905.....                              | 58,183,900 00    |
| Total Capital Stock, June 30th, 1905.....                                 | \$107,511,300 00 |
| Preferred Stock issued during the year in exchange for Bonds, as follows: |                  |
| For Iowa and Dakota Division Extension Bonds.....                         | 327,000 00       |
| Total Capital Stock, June 30th, 1906.....                                 | \$107,838,300 00 |

FUNDED DEBT, JUNE 30TH, 1906.

|   |                  |
|---|------------------|
| Total Funded Debt, June 30th, 1905, including all liens on purchased roads .....  | \$122,176,500 00 |
| General Mortgage Bonds issued as follows:<br>For underlying bonds retired and canceled during the year .....              | 615,000 00       |
|   | \$122,791,500 00 |
| Deduct:   |                  |
| Bonds, retired and canceled as follows:   |                  |
| Consolidated Mortgage of 1875 .....   | \$497,000 00     |
| Dubuque Division .....  | 98,000 00        |
| St. Paul (or River) Division .....  | 20,000 00        |
| Bonds received in exchange for Preferred Stock and canceled:  |                  |
| Iowa & Dakota Division Extension .....  | 327,000 00       |
|   | 942,000 00       |
| Total Funded Debt, June 30th, 1906 .....  | \$121,849,500 00 |
| Decrease .....  | \$327,000 00     |
| Of the total amount of Bonds outstanding as stated above, there remain in the Treasury unsold and due from Trustees ..... | \$4,077,000 00   |

FUNDED DEBT, JUNE 30TH, 1906.

| DESCRIPTION OF BONDS.   | DATE OF MATURITY. | RATE.   | PAYABLE.       | INTEREST.                |                       | AMOUNT OF BONDS OUTSTANDING. |
|---|-------------------|---------|----------------|--------------------------|-----------------------|------------------------------|
|   |                   |         |                | ACCRUED DURING THE YEAR. | PAID DURING THE YEAR. |                              |
| Iowa & Dakota Division Extension .....  | July 1, 1908      | 7 %     | Jan'y and July | 35,280 00                | 35,175 00             | 504,000 00                   |
| Southwestern Division .....   | July 1, 1909      | 6 "     | " "            | 240,000 00               | 239,670 00            | 4,000,000 00                 |
| Hastings & Dakota Division Extension .....  | Jan'y 1, 1910     | 7 "     | " "            | 397,600 00               | 397,215 00            | 5,680,000 00                 |
| Hastings & Dakota Division Extension .....  | Jan'y 1, 1910     | 5 "     | " "            | 49,500 00                | 49,775 00             | 990,000 00                   |
| Chicago & Pacific Division .....  | Jan'y 1, 1910     | 6 "     | " "            | 180,000 00               | 179,580 00            | 3,000,000 00                 |
| Southern Minnesota Division .....   | Jan'y 1, 1910     | 6 "     | " "            | 445,920 00               | 445,080 00            | 7,432,000 00                 |
| Mineral Point Division .....  | July 1, 1910      | 5 "     | " "            | 142,000 00               | 141,925 00            | 2,840,000 00                 |
| Terminal Mortgage .....   | July 1, 1914      | 5 "     | " "            | 237,400 00               | 237,500 00            | 4,748,000 00                 |
| La Crosse & Davenport Division .....  | July 1, 1919      | 5 "     | " "            | 125,000 00               | 125,875 00            | 2,500,000 00                 |
| Dubuque Division .....  | July 1, 1920      | 6 "     | " "            | 322,020 00               | 321,630 00            | 5,367,000 00                 |
| Wisconsin Valley Division .....   | July 1, 1921      | 6 "     | " "            | 120,120 00               | 119,940 00            | 2,002,000 00                 |
| Chicago & Pacific Western Division .....  | Jan'y 1, 1921     | 5 "     | " "            | 1,267,000 00             | 1,266,350 00          | 25,340,000 00                |
| Wisconsin & Minnesota Division .....  | July 1, 1921      | 5 "     | " "            | 237,750 00               | 237,150 00            | 4,755,000 00                 |
| Chicago & Lake Superior Division .....  | July 1, 1921      | 5 "     | " "            | 68,000 00                | 67,975 00             | 1,360,000 00                 |
| Chicago & Missouri River Division .....   | July 1, 1926      | 5 "     | " "            | 154,150 00               | 154,575 00            | 3,083,000 00                 |
| General Mortgage .....  | May 1, 1929       | 4 "     | " "            | 1,073,160 00             | 953,950 00            | 26,829,000 00                |
| General Mortgage .....  | May 1, 1929       | 3 1/2 " | " "            | 313,250 00               | 230,781 25            | 8,950,000 00                 |
| Wisconsin Valley R. R. Co. .....  | Jan'y 1, 1909     | 7 "     | " "            | 77,455 00                | 78,487 50             | 1,106,500 00                 |
| Mil. & Northern R. R. Co. 1st Mortgage .....  | June 1, 1910      | 6 "     | June and Dec.  | 129,300 00               | 129,660 00            | 2,155,000 00                 |
| Mil. & Northern R. R. Co. Consolidated .....  | June 1, 1913      | 6 "     | " "            | 305,520 00               | 239,880 00            | 5,092,000 00                 |
| Dakota & Great Southern Ry Co. .....  | Jan'y 1, 1916     | 5 "     | Jan'y and July | 142,800 00               | 142,325 00            | 2,856,000 00                 |
| Fargo & Southern Ry Co. .....   | Jan'y 1, 1924     | 6 "     | " "            | 75,000 00                | 74,970 00             | 1,250,000 00                 |
| Consolidated Mortgage .....   |                   |         |                |                          | 700 00                | 10,000 00                    |
| Interest on bonds retired .....   |                   |         |                | 3,480 00                 | 37,132 50             |                              |
|   |                   |         |                | \$6,141,705 00           |                       |                              |
|   |                   |         |                | 227,855 00               |                       |                              |
|   |                   |         |                | \$5,913,850 00           |                       | \$121,849,500 00             |
| Total .....   |                   |         |                |                          |                       |                              |
| Less Amount of Interest on Bonds in the Treasury of the Company and in hands of Trustees—not payable—included above ..... |                   |         |                |                          |                       |                              |
| Total .....   |                   |         |                |                          |                       |                              |

<sup>a</sup> Bonds matured and interest ceased July 1st, 1906.

# DETAILED STATEMENT OF EARNINGS AND EXPENSES

FOR THE YEARS ENDING JUNE 30TH, 1905 AND 1906.

## EARNINGS.

|                          | 1905            | 1906            | INCREASE.      | DECREASE. |
|--------------------------|-----------------|-----------------|----------------|-----------|
| Freight .....            | \$35,968,946 47 | \$40,187,710 03 | \$4,218,763 56 |           |
| Passenger .....          | 10,126,957 74   | 11,123,545 22   | 996,587 48     |           |
| Mails, Express, etc..... | 3,788,209 44    | 4,111,797 74    | 323,588 30     |           |
| Gross Earnings .....     | \$49,884,113 65 | \$55,423,052 99 | \$5,538,939 34 |           |

## EXPENSES.

|  | 1905           | 1906           | INCREASE     | DECREASE  |
|--|----------------|----------------|--------------|-----------|
| <b>MAINTENANCE OF WAY AND STRUCTURES.</b>            |                |                |              |           |
| Roadway .....  | \$2,895,984 39 | \$3,297,504 44 | \$401,520 05 |           |
| Rails .....  | 366,234 05     | 539,725 25     | 173,491 20   |           |
| Ties .....   | 484,210 52     | 567,584 54     | 83,374 02    |           |
| Bridges and Culverts .....                           | 637,948 58     | 645,554 92     | 7,606 34     |           |
| Fences, Road Crossings, Signs and Cattle Guards..... | 179,487 42     | 205,239 66     | 25,752 24    |           |
| Buildings and Fixtures.....                          | 694,151 27     | 631,129 22     |              | 63,022 05 |
| Docks and Wharves.....                               | 32,881 50      | 18,616 64      |              | 14,264 86 |
| Telegraph .....                                      | 43,278 81      | 47,358 88      | 4,080 07     |           |
| Stationery and Printing .....                        | 2,449 42       | 2,718 68       | 269 26       |           |
| Total—Maintenance of Way and Structures.....         | \$5,336,625 96 | \$5,955,432 23 | \$618,806 27 |           |
| <b>MAINTENANCE OF EQUIPMENT.</b>                     |                |                |              |           |
| Superintendence .....                                | 97,550 13      | 100,884 19     | 3,334 06     |           |
| Locomotives .....                                    | 1,918,230 63   | 1,915,387 47   |              | 2,843 16  |
| Passenger Cars .....                                 | 701,062 75     | 688,695 17     |              | 12,367 58 |
| Freight Cars.....                                    | 2,109,946 30   | 2,445,702 05   | 335,755 75   |           |
| Work Cars .....                                      | 73,522 13      | 88,087 91      | 14,565 78    |           |
| Shop Machinery and Tools .....                       | 118,301 91     | 147,426 71     | 29,124 80    |           |
| Stationery and Printing.....                         | 8,153 39       | 9,217 84       | 1,064 45     |           |
| Other Expenses.....                                  | 154,818 55     | 202,644 84     | 47,826 29    |           |
| Total—Maintenance of Equipment.....                  | \$5,181,585 79 | \$5,598,046 18 | \$416,460 39 |           |
| <b>CONDUCTING TRANSPORTATION.</b>                    |                |                |              |           |
| Superintendence .....                                | 379,317 59     | 395,894 86     | 16,577 27    |           |
| Engine and Roundhouse Men.....                       | 3,270,650 97   | 3,502,756 57   | 232,105 60   |           |
| Fuel for Locomotives .....                           | 4,241,453 06   | 4,501,777 28   | 260,324 22   |           |
| Water Supply for Locomotives .....                   | 175,014 65     | 186,151 32     | 11,136 67    |           |
| Oil, Tallow and Waste for Locomotives .....          | 120,091 63     | 124,386 57     | 4,294 94     |           |

|  | 1905            | 1906            | INCREASE       | DECREASE  |
|--|-----------------|-----------------|----------------|-----------|
| <b>CONDUCTING TRANSPORTATION--Continued.</b> |                 |                 |                |           |
| Other Supplies for Locomotives.....          | 51,704 44       | 59,090 55       | 7,386 11       |           |
| Train Service.....                           | 2,318,531 37    | 2,437,012 21    | 118,480 84     |           |
| Train Supplies and Expenses.....             | 517,484 96      | 555,171 62      | 37,686 66      |           |
| Switchmen, Flagmen and Watchmen.....         | 1,382,224 09    | 1,565,646 62    | 183,422 53     |           |
| Telegraph Expenses .....                     | 360,594 12      | 382,366 46      | 21,772 34      |           |
| Station Service .....                        | 2,560,393 47    | 2,797,329 31    | 236,935 84     |           |
| Station Supplies.....                        | 188,533 97      | 190,179 87      | 1,645 90       |           |
| Switching Charges—Balance .....              | 252,092 17      | 273,303 77      | 21,211 60      |           |
| Use of Cars and Locomotives—Balance.....     | 97,790 41       | 222,496 85      | 124,706 44     |           |
| Loss and Damage.....                         | 479,437 42      | 467,002 83      |                | 12,434 59 |
| Injuries to Persons.....                     | 317,708 70      | 392,499 13      | 74,790 43      |           |
| Clearing Wrecks.....                         | 40,763 90       | 49,146 46       | 8,382 56       |           |
| Advertising .....                            | 187,146 19      | 209,626 37      | 22,480 18      |           |
| Outside Agencies .....                       | 530,653 33      | 542,980 93      | 12,327 60      |           |
| Stock Yards and Elevators .....              | 52,517 52       | 43,884 35       |                | 8,633 17  |
| Rents for Tracks and Terminals—Balance.....  | 375,966 72      | 421,829 46      | 45,862 74      |           |
| Rents of Buildings and Other Property.....   | 53,611 12       | 55,969 31       | 2,358 19       |           |
| Stationery and Printing.....                 | 160,274 92      | 167,574 23      | 7,299 31       |           |
| Other Expenses.....                          | 166,500 82      | 155,303 67      |                | 11,197 15 |
| Total—Conducting Transportation.....         | \$18,280,457 54 | \$19,699,380 60 | \$1,418,923 06 |           |
| <b>GENERAL EXPENSES.</b>                     |                 |                 |                |           |
| Salaries of General Officers.....            | 334,682 86      | 318,155 06      |                | 16,527 80 |
| Salaries of Clerks and Attendants.....       | 399,262 25      | 424,115 96      | 24,853 71      |           |
| General Office Expenses and Supplies.....    | 33,975 38       | 36,400 07       | 2,424 69       |           |
| Insurance .....                              | 147,796 08      | 149,716 45      | 1,920 37       |           |
| Law Expenses.....                            | 59,817 75       | 67,965 58       | 8,147 83       |           |
| Stationery and Printing—General Offices..... | 61,976 35       | 65,739 24       | 3,762 89       |           |
| Other Expenses.....                          | 205,568 03      | 174,561 92      |                | 31,006 11 |
| Total—General Expenses.....                  | \$1,243,078 70  | \$1,236,654 28  |                | 6,424 42  |
| Taxes—General.....                           | 1,632,332 58    | 1,730,728 95    | 98,396 37      |           |
| Renewal and Improvement Account .....        |                 | 1,511,758 23    | 1,511,758 23   |           |
| Additions to Property.....                   | 319,960 28      | 712,331 01      | 92,370 73      |           |
| Total Expenses.....                          | \$32,294,040 85 | \$36,444,331 48 | \$4,150,290 63 |           |
| Net Earnings.....                            | \$17,590,072 80 | \$18,978,721 51 | \$1,388,648 71 |           |

**COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES**  
FOR THE YEARS ENDING JUNE 30TH, 1905 AND 1906.

**EARNINGS.**

|                           | 1905            |          | 1906            |          |
|---------------------------|-----------------|----------|-----------------|----------|
|                           | AMOUNT          | PER CENT | AMOUNT          | PER CENT |
| Freight .....             | \$35,968,946 47 | 72.11    | \$40,187,710 03 | 72.51    |
| Passenger .....           | 10,126,957 74   | 20.30    | 11,123,545 22   | 20.07    |
| Mails, Express, etc. .... | 3,788,209 44    | 7.59     | 4,111,797 74    | 7.42     |
| Gross Earnings .....      | \$49,884,113 65 | 100.00   | \$55,423,052 99 | 100.00   |

**EXPENSES.**

|   |                 |       |                 |       |
|---|-----------------|-------|-----------------|-------|
| Maintenance of Way and Structures ..... | \$5,336,625 96  | 10.70 | \$5,955,432 23  | 10.75 |
| Maintenance of Equipment .....          | 5,181,585 79    | 10.39 | 5,598,046 18    | 10.10 |
| Conducting Transportation .....         | 18,280,457 54   | 36.65 | 19,699,380 60   | 35.54 |
| General Expenses .....                  | 1,243,078 70    | 2.49  | 1,236,654 28    | 2.23  |
| Taxes—General .....                     | 1,632,332 58    | 3.27  | 1,730,728 95    | 3.12  |
| Renewal and Improvement Account .....   |                 |       | 1,511,758 23    | 2.73  |
| Additions to Property .....             | 619,960 28      | 1.24  | 712,331 01      | 1.29  |
| Total Expenses .....                    | \$32,294,040 85 | 64.74 | \$36,444,331 48 | 65.76 |

**RECAPITULATION.**

|                             |                 |        |                 |        |
|-----------------------------|-----------------|--------|-----------------|--------|
| Gross Earnings .....        | \$49,884,113 65 | 100.00 | \$55,423,052 99 | 100.00 |
| Total Expenses .....        | 32,294,040 85   | 64.74  | 36,444,331 48   | 65.76  |
| Net Earnings .....          | \$17,590,072 80 | 35.26  | \$18,978,721 51 | 34.24  |
| Average Miles of Road ..... | 6,908 02        |        | 6,961 27        |        |

**STATEMENT OF MONTHLY EARNINGS AND EXPENSES**

FOR THE YEAR ENDING JUNE 30TH, 1906.

| MONTH               | FREIGHT         | PASSENGER       | MAILS,<br>EXPRESS, ETC. | GROSS<br>EARNINGS | OPERATING<br>EXPENSES | NET EARNINGS    |
|---------------------|-----------------|-----------------|-------------------------|-------------------|-----------------------|-----------------|
| July, 1905 .....    | \$2,559,602 89  | \$1,056,080 79  | \$340,003 87            | \$3,955,687 55    | \$2,582,754 90        | \$1,372,932 65  |
| August, " .....     | 3,016,649 74    | 1,113,658 55    | 337,097 03              | 4,467,405 32      | 3,015,831 44          | 1,451,573 88    |
| September, " .....  | 3,678,091 85    | 1,230,369 56    | 353,426 07              | 5,261,887 48      | 3,357,754 36          | 1,904,133 12    |
| October, " .....    | 4,258,438 70    | 983,411 67      | 356,753 08              | 5,598,603 45      | 3,272,972 64          | 2,325,630 81    |
| November, " .....   | 3,793,897 54    | 835,022 65      | 343,669 19              | 4,972,589 38      | 3,018,241 19          | 1,954,348 19    |
| December, " .....   | 3,528,719 92    | 902,637 56      | 359,354 75              | 4,790,712 23      | 2,942,825 59          | 1,847,886 64    |
| January, 1906 ..... | 3,227,638 74    | 762,551 23      | 345,168 58              | 4,335,358 55      | 3,004,063 21          | 1,331,295 34    |
| February, " .....   | 3,052,974 56    | 668,221 67      | 324,159 82              | 4,045,356 05      | 2,871,753 40          | 1,173,602 65    |
| March, " .....      | 3,403,293 42    | 796,059 32      | 338,326 92              | 4,537,679 66      | 2,729,211 01          | 1,808,468 65    |
| April, " .....      | 3,190,399 54    | 829,370 04      | 324,031 55              | 4,343,801 13      | 3,220,285 66          | 1,123,515 47    |
| May, " .....        | 3,152,441 28    | 853,626 04      | 334,175 36              | 4,340,242 68      | 3,296,460 93          | 1,043,781 75    |
| June, " .....       | 3,325,561 85    | 1,092,536 14    | 355,631 52              | 4,773,729 51      | 3,132,177 15          | 1,641,552 36    |
| Total .....         | \$40,187,710 03 | \$11,123,545 22 | \$4,111,797 74          | \$55,423,052 99   | \$36,444,331 48       | \$18,978,721 51 |



### DETAIL OF EXPENDITURES FOR ADDITIONS AND IMPROVEMENTS TO PROPERTY.

*Charged to Capital Accounts, during the Year Ending  
June 30th, 1906.*

#### Equipment:

|                                      |                       |  |
|--------------------------------------|-----------------------|--|
| 42 Passenger Cars.....               | \$350,556 38          |  |
| 13 Sleeping Cars.....                | 227,358 41            |  |
| 4 Parlor Cars.....                   | 66,612 21             |  |
| 2 Dining Cars.....                   | 37,864 06             |  |
| 1 Composite Observation Car.....     | 19,648 63             |  |
| 33 Baggage Cars.....                 | 104,029 92            |  |
| 3 Mail and Express Cars.....         | 8,415 99              |  |
| 2 Postal Cars.....                   | 8,308 88              |  |
| 594 Box Cars.....                    | 460,770 96            |  |
| 6 Flat Cars.....                     | 5,572 20              |  |
| 718 Coal Cars.....                   | 660,098 37            |  |
| 681 Ore Cars.....                    | 452,003 01            |  |
| 326 Refrigerator Cars.....           | 295,669 79            |  |
| 324 Vegetable Cars.....              | 264,672 17            |  |
| 60 Dump Cars.....                    | 49,710 00             |  |
| 48 Ballast Cars.....                 | 31,597 34             |  |
| 2 Ballast Plow Cars.....             | 1,243 80              |  |
| 1 Snow Plow.....                     | 2,265 00              |  |
| 1 Steam Derrick.....                 | 13,281 51             |  |
| 1 Flanger.....                       | 319 47                |  |
| 4 Slope Levelers.....                | 8,243 62              |  |
| 2 Lidgerwood Unloaders and Cars..... | 11,110 60             |  |
| 10 Lidgerwood Unloading Plows.....   | 7,211 35              |  |
| 2 Ditching Machines.....             | 3,752 76              |  |
| 2 Weed Burners.....                  | 8,361 06              |  |
|                                      | <u>\$3,098,677 49</u> |  |

#### Construction of New Lines:

|  |              |              |
|--|--------------|--------------|
| Chamberlain to Rapid City, South Dakota..... | 1,683,829 73 |              |
| Madison to Renner, South Dakota.....         | 282,212 93   |              |
| Armour Branch Extension, South Dakota.....   | 160,197 38   |              |
| Gleason Branch Extension, Wisconsin.....     | 47,502 45    |              |
| Oglesby to Granville, Illinois.....          | 246,096 98   |              |
| Completion of sundry lines.....              | 143,011 07   | 2,562,850 54 |

#### Construction of Second Main Track:

|                                    |            |                       |
|------------------------------------|------------|-----------------------|
| La Crosse Division, Wisconsin..... | 184,237 16 |                       |
| River Division, Minnesota.....     | 250,837 49 | 435,124 65            |
| Real Estate.....                   |            | 79,486 28             |
| Carried forward.....               |            | <u>\$6,176,138 96</u> |

### DETAIL OF EXPENDITURES FOR ADDITIONS AND IMPROVEMENTS TO PROPERTY.—CONTINUED.

|  |            |                       |
|--|------------|-----------------------|
| Brought forward.....   |            | \$6,176,138 96        |
| Miscellaneous Improvements:                                    |            |                       |
| Additions and Improvements to Shops.....                       | 344,143 02 |                       |
| New Yard, West Davenport.....                                  | 437 65     |                       |
| New Yard Tracks, Sidings and Spur Tracks.....                  | 247,598 49 |                       |
| Ballasting.....  | 273,646 85 |                       |
| Track and Bridge, Ontonagon, Mich.....                         | 5,272 03   |                       |
| Permanent Protection, Kansas City Bridge.....                  | 15,034 01  |                       |
| Elevator, Kansas City, Mo.....                                 | 45,235 62  |                       |
| Galewood Yard and Structures.....                              | 43,811 02  |                       |
| Other Additions to Property.....                               | 280,547 39 | 1,255,726 08          |
| St. Paul Coal Company.....                                     | 138,880 51 |                       |
| Improvement Davenport, Rock Island & North<br>Western R'y..... | 7,178 00   |                       |
| Minnesota Transfer R'y Co. Bonds.....                          | 6,170 39   |                       |
| Chicago & Pacific R. R. Co. Stock.....                         | 10 00      |                       |
| Dubuque South Western R'y Co. Stock.....                       | 12 00      | 152,250 90            |
|  |            | <u>\$7,584,115 94</u> |

#### Credit—

|   |                       |                         |
|---|-----------------------|-------------------------|
| Sundry Credits—Real Estate sold, cost of build-<br>ings taken down, destroyed, etc..... | 189,731 51            |                         |
|   | <u>\$7,394,384 43</u> |                         |
| Total—Capital Accounts—June 30th, 1905..  |                       | <u>\$247,910,431 38</u> |
| Total—Capital Accounts—June 30th, 1906..  |                       | <u>\$255,304,815 81</u> |

## COMPARATIVE SUMMARY OF OPERATION

FOR THE YEARS ENDING JUNE 30TH, 1905 AND 1906.

|  | 1905            | 1906            | INCREASE       |
|--|-----------------|-----------------|----------------|
| Gross Earnings .....                                       | \$49,884,113 65 | \$55,423,052 99 | \$5,538,939 34 |
| Operating Expenses .....                                   | 32,294,040 85   | 36,444,331 48   | 4,150,290 63   |
| Net Earnings .....   | 17,590,072 80   | 18,978,721 51   | 1,388,648 71   |
| Freight Earnings per Mile of Road.....                     | 5,206 84        | 5,773 04        | 566 20         |
| Passenger, Mail and Express Earnings per Mile of Road..... | 2,014 35        | 2,188 59        | 174 24         |
| Gross Earnings per Mile of Road.....                       | 7,221 19        | 7,961 63        | 740 44         |
| Operating Expenses per Mile of Road.....                   | 4,674 86        | 5,235 30        | 560 44         |
| Net Earnings per Mile of Road.....                         | 2,546 33        | 2,726 33        | 180 00         |
| Average Miles of Road.....                                 | 6,908 02        | 6,961 27        | 53 25          |

## TRANSPORTATION STATISTICS

FOR THE YEARS ENDING JUNE 30TH, 1905 AND 1906.

|  | 1905          | 1906          |
|--|---------------|---------------|
| Miles run by freight trains .....                                  | 15,423,550    | 16,542,820    |
| Miles run by passenger trains .....                                | 11,687,034    | 12,213,107    |
| Total miles run by revenue trains .....                            | 27,110,584    | 28,755,927    |
| Miles run by loaded freight cars .....                             | 297,117,920   | 326,313,913   |
| Miles run by empty freight cars .....                              | 127,553,054   | 130,320,916   |
| Number of tons of revenue freight carried .....                    | 23,303,908    | 26,201,941    |
| Number of tons of revenue freight carried one mile .....           | 4,081,408,559 | 4,663,808,007 |
| Number of tons of Company freight carried one mile .....           | 485,422,175   | 630,939,834   |
| Number of tons of revenue freight per train mile .....             | 264.62        | 281.92        |
| Number of tons of Company freight per train mile .....             | 31.47         | 38.14         |
| Total number of tons of freight per train mile .....               | 296.09        | 320.06        |
| Number of tons of revenue freight per loaded car .....             | 13.737        | 14.292        |
| Number of tons of Company freight per loaded car .....             | 1.634         | 1.934         |
| Total number of tons of freight per loaded car .....               | 15.371        | 16.226        |
| Average number of loaded freight cars per train .....              | 19.264        | 19.725        |
| Average number of empty freight cars per train .....               | 8.270         | 7.878         |
| Average number of loaded and empty freight cars per train .....    | 27.534        | 27.603        |
| Average miles each ton of revenue freight was carried .....        | 175.14        | 177.99        |
| Number of passengers carried .....                                 | 10,364,725    | 11,190,021    |
| Number of passengers carried one mile .....                        | 451,490,651   | 498,461,791   |
| Average miles each passenger was carried .....                     | 43.56         | 44.55         |
| Average amount received per ton of revenue freight .....           | \$1.54 3      | \$1.53 4      |
| Average revenue from freight per train mile .....                  | \$2.33 2      | \$2.42 9      |
| Average revenue per ton of revenue freight per mile .....          | .8813 cts.    | .8617 cts.    |
| Average revenue from passengers per train mile .....               | 86.65 cts.    | 91.08 cts.    |
| Average revenue per passenger per mile .....                       | 2.243 cts.    | 2.232 cts.    |
| Maintenance of Equipment per revenue train mile .....              | 19.11 cts.    | 19.47 cts.    |
| Station Service per revenue train mile .....                       | 9.44 cts.     | 9.73 cts.     |
| Train Service per revenue train mile .....                         | 8.55 cts.     | 8.47 cts.     |
| Engine and Roundhouse Men per revenue train mile .....             | 12.06 cts.    | 12.18 cts.    |
| Train and Station Supplies per revenue train mile .....            | 2.60 cts.     | 2.59 cts.     |
| Fuel for Locomotives per revenue train mile .....                  | 15.65 cts.    | 15.66 cts.    |
| Oil, Tallow and Waste for Locomotives per revenue train mile ..... | .44 cts.      | .43 cts.      |
| All other Expenses per revenue train mile .....                    | 51.27 cts.    | 58.21 cts.    |
| Total Operating Expenses per revenue train mile .....              | \$1.19 12     | \$1.26 74     |
| Percentage of Expenses, including Taxes, to Earnings .....         | 64.74%        | 65.76%        |

## STATEMENT OF COMMODITIES TRANSPORTED

DURING THE YEARS ENDING JUNE 30TH, 1905 AND 1906.

| COMMODITIES                           | 1905              |          | 1906              |          |
|---------------------------------------|-------------------|----------|-------------------|----------|
|                                       | Tons              | Per Cent | Tons              | Per Cent |
| <b>PRODUCTS OF AGRICULTURE:</b>       |                   |          |                   |          |
| Flour.....                            | 585,485           | 2.513    | 658,827           | 2.515    |
| Other Mill Products.....              | 283,085           | 1.215    | 409,308           | 1.562    |
| Wheat.....                            | 1,189,734         | 5.105    | 1,343,062         | 5.126    |
| Rye.....                              | 71,498            | .307     | 66,778            | .255     |
| Barley.....                           | 883,911           | 3.814    | 994,145           | 3.794    |
| Oats.....                             | 705,027           | 3.025    | 1,068,268         | 4.077    |
| Corn.....                             | 671,261           | 2.880    | 736,840           | 2.812    |
| Flax Seed.....                        | 85,139            | .365     | 140,388           | .536     |
| Hay.....                              | 188,819           | .810     | 141,685           | .541     |
| Fruit and Vegetables.....             | 349,990           | 1.502    | 335,204           | 1.279    |
| Other Agricultural Products.....      | 247,869           | 1.064    | 196,816           | .751     |
|                                       | 5,266,818         | 22.600   | 6,091,321         | 23.248   |
| <b>PRODUCTS OF ANIMALS:</b>           |                   |          |                   |          |
| Live Stock.....                       | 1,055,786         | 4.530    | 1,092,569         | 4.170    |
| Dressed Meats.....                    | 139,275           | .598     | 273,900           | 1.045    |
| Other Packing House Products.....     | 188,247           | .808     | 115,469           | .441     |
| Other Animal Products.....            | 236,249           | 1.014    | 190,592           | .727     |
|                                       | 1,619,557         | 6.950    | 1,672,530         | 6.383    |
| <b>PRODUCTS OF MINES:</b>             |                   |          |                   |          |
| Anthracite Coal.....                  | 774,472           | 3.323    | 806,806           | 3.079    |
| Bituminous Coal.....                  | 2,473,150         | 10.613   | 2,842,978         | 10.850   |
| Coke.....                             | 380,516           | 1.633    | 548,260           | 2.093    |
| Iron and other Ores.....              | 1,751,573         | 7.517    | 1,908,352         | 7.283    |
| Stone, Sand, etc.....                 | 1,081,145         | 4.639    | 1,255,731         | 4.793    |
| Salt.....                             | 109,893           | .472     | 112,140           | .428     |
|                                       | 6,570,749         | 28.197   | 7,474,267         | 28.526   |
| <b>PRODUCTS OF FOREST:</b>            |                   |          |                   |          |
| Lumber, Lath and Shingles.....        | 1,927,411         | 8.271    | 2,070,094         | 7.901    |
| Sash, Doors and Blinds.....           | 68,771            | .295     | 74,444            | .284     |
| Other Forest Products.....            | 1,910,959         | 8.200    | 1,673,042         | 6.385    |
|                                       | 3,907,141         | 16.766   | 3,817,580         | 14.570   |
| <b>MANUFACTURES:</b>                  |                   |          |                   |          |
| Petroleum and other Oils.....         | 208,825           | .896     | 225,315           | .860     |
| Iron and Steel.....                   | 1,005,336         | 4.315    | 1,311,287         | 5.005    |
| Castings and Machinery.....           | 182,918           | .785     | 268,669           | 1.025    |
| Agricultural Implements.....          | 167,314           | .718     | 167,981           | .641     |
| Wagons, Carriages, Tools, etc.....    | 66,193            | .284     | 79,914            | .305     |
| Lime, Cement and Plaster.....         | 319,102           | 1.369    | 385,403           | 1.471    |
| Brick.....                            | 382,522           | 1.641    | 420,676           | 1.605    |
| Wines, Liquors and Beers.....         | 607,716           | 2.608    | 434,517           | 1.658    |
| Household Goods and Furniture.....    | 106,931           | .459     | 129,686           | .495     |
| Paper.....                            | 162,712           | .698     | 170,523           | .651     |
| Other Manufactures.....               | 706,177           | 3.030    | 749,311           | 2.860    |
|                                       | 3,915,746         | 16.803   | 4,343,282         | 16.576   |
| <b>COMMODITIES NOT SPECIFIED.....</b> |                   |          |                   |          |
|                                       | 2,023,897         | 8.684    | 2,802,961         | 10.697   |
| <b>Total.....</b>                     | <b>23,303,908</b> |          | <b>26,201,941</b> |          |

## INVENTORY OF EQUIPMENT

JUNE 30TH, 1906.

## STANDARD GAUGE.

|  |        |
|--|--------|
| Locomotives.....                                 | 1,013  |
| Passenger Cars.....                              | 487    |
| Sleeping Cars.....                               | 89     |
| Parlor Cars.....                                 | 21     |
| Dining Cars.....                                 | 15     |
| Cafe Observation Cars.....                       | 3      |
| Composite Observation Cars.....                  | 3      |
| Baggage, Mail, Express and Combination Cars..... | 408    |
| Freight Cars—                                    |        |
| Box Cars.....                                    | 25,619 |
| Stock Cars.....                                  | 2,794  |
| Flat, Coal and Ore Cars.....                     | 8,516  |
| Refrigerator and Vegetable Cars.....             | 1,931  |
| Ballast Cars.....                                | 476    |
| Caboose Cars.....                                | 485    |
| Wrecking and Tool Cars.....                      | 190    |
| Business Cars.....                               | 15     |

## NARROW GAUGE.

|  |               |
|--|---------------|
| Locomotives.....                                 | 3             |
| Passenger Cars.....                              | 3             |
| Baggage, Mail, Express and Combination Cars..... | 5             |
| Freight Cars—                                    |               |
| Box Cars.....                                    | 48            |
| Stock Cars.....                                  | 36            |
| Flat Cars.....                                   | 9             |
| Caboose Cars.....                                | 1             |
| <b>Total.....</b>                                | <b>42,170</b> |

At the close of the year ending June 30th, 1905, a shortage of three hundred and eighty-four cars was shown by the inventory of equipment, and the sum required to replace them had been charged to Operating Expenses at that date.

During the present year four hundred and forty-four cars belonging to this Company were destroyed by wreck and fire on this and other roads, and three thousand six hundred and sixty-two old freight cars of small capacity, unfit for economical service, and thirty-small locomotives, have been dropped from Inventory of Equipment, June 30th, 1906.

Five hundred and eighty-two cars and twenty-nine locomotives have been purchased or built during the present year for replacement, and their cost charged to "Replacement Fund," as shown on page 10 of this report.

At the close of this fiscal year, ending June 30th, 1906, there exists a shortage of one hundred and sixty-nine flat cars, three ballast cars, fifty-seven stock cars, seventeen caboose cars and one locomotive. The amount required to replace two hundred and forty-six cars, one locomotive, and the three thousand six hundred and sixty-two freight cars referred to above is shown at the credit of the account of "Replacement Fund" on page 24 of this report.