

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. P. 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. WINN, - - - 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.....	16.53	
Total length of yard tracks, sidings and spur tracks		1,088.13
Total miles of track		<u>6,882.07</u>

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

From Evanston, to Hill Street, Wilmette, in Illinois, 1.63 miles, at a cost of \$93,340.87, to preserve ordinance rights.

From Maquoketa, to Hurstville, in Iowa, 2.34 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.....	1,574.73	"
" Minnesota	1,120.17	"
" Missouri	140.27	"
" Dakota.....	1,215.11	"
Total length of main track.....	<u>5,678.15</u>	"

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	02	
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 \$3,102.65; 500 lumber and furniture cars costing \$217,932.97; and 100 refrigerator cars costing \$75,885.92, 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 84
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.....	1,059,886 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.	243,806 76	202,227 80
Station Service.....	2,577,843 28	2,506,746 48
Conductors, Bag'e and Brakemen.	1,871,533 65	1,848,759 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 23	\$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	591,235 00	169,192 50	2,078,676 75
September, ".....	1,080,268 27	643,129 60	154,769 73	2,478,167 00
October, ".....	2,134,402 92	585,830 07	162,208 05	2,942,491 04
November, ".....	1,955,965 64	497,279 19	162,014 97	2,615,259 80
December, ".....	1,533,084 95	488,736 13	203,609 34	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, ".....	1,344,637 33	518,441 42	156,758 68	2,019,837 43
April, ".....	1,183,536 08	485,509 39	150,435 62	1,819,581 09
May, ".....	1,336,540 26	493,306 85	134,830 88	1,993,767 99
June, ".....	1,239,318 86	551,878 65	216,006 58	2,007,204 09
Total.....	17,163,721 34	6,241,030 83	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.....	320,613	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	437,221	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 98
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 Trucks, sundry points.....	111,889 01
Miscellaneous Improvements.....	327,999 36
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.....	24,833 Cords,	60,210 55
Ties.....	719,655 Number,	281,173 60
New Steel Rails.....	3,120 Tons,	97,676 05
Old Steel Rails.....	4,816 Tons,	118,360 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 amount 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.....	1,680,089,864	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.....	4,480.18 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.....		\$ 690,818 36
Gross Earnings.....	\$25,492,859 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.....	\$9,790,770 03	
Interest accrued during the year on Funded Debt.....	7,054,470 90	
Old accounts charged off.....	234,126 10	
Dividend No. 37, payable Oct. 22d, 1888, 2 1/2 % on \$21,610,900, preferred stock.....	540,272 50	
Dividend No. 38, payable April 26th, 1889, 3% on \$21,610,900, preferred stock.....	432,218 00	
Total.....	8,261,087 50	
Balance at credit June 30th, 1889.....	\$1,538,682 44	

Dr. GENERAL ACCOUNT, JUNE 30th, 1889. Cr.

Cost of Road and Equipment.....	\$183,889,871 34	Capital Stock, Preferred.....	\$21,610,900 00	
Bonds, Stock, etc., of other Companies.....	\$1,197,965 10	" " Common.....	39,868,961 00	\$61,479,861 00
Balances due from Agents, Conductors, etc.....	195,253 92	Funded Debt.....		123,765,000 00
Due from United States Government.....	316,003 20	Pay Rolls, Vouchers and Accounts.....	2,183,076 34	
Miscellaneous Accounts.....	1,346,611 85	Dividends Unclaimed.....	75,963 67	
Stock of Material and Fuel on hand.....	1,932,490 95	Interest Coupons not presented.....	43,925 66	
Bills Receivable.....	12,200 00	Interest accrued, not yet payable.....	3,478,496 81	5,781,462 48
Mortgage Bonds of the Company unsold, held in its Treasury.....	738,000 00	Income Account.....		1,538,682 44
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.		AMOUNT OUTSTANDING.	RATE.	INTEREST.		
	DATE OF ISSUR.	WHEN DUE.			WHEN PAYABLE.	AMOUNT ACCRUED DURING YEAR.	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	
Less amount of accrued interest received.....							\$7,049,162 48 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.