



1891.

**TWENTY-SEVENTH ANNUAL REPORT**

OF THE

**Chicago, Milwaukee & St. Paul**

**RAILWAY COMPANY,**

**For the Fiscal Year Ending June 30th, 1891.**

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



**REPORT**  
**OF THE**  
**BOARD OF DIRECTORS.**

THE  
**TWENTY-SEVENTH ANNUAL REPORT**  
 OF THE DIRECTORS OF THE  
**CHICAGO, MILWAUKEE & ST. PAUL**  
 RAILWAY COMPANY,  
 TO THE STOCKHOLDERS.

For the Fiscal Year Ending June 30th, 1891.

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

The operation for the year shows the following result:

Gross Earnings.....	\$27,504,224 49
Operating Expenses.....	18,866,500 07
Net Earnings.....	\$9,187,724 42
Income from other sources.....	884,207 40
Total.....	\$9,471,981 82
Fixed Charges, Interest on Bonds.....	7,287,251 61
Balance above Fixed Charges.....	\$2,284,680 21

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

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

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

The lines of road are located as follows:

In Illinois .....	818.08	miles.
“ Wisconsin .....	1,874.66	“
“ Iowa .....	1,558.27	“
“ Minnesota .....	1,120.09	“
“ North Dakota .....	118.21	“
“ South Dakota .....	1,096.82	“
“ Missouri .....	140.27	“
Total length of main track .....	5,721.40	“

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

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

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

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

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

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

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

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

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

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

### DOUBLE TRACK.

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

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

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



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

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

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

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

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

### COMPARATIVE SUMMARY OF OPERATION.

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

MILEAGE OF EMPTY FREIGHT CARS.		
1890 .....	71,739,953	
1891 .....	71,481,974	Decrease..... 257,979
COST OF OPERATING ROAD PER REVENUE TRAIN MILE RUN.		
1890 .....	87.70 cts.	
1891 .....	91.90 cts.	Increase..... 4.20 cts.
GROSS EARNINGS PER MILE OF ROAD.		
1890 .....	\$4,667 79	
1891 .....	4,816 85	Increase .....\$149 06
OPERATING EXPENSES PER MILE OF ROAD.		
1890 .....	\$3,035 72	
1891 .....	3,216 55	Increase .....\$180 83
NET EARNINGS PER MILE OF ROAD.		
1890 .....	\$1,632 07	
1891 .....	1,600 30	Decrease .....\$31 77
AVERAGE MILES OF ROAD OPERATED DURING THE YEAR.		
1890 .....	5,657	
1891 .....	5,710	Increase ..... 53

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

1865.....4.11 cts.	1874.....2.98 cts.	1888.....1.39 cts.
1866.....8.76 "	1875.....2.10 "	1884.....1.29 "
1867.....3.94 "	1876.....2.04 "	1885.....1.28 "
1868.....3.49 "	1877.....2.08 "	1886.....1.17 "
1869.....3.10 "	1878.....1.80 "	1887.....1.09 "
1870.....2.82 "	1879.....1.72 "	1888.....1.006 "
1871.....2.54 "	1880.....1.76 "	1889.....1.059 "
1872.....2.48 "	1881.....1.70 "	1890.....0.995 "
1873.....2.50 "	1882.....1.48 "	1891.....1.008 "

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

About 2.82 miles of pile and trestle bridges have been filled with earth, and 185 wooden culverts have been replaced with iron.

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

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

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

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

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

200 Furniture Cars .....	Costing, \$111,609 13
250 Lumber Cars .....	" 134,251 04
50 Refrigerator Cars .....	" 45,708 83
150 Flat Cars .....	" 54,520 62
65 Log Cars .....	" 17,846 65
3 Postal Cars .....	" 10,925 14
1 Ore Car (Experimental) .....	" 627 99
7 Locomotives without Tenders .....	" 46,664 66
2 Locomotives .....	" 14,482 92
10 Tenders .....	" 9,116 77
	<hr/> 445,753 75

There has also been expended during the year in the Company's shops, for power brakes, automatic couplers, steam-heat and electric-light equipment, and other improvements to rolling-stock, the sum of . . .

	119,855 12
	<hr/> \$1,757,533 46

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

Of the above expenditure for new rolling-stock the sum of \$288,174.94 has been charged to expenses during the year, for the purpose of maintaining at the cost of operating expenses the full capacity of the equipment.

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

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

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

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

Of the total increase in expenses, \$350,174.95 were for conducting transportation. This was partially due to increased tonnage, and partially to increase of wages and reduction of the standard of a day's work, in train service, from twelve to ten hours—which had effect only during the latter part of the year, and will be felt more in the coming year, because it will apply to the entire year.

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

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

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

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

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

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

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

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

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

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

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

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

The payments of this Company for labor directly employed in its service during the past year, were \$12,468,862.94; and for material and supplies, \$6,955,777.07, of which at least 75%, or \$5,216,832.80, were for labor in production, making a total of \$17,680,195.74 expended for labor. Nearly all of this sum is distributed among the sellers of merchandise, food products and fuel, so that the larger part of payments for transportation, goes directly back to the sources from which it came.

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

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

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

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

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

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

By order of the Board of Directors,

ROSWELL MILLER,

*President.*

AUGUST, 1891.



*To the President:—*

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

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



DETAILED STATEMENT

OF

EARNINGS AND EXPENSES

FOR THE YEARS ENDING JUNE 30, 1890 AND 1891.

EARNINGS.

	1890.	1891.
From Freight.....	\$18,887,009 51	\$19,012,159 12
From Passengers.....	5,981,639 86	6,277,774 05
From Mails, Express, Etc.....	2,087,059 48	2,214,291 82
Gross Earnings.....	\$26,405,708 85	\$27,504,224 49

EXPENSES.

	1890.	1891.
Repairs of Track.....	\$1,224,684 28	\$1,517,324 90
Renewal of Rails.....	274,918 72	457,657 02
Renewal of Ties.....	632,547 31	838,189 83
Repairs of Bridges.....	781,395 61	682,680 55
Repairs of Fences.....	48,220 89	60,461 17
Repairs of Buildings.....	157,947 58	212,669 81
Repairs of Locomotives.....	1,147,851 61	1,177,122 26
Repairs of Cars.....	1,373,950 61	1,519,923 02
Repairs of Tools and Machinery.	118,047 58	90,879 02
Carried forward.....	\$5,759,564 14	\$6,551,907 58

	1890.	1891.
Brought forward.....	\$ 5,759,564 14	\$ 6,551,907 58
Management and General Offices.	556,608 17	587,180 92
Foreign Agency and Advertising.	219,177 60	192,195 72
Station Service.....	2,595,822 08	2,750,056 79
Conductors, Bag'ge and Brakemen	1,420,854 12	1,455,192 01
Engineers, Firemen and Wipers.	1,776,300 80	1,889,459 51
Train and Station Supplies.....	464,194 34	508,088 86
Fuel Consumed.....	1,998,925 42	2,040,290 97
Oil and Waste.....	125,576 73	148,159 20
Personal Injuries.....	170,022 66	204,648 24
Damage to Property.....	62,988 98	88,610 23
Loss and Damage of Fr't and B'ge	89,800 84	68,498 57
Legal Expenses.....	115,552 35	124,985 07
New York Office Expenses.....	27,398 67	27,448 29
Taxes.....	880,046 55	857,906 53
Insurance.....	57,126 24	57,518 39
Miscellaneous Expenses.....	195,106 88	242,214 69
Stock Yard Expenses.....	18,581 93	14,255 50
Expenses of Elevators.....	47,982 32	42,942 10
Mileage of Cars.....	207,665 58	287,607 52
Sleeping and Parlor Car Expenses .....		42,458 44
Trackage and Switching Charges.	440,612 44	254,984 94
Total Expenses.....	\$17,173,097 79	\$18,866,500 07

### RECAPITULATION.

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

## STATEMENT OF MONTHLY EARNINGS AND EXPENSES.

	FREIGHT.	PASSENGER.	MAILS, EXPRESS, ETC.	GROSS EARNINGS.	OPERATING EXPENSES.	NET EARNINGS.
July, 1890.....	\$1,327,300 20	\$634,854 21	\$186,913 15	\$2,149,067 56	\$1,482,342 18	666,725 38
August, ".....	1,527,816 58	604,982 83	189,889 33	2,322,688 74	1,570,805 62	751,883 12
September, ".....	1,816,005 24	717,524 41	181,098 51	2,714,628 16	1,692,878 53	1,021,749 63
October, ".....	2,143,311 75	594,001 77	168,457 03	2,905,770 55	1,729,779 94	1,175,990 61
November, ".....	1,992,066 44	473,585 34	185,293 95	2,650,985 73	1,593,038 92	1,057,946 81
December, ".....	1,779,529 94	479,757 75	193,992 27	2,453,279 96	1,497,675 99	955,603 97
January, 1891.....	1,328,676 54	434,866 35	182,653 18	1,946,196 07	1,427,280 39	518,915 68
February, ".....	1,308,063 52	388,373 35	182,555 77	1,878,992 64	1,466,396 71	412,595 93
March, ".....	1,499,418 49	456,410 36	176,064 14	2,131,892 99	1,378,795 33	753,097 66
April, ".....	1,442,380 87	482,421 57	180,757 42	2,105,559 86	1,509,415 19	596,144 67
May, ".....	1,445,031 26	468,399 71	184,116 60	2,097,547 57	1,545,093 59	552,453 98
June, ".....	1,402,528 29	542,586 40	202,498 97	2,147,614 66	1,473,997 68	674,616 98
Total.....	\$19,012,159 12	\$6,277,774 05	\$2,214,291 32	\$27,504,224 49	\$18,366,500 07	\$9,137,724 42

**EQUIPMENT IN SERVICE JUNE 30th, 1891.**

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

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

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

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

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



## STATEMENT OF COMMODITIES TRANSPORTED

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

COMMODITIES.	1890.		1891.	
	Tons.	Per Cent.	Tons.	Per Cent.
Flour .....	335,846	3.614	417,006	4.011
Mill Feed .....	73,721	.793	91,538	.881
Wheat .....	827,517	8.905	708,162	6.811
Rye .....	65,612	.706	61,562	.592
Barley .....	330,183	3.553	426,042	4.098
Oats .....	308,031	3.315	410,647	3.950
Corn .....	391,314	4.211	335,822	3.227
Flax Seed .....	90,339	.972	161,796	1.556
Hay .....	95,953	1.033	108,479	1.043
Dairy Products .....	52,571	.566	56,065	.539
Other Agricultural Products ..	103,046	1.109	121,786	1.172
Provisions .....	223,431	2.404	223,168	2.147
Salt .....	75,821	.816	63,051	.607
Lime, Cement and Plaster .....	158,216	1.702	177,260	1.705
Brick and Stone .....	377,583	4.063	498,693	4.796
Iron and Steel .....	243,215	2.617	233,230	2.243
Manuf'r and Agricult'l Imp .....	259,579	2.793	342,869	3.298
Coal .....	1,007,080	10.837	1,141,555	10.980
Live Stock .....	643,122	6.921	674,559	6.489
Lumber .....	1,340,252	14.422	1,824,786	17.551
Merchandise .....	850,492	9.152	822,240	7.909
Ice .....			389,190	3.743
Miscellaneous .....	1,440,068	15.496	1,107,529	10.652
<b>Totals .....</b>	<b>9,292,992</b>	<b>100.000</b>	<b>10,397,035</b>	<b>100.000</b>

## DETAIL OF EQUIPMENT AND IMPROVEMENT EXPENDITURES

FOR THE YEAR ENDING JUNE 30TH, 1891.

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

**MATERIAL AND FUEL ON HAND.**

Coal.....	58,252 Tons,	\$99,068 58
Wood.....	22,148 Cords,	44,187 91
Ties.....	620,404 Number,	226,224 01
New Steel Rails.....	7,422 Tons,	226,045 50
Old Steel Rails.....	10,502 Tons,	246,504 06
Old Iron Rails.....	2,888 Tons,	58,784 85
Oil.....	122,856 Gallons,	17,662 06
Waste.....	108,827 Pounds,	7,650 63
Splices, Bolts and Spikes.....	406,415 Pounds,	10,649 99
Iron (worked and unworked).....	10,441,161 Pounds,	181,298 25
Copper and Brass.....	547,415 Pounds,	59,488 47
Lumber and Timber.....	20,824,774 Feet,	886,762 78
Piles.....	507,619 Feet,	68,781 10
Posts.....	78,804 Number,	9,882 85
Engine and Car Wheels.....	4,495 Number,	81,048 50
Engine and Car Wheels (on axles).....	8,079 Pairs,	68,090 87
Engine and Car Axles.....	514,865 Pounds,	12,274 94
Tires.....	117,785 Pounds,	8,977 10
Steel and Steel Springs.....	691,670 Pounds,	89,718 16
Engine, Car and Road Castings.....	5,598,070 Pounds,	89,487 63
Paints and Oils.....		9,147 88
Stationery Supplies.....		20,275 57
Other Supplies.....		401,828 21
Total June 30th, 1891.....		<u>\$2,318,228 80</u>
Total June 30th, 1890.....		<u>\$2,407,869 56</u>
Decrease.....		<u>\$94,146 26</u>

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

## TRANSPORTATION STATISTICS

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

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

### LAND DEPARTMENT.

On the 1st of July, 1890, the Company owned lands in Iowa, Minnesota and Wisconsin, amounting to.....	66,857.79 acres.
It received during the year.....	6,982.28 "
	<u>78,290.07 acres.</u>
And sold during the year.....	14,130.58 "
Unsold June 30th, 1891.....	<u>59,159.49 acres.</u>
-----	
Estimated value of unsold lands.....	\$166,018 90
Balance due on lands previously sold.....	218,177 48
Total, June 30th, 1891.....	<u>\$879,196 88</u>

## STATEMENT OF INCOME ACCOUNT

FOR THE FISCAL YEAR ENDING JUNE 30TH, 1891.

Balance at credit July 1st, 1890.....		\$2,419,514 55
Old Accounts charged off.....	\$27,189 10	
Dividend No. 41, payable October 22d, 1890, from net earnings of fiscal year ending June 30th, 1890; 3½ % on \$21,839,900 pre- ferred stock.....	764,396 50	791,585 60
		<u>\$1,627,928 95</u>
Gross Earnings.....	\$27,504,224 49	
Less Operating Expenses (including taxes).....	18,366,500 07	
Net Earnings.....	9,137,724 42	
Dividend of 4% on 61,578½ shares of Mil. & Northern R. R. Co. stock owned by the Company.....	246,314 00	
Income from other sources.....	172,110 73	
Net Revenue for the year.....		<u>9,556,149 15</u>
Total.....		<u>\$11,184,078 10</u>
✓ Interest accrued during the year on Funded Debt.....	\$7,237,251 61	✓
✓ Interest and Exchange.....	84,217 33	✓
Dividend No. 42, payable April 12th, 1891, from net earnings of fiscal year ending June 30th, 1891; 3¼ % on \$21,935,900 pre- ferred stock.....	767,756 50	8,089,225 44
Balance at credit June 30th, 1891.....		<u><u>\$3,094,852 66</u></u>

Dr. GENERAL ACCOUNT, JUNE 30th, 1891. Cr.

Cost of Road and Equipment.					
Bonds, Stock, etc., of other Companies.....		✓	\$189,624,727 91		
Balances due from Agents, Conductors, etc.....	\$7,337,240 72	✓			
Due from United States Government .....	256,954 26	✓			
Miscellaneous Accounts.....	276,251 11	✓			
Stock of Material and Fuel on hand.....	2,021,462 62	✓			
Stock of the Company, held in its Treasury .....	2,313,223 30	✓			
Mortgage Bonds of the Company unsold, held in its Treasury or due from Trustee	4,821 00	✓			
Cash on hand.....	5,692,000 00	✓			
	3,493,766 00	✓	21,395,713 01		
			\$211,020,440 92		
Capital Stock, Preferred.....				\$22,198,900 00	✓
“ “ Common.....				46,027,261 00	✓
Funded Debt.....					129,797,000 00
Pay Rolls, Vouchers and Accounts .....				2,786,778 16	
Loans and Bills Payable.....				3,477,228 44	
Dividends Unclaimed.....				30,027 08	
Interest Coupons not presented.....				61,618 16	
Interest accrued, not yet payable.....				3,546,775 42	9,902,427 26
Income Account.....					3,094,852 66
					\$211,020,440 92

### CAPITAL STOCK, JUNE 30th, 1891.

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



## FUNDED DEBT, JUNE 30th, 1891.

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

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

FUNDED DEBT JUNE 30th, 1891.

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

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

*To the President:—*

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

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



**DETAILED STATEMENT**  
 OF  
**EARNINGS AND EXPENSES**  
**Milwaukee & Northern Railroad Company**

FOR THE YEAR ENDING JUNE 30, 1891.

**EARNINGS.**

From Freight.....	\$1,204,842 32
From Passengers.....	865,565 62
From Mails, Express, Etc.....	60,538 78
Gross Earnings.....	\$1,680,441 67

**EXPENSES.**

Repairs of Track.....	\$105,865 14
Renewal of Rails.....	2,873 75
Renewal of Ties.....	25,404 39
Repairs of Bridges.....	21,941 11
Repairs of Fences.....	4,110 35
Repairs of Buildings.....	8,059 03
Repairs of Locomotives.....	56,141 24
Repairs of Cars.....	83,279 93
Repairs of Tools and Machinery.....	5,896 18
Carried forward.....	\$813,071 12

40 MILWAUKEE & NORTHERN RAILROAD COMPANY.

Brought forward.....	\$818,071	12
Management and General Offices.....	54,138	44
Foreign Agency and Advertising.....	22,573	64
Station Service.....	110,751	25
Conductors, Bag'e and Brakemen.....	85,945	41
Engineers, Firemen and Wipers.....	120,540	86
Train and Station Supplies.....	18,862	61
Fuel Consumed.....	135,617	47
Oil and Waste.....	9,270	81
Personal Injuries.....	28,533	26
Damage to Property.....	2,473	14
Loss and Damage of Freight and Baggage....	1,480	97
Legal Expenses.....	3,930	54
Taxes.....	51,492	72
Insurance.....	2,625	59
Miscellaneous Expenses.....	8,082	50
Mileage of Cars.....	17,541	82
Trackage and Switching Charges.....	28,706	94
Total Expenses.....	\$1,010,639	09

**RECAPITULATION.**

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

**STATEMENT OF INCOME ACCOUNT.**

FOR THE FISCAL YEAR ENDING JUNE 30TH, 1891.

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