

1903

Thirty-ninth Annual Report

OF THE

Chicago, Milwaukee & St. Paul  
Railway Company

FOR THE

Fiscal Year ending June 30th, 1903.

## CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY.

### DIRECTORS.

AUGUST BELMONT, - - -	New York, - - -	Term expires September, 1903.
PETER GEDDES, - - -	New York, - - -	Term expires September, 1903.
ROSWELL MILLER, - - -	New York, - - -	Term expires September, 1903.
WILLIAM ROCKEFELLER, - - -	New York, - - -	Term expires September, 1903.
J. OGDEN ARMOUR, - - -	Chicago, - - -	Term expires September, 1904.
FREDERICK LAYTON, - - -	MILWAUKEE, - - -	Term expires September, 1904.
JOSEPH MILBANK, - - -	New York, - - -	Term expires September, 1904.
SAMUEL SPENCER, - - -	New York, - - -	Term expires September, 1904.
FRANK S. BOND, - - -	New York, - - -	Term expires September, 1905.
A. J. EARLING, - - -	Chicago, - - -	Term expires September, 1905.
CHARLES W. HARKNESS, - - -	New York, - - -	Term expires September, 1905.
HENRY H. ROGERS, - - -	New York, - - -	Term expires September, 1905.
JAMES H. SMITH, - - -	New York, - - -	Term expires September, 1905.
ROSWELL MILLER, - - -	Chairman of the Board.	

### OFFICERS.

A. J. EARLING, - - -	President, - - -	CHICAGO.
J. H. HILAND, - - -	Third Vice-President, - - -	CHICAGO.
J. N. BARR, - - -	Assistant to the President, - - -	CHICAGO.
E. W. ADAMS, - - -	Assistant 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.
H. R. WILLIAMS, - - -	General Manager, - - -	CHICAGO.
W. J. UNDERWOOD, - - -	Assistant General Manager, - - -	CHICAGO.
D. L. HUSH, - - -	General Superintendent, - - -	CHICAGO.
D. J. WHITTEMORE, - - -	Chief Engineer, - - -	CHICAGO.
H. G. HAUGAN, - - -	Comptroller, - - -	CHICAGO.
GEORGE R. PECK, - - -	General Counsel, - - -	CHICAGO.
BURTON HANSGN, - - -	General Solicitor, - - -	CHICAGO.
H. H. FIELD, - - -	Assistant General Solicitor, - - -	CHICAGO.
C. B. KEELER, - - -	Assistant General Solicitor, - - -	CHICAGO.

REPORT  
OF THE  
BOARD OF DIRECTORS.

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

For the Fiscal Year ending June 30th, 1903.

The Directors submit to the Stockholders the following report of the business and operations of the Company for the year ending June 30th, 1903, 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.....	\$47,662,737 57
Operating Expenses, including taxes.....	31,598,174 23
Net Earnings.....	<u>\$16,064,563 34</u>
Income from other sources.....	510,030 60
Total.....	<u>\$16,574,593 94</u>
Fixed Charges—Interest on Bonds.....	6,101,335 00
Balance above all charges.....	<u>\$10,473,258 94</u>

During the year two dividends aggregating seven per cent were paid on the preferred stock, and two dividends aggregating seven and one-half per cent were paid on the common stock, of which the dividends paid October 28th, 1902—three and one-half per cent on preferred and four per cent on common stock—were from net earnings of the previous fiscal year, ending June 30th, 1902.

## MILES OF TRACK.

## Owned solely by this Company:

Main track.....	6,655.83	
Second main track.....	378.28	
Third main track.....	5.57	
Fourth main track.....	1.72	
Connection tracks.....	35.02	
Yard tracks, sidings and spur tracks.....	1,771.59	8,848.01

## Owned jointly with other Companies:

Main track.....	26.74	
Second main track.....	1.83	
Connection tracks.....	4.90	
Yard tracks, sidings and spur tracks.....	65.62	99.09

## Used by this Company under contracts:

Main track.....	150.35	
Second main track.....	18.82	
Third main track.....	1.14	170.31
Total miles of track.....		<u>9,117.41</u>

## The lines of road are located as follows:

In Wisconsin.....	1,700.12	miles
“ Illinois.....	347.27	“
“ Iowa.....	1,794.91	“
“ Minnesota.....	1,149.65	“
“ North Dakota.....	153.31	“
“ South Dakota.....	1,238.10	“
“ Missouri.....	140.27	“
“ Michigan.....	158.94	“
Total length of main track.....	<u>6,682.57</u>	“

During the year this Company acquired the ownership of the capital stock of the Wisconsin Western Railroad Company, which operates a line of road extending from Wauzeka, Wis., to La Farge, Wis., a distance of 51.25 miles.

The construction of a line from Ashdale, Ill., to Ebner, Ill., a point about two miles south of Thomson, Ill., a distance of 15.10 miles, has been completed; and the construction of a line from Muscatine, Iowa, to Rutledge, Iowa, a distance of 76.30

miles, will be completed September 1st, 1903. These lines, with the right to joint use of lines of other companies between East Moline, Ill., and Muscatine, Iowa, constitute the “Kansas City Cut-off” and will effect a reduction in the distance between Chicago and Kansas City of 31.96 miles.

The reduction of grades on the River Division between La Crosse and St. Paul, and on the Iowa & Minnesota Division between Austin and Rosemount, will be completed during the month of September. The cost of this work is charged to Renewal and Improvement Fund.

The completion of the elevation of the tracks of the Chicago & Council Bluffs Division in Illinois, between Pacific Junction and Cragin in the city limits of Chicago, has been delayed through inability to secure the iron work for the subways. It will be completed this Fall. The cost of this work is charged to Renewal and Improvement Fund.

The widening of the narrow gauge line between Wabasha and Zumbrota, Minn., has been completed, and cost of the same charged to Renewal and Improvement Fund.

The line from Eureka, So. Dakota, to Linton, No. Dakota, a distance of 49.15 miles, has been completed.

The line from Zumbrota to Faribault, Minn., a distance of 35 miles, will be completed in November next.

The line from Farmington, Minn., to Mankato, Minn., a distance of 55.48 miles, will be completed in August. A portion of this line between Farmington and Le Sueur Center—35.37 miles—was in operation at the close of the year.

Lines are also under construction from Preston to Isinours in Minnesota, a distance of 4.46 miles; and from Woonsocket to Wessington Springs in South Dakota, a distance of 15.56 miles. These lines will be completed before the end of the calendar year.

During the year 90.15 miles of Second Main Track have been under construction on the La Crosse Division, viz:

Brookfield Junction to Watertown Junction.....	31.56	miles.
Portage to Camp Douglas.....	48.60	miles.
West Salem to North La Crosse.....	9.99	miles.

This track will be fully completed in September next. Owing to the scarcity of labor and the excessive cost of the work, the construction of Second Main Track for the remaining 92 miles has been postponed.

Improvements of the Company's docks at Escanaba, Mich., have been made during the year at a cost of \$17,544.60, which has been charged to Renewal and Improvement Fund.

Improvements have been made during the year at the Company's shops at an aggregate cost of \$569,992.24, viz:

West Milwaukee .....	\$533,078 62
Dubuque.....	23,280 41
Minneapolis .....	7,170 72
Savanna .....	6,462 49

Of this amount \$491,224.17 has been charged to Capital Account, \$63,715.81 to Renewal and Improvement Fund, and \$15,052.26 to Maintenance of Structures and Machinery.

Other additions and improvements to shops have been authorized, and will be made as the necessities of the Company demand. Besides providing increased facilities for repair work made necessary by the increase in the number of locomotives and cars, these additions and improvements will enable the Company to build at least fifty locomotives per annum at its West Milwaukee shops, which will effect a saving—at present prices—of at least \$3,000.00 per locomotive.

During the year the company has erected upon land at Fullerton and Southport avenues in the City of Chicago, which it had previously acquired, a building of fire-proof construction, for the storage of the records of the Company and for additional office room for a portion of its general office staff, at a cost of \$107,972.34. This building is admirably adapted to the purposes for which it was designed, and to it have been transferred certain departments which it is not necessary to locate in the business center of the city.

At the close of the year the Company had acquired the title to 1,110.50 acres of coal lands and the coal under 1,256.61 acres in Monroe and Marion counties in the State of Iowa. These lands are reached by existing lines owned by the Company.

At the close of the year the Company had acquired the title to 347.13 acres of coal lands and the coal under 16,425.94 acres in Bureau, Putnam and La Salle counties in the State of Illinois. Since that time it has acquired in addition the coal under 3,988.32 acres, and has options on 11,055.84 acres of coal lands in the same locality.

Title to these lands was acquired by the Excelsior Coal Company and the St. Paul Coal Company, which are controlled by this Company.

Convenient access to these lands is provided by the use of a line now under construction by the Rochelle & Southern Railway Company from a point near Steward, Ill., to a point near Ladd, Ill., and from Ladd, Ill., to Seatonville Junction, Ill., a distance of about 37 miles, which will be completed before the end of the calendar year; and trackage rights have been secured over the Chicago, Burlington & Quincy R. R. from Davis Junction, Ill., to a point near Steward, Ill., a distance of about 20 miles; and over the Indiana, Illinois & Iowa R. R. from Seatonville Junction, Ill., to McNabb, Ill., a distance of 19.9 miles, thus completing the line from Davis Junction to McNabb, a total distance of about 77 miles.

### ROLLING STOCK.

At the close of the fiscal year ending June 30th, 1902, the Rolling Stock Replacement Fund amounted to \$113,350.00.

During the year just closed there has been added to the fund and charged to Operating Expenses, the sum of \$268,424.90 for the cost of the replacement of four hundred cars destroyed in service during the year.

There was expended of this fund, for the replacement of four hundred and sixty-four cars, \$286,722.47, as follows:

3 Postal Cars.....	\$11,844 03
227 Box Cars .....	132,885 80
4 Refrigerator Cars.....	3,782 44
200 Flat Cars .....	100,657 40
6 Ballast Cars .....	4,087 20
23 Caboose Cars.....	24,409 67
1 Steam Shovel .....	9,055 93

The unexpended balance of the Replacement Fund, June 30th, 1903, amounted to \$95,052.43—which is sufficient to replace the shortage of one hundred and seventy-three cars, as shown by statement on page 39.

During the year ten flat cars of small capacity and one small passenger and baggage car were sold; two hundred and ninety-nine cars and one steam shovel were taken down because of their small capacity and worn-out condition. These had been replaced in advance, and the cost charged to Operating Expenses in previous years under the head of Additional Equipment.

The average number of freight cars in service June 30th, 1903, per mile of road, was 6.03.

There were in freight service June 30th, 1893, 27,032 cars, with a carrying capacity of 553,653 tons; while on June 30th, 1903, there were 40,303 cars, with a carrying capacity of 1,035,550 tons.

#### CAPITAL EXPENDITURES.

New Locomotives and Cars.....	\$2,143,801 32
Construction of New Lines.....	2,842,093 59
Construction of Second Main Track.....	1,138,690 52
Real Estate.....	68,726 37
Miscellaneous Improvements.....	787,007 56
Improvement—Davenport, Rock Island & North-western R'y.....	57,642 20
Wisconsin Western R. R. Co. Stock.....	604,626 00
Chicago & Pacific R. R. Co. Stock.....	10 00
Southern Minnesota R'y Co. Stock.....	94 40
Minnesota Transfer R'y Co. Bonds.....	6,933 51
St. Paul Union Depot Co. Stock.....	56,250 00
Standard Office Co. Stock.....	112,500 00
St. Paul Coal Company.....	401,093 16
Braceville Coal Company.....	85,647 29
Excelsior Coal Company.....	200,861 12
Rochelle & Southern R'y Co.....	180,000 00
	<u>\$8,685,977 04</u>
Sundry Credits.....	117,052 87
Total as shown by detailed statement on pages 32 and 33 of this Report.....	<u>\$8,568,924 17</u>

#### RENEWAL AND IMPROVEMENT FUND.

Amount credited to Renewal and Improvement Fund, to June 30th, 1903.....	\$9,915,000 00
Interest received on balances.....	436,323 66
Total.....	<u>\$10,351,323 66</u>
Expenditures:	
For Elevation of Tracks in Chicago:	
Chicago & Milwaukee Division.....	\$533,300 87
Chicago & Council Bluffs Division.....	419,067 16
	<u>952,368 03</u>
For Third and Fourth Main Tracks:	
Chicago & Milwaukee Division.....	145,224 45
For Reducing Grade and Improving Line:	
La Crosse Division.....	1,113,331 63
Chicago & Council Bluffs Division in Iowa.....	782,344 81
River Division.....	318,695 52
Iowa & Minnesota Division.....	223,904 62
	<u>2,438,276 58</u>
For Escanaba Docks and Terminal Facilities.....	636,098 44
For Change of Line, Redfield, South Dakota.....	24,729 48
For Change of Gauge, Preston Branch.....	174,212 46
For Change of Gauge, Wabasha Division.....	196,491 88
For Menominee Valley Connecting Track.....	57,135 08
For Replacement of the Bridge over the Mississippi River between St. Paul and Minneapolis with a double-track structure..	337,123 11
For Replacement of the Bridge over the Mississippi River at La Crosse, Wisconsin.....	275,683 61
For Improvement West Milwaukee Shops.....	63,046 03
For Improvement Dubuque Shops.....	669 73
Total Expenditure.....	<u>\$5,301,058 93</u>
Unexpended Balance, June 30th, 1903.....	<u>\$5,050,264 73</u>

**CAPITAL STOCK.**

At the close of the last fiscal year the share capital of the Company amounted to \$104,866,300; and consisted of \$46,682,400 of preferred stock, and \$58,183,900 of common stock.

It has been increased during this fiscal year by \$1,042,000 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 \$105,908,300.

The amount of capital stock per mile of road is \$15,848.44.

**FUNDED DEBT.**

At the close of the last fiscal year the funded debt of the Company was \$124,796,500.

It has been increased during this fiscal year by the issue of \$133,000 of General Mortgage Bonds and it has been decreased \$1,175,000 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, 1903, was \$123,754,500—a decrease of \$1,042,000 since last report.

The amount of funded debt per mile of road is \$18,519.00, on which the interest charge per mile of road is \$942.17.

The total capitalization of the Company per mile of road is \$34,367.44.

**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 \$5,011,000.

This has been increased during this fiscal year by \$133,000, General Mortgage Bonds received for underlying bonds paid and canceled.

Bonds in the treasury or due from trustees, June 30, 1903, amount to \$5,144,000, as shown on page 24 of this report.

Of this amount \$159,000 are General Mortgage 4% Bonds; \$3,896,000 are General Mortgage 3½% Bonds, and \$1,089,000 are Milwaukee & Northern R. R. Co. Consolidated Mortgage 6% Bonds.

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

**INSURANCE DEPARTMENT.**

Cash on hand, June 30th, 1902.....		\$17,680	03
Receipts during the year:			
Premiums .....	\$141,052	59	
Income from Investment of Guaranty Fund .....	45,670	00	
Interest on Cash on deposit .....	1,474	46	188,197 05
			<u>\$205,877 08</u>
Payments during the year:			
Losses .....	35,191	99	
Expenses .....	4,056	46	
Union Pacific First Mortgage Bonds bought .....	50,250	00	
Atchison, Topeka & Santa Fe General Mortgage Bonds bought .....	50,937	50	140,435 95
Cash on hand, June 30th, 1903.....			<u>\$65,441 13</u>

The Guaranty Fund, June 30th, 1902, was \$1,044,856.25 It is now \$1,146,043.75—an increase of \$101,187.50—and is invested as follows:

Chicago, Milwaukee & St. Paul R'y Co. bonds:			
General Mortgage 4%.....	\$600,000	00	
Southern Minnesota Division 6% .....	7,000	00	
La Crosse & Davenport Div. 5% .....	4,000	00	
Chicago & Pac. Western Div. 5% .....	6,000	00	\$617,000 00
Chicago, Milwaukee & St. Paul R'y Co. preferred stock .....			10,000 00
Kansas City Belt R'y Co. 6% bonds.....			110,000 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
Atchison, Topeka & Santa Fe R'y Co. 4% bonds .....			100,000 00
Union Pacific R. R. Co. 4% bonds.....			50,000 00
Par value of bonds and stock.....	\$1,133,000	00	
Amount of annual interest and dividends.....			<u>\$48,670 00</u>



## EARNINGS.

The results from operation of your Company's lines during the year ending June 30th, 1903, compared with the previous year, show an increase of \$2,049,612.73 in gross earnings, an increase of \$1,401,279.19 in operating expenses, and an increase of \$648,333.54 in net earnings.

The earnings from freight traffic were \$34,797,045.37—73.01% of total earnings—an increase of \$1,280,233.11, or 3.82%.

The number of tons of freight carried was 21,304,638—an increase of 1,419,065 tons, or 7.14%.

The increase in number of tons of freight carried was in the following commodities: mill products, 11,917 tons; rye, 13,253 tons; barley, 34,399 tons; oats, 140,663 tons; hay, 9,871 tons; fruit and vegetables, 64,850 tons; other agricultural products, 21,327 tons; live stock, 53,498 tons; dressed meats, 59,370 tons; other packing house and animal products, 17,176 tons; bituminous coal, 574,363 tons; coke, 69,338 tons; iron and other ores, 122,553 tons; stone, sand, etc., 127,720 tons; sash, doors and blinds, 9,465 tons; other forest products, 303,568 tons; petroleum and other oils, 3,786 tons; iron and steel, 81,471 tons; castings and machinery, 10,879 tons; agricultural implements, 3,313 tons; lime, cement and plaster, 3,383 tons; brick, 78,015 tons; wines, liquors and beers, 2,910 tons; household goods and furniture, 2,297 tons; paper, 5,870 tons; other manufactures, 52,625 tons, and commodities not specified, 135,127 tons.

The following commodities show a decrease from the previous year: flour, 4,483 tons; wheat, 115,506 tons; corn, 168,207 tons; flax seed, 17,157 tons; anthracite coal, 191,530 tons; salt, 15,983 tons; lumber, lath and shingles, 77,979 tons; and wagons, carriages and tools, 3,097 tons.

The number of tons of all agricultural products carried during the year was 4,922,169 tons—a decrease compared with the previous year of 9,073 tons, or .18%. Agricultural products comprised 23.10% of the total tonnage carried as compared with 24.80% of the total tonnage of last year.

The number of tons of commodities other than agricultural products carried during the year was 16,382,469 tons—an increase compared with the previous year of 1,428,138 tons, or 9.55%—the per cent of the total being 76.90% against 75.20% last year.

The number of tons of revenue freight carried one mile was 4,021,755,419—an increase of 31,706,743, or .79%. The revenue per ton per mile was .8652 cents—an increase of .0252 cents, or 3%. The average miles each ton of revenue freight was carried was 188.77 miles—a decrease of 11.88 miles, or 5.92%.

The number of tons of revenue freight carried per loaded car was 13.241, against 13.340 last year—a decrease of .74%. The number of tons of revenue freight per freight train mile was 244.23, against 254.25 last year—a decrease of 3.94%. The revenue from freight per freight train mile was \$2.113, as against \$2.136 last year—a decrease of 1.08%.

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

1874.....2.38 cts.	1884.....1.29 cts.	1894.....1.037 cts.
1875.....2.10 "	1885.....1.28 "	1895.....1.075 "
1876.....2.04 "	1886.....1.17 "	1896.....1.003 "
1877.....2.08 "	1887.....1.09 "	1897.....1.008 "
1878.....1.80 "	1888.....1.006 "	1898.....0.972 "
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 "

The earnings from passenger traffic during the year were \$9,542,200.87—20.02% of total earnings—an increase of \$623,234.57 over the previous year, or 6.99%. The number of passengers carried was 9,586,201—an increase of 427,244, or 4.66%. The number of passengers carried one mile was 413,261,190—an increase of 28,316,315, or 7.36%; the revenue per passenger per mile was 2.309 cents—a decrease of .008 cent, or .35%; the average miles each passenger was carried was 43.11 miles—an increase of 1.08 miles, or 2.57%.

## EXPENDITURES.

The expenses of Maintenance of Way and Structures were \$7,347,048.09; Maintenance of Equipment, \$3,893,834.13; Conducting Transportation, \$16,829,795.68; General Expenses, including Taxes, \$2,422,496.33; and Renewal and Improvement Account, \$1,105,000.00.

There was an increase in expenditures for Maintenance of Way and Structures, of \$127,911.87; for Maintenance of Equipment, of \$530,238.78; for Conducting Transportation, of \$1,948,160.49; for General Expenses, including Taxes, of \$164,968.05; and a decrease in Renewal and Improvement Account, of \$1,370,000.00.

In the expenditures pertaining to Maintenance of Way and Structures, there was an increase in the following items: Roadway, \$324,482.86; Bridges and Culverts, \$311,444.01; and other items, \$2,476.28. There was a decrease in the expenditures for Rails, \$60,789.36; Ties, \$220,966.51; Fences, Road Crossings, etc., \$46,991.29; Buildings and Fixtures, \$175,812.52; and Docks and Wharves, \$5,931.60.

The expenditures for Roadway include the amount of \$327,123.78 for 63.49 miles of new passing, side and spur tracks and \$113,366.50 for ballasting on lines not previously ballasted.

The expenditures for Rails include 40,900 tons of new steel rails, costing \$1,144,681.26. During the previous year 41,879 tons of new steel rails were laid, costing \$1,113,078.51.

The expenditures for Ties include 1,280,043 new ties—costing \$559,115.17. During the previous year 1,854,647 new ties, costing \$769,826.51, were placed in track.

The expenditures for Bridges and Culverts include the total cost of 94 steel bridges, aggregating 8,879 feet in length—replacing 7,146 feet of wooden bridges, 1,649 feet of iron bridges and 84 feet of embankment, and the replacing of 430 wooden culverts with iron. The cost of these above the cost of renewal in original form was \$457,691.03. About 2.34 miles of pile bridges were filled with earth—163 bridges having been completely filled and 84 reduced in length by filling.

The expenditures for Buildings and Fixtures include the sum of \$28,333.10 for the completion of new structures which were under construction at the close of the previous fiscal year.

The expenditures for Maintenance of Equipment include the amount of \$268,424.90 charged to Operating Expenses to replace the loss of equipment during the year, as against \$206,754.99 charged during the previous year.

In the expenditures pertaining to Conducting Transportation there was an increase, as follows: Engine and Roundhouse Men, \$330,184.11; Fuel and other supplies for Locomotives, \$866,429.79; Train Service and Supplies, \$190,075.41; Station Service and Supplies, \$251,409.69; Switchmen, Flagmen and Watchmen, \$188,137.33; and in all other Expenses under this head, \$121,924.16.

Of the increase in Cost of Fuel for Locomotives—\$830,886.46—there is due to an increase in cost of coal, \$441,211.22, an average of 22.21 cents per ton, and to an increase in the consumption of coal, due to a greater volume of traffic, \$389,675.24.

The average cost of Repairs and Renewals of Locomotives during the year was \$1,231.95; of Passenger Cars, \$543.94; and of Freight Cars, \$35.90.

The increase in Operating Expenses, in addition to the increase caused by the greater volume of traffic, is due to the large increases in rates of pay during the year to practically all classes of employes, and to the increased cost of materials and supplies.

The payments of the Company for labor directly employed in its service during the year were \$19,238,978.42, as compared with \$17,267,654.62 last year; and for material and supplies, \$14,041,930.05, as compared with \$12,158,166.40 last year.

The principal items of improvements and additions to property which have been charged to Operating Expenses during the year, are as follows:

Renewal and Improvement Fund, \$1,105,000.00; new passing, side and spur tracks, \$327,123.78; ballasting lines not heretofore ballasted, \$113,366.50; strengthening bridges, \$24,158.00; replacing wooden and iron bridges with steel bridges, and replacing wooden culverts with iron—excess of cost over renewal in original form, \$457,691.03; new fences, \$13,013.49; new freight and passenger stations and other station buildings—excess of cost over cost of former structures—\$190,830.64; additional machinery, \$8,792.80; sundry other improvements, \$93,642.68; a total of \$2,333,618.92. The amount thus charged

to Operating Expenses, if deducted therefrom, would reduce the percentage of Operating Expenses to Gross Earnings to 58.32 per cent, exclusive of taxes, which are 3.08 per cent of Gross Earnings.

To the officers and employes of the Company much credit is due for the faithful and efficient manner in which they have performed the duties assigned them.

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

By order of the Board of Directors.

A. J. EARLING,  
*President.*

ROSWELL MILLER,  
*Chairman of the Board.*

AUGUST, 1903.

*To the President:*

Herewith are submitted the General Accounts of the Company for the fiscal year ending June 30th, 1903, and the Statements of Operation for the same period.

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

STATEMENT OF INCOME ACCOUNT, JUNE 30TH, 1903.

Credit Balance, June 30th, 1902.....			\$20,662,068 61
Dividend payable October 28th, 1902, from net earnings of fiscal year ending June 30th, 1902, viz:			
3½% on \$46,682,400—Preferred Stock.....		\$1,633,884 00	
4% on \$58,183,900—Common Stock.....		2,327,356 00	3,961,240 00
Balance July 1st, 1902.....			\$16,720,828 61
Gross Earnings for the year ending June 30th, 1903.....		47,662,737 57	
Less Operating Expenses, including taxes.....		31,598,174 23	
Net Earnings.....		16,064,563 34	
Income from other sources.....		510,080 60	
Net revenue for the year ending June 30th, 1903.....		16,574,593 94	
Interest accrued during the year on Funded Debt.....	\$6,101,335 00		
Dividend payable April 23d, 1903, from net earnings of fiscal year ending June 30th, 1903, viz:			
3½% on \$47,371,400—Preferred Stock.....	1,657,999 00		
3½% on \$58,183,900—Common Stock.....	2,036,436 50	9,795,770 50	
Balance for the year ending June 30th, 1903.....			6,778,823 44
Credit Balance, June 30th, 1903.....			\$23,499,652 05

Dr.

GENERAL ACCOUNT, JUNE 30TH, 1903.

Cr.

Cost of Road and Equipment.....	\$235,610,737 20		Capital Stock—Preferred.....	\$47,724,400 00	
Bonds, Stock, etc., of other Companies .....	3,911,425 58	\$239,522,162 78	Capital Stock—Common.....	58,183,900 00	
Amount of Capital Accounts represented by Stock and Bonds outstanding.....		229,662,800 00	Total Capital Stock.....	105,908,300 00	
Earnings and other income, temporarily expended for additions and improvements to property.....		9,859,362 78	Funded Debt.....	123,754,500 00	
Total Capital Accounts.....		239,522,162 78	Total Stock and Funded Debt.....		\$229,662,800 00
New England Trust Co.—Bonds and Cash, held in Trust, for Dubuque Division and Wisconsin Valley Division Sinking Funds	658,387 22		Wisconsin Valley Division Sinking Fund.....	75,005 94	898,390 11
Farmers Loan and Trust Co.—Cash held in Special Trust for Dubuque Division and Wisconsin Valley Division Sinking Funds	240,003 89	898,390 11	Dubuque Division Sinking Fund.....	823,384 17	5,050,234 73
Farmers Loan and Trust Co., Trustee.....		11,659 08	Renewal and Improvement Fund.....		95,052 43
United States Trust Co., Trustee.....		41,250 00	Replacement Fund—Cars.....		
Mortgage Bonds of the Company, unsold, held in its Treasury and due from Trustees	4,055,000 00		Pay Rolls and Vouchers.....	3,512,302 58	
Milwaukee & Northern R. R. Co. 6% Con- solidated Mortgage Bonds, unsold, held in the Treasury of this Company.....	1,089,000 00	5,144,000 00	Due Transportation Companies.....	514,018 53	
Stock of Material and Fuel.....		4,553,723 78	Miscellaneous Balances.....	776,855 70	
Insurance Department.....		10,000 00	Dividends Unclaimed.....	37,075 50	
Renewal and Improvement Fund— United States Trust Co., New York.....	2,437,886 47		Interest Coupons not presented.....	54,742 50	
Union Trust Co., New York.....	2,616,359 37	5,054,245 84	Interest Accrued, not yet payable.....	2,805,147 50	7,700,802 31
Due from Agents and Conductors.....	948,265 39		Income Account.....		23,499,652 05
Due from Transportation Companies.....	705,008 10				
Miscellaneous Balances.....	1,049,654 23				
Due from United States Government.....	368,005 11	11,671,531 04			
Cash on hand.....	8,600,593 18				
		\$266,906,961 63			\$266,906,961 63

RAILWAY COMPANY.

CAPITAL STOCK, JUNE 30TH, 1903.

PREFERRED STOCK

Amount of Preferred Stock, June 30th, 1902.....	\$46,682,400 00
Issued during the year: In exchange for bonds convertible into preferred stock by terms of mortgage, viz:	
For Hastings & Dakota Division Bonds.....	86,000 00
For Chicago & Milwaukee Division Bonds.....	104,000 00
For Consolidated Mortgage Bonds of 1874.....	19,000 00
For Consolidated Mortgage Bonds of 1875.....	746,000 00
For Iowa & Dakota Division Extension Bonds.....	167,000 00
Total Preferred Stock, June 30th, 1903.....	\$47,724,400 00

COMMON STOCK.

Amount of Common Stock, June 30th, 1902.....	\$58,183,900 00
Total Common Stock, June 30th, 1903.....	\$58,183,900 00
Total Capital Stock, June 30th, 1903.....	\$105,908,300 00

FUNDED DEBT, JUNE 30TH, 1903.

Total Funded Debt, June 30th, 1903, including all items on purchased roads.....	\$124,796,500 00
General Mortgage Bonds issued during the year: For underlying bonds paid and canceled, as follows:	
St. Paul (or River) Division.....	\$50,000 00
Chicago & Milwaukee Division.....	78,000 00
Hastings & Dakota Division.....	5,000 00
	133,000 00
Deduct:	
Bonds, paid and canceled:	
St. Paul (or River) Division.....	50,000 00
Chicago & Milwaukee Division.....	78,000 00
Hastings & Dakota Division.....	5,000 00
Bonds received in exchange for preferred stock and canceled:	
Hastings & Dakota Division.....	6,000 00
Chicago & Milwaukee Division.....	104,000 00
Consolidated Mortgage of 1874.....	19,000 00
Consolidated Mortgage of 1875.....	746,000 00
Iowa & Dakota Division Extension.....	167,000 00
Total Funded Debt, June 30th, 1903.....	\$123,734,500 00
Decrease.....	\$1,042,000 00
Of the total amount of Bonds outstanding as stated above, there remain in the Treasury unsold, and due from Trustees.....	\$5,144,000 00

FUNDED DEBT, JUNE 30TH, 1903.

DESCRIPTION OF BONDS.	DATE OF MATURITY.	INTEREST.				AMOUNT OF BONDS OUTSTANDING.
		RATE.	PAYABLE.	ACCRUED DURING THE YEAR.	PAID DURING THE YEAR.	
Consolidated Mortgage.....	Jan'y 1, 1904	7 %	Jan'y and July	2,380 00	2,590 00	34,000 00
Consolidated Mortgage.....	July 1, 1905	7 "	" " " "	130,200 00	130,970 00	1,860,000 00
Iowa & Dakota Division Extension.....	July 1, 1908	7 "	" " " "	74,130 00	74,585 00	1,059,000 00
Southwestern Division.....	July 1, 1909	6 "	" " " "	240,000 00	240,060 00	4,000,000 00
Hastings & Dakota Division Extension.....	Jan'y 1, 1910	7 "	" " " "	397,600 00	397,705 00	5,680,000 00
Hastings & Dakota Division Extension.....	Jan'y 1, 1910	5 "	" " " "	49,500 00	49,500 00	990,000 00
Chicago & Pacific Division.....	Jan'y 1, 1910	6 "	" " " "	180,000 00	180,330 00	3,000,000 00
Southern Minnesota Division.....	Jan'y 1, 1910	6 "	" " " "	445,920 00	443,070 00	7,432,000 00
Mineral Point Division.....	July 1, 1910	5 "	" " " "	142,000 00	142,875 00	2,840,000 00
Terminal Mortgage.....	July 1, 1914	5 "	" " " "	237,400 00	238,375 00	4,748,000 00
La Crosse & Davenport Division.....	July 1, 1919	5 "	" " " "	125,000 00	124,800 00	2,500,000 00
Dubuque Division.....	July 1, 1920	6 "	" " " "	360,420 00	359,370 00	6,007,000 00
Wisconsin Valley Division.....	July 1, 1920	6 "	" " " "	130,740 00	129,450 00	2,179,000 00
Chicago & Pacific Western Division.....	Jan'y 1, 1921	5 "	" " " "	1,267,000 00	1,268,150 00	25,340,000 00
Wisconsin & Minnesota Division.....	July 1, 1921	5 "	" " " "	237,750 00	238,550 00	4,755,000 00
Chicago & Lake Superior Division.....	July 1, 1921	5 "	" " " "	68,000 00	67,675 00	1,360,000 00
Chicago & Missouri River Division.....	July 1, 1926	5 "	" " " "	154,150 00	154,325 00	3,083,000 00
General Mortgage.....	May 1, 1889	4 "	" " " "	960,000 00	962,430 00	24,000,000 00
General Mortgage.....	May 1, 1889	3 1/4 "	" " " "	363,860 00	228,287 50	10,396,000 00
Wisconsin Valley R. R. Co.....	Jan'y 1, 1909	7 "	" " " "	77,455 00	76,982 50	1,106,500 00
Mil. & Northern R. R. Co. 1st Mortgage.....	June 1, 1910	6 "	June and Dec.	129,300 00	125,340 00	2,155,000 00
Mil. & Northern R. R. Co. Consolidated.....	June 1, 1913	6 "	" " " "	305,520 00	238,590 00	5,092,000 00
Dakota & Great Southern R'y Co.....	Jan'y 1, 1916	5 "	Jan'y and July	142,800 00	142,600 00	2,856,000 00
Fargo & Southern R'y Co.....	Jan'y 1, 1924	6 "	" " " "	75,000 00	75,000 00	1,250,000 00
Iowa & Dakota Division.....						2,000 00
St. Paul (or River) Division.....						20,000 00
Chicago & Milwaukee Division.....				350 00	350 00	10,000 00
Interest on bonds retired.....				15,260 00	55,020 00	
				\$6,311,735 00	\$6,146,980 00	
Interest on bonds in the Treasury of the Company and in hands of Trustees.....				210,400 00		
Total.....				\$6,101,335 00	\$6,146,980 00	\$123,734,500 00

a Bonds matured and interest ceased July 1st, 1899. b Bonds matured and interest ceased January 1st, 1902. c Bonds matured and interest ceased January 1st, 1903.

**DETAILED STATEMENT OF EARNINGS AND EXPENSES**  
FOR THE YEARS ENDING JUNE 30TH, 1902 AND 1903.

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CHICAGO, MILWAUKEE & ST. PAUL

**EARNINGS.**

	1902	1903	INCREASE	DECREASE
Freight .....	\$33,516,812 26	\$34,797,045 37	\$1,280,233 11	
Passenger .....	8,918,966 30	9,542,200 87	623,234 57	
Mails, Express, etc. ....	3,177,846 28	3,323,491 33	146,145 05	
Gross Earnings .....	\$45,613,124 84	\$47,662,737 57	\$2,049,612 73	

**EXPENSES.**

	1902	1903	INCREASE	DECREASE
<b>MAINTENANCE OF WAY AND STRUCTURES.</b>				
Roadway .....	\$3,508,981 80	\$3,833,464 66	\$324,482 86	
Rails .....	649,397 08	588,607 72		\$60,789 36
Ties .....	841,294 41	620,327 90		220,966 51
Bridges and Culverts .....	970,736 18	1,282,180 19	311,444 01	
Fences, Road Crossings, Signs and Cattle Guards .....	256,407 48	209,416 19		46,991 29
Buildings and Fixtures .....	919,143 20	743,330 68		175,812 52
Docks and Wharves .....	29,435 00	23,503 40		5,931 60
Telegraph .....	41,253 67	43,611 83	2,358 16	
Stationery and Printing .....	2,487 40	2,605 52	118 12	
<b>MAINTENANCE OF EQUIPMENT.</b>				
Superintendence .....	93,858 01	97,659 86	3,801 35	
Locomotives .....	987,327 57	1,213,472 03	226,145 06	
Passenger Cars .....	528,301 62	500,052 53		27,649 09
Freight Cars .....	1,470,898 28	1,758,879 37	287,981 09	
Work Cars .....	70,045 52	86,656 25	16,610 73	
Shop Machinery and Tools .....	139,594 73	125,182 14		14,412 59
Stationery and Printing .....	7,720 58	7,733 56	12 98	
Other Expenses .....	65,849 04	103,598 29	37,749 25	
<b>CONDUCTING TRANSPORTATION.</b>				
Superintendence .....	495,458 03	532,902 23	37,444 20	
Engine and Roundhouse Men .....	2,720,461 73	3,050,645 84	330,184 11	
Fuel for Locomotives .....	3,249,062 28	4,079,948 74	830,886 46	
Water Supply for Locomotives .....	133,817 50	143,990 30	10,178 74	
Oil, Tallow and Waste for Locomotives .....	79,808 36	96,313 62	17,010 26	
Carried forward .....	\$17,260,834 53	\$19,144,688 95	\$2,436,407 38	\$552,552 96

	1902	1903	INCREASE	DECREASE
Brought forward .....	\$17,260,834 53	\$19,144,688 95	\$2,436,407 38	\$552,552 96
Other Supplies for Locomotives .....	53,200 75	61,555 08	8,354 33	
Train Service .....	1,935,094 18	2,060,528 20	124,434 02	
Train Supplies and Expenses .....	379,017 66	434,659 05	55,641 39	
Switchmen, Flagmen and Watchmen .....	1,039,087 82	1,227,225 15	188,137 33	
Telegraph Expenses .....	291,752 91	332,132 69	40,379 78	
Station Service .....	2,100,535 42	2,363,251 26	253,695 84	
Station Supplies .....	188,072 05	185,785 90		2,286 15
Switching Charges—Balance .....	254,981 64	181,846 04		123,635 60
Car Mileage—Balance .....	121,093 83	141,495 46	20,401 63	
Loss and Damage .....	236,126 43	263,922 94	27,796 51	
Injuries to Persons .....	271,237 72	302,000 71	31,362 99	
Clearing Wrecks .....	38,328 87	42,972 74	4,644 37	
Advertising .....	111,598 75	150,645 42	39,046 67	
Outside Agencies .....	472,235 26	469,180 19		3,055 07
Stock Yards and Elevators .....	46,953 81	49,379 46	2,425 65	
Rents for Tracks and Terminals—Balance .....	327,841 93	317,858 58		9,983 35
Rents of Buildings and Other Property .....	44,230 45	44,194 60		35 85
Stationery and Printing .....	160,757 18	186,009 81	26,152 63	
Other Expenses .....	122,366 07	151,945 07	28,979 60	
<b>GENERAL EXPENSES.</b>				
Salaries of General Officers .....	244,499 62	250,800 30	12,300 68	
Salaries of Clerks and Attendants .....	255,108 81	265,714 97	10,606 16	
General Office Expenses and Supplies .....	29,865 67	30,487 06	621 39	
Insurance .....	145,052 19	140,781 19		4,271 00
Law Expenses .....	54,402 29	67,288 84	12,886 55	
Stationery and Printing (General Offices) .....	34,654 15	37,073 17	2,419 02	
Other Expenses .....	93,784 34	154,163 60	60,379 26	
Taxes—General .....	1,351,577 76	1,470,114 97	118,537 21	
Taxes—U. S. Government Internal Revenue .....	48,583 45	72 23		48,511 22
Renewal and Improvement Account .....	2,475,000 00	1,105,000 00		1,370,000 00
Total Expenses .....	\$30,196,895 04	\$31,598,174 23	\$1,401,279 19	
Net Earnings .....	\$15,416,229 80	\$16,064,563 34	\$648,333 54	

RAILWAY COMPANY.

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**COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES**

FOR THE YEARS ENDING JUNE 30TH, 1900, 1901, 1902 AND 1903.

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CHICAGO, MILWAUKEE & ST. PAUL

**EARNINGS.**

	1900	1901	1902	1903
Freight .....	\$31,220,217 27	\$31,357,992 49	\$33,516,812 26	\$34,797,045 37
Passenger .....	7,698,513 51	7,939,215 76	8,918,966 30	9,542,200 87
Mails, Express, etc. ....	2,965,961 22	3,071,804 40	3,177,846 28	3,323,491 33
<b>Gross Earnings .....</b>	<b>\$41,884,692 00</b>	<b>\$42,369,012 65</b>	<b>\$45,613,124 84</b>	<b>\$47,662,737 57</b>

**EXPENSES.**

Maintenance of Way and Structures .....	\$7,503,380 57	\$6,505,864 07	\$7,219,186 22	\$7,347,048 09
Maintenance of Equipment .....	3,048,666 81	3,024,725 18	3,363,595 35	3,893,834 13
Conducting Transportation .....	12,761,566 89	13,932,064 43	14,881,635 19	16,829,795 68
General Expenses .....	759,871 23	814,950 56	857,867 07	932,309 13
Taxes—General .....	1,258,007 84	1,341,390 44	1,351,577 76	1,470,114 97
Taxes—U. S. Government Internal Revenue .....	64,038 73	62,253 08	48,583 45	72 23
Renewal and Improvement Account .....	1,550,000 00	1,185,000 00	2,475,000 00	1,105,000 00
Additional Equipment .....	1,475,304 94	1,111,255 56		
<b>Total Expenses .....</b>	<b>\$28,420,837 01</b>	<b>\$27,977,503 32</b>	<b>\$30,196,895 04</b>	<b>\$31,598,174 23</b>

**RECAPITULATION.**

Gross Earnings .....	\$41,884,692 00	\$42,369,012 65	\$45,613,124 84	\$47,662,737 57
Total Expenses .....	28,420,837 01	27,977,503 32	30,196,895 04	31,598,174 23
<b>Net Earnings .....</b>	<b>\$13,463,854 99</b>	<b>\$14,391,509 33</b>	<b>\$15,416,229 80</b>	<b>\$16,064,563 34</b>
Average Miles in Operation .....	6,347.38	6,512.38	6,604.57	6,646.56

**STATEMENT OF MONTHLY EARNINGS AND EXPENSES**

FOR THE YEAR ENDING JUNE 30TH, 1903.

	FREIGHT	PASSENGER	MAILS, EXPRESS, ETC.	GROSS EARNINGS	OPERATING EXPENSES	NET EARNINGS
July, 1902 .....	\$2,426,145 05	\$955,439 60	\$270,308 29	\$3,661,392 94	\$2,280,357 74	\$1,381,035 20
August, " .....	2,691,591 79	991,718 74	280,762 45	3,964,072 98	2,451,410 45	1,512,662 53
September, " .....	3,167,450 76	989,694 55	286,070 33	4,443,215 64	2,889,306 60	1,553,909 04
October, " .....	3,658,256 37	872,470 55	283,974 88	4,814,701 80	2,795,097 94	2,019,603 86
November, " .....	3,398,541 42	714,212 36	278,027 17	4,390,780 95	2,743,420 24	1,647,360 71
December, " .....	2,910,341 76	724,818 72	263,642 97	3,903,803 45	2,410,575 90	1,493,227 55
January, 1903 .....	2,564,855 94	655,445 36	277,847 63	3,498,148 93	2,398,843 95	1,099,304 98
February, " .....	2,571,284 11	562,529 94	257,541 22	3,391,355 27	2,418,317 53	973,037 74
March, " .....	3,009,035 19	717,617 44	269,118 97	3,995,769 60	2,517,517 72	1,478,251 88
April, " .....	2,849,668 69	726,068 94	270,453 27	3,846,190 90	2,864,953 26	981,237 64
May, " .....	2,690,073 08	780,764 67	281,539 67	3,702,382 42	2,883,346 80	869,035 62
June, " .....	2,859,796 21	901,420 00	289,766 48	4,050,922 69	2,995,026 10	1,055,896 59
<b>Total .....</b>	<b>\$34,797,045 37</b>	<b>\$9,542,200 87</b>	<b>\$3,323,491 33</b>	<b>\$47,662,737 57</b>	<b>\$31,598,174 23</b>	<b>\$16,064,563 34</b>

RAILWAY COMPANY.

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DETAIL OF EXPENDITURES FOR ADDITIONS AND  
IMPROVEMENTS TO PROPERTY, ETC.

*Charged to Capital Accounts, during the Year Ending  
June 30th, 1903.*

Equipment:			
36 Locomotives .....	\$530,910	46	
24 Passenger Coaches .....	208,533	63	
2 Dining Cars .....	33,794	04	
3 Cafe Observation Cars .....	51,573	73	
10 Sleeping Cars .....	215,058	48	
5 Postal Cars .....	19,874	33	
886 Box Cars .....	545,448	54	
196 Refrigerator Cars .....	178,638	04	
150 Vegetable Cars .....	111,492	75	
294 Ballast Cars .....	200,273	67	
1 Steam Derrick .....	11,350	00	
1 Steam Shovel .....	9,074	46	
3 Lidgerwood Unloaders .....	18,242	59	
2 Slope Levelers .....	3,486	60	\$2,143,801 32
Construction of New Lines:			
Fonda to Spencer, Iowa .....	\$19,493	00	
Rockwell City to Storm Lake, Iowa .....	572	44	
Fox Lake Extension, Illinois .....	15,777	37	
Janesville Extension, Wisconsin .....	68,727	00	
Napa to Platte, South Dakota .....	17,688	82	
Bowdle to Everts, South Dakota .....	9,632	50	
Crystal Falls Extension, Michigan .....	29,526	61	
West of Preston to Green Island, Iowa .....	17,647	75	
Rutledge to Muscatine, Iowa .....	1,092,902	02	
Farmington to Mankato, Minnesota .....	619,339	95	
Ashdale to Ebner, Illinois .....	195,910	83	
Eureka, So. Dakota, to Linton, No. Dakota ..	376,224	03	
Zumbrota to Faribault, Minnesota .....	330,447	66	
Woonsocket to Wessington Springs, So. Dakota ..	34,263	02	
Preston to Isinours, Minnesota .....	13,940	59	2,842,093 59
Construction of Second Main Track:			
Sabula Junction to Green Island, Iowa .....	5,318	97	
La Crosse Division, Wisconsin .....	1,133,371	55	1,138,690 52
Real Estate .....			63,726 37
Carried forward .....			<u>\$6,193,311 80</u>

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

Brought forward .....			\$6,193,311 80
Improvement—West Milwaukee Shops .....	\$459,100	49	
Improvement—Dubuque Shops .....	20,482	71	
Improvement—Minneapolis Shops .....	5,789	39	
Improvement—Savanna Shops .....	5,851	58	
General Office Building, Chicago .....	107,972	34	
Connection with C. R. I. & P. R'y, Davenport ..	67,936	88	
New Yard, West Davenport .....	66,512	57	
Filling and Riprapping, St. Paul .....	37,461	04	
Elevator, Kansas City .....	6,186	20	
Passenger Station, Madison, Wis .....	9,134	53	
Coal Dock, Green Bay .....	579	83	787,007 56
Improvement—Davenport, Rock Island & North- western R'y .....			57,642 20
Wisconsin Western R. R. Co. Stock .....			604,626 00
Chicago & Pacific R. R. Co. Stock .....			10 00
Southern Minnesota R'y Co. Stock .....			94 40
Minnesota Transfer R'y Co. Bonds .....			6,933 51
St. Paul Union Depot Co. Stock .....			56,250 00
Standard Office Co. Stock .....			112,500 06
St. Paul Coal Company .....			401,093 16
Braceville Coal Company .....			85,647 29
Excelsior Coal Company .....			200,861 12
Rochelle & Southern R'y Co. ....			180,000 00
			<u>\$8,685,977 04</u>
<i>Credit—</i>			
Sundry Credits—Real Estate sold, cost of tracks taken up, buildings taken down, destroyed, etc.			117,052 87
			<u>\$8,568,924 17</u>
Capital Accounts—June 30th, 1902 .....			230,953,238 61
Capital Accounts—June 30th, 1903 .....			<u>\$239,522,162 78</u>

## COMPARATIVE SUMMARY OF OPERATION

FOR THE YEARS ENDING JUNE 30TH, 1902 AND 1903.

## Gross Earnings.

1902	.....	\$45,613,124 84	
1903	.....	47,662,737 57	Increase ..... \$2,040,612 73

## Operating Expenses.

1902	.....	\$30,196,895 04	
1903	.....	31,598,174 23	Increase ..... \$1,401,279 19

## Net Earnings.

1902	.....	\$15,416,229 80	
1903	.....	16,064,563 34	Increase ..... \$648,333 54

## Gross Earnings per Mile of Road.

1902	.....	\$6,906 30	
1903	.....	7,171 04	Increase ..... \$264 74

## Operating Expenses per Mile of Road.

1902	.....	\$4,572 12	
1903	.....	4,754 06	Increase ..... \$181 94

## Net Earnings per Mile of Road.

1902	.....	\$2,334 18	
1903	.....	2,416 98	Increase ..... \$82 80

## Freight Earnings per Mile of Road.

1902	.....	\$5,074 79	
1903	.....	5,235 35	Increase ..... \$160 56

## Passenger, Mail and Express Earnings per Mile of Road.

1902	.....	\$1,831 51	
1903	.....	1,935 69	Increase ..... \$104 18

## Average Miles of Road Operated During the Year.

1902	.....	6,604.57	
1903	.....	6,646.56	Increase ..... 41.99

## TRANSPORTATION STATISTICS

FOR THE YEARS ENDING JUNE 30TH, 1902 AND 1903.

	1902	1903
Miles run by freight trains.....	15,693,616	16,466,822
Miles run by passenger trains.....	10,246,558	10,458,912
Total miles run by revenue trains.....	25,940,174	26,925,734
Miles run by loaded freight cars.....	299,111,222	303,745,948
Miles run by empty freight cars.....	121,166,088	123,100,626
Number of tons of revenue freight carried.....	19,885,573	21,304,638
Number of tons of revenue freight carried one mile.....	3,900,048,676	4,021,755,419
Number of tons of Company freight carried one mile.....	481,536,804	611,556,505
Number of tons of revenue freight per train mile.....	254.25	244.23
Number of tons of Company freight per train mile.....	30.68	37.14
Total number of tons of freight per train mile.....	284.93	281.37
Number of tons of revenue freight per loaded car.....	13.340	13.241
Number of tons of Company freight per loaded car.....	1.610	2.013
Total number of tons of freight per loaded car.....	14.950	15.254
Average number of loaded freight cars per train.....	19.059	18.446
Average number of empty freight cars per train.....	7.721	7.481
Average number of loaded and empty freight cars per train.....	26.780	25.927
Average miles each ton of revenue freight was carried.....	200.65	188.77
Number of passengers carried.....	9,158,957	9,588,201
Number of passengers carried one mile.....	384,944,875	413,261,100
Average miles each passenger was carried.....	42.03	43.11
Average amount received per ton of revenue freight.....	\$1.68 5	\$1.63 3
Average revenue from freight per train mile.....	\$2.13 6	\$2.11 3
Average revenue per ton of revenue freight per mile.....	.8400 cts.	.8652 cts.
Average revenue from passengers per train mile.....	87.04 cts.	91.24 cts.
Average revenue per passenger per mile.....	2.317 cts.	2.309 cts.
Maintenance of Equipment per revenue train mile.....	12.97 cts.	14.46 cts.
Station Service per revenue train mile.....	8.13 cts.	8.78 cts.
Train Service per revenue train mile.....	7.46 cts.	7.69 cts.
Engine and Roundhouse Men per revenue train mile.....	10.49 cts.	11.33 cts.
Train and Station Supplies per revenue train mile.....	2.19 cts.	2.30 cts.
Fuel for Locomotives per revenue train mile.....	12.52 cts.	15.15 cts.
Oil, Tallow and Waste for Locomotives per revenue train mile.....	.30 cts.	.36 cts.
All other Expenses per revenue train mile.....	62.35 cts.	57.28 cts.
Total Operating Expenses per revenue train mile.....	\$1.16 41	\$1.17 35
Percentage of Expenses, including taxes, to Earnings.....	66.20%	66.30%

## STATEMENT OF COMMODITIES TRANSPORTED

DURING THE YEARS ENDING JUNE 30TH, 1902 AND 1903.

COMMODITIES.	1902		1903	
	Tons.	Per Cent.	Tons.	Per Cent.
<b>PRODUCTS OF AGRICULTURE:</b>				
Flour .....	695,724	3.499	691,241	3.245
Wheat .....	369,123	1.856	381,040	1.783
Other Mill Products .....	1,465,910	7.372	1,350,404	6.339
Rye .....	80,412	.404	93,665	.440
Barley .....	743,988	3.741	778,387	3.654
Oats .....	447,854	2.252	588,517	2.762
Corn .....	511,886	2.574	343,679	1.613
Flax Seed .....	121,498	.611	104,241	.490
Hay .....	117,439	.591	127,310	.598
Fruit and Vegetables .....	224,279	1.128	289,120	1.357
Other Agricultural Products .....	153,129	.770	174,456	.819
	4,981,242	24.798	4,922,169	23.106
<b>PRODUCTS OF ANIMALS:</b>				
Live Stock .....	917,273	4.613	970,771	4.556
Dressed Meats .....	118,528	.596	177,898	.835
Other Packing House Products .....	136,819	.688	156,900	.736
Other Animal Products .....	187,512	.943	184,607	.866
	1,360,132	6.840	1,490,176	6.993
<b>PRODUCTS OF MINES:</b>				
Anthracite Coal .....	616,290	3.099	424,760	1.994
Bituminous Coal .....	1,706,289	8.581	2,280,652	10.705
Coke .....	240,320	1.200	309,658	1.454
Iron and other Ores .....	1,170,961	5.888	1,293,514	6.072
Stone, Sand, etc .....	663,199	3.335	790,919	3.713
Salt .....	91,022	.458	75,039	.352
	4,488,081	22.570	5,174,542	24.290
<b>PRODUCTS OF FOREST:</b>				
Lumber, Lath and Shingles .....	1,858,895	9.348	1,780,916	8.359
Sash, Doors and Blinds .....	59,654	.300	69,119	.324
Other Forest Products .....	1,769,604	8.899	2,073,172	9.731
	3,688,153	18.547	3,923,207	18.414
<b>MANUFACTURES:</b>				
Petroleum and other Oils .....	196,669	.989	200,455	.941
Iron and Steel .....	824,499	4.146	905,970	4.253
Castings and Machinery .....	182,817	.919	193,696	.909
Agricultural Implements .....	211,993	1.066	215,306	1.010
Wagons, Carriages, Tools, etc .....	73,862	.371	70,765	.332
Lime, Cement and Plaster .....	249,860	1.256	253,243	1.189
Brick .....	297,091	1.494	375,106	1.761
Wines, Liquors and Beers .....	545,576	2.744	548,486	2.574
Household Goods and Furniture .....	114,266	.575	116,563	.547
Paper .....	131,174	.660	137,044	.643
Other Manufactures .....	668,637	3.362	721,262	3.355
	3,496,444	17.582	3,737,896	17.544
Commodities not specified .....	1,921,521	9.663	2,056,648	9.653
Total .....	19,835,573		21,304,638	

## MATERIAL AND FUEL ON HAND, JUNE 30TH, 1903.

Coal .....	88,010 Tons,	\$186,905 39
Wood .....	2,457 Cords,	5,859 05
Ties .....	923,485 Number,	395,678 05
New Steel Rails .....	14,670 Tons,	406,282 36
Old Steel Rails .....	26,684 Tons,	412,679 85
Old Iron Rails .....	1,980 Tons,	23,764 37
Rail Fastenings .....	15,575,821 Pounds,	258,522 11
Oil .....	140,856 Gallons,	27,927 98
Waste .....	188,144 Pounds,	13,768 60
Iron (worked and unworked) .....	20,467,811 Pounds,	388,434 94
Copper and Brass .....	890,289 Pounds,	110,740 50
Lumber and Timber .....	27,137,523 Feet,	549,077 90
Piles .....	499,722 Feet,	66,717 86
Posts .....	244,065 Number,	31,108 74
Engine and Car Wheels .....	10,297 Number,	99,810 32
Engine and Car Wheels (on axles) .....	3,169 Pairs,	93,713 64
Engine and Car Axles .....	1,644,295 Pounds,	33,934 76
Tires .....	582,164 Pounds,	22,409 73
Steel and Steel Springs .....	2,444,160 Pounds,	87,689 37
Engine, Car and Road Castings .....	11,020,076 Pounds,	249,245 57
Paints and Oils .....		27,155 22
Stationery Supplies .....		24,979 28
Other Supplies .....		1,037,317 19
Total, June 30th, 1903 .....		\$4,553,722 78
Total, June 30th, 1902 .....		3,996,818 06
Increase .....		\$556,904 72

## EQUIPMENT, JUNE 30TH, 1903.

## STANDARD GAUGE.

Locomotives .....	986	
Passenger Cars .....	469	
Sleeping Cars .....	72	
Parlor Cars .....	19	
Dining Cars .....	12	
Cafe Observation Cars .....	3	
Baggage, Mail, Express and Combination Cars .....	342	
Freight Cars—		
Box Cars .....	27,934	
Stock Cars .....	2,973	
Flat, Coal and Ore Cars .....	7,059	
Refrigerator and Vegetable Cars .....	1,584	
Ballast Cars .....	479	40,029
Caboose Cars .....	496	
Wrecking and Tool Cars .....	106	
Business Cars .....	14	

## NARROW GAUGE.

Locomotives .....	3	
Passenger Cars .....	4	
Baggage, Mail, Express and Combination Cars .....	5	
Freight Cars—		
Box Cars .....	189	
Stock Cars .....	56	
Flat Cars .....	29	274
Caboose Cars .....	5	
Total .....	42,839	

At the close of the year ending June 30th, 1902, a shortage of two hundred and thirty-seven 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 cars were destroyed by wreck and fire on this and other roads.

Four hundred and sixty-four cars have been built during the present year for replacement, and their cost charged to "Replacement Fund," as shown on page 11 of this report.

At the close of this fiscal year, ending June 30th, 1903, there exists a shortage of one hundred and fifty-two flat cars, seventeen stock cars, three caboose cars and one pile driver. The amount required to replace the one hundred and seventy-three cars—\$95,052,43—has been charged to Operating Expenses and is shown at the credit of the account of "Replacement Fund—Cars" on page 24 of this report.