

1912

FORTY-EIGHTH ANNUAL REPORT

OF THE

CHICAGO, MILWAUKEE & ST. PAUL
RAILWAY COMPANY

FOR THE

Fiscal Year Ending June 30th, 1912.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

DIRECTORS

TERM EXPIRES SEPTEMBER, 1912.

DONALD G. GEDDES	NEW YORK
ROSWELL MILLER	NEW YORK
WILLIAM ROCKEFELLER	NEW YORK
JOHN A. STEWART	NEW YORK

TERM EXPIRES SEPTEMBER, 1913.

J. OGDEN ARMOUR	CHICAGO
STANLEY FIELD	CHICAGO
L. J. PETIT	MILWAUKEE
P. A. ROCKEFELLER	NEW YORK

TERM EXPIRES SEPTEMBER, 1914

WALTER P. BLISS	NEW YORK
A. J. EARLING	CHICAGO
CHARLES W. HARKNESS	NEW YORK
JOHN D. RYAN	NEW YORK

EXECUTIVE COMMITTEE

A. J. EARLING	P. A. ROCKEFELLER
CHARLES W. HARKNESS	WILLIAM ROCKEFELLER
ROSWELL MILLER	JOHN A. STEWART

OFFICERS

ROSWELL MILLER	Chairman of the Board	NEW YORK
A. J. EARLING	President	CHICAGO
E. W. MCKENNA	Vice-President	CHICAGO
J. H. HILAND	Vice-President	CHICAGO
E. S. KEELEY	Vice-President	CHICAGO
E. D. SEWALL	Assistant to the President	CHICAGO
E. W. ADAMS	Secretary	MILWAUKEE
C. B. FERRY	Assistant Secretary and Transfer Agent	NEW YORK
R. J. MARONY	Assistant Secretary and Transfer Agent	NEW YORK
F. G. RANNEY	Treasurer	CHICAGO
JOHN McNAB	Assistant Treasurer	CHICAGO
W. N. D. WINNE	Comptroller	CHICAGO
D. L. BUSH	General Manager	CHICAGO
H. B. EARLING	Assistant General Manager	CHICAGO
D. J. WHITTEMORE	Consulting Engineer	MILWAUKEE
C. F. LOWETH	Chief Engineer	CHICAGO
BURTON HANSON	General Counsel	CHICAGO
H. H. FIELD	General Solicitor	CHICAGO

REPORT
OF THE
BOARD OF DIRECTORS

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

TO THE STOCKHOLDERS.

For the Fiscal Year ending June 30th, 1912

The Directors submit to the Stockholders the following report of the operations of the Company for the year ending June 30th, 1912, and of the condition of its property and finances at the close of that year.

The operations for the year show the following results:

Operating Revenues.....	\$63,122,743.34	
Operating Expenses.....	47,743,156.54	
Net Operating Revenue.....	\$15,379,586.80	
Net Revenue—Outside Operations.....	21,468.05	
Total Net Revenue.....	\$15,401,054.85	
Taxes Accrued.....	2,868,710.26	
Operating Income.....	\$12,532,344.59	
Interest on Bonds.....	\$5,283,516.23	
Dividends on Stocks.....	31,825.00	
Interest on Other Securities, Loans and Accounts.....	1,575,206.05	
Rents—Credits.....	408,976.13	
Miscellaneous Credits.....	292,424.99	7,591,948.40
Gross Corporate Income.....		\$20,124,292.99
Interest Accrued on Funded Debt.....	\$8,494,528.74	
* Hire of Equipment.....	1,246,290.50	
Rents—Debits.....	453,027.71	10,193,846.95
Net Corporate Income.....		<u>\$9,930,446.04</u>

* Of this amount \$721,145.30 was paid to the Chicago, Milwaukee & Puget Sound Railway Co. for use of its equipment, and \$482,538.28 was paid for use of private refrigerator, fruit and other special cars.

MILES OF TRACK
OPERATED JUNE 30TH, 1912.

Owned solely by this Company:

Main track.....	7,265.90	
Second main track.....	593.44	
Third main track.....	11.89	
Fourth main track.....	2.63	
Connection tracks.....	40.69	
Yard tracks, sidings and spur tracks.....	2,351.07	10,265.62

Owned jointly with other Companies:

Main track.....	30.50	
Second main track.....	5.16	
Third main track.....	1.88	
Fourth main track.....	1.85	
Connection tracks.....	4.98	
Yard tracks, sidings and spur tracks.....	106.81	151.18

Used by this Company under contracts:

Main track.....	215.01	
Second main track.....	62.47	
Third main track.....	1.14	278.62

Total miles of track..... 10,695.42

Average miles of main track in operation during the year:

Owned solely.....	7,265.90 miles
Owned jointly.....	30.50 "
Used under contracts.....	215.01 "
Total.....	<u>7,511.41 miles</u>

The lines of road are located as follows:

In Wisconsin.....	1,783.05 miles
In Illinois.....	415.03 "
In Iowa.....	1,871.13 "
In Minnesota.....	1,244.90 "
In North Dakota.....	153.31 "
In South Dakota.....	1,529.66 "
In Missouri.....	140.27 "
In Michigan.....	159.05 "
Total length of main track.....	<u>7,296.40 miles</u>

SECOND MAIN TRACK

During the year the following additional main track has been completed and put in operation:

Minnesota Falls to Great Northern Tower, Minn....	5.80 miles
Montevideo to Double Track Switch, Minn.....	10.09 "
Whitman to Minneiska, Minn.....	4.69 "
Total.....	<u>20.58 miles</u>

EQUIPMENT.

During the year the following equipment has been acquired:

89 Locomotives	969 Box Cars	2 Wrecking Cranes
4 Mail Cars	2 Ditchers	1 Derrick Car

On January 1st, 1912, the following equipment, which had been dropped from inventory prior to June 30th, 1907, was reinstated.

60 Locomotives	2,501 Box Cars	14 Refrigerator Cars
8 Passenger Cars	9 Stock Cars	16 Work Train Cars
4 Sleeping Cars	199 Flat Cars	

During the year eight locomotives and seven hundred and seventy-two cars of various classes were destroyed by wreck or fire, sold or taken down on account of small capacity, viz:

8 Locomotives	32 Stock Cars	1 Vegetable Car
5 Passenger Cars	92 Flat and Coal Cars	3 Ballast Cars
3 Baggage Cars	27 Ore Cars	140 Caboose Cars
393 Box Cars	8 Refrigerator Cars	68 Work Train Cars

The original cost of these cars has been credited to Road and Equipment.

PROPERTY INVESTMENT—ROAD AND EQUIPMENT.

Equipment.....	\$4,319,490.32
Construction of Second Main Track.....	1,393,039.22
Construction of Third and Fourth Main Track...	212,196.92
Reducing Grade and Improving Line.....	245,138.07
Yard Improvements.....	500,839.92
Shop Improvements.....	324,605.59
Line Crystal Falls to Iron River, Michigan.....	29,281.49
Other Additions and Betterments.....	2,728,047.00
	<u>\$9,752,638.53</u>
Sundry Credits.....	371,475.18
Total as shown by detailed statement on page	
33 of this report.....	<u>\$9,381,163.35</u>

IMPROVEMENTS AUTHORIZED.

Orders have been placed for the purchase or building of additional equipment as follows: 171 Locomotives, 2,061 Box Cars, 500 Refrigerator Cars, 20 Passenger Coaches, 15 Sleeping Cars, 10 Tourist Sleeping Cars, 3 Observation Cars, 10 Baggage Cars, 5 Gas Electric Motors, 10 Box Cars—Narrow Gauge, 5 Stock Cars—Narrow Gauge, 1,000 Ballast Cars, 3 Gravel Spreaders and 2 Pile Drivers.

The traffic of the Company has reached a point where additional facilities are demanded for its safe and economical movement, and to meet these requirements, construction was begun in April upon the following second track, viz:

CHICAGO AND COUNCIL BLUFFS DIVISION IN IOWA.

From Marion to Elberon, Iowa.....	38.1 miles
From Capron to Manilla, Iowa.....	120.5 miles
	<u>158.6 miles</u>

HASTINGS AND DAKOTA DIVISION.

From Hopkins to Glencoe, Minn.....	40.8 miles
From Granite Falls to Milan, Minn...	27.5 miles
From Milbank to Aberdeen, S. Dak..	97.0 miles
	<u>165.3 miles</u>

Of this second track about 70 miles of the Chicago and Council Bluffs Division in Iowa, and 90 miles of the Hastings and Dakota Division, will be available the coming Fall, and the balance will be completed next Spring.

Extensive improvements are being made at various points increasing terminal facilities at Chicago, Ill.; Milwaukee, Wis.; Savanna, Ill.; Perry, Iowa; Council Bluffs, Iowa, and Montevideo, Minn.

An extension is under construction from Crystal Falls to Iron River, Michigan, about 22 miles of main track and 26 miles of side tracks to various iron mines.

Automatic block signals are being installed on the Chicago and Milwaukee Division between Rondout, Ill., and Lake, Wis., and on the Chicago and Council Bluffs Division between Elgin and Savanna, Ill.

The tracks of the Company on the Hastings and Dakota Division in the City of Minneapolis, Minn., are being depressed an average of about 20 feet for a distance of about three miles at an estimated cost of \$1,060,000. This will result in eliminating 37 grade crossings.

RESERVE FOR ACCRUED DEPRECIATION.

At the close of the fiscal year, ending June 30th, 1911, there was at the credit of Reserve for Accrued Depreciation the sum of \$2,975,310.57.

A certain percentage of the total cost of equipment, aggregating \$691,435.64, has been credited to Reserve for Accrued Depreciation of locomotives, passenger train cars, freight train cars and work train cars. There has also been credited \$1,683,545.77, representing the value of 60 locomotives and 2,751 cars, less salvage recoverable, which had been dropped from inventory prior to July 1st, 1907, and reinstated January 1st, 1912, the value of which had been charged off through Income Account prior to June 30th, 1907.

The balance of this account, June 30th, 1912, as shown on page 20, is \$5,350,291.98, which represents the estimated depreciation of rolling stock subsequent to June 30th, 1907.

FUNDED DEBT.

At the close of the last fiscal year the funded debt of the Company was \$232,572,654.66. It has been decreased during this fiscal year by \$155,000 of bonds retired and canceled, as shown on page 24 of this report, and it has been increased by \$1,056,000 of General Mortgage Bonds, issued for bonds retired and canceled, as stated above, and for additions and improvements to property to June 30th, 1911, and by \$34,893,500 of Convertible 4½ per cent Gold Bonds, issued for the purchase and construction of additional lines of railway, additions to and improvements of railroad and property, and additional equipment and real estate necessary in the operations of the railroad. Also the purchase, construction and equipment of extensions, branches and additions to the railroad of the Chicago, Milwaukee & Puget Sound Railway Company, a corporation of the State of Washington, the Capital Stock of which is owned by this Company.

The amount of bonds at the close of the year is \$268,367,154.66, of which \$40,768,000 are in the treasury of the Company, and \$227,599,154.66 are outstanding.

TREASURY BONDS.

At the close of the last fiscal year the amount of the Company's bonds in its treasury was \$39,712,000.

This has been increased during this fiscal year by \$155,000 General Mortgage Bonds for underlying bonds paid and canceled, and \$901,000 for additions and improvements to property to June 30th, 1911.

Bonds in the treasury June 30th, 1912, amount to \$40,768,000, as shown on page 20 of this report.

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

INSURANCE DEPARTMENT

INSURANCE RESERVE ACCOUNT.

INCOME:

Premium Received:		
For Insurance of Railway Properties.....		\$71,668.83
For Insurance of Freight in transit and stored.....		9,913.64
		<u>\$81,582.47</u>
Less—Reinsurance paid.....		28,311.81
Net Premium Income.....		<u>\$53,270.66</u>
Other income:		
Interest and Dividends on Securities Owned.....	\$100,669.76	
Interest on Deposits.....	363.02	
Total Other Income.....		<u>101,032.78</u>
Gross Income to Reserve Account...		<u><u>\$154,303.44</u></u>
DISBURSEMENTS:		
Fire Losses.....	\$152,219.73	
Expenses.....	2,083.71	
Total Disbursements.....		<u>\$154,303.44</u>
Insurance Reserve—July 1st, 1911..		\$1,807,673.62
Appropriation in October, 1911..		1,000,000.00
Appropriation in June, 1912....		13,700.00
Insurance Reserve—June 30th, 1912		<u>\$2,821,373.62</u>
Less Reinsurance effected applying subsequent to June 30th, 1912:..		106,686.25
Insurance Reserve as per General Balance Sheet—Page 21		<u><u>\$2,714,687.37</u></u>

ASSETS AND LIABILITIES.

ASSETS:

Funded:		
Securities as per Statement on page 13.....	\$2,801,100.00	
Unfunded:		
Interest accrued on Securities Owned.....	43,180.54	
DEFERRED DEBITS:		
Reinsurance effected applying subsequent to June 30th, 1912.....	106,686.25	
Total Assets.....		<u><u>\$2,950,966.79</u></u>
LIABILITIES:		
Insurance Reserve Account....	\$2,821,373.62	
C. M. & St. P. Ry. Co.....	129,593.17	
Total Liabilities.....		<u><u>\$2,950,966.79</u></u>

INSURANCE DEPARTMENT.

INVESTMENTS—SECURITIES.

The Insurance Reserve Fund, June 30th, 1912, amounts to \$2,821,373.62, of which \$2,801,100.00 is invested in securities at par, as shown in the following statement:

Chicago, Milwaukee & St. Paul Ry. Co. Bonds:

General Mortgage 4%.....	\$600,000.00
Twenty-five Year Gold 4%.....	83,000.00
LaCrosse & Davenport Division 5%.....	4,000.00
Chicago & Pacific Western Division 5%.....	6,000.00
Convertible Gold 4½%.....	13,700.00
	<u>\$706,700.00</u>

Chicago, Milwaukee & St. Paul Ry. Co. Stock:

Preferred Stock.....	86,100.00
Common Stock.....	5,300.00
Kansas City Belt Ry. Co. 6% Bonds.....	150,000.00
Dakota & Great Southern Ry. 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 Ry. Co. 4% Bonds.....	100,000.00
Milwaukee & Northern R. R. Co. 6% Bonds.....	20,000.00
Milwaukee & Northern R. R. Co. 4½% Bonds....	38,000.00
Fargo & Southern Ry. Co. 6% Bonds.....	2,000.00
Atchison, Topeka & Santa Fe Ry. Co. 4% Bonds..	100,000.00
Union Pacific R. R. Co. 4% Bonds.....	50,000.00
Chicago & Western Indiana R. R. Co. 4% Bonds..	125,000.00
Lake Shore & Michigan Southern Ry. Co. 4% Bonds	100,000.00
City of New York 4% Bond.....	75,000.00
Pennsylvania R. R. Co. 4% Bonds.....	100,000.00
Tacoma Eastern R. R. Co. 5% Bonds.....	37,000.00
Chicago, Mil. & Puget Sound Ry. Co. 4% Bonds..	1,000,000.00
Total.....	<u>\$2,801,100.00</u>

OPERATING REVENUES.

The total Operating Revenues for the year were \$63,122,743.34—a decrease of \$1,853,251.66 as compared with the previous year.

The revenue from freight traffic was \$42,815,573.23—67.83% of total revenue—a decrease of \$1,960,880.94 or 4.38%.

The number of tons of freight carried was 26,575,784—a decrease of 217,863 tons, or .81%.

The following classes of commodities show a decrease compared with the previous year: Products of Agriculture, 560,323 tons; Products of Forests, 55,843 tons, and Commodities Not Specified, 92,471 tons.

There was an increase in Products of Animals of 48,591 tons; Products of Mines, 344,191 tons, and Manufactures, 97,992 tons.

The number of tons of all agricultural products carried during the year was 5,179,062 tons—a decrease compared with the previous year of 9.76%. Agricultural products comprised 19.49% of the total tonnage carried, as compared with 21.42% of the total tonnage of last year.

The number of tons of commodities other than agricultural products carried during the year was 21,396,722 tons—an increase compared with the previous year of 342,460 tons, or 1.63%—the per cent of the total being 80.51% against 78.58% last year.

The number of tons of revenue freight carried one mile was 5,105,841,880—a decrease of 217,692,836, or 4.09%. The revenue per ton per mile was .8386 cent—a decrease of .0025 cent, or .30%. The average miles each ton of revenue freight carried was 192.12 miles—a decrease of 6.56 miles, or 3.30%.

The number of tons of revenue freight carried per loaded car was 14.786, against 14.968 last year—a decrease of 1.22%. The number of tons of revenue freight per freight and mixed train mile was 287.98, against 274.58 last year—an increase of 4.88%. The revenue from freight per freight and mixed train mile was \$2.4149, as against \$2.3095 last year—an increase of 4.56%.

The revenue from passenger traffic during the year was \$13,936,963.07—22.08% of the total revenue—a decrease of \$140,794.24, compared with the previous year, or 1.00%. The number of passengers carried was 14,177,026—a decrease of 215,892 or 1.50%. The number of passengers carried one mile was 683,916,289—an increase of 6,770,527, or 1.00%; the revenue per passenger per mile was 2.038 cents—a decrease of .041 cent, or 1.97%; the average miles each passenger was carried was 48.24 miles—an increase of 1.19 miles, or 2.53%.

OPERATING EXPENSES.

The operating expenses for the year were \$47,743,156.54, an increase of \$689,437.93, as compared with the report of the previous year.

The expenses of Maintenance of Way and Structures were \$8,812,314.23; Maintenance of Equipment, \$9,681,271.34; Traffic Expenses, \$1,266,136.18; Transportation Expenses, \$26,842,051.25, and General Expenses, \$1,141,383.54.

There was an increase in Maintenance of Way and Structures of \$946,913.72, in Maintenance of Equipment of \$841,887.12, in Traffic Expenses of \$1,863.98, and in General Expenses of \$22,674.48. There was a decrease in Transportation Expenses of \$1,123,901.37.

The cost of labor in renewal of rails and ties, general track repairs and removal of snow, sand, and ice for the year, as compared with the previous year, was as follows:

Year ended June 30th, 1912.....	\$3,425,505.23
Year ended June 30th, 1911.....	2,916,880.69
Increase.....	\$508,624.54

A detailed statement of the rails and ties laid in renewal will be found on page 16.

RAILS AND TIES LAID IN RENEWALS

There were 82,175 tons of rail and 2,757,292 cross ties laid in renewals during the year, being an excess of 631 tons of rail and 930,205 ties over last year at an increased expenditure of \$62,609.75 and \$632,160.21 respectively, as follows:

	1911	1912	
RAILS LAID IN RENEWALS:			
New Steel Rails.....	47,823 tons	49,097 tons	1,274 tons Inc.
Usable Steel Rails.....	22,389 "	18,526 "	3,863 " Dec.
Rerolled Steel Rails.....	11,309 "	14,518 "	3,209 " Inc.
Iron Rails.....	23 "	34 "	11 " Inc.
TOTAL.....	81,544 tons	82,175 tons	631 tons Inc.
COST OF RAILS LAID IN RENEWALS:			
New Steel Rails.....	\$1,412,714.42	\$1,460,877.66	\$48,163.24 Inc.
Usable Steel Rails.....	492,557.91	407,562.43	84,995.48 Dec.
Rerolled Steel Rails.....	316,455.62	415,722.96	99,267.34 Inc.
Iron Rails.....	374.71	549.36	174.65 Inc.
TOTAL.....	\$2,222,102.66	\$2,284,712.41	\$62,609.75 Inc.
LESS VALUE OF OLD RAILS RECOVERED AND OTHER ITEMS.....			
	1,756,211.41	1,805,187.11	48,975.70 Inc.
NET TOTAL.....	\$465,891.25	\$479,525.30	\$13,634.05 Inc.
TIES LAID IN RENEWALS:			
Cross-Ties—Number.....	1,827,087	2,757,292	930,205 Inc.
Switch and Bridge Ties—Board Feet.....	4,879,960	4,597,004	282,956 Dec.
COST OF TIES LAID IN RENEWALS:			
Cross-Ties.....	\$923,438.70	\$1,555,598.91	\$632,160.21 Inc.
Switch and Bridge Ties...	116,028.17	113,403.08	2,625.09 Dec.
TOTAL.....	\$1,039,466.87	\$1,669,001.99	\$629,535.12 Inc.

During the year 34 steel bridges, aggregating 3,085 feet in length and 18 masonry bridges, aggregating 1,270 feet in length, were built—replacing 2,880 feet of wooden bridges, 907 feet of iron bridges and 568 feet of embankment; and 454 wooden culverts were replaced with iron. About 2.6 miles of pile bridges were filled with earth, 108 bridges having been completely filled and 74 reduced in length by filling.

*CHICAGO, MILWAUKEE & PUGET SOUND
RAILWAY COMPANY*

The results of the operation of the Chicago, Milwaukee & Puget Sound Railway—the Capital Stock of which is owned by the Chicago, Milwaukee & St. Paul Railway Company—to June 30th, 1912, are shown in the following statement:—

Balance to Credit of Profit and Loss, June 30th, 1911	\$481,869.97	
Sundry Credits during current year applicable to period prior to July 1st, 1911		7,909.88
		<u>\$489,779.85</u>
Operating Revenues	\$16,132,612.02	
Operating Expenses	9,512,027.61	
Net Operating Revenue	\$6,620,584.41	
Net Revenue—Outside Operations	112,113.39	
Total Net Revenue	\$6,732,698.30	
*Taxes Accrued	1,053,253.24	
Operating Income	\$5,679,445.06	
Dividends on Stocks	\$47,037.00	
Interest on Bonds	50,000.00	
Hire of Equipment	841,689.45	
Miscellaneous Credits	237,481.65	1,176,208.10
Gross Corporate Income		\$6,855,653.16
Interest Accrued on Funded Debt	\$6,213,008.20	
Miscellaneous Debits	794,182.88	7,007,191.08
Net Corporate Deficit		151,537.92
Balance Credit, June 30th, 1912 ..		<u>\$338,241.93</u>

* Taxes increased \$524,411.80.

*TACOMA EASTERN RAILROAD COMPANY
GALLATIN VALLEY RAILWAY COMPANY
MILWAUKEE TERMINAL RAILWAY COMPANY
BELLINGHAM BAY & BRITISH COLUMBIA
RAILROAD COMPANY*

BELLINGHAM TERMINAL & RAILWAY COMPANY

The operations, for the fiscal year ending June 30th, 1912, of these Companies—all of the Capital Stock of which is owned by the Chicago, Milwaukee & Puget Sound Railway Company, except 29% of the stock of the Bellingham Bay & British Columbia Railroad Company—show the following results:—

Operating Revenues	\$1,053,297.61	
Operating Expenses	747,400.07	
Net Operating Revenue	\$305,897.54	
Taxes Accrued	76,907.74	
Operating Income	\$228,989.80	
Rentals (Net)	152.42	
Gross Corporate Income		\$229,142.22
Interest paid Chicago, Milwaukee & Puget Sound Railway Company	\$113,772.73	
Interest paid on Bonds	76,611.09	
Hire of Equipment	33,248.85	
Other Interest	13,940.20	
Sinking Fund	11,082.50	
Land Account	110.53	248,795.90
Net Corporate Deficit		<u>\$19,653.68</u>

INDIANA HARBOR BELT RAILROAD COMPANY.

For the purpose of securing for this Company better facilities in the interchange of traffic with other railways outside of the limits of the City of Chicago, enabling it to more directly participate in serving the territory now under development in the vicinity of Indiana Harbor and Gary, Ind., and tributary territory, this Company has acquired by purchase 20% of the outstanding Capital Stock and 20% of certain obligations of the Indiana Harbor Belt Railroad Company. The Indiana Harbor Belt Railroad Company owns or has trackage rights over about 104 miles of railroad connecting with the lines of this Company at Franklin Park, Ill.

The crop failure of 1911 in Western Minnesota, South Dakota and Southern North Dakota was the most complete that ever occurred in these states. This unprecedented crop shortage was largely the cause of the decrease in freight revenue for the past fiscal year. It affected the territory tributary to about 24% of the total miles operated.

The decrease in the total number of tons of grain transported was 762,193 tons. This would have been much greater but for the increase of short haul grain tonnage secured at other points.

The average haul of grain was 233 miles, a decrease of 52 miles compared with the previous year.

The 1912 crops of small grains in the territory tributary to the Company's lines are excellent and the yield will be considerably above the average.

Since the close of the fiscal year ending June 30th, 1912, there has been a general revival of business in all lines, and the outlook is that there will be a substantial increase in the earnings of the current fiscal year.

Major Frank S. Bond, who served as a Director of this Company for more than a quarter of a century, and as Vice-President from December 7th, 1886, to July 5th, 1900, died at Jekyl Island on the 27th day of February, 1912. He was a faithful and efficient officer of the Company, and was held in high esteem by his associates.

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

By order of the Board of Directors.

A. J. EARLING,
President.

AUGUST, 1912.

To the President:

Herewith are submitted the General Accounts and Statements of Operation of the Company for the fiscal year ending June 30th, 1912.

W. N. D. WINNE,
Comptroller.

GENERAL BALANCE SHEET.

ASSETS—JUNE 30TH, 1912.

PROPERTY INVESTMENT:		
Road and Equipment		\$ 301,592,893.65
Reserve for Accrued Depreciation—Cr.		5,350,291.98
		<u>\$ 206,242,601.67</u>
Securities:		
Securities of Controlled Companies— Unpledged:		
Stocks.....	\$14,364,597.00	
Funded Debt.....	117,178,054.50	131,542,651.50
Other Investments:		
Advances to Controlled Companies for Construction, Equipment and Betterments.....	\$48,457,494.19	
Miscellaneous Investments:		
Physical Property.....	287,826.70	
Investment Securities—Unpledged.	40,507.05	48,785,827.94
		<u>\$ 476,571,081.11</u>
WORKING ASSETS:		
Cash.....	\$22,183,141.30	
Securities Issued and held in Treasury..		
Common Stock.....	402,200.00	
Preferred Stock.....	343,000.00	
Funded Debt.....	40,768,000.00	
Loans and Bills Receivable.....	2,539,681.36	
Traffic and Car-Service Balances.....	319,521.59	
Net Balances due from Agents and Conductors.....	1,703,892.26	
Miscellaneous Accounts Receivable....	2,096,055.55	
Materials and Supplies.....	5,491,451.69	
Other Working Assets.....	249,833.48	76,096,777.23
ACCRUED INCOME NOT DUE:		
Unmatured Interest.....		2,630,749.94
DEFERRED DEBIT ITEMS:		
Working Funds.....	\$33,950.73	
Other Advances.....	12,585.55	
Taxes Paid applicable to period sub- sequent to June 30th, 1912	412,277.72	
Cash and Securities in Sinking Funds.	431,564.76	
Securities in Insurance Fund	2,801,100.00	
Other Deferred Debit Items.....	2,000,387.09	5,691,865.85
		<u>\$ 560,990,474.13</u>

GENERAL BALANCE SHEET.

LIABILITIES—JUNE 30TH, 1912.

CAPITAL STOCK:		
Common Stock.....	\$ 116,348,200.00	
Preferred Stock.....	116,274,900.00	\$ 232,623,100.00
FUNDED DEBT:		
Mortgage Bonds.....	\$ 157,247,000.00	
Debenture Bonds.....	111,120,154.66	268,367,154.66
		\$500,990,254.66
WORKING LIABILITIES:		
Traffic and Car-Service Balances.....	\$1,131,065.97	
Pay Rolls and Vouchers.....	6,534,394.00	
Miscellaneous Accounts Payable.....	150,647.32	
Unclaimed Dividends.....	6,767.00	
Interest Coupons not presented.....	25,287.50	
Matured Funded Debt.....	10,000.00	
Other Working Liabilities.....	455,423.51	8,313,585.30
ACCRUED LIABILITIES NOT DUE:		
Interest Accrued on Funded Debt.....	\$3,233,497.71	
Taxes Accrued.....	42,594.44	
French Government Tax—European Loan of 1910.....	1,308,398.54	4,584,490.69
DEFERRED CREDIT ITEMS:		
Insurance Department Fund—Reserve...	\$2,714,687.37	
Other Deferred Credit Items.....	234,243.91	2,948,931.28
APPROPRIATED SURPLUS:		
Reserves from Income or Surplus:		
Invested in Sinking Funds.....	\$431,564.76	
Not Specifically Invested.....	790,122.75	1,221,687.51
		\$518,058,949.44
PROFIT AND LOSS:		
Balance.....		42,931,524.69
		\$560,990,474.13

STATEMENT OF INCOME ACCOUNT,
YEAR ENDING JUNE 30TH, 1912.

OPERATING INCOME:		
Rail Operations:		
Operating Revenues.....		\$63,122,743.34
Operating Expenses.....		47,743,156.54
Net Operating Revenue.....		\$15,379,586.80
Outside Operations:		
Revenues.....	\$1,365,789.24	
Expenses.....	1,344,321.19	
Net Revenue—Outside Operations...		21,468.05
Total Net Revenue.....		\$15,401,054.85
Taxes Accrued.....		2,368,710.26
Operating Income.....		\$12,532,344.59
OTHER INCOME:		
Interest Accrued on Bonds Owned	\$5,283,516.23	
Dividends on Stocks Owned.....	31,825.00	
Interest on Other Securities, Loans and Accounts.....	1,575,206.05	
Rents—Credits.....	408,976.13	
Miscellaneous Income.....	292,424.99	
Total Other Income.....		7,591,948.40
Gross Corporate Income.....		\$20,124,292.99
DEDUCTIONS FROM GROSS CORPORATE INCOME:		
Interest Accrued on Funded Debt.....	\$8,494,528.74	
Hire of Equipment.....	1,246,290.50	
Rents—Debits.....	153,027.71	
Total Deductions from Gross Corporate Income.....		10,193,846.95
NET CORPORATE INCOME FOR YEAR CARRIED FORWARD TO CREDIT OF PROFIT AND LOSS..		\$9,930,446.04

PROFIT AND LOSS ACCOUNT, JUNE 30TH, 1912.

DEBIT.		CREDIT.	
Insurance Department Reserve.....	\$1,013,700.00	Balance June 30th, 1911.....	\$49,278,507.91
Dubuque Division and Wisconsin Valley Division Sinking Funds.....	92,270.00	Sundry charges and credits accruing prior to July 1st, 1911— <i>Net Credit</i>	154,457.24
Depreciation of Equipment prior to July 1st, 1907.....	47,616.25	Balance for year brought forward from Income Account.....	9,930,446.04
Net Loss on Property sold or abandoned and not replaced.....	208,722.47	Par value of General Mortgage Bonds, replacing bonds paid from Sinking Funds previously charged to this account.....	155,000.00
Taxes on Property not used in Railway Operation.....	60,257.60	Salvage value of small capacity locomotives and cars returned to inventory January 1st, 1912.....	349,011.23
Expense of flotation of Convertible 4½% Gold Bonds.....	355,263.40	Income from Property not used in Railway Operation.....	43,649.99
Sundry charges and credits accruing since July 1st, 1911— <i>Net Debit</i>	129,725.00		
Dividend declared July 27th, 1911:			
3½% on \$115,931,900 Preferred Stock....	4,057,616.50		
3½% on \$115,946,000 Common Stock....	4,058,110.00		
Dividend declared January 25th, 1912:			
3½% on \$115,931,900 Preferred Stock....	4,057,616.50		
2½% on \$115,946,000 Common Stock....	2,898,650.00		
Balance Credit, June 30th, 1912, carried to General Balance Sheet.....	42,931,524.69		
	<u>\$59,911,072.41</u>		<u>\$59,911,072.41</u>

FUNDED DEBT, JUNE 30TH, 1912.

Total Funded Debt, June 30th, 1911, including all liens on purchased roads.....		\$232,572,654.66
General Mortgage Bonds issued for Additions and Improvements to Property to June 30th, 1911.....		901,000.00
General Mortgage Bonds issued for underlying bonds retired and canceled.....		155,000.00
Convertible 4½% Gold Bonds sold.....		34,893,500.00
		\$268,522,154.66
Deduct:		
Bonds, retired and canceled as follows:		
Dubuque Division	\$130,000.00	
Wisconsin Valley Division	25,000.00	155,000.00
Total Funded Debt, June 30th, 1912...		\$268,367,154.66
Of the total amount of bonds as stated above, there remain in the Treasury.....		\$40,768,000.00

FUNDED DEBT, JUNE 30TH, 1912.

DESCRIPTION OF BONDS.	DATE OF MATURITY.	INTEREST.			AMOUNT OF BONDS.
		RATE.	PAYABLE.	ACCRUED DURING THE YEAR.	
Terminal Mortgage.....	July 1, 1914	5 %	Jan. and July	\$ 237,400.00	\$ 4,748,000.00
LaCrosse & Davenport Division.....	July 1, 1919	5 %	Jan. and July	125,000.00	2,500,000.00
Dubuque Division.....	July 1, 1920	6 %	Jan. and July	287,040.00	4,784,000.00
Wisconsin Valley Division.....	July 1, 1920	6 %	Jan. and July	111,180.00	1,853,000.00
Chicago & Pacific Western Division.....	Jan. 1, 1921	5 %	Jan. and July	1,267,000.00	25,340,000.00
Wisconsin & Minnesota Division.....	July 1, 1921	5 %	Jan. and July	237,750.00	4,755,000.00
Chicago & Lake Superior Division.....	July 1, 1921	5 %	Jan. and July	68,000.00	1,360,000.00
Chicago & Missouri River Division.....	July 1, 1926	5 %	Jan. and July	154,150.00	3,083,000.00
General Mortgage.....	May 1, 1989	4 %	Jan. and July	1,953,640.00	48,841,000.00
General Mortgage.....	May 1, 1989	3½ %	Jan. and July	313,250.00	8,950,000.00
Milwaukee & Northern R. R. Co. 1st Mortgage.....	June 1, 1913	4½ %	June and Dec.	96,975.00	2,155,000.00
Milwaukee & Northern R. R. Co. Consolidated.....	June 1, 1913	6 %	June and Dec.	240,180.00	4,003,000.00
Dakota & Great Southern Ry. Co.....	Jan. 1, 1916	5 %	Jan. and July	142,800.00	2,856,000.00
Fargo & Southern Ry. Co.....	Jan. 1, 1924	6 %	Jan. and July	75,000.00	1,250,000.00
Fifteen year European Loan of 1910.....	June 1, 1925	4 %	June and Dec.	1,930,000.00	48,176,654.66
Convertible Gold.....	June 1, 1932	4½ %	June and Dec.	130,073.74	34,893,500.00
Twenty-five year Gold.....	July 1, 1934	4 %	Jan. and July	1,122,000.00	28,050,000.00
Southwestern Division.....	July 1, 1909	6 %	Jan. and July	.....	1,000.00
Interest on bonds matured and canceled.....	.....	.....	.....	3,090.00	.....
				\$8,494,528.74	\$227,599,154.66
Amount of bonds in the Treasury of the Company .....				.....	40,768,000.00
Total .....				.....	\$268,367,154.66

RAILWAY COMPANY

DETAILED STATEMENT OF OPERATING REVENUES, EXPENSES AND INCOME
FOR THE YEARS ENDING JUNE 30TH, 1911 AND 1912.
OPERATING REVENUES.

	1911	1912	INCREASE	DECREASE
Freight Revenue.....	\$44,776,454.17	\$42,815,573.23	.....	\$1,960,880.94
Passenger Revenue.....	14,077,757.31	13,936,963.07	.....	140,794.24
Other Transportation Revenue.....	5,516,821.84	5,751,668.48	\$234,846.64	.....
Non-Transportation Revenue.....	604,961.68	618,538.56	13,576.88	.....
TOTAL—Operating Revenues.....	\$64,975,995.00	\$63,122,743.34	.....	\$1,853,251.66

OPERATING EXPENSES.

MAINTENANCE OF WAY AND STRUCTURES				
Superintendence.....	\$250,764.74	\$301,326.49	\$50,561.75	.....
Ballast.....	100,160.00	97,709.94	.....	\$2,450.06
Ties.....	1,039,466.87	1,669,001.99	629,535.12	.....
Rails.....	465,891.25	479,525.30	13,634.05	.....
Other Track Material.....	358,523.98	395,857.09	37,333.11	.....
Roadway and Track.....	2,786,657.29	3,111,464.82	324,807.53	.....
Removal of Snow, Sand and Ice.....	130,223.40	314,040.41	183,817.01	.....
Tunnels.....	101.30	359.75	258.45	.....
Bridges, Trestles and Culverts.....	1,008,601.19	749,567.68	.....	259,033.51
Over and Under Grade Crossings.....	21,751.70	25,005.97	3,254.27	.....
Grade Crossings, Fences, Cattle Guards and Signs.....	199,214.05	195,570.02	.....	3,644.03
Snow and Sand Fences and Snow Sheds.....	16,889.85	14,601.08	.....	2,288.77
Signals and Interlocking Plants.....	135,461.96	126,645.90	.....	8,816.06
Telegraph and Telephone Lines.....	79,392.00	64,250.50	.....	15,141.50
Buildings, Fixtures and Grounds.....	725,805.54	740,432.32	14,626.78	.....
Docks and Wharves.....	40,040.75	54,027.34	13,986.59	.....
Roadway Tools and Supplies.....	137,666.46	138,747.63	1,081.17	.....
Injuries to Persons.....	106,066.03	75,117.97	.....	30,948.06
Stationery and Printing.....	9,993.73	9,518.24	.....	475.49
Other Expenses.....	204.35	202.40	.....	1.95
Maintaining Joint Tracks, etc.—Dr.....	415,809.72	350,902.62	.....	64,907.10
Maintaining Joint Tracks, etc.—Cr.....	163,285.65	101,561.23	61,724.42	.....
TOTAL—Maintenance of Way and Structures	\$7,865,400.51	\$8,812,314.23	\$946,913.72	.....

OPERATING REVENUES, EXPENSES AND INCOME—CONTINUED.

MAINTENANCE OF EQUIPMENT.	1911	1912	INCREASE	DECREASE
Superintendence.....	\$135,820.72	\$191,159.96	\$55,339.24	.....
Steam Locomotives—Repairs.....	3,267,746.18	3,977,794.39	710,048.21	.....
Steam Locomotives—Depreciation.....	213,066.17	217,126.62	4,060.45	.....
Passenger Train Cars—Repairs.....	670,615.88	687,335.15	16,719.27	.....
Passenger Train Cars—Renewals.....	4,643.59	853.29	.....	\$3,790.30
Passenger Train Cars—Depreciation.....	82,267.26	92,908.23	10,640.97	.....
Freight Train Cars—Repairs.....	3,526,280.22	3,541,965.81	15,685.59	.....
Freight Train Cars—Renewals.....	101,719.72	94,746.81	.....	6,972.91
Freight Train Cars—Depreciation.....	432,795.15	431,694.39	.....	1,100.76
Work Equipment—Repairs.....	152,414.01	135,398.72	.....	17,015.29
Work Equipment—Renewals.....	965.48	25,382.07	24,416.59	.....
Work Equipment—Depreciation.....	11,027.82	11,707.28	679.46	.....
Shop Machinery and Tools.....	154,694.56	159,894.84	5,200.28	.....
Injuries to Persons.....	34,290.21	61,664.52	27,374.31	.....
Stationery and Printing.....	14,790.78	14,018.30	.....	772.48
Other Expenses.....	75.00	204.54	129.54	.....
Maintaining Joint Equipment at Terminals—Dr.	37,953.03	40,939.70	2,986.67	.....
Maintaining Joint Equipment at Terminals—Cr.	1,781.56	3,523.28	.....	1,741.72
TOTAL—Maintenance of Equipment.....	\$8,839,384.22	\$9,681,271.34	\$841,887.12	.....
TRAFFIC EXPENSES.				
Superintendence.....	\$266,349.06	\$275,664.62	\$9,315.56	.....
Outside Agencies.....	625,425.60	647,866.05	22,440.45	.....
Advertising.....	202,548.54	197,657.42	.....	\$4,891.12
Traffic Associations.....	21,566.28	25,047.77	3,481.49	.....
Industrial and Immigration Bureaus.....	26,811.27	29,060.09	2,248.82	.....
Stationery and Printing.....	119,900.27	88,706.39	.....	31,193.88
Other Expenses.....	1,671.18	2,133.84	462.66	.....
TOTAL—Traffic Expenses.....	\$1,264,272.20	\$1,266,136.18	\$1,863.98	.....

OPERATING REVENUES, EXPENSES AND INCOME — CONTINUED.

TRANSPORTATION EXPENSES	1911	1912	INCREASE	DECREASE
Superintendence.....	\$366,457.77	\$191,071.70	.....	\$175,386.07
Dispatching Trains.....	353,010.08	344,708.13	.....	8,301.95
Station Employes.....	3,510,921.23	3,593,989.44	\$83,068.21	.....
Weighing and Car-Service Associations.....	85,793.08	87,504.89	1,711.81	.....
Coal and Ore Docks.....	32,709.72	33,226.26	516.54	.....
Station Supplies and Expenses.....	222,309.98	230,368.13	8,058.15	.....
Yardmasters and their Clerks.....	219,589.42	221,538.10	1,948.68	.....
Yard Conductors and Brakemen.....	1,734,157.57	1,651,306.77	.....	82,850.80
Yard Switch and Signal Tenders.....	126,591.50	120,148.60	.....	6,442.90
Yard Supplies and Expenses.....	13,831.16	13,467.91	.....	363.25
Yard Enginemen.....	982,468.38	1,010,299.61	27,831.23	.....
Enginehouse Expenses—Yard.....	285,168.20	253,217.13	.....	31,951.07
Fuel for Yard Locomotives.....	858,038.76	758,157.05	.....	99,881.71
Water for Yard Locomotives.....	46,632.41	51,459.94	4,827.53	.....
Lubricants for Yard Locomotives.....	9,703.95	22,259.40	12,555.45	.....
Other Supplies for Yard Locomotives.....	19,905.92	20,643.15	737.23	.....
Operating Joint Yards and Terminals—Dr.....	575,641.39	548,997.11	.....	26,644.28
Operating Joint Yards and Terminals—Cr.....	122,378.17	132,507.90	.....	10,129.73
Road Enginemen.....	3,147,462.26	3,176,974.97	29,512.71	.....
Enginehouse Expenses—Road.....	1,160,283.60	1,051,535.11	.....	108,748.49
Fuel for Road Locomotives.....	6,087,752.34	6,202,682.02	.....	485,070.32
Water for Road Locomotives.....	267,417.48	258,104.56	.....	9,312.92
Lubricants for Road Locomotives.....	99,103.79	122,489.73	23,385.94	.....
Other Supplies for Road Locomotives.....	122,152.15	116,308.50	.....	5,843.65
Road Trainmen.....	3,359,890.85	3,394,881.15	34,990.30	.....
Train Supplies and Expenses.....	782,421.36	702,728.53	.....	79,692.83
Interlockers and Other Signals—Operation.....	130,934.39	133,598.17	2,663.78	.....
Crossing Flagmen and Gatemen.....	205,002.25	208,439.42	3,437.17	.....
Drawbridge Operation.....	29,511.00	28,803.12	.....	707.88
Clearing Wrecks.....	85,134.11	99,096.66	13,962.55	.....
Telegraph and Telephone—Operation.....	46,285.60	26,507.73	.....	19,777.87
Stationery and Printing.....	172,368.33	169,495.78	.....	2,872.55
Other Expenses.....	24,766.81	93,664.46	68,897.65	.....
Loss and Damage—Freight.....	1,215,626.88	1,042,984.72	.....	172,642.16
Loss and Damage—Baggage.....	9,800.66	7,456.98	.....	2,343.68

OPERATING REVENUES, EXPENSES AND INCOME—CONCLUDED

TRANSPORTATION EXPENSES—Concluded	1911	1912	INCREASE	DECREASE
Damage to Property	\$214,497.75	\$89,802.27		\$124,695.48
Damage to Stock on Right of Way.....	47,964.80	38,522.69		9,442.11
Injuries to Persons.....	808,097.96	829,132.92	\$21,034.96	
Operating Joint Tracks and Facilities—Dr.....	124,297.60	127,317.87	3,020.27	
Operating Joint Tracks and Facilities—Cr.....	<i>95,371.70</i>	<i>98,331.53</i>		2,959.83
TOTAL—Transportation Expenses.....	\$27,965,952.62	\$26,842,051.25		\$1,123,901.37
GENERAL EXPENSES				
Salaries and Expenses of General Officers	\$221,741.89	\$214,384.37		\$7,357.52
Salaries and Expenses of Clerks and Attendants .	388,039.72	514,136.99	\$126,097.27	
General Office Supplies and Expenses.....	54,120.74	54,181.89	61.15	
Law Expenses.....	203,059.01	198,805.70		4,253.31
Insurance.....	105,947.16	30,347.11		75,600.05
Stationery and Printing.....	57,580.60	49,019.34		8,561.26
Other Expenses.....	65,647.94	57,286.49		8,361.45
General Administration, Joint Tracks, Yards, etc—Dr.	22,572.00	23,221.65	649.65	
TOTAL—General Expenses.....	\$1,118,709.06	\$1,141,383.54	\$22,674.48	
TOTAL—Operating Expenses.....	\$47,053,718.61	\$47,743,156.54	\$689,437.93	
Net Operating Revenue.....	\$17,922,276.39	\$15,379,586.80		\$2,542,689.59
OUTSIDE OPERATIONS				
Total Revenues.....	\$1,731,989.64	\$1,365,789.24		\$366,200.40
Total Expenses.....	1,536,321.29	1,344,321.19		192,000.10
Net Revenue—Outside Operations.....	\$195,668.35	\$21,468.05		\$174,200.30
Total Net Revenue.....	\$18,117,944.74	\$15,401,054.85		\$2,716,889.89
Taxes Accrued	2,662,700.20	2,868,710.26	\$206,010.06	
Operating Income.....	\$15,455,244.54	\$12,532,344.59		\$2,922,899.95

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES

FOR THE YEARS ENDING JUNE 30TH, 1911 AND 1912.

OPERATING REVENUES.

	1911		1912	
	AMOUNT	PER CENT	AMOUNT	PER CENT
Freight Revenue.	\$44,776,454.17	68.91	\$42,815,573.23	67.83
Passenger Revenue.	14,077,757.31	21.67	13,936,963.07	22.08
Other Transportation Revenue.	5,516,821.84	8.49	5,751,668.48	9.11
Non-Transportation Revenue.	604,961.68	.93	618,538.56	.98
Operating Revenues.	\$64,975,995.00	100.00	\$63,122,743.34	100.00

OPERATING EXPENSES.

Maintenance of Way and Structures.	\$7,865,400.51	12.11	\$8,812,314.23	13.96
Maintenance of Equipment.	8,839,384.22	13.60	9,681,271.34	15.34
Traffic Expenses.	1,264,272.20	1.95	1,266,136.18	2.01
Transportation Expenses.	27,965,952.62	43.04	26,842,051.25	42.52
General Expenses.	1,118,709.06	1.72	1,141,383.54	1.81
Operating Expenses.	\$47,053,718.61	72.42	\$47,743,156.54	75.64

RECAPITULATION.

Operating Revenues.	\$64,975,995.00	100.00	\$63,122,743.34	100.00
Operating Expenses.	47,053,718.61	72.42	47,743,156.54	75.64
Net Operating Revenue.	\$17,922,276.39	27.58	\$15,379,586.80	24.36
Average miles in operation during the year, including miles of main track used under contracts.	7,511.56	.....	7,511.41	.....

COMPARATIVE SUMMARY OF OPERATION

FOR THE YEARS ENDING JUNE 30TH, 1911 AND 1912.

	1911	1912	INCREASE	DECREASE
Operating Revenues.....	\$64,975,995.00	\$63,122,743.34	.....	\$1,853,251.66
Operating Expenses.....	47,053,718.61	47,743,156.54	\$689,437.93	.....
Net Operating Revenue.....	\$17,922,276.39	\$15,379,586.80	.....	\$2,542,689.59
Freight Revenue per mile.....	\$5,961.01	\$5,700.07	.....	\$260.94
Passenger and Miscellaneous Revenues per mile.....	2,689.12	2,703.51	\$14.39	.....
Operating Revenues per mile.....	\$8,650.13	\$8,403.58	.....	\$246.55
Operating Expenses per mile.....	6,264.17	6,356.08	\$91.91	.....
Net Operating Revenue per mile.....	\$2,385.96	\$2,047.50	.....	\$338.46
Average miles in operation during the year, including miles of main track used under contracts.....	7,511.56	7,511.41	.....	.15

OPERATING REVENUES, EXPENSES AND TAXES—MONTHLY.
YEAR ENDING JUNE 30TH, 1912.

MONTH.	OPERATING REVENUES.	OPERATING EXPENSES.	NET OPERATING REVENUE.	NET REVENUE—OUTSIDE OPERATIONS.	TAXES ACCRUED.	OPERATING INCOME.
July.....1911	\$ 5,044,537.43	\$ 3,690,127.22	\$ 1,354,410.21	\$ 11,523.57	\$ 239,106.31	\$ 1,126,827.47
August.....“	5,495,460.62	4,176,785.59	1,318,675.03	7,088.05	240,562.54	1,085,200.54
September.....“	5,962,267.03	4,463,113.25	1,499,153.78	15,470.02	240,562.54	1,274,061.26
October.....“	6,141,524.91	4,190,015.28	1,951,509.63	* 2,379.96	237,650.08	1,711,479.59
November.....“	5,402,186.06	3,872,482.63	1,529,703.43	* 12,868.70	239,947.85	1,276,886.88
December.....“	5,298,578.76	3,604,612.30	1,693,966.46	* 2,720.59	243,673.96	1,447,571.91
January.....1912	4,256,348.58	3,738,263.85	518,084.73	* 17,824.72	250,694.51	249,565.50
February.....“	4,903,318.14	3,972,347.62	930,970.52	* 29,455.02	250,249.72	651,265.78
March.....“	5,300,658.43	3,863,628.83	1,437,029.60	34,025.48	229,685.09	1,241,369.99
April.....“	5,054,242.31	4,238,931.71	815,310.60	* 3,040.91	231,911.41	580,358.28
May.....“	4,936,862.82	4,086,014.93	850,847.89	* 22.79	232,018.42	618,806.68
June.....“	5,326,758.25	3,846,833.33	1,479,924.92	21,673.62	232,647.83	1,268,950.71
Total.....	\$63,122,743.34	\$47,743,156.54	\$15,379,586.80	\$ 21,468.05	\$2,868,710.26	\$12,532,344.59

* Deficit.

CHARGES TO PROPERTY INVESTMENT—
ROAD AND EQUIPMENT.

DURING THE YEAR ENDING JUNE 30TH, 1912.

Additional Equipment Purchased and Built during year:	
89 Locomotives	\$1,654,860.12
4 Mail Cars.....	48,728.20
939 Box Cars	962,602.51
30 Box Cars—Merchandise.....	38,248.79
2 Ditchers	12,008.00
2 Wrecking Cranes.....	23,500.00
1 Derrick Car	2,014.91
* Estimated original cost of 60 locomotives and 2,751 cars dropped from Inventory prior to July 1st, 1907, and reinstated January 1st, 1912.....	2,032,557.00
Improvements to Locomotives and Cars	164,172.00
	<u>\$4,938,691.53</u>
Less original cost of equipment destroyed, sold or taken down during the year.....	619,201.21
	<u>\$4,319,490.32</u>
Construction of Second Main Track.....	1,393,039.22
Construction of Third and Fourth Main Tracks.....	212,196.92
Reducing Grade and Improving Line.....	245,138.07
Yard Improvements.....	500,839.92
Shop Improvements.....	324,605.59
Line Crystal Falls to Iron River, Michigan..	29,281.49
Other Additions and Betterments:	
Right of Way and Station Grounds.....	\$137,550.83
Widening Cuts and Fills	125,016.17
Protection of Banks and Drainage.....	36,122.85
Bridges, Trestles and Culverts.....	355,073.65
Increased Weight of Rails.....	271,098.30
Track Fastenings and Appurtenances.....	185,209.36
Improved Frogs and Switches.....	4,321.70
Ballast.....	274,237.44
Sidings and Spur Tracks.....	366,649.75
Fencing	53,542.10
Improvement of Crossings.....	20,431.61
Elimination of Grade Crossings.....	35,796.10
Interlocking Apparatus.....	20,800.70
Block and Other Signal Apparatus.....	28,858.71
Telegraph and Telephone Lines... ..	55,863.47
Station Buildings, Platforms, Sidewalks, etc.	415,621.49
Roundhouses, Fuel and Water Stations, etc.	168,270.81
Miscellaneous.....	173,581.96
	<u>2,728,047.00</u>
	<u>\$9,752,638.53</u>
Credit—Property retired or converted.....	371,475.18
	<u>\$9,381,163.35</u>
Road and Equipment, June 30th, 1911.....	292,211,730.30
Road and Equipment, June 30th, 1912.....	<u>\$301,592,893.65</u>

* These locomotives and cars, dropped from inventory when their replacement was provided for by charges to Income Account prior to July 1st, 1907, are still in use, chiefly in work train and construction service. It is therefore necessary to reinstate them in the accounts and in the inventory of equipment. The difference between their original cost and their scrap value has been credited to "Reserve for Accrued Depreciation," and when they are destroyed or taken down no further charge to Operating Expenses or Income Account will be necessary.

TRANSPORTATION STATISTICS.

FOR THE YEARS ENDING JUNE 30th, 1911 AND 1912.

	1911	1912
Miles run by freight trains.....	18,059,255	16,482,632
Miles run by passenger trains.....	13,292,786	14,191,342
Miles run by mixed trains.....	1,328,495	1,246,961
Total miles run by revenue trains.....	32,680,536	31,920,935
Miles run by loaded freight cars.....	355,664,313	345,310,261
Miles run by empty freight cars.....	141,893,279	126,196,690
Tons of revenue freight carried.....	26,793,647	26,575,784
Tons of revenue freight carried one mile.....	5,323,534,716	5,105,841,880
Tons of Company freight carried one mile.....	857,881,450	866,524,821
Tons of revenue freight per freight and mixed train mile.....	274.58	287.98
Tons of Company freight per freight and mixed train mile.....	44.25	48.88
Total tons of freight per freight and mixed train mile.....	318.83	336.86
Average revenue per ton of revenue freight per mile.....	.8411 cts.	.8386 cts.
Average distance haul of each ton of revenue freight—miles.....	198.68	192.12
Average amount received per ton of revenue freight.....	\$1.6712	\$1.6110
Average revenue from freight per freight and mixed train mile.....	\$2.3095	\$2.4149
Tons of revenue freight per loaded car.....	14.968	14.786
Tons of Company freight per loaded car.....	2.412	2.510
Total tons of freight per loaded car.....	17.380	17.296
Average number of loaded freight cars per train.....	18.345	19.476
Average number of empty freight cars per train.....	7.319	7.118
Average number of freight cars per train.....	25.664	26.594
Passengers carried.....	*14,392,918	14,177,026
Passengers carried one mile.....	*677,145,762	683,916,289
Passengers carried per passenger and mixed train mile.....	*46.31	44.30
Average revenue per passenger per mile.....	*2.079 cts.	2.038 cts.
Average distance traveled by each passenger—miles.....	*47.05	48.24
Average amount received per passenger.....	*97.81 cts.	98.31 cts.
Average revenue from passengers per passenger and mixed train mile.....	96.28 cts.	98.20 cts.
Operating expenses per revenue train mile.....	\$1.4398	\$1.4957

* Estimated.

STATEMENT OF COMMODITIES TRANSPORTED.

DURING THE YEARS ENDING JUNE 30th, 1911 AND 1912.

COMMODITIES	1911		1912	
	Tons	Per Cent	Tons	Per Cent
PRODUCTS OF AGRICULTURE:				
Flour.....	705,543	2.633	723,979	2.743
Other Mill Products.....	529,743	1.977	581,057	2.186
Wheat.....	1,447,888	5.404	1,056,774	3.977
Rye.....	43,799	.164	82,667	.311
Barley.....	622,754	2.324	499,441	1.879
Oats.....	593,238	2.214	408,797	1.538
Corn.....	849,905	3.172	747,712	2.813
Flax Seed.....	52,226	.195	73,836	.278
Hay.....	262,897	.981	270,406	1.018
Fruits and Vegetables.....	363,565	1.357	305,466	1.150
Other Agricultural Products..	267,827	1.000	423,927	1.595
	5,739,385	21.421	5,179,062	19.488
PRODUCTS OF ANIMALS:				
Live Stock.....	1,251,571	4.672	1,320,517	4.969
Dressed Meats.....	188,334	.703	172,720	.650
Other Packing House Products	99,016	.370	89,443	.336
Other Animal Products.....	188,348	.702	193,180	.727
	1,727,269	6.447	1,775,860	6.682
PRODUCTS OF MINES:				
Anthracite Coal.....	845,551	3.156	711,304	2.676
Bituminous Coal.....	2,505,587	9.351	2,997,181	11.278
Coke.....	457,497	1.707	384,999	1.449
Iron and other Ores.....	1,630,940	6.087	1,773,360	6.673
Stone, Sand, etc.....	1,666,070	6.218	1,576,982	5.934
Salt.....	81,866	.306	87,876	.331
	7,187,511	26.825	7,531,702	28.341
PRODUCTS OF FORESTS:				
Lumber, Lath and Shingles... .	1,854,478	6.921	1,971,380	7.418
Sash, Doors and Blinds.....	51,493	.192	56,468	.212
Other Forest Products.....	1,716,136	6.405	1,538,416	5.789
	3,622,107	13.518	3,566,264	13.419
MANUFACTURES:				
Petroleum and other Oils.....	246,472	.920	279,898	1.053
Iron and Steel.....	919,599	3.432	1,097,788	4.131
Castings and Machinery.....	194,139	.725	225,836	.850
Agricultural Implements.....	143,303	.535	141,725	.533
Wagons, Carriages, Tools, etc.	60,347	.225	76,867	.289
Lime, Cement and Plaster....	755,326	2.819	776,023	2.920
Brick.....	742,765	2.772	724,618	2.727
Wines, Liquors and Beers... .	533,082	1.990	515,942	1.941
Household Goods and Furniture	187,612	.700	153,307	.577
Paper.....	127,000	.474	137,519	.518
Other Manufactures.....	1,060,323	3.957	938,437	3.531
	4,969,968	18.549	5,067,960	19.070
COMMODITIES NOT SPECIFIED. . .				
	3,547,407	13.240	3,454,936	13.000
Total.....	26,793,647	100.000	26,575,784	100.000

EQUIPMENT, JUNE 30th, 1912.

Locomotives.....		1,385
Passenger Cars.....		589
Sleeping Cars.....		146
Parlor Cars.....		28
Dining Cars.....		28
Observation Cars.....		9
Baggage, Mail, Express and Combination Cars.....		458
Freight Cars—		
Box Cars.....	31,777	
Stock Cars.....	3,451	
Flat, Coal and Ore Cars.....	8,710	
Refrigerator and Vegetable Cars.....	1,840	
Ballast Cars.....	1,450	47,228
Caboose Cars.....		812
Work Train, Wrecking and Tool Cars.....		645
Office Cars.....		5
Total.....		<u>51,333</u>

There are included above, locomotives and cars dropped from equipment prior to June 30th, 1907, and reinstated, January 1st, 1912, as follows:

Locomotives.....	52
Passenger Cars.....	8
Sleeping Cars.....	4
Box Cars.....	2,456
Stock Cars.....	8
Flat and Coal Cars.....	196
Refrigerator Cars.....	12
Work Train, Wrecking and Tool Cars.....	18
Total.....	<u>2,754</u>

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