

1912

THIRD ANNUAL REPORT

OF THE

CHICAGO, MILWAUKEE & PUGET SOUND
RAILWAY COMPANY

FOR THE

Fiscal Year Ending June 30th, 1912.

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CHICAGO, MILWAUKEE & PUGET SOUND RAILWAY COMPANY.

TRUSTEES

H. M. BYLLESBY		CHICAGO
W. G. COLLINS		SEATTLE
CHARLES G. DAWES		CHICAGO
A. J. EARLING		CHICAGO
GEO. P. EARLING		MILWAUKEE
LAWRENCE FITCH		CHICAGO
WILLIAM A. FULLER		CHICAGO
PERCIVAL J. McINTOSH		NEW YORK
E. W. McKENNA		CHICAGO
HONORE PALMER		CHICAGO
E. D. SEWALL		CHICAGO
ADOLPH UHRLAUB		CHICAGO
H. R. WILLIAMS		SEATTLE

OFFICERS

H. R. WILLIAMS	President	SEATTLE
E. D. SEWALL	Vice-President	CHICAGO
A. M. INGERSOLL	Vice-President	TACOMA
C. A. GOODNOW	Assistant to the President	CHICAGO
E. W. ADAMS	Secretary	MILWAUKEE
A. H. BARKLEY	Ass't Secretary and Ass't Treasurer	SEATTLE
F. G. RANNEY	Treasurer	CHICAGO
JOHN McNAB	Assistant Treasurer	CHICAGO
W. N. D. WINNE	Comptroller	CHICAGO
BURTON HANSON	General Counsel	CHICAGO
H. H. FIELD	General Solicitor	CHICAGO
C. F. LOWETH	Consulting Engineer	CHICAGO
E. O. REEDER	Chief Engineer	SEATTLE
P. C. HART	General Superintendent	SEATTLE
R. M. CALKINS	Traffic Manager	SEATTLE

REPORT
OF THE
BOARD OF TRUSTEES

THIRD ANNUAL REPORT
 OF THE TRUSTEES OF THE
CHICAGO, MILWAUKEE & PUGET SOUND
 RAILWAY COMPANY
 TO THE STOCKHOLDERS.

For the Fiscal Year Ending June 30th, 1912.

The Trustees 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.....	\$16,132,612.02	
Operating Expenses.....	9,512,027.61	
Net Operating Revenue.....	\$6,620,584.41	
Net Revenue—Outside Operations.....	112,113.89	
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	
Interest on Other Securities, Loans and Accounts.....	183,719.72	
Hire of Equipment.....	841,689.45	
Rents—Credits.....	53,689.43	
Miscellaneous Credits.....	72.50	1,176,208.10
Gross Corporate Income.....		\$6,855,653.16
Interest Accrued on Funded Debt.....	\$6,213,008.20	
Rents—Debits.....	231,549.79	
Miscellaneous Debits.....	562,633.09	7,007,191.08
Net Corporate Deficit.....		<u>\$151,537.92</u>

* Taxes increased \$524,411.80.

MILES OF TRACK.

OPERATED JUNE 30TH, 1912.

Owned solely by this Company:			
Main track.....	1,942.24		
Second main track.....	1.55		
Connection tracks.....	2.56		
Yard tracks, sidings and spur tracks.....	454.25	2,400.60	
Owned jointly with other Companies:			
Main track.....	71.23		
Yard tracks, sidings and spur tracks.....	25.92	97.15	
Used by this Company under contracts:			
Main track.....	67.35		
Second Main Track.....	13.32		
Connection tracks.....	.45		
Yard tracks, sidings and spur tracks.....	23.39	104.51	
Total miles of track.....		<u>2,602.26</u>	
Average miles of main track in operation during the year:			
Owned solely.....	1,918.75	miles	
Owned jointly.....	67.37	"	
Used under contracts.....	72.62	"	
	<u>2,058.74</u>	miles	
The lines of road are located as follows:			
In South Dakota.....	266.37	miles	
In North Dakota.....	226.64	"	
In Montana.....	818.04	"	
In Idaho.....	168.81	"	
In Washington.....	533.61	"	
Total length of main track.....	<u>2,013.47</u>	miles	

Since the last annual report the Everett Line, extending from Cedar Falls, Washington, to Everett, Washington, a distance of 55 miles, and the extension of the Grays Harbor Line, from Cosmopolis, Washington, to Hoquiam, a distance of 6 miles, therein mentioned as under construction, have been completed.

A branch line extending in a westerly direction from Tiflis, Washington, to Moses Lake, Washington, a distance of about 15 miles, is now under construction.

The Priest Rapids Line, extending in a southeasterly direction from a point one mile west of Beverly, Washington, to Hanford, Washington, a distance of about 45 miles, is being constructed and will be completed about January 1st.

The line from Lewistown, Montana, to Hilger, Montana, a distance of 17 miles, was also completed during the year.

Construction work on the line from Lewistown to Grass Range, Montana, 36 miles, has been resumed. Grading has been finished for 24 miles east of Lewistown and early completion of track laying is expected. The remaining 12 miles will be graded and completed by November 1st.

Construction work was commenced this spring on a line extending in a northwesterly direction from Lewistown, Montana, to Great Falls, Montana, a distance of about 137 miles, and is now in active progress. It will be completed about June 1st, 1913.

This Company has been operating over the track of the Butte, Anaconda & Pacific Ry. Co. between Colorado Junction and Cliff Junction, in Montana, a distance of 13.6 miles. In order to secure alignment and maximum grade corresponding to this Company's line between Deer Lodge and Butte, contract has been let for an independent line between the points named. It will be completed about February 1st, 1913.

Work on the Snoqualmie Tunnel in the Cascade Mountains, 11,700 feet in length, is now under way. When completed it will shorten the line 3.6 miles and eliminate the heavy grade on the present line between Rockdale and Laconia.

The work of improving the Company's terminals in the City of Spokane has made satisfactory progress, and will be completed about January 1st.

The line from Spokane to Marengo, Washington, about 65 miles in length, which is being built by the Oregon-Washington Railroad & Navigation Company, will be used jointly with this Company.

The line from Plummer to Bell will, in conjunction with the Spokane-Marengo Line, and contracts giving each company the right to use the tracks of the other between Bell and the proposed Union Depot at Spokane, give this Company a line via Spokane for through passenger trains.

In February, 1912, about 2 miles of track between Bagley Junction and Selleck, Washington, was purchased from the Seattle Southeastern Railway Co. for \$80,000 of the bonds of the Chicago, Milwaukee & Puget Sound Railway Co., and this amount has been charged to "ROAD AND EQUIPMENT."

EQUIPMENT

Orders have been placed for the purchase of 500 Automobile Carriage Cars, 6 Locomotives and 2 Gas-Electric Motor Cars.

During the year the following equipment has been acquired:

30 Locomotives	48 Air Dump Cars
2 Passenger Cars	2 Ditchers
4 Baggage Cars	4 Steam Shovels
470 Box Cars	6 Lidgerwood Unloaders.
163 Caboose Cars	2 Slope Levelers
14 Tool Cars	2 Cable Stretchers

During the year one locomotive and eighty-nine cars were sold or destroyed by wreck or fire, viz:

1 Locomotive	2 Tool Cars
18 Box Cars	1 Pile Driver
3 Stock Cars	53 Work Cars (Box)
3 Coal Cars	2 Work Cars (Flat)
6 Caboose Cars	1 Cable Stretcher

TACOMA EASTERN RAILROAD COMPANY

The operations of this Company—the Capital Stock of which is owned by the Chicago, Milwaukee & Puget Sound Railway Company—for the year ending June 30th, 1912, show the following results:

Operating Revenues.....	\$567,833.48
Operating Expenses.....	414,975.83
Net Operating Revenue.....	\$152,857.65
Net Revenue—Outside Operations.....	8,447.22
Total Net Revenue.....	\$161,304.87
Taxes Accrued.....	41,903.55
Operating Income.....	\$119,401.32
Miscellaneous Credits.....	14,099.36
Gross Corporate Income.....	\$133,500.68
Interest Accrued on Funded Debt.....	\$44,200.00
Hire of Equipment.....	22,943.00
Interest Paid Chi., Mil. & Puget Sd. Ry.....	73,782.50
Rentals Paid.....	1,125.00
Net Corporate Deficit.....	\$8,549.82

This Company is operated independently, its revenues and expenses not being included in the statement of the Chicago, Milwaukee & Puget Sound Railway Company as published herein.

GALLATIN VALLEY RAILWAY COMPANY

The operations of the Company for the year ending June 30th, 1912, show the following results:

Operating Revenues.....	\$116,629.20
Operating Expenses.....	83,898.86
Net Operating Revenue.....	\$32,730.34
Taxes Accrued.....	5,175.51
Operating Income.....	\$27,554.83
Interest paid Chi. Mil. & Puget Sd. Ry.....	\$39,456.94
Hire of Equipment.....	6,425.85
Rentals Paid.....	100.00
Net Corporate Deficit.....	\$18,427.96

As an independent corporation the results as shown above are not satisfactory, but taking into consideration the business created and secured for the Chicago, Milwaukee & Puget Sound and the Chicago, Milwaukee & St. Paul Railways, which for the year ending June 30th, 1912, amounted to approximately \$271,000.00, practically all of which was competitive, the property is regarded as a good investment.

A line from Bozeman to the Dry Creek District, 25 miles in a northwesterly direction, is now under construction. This line, when completed, will give access to the business of a rich agricultural district, and will be of very great advantage to the Gallatin Valley and affiliated companies.

BELLINGHAM BAY & BRITISH COLUMBIA RAILROAD COMPANY

BELLINGHAM TERMINAL & RAILWAY COMPANY.

In January, 1912, the Chicago, Milwaukee & Puget Sound Ry. Co. acquired 71% of the total Capital Stock of \$1,000,000.00 of the Bellingham Bay & British Columbia Railroad Company and all of the Capital Stock, amounting to \$200,000.00, of the Bellingham Terminal & Railway Company, which is leased to and operated by the Bellingham Bay & British Columbia Railroad Company.

The Bellingham Bay & British Columbia Company operates about 70 miles of standard gauge railroad, of which 7 miles is owned by the Terminal Company. The line extends from Bellingham to Glacier, Wash., with a branch line from Hampton to Lynden. Its equipment consists of 8 locomotives, 8 passenger cars and 209 freight cars.

The operations of the Bellingham Bay & British Columbia Railroad for the year ending June 30th, 1912, show the following results:

Operating Revenues.....	\$329,268.99
Operating Expenses.....	212,855.53
Net Operating Revenue.....	\$116,413.46
Taxes Accrued.....	21,459.29
Operating Income.....	\$94,954.17
Rents Receivable.....	1,922.90
Gross Corporate Income.....	\$96,877.07
DEDUCTIONS FROM INCOME:	
Hire of Equipment.....	\$3,880.00
Rents Payable.....	13,064.92
Interest on Bonds.....	32,411.09
Other Interest.....	13,940.20
Land Account.....	140.53
Sinking Fund.....	11,082.50
Net Corporate Income.....	\$22,357.83

The operations of the Bellingham Terminal & Railway Company for the year ending June 30th, 1912, show the following results:

Income.....	\$12,529.92
Expenses.....	208.00
	\$12,321.92
Taxes Accrued.....	244.35
Net Operating Income.....	\$12,077.57

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MILWAUKEE TERMINAL RAILWAY COMPANY.

This Company was organized with a Capital Stock of \$250,000 and is operated independently, its revenues and expenses not being included in the statement of the Chicago, Milwaukee & Puget Sound Railway Company published herein.

Results from operation for year ending June 30th, 1912, are as follows:

Revenues.....	\$18,588.80
Expenses.....	35,461.85
Net Operating Deficit.....	\$16,873.05
Taxes Accrued.....	8,125.04
Operating Deficit.....	\$24,998.09
Rentals Paid.....	\$1,579.92
Interest paid Chicago, Milwaukee & Puget Sound Ry.	533.29 2,113.21
Not Corporate Deficit.....	\$27,111.30

This Company has car ferry landings, tracks and industrial spurs at Ballard, Port Blakeley, Eagle Harbor and Bellingham, Washington; also at Front Street, Tacoma, between which landings and the Seattle and Tacoma terminals of the Chicago, Milwaukee & Puget Sound Railway Company regular car ferry service is maintained. This service affords a connection with the Bellingham Bay & British Columbia Railway. The construction of a landing at Bremerton has been authorized.

IDAHO & WESTERN RAILWAY COMPANY.

During the year this line has been completed from Dishman, Washington, to Coeur d'Alene, Idaho. A line connecting with the Chicago, Milwaukee & Puget Sound Ry. at Plummer, Idaho, and extending to Bell, Washington, a point on the Oregon-Washington Railroad & Navigation Company's line, a distance of about 22 miles, is now in course of construction, and will be completed about January 31st, 1913.

BIG BLACKFOOT RAILWAY COMPANY.

Track laying on the first twelve miles of the line from Bonner, Montana, to Blackfoot Junction, Montana, was completed during the year and connection made with the logging railroad of the Anaconda Copper Mining Company. It is expected that the line from Big Blackfoot Junction to Browns Lake, Montana, will be completed next year.

FUNDED DEBT.

At the close of the last fiscal year the funded debt of the Company was \$154,959,000. It has been increased during this fiscal year by \$732,410.27 First Mortgage Bonds, issued for funds advanced by the Chicago, Milwaukee & St. Paul Railway Company for the extension, construction and equipment of this Company's lines.

The amount of bonds at the close of the year is \$155,691,410.27, all of which are outstanding.

OPERATING REVENUES.

The total Operating Revenues for the year were \$16,132,612.02—an increase of \$1,616,245.20, as compared with the previous year.

The revenue from freight traffic was \$12,980,491.53—80.46% of total revenue—an increase of \$478,533.19 or 3.83%.

The number of tons of freight carried was 2,710,331—an increase of 258,160 tons, or 10.53%.

The following classes of commodities show an increase over the previous year: Products of Agriculture, 156,026 tons; Products of Animals, 13,009 tons; Products of Mines, 111,968 tons, and Products of Forests, 51,507 tons. There was a decrease in Manufactures of 65,284 tons, and Commodities not specified, 9,066 tons.

The number of tons of all Forest products carried during the year was 1,096,459 tons—an increase compared with the previous year of 4.93%. Forest products comprised 40.46% of the total tonnage carried, as compared with 42.61% of the total tonnage of last year.

The number of tons of commodities other than Forest products carried during the year was 1,613,872 tons—an increase compared with the previous year of 206,653 tons, or 14.69%—the per cent of the total being 59.54%, against 57.39% last year.

The number of tons of revenue freight carried one mile was 1,470,385,095—an increase of 165,480,622 or 12.68%. The revenue per ton per mile was .883 cents—a decrease of .076 cent, or 7.92%. The average miles each ton of revenue freight was carried was 542.51 miles—an increase of 10.37 miles, or 1.95%.

The number of tons of revenue freight carried per loaded car was 17.722 against 18.015 last year—a decrease of 1.63%. The number of tons of revenue freight per freight and mixed train mile was 445.99 against 420.85 last year—an increase of 5.97%. The revenue from freight per freight and mixed train mile was \$3.5714 as against \$3.5833 last year—a decrease of .33%.

The revenue from passenger traffic during the year was \$2,631,900.79—16.32% of the total revenue—an increase of \$1,028,305.02 compared with the previous year, or 64.12%. The number of passengers carried was 712,911—an increase of 60,320 or 9.24%. The number of passengers carried one mile was 107,236,713 an increase of 40,280,731 or 60.16%; the revenue per passenger per mile was 2.454 cents—an increase of .59 cent, or .25%; the average miles each passenger was carried was 150.42 miles—an increase of 47.82 miles, or 46.61%.

OPERATING EXPENSES.

The operating expenses for the year were \$9,512,027.61, an increase of \$1,221,898.76, as compared with the report of the previous year.

The expenses of Maintenance of Way and Structures were \$1,194,892.37; Maintenance of Equipment, \$1,794,257.53; Traffic Expenses, \$552,505.69; Transportation Expenses, \$5,722,916.50, and General Expenses, \$247,455.47.

There was an increase in Maintenance of Way and Structures of \$229,960.81; Maintenance of Equipment of \$291,913.75; Traffic Expenses of \$188,679.68; Transportation Expenses of \$444,057.57, and General Expenses of \$67,286.95.

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

By order of the Board of Trustees.

H. R. WILLIAMS,
President.

August, 1912

To the President:

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

W. N. D. WINNE,
Comptroller.

GENERAL BALANCE SHEET—JUNE 30TH, 1912.

ASSETS.		LIABILITIES.	
PROPERTY INVESTMENT:		CAPITAL STOCK	\$100,000,000.00
Road and Equipment	\$267,789,477.77	FUNDED DEBT:	
SECURITIES:		First Mortgage Bonds	\$155,691,410.27
Securities of Controlled Companies—		Obligations for Advances Received for	
Unpledged:		Construction, Equipment and Better-	
Stocks	\$7,418,049.50	ments	29,422,341.90
Funded Debt	1,036,877.78		185,113,752.17
OTHER INVESTMENTS:			\$285,113,752.17
Advances to Controlled Companies for		WORKING LIABILITIES:	
Construction, Equipment and Better-		Traffic and Car-Service Balances	\$68,653.17
ments	\$4,146,265.95	Pay Rolls and Vouchers	2,195,933.62
Miscellaneous Investments:		Interest Coupons not Presented	40,400.00
Track Material Loaned	130,273.04	Miscellaneous Accounts Payable	58,151.48
		Other Working Liabilities	107,755.89
	4,276,538.99		2,470,894.16
	\$280,520,944.04	ACCRUED LIABILITIES NOT DUE:	
WORKING ASSETS:		Interest Accrued on Funded Debt	\$3,113,828.20
Cash	\$1,675,523.86	Taxes Accrued	454,364.98
Traffic and Car-Service Balances	619,010.51		3,568,193.18
Net Balances due from Agents and		DEFERRED CREDIT ITEMS:	
Conductors	421,601.86	Other Deferred Credit Items	224,733.64
Miscellaneous Accounts Receivable	981,460.07		\$291,377,573.15
Materials and Supplies	1,603,876.09	PROFIT AND LOSS:	
Other Working Assets	110,791.71	Balance	338,241.93
	5,412,263.60		
ACCRUED INCOME NOT DUE:			
Unmatured Interest	20,833.33		
DEFERRED DEBIT ITEMS:			
Working Funds	\$805,183.53		
Unextinguished Discount on Funded			
Debt	4,022,584.79		
Other Deferred Debit Items	934,005.79		
	5,761,774.11		
	\$291,715,815.08		\$291,715,815.08

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

OPERATING INCOME:		
Rail Operations:		
Operating Revenues		\$16,132,612.02
Operating Expenses		9,512,027.61
Net Operating Revenue		\$6,620,584.41
Outside Operations:		
Revenues	\$596,112.32	
Expenses	483,998.43	
Net Revenue, Outside Operations		112,113.89
Total Net Revenue		\$6,732,698.30
Taxes Accrued		1,053,253.24
Operating Income		\$5,679,445.06
OTHER INCOME:		
Dividends on Stocks Owned	\$47,037.00	
Interest on Bonds Owned	50,000.00	
Hire of Equipment	841,689.45	
Rents—Credits	53,689.43	
Interest on Other Securities, Loans and Accounts	183,719.72	
Miscellaneous Income	72.50	
Total Other Income		1,176,208.10
Gross Corporate Income		\$6,855,653.16
DEDUCTIONS FROM GROSS CORPORATE INCOME:		
Interest Accrued on Funded Debt	\$6,213,008.20	
Rents—Debits	231,549.79	
Miscellaneous Interest	453,167.31	
Extinguishment of Discount on Securities	109,465.78	
Total Deductions from Gross Corporate Income		7,007,191.08
NET CORPORATE DEFICIT FOR YEAR CARRIED FORWARD TO DEBIT OF PROFIT AND LOSS		\$151,537.92

PROFIT AND LOSS ACCOUNT—JUNE 30TH, 1912.

DEBIT		CREDIT	
Balance for Year brought forward from Income Account	\$151,537.92	Balance June 30th, 1911.....	\$481,869.97
Contribution to Milwaukee Hospital Association for period prior to July 1st, 1911.....	4,121.79	Sundry charges and credits accruing prior to July 1st, 1911— <i>Net Credit</i>	12,475.21
Taxes on Property not used in Railway Operation	12,303.71	Rent of locomotives to Tacoma Eastern R. R. and Idaho & Western Ry. during 1910.....	5,179.00
Balance Credit, June 30th, 1912, carried to General Balance Sheet.....	338,241.93	Income from Property not used in Railway Operation.....	6,681.17
	<u>\$506,205.35</u>		<u>\$506,205.35</u>

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.....	\$12,501,958.39	\$12,980,491.58	\$478,533.19	
Passenger Revenue.....	1,603,595.77	2,631,900.79	1,028,305.02	
Other Transportation Revenue.....	325,892.69	444,812.44	118,919.75	
Nontransportation Revenue.....	84,919.97	75,407.21		\$9,512.76
TOTAL—Operating Revenues.....	\$14,516,366.82	\$16,132,612.02	\$1,616,245.20	

OPERATING EXPENSES.

MAINTENANCE OF WAY AND STRUCTURES.				
	1911	1912	INCREASE	DECREASE
Superintendence.....	\$32,705.04	\$55,107.86	\$22,402.82	
Ties.....	25,445.83	84,013.26	58,567.43	
Rails.....	18,355.39	35,712.72	17,357.33	
Other Track Material.....	18,529.50	22,206.51	3,677.01	
Roadway and Track.....	436,321.00	532,674.79	96,353.79	
Removal of Snow, Sand and Ice.....	73,151.58	103,954.83	30,803.25	
Tunnels.....	1,094.95	1,555.28	460.33	
Bridges, Trestles and Culverts.....	191,569.77	104,371.76		\$87,198.01
Over and Under Grade Crossings.....	39.03	1,040.99	1,001.96	
Grade Crossings, Fences, Cattle Guards and Signs.....	9,540.98	16,109.12	6,568.14	
Snow and Sand Fences and Snow Sheds.....	3,494.18	1,763.75		1,730.43
Signals and Interlocking Plants.....	7,784.96	39,688.80	31,903.84	
Telegraph and Telephone Lines.....	3,149.17	38,461.98	35,312.81	
Buildings, Fixtures and Grounds.....	80,322.07	80,221.86		100.21
Docks and Wharves.....	4,044.06	4,126.51	82.45	
Roadway Tools and Supplies.....	30,019.79	24,347.34		5,672.45
Injuries to Persons.....	4,237.88	6,932.27	2,694.39	
Stationery and Printing.....	5,456.36	1,986.64		3,469.72
Other Expenses.....		216.10	216.10	
Maintaining Joint Tracks, etc.—Dr.....	47,796.70	59,518.47	11,721.77	
Maintaining Joint Tracks, etc.—Cr.....	28,126.68	19,118.47		9,008.21
TOTAL—Maintenance of Way and Structures.....	\$964,931.56	\$1,194,892.37	\$229,960.81	

OPERATING REVENUES, EXPENSES AND INCOME—CONTINUED

MAINTENANCE OF EQUIPMENT.	1911	1912	INCREASE	DECREASE
Superintendence.....	\$36,243.11	\$50,585.23	\$14,342.12	
Steam Locomotives—Repairs.....	679,936.36	901,872.11	221,935.75	
Passenger Train Cars—Repairs.....	72,729.42	82,076.96	9,347.54	
Passenger Train Cars—Renewals.....		50.00		\$50.00
Freight Train Cars—Repairs.....	667,872.44	670,445.18	2,572.74	
Freight Train Cars—Renewals.....	2,289.61	5,999.96	3,710.35	
Work Equipment—Repairs.....	1,838.28	27,120.56	25,282.28	
Shop Machinery and Tools.....	33,254.46	43,631.85	10,377.39	
Injuries to Persons.....	3,606.90	7,544.72	3,937.82	
Stationery and Printing.....	4,257.01	4,087.59		169.42
Other Expenses.....	316.24	142.39		173.85
Maintaining Joint Equipment at Terminals—Dr.....		801.03	801.03	
TOTAL—Maintenance of Equipment.....	\$1,502,343.83	\$1,794,257.58	\$291,913.75	
TRAFFIC EXPENSES.	1911	1912	INCREASE	DECREASE
Superintendence.....	\$99,674.11	\$118,120.65	\$18,446.54	
Outside Agencies.....	159,206.74	249,187.06	89,980.32	
Advertising.....	46,610.89	131,487.00	84,876.11	
Traffic Associations.....	1,180.11	2,633.64	1,453.53	
Industrial and Immigration Bureaus.....	15,742.39	19,035.79	3,293.40	
Stationery and Printing.....	40,998.94	31,243.49		\$9,755.45
Other Expenses.....	412.83	798.06	385.23	
TOTAL—Traffic Expenses.....	\$363,826.01	\$552,505.69	\$188,679.68	

OPERATING REVENUES, EXPENSES AND INCOME—CONTINUED

TRANSPORTATION EXPENSES.	1911	1912	INCREASE	DECREASE
Superintendence.....	\$118,095.17	\$65,673.57		\$52,421.60
Dispatching Trains.....	97,149.19	61,232.72		35,916.47
Station Employees.....	501,076.23	524,745.43	\$23,669.20	
Weighing and Car-Service Associations.....	10,171.25	18,293.63	8,122.38	
Coal and Ore Docks.....	2,355.71			2,355.71
Station Supplies and Expenses.....	45,249.80	46,053.74	803.94	
Yardmasters and their Clerks.....	25,398.49	35,080.32	9,681.83	
Yard Conductors and Brakemen.....	117,337.01	121,309.58	3,972.57	
Yard Switch and Signal Tenders.....	10,973.78	13,015.14	2,041.36	
Yard Supplies and Expenses.....	899.69	1,069.50	169.81	
Yard Enginemen.....	74,222.74	78,562.24	4,339.50	
Enginehouse Expenses—Yard.....	49,393.78	39,159.85		10,233.93
Fuel for Yard Locomotives.....	90,729.39	78,729.90		11,999.49
Water for Yard Locomotives.....	14,093.27	10,643.58		3,449.69
Lubricants for Yard Locomotives.....	1,674.45	2,194.88	520.43	
Other Supplies for Yard Locomotives.....	1,580.57	1,858.03	277.46	
Operating Joint Yards and Terminals—Dr.....	3,607.63	27,125.45	23,517.82	
Operating Joint Yards and Terminals—Cr.....		12.50		12.50
Road Enginemen.....	704,580.17	830,077.11	125,496.94	
Enginehouse Expenses—Road.....	359,376.35	271,348.38		88,027.97
Fuel for Road Locomotives.....	1,711,027.66	1,880,748.04	169,720.38	
Water for Road Locomotives.....	93,681.46	133,656.34	39,974.88	
Lubricants for Road Locomotives.....	32,762.36	39,036.76	6,274.40	
Other Supplies for Road Locomotives.....	34,168.34	30,268.25		3,900.09
Road Trainmen.....	634,364.78	824,999.89	190,635.11	
Train Supplies and Expenses.....	183,393.69	194,285.86	10,892.17	
Interlockers and Other Signals—Operation.....	3,329.74	5,910.35	2,580.61	
Crossing Flagmen and Gatemen.....	1,584.61	2,786.87	1,202.26	
Drawbridge Operation.....	1,023.87	4,172.99	3,149.12	
Clearing Wrecks.....	37,978.96	28,142.28		9,836.68
Telegraph and Telephone—Operation.....	3,083.67	48,974.40	45,890.73	
Stationery and Printing.....	31,001.03	35,186.57	4,185.54	
Other Expenses.....	2,116.31	4,202.36	2,086.05	
Loss and Damage—Freight.....	168,924.37	115,313.70		53,610.67
Loss and Damage—Baggage.....	2,686.37	2,125.90		560.47
Damage to Property.....	24,425.58	18,270.75		6,154.83
Damage to Stock on Right of Way.....	26,647.15	22,845.17		3,801.98
Injuries to Persons.....	47,792.94	78,407.07	30,614.13	
Operating Joint Tracks and Facilities—Dr.....	24,356.84	39,842.53	15,485.69	
Operating Joint Tracks and Facilities—Cr.....	18,455.47	12,420.13		1,035.34
TOTAL—Transportation Expenses.....	\$5,278,858.93	\$5,722,916.50	\$444,057.57	

OPERATING REVENUES, EXPENSES AND INCOME—CONCLUDED

GENERAL EXPENSES.	1911	1912	INCREASE	DECREASE
Salaries and Expenses of General Officers.....	\$27,601.22	\$51,116.74	\$23,515.52	
Salaries and Expenses of Clerks and Attendants.....	97,344.49	101,967.69	4,623.20	
General Office Supplies and Expenses.....	1,626.39	5,056.32	3,429.93	
Law Expenses.....	6,481.11	24,971.10	18,489.99	
Insurance.....	37,241.14	50,983.58	13,742.44	
Stationery and Printing.....	3,886.87	4,730.54	843.67	
Other Expenses.....	1,810.66	3,780.10	1,969.44	
General Administration Joint Tracks, Yards, etc., Dr	4,176.64	5,479.59	1,302.95	
General Administration Joint Tracks, Yards, etc., Cr		630.19		\$630.19
TOTAL—General Expenses.....	\$180,168.52	\$247,455.47	\$67,286.95	
TOTAL—Operating Expenses.....	\$8,290,128.85	\$9,512,027.61	\$1,221,898.76	
Net Operating Revenue.....	\$6,226,237.97	\$6,620,584.41	\$394,346.44	
OUTSIDE OPERATIONS.				
Total Revenues.....	\$651,920.76	\$596,112.32		\$55,808.44
Total Expenses.....	638,112.07	483,998.43		154,113.64
Net Revenue—Outside Operations.....	\$13,808.69	\$112,113.89	\$98,305.20	
Total Net Revenue.....	\$6,240,046.66	\$6,732,698.30	\$492,651.64	
Taxes Accrued.....	528,841.44	1,053,253.24	524,411.80	
Operating Income.....	\$5,711,205.22	\$5,679,445.06		\$31,760.16

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.....	\$12,501,958.39	86.12	\$12,980,491.58	80.46
Passenger Revenue.....	1,603,595.77	11.05	2,631,900.79	16.32
Other Transportation Revenue.....	325,892.69	2.25	444,812.44	2.76
Non-transportation Revenue.....	84,919.97	.58	75,407.21	.46
Total Operating Revenues.....	\$14,516,366.82	100.00	\$16,132,612.02	100.00

OPERATING EXPENSES.

Maintenance of Way and Structures.....	\$964,931.56	6.65	\$1,194,892.37	7.41
Maintenance of Equipment.....	1,502,343.83	10.35	1,794,257.58	11.12
Traffic Expenses.....	363,826.01	2.51	552,505.69	3.42
Transportation Expenses.....	5,278,858.93	36.36	5,722,916.50	35.47
General Expenses.....	180,168.52	1.24	247,455.47	1.54
Operating Expenses.....	\$8,290,128.85	57.11	\$9,512,027.61	58.96

RECAPITULATION

Operating Revenues.....	\$14,516,366.82	100.00	\$16,132,612.02	100.00
Operating Expenses.....	8,290,128.85	57.11	9,512,027.61	58.96
Net Operating Revenue.....	\$6,226,237.97	42.89	\$6,620,584.41	41.04
Average miles in operation during the year, including miles of main track used under contracts.....	1,917.06	.....	2,058.74	.....

COMPARATIVE SUMMARY OF OPERATION

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

	1911	1912	INCREASE	DECREASE
Operating Revenues	\$14,516,866.82	\$16,182,612.02	\$1,616,245.20	.....
Operating Expenses.....	8,290,128.85	9,512,027.61	1,221,898.76	.....
Net Operating Revenues.....	\$6,226,237.97	\$6,620,584.41	\$394,346.44	.....
Freight Revenues per mile	\$6,521.42	\$6,305.07	.....	\$216.35
Passenger and Miscellaneous Revenues per mile	1,050.78	1,531.09	\$480.31	.....
Operating Revenues per mile.....	\$7,572.20	\$7,836.16	\$263.96	.....
Operating Expenses per mile.....	4,324.39	4,620.32	295.93	.....
Net Operating Revenue per mile	\$3,247.81	\$3,215.84	.....	\$31.97
Average miles in operation during the year, including miles of main track used under contracts	1,917.06	2,058.74	141.68

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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	\$1,343,653.55	\$ 722,659.78	\$ 620,993.77	\$23,087.83	\$ 79,334.14	\$ 564,747.46
August..... "	1,351,410.28	799,500.19	551,910.09	18,489.20	79,334.14	491,065.15
September..... "	1,369,364.41	804,767.27	564,597.14	27,004.56	79,333.14	512,268.56
October..... "	1,582,690.35	785,714.47	796,975.88	26,620.07	79,335.14	744,260.81
November..... "	1,406,042.98	851,367.54	554,675.44	14,205.16	79,334.14	489,546.46
December..... "	1,370,707.11	843,806.11	526,901.00	14,007.63	79,334.14	461,574.49
January.....1912	931,237.92	805,477.97	125,759.95	* 1,230.84	137,049.32	* 12,520.21
February..... "	1,143,187.39	829,505.04	313,682.35	2,735.42	137,049.32	179,368.45
March..... "	1,317,504.27	757,258.96	560,245.31	* 43,793.68	75,787.44	440,664.19
April..... "	1,415,267.54	775,601.58	639,665.96	4,493.09	75,787.44	568,371.61
May..... "	1,428,654.05	763,660.92	664,993.13	8,507.74	75,787.44	597,713.43
June..... "	1,472,892.17	772,707.78	700,184.39	17,987.71	75,787.44	642,384.66
Total.....	\$16,132,612.02	\$9,512,027.61	\$6,620,584.41	\$112,113.89	\$1,053,253.24	\$5,679,445.06

* Deficit.

RAILWAY COMPANY

CHARGES TO PROPERTY INVESTMENT—
ROAD AND EQUIPMENT.

DURING THE YEAR ENDING JUNE 30TH, 1912.

Additional Equipment Purchased during year:

30 Locomotives.....	\$680,998.69	
4 Baggage Cars.....	39,847.02	
470 Box Cars.....	614,346.29	
163 Caboose Cars.....	93,810.01	
14 Tool Cars.....	3,728.70	
2 Ditchers.....	3,600.00	
2 Cable Stretchers.....	439.00	
2 Slope Levelers.....	3,000.00	
6 Lidgerwood Unloaders.....	24,000.00	
4 Steam Shovels.....	24,000.00	
48 Air Dump Cars.....	30,000.00	
2 Office Cars.....	10,000.00	
Improvements to Locomotives and Cars.....	96,537.47	
	\$1,624,307.18	
Less original cost of equipment destroyed during the year.....	53,730.15	\$1,570,577.03
Engineering.....	\$122,912.36	
Right of Way and Station Grounds.....	1,257,972.71	
Grading.....	2,143,608.82	
Tunnels.....	51,258.90	
Ties.....	122,109.15	
Rails.....	336,851.34	
Frogs and Switches.....	26,095.47	
Track Fastenings and Other Material.....	70,370.83	
Ballast.....	315,808.41	
Track Laying and Surfacing, etc.....	536,247.13	
Fencing.....	6,649.77	
Crossings and Signs.....	69,252.42	
Interlocking and Other Signal Apparatus.....	330,129.38	
Telegraph and Telephone Lines.....	80,082.48	
Station Buildings and Fixtures.....	123,334.86	
Shops, Roundhouses, Machinery, Tools, etc.....	109,802.95	
Water and Fuel Stations, etc.....	229,348.09	
Dock and Wharf Property.....	131,214.77	
Miscellaneous.....	621,265.44	
Rent and Repairs of Equipment.....	556,933.62	
Cost of Road Purchased.....	163,125.46	
Taxes.....	22,297.55	\$7,426,671.91
		\$8,997,248.94
Road and Equipment, June 30th, 1911.....		258,792,228.83
Road and Equipment, June 30th, 1912.....		\$267,789,477.77

TRANSPORTATION STATISTICS

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

	1911	1912
Miles run by freight trains.....	3,279,155	3,412,597
Miles run by passenger trains.....	1,465,214	2,654,687
Miles run by mixed trains.....	209,776	221,951
Total miles run by revenue trains.....	4,954,145	6,289,235
Miles run by loaded freight cars.....	72,432,921	82,966,168
Miles run by empty freight cars.....	22,737,343	26,251,746
Tons of revenue freight carried.....	2,452,171	2,710,331
Tons of revenue freight carried one mile.....	1,304,904,473	1,470,335,095
Tons of Company freight carried one mile.....	163,424,325	150,603,257
Tons of revenue freight per freight and mixed train mile.....	374.01	404.56
Tons of Company freight per freight and mixed train mile.....	46.84	41.43
Total tons of freight per freight and mixed train mile.....	420.85	445.99
Average revenue per ton of revenue freight per mile.....	.958 cts.	.883 cts.
Average distance haul of each ton of revenue freight—miles.....	532.14	542.51
Average amount received per ton of revenue freight.....	\$5.0983	\$4.7893
Average revenue from freight per freight and mixed train mile.....	\$3.5833	\$3.5714
Tons of revenue freight per loaded car.....	18.015	17.722
Tons of Company freight per loaded car.....	2.256	1.815
Total tons of freight per loaded car.....	20.271	19.537
Average number of loaded freight cars per train.....	20.761	22.827
Average number of empty freight cars per train.....	6.517	7.223
Average number of freight cars per train.....	27.278	30.050
Passengers carried.....	*652,591	712,911
Passengers carried one mile.....	*66,955,982	107,236,713
Passengers carried per passenger and mixed train mile.....	*39.98	37.28
Average revenue per passenger per mile.....	*2.395 cts.	2.454 cts.
Average distance traveled by each passenger—miles.....	*102.60	150.42
Average amount received per passenger.....	*\$2.46	\$3.69
Average revenue from passengers per passenger and mixed train mile.....	95.74 cts.	91.49 cts.
Operating expenses per revenue train mile.....	\$1.6734	\$1.5124

*Estimated.

STATEMENT OF COMMODITIES TRANSPORTED

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

COMMODITIES	1911		1912	
	TONS	PER CENT	TONS	PER CENT
PRODUCTS OF AGRICULTURE:				
Flour.....	17,160	.700	24,667	.910
Other Mill Products.....	7,892	.322	13,653	.503
Wheat.....	101,794	4.151	168,926	6.233
Rye.....	273	.011	692	.026
Barley.....	1,795	.073	3,833	.141
Oats.....	23,135	.944	20,127	.743
Corn.....	21,165	.863	25,452	.939
Flax Seed.....	9,370	.382	16,157	.596
Hay.....	22,429	.915	60,070	2.216
Fruit and Vegetables.....	9,465	.386	9,580	.354
Other Agricultural Products.....	14,373	.586	41,720	1.539
	228,851	9.333	384,877	14.200
PRODUCTS OF ANIMALS:				
Live Stock.....	115,191	4.698	126,761	4.677
Dressed Meats.....	316	.013	924	.034
Other Packing-house Products.....	2,219	.090	3,321	.122
Other Animal Products.....	13,978	.570	13,707	.506
	131,704	5.371	144,713	5.339
PRODUCTS OF MINES:				
Anthracite Coal.....	2,782	.114	8,611	.333
Bituminous Coal.....	247,058	10.075	383,846	14.162
Coke.....	810	.033	2,507	.093
Iron and other ores.....	28,867	1.177	47,843	1.765
Stone, Sand, etc.....	106,593	4.347	59,111	2.181
Salt.....	2,827	.115	8,987	.347
	388,937	15.861	500,905	18.481
PRODUCTS OF FORESTS:				
Lumber, Lath and Shingles.....	545,217	22.234	600,400	22.152
Sash, Doors and Blinds.....	2,993	.122	3,471	.128
Other Forest Products.....	496,742	20.257	492,588	18.175
	1,044,952	42.613	1,096,459	40.455
MANUFACTURES:				
Petroleum and Other Oils.....	14,076	.574	31,992	1.180
Iron and Steel.....	90,283	3.682	67,535	2.492
Castings and Machinery.....	18,347	.748	19,283	.711
Agricultural Implements.....	9,423	.384	7,716	.285
Wagons, Carriages, Tools, etc.....	2,640	.108	5,731	.211
Lime, Cement and Plaster.....	30,397	1.240	17,307	.639
Brick.....	23,829	.972	18,749	.692
Wines, Liquors and Beers.....	10,224	.417	8,599	.317
Household Goods and Furniture.....	48,982	1.997	26,312	.971
Paper.....	2,879	.117	1,832	.068
Other Manufactures.....	119,073	4.856	99,813	3.683
	370,153	15.095	304,869	11.249
COMMODITIES NOT SPECIFIED:				
	287,574	11.727	278,508	10.276
Total.....	2,452,171	100.000	2,710,331	100.000

EQUIPMENT, JUNE 30TH, 1912.

Locomotives.....	427
Passenger Cars.....	61
Sleeping Cars.....	46
Dining Cars.....	17
Buffet Cars.....	8
Baggage, Mail, Express and Combination Cars.....	89
Freight Cars:	
Box Cars.....	6,927
Stock Cars.....	2,488
Coal Cars.....	2,492
Refrigerator Cars.....	2
Refrigerator Express Cars.....	50 11,959
Caboose Cars.....	259
Work Train, Wrecking and Tool Cars.....	1,101
Office Cars.....	1
Total.....	13,968

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