1898

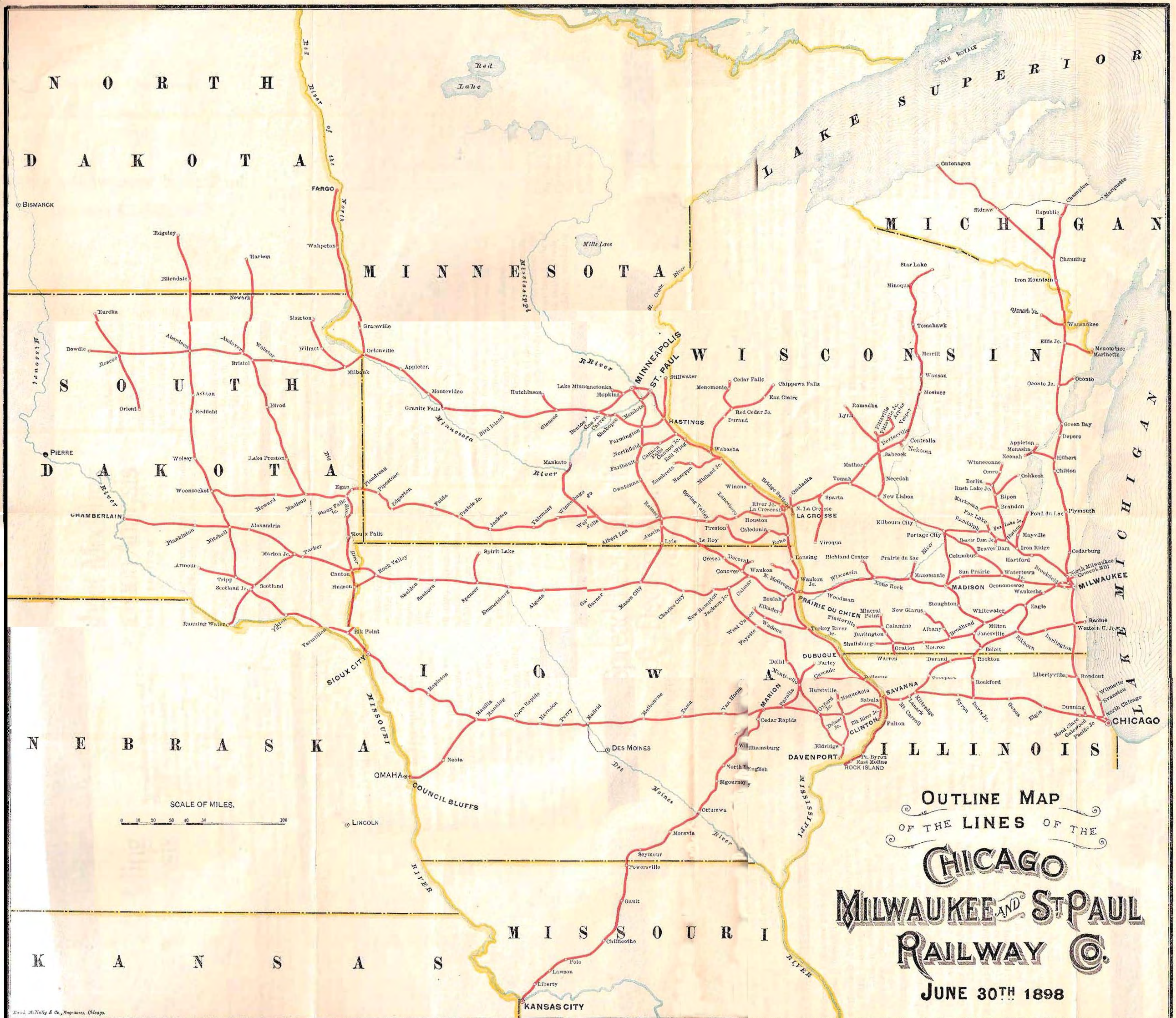
THIRTY-FOURTH ANNUAL REPORT

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

FOR THE

FISCAL YEAR ENDING JUNE 30TH, 1898.


OUTLINE MAP
OF THE LINES OF THE
CHICAGO
MILWAUKEE AND ST. PAUL
RAILWAY CO.
JUNE 30TH 1898
NORTH DAKOTA
SOUTH DAKOTA
MINNESOTA
WISCONSIN
MICHIGAN
IOWA
NEBRASKA
ILLINOIS
MISSOURI
KANSAS
LAKE SUPERIOR
LAKE MICHIGAN
ISLE ROYALE
Red Lake
Mille Lacs
Red River of the North
Mississippi River
Missouri River
Minnesota River
Des Moines River
St. Croix River
SCALE OF MILES.
BISMARCK
PIERRE
CHAMBERLAIN
FARGO
Wahpeton
Edgeley
Ellendale
Harlem
Newark
Eureka
Bowdle
Roscoe
Orient
Aberdeen
Andover
Bristol
Webster
Ashton
Redfield
Wolsey
Lake Preston
Woonsocket
Howard
Madison
Mitchell
Plankinton
Alexandria
Marion Jc.
Parker
Armour
Tripp
Scotland Jc.
Scotland
Running Water
Yankton
Vermillion
Elk Point
Canton
Hudson
Sioux Falls
Egan
Flandreau
Sisseton
Wilmot
Milbank
Graceville
Ortonville
Appleton
Montevideo
Granite Falls
Bird Island
Glencoe
Hutchinson
Lake Minnetonka
Hopkins
MINNEAPOLIS
ST. PAUL
Stillwater
HASTINGS
Farmington
Northfield
Faribault
Owatonna
Mankato
Jackson
Fairmont
Albert Lea
Austin
Ramsey
Lyle
Le Roy
Wabasha
Winona
La Crescent
LA CROSSE
Sparta
Tomah
New Lisbon
Kilbourn City
Portage City
Menomonie
Cedar Falls
Chippewa Falls
Eau Claire
Durand
Star Lake
Minocqua
Tomahawk
Merrill
Wausau
Mosinee
Ontonagon
Sidnaw
Republic
Champion
Marquette
Channing
Iron Mountain
Wausaukee
Ellis Jc.
Menominee
Marinette
Oconto
Green Bay
Depere
Appleton
Hilbert
Chilton
Oshkosh
Ripon
Brandon
Fond du Lac
Plymouth
Mayville
Iron Ridge
Cedarburg
Hartford
Watertown
Brookfield
MILWAUKEE
Waukesha
Oconomowoc
MADISON
Sun Prairie
Mazomanie
Lone Rock
Prairie du Sac
Richland Center
Viroqua
Lansing
PRAIRIE DU CHIEN
Mineral Point
New Glarus
Stoughton
Whitewater
Eagle
Racine
Western U. Jc.
Burlington
Elkhorn
Milton
Janesville
Brodhead
Albany
Beloit
Rockton
Shullsburg
Darlington
Calamine
Platteville
Gratiot
Monroe
Warren
Durand
Rockford
Libertyville
Rondout
Wilmette
Evanston
North Chicago
Dunning
Elgin
Genoa
Byron
Davis Jc.
SAVANNA
Kittredge
Lanark
Mt. Carroll
Fulton
CLINTON
DAVENPORT
Pt. Byron
East Moline
ROCK ISLAND
Eldridge
Sabula
Maquoketa
Hurstville
Oxford Jc.
DUBUQUE
Farley
Cascade
Delhi
Monticello
MARION
Cedar Rapids
Williamsburg
North English
Sigourney
Ottumwa
Moravia
Seymour
Powersville
Gault
Chillicothe
Polo
Lawson
Liberty
KANSAS CITY
DES MOINES
Madrid
Perry
Herndon
Coon Rapids
Manning
Manilla
Mapleton
SIOUX CITY
Neola
OMAHA
COUNCIL BLUFFS
LINCOLN
Tama
Melbourne
Van Horne
Mason City
Garner
Algona
Emmetsburg
Spencer
Sanborn
Sheldon
Rock Valley
Spirit Lake
Charles City
New Hampton
Jackson Jc.
Calmar
Conover
Cresco
Decorah
Waukon
Waukon Jc.
N. McGregor
Elkader
Beulah
West Union
Wadena
Fayette
Turkey River Jc.
Woodman
CHICAGO
Mont Clare
Galewood
Pacific Jc.
Rand, McNally & Co., Engravers, Chicago.

1898

Thirty-fourth Annual Report

OF THE

Chicago, Milwaukee & St. Paul Railway Company

FOR THE

Fiscal Year ending June 30th, 1898

CHICAGO
CORBITT & BUTTERFIELD CO., PRINTERS
1898

DIRECTORS AND OFFICERS

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO.

DIRECTORS.

PHILIP D. ARMOUR,	CHICAGO.
AUGUST BELMONT,	NEW YORK.
FRANK S. BOND,	NEW YORK.
CHARLES H. COSTER,	NEW YORK.
CHARLES D. DICKEY, JR.,	NEW YORK.
PETER GEDDES,	NEW YORK.
CHARLES W. HARKNESS,	NEW YORK.
FREDERICK LAYTON,	MILWAUKEE.
JOSEPH MILBANK,	NEW YORK.
ROSWELL MILLER,	CHICAGO.
WILLIAM ROCKEFELLER,	NEW YORK.
SAMUEL SPENCER,	NEW YORK.
A. VAN SANTVOORD,	NEW YORK.

OFFICERS.

ROSWELL MILLER,	President,	CHICAGO.
FRANK S. BOND,	Vice-President,	NEW YORK.
A. J. EARLING,	Second Vice-President,	CHICAGO.
W. G. COLLINS,	General Manager,	CHICAGO.
H. R. WILLIAMS,	General Superintendent,	CHICAGO.
P. M. MYERS,	Secretary,	MILWAUKEE.
J. M. McKINLAY,	Assistant Secretary and Transfer Agent,	NEW YORK.
C. B. FERRY,	Assistant Secretary and Transfer Agent,	NEW YORK.
H. C. WESTON,	Assistant Secretary and Transfer Agent,	NEW YORK.
F. G. RANNEY,	Treasurer,	CHICAGO.
W. N. D. WINNE,	General Auditor,	CHICAGO.
GEORGE R. PECK,	General Counsel,	CHICAGO.
BURTON HANSON,	General Solicitor,	CHICAGO.

REPORT

OF THE

BOARD OF DIRECTORS.

THE

THIRTY-FOURTH ANNUAL REPORT

OF THE DIRECTORS OF THE

CHICAGO, MILWAUKEE & ST. PAUL

RAILWAY COMPANY

TO THE STOCKHOLDERS.

For the Fiscal Year Ending June 30th, 1898.

The President and Directors submit to the Stockholders the following report of the business and operations of the Company for the year ending June 30th, 1898, 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	$34,189,663 68
Operating Expenses (including taxes)	21,201,566 61
Net Earnings	$12,988,097 07
Income from other sources	131,018 12
Total	$13,119,115 19
Fixed Charges—Interest on Bonds	7,190,431 46
Balance above all charges	$5,928,683 73

During the year two dividends aggregating seven per cent were paid on the preferred stock, and two dividends aggregating five and one-half per cent were paid on the common stock—of which the dividends paid October 21st, 1897—three and one-half per cent on preferred and three per cent on common stock—were from net earnings of the previous fiscal year, ending June 30th, 1897.

MILES OF TRACK.

Owned solely by this Company:		
Main track	6,142.64	
Second main track	253.67	
Third main track	3.25	
Connection tracks	30.62	
Yard tracks, sidings and spur tracks	1,383.35	7,813.53
Owned jointly with other Companies:		
Main track	11.19	
Second main track	1.83	
Connection tracks	2.20	
Yard tracks, sidings and spur tracks	47.68	62.90
Used by this Company under contracts:		
Main track	37.17	
Second main track	23.81	
Third main track	1.14	62.12
Total miles of track		7,938.55

The lines of road are located as follows:

In Illinois	317.94
" Wisconsin	1,650.71
" Iowa	1,553.47
" Minnesota	1,120.09
" North Dakota	118.21
" South Dakota	1,101.06
" Missouri	140.27
" Michigan	152.08
Total length of main track	6,153.83

There has been no change during the year in the number of miles of main track owned and operated by the Company.

There are still 517.19 miles of main track laid with iron rail.

The second main track, from Bensenville to Genoa and from Davis Junction to Kittredge, on the Chicago & Council Bluffs Division in Illinois, which was under construction at the time of the last report, has been completed, with the exception of the ballasting. This line is now double track from Chicago to Savanna, on the Mississippi River, a distance of 138 miles.

ROLLING STOCK.

At the close of the fiscal year ending June 30th, 1897, the Rolling Stock Replacement Fund amounted to $431,532.00, of which $60,000.00 was for the replacement of Locomotives, and $371,532.00 for the replacement of Cars.

During the year just closed the sum of $355,879.84 has been added to the fund by charging to Operating Expenses the cost of the replacement of 38 locomotives unfit for service and ordered to be scrapped; and there was expended of the fund for actual replacements the cost of—

23 Locomotives $227,479 84

The unexpended balance of the Replacement Fund for Locomotives, June 30th, 1898, amounted to $188,400.00, and is sufficient to cover the cost of 21 locomotives which have been contracted for, or are under construction at the Company's shops, to replace the shortage of 21 locomotives shown by statement on page 35.

The Replacement Fund for Cars at the close of the last fiscal year amounted to $371,532.00 as stated above.

During the year just closed the sum of $178,038.10 was added to the fund and Operating Expenses was charged with this sum; and there was expended of the fund the sum of $481,278.10 for actual replacements, as follows:

2	Passenger Cars	$17,000 00
4	Sleeping Cars	82,553 19
311	Box Cars	115,887 37
449	Stock Cars	169,309 16
285	Flat and Coal Cars	87,290 12
15	Refrigerator Cars	9,238 26
	Total	$481,278 10

The unexpended balance of the Replacement Fund for Cars June 30th, 1898, amounted to $68,292.00 and is sufficient to replace the shortage of 194 cars shown by statement on page 35.

There has also been expended during the year for additional rolling stock, for air-brakes and automatic couplers as required by Act of Congress, and for other improvements to rolling stock, the sum of $1,197,368.04, which has been charged to Cost of Road and Equipment, as follows:

2	Buffet Cars	$22,000 00
2	Standard Postal Cars	7,030 49
5	Sleeping Cars—Three-fourths Cost	64,932 27
1276	Box Cars	539,115 30
350	Carriage Cars	193,793 86
51	Stock Cars	22,198 61
235	Refrigerator Cars	152,002 14
	Air Brakes, Automatic Couplers, etc., applied to cars and locomotives	196,295 28
	Total	$1,197,368 04

The five Sleeping Cars, three-fourths cost of which is included in above statement, were constructed in 1888, but owing to litigation between the Pullman's Palace Car Company and the Railway Company, the settlement of accounts was deferred until the present year.

Of the total freight car equipment of the Company, eighty-one per cent had been equipped with automatic couplers and fifty-five per cent had been equipped with air brakes at the close of the fiscal year ending June 30th, 1898.

The total expenditure for Rolling Stock during the past year—including that for replacement and that for additional equipment—2,987 Cars and 23 Locomotives—was $1,709,830.70.

CAPITAL EXPENDITURES.

The following expenditures representing additions and improvements to the property of the Company, have been made during the year: Detailed statement will be found on page 33 of this report.

For Equipment	$1,197,368 04
" Real Estate	36,472 10
" Second Track	513,553 22
" Third and Fourth Tracks	49,477 37
Total	$1,796,870 73

CAPITAL STOCK.

At the close of the last fiscal year the share capital of the Company amounted to $75,081,500; and consisted of $29,054,900 of preferred stock, and $46,026,600 of common stock.

It has been increased during the present year by $2,763,500 of preferred stock, issued in exchange for the same amount of convertible bonds canceled.

The amount of capital stock per mile of road is $12,649.84.

FUNDED DEBT.

At the close of the last fiscal year the funded debt of the Company was $137,762,000.

It has been increased during the present year by the issue of $4,317,000 of General Mortgage Bonds, and it has been decreased $5,490,500 by underlying bonds retired and canceled, as shown on page 23 of this report.

The funded debt at the close of the fiscal year ending June 30th, 1898 was $136,588,500—a decrease of $1,173,500 since last report.

The amount of funded debt per mile of road is $22,195.69, on which the interest charge per mile of road is $1,198.18.

The total capitalization of the Company per mile of road is $34,845.53.

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 $5,433,000.00.

This has been increased during the present year $3,690,000 as follows: $171,000 General Mortgage Bonds received for underlying bonds canceled by sinking funds; $1,929,000 for underlying bonds maturing July 1st, 1897, and February 1st, 1898, paid and canceled; and $1,590,000 for additions and improvements to the property.

It has been decreased $2,536,000, as follows: $2,500,000 of General Mortgage Bonds were sold at a premium for the payment of maturing bonds; and $35,000 of General Mortgage Bonds and $1,000 La Crosse & Davenport Division bond were sold to the Insurance Department.

Bonds in the treasury or due from Trustees, June 30th, 1898, amount to $6,587,000, as shown on page 22 of this report.

These treasury bonds represent actual expenditures for extensions, improvements, additional property and underlying bonds paid and canceled, out of the cash receipts of the Company from the operations of its lines—expenditures which have not been made good by the sale of bonds.

BONDS IN INVESTMENT ACCOUNT.

	At the close of the last fiscal year, the amount of bonds purchased by the Company and held in investment account for Sinking Fund purposes was		$400,000 00
	There have been canceled during the year:		
28	Income Sinking Fund Convertible Bonds	$28,000 00	
22	First Mortgage Bonds, Wisconsin Valley Division	22,000 00	
84	First Mortgage Bonds, Dubuque Division	84,000 00	134,000 00
Par	Value of Bonds in Investment Account, June 30th, 1898, as shown on page 22 of this report		$266,000 00

EARNINGS.

The results from operation of your Company's lines during the year ending June 30th, 1898, compared with the previous year, show an increase of $3,702,895.69 in gross earnings; an increase of $2,624,027.53 in operating expenses; and an increase of $1,078,868.16 in net earnings.

The earnings from freight traffic were $25,468,851.72—an increase of $3,364,049.06 or 15.20%.

The number of tons of freight carried was 14,230,742—an increase of 2,676,589 tons or 23.17%.

The increase in tons of freight carried was in the following commodities: flour and mill feed, 89,931 tons; wheat, 128,877 tons; rye, 20,601 tons; oats, 43,791 tons; corn, 255,836 tons; dairy and other agricultural products, 111,671 tons; provisions, 110,623 tons; salt, 5,710 tons; lime, cement and plaster, 29,733 tons; brick and stone, 71,664 tons; iron and steel, 175,918 tons; iron and other ores, 352,653 tons; manufactures, 212,293 tons; coke, 85,995 tons; live stock, 158,836 tons; lumber, 335,401 tons; other forest products, 438,802 tons; wines, liquors and beers, 96,015 tons; ice, 10,233 tons; and merchandise, 55,058 tons.

The following commodities show a decrease from the previous year: barley, 8,069 tons; flaxseed, 50,399 tons; hay, 10,943 tons; and coal, 43,641 tons.

The number of tons of all agricultural products carried during the year was 4,453,994—an increase compared with the previous year of 581,296 tons, or 15.01%. Agricultural products made up 31.30% of the total tonnage as compared with 33.52% of the total tonnage of last year.

The total number of tons of commodities other than agricultural, carried during the year was 9,776,748 as against 7,681,455—an increase of 2,095,293 tons, or 27.28%—the per cent. of the total being 68.70% as against 66.48% last year.

The number of tons of freight carried one mile was 2,621,348,372—an increase of 428,107,292, or 19.52%. The revenue per ton per mile was .972 cts.—a decrease of .036 cts., or 3.57%. The average miles each ton of freight was carried was 184.20 miles—a decrease of 5.62 miles, or 2.96%.

The number of tons of freight carried per loaded car was 10.94, against 10.74 last year—an increase of 1.86%. The number of tons of freight per freight train mile was 177.89, against 167.02 last year—an increase of 6.51%. The revenue from freight per freight train mile was $1.7284, as against $1.6834 last year—an increase of 2.67%.

The increase of earnings during the past year is due to the general improvement in business.

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

1869	3.10 cts.	1879	1.72 cts.	1889	1.059 cts.
1870	2.82 "	1880	1.76 "	1890	0.995 "
1871	2.54 "	1881	1.70 "	1891	1.003 "
1872	2.43 "	1882	1.48 "	1892	1.026 "
1873	2.50 "	1883	1.39 "	1893	1.026 "
1874	2.38 "	1884	1.29 "	1894	1.037 "
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 "

The earnings from passenger traffic during the year were $5,986,840.18—an increase of $269,344.20 over the previous year, or 4.71%. The number of passengers carried was 7,095,641—a decrease of 59,048, or .83%. The number of passengers carried one mile was 253,485,504—an increase of 2,374,835, or .95%; the revenue per passenger per mile was 2.362 cts.—an increase of .085 cts. or 3.73%; the average miles each passenger was carried was 35.72 miles—an increase of .62 miles, or 1.77%.

EXPENDITURES.

In the expenditures pertaining to Maintenance of Way and Structures, there was an increase from the previous year of $307,320.37 as follows: Repairs of Track, $208,232.05; Repairs of Bridges, $21,167.01; Repairs of Fences, $27,776.68; Repairs of Buildings, $194,032.93. In the expenditures for Renewal of Rails, there was a decrease of $67,994.01; and for Renewal of Ties, a decrease of $75,894.29.

The expenditures for Repairs of Track during the present year, include the amount of $64,680.21 for 100,370 feet of side tracks; $118,605.67 for ballasting on lines not previously ballasted; and $86,466.26 for reducing grades.

Renewal of Rails includes 42,260 tons of new steel rails costing $727,213.81.

During the previous year, 23,625 tons of new steel rails were laid costing $679,741.90.

Renewal of Ties includes 1,670,503 new ties laid during the year costing $508,616.39. During the previous year 1,880,372 new ties costing $605,156.07 were placed in track.

The expenditures for Repairs of Bridges include the total cost of 72 steel bridges, aggregating 5,688 feet in length—replacing an equal number of wooden bridges; the filling of about 2.6 miles of pile bridges with earth—226 bridges having been completely filled and 86 reduced in length by filling; and the replacing of 275 wooden culverts with iron.

The sum of $145,000.00 has been charged to Operating Expenses for the replacement of the Passenger Station at Minneapolis. The new structure is now under construction. Operating Expenses have also been charged with the cost of Freight Warehouses at Chicago and Milwaukee; Car Erecting Shop at West Milwaukee; Passenger Station at Cedar Rapids, and other new structures at various points.

The expenditures for Maintenance of Rolling Stock during the year were $2,918,523.70—an increase of $453,685.18 from the previous year; and include the amount of $533,917.94 charged to Operating Expenses to replace the loss of equipment during the year, as stated on page 9, and the cost of general repairs of 282 locomotives and 13,782 cars.

In the expenditures pertaining to Conducting Transportation there was an increase of expenses of $915,056.67, as follows: Station Service, $43,170.63; Conductors, Baggagemen and Brakemen, $137,013.18; Engineers, Firemen and Wipers, $176,393.49; Train and Station Supplies, $29,154.21; Fuel consumed, $382,145.16; Oil and Waste, $6,612.70; Rental of Tracks and Terminals, $88,933.99; Switching Charges, $51,633.31.

The cost of fuel during the past year has been largely increased by the coal strike which occurred last summer and continued for five months. During this time we were obliged to get coal wherever we could, and to pay whatever price was necessary. The cost of fuel was increased $125,000 from this cause. The remaining increase of cost was due to increased tonnage of freight transported.

By agreement with the City of Chicago, as expressed in the ordinances passed December 2d, 1897, amended December 29th, 1897; and February 21st, 1898, amended May 23d, 1898, this Company has undertaken the elevation of its tracks between Central Park Boulevard and Mayfair, a distance of 4.24 miles, and between Hawthorne Avenue and Wood Street, .15 miles, and the depression of the Deering line track, .22 miles.

This involves the elevation of the Y at Pacific Junction and the North Chicago line, .54 miles — making a total elevation of 4.93 miles, and total depression .22 miles.

The work from Central Park Boulevard to Pacific Junction is under construction, and will be finished during the present year. The remainder of the work, from Pacific Junction to Mayfair, from Hawthorne Avenue to Wood Street and the depression of the Deering line track, will be done next year.

The work now being done, from Central Park Boulevard to Pacific Junction, provides for four tracks.

The renewal fund of the Company, shown in the General Account, was created by current charges to Operating Expenses during this and previous years, to provide for the cost of track elevation in Chicago and for other extraordinary expenses. The estimated cost of track elevation now under construction is $954,425.

The payments of the Company for labor directly employed in its service during the year were $12,477,340.70, as compared with $11,502,924.27 last year, and for Material and Supplies, $7,105,500.37, as compared with $5,114,170.26 last year.

INSURANCE DEPARTMENT.

In the last annual report of the Company, the Insurance Department at the close of its fiscal year ending June 30th, 1897, had a cash credit balance in bank of		$35,988 07
From which there has since been paid for fire losses prior to that date		71 45
Making the true credit balance as of that date		35,916 62
To this amount add premiums received for year ending June 30th, 1898		91,753 84
And income from the Guaranty Fund investments		24,845 00
Increasing the cash balance to		152,515 46
Against which there has been charged for payments made, as follows:		
For Adjusted Losses for year	14,694 47	
For Expenses for the year	3,778 28	
For $14,000 Kansas City Belt R'y Co. bonds purchased	14,000 00	
For $2,000 C. M. & St. P. R'y Co. La Crosse & Davenport Div. bonds purchased	2,090 00	
For $35,000 C. M. & St. P. R'y Co. General Mortgage bonds purchased	35,000 00	
For premium for re-insurance of part of the more hazardous risks (of which there is chargeable to next fiscal year, $16,109.59 for proportional amount of the premium for eight months and ten days to March 11th, 1899)	23,333 33	
Total		92,896 08
Leaving cash in bank June 30th, 1898		$59,619 38

There are no unadjusted claims for fire losses during the year and all expenses of the department have been paid.

The property holdings of the department since its organization in February, 1893, to June 30th, 1898, show a net increase of $313,959.38. The original Guaranty Fund of $300,000 has been increased to $554,340, represented by $572,000 par value of bonds as per list below, in addition to $59,619.38 cash in bank.

The Guaranty Fund of $554,340 shown on the Insurance Department books, is invested as follows.

Chi., Mil. & St. Paul R'y Co. General Mortgage 4% bonds	$435,000 00
" " " " Consolidated Mortgage 7% bonds	10,000 00
" " " " South. Minnesota Div. 6% bonds	2,000 00
" " " " La Crosse & Dav. Div. 5% bonds	4,000 00
" " " " Chi. & Pac. West Div. 5% bonds	5,000 00
Dakota & Great Southern Railway Company 5% bonds	6,000 00
Kansas City Belt Railway Company 6% bonds	110,000 00
Par value of bonds	$572,000 00
Amount of annual interest on same	$25,570 00

The Insurance Department property is represented on the general books of the Railway Company by the nominal charge of $10,000 to Insurance Department, shown on the balance sheet, page 22.

The prospects for business the coming year are good. The crop of small grains on your lines is the best there has been for several years, and general business promises well.

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.

ROSWELL MILLER,
President.

AUGUST, 1898.

To the President:

Herewith are submitted Statements of Operation and the General Accounts for the fiscal year ending June 30th, 1898.

W. N. D. Winne,
General Auditor.

STATEMENT OF INCOME ACCOUNT, JUNE 30TH, 1898.

Credit Balance, June 30th, 1897			$8,509,719 85
Dividend payable October 21st, 1897, from net earnings of fiscal year ending June 30th, 1897, viz.:			
3½% on $29,054,900—Preferred Stock		$1,016,921 50	
3% on $46,026,600—Common Stock		1,380,798 00	2,397,719 50
Balance July 1st, 1897			$6,112,000 35
Gross Earnings for the year ending June 30th, 1898		$34,189,663 68	
Less Operating Expenses (including taxes)		21,201,566 61	
Net Earnings		$12,988,097 07	
Income from other sources		131,018 12	
Net revenue for the year ending June 30th, 1898		$13,119,115 19	
Interest accrued during the year on Funded Debt	$7,190,431 46		
Dividend payable April 19th, 1898, from net earnings of fiscal year ending June 30th, 1898, viz.:			
3½% on $31,066,400—Preferred Stock	1,087,324 00		
2½% on $46,026,600—Common Stock	1,150,665 00	9,428,420 46	
Balance for the year ending June 30th, 1898			3,690,694 73
Credit Balance, June 30th, 1898			$9,802,695 08

GENERAL ACCOUNT, JUNE 30TH, 1898. Cr.

f Road and Equipment		$214,195,294 69	Capital Stock, Preferred	$31,818,400 00	
, Stock, etc., of other Companies		840,523 12	Capital Stock, Common	46,026,600 00	77,845,000 00
and Bonds held in Special Trust, Dubuque Division and Wisconsin ley Division Sinking Funds	589,497 48		Funded Debt		136,588,500 00
England Trust Co., Trustee, Dubuque Division and Wisconsin Valley ision Sinking Funds	288 89	589,786 37	Wisconsin Valley Division Sinking Fund	593 87	
ers Loan & Trust Co., Trustee		409 08	Dubuque Division Sinking Fund	589,192 50	589,786 37
itaries of Renewal Fund—			Sinking Fund, Income Convertible Bonds		12,790 00
ted States Trust Co	1,083,250 62		Renewal Fund		1,698,505 45
ion Trust Co	528,100 00		Replacement Fund—Locomotives	188,400 00	
tinental National Bank	50,000 00	1,661,350 62	Replacement Fund—Cars	68,292 00	256,692 00
ance Department		10,000 00	Pay Rolls and Vouchers	1,992,680 11	
of Material and Fuel		2,265,902 03	Due Sundry Companies—		
tment Account—Cost of Bonds purased for Sinking Fund purposes		319,247 50	Traffic Balances	248,625 91	
gage Bonds of the Company, unsold, d in its Treasury, and due from stees	5,498,000 00		Operating Balances	3,604 11	
ukee & Northern R. R. Co. 6% Condated Mortgage Bonds, unsold, held he Treasury of this Company	1,089,000 00	6,587,000 00	Miscellaneous Balances	1,010,931 45	
of the Company held in its Treasury		4,700 00	Dividends Unclaimed	47,676 58	
from Agents and Conductors	415,847 17		Interest Coupons not presented	44,657 00	
from Sundry Companies—			Interest Accrued, not yet payable, including interest due July 1st	3,377,980 83	6,726,155 99
ffic Balances	108,429 05		Income Account		9,802,695 08
rating Balances	147,146 28				
llaneous Balances	979,229 95				
from United States Government	307,516 20				
on deposit and on hand	5,087,742 83	7,045,911 48			
		$233,520,124 89			$233,520,124 89

FUNDED DEBT, JUNE 30TH, 1898.

Total Funded Debt, June 30th, 1897, including all liens on purchased roads		$137,762,000 00
General Mortgage Bonds issued during the year:		
For underlying bonds paid and canceled as follows:		
Income Sinking Fund Convertible	65,000 00	
Wisconsin Valley Division	22,000 00	
Dubuque Division	84,000 00	
Prairie du Chien Division, First Mortgage	2,212,000 00	
Prairie du Chien Division, Second Mortgage	215,000 00	
Iowa & Minnesota Division	129,000 00	2,727,000 00
For Expenditures for Additional Equipment, Real Estate and Improvements		1,590,000 00
		$142,079,000 00
Deduct:		
Bonds, paid and canceled:		
Income Sinking Fund Convertible	65,000 00	
Wisconsin Valley Division	22,000 00	
Dubuque Division	84,000 00	
Prairie du Chien Division, First Mortgage	2,212,000 00	
Prairie du Chien Division, Second Mortgage	215,000 00	
Iowa & Minnesota Division	129,000 00	
Bonds received in exchange for preferred stock and canceled:		
Iowa & Dakota Division	136,000 00	
Iowa & Dakota Division Extension	166,000 00	
St. Paul (or River) Division	667,000 00	
St. Paul (or River) Division—Sterling	29,500 00	
Chicago & Milwaukee Division	246,000 00	
Consolidated Mortgage of 1874	2,000 00	
Consolidated Mortgage of 1875	971,000 00	
Prairie du Chien Division, Second Mortgage	546,000 00	5,490,500 00
Total Funded Debt, June 30th, 1898		$136,588,500 00
Decrease		$1,173,500 00
Of the total amount of Bonds outstanding as stated above, there remain in the Treasury unsold, and due from Trustees		$6,587,000 00

FUNDED DEBT, JUNE 30TH, 1898.

Description of Bonds.	Date of Issue.	When Due.	Rate of Interest.	Interest Payable.	Amount of Bonds Outstanding.	Interest. Accrued During the Year.	Interest. Paid During the Year.
Chicago & Milwaukee Division	1873	1903	7 per cent.	Jan. and July.	$2,145,000 00	$150,150 00	$150,115 00
St. Paul (or River) Division	1872	1902	7 " "	" " "	2,653,000 00	185,710 00	184,345 00
St. Paul (or River) Division, Sterling	1872	1902	7 " "	" " "	387,000 00	27,090 00	27,597 50
Iowa & Dakota Division	1869	1899	7 " "	" " "	285,000 00	19,950 00	20,195 00
Hastings & Dakota Division	1872	1903	7 " "	" " "	89,000 00	6,230 00	6,230 00
Consolidated Mortgage	1874	1904	7 " "	" " "	183,000 00	12,810 00	13,090 00
Consolidated Mortgage	1875	1905	7 " "	" " "	10,327,000 00	722,890 00	724,815 00
Terminal Mortgage	1884	1914	5 " "	" " "	4,748,000 00	237,400 00	236,450 00
Iowa & Dakota Division Extension	1878	1908	7 " "	" " "	3,339,000 00	233,730 00	234,220 00
Hastings & Dakota Division Extension	1880	1910	7 " "	" " "	5,680,000 00	397,600 00	397,110 00
Hastings & Dakota Division Extension	1880	1910	5 " "	" " "	990,000 00	49,500 00	49,525 00
Southwestern Division	1879	1909	6 " "	" " "	4,000,000 00	240,000 00	239,880 00
La Crosse & Davenport Division	1879	1919	5 " "	" " "	2,500,000 00	125,000 00	124,675 00
Chicago & Pacific Division	1880	1910	6 " "	" " "	3,000,000 00	180,000 00	180,030 00
Chicago & Pacific Western Division	1881	1921	5 " "	" " "	25,340,000 00	1,267,000 00	1,266,800 00
Southern Minnesota Division	1880	1910	6 " "	" " "	7,432,000 00	445,920 00	444,930 00
Mineral Point Division	1880	1910	5 " "	" " "	2,840,000 00	142,000 00	142,125 00
Dubuque Division	1880	1920	6 " "	" " "	6,225,000 00	373,500 00	366,030 00
Wisconsin Valley Division	1880	1920	6 " "	" " "	2,227,000 00	133,620 00	129,930 00
Wisconsin & Minnesota Division	1881	1921	5 " "	" " "	4,755,000 00	237,750 00	236,350 00
Chicago & Lake Superior Division	1881	1921	5 " "	" " "	1,360,000 00	68,000 00	67,925 00
Chicago & Missouri River Division	1886	1926	5 " "	" " "	3,083,000 00	154,150 00	153,675 00
Dakota & Great Southern R'y Co.	1886	1916	5 " "	" " "	2,856,000 00	142,800 00	142,850 00
Fargo & Southern R'y Co.	1883	1924	6 " "	" " "	1,250,000 00	75,000 00	75,000 00
Wisconsin Valley R. R. Co.	1879	1909	7 " "	" " "	1,106,500 00	77,455 00	77,227 50
Income Sinking Fund Convertible	1886	1916	5 " "	" " "	1,291,000 00	64,550 00	64,550 00
General Mortgage	1889	1989	4 " "	" " "	29,174,000 00	1,166,960 00	798,182 90
Mil. & Northern R. R. Co., 1st Mortgage	1880	1910	6 " "	June and Dec.	2,155,000 00	129,300 00	129,060 00
Mil. & Northern R. R. Co., Consolidated	1884	1913	6 " "	" " "	5,092,000 00	305,520 00	241,200 00
a Iowa & Minnesota Division	1867	1897	7 " "	----------	33,000 00	----------	----------
b Prairie du Chien Division, 1st Mortgage	1867	1898	8 " "	----------	26,000 00	1,213 33	1,040 00
b Prairie du Chien Division, 2d Mortgage	1867	1898	7.3 " "	----------	5,000 00	212 91	182 50
c Income Sinking Fund Convertible	1886	1916	5 " "	----------	12,000 00	353 33	300 00
Interest on bonds retired						163,543 99	352,985 40
						$7,536,908 56	$7,278,620 80
Interest on bonds in the Treasury of the Company and in hands of Trustees					----------	346,477 10	----------
Total					$136,588,500 00	$7,190,431 46	$7,278,620 80

a Bonds matured and interest ceased July 1st, 1897.
b Bonds matured and interest ceased February 1st, 1898.
c Selected by lot for payment. Interest ceased February 3d, 1898.

CAPITAL STOCK, JUNE 30TH, 1898.

Preferred Stock.

Amount of Preferred Stock, June 30th, 1897		$29,054,900 00
Issued during the year in exchange for bonds convertible into preferred stock by terms of mortgage, viz.:		
For Iowa & Dakota Division Bonds	$136,000 00	
For Iowa & Dakota Division Extension Bonds	166,000 00	
For St. Paul (or River) Division Bonds	667,000 00	
For St. Paul (or River) Division Bonds—Sterling	29,500 00	
For Chicago & Milwaukee Division Bonds	246,000 00	
For Consolidated Mortgage Bonds of 1874	2,000 00	
For Consolidated Mortgage Bonds of 1875	971,000 00	
For Prairie du Chien Division Bonds, Second Mortgage	546,000 00	2,763,500 00
Total Preferred Stock, June 30th, 1898		$31,818,400 00

Common Stock.

Total Common Stock, June 30th, 1897	$46,026,600 00	
Total Common Stock, June 30th, 1898		46,026,600 00
Total Capital Stock, June 30th, 1898		$77,845,000 00

DETAILED STATEMENT

OF

EARNINGS AND EXPENSES

FOR THE YEARS ENDING JUNE 30TH, 1897 AND 1898.

EARNINGS.

	1897	1898
From Freight	$22,104,802 66	$25,468,851 72
From Passengers	5,717,495 98	5,986,840 18
From Mails, Express, etc	2,664,469 35	2,733,971 78
Gross Earnings	$30,486,767 99	$34,189,663 68

EXPENSES.

	1897	1898
Repairs of Track	$1,788,295 96	$1,996,528 01
Renewal of Rails	681,274 36	613,280 35
Renewal of Ties	829,820 78	753,926 49
Repairs of Bridges	681,317 33	702,484 34
Repairs of Fences	48,673 56	76,450 24
Repairs of Buildings	305,572 79	499,605 72
Repairs of Locomotives	972,044 65	1,364,046 78
Repairs of Cars	1,431,565 22	1,474,039 16
Repairs of Tools and Machinery	61,228 65	80,437 76
Management and General Offices	668,223 44	691,593 31
Foreign Agency and Advertising	158,898 55	207,994 86
Station Service	2,594,253 41	2,637,424 04
Conductors, Bag'e and Brakemen	1,497,558 89	1,634,572 07
Engineers, Firemen and Wipers	1,781,845 47	1,958,238 96
Carried forward	$13,500,573 06	$14,690,622 09

	1897	1898
Brought forward	$13,500,573 06	$14,690,622 09
Train and Station Supplies	409,714 80	438,869 01
Fuel Consumed	1,798,180 99	2,180,326 15
Oil and Waste	101,620 76	108,233 46
Personal Injuries	136,381 18	117,219 93
Damage to Property	23,098 87	35,773 49
Loss and Damage, Fr't and Bag'e	69,696 72	68,519 90
Legal Expenses	133,984 46	154,057 38
New York Office Expenses	23,098 95	25,170 39
Taxes	1,184,230 86	1,134,130 68
Insurance	91,217 55	89,734 34
Miscellaneous Expenses	294,201 27	265,328 65
Stock Yard Expenses	10,807 25	11,940 20
Expenses of Elevators	27,048 46	32,250 86
Mileage of Cars	210,257 18	217,469 95
Rental of Tracks and Terminals	88,323 03	177,257 02
Switching Charges—Balance	203,816 05	255,449 36
Sleeping and Parlor Car Expenses	71,287 64	74,213 75
Renewal Account	200,000 00	1,125,000 00
Total Expenses	$18,577,539 08	$21,201,566 61

RECAPITULATION.

	1897	1898	Increase
Gross Earnings	$30,486,767 99	$34,189,663 68	$3,702,[illegible]
Total Expenses	18,577,539 08	21,201,566 61	2,624,[illegible]
Net Earnings	$11,909,228 91	$12,988,097 07	$1,078,[illegible] 16

CONDENSED STATEMENT OF EARNINGS AND EXPENSES

FOR THE YEARS ENDING JUNE 30TH, 1895, 1896, 1897 AND 1898.

EARNINGS.

	1895	1896	1897	1898
From Freight	$18,978,262 89	$23,887,930 06	$22,104,802 66	$25,468,851 72
From Passengers	5,852,781 16	6,147,678 88	5,717,495 98	5,986,840 18
From Mails, Express, etc.	2,504,325 14	2,646,219 94	2,664,469 35	2,733,971 78
Gross Earnings	$27,335,369 19	$32,681,828 88	$30,486,767 99	$34,189,663 68

EXPENSES.

	1895	1896	1897	1898
Maintenance of Way and Structures	$3,703,465 61	$4,374,723 66	$4,334,954 78	$4,642,275 15
Maintenance of Rolling Stock	2,085,309 46	2,942.294 65	2,464,838 52	2,918,523 70
Conducting Transportation	8,348,158 08	9,102,785 46	8,475,313 40	9,390,370 07
Loss and Damage to Persons and Property	293,431 57	251,675 56	229.176 77	221,513 32
General Offices, Agencies and Advertising	966,954 97	992,079 24	984,205 40	1,078,815 94
Mileage of Cars	139,819 66	183,314 33	210,257 18	217,469 95
Taxes	1,084,700 45	1,082,083 74	1,184,230 86	1,134,130 68
Renewal Account		350,000 00	200,000 00	1,125,000 00
Miscellaneous	421,913 29	397,851 40	494,562 17	473,467 80
Total Expenses	$17,043,753 09	$19,676,808 04	$18,577,539 08	$21,201,566 61

RECAPITULATION.

	1895	1896	1897	1898
Gross Earnings	$27,335,369 19	$32,681,828 88	$30,486,767 99	$34,189,663 68
Total Expenses	17,043,753 09	19,676,808 04	18,577,539 08	21,201,566 61
Net Earnings	$10,291,616 10	$13,005,020 84	$11,909,228 91	$12,988,097 07
Average Miles in Operation	6,159.35	6,153.27	6,152.55	6,153.83

STATEMENT OF MONTHLY EARNINGS AND EXPENSES.

	FREIGHT	PASSENGER	MAILS, EXPRESS, ETC.	GROSS EARNINGS	OPERATING EXPENSES	NET EARNINGS
July, 1897	$1,881,349 25	$599,093 00	$232,951 09	$2,713,393 34	$1,763,555 58	$949,837 76
August, "	1,933,085 51	610,812 34	236,716 39	2,780,614 24	1,688,488 85	1,092,125 39
September, "	2,382,978 65	601,403 12	226,515 11	3,210,896 88	2,058,002 97	1,152,893 91
October, "	2,830,500 13	521,817 54	227,530 15	3,579,847 82	1,966,549 75	1,613,298 07
November, "	2,625,184 22	479,026 41	224,236 01	3,328,446 64	1,858,029 87	1,470,416 77
December, "	2,155,565 89	430,815 89	230,699 54	2,817,081 32	1,562,566 79	1,254,514 53
January, 1898	1,754,056 23	387,248 77	219,992 33	2,361,297 33	1,604,767 31	756,530 02
February, "	1,813,399 65	363,152 85	218,108 12	2,394,660 62	1,604,856 57	789.804 05
March, "	2,203,793 59	490,619 37	221,960 54	2,916,373 50	1,736,078 36	1,180,295 14
April, "	1,923,697 38	431,914 37	229,933 47	2,585,545 22	1,826,534 41	759,010 81
May, "	2,069,138 93	460,550 99	225,492 86	2,755,182 78	1,789,200 73	965.982 05
June, "	1,896,102 29	610,385 53	239,836 17	2,746,323 99	1,742,935 42	1,003,388 57
Total	$25,468,851 72	$5,986,840 18	$2,733,971 78	$34,189,663 68	$21,201,566 61	$12,988,097 07

COMPARATIVE SUMMARY OF OPERATION.

Gross Earnings.

1897	$30,486,767 99		
1898	34,189,663 68	Increase	$3,702,895 69

Operating Expenses.

1897	$18,577,539 08		
1898	21,201,566 61	Increase	$2,624,027 53

Net Earnings.

1897	$11,909,228 91		
1898	12,988,097 07	Increase	$1,078,868 16

Gross Earnings per Mile of Road.

1897	$4,955 14		
1898	5,555 83	Increase	$600 69

Operating Expenses per Mile of Road.

1897	$3,019 48		
1898	3,445 26	Increase	$425 78

Net Earnings per Mile of Road.

1897	$1,935 66		
1898	2,110 57	Increase	$174 91

Freight Earnings per Mile of Road.

1897	$3,592 79		
1898	4,138 70	Increase	$545 91

Passenger, Mail and Express Earnings per Mile of Road.

1897	$1,362 35		
1898	1,417 13	Increase	$54 78

Average Miles of Road Operated During the Year.

1897	6,152.55		
1898	6,153.83	Increase	1.28

TRANSPORTATION STATISTICS

For the Years Ending June 30th, 1896, 1897 and 1898.

	1896	1897	1898
Miles run by freight trains	13,526,151	12,387,086	13,880,445
Miles run by passenger trains	7,788,709	7,819,919	7,930,481
Miles run by mixed trains	970,799	992,511	1,140,398
Miles run by revenue trains	22,285,659	21,199,466	22,951,324
Miles run by switching trains	4,005,550	3,656,390	4,106,088
Miles run by construction and other trains	609,991	661,119	783,209
Total miles run by all trains	26,901,200	25,516,975	27,930,621
Number of tons of freight carried	12,210,055	11,554,153	14,230,749
Number of tons of freight carried one mile	2,381,667,988	2,193,241,080	2,621,348,372
Mileage of freight cars—loaded	218,475,022	204,201,258	259,610,746
Mileage of freight cars—empty	92,455,478	82,745,785	98,870,378
Number of tons of freight carried per loaded car	10.90	10.74	10.94
Average number of loaded freight cars per train	15.33	15.56	16.33
Average miles each ton of freight was carried	195.06	189.82	184.20
Number of tons of freight per freight train mile	167.08	167.02	177.80
Revenue per ton of freight per mile	1.003 cts.	1.008 cts.	.972 cts.
Revenue from freight per freight train mile	$1.6758	$1.6834	$1.7264
Number of passengers carried	7,427,614	7,154,689	7,095,041
Number of passengers carried one mile	260,821,497	251,110,669	253,485,504
Average miles each passenger was carried	35.12	35.10	35.72
Revenue per passenger per mile	2.357 cts.	2.277 cts.	2.502 cts.
Revenue from passengers per passenger train mile	76.55 cts.	70.87 cts.	72.87 cts.
Repairs of Locomotives per revenue train mile	5.54 cts.	4.59 cts.	6.95 cts.
Repairs of Cars " " " "	7.31 cts.	6.75 cts.	6.45 cts.
Station Service " " " "	12.21 cts.	12.24 cts.	11.49 cts.
Train Service " " " "	7.11 cts.	7.06 cts.	7.12 cts.
Locomotive Service " " " "	8.51 cts.	8.41 cts.	8.55 cts.
Train and Station Supplies " " " "	2.05 cts.	1.93 cts.	1.91 cts.
Fuel " " " "	9.01 cts.	8.48 cts.	9.50 cts.
Oil and Waste " " " "	.52 cts.	.48 cts.	.47 cts.
All Other Expenses " " " "	36.03 cts.	37.60 cts.	40.98 cts.
Total Operating Expenses " " " "	88.29 cts.	87.03 cts.	92.38 cts.
Percentage of Expenses (including Taxes) to Earnings	60.21 %	60.94 %	62.01 %

STATEMENT OF COMMODITIES TRANSPORTED

DURING THE YEARS ENDING JUNE 30TH, 1897 AND 1898.

Commodities	1897		1898	
	Tons	Per Cent	Tons	Per Cent
Flour	435,368	3.768	450,662	3.230
Mill Feed	130,895	1.133	196,532	1.381
Wheat	1,139,407	9.861	1,268,284	8.912
Rye	61,282	.530	81,883	.575
Barley	595,605	5.155	587,536	4.129
Oats	629,198	5.446	672,989	4.729
Corn	337,590	2.922	593,426	4.170
Flax Seed	162,380	1.405	111,987	.787
Hay	101,423	.878	90,480	.636
Dairy Products	54,622	.473	58,233	.409
Other Agricultural Products	224,922	1.947	332,982	2.340
Provisions	193,752	1.677	304,375	2.139
Salt	57,492	.498	63,202	.444
Lime, Cement and Plaster	123,901	1.072	153,634	1.080
Brick and Stone	529,134	4.579	600,798	4.222
Iron and Steel	271,428	2.349	447,346	3.144
Iron and Other Ores	341,015	2.952	693,668	4.875
Manufactures	571,260	4.944	783,553	5.506
Coal	1,311,411	11.350	1,267,770	8.909
Coke	116,697	1.010	202,692	1.424
Live Stock	635,699	5.502	794,535	5.583
Lumber	1,007,495	8.720	1,342,896	9.436
Other Forest Products	948,686	8.211	1,387,488	9.750
Wines, Liquors and Beers	256,043	2.216	352,058	2.474
Ice	213,466	1.848	223,699	1.572
Merchandise	1,103,976	9.554	1,159,034	8.144
Total	11,554,153	100.000	14,230,742	100.000

DETAIL OF EXPENDITURES

FOR ADDITIONS AND IMPROVEMENTS TO PROPERTY

FOR THE YEAR ENDING JUNE 30TH, 1898.

Equipment—		
2 Buffet Cars	$22,000 00	
2 Standard Postal Cars	7,030 49	
5 Sleeping Cars—Three-fourths Cost	64,932 27	
1276 Box Cars	539,115 39	
350 Carriage Cars	193,793 86	
51 Stock Cars	22,198 61	
235 Refrigerator Cars	152,002 14	
Air Brakes, Automatic Couplers and other improvements to Rolling Stock	196,295 28	1,197,368 04
Second Track, Chicago and Council Bluffs Division, in Illinois—		
Between Bensenville and Genoa	75,101 05	
Between Davis Junction and Kittredge	438,452 17	513,553 22
Third and Fourth Main Tracks, Chicago and Milwaukee Division—		
Between Central Park Boulevard and Pacific Junction		49,477 37
Real Estate, sundry points		36,472 10
		$1,796,870 73
Sundry Credits		71,497 19
Total		$1,725,373 54
Cost of Road and Equipment, June 30th, 1897		$212,594,714 15
Additions and Improvements as above		1,725,373 54
Purchase of Chicago & Pacific R. R. Co. Stock		207 00
		214,320,294 69
Credit—Premium on General Mortgage Bonds		125,000 00
Cost of Road and Equipment, June 30th, 1898		$214,195,294 69

MATERIAL AND FUEL ON HAND.

Coal	64,618	Tons,	$114,802 76
Wood	3,934	Cords,	7,477 66
Ties	488,653	Number,	155,357 78
New Steel Rails	11,187	Tons,	187,909 40
Old Steel Rails	23,078	Tons,	335,107 45
Old Iron Rails	15,169	Tons,	158,124 73
Rail Fastenings	10,143,314	Pounds,	113,278 05
Oil	105,986	Gallons,	15,960 50
Waste	76,739	Pounds,	4,695 94
Iron (worked and unworked)	12,061,876	Pounds,	140,265 71
Copper and Brass	290,372	Pounds,	27,724 93
Lumber and Timber	19,025,970	Feet,	306,320 03
Piles	443,377	Feet,	43,985 97
Posts	143,170	Number,	9,866 69
Engine and Car Wheels	3,541	Number,	23,454 47
Engine and Car Wheels (on axles)	2,032	Pairs,	34,985 24
Engine and Car Axles	1,084,435	Pounds,	15,152 73
Tires	93,875	Pounds,	5,708 53
Steel and Steel Springs	817,774	Pounds,	24,972 88
Engine, Car and Road Castings	5,179,465	Pounds,	66,314 79
Paints and Oils			12,355 02
Stationery Supplies			15,484 48
Other Supplies			446,596 29
Total, June 30th, 1898			$2,265,902 03
Total, June 30th, 1897			1,911,287 76
Increase			$354,614 27

EQUIPMENT IN SERVICE JUNE 30TH, 1898.

STANDARD GAUGE.

Locomotives		808
Passenger Cars		412
Sleeping Cars		53
Parlor Cars		16
Dining Cars		8
Baggage, Mail, Express and Combination Cars		286
Freight Cars—		
Box Cars	20,051	
Stock Cars	2,799	
Flat, Coal and Ore Cars	5,826	
Refrigerator Cars	724	29,400
Caboose Cars		478
Wrecking, Tool Cars, etc		72

NARROW GAUGE.

Locomotives		7
Passenger Cars		4
Baggage, Mail, Express and Combination Cars		5
Freight Cars—		
Box Cars	202	
Stock Cars	59	
Flat Cars	48	309
Caboose Cars		5
Total		31,863

At the close of the year ending June 30th, 1897, a shortage of 6 locomotives and 723 cars was shown by the inventory of equipment, and the sum required to replace this shortage had been charged to Operating Expenses at that date.

During the present year 38 small locomotives unfit for further service were scrapped and Operating Expenses were charged with the cost of 38 new locomotives to replace them, making a total shortage of 44 locomotives. Twenty-three locomotives have been purchased or built during the present year for replacement.

The amount required to replace the remaining shortage of 21 locomotives—$188,400.00 is shown in the account of "Replacement Fund—Locomotives" on page 22 of this report.

During the present year cars of all classes to the number of 527 were destroyed—7 by fire, 250 by wreck on our own and other roads, 270 old cars of small capacity were taken down, being unfit for further service, and 4 sleeping cars were dropped from the equipment list, making a total shortage of 1,260 cars. One thousand and sixty-six cars have been built or purchased for replacement, comprising 4 sleeping, 2 passenger, 311 box, 449 stock, 285 flat and coal and 15 refrigerator cars.

At the close of this fiscal year ending June 30th, 1898, there exists a total shortage of 194 cars, comprising 36 box, 14 stock, 134 flat and coal and 9 caboose cars and 1 pile driver and car.

The amount required to replace the 194 cars—$68,292.00 has been charged to Operating Expenses and stands at the credit of "Replacement Fund—Cars" on page 22 of this report.