1904

Fortieth Annual Report

OF THE

Chicago, Milwaukee & St. Paul Railway Company

FOR THE

Fiscal Year ending June 30th, 1904.

Compliments of

W. N. D. Winne.

General Auditor.

1904

Fortieth Annual Report

OF THE

Chicago, Milwaukee & St. Paul Railway Company

FOR THE

Fiscal Year ending June 30th, 1904.

CHICAGO, MILWAUKEE & ST. PAUL
RAILWAY COMPANY.

DIRECTORS.

J. OGDEN ARMOUR,	CHICAGO,	Term expires September, 1904.
FREDERICK LAYTON,	MILWAUKEE,	Term expires September, 1904.
JOSEPH MILBANK,	NEW YORK,	Term expires September, 1904.
SAMUEL SPENCER,	NEW YORK,	Term expires September, 1904.
FRANK S. BOND,	NEW YORK,	Term expires September, 1905.
A. J. EARLING,	CHICAGO,	Term expires September, 1905.
CHARLES W. HARKNESS,	NEW YORK,	Term expires September, 1905.
HENRY H. ROGERS,	NEW YORK,	Term expires September, 1905.
JAMES H. SMITH,	NEW YORK,	Term expires September, 1905.
PETER GEDDES,	NEW YORK,	Term expires September, 1906.
ROSWELL MILLER,	NEW YORK,	Term expires September, 1906.
WILLIAM ROCKEFELLER,	NEW YORK,	Term expires September, 1906.
JOHN A. STEWART,	NEW YORK,	Term expires September, 1906.

OFFICERS.

ROSWELL MILLER,	Chairman of the Board,	NEW YORK.
A. J. EARLING,	President,	CHICAGO.
J. H. HILAND	Third Vice-President,	CHICAGO.
E. W. McKENNA,	Assistant to the President,	CHICAGO.
E. W. ADAMS,	Secretary,	MILWAUKEE.
J. M. McKINLAY,	Assistant Secretary and Transfer Agent,	NEW YORK.
C. B. FERRY,	Assistant Secretary and Transfer Agent,	NEW YORK.
W. J. GEDDES,	Assistant Secretary and Transfer Agent,	NEW YORK.
F. G. RANNEY,	Treasurer,	CHICAGO.
JOHN McNAB,	Assistant Treasurer,	CHICAGO.
W. N. D. WINNE,	General Auditor,	CHICAGO.
H. R. WILLIAMS,	General Manager,	CHICAGO.
W. J. UNDERWOOD,	Assistant General Manager,	CHICAGO.
D. L. BUSH,	General Superintendent,	CHICAGO.
D. J. WHITTEMORE,	Chief Engineer,	CHICAGO.
H. G. HAUGAN,	Comptroller,	CHICAGO.
GEORGE R. PECK,	General Counsel,	CHICAGO.
BURTON HANSON,	General Solicitor,	CHICAGO.
H. H. FIELD,	Assistant General Solicitor,	CHICAGO.
C. B. KEELER,	Assistant General Solicitor,	CHICAGO.

REPORT

OF THE

BOARD OF DIRECTORS.

THE

Fortieth Annual Report

OF THE DIRECTORS OF THE

Chicago, Milwaukee & St. Paul

RAILWAY COMPANY

TO THE STOCKHOLDERS.

For the Fiscal Year ending June 30th, 1904.

The Directors submit to the Stockholders the following report of the business and operations of the Company for the year ending June 30th, 1904, 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	$48,330,334 70
Operating Expenses, including taxes	31,876,589 80
Net Earnings	$16,453,744 90
Income from other sources	316,430 85
Total	$16,770,175 75
Fixed Charges—Interest on Bonds	6,051,775 00
Balance above all charges	$10,718,400 75

During the year two dividends aggregating seven per cent were paid on the preferred stock, and two dividends aggregating seven per cent were paid on the common stock, of which the dividends paid October 27th, 1903—three and one-half per cent on preferred and three and one-half per cent on common stock—were from net earnings of the previous fiscal year, ending June 30th, 1903.

MILES OF TRACK.

Owned solely by this Company:		
Main track	6,878.39	
Second main track	379.74	
Third main track	5.57	
Fourth main track	1.72	
Connection tracks	35.31	
Yard tracks, sidings and spur tracks	1,864.91	9,165.64
Owned jointly with other Companies:		
Main track	28.09	
Second main track	2.74	
Connection tracks	5.01	
Yard tracks, sidings and spur tracks	74.38	110.22
Used by this Company under contracts:		
Main track	224.13	
Second main track	64.84	
Third main track	1.14	290.11
Total miles of track		9,565.97

The lines of road are located as follows:

In Wisconsin	1,723.87	miles
" Illinois	398.99	"
" Iowa	1,871.85	"
" Minnesota	1,205.57	"
" North Dakota	153.31	"
" South Dakota	1,253.68	"
" Missouri	140.27	"
" Michigan	158.94	"
Total length of main track	6,906.48	"

The lines from Ashdale to Ebner in Illinois, 15.10 miles, from Muscatine to Rutledge in Iowa, 76.30 miles, from Zumbrota to Faribault in Minnesota, 33.47 miles, from Farmington to Mankato in Minnesota, 55.48 miles, from Preston to Isinours

in Minnesota, 4.46 miles, and from Woonsocket to Wessington Springs in South Dakota, 15.58 miles, which were under construction at the close of last year, have been completed.

The reduction of grades on the River Division between La Crosse and St. Paul, and on the Iowa & Minnesota Division between Austin and Rosemount, has been completed. The cost of this work—$648,622.53—has been charged to Renewal and Improvement Account.

The elevation of the tracks of the Chicago & Council Bluffs Division between Pacific Junction and Cragin, within the city limits of Chicago, has been completed during the year. The cost of this work—$389,319.47—has been charged to Renewal and Improvement Account.

A portion of the line of the Marinette, Tomahawk & Western R'y, extending south from Gleason, Wis., a distance of 12.60 miles, with a spur track extending northerly 6.65 miles, costing together $150,000.00, was purchased during the year, and a connection of this line with the main line of the Wisconsin Valley Division has been formed by the construction of a line from Otis to Gleason, a distance of 11.16 miles, at a cost of $71,596.48.

The second main track on the La Crosse Division, in Wisconsin, from Brookfield Junction to Watertown Junction, from Portage to Camp Douglas and from West Salem to North La Crosse, an aggregate distance of 90.15 miles, which was under construction at the close of last year, has been completed.

Improvements of the Company's shops have been made during the year at an aggregate cost of $148,759.30 as follows:

West Milwaukee	$114,248 52
Dubuque	27,668 07
Minneapolis	6,758 47
Savanna	84 24

Of this amount $127,663.96 has been charged to Capital Account, $14,979.09 to Renewal and Improvement Fund, and $6,116.25 to Operating Expenses as Maintenance of Structures and Machinery.

Important additions are now being made to the Company's property at West Milwaukee, viz: 30-stall engine house; passenger car repair shop, 93 x 575 feet; oil house, 50 x 106 feet, and modern coal handling machinery. Other additions and improvements have been authorized and will be made as the necessities of the Company demand.

At Western Avenue Yards, Chicago, 19 stalls are being added to the so-called "Boulevard Engine House," to take the place of an equal number of stalls in another part of the yard which it was necessary to take down on account of track elevation. Enlarged facilities for the repair and cleaning of passenger cars, modern coal-handling machinery for locomotives and a small machine shop for current repairs, are also being added to the plant.

Additional tracks, a new 30-stall engine house and other facilities at the Galewood Yard, also made necessary by reason of the elevation of tracks through Western Avenue Yards, are now under construction and will be completed this fall. These improvements will serve to concentrate the switching business of the Company in Chicago and reduce the cost of handling the traffic.

During the year the Company has acquired the title to 70 acres of coal lands in the State of Iowa, and at the close of the year it held the title to 1,180.50 acres and the mining rights for 1,256.61 acres in Monroe and Marion counties, in that state.

During the year the Company also acquired the mining rights for 10,900.68 acres in the State of Illinois, and at its close held the title to 347.13 acres and the mining rights for 27,326.62 acres in Bureau, Putnam and La Salle counties, in that state.

The coal properties are being developed as rapidly as circumstances allow, and in the near future will provide a considerable part of the coal used by the Company.

The line extending into the coal fields recently acquired by the Company in Bureau, Putnam and La Salle counties, in the State of Illinois, which was under construction by the Rochelle & Southern Railway Co. at the close of last year, has been completed.

ROLLING STOCK.

At the close of the fiscal year ending June 30th, 1903, the Rolling Stock Replacement Fund amounted to $95,052.43.

During the year just closed there has been added to the fund and charged to Operating Expenses, the sum of $184,290.38 for the cost of the replacement of nineteen locomotives and the sum of $335,297.73 for the cost of the replacement of four hundred and sixty cars destroyed in service during the year.

There was expended of this fund, for the replacement of nineteen locomotives, $184,290.38, and for the replacement of three hundred and thirty cars, $244,427.01, a total of $428,717.39, as follows:

19	Locomotives	$184,290 38
1	Dining Car	17,154 84
3	Baggage Cars	8,664 87
1	Mail and Express Car	2,888 29
273	Box Cars	186,701 97
52	Stock Cars	29,017 04

The unexpended balance of the Replacement Fund, June 30th, 1904, amounted to $185,923.15—which is sufficient to replace the shortage of three hundred and three cars, as shown by statement on page 39.

During the year seventy-nine cars of small capacity were sold and three hundred and sixty-nine cars were taken down because of their small capacity and worn-out condition. These had been replaced in advance, and the cost charged to Operating Expenses in previous years under the head of Additional Equipment.

The average number of freight cars in service June 30th, 1904, per mile of road, was 6.

There were in freight service June 30th, 1894, 27,715 cars, with a carrying capacity of 571,574 tons, while on June 30th, 1904, there were 41,424 cars, with a carrying capacity of 1,090,779 tons.

CAPITAL EXPENDITURES.

Additional Locomotives and Cars	$1,854,341 21
Construction of New Lines	1,325,400 07
Construction of Second Main Track	147,316 80
Real Estate	655 00
Miscellaneous Improvements	1,143,205 78
Improvement—Davenport, Rock Island & Northwestern R'y	3,870 42
Minnesota Transfer R'y Co. Bonds	1,854 06
Kansas City Union Depot Co. Stock	100,000 00
Kansas City Belt R'y Co. Stock	10,000 00
Standard Office Co. Stock	37,500 00
St. Paul Coal Company	264,130 51
Braceville Coal Company	27,740 74
Excelsior Coal Company	38,999 07
Rochelle & Southern R'y Co	572,158 94
	$5,527,172 60
Sundry Credits	6,602 62
Total as shown by detailed statement on pages 32 and 33 of this Report	$5,520,569 98

RENEWAL AND IMPROVEMENT FUND.

Amount credited to Renewal and Improvement Fund, to June 30th, 1904		$9,915,000 00
Interest received on balances		659,758 76
Total		$10,574,758 76
Expenditures:		
For Elevation of Tracks:		
Chicago & Milwaukee Division	$559,462 97	
Chicago & Council Bluffs Division in Illinois	570,267 53	1,129,730 50
For Improvements at Western Avenue		6,068 72
For Third and Fourth Main Tracks:		
Chicago & Milwaukee Division		145,224 45
For Reducing Grade and Improving Line:		
La Crosse Division	1,113,331 63	
Carried forward	$1,113,331 63	$1,281,023 67

RENEWAL AND IMPROVEMENT FUND—CONTINUED.

Brought forward	$1,113,331 63	$1,281,023 67
Chicago & Council Bluffs Division in Iowa	782,344 81	
River Division	385,043 73	
Iowa & Minnesota Division	263,578 80	2,544,298 97
For Escanaba Docks and Terminal Facilities		638,871 05
For Change of Line, Redfield, South Dakota		24,729 48
For Change of Gauge, Preston Branch		173,785 64
For Change of Gauge, Wabasha Division		269,734 39
For Menomonee Valley Connecting Track		57,135 08
For Repairs of damage caused by Kansas City Flood		80,515 53
For Replacement of the Bridge over the Mississippi River between St. Paul and Minneapolis with a double-track structure		337,083 37
For Replacement of the Bridge over the Mississippi River at La Crosse, Wisconsin		275,901 31
For Replacement of the Bridge over the Menomonee River at Milwaukee		96,461 66
For Replacement of the Bridge over the Mississippi River at Sabula		955 23
For Replacement of the Bridge over the Cedar River at Cedar Rapids		55,181 62
For Improvements at West Milwaukee Shops		78,025 12
For Improvements at Dubuque Shops		669 78
Total Expenditure		$5,914,371 90
Unexpended Balance, June 30th, 1904		$4,660,386 86

CAPITAL STOCK.

At the close of the last fiscal year the share capital of the Company amounted to $105,908,300, and consisted of $47,724,400 of preferred stock and $58,183,900 of common stock.

It has been increased during this fiscal year by $650,000 of preferred stock, issued in exchange for the same amount of convertible bonds canceled.

The total amount of capital stock at the close of the year is $106,558,300.

The amount of capital stock per mile of road is $15,428.74.

FUNDED DEBT.

At the close of the last fiscal year the funded debt of the Company was $123,754,500.

It has been increased during this fiscal year by the issue of $213,000 of General Mortgage Bonds, and it has been decreased $863,000 by underlying bonds retired and canceled, as shown on page 26 of this report.

The funded debt at the close of the fiscal year ending June 30th, 1904, was $123,104,500—a decrease of $650,000 since last report.

The amount of funded debt per mile of road is $17,824.49, on which the interest charge per mile of road is $904.29.

The total capitalization of the Company per mile of road is $33,253.23.

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 $5,144,000.

This has been increased during this fiscal year by $213,000, General Mortgage Bonds received for underlying bonds paid and canceled.

Bonds in the treasury or due from trustees, June 30, 1904, amount to $5,357,000, as shown on page 24 of this report.

Of this amount $159,000 are General Mortgage 4% Bonds; $4,109,000 are General Mortgage 3½% Bonds, and $1,089,000 are Milwaukee & Northern R. R. Co. Consolidated Mortgage 6% Bonds.

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

INSURANCE DEPARTMENT.

Cash on hand, June 30th, 1903		$65,441 13
Receipts during the year:		
Premiums	$145,744 53	
Income from Investment of Guaranty Fund	52,587 94	
Interest on Cash on deposit	1,914 75	200,247 22
		$265,688 35
Payments during the year:		
Losses	62,640 86	
Expenses	4,091 71	
Bonds bought	154,795 00	221,527 57
Cash on hand, June 30th, 1904		$44,160 78

The Guaranty Fund, June 30th, 1903, was $1,146,043.75 It is now $1,300,838.75—an increase of $154,795.00—and is invested as follows:

Chicago, Milwaukee & St. Paul R'y Co. bonds:		
General Mortgage 4%	$600,000 00	
Southern Minnesota Division 6%	32,000 00	
La Crosse & Davenport Div. 5%	4,000 00	
Chicago & Pac. Western Div. 5%	6,000 00	
Mineral Point Division 5%	7,000 00	
Wisconsin Valley Division 6%	2,000 00	$651,000 00
Chicago, Milwaukee & St. Paul R'y Co. preferred stock		10,000 00
Kansas City Belt R'y Co. 6% bonds		150,000 00
Dakota & Great Southern R'y Co. 5% bonds		6,000 00
Chicago, Burlington & Quincy R. R. Co. 4% bonds		50,000 00
Baltimore & Ohio R. R. Co. 3½% bonds		50,000 00
Northern Pacific R'y Co. 4% bonds		100,000 00
Milwaukee & Northern R. R. Co. 6% bonds		38,000 00
Fargo & Southern R'y Co. 6% bonds		2,000 00
Atchison, Topeka & Santa Fe R'y Co. 4% bonds		100,000 00
Union Pacific R. R. Co. 4% bonds		50,000 00
Chicago & Western Indiana R'y Co. 4% bonds		75,000 00
Par value of bonds and stock		$1,282,000 00
Amount of annual interest and dividends		$56,040 00

EARNINGS.

The results from operation of your Company's lines during the year ending June 30th, 1904, compared with the previous year, show an increase of $667,597.13 in gross earnings, an increase of $278,415.57 in operating expenses, and an increase of $389,181.56 in net earnings.

The earnings from freight traffic were $35,081,759.28—72.59% of total earnings—an increase of $284,713.91, or .82%.

The number of tons of freight carried was 21,267,370—a decrease of 37,268 tons, or .17%.

The increase in number of tons of freight carried was in the following commodities: wheat, 58,968 tons; barley, 135,299 tons; oats, 24,719 tons; corn, 13,100 tons; hay, 8,976 tons; other agricultural products, 37,010 tons; live stock, 18,747 tons; other packing house products, 17,503 tons; other animal products, 36,248 tons; anthracite coal, 228,373 tons; bituminous coal, 99,096 tons; stone, sand, etc., 107,804 tons; salt, 27,224 tons; lumber, lath and shingles, 156 tons; sash, doors and blinds, 11,288 tons; petroleum and other oils, 4,312 tons; lime, cement and plaster, 9,812 tons; wines, liquors and beers, 39,904 tons; and paper, 10,216 tons.

The following commodities show a decrease from the previous year; flour, 51,989 tons; other mill products, 11994 tons; rye, 14,040 tons; flax seed, 2,626 tons; fruit and vegetables, 16,410 tons; dressed meats, 16,152 tons; coke, 28,745 tons; iron and other ores, 484,615 tons; other forest products, 29,922 tons; iron and steel, 80,026 tons; castings and machinery, 1,434 tons; agricultural implements, 44,234 tons; wagons, carriages, tools, etc., 9,922 tons; brick, 22,102 tons; household goods and furniture, 11,595 tons; other manufactures, 10,105 tons; and commodities not specified, 90,112 tons.

The number of tons of all agricultural products carried during the year was 5,103,182 tons—an increase compared with the previous year of 181,013 tons, or 3 68%. Agricultural products comprised 23.99% of the total tonnage carried as compared with 23.10% of the total tonnage of last year.

The number of tons of commodities other than agricultural products carried during the year was 16,164,188 tons—a decrease compared with the previous year of 218,281 tons, or 1.33%—the per cent of the total being 76.01% against 76.90% last year.

The number of tons of revenue freight carried one mile was 3,938,402,556—a decrease of 83,352,863, or 2.07%. The revenue per ton per mile was .8908 cents—an increase of .0256 cents, or 2.96%. The average miles each ton of revenue freight was carried was 185.19 miles—a decrease of 3.58 miles, or 1.90%.

The number of tons of revenue freight carried per loaded car was 13.297, against 13.241 last year—an increase of .42%. The number of tons of revenue freight per freight train mile was 245.45, against 244.23 last year—an increase of .50%. The revenue from freight per freight train mile was $2.186, as against $2.113 last year—an increase of 3.45%.

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

1875.....2.10 cts.	1885.....1.28 cts.	1895.....1,075 cts.
1876.....2.04 "	1886.....1.17 "	1896.....1.003 "
1877.....2.08 "	1887.....1.09 "	1897.....1.008 "
1878.....1.80 "	1888.....1.006 "	1898.....0.972 "
1879.....1.72 "	1889.....1.059 "	1899.....0.937 "
1880.....1.76 "	1890.....0.995 "	1900.....0.930 "
1881.....1.70 "	1891.....1.003 "	1901.....0.861 "
1882.....1.48 "	1892.....1.026 "	1902.....0.840 "
1883.....1.39 "	1893.....1.026 "	1903.....0.865 "
1884.....1.29 "	1894.....1.037 "	1904.....0.891 "

The earnings from passenger traffic during the year were $9,661,633.40—19.99% of total earnings—an increase of $119,432.53 over the previous year, or 1.25%. The number of passengers carried was 9,752,419—an increase of 166,218, or 1.73%. The number of passengers carried one mile was 419,157,387—an increase of 5,896,197, or 1.43%; the revenue per passenger per mile was 2.305 cents—a decrease of .004 cent, or .17%; the average miles each passenger was carried was 42.98 miles—a decrease of .13 miles, or .30%.

EXPENDITURES.

The expenses of Maintenance of Way and Structures were $5,128,248.78; Maintenance of Equipment, $4,651,783.36; Conducting Transportation, $18,597,342.92; General Expenses, including Taxes, $2,791,639.81; and Additions to Property, $707,574.93.

There was an increase in expenditures for Maintenance of Equipment, of $757,949.23; for Conducting Transportation, of $1,767,547.24; for General Expenses, including Taxes, of $369,143.48; for Additions to Property, of $707,574.93, and a decrease in Maintenance of Way and Structures, of $2,218,799.31, and in Renewal and Improvement Account, of $1,105,000.

In the expenditures pertaining to Maintenance of Way and Structures there was a decrease in the following items: Roadway, $1,067,827.36; Rails, $192,339.00; Ties, $33,785.84; Bridges and Culverts, $620,917.31; Fences, Road Crossings, etc., $18,846.41; Buildings and Fixtures, $276,713.08; other expenditures under this head, $8,370.31.

The expenditures for Rails include 43,627 tons of new steel rails, costing $1,221,437.04. During the previous year 40,900 tons of new steel rails were laid, costing $1,144,681.26.

The expenditures for Ties include 1,119,369 new ties, costing $527,092.71. During the previous year 1,280,043 new ties, costing $559,115.17, were placed in track.

During the year 58 steel bridges, aggregating 5,803 feet in length were built—replacing 4,661 feet of wooden bridges, 1,092 feet of iron bridges and 50 feet of embankment, and 545 wooden culverts were replaced with iron. About 1.88 miles of pile bridges were filled with earth—50 bridges having been completely filled and 101 reduced in length by filling.

The expenditures for Maintenance of Equipment include the amount of $519,588.11 charged to Operating Expenses to replace the loss of equipment during the year, as against $268,424.90 charged during the previous year.

In the expenditures pertaining to Conducting Transportation there was an increase, as follows: Engine and Roundhouse Men, $275,904.48; Fuel and other supplies for Locomotives, $597,797.03; Train Service and Supplies, $414,336.67; Station Service and Supplies, $163,904.39; Switchmen, Flagmen and Watchmen, $154,823.71; and in all other Expenses under this head, $160,780.96.

The increase in Cost of Fuel for Locomotives—$540,796.71—is due to an increase in cost of coal, of an average of 14.29 cents per ton, and to the extreme severity of the past winter.

The increase in Conducting Transportation, in addition to the increase in cost of fuel, is due to the large increases in rates of pay to practically all classes of employes, and to the increased cost of materials and supplies.

The average cost of Repairs and Renewals of Locomotives during the year was $1,493.33; of Passenger Cars, $531.16; and of Freight Cars, $38.22.

The payments of the Company for labor directly employed in its service during the year were $19,976,412.37, as compared with $19,238,978.42 last year; and for material and supplies, $12,626,732.33, as compared with $14,041,930.05 last year.

The Company has maintained the policy of charging improvements and betterments of the property to Operating Expenses as in former years, and the sum of $707,574.93 expended during the year for additions to the property, has also been charged to that account.

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

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

By order of the Board of Directors.

A. J. Earling,
President.

August, 1904.

To the President:

Herewith are submitted the General Accounts of the Company for the fiscal year ending June 30th, 1904, and the Statements of Operation for the same period.

W. N. D. WINNE,

General Auditor.

STATEMENT OF INCOME ACCOUNT, JUNE 30TH, 1904.

Credit Balance, June 30th, 1903			$23,499,652 05
Dividend payable October 27th, 1903, from net earnings of fiscal year ending June 30th, 1903, viz:			
3½% on $47,724,400—Preferred Stock		$1,670,354 00	
3½% on $58,183,900—Common Stock		2,036,436 50	3,706,790 50
Balance July 1st, 1903			$19,792,861 55
Gross Earnings for the year ending June 30th, 1904		48,330,334 70	
Less Operating Expenses, including taxes		31,876,589 80	
Net Earnings		16,453,744 90	
Income from other sources		316,430 85	
Net revenue for the year ending June 30th, 1904		16,770,175 75	
Interest accrued during the year on Funded Debt	$6,051,775 00		
Dividend payable April 22d, 1904, from net earnings of fiscal year ending June 30th, 1904, viz:			
3½% on $47,864,400—Preferred Stock	1,675,254 00		
3½% on $58,183,900—Common Stock	2,036,436 50	9,763,465 50	
Balance for the year ending June 30th, 1904			7,006,710 25
Credit Balance, June 30th, 1904			$26,799,571 80

GENERAL ACCOUNT, JUNE 30TH, 1904. Cr.

f Road and Equipment	$240,075,053 44	
s, Stock, etc., of other Companies	4,967,679 32	$245,042,732 76
unt of Capital Accounts represented Stock and Bonds outstanding		229,662,800 00
ngs and other income, expended for itions and improvements to property		15,379,932 76
otal Capital Accounts		$245,042,732 76
England Trust Co.—Bonds and Cash, d in Trust, for Dubuque Division and sconsin Valley Division Sinking Funds	596,105 78	
ers Loan & Trust Co.—Cash held in ecial Trust for Dubuque Division and sconsin Valley Division Sinking Funds	240,249 56	836,355 34
ers Loan & Trust Co., Trustee		11,659 08
ed States Trust Co., Trustee		41,250 00
gage Bonds of the Company, unsold, ld in its Treasury and due from ustees	4,268,000 00	
aukee & Northern R. R. Co. 6% Consolidated Mortgage Bonds, unsold, held the Treasury of this Company	1,089,000 00	5,357,000 00
k of Material and Fuel		4,108,551 21
rance Department		10,000 00
ewal and Improvement Fund—		
nited States Trust Co., New York	1,494,924 89	
nion Trust Co., New York	3,165,461 97	4,660,386 86
from Agents and Conductors	882,871 91	
from Transportation Companies	884,468 84	
ellaneous Balances	1,132,300 03	
from United States Government	411,536 16	
n on hand	5,840,327 50	9,151,504 44
		$269,219,439 69

Capital Stock—Preferred	$48,374,400 00	
Capital Stock—Common	58,183,900 00	
Total Capital Stock	106,558,300 00	
Funded Debt	123,104,500 00	
Total Stock and Funded Debt		$229,662,800 00
Wisconsin Valley Division Sinking Fund	512 14	
Dubuque Division Sinking Fund	835,843 20	836,355 34
Renewal and Improvement Fund		4,660,386 86
Replacement Fund—Cars		185,923 15
Pay Rolls and Vouchers	3,015,492 07	
Due Transportation Companies	459,283 56	
Miscellaneous Balances	749,206 91	
Dividends Unclaimed	29,802 50	
Interest Coupons not presented	45,710 00	
Interest Accrued, not yet payable	2,774,907 50	7,074,402 54
Income Account		26,799,571 80
		$269,219,439 69

CAPITAL STOCK, JUNE 30TH, 1904.

PREFERRED STOCK.

Amount of Preferred Stock, June 30th, 1903		$47,724,400 00
Issued during the year: In exchange for bonds convertible into preferred stock by terms of mortgage, viz:		
For Consolidated Mortgage Bonds of 1874	$22,000 00	
For Consolidated Mortgage Bonds of 1875	574,000 00	
For Iowa & Dakota Division Extension Bonds	54,000 00	650,000 00
Total Preferred Stock, June 30th, 1904		$48,374,400 00

COMMON STOCK.

Amount of Common Stock, June 30th, 1903	$58,183,900 00
Total Common Stock, June 30th, 1904	$58,183,900 00
Total Capital Stock, June 30th, 1904	$106,558,300 00

FUNDED DEBT, JUNE 30TH, 1904.

Total Funded Debt, June 30th, 1903, including all liens on purchased roads		$123,754,500 00
General Mortgage Bonds issued during the year: For underlying bonds paid and canceled, as follows:		
Consolidated Mortgage of 1874	$12,000 00	
Chicago & Milwaukee Division	5,000 00	
Dubuque Division	98,000 00	
Wisconsin Valley Division	98,000 00	213,000 00
		$123,967,500 00
Deduct:		
Bonds, paid and canceled:		
Consolidated Mortgage of 1874	$12,000 00	
Chicago & Milwaukee Division	5,000 00	
Dubuque Division	98,000 00	
Wisconsin Valley Division	98,000 00	
Bonds received in exchange for preferred stock and canceled:		
Consolidated Mortgage of 1874	22,000 00	
Consolidated Mortgage of 1875	574,000 00	
Iowa & Dakota Division Extension	54,000 00	863,000 00
Total Funded Debt, June 30th, 1904		$123,104,500 00
Decrease		$650,000 00
Of the total amount of Bonds outstanding as stated above, there remain in the Treasury unsold, and due from Trustees		$5,357,000 00

FUNDED DEBT, JUNE 30TH, 1904.

Description of Bonds.	Date of Maturity.	Interest. Rate.	Interest. Payable.	Interest. Accrued during the Year.	Interest. Paid during the Year.	Amount of Bonds Outstanding.
Consolidated Mortgage	July 1, 1905	7 %	Jan'y and July	90,020 00	88,270 00	1,286,000 00
Iowa & Dakota Division Extension	July 1, 1908	7 "	" " "	70,350 00	70,350 00	1,005,000 00
Southwestern Division	July 1, 1909	6 "	" " "	240,000 00	240,750 00	4,000,000 00
Hastings & Dakota Division Extension	Jan'y 1, 1910	7 "	" " "	397,600 00	398,160 00	5,680,000 00
Hastings & Dakota Division Extension	Jan'y 1, 1910	5 "	" " "	49,500 00	49,500 00	990,000 00
Chicago & Pacific Division	Jan'y 1, 1910	6 "	" " "	180,000 00	179,910 00	3,000,000 00
Southern Minnesota Division	Jan'y 1, 1910	6 "	" " "	445,920 00	450,240 00	7,432,000 00
Mineral Point Division	July 1, 1910	5 "	" " "	142,000 00	142,025 00	2,840,000 00
Terminal Mortgage	July 1, 1914	5 "	" " "	237,400 00	237,225 00	4,748,000 00
La Crosse & Davenport Division	July 1, 1919	5 "	" " "	125,000 00	124,700 00	2,500,000 00
Dubuque Division	July 1, 1920	6 "	" " "	354,540 00	356,010 00	5,909,000 00
Wisconsin Valley Division	July 1, 1920	6 "	" " "	124,860 00	123,120 00	2,081,000 00
Chicago & Pacific Western Division	Jan'y 1, 1921	5 "	" " "	1,267,000 00	1,267,750 00	25,340,000 00
Wisconsin & Minnesota Division	July 1, 1921	5 "	" " "	237,750 00	237,225 00	4,755,000 00
Chicago & Lake Superior Division	July 1, 1921	5 "	" " "	68,000 00	68,225 00	1,360,000 00
Chicago & Missouri River Division	July 1, 1926	5 "	" " "	154,150 00	153,725 00	3,083,000 00
General Mortgage	May 1, 1989	4 "	" " "	960,000 00	955,070 00	24,000,000 00
General Mortgage	May 1, 1989	3½ "	" " "	371,315 00	227,412 50	10,609,000 00
Wisconsin Valley R. R. Co.	Jan'y 1, 1909	7 "	" " "	77,455 00	77,910 00	1,106,500 00
Mil. & Northern R. R. Co. 1st Mortgage	June 1, 1910	6 "	June and Dec.	129,300 00	131,610 00	2,155,000 00
Mil. & Northern R. R. Co. Consolidated	June 1, 1913	6 "	" " "	305,520 00	240,840 00	5,092,000 00
Dakota & Great Southern R'y Co.	Jan'y 1, 1916	5 "	Jan'y and July	142,800 00	142,850 00	2,856,000 00
Fargo & Southern R'y Co.	Jan'y 1, 1924	6 "	" " "	75,000 00	74,970 00	1,250,000 00
a Iowa & Dakota Division						2,000 00
b St. Paul (or River) Division						20,000 00
c Chicago & Milwaukee Division						5,000 00
Interest on bonds retired				24,150 00	53,200 00	
				$6,269,630 00	$6,091,047 50	$123,104,500 00
Interest on bonds in the Treasury of the Company and in hands of Trustees				217,855 00		
Total				$6,051,775 00	$6,091,047 50	$123,104,500 00

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

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES

For the Years Ending June 30th, 1901, 1902, 1903 and 1904.

	1901	1902	1903	1904
EARNINGS.				
Freight	$31,357,992 49	$33,516,812 26	$34.797,045 37	$35.081,759 28
Passenger	7,939,215 76	8,918,966 30	9,542,200 87	9,661,633 40
Mails, Express, etc.	3,071,804 40	3,177,346 28	3,323,491 33	3,586,942 02
Gross Earnings	$42,369,012 65	$45,613,124 84	$47,662,737 57	$48,330,334 70
EXPENSES.				
Maintenance of Way and Structures	$6,505,864 07	$7,219,136 22	$7,347,048 09	$5,128,248 78
Maintenance of Equipment	3,024,725 18	3,363,595 35	3,893,834 13	4.651,783 36
Conducting Transportation	13,932,064 43	14,881,635 19	16,829,795 68	18,597.342 92
General Expenses	814,950 56	857,367 07	952,309 13	1,190,907 45
Taxes—General	1,341,390 44	1,351,577 76	1,470,114 97	1,600,732 36
Taxes—U. S. Government Internal Revenue	62.253 08	48.583 45	72 23	----------
Renewal and Improvement Account	1,185,000 00	2.475.000 00	1,105,000 00	----------
Additional Equipment	1,111,255 56	----------	----------	----------
Additions to Property	----------	----------	----------	707,574 93
Total Expenses	$27,977,503 32	$30,196,895 04	$31,598,174 23	$31,876,589 80
RECAPITULATION.				
Gross Earnings	$42,369,012 65	$45,613.124 84	$47,662,737 57	$48,330,334 70
Total Expenses	27,977.503 32	30,196,895 04	31,598,174 23	31,876,589 80
Net Earnings	$14,391,509 33	$15,416,229 80	$16,064,563 34	$16,453,744 90
Average Miles in Operation	6,512.38	6,604.57	6,646.56	6,829.35

STATEMENT OF MONTHLY EARNINGS AND EXPENSES

For the Year Ending June 30th, 1904.

	FREIGHT	PASSENGER	MAILS, EXPRESS, ETC.	GROSS EARNINGS	OPERATING EXPENSES	NET EARNINGS
July, 1903	$2,849,773 99	$1,009,743 94	$299,544 98	$4,159,062 91	$2,517,281 87	$1,641,781 04
August, "	2,832,870 98	1,044,496 54	301,173 52	4,178,541 04	2,725,396 55	1,453,144 49
September, "	3,109,434 05	999,601 48	309,697 96	4,418,733 49	2,829,038 92	1,589,694 57
October, "	3,695,851 04	840,734 46	301,952 37	4,838,537 87	2,798.592 57	2,039,945 30
November, "	3,390,760 45	755,593 65	294,421 07	4,440,775 17	2,617,614 90	1,823,160 27
December, "	3,097,734 69	776,491 53	293,781 12	4,168,007 34	2,460,638 01	1,707,369 33
January, 1904	2,725,556 53	627,669 34	299,212 24	3,652,438 11	2,496,501 04	1,155,937 07
February, "	2,574,914 15	557,218 35	279,059 82	3,411,192 32	2,657,677 09	753,515 23
March, "	3,050,544 37	698,467 59	289,765 65	4.038,777 61	2,443,703 94	1,595,073 67
April, "	2,635.584 94	703,286 16	287,764 18	3,626,635 28	2.734,012 35	892,622 93
May, "	2,484,909 59	732,399 52	314,126 62	3,531,435 73	2,827,675 36	703,760 37
June, "	2,633,824 50	915,930 84	316,442 49	3,866.197 83	2,768,457 20	1,097,740 63
Total	$35,081,759 28	$9,661,633 40	$3,586,942 02	$48.330,334 70	$31,876,589 80	$16,453,744 90

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

Charged to Capital Accounts, during the Year Ending June 30th, 1904.

Equipment:		
28 Locomotives	$437,403 57	
4 Sleeping Cars	81,753 29	
2 Compartment Observation Cars	40,017 64	
10 Postal Cars	42,569 98	
2 Baggage Cars, electric light equipment	10,920 24	
937 Box Cars	659,846 87	
500 Coal Cars	439,732 01	
248 Stock Cars	138,388 04	
2 Ditching Cars	3,709 57	$1,854,341 21
Construction of New Lines:		
Fonda to Spencer, Iowa	$1,909 37	
Fox Lake Extension, Illinois	9,392 29	
Janesville Extension, Wisconsin	8,920 81	
Napa to Platte, South Dakota	5,501 84	
Bowdle to Evarts, South Dakota	9,090 64	
Crystal Falls Extension, Michigan	3,763 88	
West of Preston to Green Island, Iowa	100 00	
Rutledge to Muscatine, Iowa	495,523 44	
Farmington to Mankato, Minnesota	121,501 99	
Ashdale to Ebner, Illinois	69,115 70	
Eureka, So. Dakota, to Linton, No. Dakota	400 67	
Zumbrota to Faribault, Minnesota	233,128 99	
Woonsocket to Wessington Springs, So. Dakota	123,517 82	
Preston to Isinours, Minnesota	63,477 55	
Otis to Heineman, Wisconsin	40,030 85	
Heineman to Gleason, Wisconsin	31,565 63	
Gleason, Wisconsin, south	109,458 60	1,325,400 07
Construction of Second Main Track:		
La Crosse Division, Wisconsin		147,316 80
Real Estate		655 00
Carried forward		$3,327,713 08

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

Brought forward		$3,327,713 08
Additions and Improvements to Shops	$127,663 96	
General Office Building, Chicago	160 39	
Connection with C. R. I. & P. R'y, Davenport	19,250 81	
New Yard, West Davenport	89,451 31	
New Yard Tracks, Sidings and Spur Tracks	340,013 65	
Ballasting	136,567 65	
Filling and Riprapping, St. Paul	512 40	
Permanent Protection Kansas City Bridge	50,844 63	
Passenger Station, Madison, Wis	49,544 22	
Elevator, Kansas City, Mo	149,340 28	
Coal Dock, Green Bay, Wis	41,549 45	
Galewood Yard Structures	22,269 73	
Other New Structures	116,037 30	1,143,205 78
Improvement—Davenport, Rock Island & Northwestern R'y	3,870 42	
Minnesota Transfer R'y Co. Bonds	1,854 06	
Kansas City Union Depot Co. Stock	100,000 00	
Kansas City Belt R'y Co. Stock	10,000 00	
Standard Office Co. Stock	37,500 00	
St. Paul Coal Company	264,130 51	
Braceville Coal Company	27,740 74	
Excelsior Coal Company	38,999 07	
Rochelle & Southern R'y Co.	572,158 94	1,056,253 74
		$5,527,172 60
Credit—		
Sundry Credits—Real Estate sold, cost of tracks taken up, buildings taken down, destroyed, etc.		6,602 62
		$5,520,569 98
Capital Accounts—June 30th, 1903		239,522,102 78
Capital Accounts—June 30th, 1904		$245,042,672 76

COMPARATIVE SUMMARY OF OPERATION

For the Years Ending June 30th, 1903 and 1904.

Gross Earnings.

1903	$47,662,737 57		
1904	48,330,334 70	Increase	$667,597 13

Operating Expenses.

1903	$31,598,174 23		
1904	31,876,589 80	Increase	$278,415 57

Net Earnings.

1903	$16,064,563 34		
1904	16,453,744 90	Increase	$389,181 56

Gross Earnings per Mile of Road.

1903	$7,171 04		
1904	7,076 85	Decrease	$94 19

Operating Expenses per Mile of Road.

1903	$4,754 06		
1904	4,667 58	Decrease	$86 48

Net Earnings per Mile of Road.

1903	$2,416 98		
1904	2,409 27	Decrease	$7 71

Freight Earnings per Mile of Road.

1903	$5,235 35		
1904	5,136 91	Decrease	$98 44

Passenger, Mail and Express Earnings per Mile of Road.

1903	$1,935 69		
1904	1,939 94	Increase	$4 25

Average Miles of Road Operated During the Year.

1903	6,646.56		
1904	6,829.35	Increase	182.79

TRANSPORTATION STATISTICS

For the Years Ending June 30th, 1903 and 1904.

	1903	1904
Miles run by freight trains	16,466,822	16,045,761
Miles run by passenger trains	10,458,912	11,395,796
Total miles run by revenue trains	26,925,734	27,441,557
Miles run by loaded freight cars	303,745,948	296,181,816
Miles run by empty freight cars	123,190,626	124,599,938
Number of tons of revenue freight carried	21,304,638	21,267,370
Number of tons of revenue freight carried one mile	4,021,755,419	3,938,402,556
Number of tons of Company freight carried one mile	611,556,505	549,262,093
Number of tons of revenue freight per train mile	244.23	245.45
Number of tons of Company freight per train mile	37.14	34.23
Total number of tons of freight per train mile	281.37	279.68
Number of tons of revenue freight per loaded car	13.241	13.297
Number of tons of Company freight per loaded car	2.013	1.855
Total number of tons of freight per loaded car	15.254	15.152
Average number of loaded freight cars per train	18.446	18.459
Average number of empty freight cars per train	7.481	7.765
Average number of loaded and empty freight cars per train	25.927	26.224
Average miles each ton of revenue freight was carried	188.77	185.19
Number of passengers carried	9,586,201	9,752,410
Number of passengers carried one mile	413,261,190	410,157,997
Average miles each passenger was carried	43.11	42.08
Average amount received per ton of revenue freight	$1.63 3	$1.65 0
Average revenue from freight per train mile	$2.11 3	$2.18 6
Average revenue per ton of revenue freight per mile	.8652 cts.	.8908 cts.
Average revenue from passengers per train mile	91.24 cts.	84.78 cts.
Average revenue per passenger per mile	2.309 cts.	2.305 cts.
Maintenance of Equipment per revenue train mile	14.46 cts.	10.95 cts.
Station Service per revenue train mile	8.78 cts.	9.15 cts.
Train Service per revenue train mile	7.69 cts.	8.77 cts.
Engine and Roundhouse Men per revenue train mile	11.33 cts.	12.12 cts.
Train and Station Supplies per revenue train mile	2.30 cts.	2.60 cts.
Fuel for Locomotives per revenue train mile	15.15 cts.	10.84 cts.
Oil, Tallow and Waste for Locomotives per revenue train mile	.36 cts.	.45 cts.
All other Expenses per revenue train mile	57.28 cts.	49.28 cts.
Total Operating Expenses per revenue train mile	$1.17 35	$1.16 10
Percentage of Expenses, including taxes, to Earnings	66.30%	65.90%

STATEMENT OF COMMODITIES TRANSPORTED

DURING THE YEARS ENDING JUNE 30TH, 1903 AND 1904.

Commodities	1903 Tons	1903 Per Cent	1904 Tons	1904 Per Cent
Products of Agriculture:				
Flour	691,241	3.245	639,252	3.006
Other Mill Products	381,040	1.789	369,046	1.735
Wheat	1,350,404	6.339	1,409,372	6.627
Rye	93,665	.440	79,625	.374
Barley	778,387	3.654	913,686	4.296
Oats	588,517	2.762	613,236	2.883
Corn	343,679	1.613	356,779	1.677
Flax Seed	104,341	.490	101,715	.478
Hay	127,310	.598	136,286	.641
Fruit and Vegetables	289,129	1.357	272,719	1.282
Other Agricultural Products	174,456	.819	211,466	.994
	4,922,169	23.106	5,103,182	23.993
Products of Animals:				
Live Stock	970,771	4.556	989,518	4.653
Dressed Meats	177,898	.835	161,746	.761
Other Packing House Products	156,900	.736	174,403	.820
Other Animal Products	184,607	.866	220,855	1.038
	1,490,176	6.993	1,546,522	7.272
Products of Mines:				
Anthracite Coal	424,760	1.994	653,133	3.071
Bituminous Coal	2,280,652	10.705	2,379,748	11.190
Coke	309,658	1.454	280,913	1.321
Iron and other Ores	1,293,514	6.072	808,899	3.804
Stone, Sand, etc	790,919	3.713	898,723	4.226
Salt	75,039	.352	102,263	.481
	5,174,542	24.290	5,123,679	24.093
Products of Forest:				
Lumber, Lath and Shingles	1,780,916	8.359	1,781,072	8.375
Sash, Doors and Blinds	69,119	.324	80,407	.378
Other Forest Products	2,073,172	9.731	2,043,250	9.607
	3,923,207	18.414	3,904,729	18.360
Manufactures:				
Petroleum and other Oils	200,455	.941	204,767	.963
Iron and Steel	905,970	4.253	825,944	3.884
Castings and Machinery	193,696	.909	192,262	.904
Agricultural Implements	215,306	1.010	171,072	.804
Wagons, Carriages, Tools, etc	70,765	.332	60,843	.286
Lime, Cement and Plaster	253,243	1.189	263,055	1.237
Brick	375,106	1.761	353,004	1.660
Wines, Liquors and Beers	548,486	2.574	588,390	2.767
Household Goods and Furniture	116,563	.547	104,968	.494
Paper	137,044	.643	147,260	.692
Other Manufactures	721,262	3.385	711,157	3.344
	3,737,896	17.544	3,622,722	17.035
Commodities not specified	2,056,648	9.653	1,966,536	9.247
Total	21,304,098	-------	21,267,370	-------

MATERIAL AND FUEL ON HAND, JUNE 30TH, 1904.

Coal	80,771	Tons,	$184,419 44
Wood	3,929	Cords,	8,694 76
Ties	1,074,223	Number,	471,639 00
New Steel Rails	12,335	Tons,	341,173 66
Old Steel Rails	22,848	Tons,	335,964 06
Old Iron Rails	2,746	Tons,	32,947 04
Rail Fastenings	9,899,732	Pounds,	151,841 11
Oil	129,763	Gallons,	26,427 54
Waste	136,316	Pounds,	11,004 66
Iron (worked and unworked)	21,781,966	Pounds,	338,245 00
Copper and Brass	980,435	Pounds,	118,711 06
Lumber and Timber	25,193,799	Feet,	489,846 90
Piles	520,965	Feet,	53,980 68
Posts	189,948	Number,	22,395 23
Engine and Car Wheels	7,259	Number,	60,249 52
Engine and Car Wheels (on axles)	2,806	Pairs,	67,048 90
Engine and Car Axles	2,747,502	Pounds,	36,790 54
Tires	643,716	Pounds,	14,938 21
Steel and Steel Springs	2,239,701	Pounds,	71,022 38
Engine, Car and Road Castings	9,977,228	Pounds,	178,417 30
Flues	181,217	Feet,	39,274 08
Paints and Oils			22,161 55
Stationery Supplies			23,646 71
Dining Car and Sleeping Car Supplies			10,002 74
New Rolling Stock, etc. (unfinished orders)			103,232 53
Air Brake Material			56,542 04
Couplers and Parts			47,969 26
Tank and Pump Fixtures, etc			30,949 75
Manufactured Stock — (Road Department)			28,096 88
Track Material in temporary use			65,655 17
Value of Scrap, credited to Expenses, on hand to be sold			91,460 69
Miscellaneous Material			573,802 82
Total, June 30th, 1904			$4,108,551 21
Total, June 30th, 1903			4,553,722 78
Decrease			$445,171 57

EQUIPMENT, JUNE 30TH, 1904.

STANDARD GAUGE.

Locomotives		1,014
Passenger Cars		457
Sleeping Cars		78
Parlor Cars		19
Dining Cars		12
Cafe Observation Cars		3
Baggage, Mail, Express and Combination Cars		365
Freight Cars—		
Box Cars	28,690	
Stock Cars	3,103	
Flat, Coal and Ore Cars	7,392	
Refrigerator and Vegetable Cars	1,568	
Ballast Cars	480	41,233
Caboose Cars		482
Wrecking and Tool Cars		112
Business Cars		14

NARROW GAUGE.

Locomotives		3
Passenger Cars		4
Baggage, Mail, Express and Combination Cars		5
Freight Cars—		
Box Cars	120	
Stock Cars	50	
Flat Cars	21	191
Caboose Cars		1
Total		43,993

At the close of the year ending June 30th, 1903, a shortage of one hundred and seventy-three cars was shown by the inventory of equipment, and the sum required to replace them had been charged to Operating Expenses at that date.

During the present year four hundred and sixty cars belonging to this Company were destroyed by wreck and fire on this and other roads.

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

At the close of this fiscal year, ending June 30th, 1904, there exists a shortage of one passenger car, two hundred and sixty flat cars, two refrigerator cars, four vegetable cars, fifteen ore cars, twenty caboose cars and one pile driver. The amount required to replace these three hundred and three cars—$185,-923.15—has been charged to Operating Expenses and is shown at the credit of the account of "Replacement Fund—Cars," on page 24 of this report.