1905

Forty-first Annual Report

OF THE

Chicago, Milwaukee & St. Paul Railway Company

FOR THE

Fiscal Year ending June 30th, 1905.

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CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY.

DIRECTORS.

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.
J. OGDEN ARMOUR,	CHICAGO,	Term expires September, 1907.
FREDERICK LAYTON,	MILWAUKEE,	Term expires September, 1907.
JOSEPH MILBANK,	NEW YORK,	Term expires September, 1907.
SAMUEL SPENCER,	NEW YORK,	Term expires September, 1907.

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. HANNEY,	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

FORTY-FIRST ANNUAL REPORT

OF THE DIRECTORS OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

TO THE STOCKHOLDERS.

For the Fiscal Year ending June 30th, 1905.

The Directors submit to the Stockholders the following report of the business and operations of the Company for the year ending June 30th, 1905, 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	$49,884,113 65
Operating Expenses, including taxes	32,294,040 85
Net Earnings	$17,590,072 80
Income from other sources	230,797 99
Total	$17,820,870 79
Fixed Charges—Interest on Bonds	5,962,045 00
Balance above all charges	$11,858,825 79

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 25th, 1904—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, 1904.

MILES OF TRACK.

Owned solely by this Company:		
Main track	6,883.53	
Second main track	379.74	
Third main track	5.57	
Fourth main track	1.72	
Connection tracks	36.28	
Yard tracks, sidings and spur tracks	1,959.74	9,266.58
Owned jointly with other Companies:		
Main track	28.09	
Second main track	2.74	
Connection tracks	5.26	
Yard tracks, sidings and spur tracks	75.23	111.32
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		9,668.01

The lines of road are located as follows:

In Wisconsin	1,725.42	miles
" Illinois	402.40	"
" Iowa	1,871.85	"
" Minnesota	1,205.57	"
" North Dakota	153.31	"
" South Dakota	1,253.68	"
" Missouri	140.27	"
" Michigan	159.12	"
Total length of main track	6,911.62	"

Extensions from the end of track southeast of Gleason, Wis., 1.55 miles, and from Ladd to Cherry, in Illinois, 3.41 miles, have been completed at a cost of $40,495.51.

An extension of the Armour Line in a northwesterly direction, a distance of about twenty-one miles, is under construction.

A line of road about seventy-five miles in length, extending west from Chamberlain, on the Missouri River, is under construction.

Reduction of grades on the Chicago & Council Bluffs Division in Iowa, between Covington and Keystone, and between Defiance and Earling, is in progress. There has been expended on this account during the year the sum of $120,873.68; which has been charged to Renewal and Improvement Account.

The elevation of the tracks used jointly by this Company and the Pittsburgh, Cincinnati, Chicago & St. Louis Railway Company, from Western Avenue to Elizabeth Street, and of the tracks of this Company between Western Avenue and Grand Avenue, in the city of Chicago, is now under way. During the past year there was expended on this account the sum of $238,152.47, which has been charged to Renewal and Improvement Account.

Improvements of the Company's shops have been made during the year at an aggregate cost of $399,343.04 as follows:

West Milwaukee	$380,313 47
Dubuque	14,276 15
Minneapolis	4,753 42

Of this amount $299,746.79 has been charged to Capital Account, $94,543.96 to Renewal and Improvement Fund, and $5,052.29 to Operating Expenses as Maintenance of Structures and Machinery.

At West Milwaukee, Wis., the new buildings under construction June 30th, 1904—namely, the 30-stall engine house; passenger car repair shop, 93x575 feet; oil house, 50x100 feet; and the mechanical coaling station, together with other minor accessory buildings—have been completed and were put into service last fall.

At the present time there is under construction and nearing completion an addition to the car erection shop, 103x204 feet, and an addition to the passenger car paint shop, 103x204 feet, together with the extension of the transfer table between them. All work authorized to be done at West Milwaukee will be practically completed by September 30, 1905.

At Western Avenue Yards, Chicago, the following buildings under construction a year ago have since been completed and put into service: Addition of 19 stalls to the Boulevard engine house; power house, 50x100 feet, with a brick chimney 140 feet high; mechanical coaling plant, with a daily capacity of 300 tons; office building and bulletin room, 40x500 feet; machine shop, 40x150 feet; together with several other minor accessory buildings and the necessary water supply and sewerage. The old transfer freight house is being remodeled and will soon be ready for use as an office building and laundry.

At Galewood, Ill., the following buildings under construction a year ago were completed last fall and have since been put into service: A 36-stall engine house; store room, 47x72 feet; planing mill, 50x72 feet; lumber shed, 32x96 feet; mechanical coaling station, with a daily capacity of 300 tons; machine and blacksmith shop, "L" shaped, 48x60 feet and 36x132 feet; power house, 46x70 feet, with 80 foot brick chimney, together with minor accessory structures, such as turntable, cinder pits, water tank, standpipes, etc., and the necessary water supply, fire protection and sewerage. A freight transfer house, 30x400 feet, with 500 feet of platform, was begun last fall and completed and occupied this spring.

ROLLING STOCK.

At the close of the fiscal year ending June 30th, 1904, the Rolling Stock Replacement Fund amounted to $185,923.15.

During the year just closed there has been added to the fund, and charged to Operating Expenses, the sum of $312,659.08 for the cost of the replacement of twenty-six locomotives and the sum of $369,730.03 for the cost of the replacement of three hundred and sixty-nine cars destroyed in service during the year, and three sleeping cars dropped from equipment list.

There was expended of this fund, for the replacement of twenty-six locomotives, $312,659.08, and for the replacement of two hundred and ninety-one cars, $335,817.90, a total of $648,476.98, as follows:

26	Locomotives	$312,659 08
2	Passenger Cars	19,506 18
1	Chair Car	8,939 05
4	Sleeping Cars	80,537 60
1	Postal Car	4,270 48
2	Baggage Cars	5,656 58
243	Box Cars	191,731 86
18	Ore Cars	11,293 02
20	Caboose Cars	13,883 13

The unexpended balance of the Replacement Fund, June 30th, 1905, amounted to $219,835.28—which is sufficient to replace the shortage of three hundred and eighty-four cars, as shown by statement on page 38.

During the year eleven cars of small capacity were sold and seven hundred and seventy-one 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, 1905, per mile of road, was 6.

There were in freight service June 30th, 1895, 27,397 cars, with a carrying capacity of 567,390 tons, while on June 30th, 1905, there were 41,406 cars, with a carrying capacity of 1,117,666 tons.

CAPITAL EXPENDITURES.

Additional Cars	$864,221 41
Construction of New Lines	271,542 75
Construction of Second Main Track	13,253 39
Real Estate	3,607 11
Miscellaneous Improvements	1,299,272 07
Chicago & Pacific R. R. Co. Stock	35 00
Minnesota Transfer R'y Co. Bonds	1,855 30
Standard Office Co. Stock	27,800 00
St. Paul Coal Company	280,974 66
Excelsior Coal Company	87 41
Rochelle & Southern R'y Company	91,739 79
White River Valley R'y Company	84,254 16
Bureau County Mineral R'y Company	34,844 03
	$2,973,487 08
Sundry Credits	105,788 46
Total as shown by detailed statement on pages 32 and 33 of this Report	$2,867,698 62

RENEWAL AND IMPROVEMENT FUND.

Amount credited to Renewal and Improvement Fund, to June 30th, 1905		$9,915,000 00
Interest received on balances		755,233 64
Total		$10,670,233 64
Expenditures:		
Elevation of Tracks in Chicago:		
Chicago & Milwaukee Division	$797,750 66	
Chicago & Council Bluffs Division in Illinois	566,252 49	1,364,003 15
Improvements at Western Avenue, Chicago		137,010 46
Transfer House and Tracks at Galewood, Ill.		45,781 55
Third and Fourth Main Tracks: Chicago & Milwaukee Division		145,224 45
Carried forward		$1,692,019 61

RENEWAL AND IMPROVEMENT FUND—CONTINUED.

Brought forward		$1,692,019 61
Reducing Grade and Improving Line:		
La Crosse Division	$1,113,331 63	
Chicago & Council Bluffs Division in Iowa	903,218 49	
River Division	385,728 69	
Iowa & Minnesota Division	265,342 95	2,667,621 76
Escanaba Docks and Terminal Facilities		638,871 05
Change of Line, Redfield, South Dakota		24,729 48
Change of Gauge, Preston Branch		173,785 64
Change of Gauge, Wabasha Division		275,051 92
Menomonee Valley Connecting Track		57,135 08
Repairs of damage caused by Kansas City Flood		85,017 40
New Yard and structures at Laredo, Missouri		55,463 23
Filling levee in Mississippi River at Red Wing, Minnesota		20,550 00
Replacement of the Bridge over the Mississippi River between St. Paul and Minneapolis with a double-track structure		337,083 37
Replacement of the Bridge over the Mississippi River at La Crosse, Wisconsin		275,901 31
Replacement of the Bridge over the Menomonee River at Milwaukee, Wisconsin		99,286 68
Replacement of the Bridge over the Mississippi River at Sabula, Iowa		2,050 81
Replacement of the Bridge over the Cedar River at Cedar Rapids, Iowa		45,925 95
Replacement of the Bridge over the Rock River at Byron, Illinois		80,395 20
Improvements at West Milwaukee Shops		166,740 57
Improvements at Dubuque Shops		6,498 29
Total Expenditure		$6,704,127 35
Unexpended Balance, June 30th, 1905		$3,966,106 29

CAPITAL STOCK.

At the close of the last fiscal year the share capital of the Company amounted to $106,558,300, and consisted of $48,374,400 of preferred stock and $58,183,900 of common stock.

It has been increased during this fiscal year by $953,000 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 $107,511,300.

The amount of capital stock per mile of road is $15,555.15.

FUNDED DEBT.

At the close of the last fiscal year the funded debt of the Company was $123,104,500.

It has been increased during this fiscal year by the issue of $555,000 of General Mortgage Bonds, and it has been decreased $1,483,000 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, 1905, was $122,176,500—a decrease of $928,000 since last report.

The amount of funded debt per mile of road is $17,676.97, on which the interest charge per mile of road is $858.24.

The total capitalization of the Company per mile of road is $33,232.12.

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 $5,357,000.

This has been increased during this fiscal year by $555,000 General Mortgage Bonds received for underlying bonds paid and canceled.

Bonds in the treasury or due from Trustees, June 30, 1905, amount to $5,912,000, as shown on page 24 of this report.

Of this amount $159,000 are General Mortgage 4% Bonds; $4,664,000 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, 1904		$44,160 78
Receipts during the year:		
Premiums	$146,572 51	
Income from Investment of Guaranty Fund	56,060 00	
Interest on Cash on deposit	2,715 02	205,347 53
		$249,508 31
Payments during the year:		
Losses	$118,537 28	
Expenses	4,117 81	
Reinsurance from March 16th and 18th, 1905, for one year	45,354 75	168,009 84
Cash on hand, June 30th, 1905		$81,498 47

The Guaranty Fund, June 30th, 1905, was $1,300,838.75 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	$649,000 00
Chicago, Milw. & 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
Wisconsin Valley R. R. Co. 7% 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. R. Co. 4% Bonds		75,000 00
Par value of Bonds and Stock		$1,282,000 00
Amount of annual interest and dividends		$56,060 00

EARNINGS.

The results from operation of your Company's lines during the year ending June 30th, 1905, compared with the previous year, show an increase of $1,553,778.95 in gross earnings, an increase of $417,451.05 in operating expenses, and an increase of $1,136,327.90 in net earnings.

The earnings from freight traffic were $35,968,946.47—72.11% of total earnings—an increase of $887,187.19, or 2.53 %.

The number of tons of freight carried was 23,303,908—an increase of 2,036,538 tons, or 9.58%.

The increase in number of tons of freight carried was in the following commodities: Oats, 91,791 tons; corn, 314,482 tons; hay, 52,533 tons; fruit and vegetables, 77,271 tons; miscellaneous agricultural products, 36,403 tons; live stock, 66,268 tons; miscellaneous animal products, 29,238 tons; anthracite coal, 121,339 tons; bituminous coal, 93,402 tons; coke, 99,603 tons; iron and other ores, 942,674 tons; stone, sand, etc., 182,422 tons; salt, 7,630 tons; lumber, lath and shingles, 146,339 tons; petroleum and other oils, 4,058 tons; iron and steel, 179,392 tons; wagons, carriages, tools, etc., 5,350 tons; lime, cement and plaster, 56,047 tons; brick, 29,518 tons; wines, liquors and beers, 19,326 tons; household goods and furniture, 1,963 tons; paper, 15,452 tons; and commodities not specified, 57,361 tons.

The following commodities show a decrease from the previous year: Flour, 53,767 tons; other mill products, 85,961 tons; wheat, 219,638 tons; rye, 8,127 tons; barley, 24,775 tons; flax seed, 16,576 tons; dressed meats, 22,471 tons; miscellaneous forest products, 143,927 tons; castings and machinery, 9,344 tons; agricultural implements, 3,758 tons, and miscellaneous manufactures, 4,980 tons.

The number of tons of all agricultural products carried during the year was 5,266,818 tons—an increase compared with the previous year of 163,636 tons, or 3.21%. Agricultural products comprised 22.60% of the total tonnage carried, as compared with 23.99% of the total tonnage of last year.

The number of tons of commodities other than agricultural products carried during the year was 18,037,090 tons—an increase compared with the previous year of 1,872,902 tons, or 11.59%—the per cent of the total being 77.40% against 76.01% last year.

The number of tons of revenue freight carried one mile was 4,081,408,559—an increase of 143,006,003, or 3.63%. The revenue per ton per mile was .8813 cents—a decrease of .0095 cents, or 1.07%. The average miles each ton of revenue freight was carried was 175.14 miles—a decrease of 10.05 miles, or 5.43%.

The number of tons of revenue freight carried per loaded car was 13.737, against 13.297 last year—an increase of 3.31%. The number of tons of revenue freight per freight train mile was 264.62, against 245.45 last year—an increase of 7.81%. The revenue from freight per freight train mile was $2.332, as against $2.186 last year—an increase of 6.68%.

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

1876	2.04 cts.	1886	1.17 cts.	1896	1.003 cts.
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 "
1885	1.28 "	1895	1,075 "	1905	0.881 "

The earnings from passenger traffic during the year were $10,126,957.74—20.30% of total earnings—an increase of $465,-324.34 over the previous year, or 4.82%. The number of passengers carried was 10,364,725—an increase of 612,306, or 6.28%. The number of passengers carried one mile was 451,490,651—an increase of 32,333,264, or 7.71%; the revenue per passenger per mile was 2.243 cents—a decrease of .062 cent, or 2.69%; the average miles each passenger was carried was 43.56 miles—an increase of .58 mile, or 1.35%.

EXPENDITURES.

The expenses of Maintenance of Way and Structure were $5,336,625.96; Maintenance of Equipment, $5,181,585.79; Conducting Transportation, $18,280,457.54; General Expenses, including Taxes, $2,875,411.28; and Additions to Property, $619,960.28.

There was an increase in expenditures for Maintenance of Way and Structures, of $208,377.18; for Maintenance of Equipment of $529,802.43; for General Expenses, including Taxes, of $83,-771.47; and a decrease in expenditures for Conducting Transportation, of $316,885.38; and for Additions to Property, of $87,614.65.

In the expenditures pertaining to Maintenance of Way and Structures there was a decrease in the following items: Rails, $30,034.67; Ties, $102,331.54; Bridges and Culverts, $23,314.30; Fences, Road Crossings, etc., $11,082.36. There was an increase in expenditures for Roadway, of $130,347.09; Buildings and Fixtures, of $227,533.67; and other expenditures under this head, of $17,259.29.

The expenditures for Rails include 31,750 tons of new steel rails, costing $886,751.63. During the previous year 43,627 tons of new steel rail were laid, costing $1,221,437.04.

The expenditures for Ties include 909,805 new ties, costing $418,453.50. During the previous year 1,119,369 new ties, costing $527,092.71, were placed in track.

During the year 49 steel bridges, aggregating 3,753 feet in length, were built—replacing 2,925 feet of wooden bridges, 738 feet of iron bridges and 90 feet of embankment; and 503 wooden culverts were replaced with iron. About 1.6 miles of pile bridges were filled with earth, 49 bridges having been completely filled and 75 reduced in length by filling.

The expenditures for Maintenance of Equipment include the amount of $682,389.11 charged to Operating Expenses to replace the loss of equipment during the year, as against $519,588.11 charged during the previous year.

In the expenditures pertaining to Conducting Transportation there was a decrease, as follows: Engine and Roundhouse Men, $55,899.35; Fuel and other supplies for Locomotives, $391,346.99; Train Service and Supplies, $82,507.59; and Use of Cars and Locomotives, $90,596.83.

The average cost of Repairs and Renewals of Locomotives during the year was $1,537.90; of Passenger Cars, $591.87; and of Freight Cars, $41.87.

The payments of the Company for labor directly employed in its service during the year were $20,252,790.89, as compared with $19,976,412.37 last year; and for material and supplies, $10,331,078.31, as compared with $12,626,732.33 last year.

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, 1905.

To the President:

Herewith are submitted the General Accounts of the Company for the fiscal year ending June 30th, 1905, and the Statements of Operation for the same period.

W. N. D. Winne,
General Auditor.

STATEMENT OF INCOME ACCOUNT, JUNE 30TH, 1905.

Credit Balance, June 30th, 1904			$26,799,571 80
Dividend Payable October 25th, 1904, from net earnings of fiscal year ending June 30th, 1904, viz:			
3½% on $48,374,400—Preferred Stock		$1,693,104 00	
3½% on $58,183,900—Common Stock		2,036,436 50	3,729,540 50
Balance, July 1st, 1904			$23,070,031 30
Gross Earnings for the year ending June 30th, 1905		49,884,113 65	
Less Operating Expenses, including taxes		32,294,040 85	
Net Earnings		17,590,072 80	
Income from other sources		230,797 99	
Net revenue for the year ending June 30th, 1905		17,820,870 79	
Interest accrued during the year on Funded Debt	$5,962,045 00		
Dividend payable April 24th, 1905, from net earnings of fiscal year ending June 30th, 1905, viz:			
3½% on $48,783,400—Preferred Stock	1,707,419 00		
3½% on $58,183,900—Common Stock	2,036,436 50	9,705,900 50	
Balance for the year ending June 30th, 1905			8,114,970 29
Credit Balance, June 30th, 1905			$31,185,001 59

GENERAL ACCOUNT, JUNE 30TH, 1905.

Dr.

Cost of Road and Equipment	$242,431,436 52	
Bonds, Stock, etc., of other Companies	5,478,994 86	$247,910,431 38
Amount of Capital Accounts represented by Stock and Bonds outstanding		229,687,800 00
Earnings and other income, expended for additions and improvements to property		18,222,631 38
Total Capital Accounts		$247,910,431 38
New England Trust Co.—Bonds held in Trust, for Dubuque Division Sinking Fund	412,000 00	
Farmers Loan & Trust Co.—Cash held in Special Trust for Dubuque Division and Wisconsin Valley Division Sinking Funds	145,031 25	557,031 25
Farmers Loan & Trust Co., Trustee		11,659 08
United States Trust Co., Trustee		43,250 00
Mortgage Bonds of the Company, unsold, held in its Treasury and due from Trustees	4,823,000 00	
Milwaukee & Northern R. R. Co. 6% Consolidated Mortgage Bonds, unsold, held in the Treasury of this Company	1,089,000 00	5,912,000 00
Stock of Material and Fuel		2,742,295 70
Insurance Department		10,000 00
Renewal and Improvement Fund—		
United States Trust Co., New York	1,386,619 21	
Union Trust Co , New York	2,579,487 08	3,966,106 29
Due from Agents and Conductors	977,070 57	
Due from Transportation Companies	872,697 17	
Miscellaneous Balances	1,279,174 91	
Due from United States Government	415,228 70	
Cash on hand	8,495,204 78	12,039,376 19
		$273,192,149 98

Cr.

Capital Stock—Preferred	$49,327,400 00	
Capital Stock—Common	58,183,900 00	
Total Capital Stock	107,511,300 00	
Funded Debt	122,176,500 00	
Total Stock and Funded Debt		$229,687,800 00
Dubuque Division Sinking Fund	556,507 93	
Wisconsin Valley Division Sinking Fund	523 32	557,031 25
Renewal and Improvement Fund		3,966,106 29
Replacement Fund—Cars		219,835 28
Pay Rolls and Vouchers	3,298,973 69	
Due Transportation Companies	576,137 26	
Miscellaneous Balances	908,707 37	
Dividends Unclaimed	38,431 00	
Interest Coupons not presented	39,875 00	
Interest Accrued, not yet payable	2,714,251 25	7,576,375 57
Income Account		31,185,001 59
		$273,192,149 98

CAPITAL STOCK, JUNE 30TH, 1905.

Amount of Preferred Stock, June 30th, 1904		$48,374,400 00
Amount of Common Stock, June 30th, 1904		58,183,900 00
Total Capital Stock, June 30th, 1904		$106,558,300 00
Preferred Stock issued during the year in exchange for Bonds, as follows:		
For Consolidated Mortgage Bonds of 1875	$779,000 00	
For Iowa & Dakota Division Extension Bonds	174,000 00	953,000 00
Total Capital Stock, June 30th, 1905		$107,511,300 00

FUNDED DEBT, JUNE 30TH, 1905.

Total Funded Debt, June 30th, 1904, including all liens on purchased roads		$123,104,500 00
General Mortgage Bonds issued as follows:		
For underlying bonds retired and canceled during the year	$528,000 00	
For Terminal Mortgage Bonds, paid in 1891	25,000 00	
For Bonds maturing July 1st, 1899, unpaid—supposed to be lost—written off to Profit and Loss	2,000 00	555,000 00
		$123,659,500 00
Deduct:		
Bonds, retired and canceled as follows:		
Chicago & Milwaukee Division	5,000 00	
Dubuque Division	435,000 00	
Wisconsin Valley Division	4,000 00	
Bonds received in exchange for Dubuque Division Bonds and canceled:		
Wisconsin Valley Division	45,000 00	
Bonds received from New England Trust Co. and canceled:		
Dubuque Division	9,000 00	
Wisconsin Valley Division	30,000 00	
Bonds, Iowa and Dakota Division, maturing July 1st, 1899, unpaid—supposed to be lost—written off to Profit and Loss	2,000 00	
Bonds received in exchange for Preferred Stock and canceled:		
Consolidated Mortgage of 1875	779,000 00	
Iowa & Dakota Division Extension	174,000 00	1,483,000 00
Total Funded Debt, June 30th, 1905		$122,176,500 00
Decrease		$928,000 00
Of the total amount of Bonds outstanding as stated above, there remain in the Treasury unsold and due from Trustees		$5,913,000 00

FUNDED DEBT, JUNE 30TH, 1905.

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	$35,490 00	$38,675 00	$507,000 00
Iowa & Dakota Division Extension	July 1, 1908	7 "	" " "	58,170 00	58,275 00	831,000 00
Southwestern Division	July 1, 1909	6 "	" " "	240,000 00	240,060 00	4,000,000 00
Hastings & Dakota Division Extension	Jan'y 1, 1910	7 "	" " "	397,600 00	398,125 00	5,680,000 00
Hastings & Dakota Division Extension	Jan'y 1, 1910	5 "	" " "	49,500 00	49,225 00	990,000 00
Chicago & Pacific Division	Jan'y 1, 1910	6 "	" " "	180,000 00	180,210 00	3,000,000 00
Southern Minnesota Division	Jan'y 1, 1910	6 "	" " "	445,920 00	447,660 00	7,432,000 00
Mineral Point Division	July 1, 1910	5 "	" " "	142,000 00	141,550 00	2,840,000 00
Terminal Mortgage	July 1, 1914	5 "	" " "	237,400 00	237,300 00	4,748,000 00
La Crosse & Davenport Division	July 1, 1919	5 "	" " "	125,000 00	124,875 00	2,500,000 00
Dubuque Division	July 1, 1920	6 "	" " "	327,900 00	328,290 00	5,465,000 00
Wisconsin Valley Division	July 1, 1920	6 "	" " "	120,120 00	120,060 00	2,002,000 00
Chicago & Pacific Western Division	Jan'y 1, 1921	5 "	" " "	1,267,000 00	1,266,475 00	25,340,000 00
Wisconsin & Minnesota Division	July 1, 1921	5 "	" " "	237,750 00	238,175 00	4,755,000 00
Chicago & Lake Superior Division	July 1, 1921	5 "	" " "	68,000 00	67,925 00	1,360,000 00
Chicago & Missouri River Division	July 1, 1926	5 "	" " "	154,150 00	154,300 00	3,083,000 00
General Mortgage	May 1, 1989	4 "	" " "	960,000 00	965,640 00	24,000,000 00
General Mortgage	May 1, 1989	3½ "	" " "	390,740 00	229,818 75	11,164,000 00
Wisconsin Valley R. R. Co.	Jan'y 1, 1909	7 "	" " "	77,455 00	77,332 50	1,106,500 00
Mil. & Northern R. R. Co. 1st Mortgage	June 1, 1910	6 "	June and Dec.	129,300 00	129,000 00	2,155,000 00
Mil. & Northern R. R. Co. Consolidated	June 1, 1913	6 "	" " "	305,520 00	239,010 00	5,092,000 00
Dakota & Great Southern R'y Co.	Jan'y 1, 1916	5 "	Jan'y and July	142,800 00	142,750 00	2,856,000 00
Fargo & Southern R'y Co.	Jan'y 1, 1924	6 "	" " "	75,000 00	75,000 00	1,250,000 00
aSt. Paul (or River) Division						20,000 00
Interest on bonds retired				30,230 00	78,805 00	
				$6,197,045 00	$6,028,536 25	$122,176,500 00
Less Amount of Interest on Bonds in the Treasury of the Company and in hands of Trustees—not payable—included above				235,000 00		
Total				$5,962,045 00	$6,028,536 25	$122,176,500 00

a Bonds matured and interest ceased January 1st, 1902.

DETAILED STATEMENT OF EARNINGS AND EXPENSES

For the Years Ending June 30th, 1904 and 1905.

EARNINGS.

	1904	1905	INCREASE.	DECREASE.
Freight	$35,081,759 28	$35,968,946 47	$887,187 19	
Passenger	9,661,633 40	10,126,957 74	465,324 34	
Mails, Express, etc.	3,586,942 02	3,788,209 44	201,267 42	
Gross Earnings	$48,330,334 70	$49,884,113 65	$1,553,778 95	

EXPENSES.

	1904	1905	INCREASE.	DECREASE.
MAINTENANCE OF WAY AND STRUCTURES.				
Roadway	$2,765,637 30	$2,895,984 30	$130,347 00	
Rails	396,268 72	366,234 05		$30,034 67
Ties	586,542 06	484,210 52		102,331 54
Bridges and Culverts	661,262 88	637,948 58		23,314 30
Fences, Road Crossings, Signs and Cattle Guards	190,569 78	179,487 42		11,082 36
Buildings and Fixtures	466,617 60	694.151 27	227,533 67	
Docks and Wharves	21,538 88	33,881 50	11,342 62	
Telegraph	37,384 06	43,278 81	5,894 75	
Stationery and Printing	2.427 50	2,449 42	21 92	
Total—Maintenance of Way and Structures	$5.128,248 78	$5,336.625 96	$208.377 18	
MAINTENANCE OF EQUIPMENT.				
Superintendence	97,527 63	97,550 13	22 50	
Locomotives	1,706,507 37	1,918,230 63	211,723 26	
Passenger Cars	544,839 18	701,062 75	156,223 57	
Freight Cars	1,980,192 75	2,109,946 30	129,753 55	
Work Cars	43,136 44	73,522 13	30,385 69	
Shop Machinery and Tools	131,208 73	118.301 91		12,906 82
Stationery and Printing	8,120 56	8,153 39	32 83	
Other Expenses	140,250 70	154.818 55	14.567 85	
Total—Maintenance of Equipment	$4,651,783 36	$5,181,585 79	$529.802 43	
CONDUCTING TRANSPORTATION.				
Superintendence	352,289 78	379,317 59	27,027 81	
Engine and Roundhouse Men	3,326,550 32	3,270,659 97		55,890 35
Fuel for Locomotives	4,620,745 45	4,241,453 06		379,292 39
Water Supply for Locomotives	179,209 75	175,014 65		4,195 10
Oil, Tallow and Waste for Locomotives	122,751 11	120.091 63		2,659 48

	1904	1905	INCREASE	DECREASE
CONDUCTING TRANSPORTATION—Continued.				
Other Supplies for Locomotives	$56,904 46	$51,704 44		$5,200 02
Train Service	2,406,975 54	2,318.531 37		88,444 17
Train Supplies and Expenses	511,548 38	517,484 96	$5,936 58	
Switchmen, Flagmen and Watchmen	1,382,048 86	1,382,224 09	175 23	
Telegraph Expenses	354,520 42	360.594 12	6,073 70	
Station Service	2,511,282 76	2,560,393 47	40,110 71	
Station Supplies	201,658 79	188,533 97		13,124 82
Switching Charges—Balance	244,232 61	252,092 17	7,859 56	
Use of Cars and Locomotives—Balance	188 387 24	97,790 41		90,596 83
Loss and Damage	335,949 63	479,437 42	143,487 79	
Injuries to Persons	318,861 15	317,708 70		1,152 45
Clearing Wrecks	52,684 04	40,763 90		11,920 14
Advertising	154,036 36	187,146 19	33,109 83	
Outside Agencies	498,404 17	530,653 33	32,249 16	
Stock Yards and Elevators	56,777 92	52,517 52		4,260 40
Rents for Tracks and Terminals—Balance	331,290 69	375,966 72	44.676 03	
Rents of Buildings and Other Property	52,423 48	53,611 12	1,187 64	
Stationery and Printing	186,976 96	160,274 92		26,702 04
Other Expenses	150.833 05	166,500 82	15,667 77	
Total—Conducting Transportation	$18,597,342 92	$18,280,457 54		$316,885 38
GENERAL EXPENSES.				
Salaries of General Officers	326,024 48	334,682 86	8,658 38	
Salaries of Clerks and Attendants	384,514 52	399,262 25	14,747 73	
General Office Expenses and Supplies	34,238 80	33,975 38		263 42
Insurance	146,379 85	147,796 08	1,416 23	
Law Expenses	63,063 67	59,817 75		3,245 92
Stationery and Printing—General Offices	34,916 26	61,976 35	27,060 09	
Other Expenses	201,769 87	205,568 03	3.798 16	
Total—General Expenses	$1,190,907 45	$1,243,078 70	$52,171 25	
Taxes—General	1,600,732 36	1,632,332 58	31,600 22	
Additions to Property	707.574 93	619,960 28		87.614 65
Total Expenses	$31,876,589 80	$32,294.040 85	$417,451 05	
Net Earnings	$16,453,744 90	$17,590,072 80	$1,136,327 90	

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES

For the Years Ending June 30th, 1904 and 1905.

EARNINGS.

	1904	1905
Freight	$35,081,759 28	$35,968,046 47
Passenger	9,661,633 40	10,126,957 74
Mails, Express, etc	3,586,942 02	3,788,209 44
Gross Earnings	$48,330,334 70	$49,884,113 65

EXPENSES.

	1904	1905
Maintenance of Way and Structures	$5,128,248 78	$5,336,625 96
Maintenance of Equipment	4,651,783 36	5,181,585 79
Conducting Transportation	18,597,342 92	18,280,457 54
General Expenses	1,190,907 45	1,243,078 70
Taxes—General	1,600,732 36	1,632,332 58
Additions to Property	707,574 93	619,960 28
Total Expenses	$31,876,589 80	$32,294,040 85

RECAPITULATION.

	1904	1905
Gross Earnings	$48,330,334 70	$49,884,113 65
Total Expenses	31,876,589 80	32,294,040 85
Net Earnings	$16,453,744 90	$17,590,072 80
Average Miles in Operation	6,820.35	6,908.02

STATEMENT OF MONTHLY EARNINGS AND EXPENSES

For the Year Ending June 30th, 1905.

MONTH	FREIGHT	PASSENGER	MAILS, EXPRESS, ETC.	GROSS EARNINGS	OPERATING EXPENSES	NET EARNINGS
July, 1904	$2,552,325 68	$1,138,968 86	$310,025 37	$4,002,219 91	$2,557,405 99	$1,444,813 92
August, "	2,791,287 41	1,100,344 21	313,422 68	4,205,054 30	2,760,051 42	1,445,002 88
September, "	3,348,447 97	1,017,082 31	324,607 00	4,690,137 28	2,865,677 99	1,824,459 29
October, "	3,835,176 96	867,055 61	313,386 79	5,015,619 36	2,744,562 81	2,271,056 55
November, "	3,448,319 93	772,027 63	304,173 54	4,524,521 10	2,693,686 76	1,830,834 34
December, "	3,099,705 73	781,038 09	303,085 97	4,183,830 69	2,406,003 14	1,687,827 55
January, 1905	2,730,070 67	632,767 04	293,163 10	3,656,000 81	2,551,147 11	1,104,853 70
February, "	2,495,210 67	533,539 28	282,820 82	3,311,570 77	2,590,397 01	721,173 76
March, "	3,243,642 46	752,421 93	295,560 76	4,291,625 15	2,475,449 66	1,816,175 49
April, "	2,803,141 38	726,987 05	332,220 86	3,862,358 29	2,905,040 48	957,317 81
May, "	2,755,008 94	797,158 97	348,386 31	3,900,554 22	2,842,206 26	1,058,347 96
June, "	2,866,608 67	1,007,565 86	366,447 24	4,240,621 77	2,812,412 22	1,428,209 55
Total	$35,968,046 47	$10,126,957 74	$3,788,209 44	$49,884,113 65	$32,294,040 85	$17,590,072 80

DETAIL OF EXPENDITURES FOR ADDITIONS AND IMPROVEMENT TO PROPERTY.

Charged to Capital Accounts, during the Year Ending June 30th, 1905.

Equipment:		
16 Passenger Cars	$144,261 99	
1 Chair Car	8,939 05	
1 Dining Car	17,721 44	
2 Composite Observation Cars	35,759 51	
1 Postal Car	4,270 48	
6 Mail and Express Cars	20,162 64	
5 Baggage Cars	14,141 45	
677 Box Cars	504,780 77	
182 Ore Cars	114,184 08	$864,221 41
Construction of New Lines:		
Fonda to Spencer, Iowa	350 00	
Fox Lake Extension, Illinois	13,013 15	
Napa to Platte, South Dakota	3,753 91	
Crystal Falls Extension, Michigan	3,971 48	
Rutledge to Muscatine, Iowa	140,854 47	
Farmington to Mankato, Minnesota	16,856 84	
Ashdale to Ebner, Illinois	17,191 48	
Eureka, So. Dakota, to Linton, No. Dakota	1,568 21	
Zumbrota to Faribault, Minnesota	9,317 75	
Woonsocket to Wessington Springs, So. Dakota	2,029 35	
Preston to Isinours, Minnesota	06 85	
Heineman to Gleason, Wisconsin	4,772 74	
Gleason Line Exteusion	11,570 89	
Armour Line Exteusion	46,225 63	271,542 75
Construction of Second Main Track:		
La Crosse Division, Wisconsin		13,253 39
Real Estate		6,607 11
Carried forward		$1,152,624 66

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

Brought forward		$1,152,624 66
Miscellaneous Improvements:		
Additions and Improvements to Shops	$299,746 79	
Connection with C. R. I. & P. R'y, Davenport	332 47	
New Yard, West Davenport	13,554 17	
New Yard Tracks, Sidings and Spur Tracks	241,471 80	
Ballasting	228,357 10	
Track and Bridge, Ontonagon, Mich	18,465 78	
Passenger Station and Yard, Madison, Wis	6,466 90	
Elevator, Kansas City, Mo.	73,451 26	
Coal Dock, Green Bay, Wis.	887 39	
Galewood Yard and Structures	257,944 25	
Other New Structures	158,594 16	1,299,272 07
Chicago & Pacific R. R. Co. Stock	35 00	
Minnesota Transfer R'y Co. Bonds	1,855 30	
Standard Office Co. Stock	27,800 00	
St. Paul Coal Company	280,974 66	
Excelsior Coal Company	87 41	
Rochelle & Southern R'y Co	91,739 79	
White River Valley R'y Co	84,254 16	
Bureau County Mineral R'y Co	34,844 03	521,590 35
		$2,973,487 08
Credit—		
Sundry Credits—Real Estate sold, cost of buildings taken down, destroyed, etc		105,788 46
		$2,867,698 62
Total—Capital Accounts—June 30th, 1904		$245,042,732 76
Total—Capital Accounts—June 30th, 1905		$247,910,431 38

COMPARATIVE SUMMARY OF OPERATION

For the Years Ending June 30th, 1904 and 1905.

	1904	1905	Increase
Gross Earnings	$48,330,334 70	$49,884,113 65	$1,553,778 95
Operating Expenses	31,876,589 80	32,294,040 85	417,451 05
Net Earnings	16,453,744 90	17,590,072 80	1,136,327 90
Freight Earnings per Mile of Road	5,136 91	5,206 84	69 93
Passenger, Mail and Express Earnings per Mile of Road	1,939 94	2,014 35	74 41
Gross Earnings per Mile of Road	7,076 85	7,221 19	144 34
Operating Expenses per Mile of Road	4,667 58	4,674 86	7 28
Net Earnings per Mile of Road	2,409 27	2,546 33	137 06
Average Miles of Road Operated during the year	6,829 35	6,908 02	78 67

TRANSPORTATION STATISTICS

For the Years Ending June 30th, 1904 and 1905.

	1904	1905
Miles run by freight trains	16,045,761	15,423,550
Miles run by passenger trains	11,395,796	11,687,034
Total miles run by revenue trains	27,441,557	27,110,584
Miles run by loaded freight cars	296,181,816	297,117,920
Miles run by empty freight cars	124,599,938	127,553,054
Number of tons of revenue freight carried	21,267,370	23,303,908
Number of tons of revenue freight carried one mile	3,938,402,556	4,081,408,559
Number of tons of Company freight carried one mile	549,262,093	485,422,175
Number of tons of revenue freight per train mile	245.45	264.62
Number of tons of Company freight per train mile	34.23	31.47
Total number of tons of freight per train mile	279.68	296.09
Number of tons of revenue freight per loaded car	13.297	13.737
Number of tons of Company freight per loaded car	1.855	1.634
Total number of tons of freight per loaded car	15.152	15.371
Average number of loaded freight cars per train	18.459	19.264
Average number of empty freight cars per train	7.765	8.270
Average number of loaded and empty freight cars per train	26.224	27.534
Average miles each ton of revenue freight was carried	185.19	175.14
Number of passengers carried	9,752,419	10,364,725
Number of passengers carried one mile	419,157,387	451,490,651
Average miles each passenger was carried	42.98	43.56
Average amount received per ton of revenue freight	$1.65 0	$1.54 3
Average revenue from freight per train mile	$2.18 6	$2.33 2
Average revenue per ton of revenue freight per mile	.8908 cts.	.8813 cts.
Average revenue from passengers per train mile	84.78 cts.	86.65 cts.
Average revenue per passenger per mile	2.305 cts.	2.243 cts.
Maintenance of Equipment per revenue train mile	16.95 cts.	19.11 cts.
Station Service per revenue train mile	9.15 cts.	9.44 cts.
Train Service per revenue train mile	8.77 cts.	8.55 cts.
Engine and Roundhouse Men per revenue train mile	12.12 cts.	12.06 cts.
Train and Station Supplies per revenue train mile	2.60 cts.	2.60 cts.
Fuel for Locomotives per revenue train mile	16.84 cts.	15.65 cts.
Oil, Tallow and Waste for Locomotives per revenue train mile	.45 cts.	.44 cts.
All other Expenses per revenue train mile	49.28 cts.	51.27 cts.
Total Operating Expenses per revenue train mile	$1.16 16	$1.19 12
Percentage of Expenses, including taxes, to Earnings	65.96%	64.74%

STATEMENT OF COMMODITIES TRANSPORTED

During the Years Ending June 30th, 1904 and 1905.

Commodities	1904		1905	
	Tons	Per Cent	Tons	Per Cent
Products of Agriculture:				
Flour	639,252	3.006	585,485	2.513
Other Mill Products	369,046	1.735	283,085	1.215
Wheat	1,409,372	6.627	1,189,734	5.105
Rye	79,625	.374	71,498	.307
Barley	913,686	4.296	888,911	3.814
Oats	613,236	2.883	705,027	3.025
Corn	356,779	1.677	671,261	2.880
Flax Seed	101,715	.478	85,139	.365
Hay	136,286	.641	188,819	.810
Fruit and Vegetables	272,719	1.282	349,990	1.502
Other Agricultural Products	211,466	.994	247,869	1.064
	5,103,182	23.993	5,266,818	22.600
Products of Animals:				
Live Stock	989,518	4.653	1,055,786	4.530
Dressed Meats	161,746	.761	139,275	.598
Other Packing House Products	174,403	.820	188,247	.808
Other Animal Products	220,855	1.038	236,249	1.014
	1,546,522	7.272	1,619,557	6.950
Products of Mines:				
Anthracite Coal	653,133	3.071	774,472	3.323
Bituminous Coal	2,379,748	11.190	2,473,150	10.613
Coke	280,913	1.321	380,516	1.633
Iron and other Ores	808,899	3.804	1,751,573	7.517
Stone, Sand, etc.	898,723	4.226	1,081,145	4.639
Salt	102,263	.481	109,893	.472
	5,123,679	24.093	6,570,749	28.197
Products of Forest:				
Lumber, Lath and Shingles	1,781,072	8.375	1,927,411	8.271
Sash, Doors and Blinds	80,407	.378	68,771	.295
Other Forest Products	2,043,250	9.607	1,910,959	8.200
	3,904,729	18.360	3,907,141	16.766
Manufactures:				
Petroleum and other Oils	204,767	.963	208,825	.896
Iron and Steel	825,944	3.884	1,005,336	4.315
Castings and Machinery	192,262	.904	182,918	.785
Agricultural Implements	171,072	.804	167,314	.718
Wagons, Carriages, Tools, etc.	60,843	.286	66,193	.284
Lime, Cement and Plaster	263,055	1.237	319,102	1.369
Brick	353,004	1.660	382,522	1.641
Wines, Liquors and Beers	588,390	2.767	607,716	2.608
Household Goods and Furniture	104,968	.494	106,931	.459
Paper	147,260	.692	162,712	.698
Other Manufactures	711,157	3.344	706,177	3.030
	3,622,722	17.035	3,915,746	16.803
Commodities not specified	1,966,536	9.247	2,023,897	8.684
Total	21,267,370		23,303,908	

EQUIPMENT, JUNE 30th, 1905.

STANDARD GAUGE.

Locomotives		1,014
Passenger Cars		467
Sleeping Cars		78
Parlor Cars		19
Dining Cars		13
Cafe Observation Cars		3
Composite Observation Cars		2
Baggage, Mail, Express and Combination Cars		383
Freight Cars—		
Box Cars	28,923	
Stock Cars	2,919	
Flat, Coal and Ore Cars	7,443	
Refrigerator and Vegetable Cars	1,549	
Ballast Cars	477	41,311
Caboose Cars		494
Wrecking and Tool Cars		115
Business Cars		14

NARROW GAUGE.

Locomotives		3
Passenger Cars		3
Baggage, Mail, Express and Combination Cars		5
Freight Cars—		
Box Cars	50	
Stock Cars	36	
Flat Cars	9	95
Caboose Cars		1
Total		44,020

At the close of the year ending June 30th, 1904, a shortage of three hundred and 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 three hundred and sixty-nine cars belonging to this Company were destroyed by wreck and fire on this and other roads, and three old sleeping cars have been dropped from equipment list and replaced by new cars.

Two hundred and ninety-one cars have been built during the present year for replacement, and their cost charged to "Replacement Fund," as shown on page 10 of this report.

At the close of this fiscal year, ending June 30th, 1905, there exists a shortage of three hundred and forty flat cars, four refrigerator cars, nine vegetable cars, twenty stock cars, two ballast cars, eight caboose cars and one pile driver. The amount required to replace these three hundred and eighty-four cars—$219,835.28—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.