1907

Forty-third Annual Report

OF THE

Chicago, Milwaukee & St. Paul Railway Company

FOR THE

Fiscal Year ending June 30th, 1907.

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REPORT

OF THE

BOARD OF DIRECTORS.

CHICAGO, MILWAUKEE & ST. PAUL
RAILWAY COMPANY.

DIRECTORS.

TERM EXPIRES SEPTEMBER, 1907.

J. OGDEN ARMOUR,	CHICAGO.
FREDERICK LAYTON,	MILWAUKEE.
JOSEPH MILBANK,	NEW YORK.
PERCY A. ROCKEFELLER,	NEW YORK.

TERM EXPIRES SEPTEMBER, 1908.

WALTER P. BLISS,	NEW YORK.
FRANK S. BOND,	NEW YORK.
A. J. EARLING,	CHICAGO.
CHARLES W. HARKNESS,	NEW YORK.
HENRY H. ROGERS,	NEW YORK.

TERM EXPIRES SEPTEMBER, 1909.

PETER GEDDES,	NEW YORK.
ROSWELL MILLER,	NEW YORK.
WILLIAM ROCKEFELLER,	NEW YORK.
JOHN A. STEWART,	NEW YORK.

OFFICERS.

ROSWELL MILLER,	Chairman of the Board,	NEW YORK.
A. J. EARLING,	President,	CHICAGO.
E. W. McKENNA,	Second Vice-President,	CHICAGO.
J. H. HILAND,	Third Vice-President,	CHICAGO.
E. D. SEWALL,	Assistant to the President,	CHICAGO.
E. W. ADAMS,	Secretary,	MILWAUKEE.
T. C. SHERMAN,	Assistant 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.
W. J. UNDERWOOD,	General Manager,	CHICAGO.
D. L. BUSH,	General Superintendent,	CHICAGO.
D. J. WHITTEMORE,	Chief Engineer,	CHICAGO.
H. G. HAUGAN,	Comptroller and Land Commissioner,	CHICAGO.
GEORGE R. PECK,	General Counsel,	CHICAGO.
BURTON HANSON,	General Solicitor,	CHICAGO.
C. B. KEELER,	Assistant General Solicitor,	CHICAGO.
CHARLES E. VROMAN,	Assistant General Solicitor,	CHICAGO.

THE

FORTY-THIRD ANNUAL REPORT

OF THE DIRECTORS OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

TO THE STOCKHOLDERS.

For the Fiscal Year ending June 30th, 1907.

The Directors submit to the Stockholders the following report of the business and operations of the Company for the year ending June 30th, 1907, 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		$60,548,554 45
Operating Expenses, excluding Taxes	$39,400,410 14	
Taxes	2,286,096 67	
Operating Expenses, including Taxes		41,686,506 81
Net Earnings		$18,862,047 64
Fixed Charges—Interest on Bonds		5,942,140 00
Balance		$12,919,907 64

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.

MILES OF TRACK.

Owned solely by this Company:

Main track	7,158.60	
Second main track	424.93	
Third main track	6.50	
Fourth main track	2.64	
Connection tracks	36.59	
Yard tracks, sidings and spur tracks	2,080.30	9,709.56

Owned jointly with other Companies:

Main track	28.09	
Second main track	2.74	
Third main track	.12	
Fourth main track	.10	
Connection tracks	5.28	
Yard tracks, sidings and spur tracks	82.51	118.84

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		10,118.51

The lines of road are located as follows:

In Wisconsin	1,731.75	miles
" Illinois	412.62	"
" Iowa	1,871.13	"
" Minnesota	1,205.63	"
" North Dakota	153.31	"
" South Dakota	1,512.86	"
" Missouri	140.27	"
" Michigan	159.12	"
Total length of main track	7,186.69	"

At the date of this report the rails have been laid on the line from Chamberlain, on the Missouri River, to Rapid City, South Dakota, a total distance of about two hundred and nineteen miles, excepting for a distance of about ten miles. The line will be completed during the current year.

The line from Madison to Renner in South Dakota, a distance of about thirty-three miles, was completed during the year.

A second main track on the La Crosse Division from Watertown Junction to Portage, Wisconsin, a distance of about forty-five miles, has been completed, and work is in progress on the second main track on the River Division, from River Junction to Richmond, Minnesota, a distance of about ten miles, and from Lake City to Wabasha, Minnesota, a distance of about twelve and one-half miles.

Reduction of grades and improvement of alignment at sundry points is in progress. There has been expended on this account during the year the sum of $977,415.93; 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, all in the city of Chicago, is completed. During the past year there was expended on this account the sum of $66,447.25, 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 $726,460.98, as follows:

Milwaukee	$652,379 14
Dubuque	42,046 86
Minneapolis	29,252 79
Savanna	2,782 19

Of this amount $651,396.06 has been charged to Capital Account, $72,783.99 to Renewal and Improvement Fund, and $2,280.93 to Operating Expenses as Maintenance of Structures.

At Milwaukee Shops, the new buildings under construction June 30th, 1906—namely, an extension to the wheel foundry, 130 by 328 feet, and a new pattern storage building, 80 by 120 feet, have been completed.

Additional buildings have been constructed during the year, as follows: An extension to the power house, 61 by 100 feet, to the locomotive blacksmith shop, 101 by 150 feet, and to the machine shop, 47 by 357 feet.

The present facilities at Milwaukee Shops are sufficient for the construction of ten locomotives per month and twenty-eight freight cars per day.

ROLLING STOCK.

At the close of the fiscal year ending June 30th, 1906, the Equipment Replacement Fund amounted to $3,447,797.69.

There has been added to the fund, the sum of $781,849.14 for the cost of the replacement of sixty-two locomotives, the sum of $560,625.67 for the cost of the replacement of six hundred and twenty-four cars and one pile driver destroyed in service, the sum of $468,879.27 for the balance of cost of replacement of 3,662 freight cars, and the sum of $2,004,135.33 for the replacement of fifteen old passenger cars and seventeen hundred and four freight cars of small capacity.

There was expended of this fund, for the replacement of sixty-three locomotives, $794,849.14, and for the replacement of 4,286 cars, $4,478,377.96, a total of $5,273,227.10, as follows:

63 Locomotives	$794,849 14
16 Passenger Cars	141,200 00
6 Postal Cars	32,973 84
4,003 Box Cars	4,096,055 33
227 Stock Cars	174,978 41
3 Ballast Cars	2,443 95
30 Caboose Cars	24,620 10
1 Pile Driver	6,106 33

The unexpended balance of the Equipment Replacement Fund, June 30th, 1907, is $1,990,060.00.

CAPITAL EXPENDITURES.

Additional Cars	$3,107,915 18
Construction of New Lines	2,396,386 90
Construction of Second Main Track	1,420,827 52
Miscellaneous Improvements	1,621,173 29
Minnesota Transfer R'y Co. Bonds	18,247 47
St. Paul Union Depot Co. Stock	3,600 00
Minneapolis Eastern R'y Co. Stock	475 00
Chicago & Pacific R. R. Co. Stock	45 00
	$8,568,670 36
Sundry Credits	112,311 47
Total as shown by detailed statement on pages 32 and 33 of this Report	$8,456,358 89

RENEWAL AND IMPROVEMENT FUND.

Amount credited to Renewal and Improvement Fund, to June 30th, 1907		$11,426,758 23
Interest received on balances		969,366 80
Total		$12,396,125 03
Expenditures:		
Elevation of Tracks in Chicago:		
Chicago & Milwaukee Division	1,365,875 82	
Chicago & Council Bluffs Division in Illinois	566,252 49	1,932,128 31
Improvements at Western Avenue, Chicago		229,957 80
Transfer House and Tracks at Galewood, Ill.		55,029 52
Third and Fourth Main Tracks: Chicago & Milwaukee Division		145,224 45
Carried forward		$2,362,340 08

RENEWAL AND IMPROVEMENT FUND—CONTINUED.

Brought forward		$2,362,340 08
Reducing Grade and Improving Line:		
La Crosse Division	1,177,102 21	
Chicago & Council Bluffs Division in Iowa	2,222,074 17	
River Division	452,767 38	
Iowa & Minnesota Division	265,500 50	
Chicago & Milwaukee Division	35,701 52	
Dubuque Division	1,000 00	4,154,145 78
Escanaba Docks and Terminal Facilities		1,276,516 66
Change of Line, Redfield, South Dakota		24,729 48
Change of Line, Oakwood, Wisconsin		138,643 14
Change of Line, Portage, Wisconsin		8,946 82
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		96,769 28
New Yard and Structures at Laredo, Missouri		57,788 96
New Subway, Fond du Lac Ave., Milwaukee		6,135 93
Filling Levee in Mississippi River at Red Wing, Minnesota		20,550 00
Replacement of Bridge over the Mississippi River between St. Paul and Minneapolis with a double-track structure		337,083 37
Replacement of Bridge over the Mississippi River at La Crosse, Wisconsin		275,901 31
Replacement of Bridge over the Menomonee River at Milwaukee, Wisconsin		99,554 09
Replacement of Bridge over the Mississippi River at Sabula, Iowa		218,149 84
Replacement of Bridge over the Cedar River at Cedar Rapids, Iowa		63,321 44
Replacement of Bridge over the Rock River at Byron, Illinois		87,287 91
Replacement of Bridge over Burnham's Canal, Milwaukee, Wisconsin		13,719 86
Replacement of Sixth Street Viaduct, Milwaukee, Wisconsin		82,052 83
Replacement of Bridge over Kinnickinnick River, at Stowell, Wisconsin		855 15
Improvements at Milwaukee Shops		305,944 99
Improvements at Dubuque Shops		9,380 65
Total Expenditure		$10,145,790 21
Unexpended Balance, June 30th, 1907		$2,250,334 82

CAPITAL STOCK.

At the close of the last fiscal year the share capital of the Company amounted to $107,838,300, and consisted of $49,654,400 of preferred stock and $58,183,900 of common stock.

It has been increased during this fiscal year by $154,000 of preferred stock, issued in exchange for the same amount of convertible bonds canceled, and by $25,000,000 of common stock authorized by resolution of the Stockholders of October 4th, 1902.

The total amount of capital stock at the close of the year is $132,992,300.

The amount of capital stock per mile of road is $18,505.36.

FUNDED DEBT.

At the close of the last fiscal year the funded debt of the Company was $121,849,500.

It has been increased during this fiscal year by the issue of $4,199,000 of General Mortgage Bonds, and it has been decreased $231,000 by underlying bonds retired and canceled, as shown on page 26 of this report.

The amount of bonds at the close of the fiscal year ending June 30th, 1907, is $125,817,500, which includes bonds in the treasury or due from trustees amounting to $8,276,000.

The amount of funded debt per mile of road is $17,507.02, on which the interest charge per mile of road is $826.31.

The total capitalization of the Company per mile of road is $36,012.38.

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 $4,077,000.

This has been increased during this fiscal year by $4,199,000 General Mortgage Bonds received for underlying bonds paid and canceled.

Bonds in the treasury or due from trustees, June 30th, 1907, amount to $8,276,000, as shown on page 24 of this report.

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

INSURANCE DEPARTMENT.

Cash on hand, June 30th, 1906		$20,022 72
Receipts during the year:		
Premiums	155,837 34	
Income from Investment of Guaranty Fund	62,912 10	
Interest on Cash on deposit	2,094 33	220,843 77
		$240,866 49
Payments during the year:		
Losses	41,595 80	
Expenses	4,147 86	
Reinsurance	33,138 65	
Purchase of bonds and stock	80,137 50	159,019 81
Cash on hand, June 30th, 1907		$81,846 68

The Guaranty Fund, June 30th, 1907, is $1,530,820.00, an increase of $80,137.50 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
Chicago, Milw. & St. P. R'y Co. Common Stock		2,300 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		125,000 00
Lake Shore & Michigan South. Ry. Co. 4% Bonds		100,000 00
City of New York 4% Bond		75,000 00
Par value of Bonds and Stock		$1,509,300 00
Amount of annual interest and dividends on same	$65,221 00	
Chicago, Milw. & St. P. R'y Co. Preferred Stock Certificate		1,525 00
Chicago, Milw. & St. P. R'y Co. Common Stock Certificate		750 00
Total		$1,511,575 00

EARNINGS.

The results from operation of your Company's lines during the year ending June 30th, 1907, compared with the previous year, show an increase of $5,125,501.46 in gross earnings.

The earnings from freight traffic were $44,115,059.16—72.86% of total earnings—an increase of $3,927,349.13, or 9.77%.

The number of tons of freight carried was 28,596,041—an increase of 2,394,100 tons, or 9.14%.

The increase in number of tons of freight carried was in the following commodities: Flour, 53,418 tons; other mill products, 114,707 tons; wheat, 71,869 tons; rye, 21,056 tons; flax seed, 27,391 tons; hay, 61,172 tons; fruit and vegetables, 53,114 tons; other agricultural products, 82,109 tons; live stock, 56,293 tons; dressed meats, 38,862 tons; other packing house products, 144 tons; other animal products, 8,422 tons; anthracite coal, 86,610 tons; bituminous coal, 158,110 tons; coke, 85,147 tons; iron and other ores, 565,054 tons; stone, sand, etc., 130,704 tons; salt, 12,338 tons; lumber, lath and shingles, 100,989 tons; petroleum and other oils, 72,252 tons; iron and steel, 44,574 tons; castings and machinery, 92,154 tons; agricultural implements, 2,980 tons; wagons, carriages, tools, etc., 8,901 tons; brick, 50,257 tons; wines, liquors and beers, 83,598 tons; household goods and furniture, 8,544 tons; paper, 13,527 tons; other manufactures, 58,744 tons, and commodities not specified, 463,159 tons.

The following commodities show a decrease from the previous year: barley, 37,421 tons; oats, 34,879 tons; corn, 32,942 tons; sash, doors and blinds and other forest products, 124,421 tons; lime, cement and plaster, 2,436 tons.

The number of tons of all agricultural products carried during the year was 6,470,915 tons—an increase compared with the previous year of 379,594 tons, or 6.23%. Agricultural products comprised 22.63% of the total tonnage carried, as compared with 23.25% of the total tonnage of last year.

The number of tons of commodities other than agricultural products carried during the year was 22,125,126 tons—an increase compared with the previous year of 2,014,506 tons, or 10.02%—the per cent of the total being 77.37% against 76.75% last year.

The number of tons of revenue freight carried one mile was 5,155,662,231—an increase of 491,854,224 or 10.55%. The revenue per ton per mile was .8557 cents—a decrease of .006 cents, or .70%. The average miles each ton of revenue freight was carried was 180.29 miles—an increase of 2.30 miles, or 1.29%.

The number of tons of revenue freight carried per loaded car was 14.728 against 14.292 last year—an increase of 3.05%. The number of tons of revenue freight per freight train mile was 289.55, against 281.92 last year—an increase of 2.71%. The revenue from freight per freight train mile was $2.478, as against $2.429 last year—an increase of 2.02%.

The earnings from passenger traffic during the year were $12,102,196.22—19.99% of the total earnings—an increase of $978,651.00 over the previous year, or 8.80%. The number of passengers carried was 12,246,478—an increase of 1,056,457, or 9.44%. The number of passengers carried one mile was 549,597,987—an increase of 51,136,196, or 10.26%; the revenue per passenger per mile was 2.202 cents—a decrease of .03 cent, or 1.34%; the average miles each passenger was carried was 44.88 miles—an increase of .33 mile, or .74%.

EXPENSES.

The operating expenses, excluding taxes, during the year were $39,400,410.14, an increase of $4,686,807.61.

The expenses of Maintenance of Way and Structures were $5,830,967.63; Maintenance of Equipment, $8,589,757.08; Conducting Transportation, $22,782,468.15; General Expenses, $1,250,349.31; and for Additions to Property, $946,867.97.

There was a decrease in expenditures for Maintenance of Way and Structures of $124,464.60; and an increase in expenditures for Maintenance of Equipment of $2,991,710.90; for Conducting Transportation of $3,083,087.55; for General Expenses, of $13,695.03; and for Additions to Property of $234,536.96.

In the expenditures pertaining to Maintenance of Way and Structures there was a decrease in the following items: Roadway, $114,609.62; Rails, $199,609.89; Ties, $23,038.74; Fences, Road Crossings, etc., $27,139.92. There was an increase in expenditures for Bridges and Culverts of $73,494.02, Buildings and Fixtures of $156,433.67, and other expenditures under this head of $10,005.88.

The expenditures for Rails include 29,595 tons of new steel rails, costing $827,542.74. During the previous year 46,607 tons of new steel rail were laid, costing $1,328,070.13.

The expenditures for Ties include 919,605 new ties, costing $449,675.48. During the previous year 1,113,853 new ties, costing $518,317.32, were placed in track.

During the year 28 steel bridges, aggregating 3,226 feet in length, were built—replacing 2,402 feet of wooden bridges, 759 feet of iron bridges and 65 feet of embankment; and 268 wooden culverts were replaced with iron. About 1.05 miles of pile bridges were filled with earth, 39 bridges having been completely filled and 25 reduced in length by filling.

The expenditures for Maintenance of Equipment include the amount of $3,346,610.14 charged to Operating Expenses for replacement of equipment.

In the expenditures pertaining to Conducting Transportation there was an increase, as follows: Engine and Roundhouse Men, $561,478.71; Fuel and other supplies for Locomotives, $877,113.21; Train Service and Supplies, $364,725.15; Switchmen, Flagmen and Watchmen, $268,751.44; Station Service and Supplies, $323,723.96; and Use of Cars and Locomotives, $152,405.13.

The payments of the Company for labor directly employed in its service during the year were $26,596,874.20, as compared with $22,717,278.14 last year; and for material and supplies, $23,414,485.55, as compared with $17,698,260.17 last year.

Companies organized under the laws of South Dakota, Montana, Idaho and Washington have undertaken, and are now engaged in the construction of a line of railway from the Missouri River to Seattle, Tacoma and other Puget Sound points.

It has long been apparent that an outlet to the Pacific Coast would be of great benefit to the property of your Company, and accordingly your Company has advanced, and is now from time to time advancing sums of money to aid those companies in the construction of this line.

Each of the companies is progressing satisfactorily with its work, and it is expected that the entire line will be completed during the year 1909.

In the opinion of the Directors, large and important benefits will result to your Company and also to the Western Companies through the interchange of the constantly increasing traffic between the Great Lakes and the Pacific Coast.

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, 1907.

To the President:

Herewith are submitted the General Accounts of the Company for the fiscal year ending June 30th, 1907, and the Statements of Operation for the same period.

W. N. D. WINNE,
General Auditor.

STATEMENT OF INCOME ACCOUNT, JUNE 30TH, 1907.

Credit Balance, June 30th, 1906			$33,789,997 76
Gross Earnings for the year ending June 30th, 1907		$60,548,554 45	
Operating Expenses, excluding Taxes	$39,400,410 14		
Taxes	2,286,096 67		
Operating Expenses, including Taxes		41,686,506 81	
Net Earnings		18,862,047 64	
Income from other sources		1,068,736 28	19,930,783 92
			53,720,781 68
Interest accrued during the year on Funded Debt		5,942,140 00	
Dividend payable October 16th, 1906:			
3½% on $49,654,400—Preferred Stock	1,737,904 00		
3½% on $58,183,900—Common Stock	2,036,436 50	3,774,340 50	
Dividend payable April 20th, 1907:			
3½% on $49,747,400—Preferred Stock	1,741,159 00		
3½% on $82,910,000—Common Stock	2,901,850 00	4,643,009 00	
Cost of replacement of three thousand, six hundred and sixty-two cars in excess of previous charges		468,879 27	
Fees paid for issue of Common Stock		29,951 90	14,858,320 67
Credit Balance, June 30th, 1907			$38,862,461 01

GENERAL ACCOUNT, JUNE 30TH, 1907.

Dr.

Cost of Road and Equipment	$259,148,727 01	
Bonds, Stock, etc., of other Companies	4,612,447 69	$263,761,174 70
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	119,445 75	531,445 75
United States Trust Co., Trustee		55,000 00
General Mortgage Bonds, unsold, held in the Treasury of the Company and due from Trustees	7,187,000 00	
Milwaukee & Northern R. R. Co. 6% Consolidated Mortgage Bonds, unsold, held in the Treasury of this Company	1,089,000 00	
Common Stock of the Company unsold, held in its Treasury	273,900 00	8,549,900 00
Stock of Material and Fuel		5,989,939 11
Insurance Department		10,000 00
Renewal and Improvement Fund—		
United States Trust Co., New York	1,159,638 05	
Union Trust Co., New York	1,090,696 77	2,250,334 82
Advances to other Railway Companies	32,339,271 41	
Due from Agents and Conductors	1,699,767 59	
Due from Transportation Companies	1,090,930 01	
Miscellaneous Balances	1,673,236 08	
Due from United States Government	424,261 04	
Due from Trust Companies—Expenditures from Renewal and Improvement Fund during May and June, 1907	289,334 11	
Cash on hand	18,786,944 91	56,303,745 15
		$337,451,539 53

Cr.

Capital Stock—Preferred	$49,808,400 00	
Capital Stock—Common	83,183,900 00	132,992,300 00
Funded Debt		125,817,500 00
Subscriptions to Capital Stock		24,692,015 86
Dubuque Division Sinking Fund	505,260 62	
Wisconsin Valley Division Sinking Fund	26,185 13	531,445 75
Renewal and Improvement Fund		2,250,334 82
Equipment Replacement Fund		1,990,060 00
Pay Rolls and Vouchers	5,892,989 94	
Due Transportation Companies	542,796 69	
Miscellaneous Balances	1,093,981 46	
Dividends Unclaimed	31,929 00	
Interest Coupons not presented	43,167 50	
Interest Accrued, not yet payable	2,710,557 50	10,315,422 09
Income Account		38,862,461 01
		$337,451,539 53

CAPITAL STOCK, JUNE 30TH, 1907.

Amount of Preferred Stock, June 30th, 1906	$49,654,400 00
Amount of Common Stock, June 30th, 1906	58,183,900 00
Total Capital Stock, June 30th, 1906	$107,838,300 00
Preferred Stock issued during the year in exchange for Iowa & Dakota Division Extension Bonds	154,000 00
Common Stock authorized by resolution of the Stockholders of October 4th, 1902	25,000,000 00
Total Capital Stock, June 30th, 1907	$132,992,300 00

FUNDED DEBT, JUNE 30TH, 1907.

Total Funded Debt, June 30th, 1906, including all liens on purchased roads		$121,849,500 00
General Mortgage Bonds issued for underlying bonds retired and canceled		4,199,000 00
		$126,048,500 00
Deduct:		
Bonds, retired and canceled as follows:		
Consolidated Mortgage of 1875	$10,000 00	
Dubuque Division	67,000 00	
Bonds received in exchange for Preferred Stock and canceled:		
Iowa & Dakota Division Extension	154,000 00	231,000 00
Total Funded Debt, June 30th, 1907		$125,817,500 00
Of the total amount of bonds as stated above, there remain in the Treasury unsold and due from Trustees		$8,276,000 00

FUNDED DEBT, JUNE 30TH, 1907.

Description of Bonds.	Date of Maturity.	Interest. Rate.	Interest. Payable.	Interest. Accrued During the Year.	Interest. Paid During the Year.	Amount of Bonds.
Iowa & Dakota Division Extension	July 1, 1908	7 %	Jan'y and July	24,500 00	24,430 00	350,000 00
Southwestern Division	July 1, 1909	6 "	" " "	240,000 00	239,730 00	4,000,000 00
Hastings & Dakota Division Extension	Jan'y 1, 1910	7 "	" " "	397,600 00	397,775 00	5,680,000 00
Hastings & Dakota Division Extension	Jan'y 1, 1910	5 "	" " "	49,500 00	49,450 00	990,000 00
Chicago & Pacific Division	Jan'y 1, 1910	6 "	" " "	180,000 00	178,890 00	3,000,000 00
Southern Minnesota Division	Jan'y 1, 1910	6 "	" " "	445,920 00	443,790 00	7,432,000 00
Mineral Point Division	July 1, 1910	5 "	" " "	142,000 00	142,000 00	2,840,000 00
Terminal Mortgage	July 1, 1914	5 "	" " "	237,400 00	237,825 00	4,748,000 00
La Crosse & Davenport Division	July 1, 1919	5 "	" " "	125,000 00	124,675 00	2,500,000 00
Dubuque Division	July 1, 1920	6 "	" " "	318,000 00	318,420 00	5,300,000 00
Wisconsin Valley Division	July 1, 1920	6 "	" " "	120,120 00	120,150 00	2,002,000 00
Chicago & Pacific Western Division	Jan'y 1, 1921	5 "	" " "	1,267,000 00	1,266,750 00	25,340,000 00
Wisconsin & Minnesota Division	July 1, 1921	5 "	" " "	237,750 00	237,250 00	4,755,000 00
Chicago & Lake Superior Division	July 1, 1921	5 "	" " "	68,000 00	68,000 00	1,360,000 00
Chicago & Missouri River Division	July 1, 1926	5 "	" " "	154,150 00	153,300 00	3,083,000 00
General Mortgage	May 1, 1989	4 "	" " "	1,241,120 00	951,370 00	31,028,000 00
General Mortgage	May 1, 1989	3½ "	" " "	313,250 00	315,087 50	8,950,000 00
Wisconsin Valley R. R. Co.	Jan'y 1, 1909	7 "	" " "	77,455 00	76,982 50	1,106,500 00
Mil. & Northern R. R. Co. 1st Mortgage	June 1, 1910	6 "	June and Dec.	129,300 00	130,950 00	2,155,000 00
Mil. & Northern R. R. Co. Consolidated	June 1, 1913	6 "	" " "	305,520 00	242,670 00	5,092,000 00
Dakota & Great Southern R'y Co.	Jan'y 1, 1916	5 "	Jan'y and July	142,800 00	143,250 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
Interest on bonds retired				3,695 00	11,375 00	
				$6,295,080 00		
Less amount of interest on bonds in the treasury of the Company and in hands of Trustees—not payable—included above				352,940 00		
Total				$5,942,140 00	$5,949,090 00	$125,817,500 00

DETAILED STATEMENT OF EARNINGS AND EXPENSES

FOR THE YEARS ENDING JUNE 30TH, 1906 AND 1907.

EARNINGS.

	1906	1907	INCREASE.	DECREASE.
Freight	$40,187,710 03	$44,115,059 16	$3,927,349 13	
Passenger	11,123,545 22	12,102,196 22	978,651 00	
Mails, Express, etc.	4,111,797 74	4,331,299 07	219,501 33	
Gross Earnings	$55,423,052 99	$60,548,554 45	$5,125,501 46	

EXPENSES.

	1906	1907	INCREASE	DECREASE
MAINTENANCE OF WAY AND STRUCTURES.				
Roadway	$3,297,504 44	$3,182,894 82		$114,609 62
Rails	539,725 25	340,115 36		199,609 89
Ties	567,584 54	544,545 80		23,038 74
Bridges and Culverts	645,554 92	719,048 94	$73,494 02	
Fences, Road Crossings, Signs and Cattle Guards	205,239 66	178,099 74		27,139 92
Buildings and Fixtures	631,129 22	787,562 89	156,433 67	
Docks and Wharves	18,616 64	24,357 16	5,740 52	
Telegraph	47,358 88	51,035 13	3,676 25	
Stationery and Printing	2,718 68	3,307 79	589 11	
Total—Maintenance of Way and Structures	$5,955,432 23	$5,830,967 63		$124,464 60
MAINTENANCE OF EQUIPMENT.				
Superintendence	100,884 19	108,358 92	7,474 73	
Locomotives	1,915,387 47	2,590,947 29	675,559 82	
Passenger Cars	688,695 17	832,390 39	143,695 22	
Freight Cars	2,445,702 05	4,505,838 73	2,060,136 68	
Work Cars	88,087 91	73,367 60		14,720 31
Shop Machinery and Tools	147,426 71	224,920 10	77,493 39	
Stationery and Printing	9,217 84	15,812 77	6,594 93	
Other Expenses	202,644 84	238,121 28	35,476 44	
Total—Maintenance of Equipment	$5,598,046 18	$8,589,757 08	$2,991,710 90	
CONDUCTING TRANSPORTATION.				
Superintendence	395,894 86	423,503 44	27,608 58	
Engine and Roundhouse Men	3,502,756 57	4,064,235 28	561,478 71	
Fuel for Locomotives	4,501,777 28	5,325,673 33	823,896 05	
Water Supply for Locomotives	186,151 32	215,273 16	29,121 84	
Oil, Tallow and Waste for Locomotives	124,386 57	137,967 31	13,580 74	

	1906	1907	INCREASE	DECREASE
CONDUCTING TRANSPORTATION—Continued.				
Other Supplies for Locomotives	59,090 55	69,605 13	10,514 58	
Train Service	2,437,012 21	2,772,058 75	335,046 54	
Train Supplies and Expenses	555,171 62	584,850 23	29,678 61	
Switchmen, Flagmen and Watchmen	1,565,646 62	1,834,398 06	268,751 44	
Telegraph Expenses	382,366 46	439,619 78	57,253 32	
Station Service	2,797,329 31	3,092,153 90	294,824 59	
Station Supplies	190,179 87	219,079 24	28,899 37	
Switching Charges—Balance	273,303 77	322,058 34	48,754 57	
Use of Cars and Locomotives—Balance	222,496 85	374,901 98	152,405 13	
Loss and Damage	467,002 83	634,782 08	167,779 25	
Injuries to Persons	392,499 13	488,114 54	95,615 41	
Clearing Wrecks	49,146 46	72,930 85	23,784 39	
Advertising	209,626 37	231,913 71	22,287 34	
Outside Agencies	542,980 93	563,423 83	20,442 90	
Stock Yards and Elevators	43,884 35	64,576 18	20,691 83	
Rents for Tracks and Terminals—Balance	421,829 46	451,533 26	29,703 80	
Rents of Buildings and Other Property	55,969 31	56,877 02	907 71	
Stationery and Printing	167,574 23	196,691 78	29,117 55	
Other Expenses	155,303 67	146,246 97		9,056 70
Total—Conducting Transportation	$19,699,380 60	$22,782,468 15	$3,083,087 55	
GENERAL EXPENSES.				
Salaries of General Officers	318,155 06	282,645 60		35,509 46
Salaries of Clerks and Attendants	424,115 96	479,606 08	55,490 12	
General Office Expenses and Supplies	36,400 07	43,491 14	7,091 07	
Insurance	149,716 45	163,665 39	13,948 94	
Law Expenses	67,965 58	83,689 64	15,724 06	
Stationery and Printing—General Offices	65,739 24	79,472 26	13,733 02	
Other Expenses	174,561 92	117,779 20		56,782 72
Total—General Expenses	$1,236,654 28	$1,250,349 31	13,695 03	
Renewal and Improvement Account	1,511,758 23			1,511,758 23
Additions to Property	712,331 01	946,867 97	234,536 96	
Operating Expenses, excluding Taxes	$34,713,602 53	$39,400,410 14	$4,686,807 61	
Balance of Earnings	$20,709,450 46	$21,148,144 31	$438,693 85	

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES

FOR THE YEARS ENDING JUNE 30TH, 1906 AND 1907.

EARNINGS.

	1906		1907	
	AMOUNT	PER CENT	AMOUNT	PER CENT
Freight	$40,187,710 03	72.51	$44,115,059 16	72.86
Passenger	11,123,545 22	20.07	12,102,196 22	19.99
Mails, Express, etc.	4,111,797 74	7.42	4,331,299 07	7.15
Gross Earnings	$55,423,052 99	100.00	$60,548,554 45	100.00

EXPENSES.

	1906 Amount	Per Cent	1907 Amount	Per Cent
Maintenance of Way and Structures	$5,955,432 23	10.75	$5,830,967 63	9.63
Maintenance of Equipment	5,598,016 78	10.10	8,589,757 08	14.19
Conducting Transportation	19,699,380 00	35.54	22,782,468 15	37.63
General Expenses	1,236,654 28	2.23	1,250,349 31	2.06
Renewal and Improvement Account	1,511,758 23	2.73		
Additions to Property	712,331 01	1.28	946,867 97	1.56
Operating Expenses, excluding Taxes	$34,713,602 53	62.63	$39,400,410 14	65.07

RECAPITULATION.

	1906 Amount	Per Cent	1907 Amount	Per Cent
Gross Earnings	$55,423,052 99	100.00	$60,548,554 45	100.00
Operating Expenses, excluding Taxes	34,713,602 53	62.63	39,400,410 14	65.07
Balance of Earnings	$20,709,450 46	37.37	$21,148,144 31	34.93
Average miles in operation during the year	6,961 27		7,049 46	

COMPARATIVE SUMMARY OF OPERATION

FOR THE YEARS ENDING JUNE 30TH, 1906 AND 1907.

	1906	1907	INCREASE
Gross Earnings	$55,423,052 99	$60,548,554 45	$5,125,501 46
Operating Expenses, excluding Taxes	34,713,602 53	39,400,410 14	4,686,807 61
Balance of Earnings	$20,709,450 46	$21,148,144 31	$438,693 85
Freight Earnings per mile	$5,773 04	$6,257 94	$484 90
Passenger and Miscellaneous Earnings per mile	2,188 59	2,331 17	142 58
Gross Earnings per mile	$7,961 63	$8,589 11	$627 48
Operating Expenses, excluding Taxes, per mile	4,986 68	5,589 14	602 46
Balance of Earnings per mile	$2,974 95	$2,999 97	$25 02
Average miles in operation during the year	6,961 27	7,049 46	88 19

DETAIL OF EXPENDITURES, FOR ADDITIONS AND IMPROVEMENTS TO PROPERTY.

CHARGED TO CAPITAL ACCOUNTS, DURING THE YEAR ENDING JUNE 30TH, 1907.

Equipment:		
24 Passenger Cars	$211,800 00	
8 Sleeping Cars	159,480 85	
3 Parlor Cars	46,296 00	
3 Dining Cars	52,755 19	
3 Mail and Baggage Cars	15,135 11	
773 Stock Cars	595,857 81	
1,000 Flat Cars	1,069,220 00	
997 Ballast Cars	812,202 51	
20 Caboose Cars	19,511 40	
2 Steam Derricks	27,861 85	
5 Lidgerwood Unloaders and Cars	31,025 26	
3 Pile Drivers	18,318 99	
Miscellaneous work equipment, comprising four steam shovels, two bridge erecting derricks, eight Lidgerwood unloading plows and one motor poling car	48,450 21	$3,107,915 18
Construction of New Lines:		
Chamberlain to Rapid City, South Dakota	2,006,182 42	
Madison to Renner, South Dakota	148,962 89	
Oglesby to Granville, Illinois	115,152 00	
Completion of sundry lines	126,089 59	2,396,386 90
Construction of Second Main Track		1,420,827 52
Carried forward		$6,925,129 60

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

Brought forward		$6,925,129 60
Miscellaneous Improvements:		
Additions and Improvements to Shops	651,396 06	
New Yard Tracks, Sidings and Spur Tracks	396,772 14	
Ballasting	104,412 76	
Track and Bridge, Ontonagon, Mich	37,999 94	
Permanent Protection, Kansas City Bridge	27,551 82	
Tomah Frog Shop	41,752 39	
Galewood Yard and Structures	43,336 94	
Davenport, Rock Island & North Western R'y	12,095 45	
Other Additions to Property	305,855 79	1,621,173 29
Minnesota Transfer R'y Co. Bonds	18,247 47	
St. Paul Union Depot Co. Stock	3,600 00	
Minneapolis Eastern R'y Co. Stock	475 00	
Chicago & Pacific R. R. Co. Stock	45 00	22,367 47
		$8,568,670 36
Credit—		
Sundry Credits—Real Estate sold, cost of buildings taken down, destroyed, etc		112,311 47
		$8,456,358 89
Total—Capital Accounts—June 30th, 1906		$255,304,815 81
Total—Capital Accounts—June 30th, 1907		$263,761,174 70

TRANSPORTATION STATISTICS

FOR THE YEARS ENDING JUNE 30TH, 1906 AND 1907.

	1906	1907
Miles run by freight trains	16,542,820	17,805,620
Miles run by passenger trains	12,213,107	12,889,750
Total miles run by revenue trains	28,755,927	30,695,370
Miles run by loaded freight cars	326,313,913	350,065,186
Miles run by empty freight cars	130,320,916	133,439,739
Number of tons of revenue freight carried	26,201,941	28,596,041
Number of tons of revenue freight carried one mile	4,663,808,007	5,155,662,231
Number of tons of Company freight carried one mile	630,939,834	742,092,422
Number of tons of revenue freight per train mile	281.92	289.55
Number of tons of Company freight per train mile	38.14	41.68
Total number of tons of freight per train mile	320.06	331.23
Number of tons of revenue freight per loaded car	14.292	14.728
Number of tons of Company freight per loaded car	1.934	2.120
Total number of tons of freight per loaded car	16.226	16.848
Average number of loaded freight cars per train	19.725	19.661
Average number of empty freight cars per train	7.878	7.494
Average number of loaded and empty freight cars per train	27.603	27.155
Average miles each ton of revenue freight was carried	177.99	180.29
Number of passengers carried	11,190,021	12,246,478
Number of passengers carried one mile	498,461,791	549,597,987
Average miles each passenger was carried	44.55	44.88
Average amount received per ton of revenue freight	$1.53 4	$1.54 3
Average revenue from freight per train mile	$2.42 9	$2.47 8
Average revenue per ton of revenue freight per mile	.8617 cts.	.8557 cts.
Average revenue from passengers per train mile	91.08 cts.	93.89 cts.
Average revenue per passenger per mile	2.232 cts.	2.202 cts.
Maintenance of Equipment per revenue train mile	19.47 cts.	27.99 cts.
Station Service per revenue train mile	9.73 cts.	10.07 cts.
Train Service per revenue train mile	8.47 cts.	9.03 cts.
Engine and Roundhouse Men per revenue train mile	12.18 cts.	13.21 cts.
Train and Station Supplies per revenue train mile	2.59 cts.	2.62 cts.
Fuel for Locomotives per revenue train mile	15.66 cts.	17.35 cts.
Oil, Tallow and Waste for Locomotives per revenue train mile	.43 cts.	.45 cts.
All other Expenses per revenue train mile	52.19 cts.	47.61 cts.
Total Operating Expenses per revenue train mile	$1.20 72	$1.28 36
Percentage of Expenses, excluding Taxes, to Earnings	62.63%	65.07%

STATEMENT OF COMMODITIES TRANSPORTED

DURING THE YEARS ENDING JUNE 30TH, 1906 AND 1907.

COMMODITIES	1906		1907	
	Tons	Per Cent	Tons	Per Cent
PRODUCTS OF AGRICULTURE:				
Flour	658,827	2.515	712,245	2.491
Other Mill Products	409,308	1.562	524,015	1.832
Wheat	1,343,062	5.126	1,414,931	4.948
Rye	66,778	.255	87,834	.307
Barley	994,145	3.794	956,724	3.346
Oats	1,068,268	4.077	1,033,389	3.614
Corn	736,840	2.812	703,898	2.461
Flax Seed	140,388	.536	167,779	.587
Hay	141,685	.541	202,857	.709
Fruit and Vegetables	335,204	1.279	388,318	1.358
Other Agricultural Products	196,816	.751	278,925	.975
	6,091,321	23.248	6,470,915	22.628
PRODUCTS OF ANIMALS:				
Live Stock	1,092,569	4.170	1,148,862	4.018
Dressed Meats	273,900	1.045	312,762	1.094
Other Packing House Products	115,469	.441	115,613	.404
Other Animal Products	190,592	.727	199,014	.696
	1,672,530	6.383	1,776,251	6.212
PRODUCTS OF MINES:				
Anthracite Coal	806,806	3.079	893,416	3.124
Bituminous Coal	2,842,978	10.850	3,001,088	10.495
Coke	548,260	2.093	633,407	2.215
Iron and other Ores	1,908,352	7.283	2,473,406	8.649
Stone, Sand, etc	1,255,731	4.793	1,386,435	4.848
Salt	112,140	.428	124,478	.435
	7,474,267	28.526	8,512,230	29.766
PRODUCTS OF FOREST:				
Lumber, Lath and Shingles	2,070,094	7.901	2,171,083	7.592
Sash, Doors and Blinds	74,444	.284	74,405	.260
Other Forest Products	1,673,042	6.385	1,548,660	5.416
	3,817,580	14.570	3,794,148	13.268
MANUFACTURES:				
Petroleum and other Oils	225,315	.860	297,567	1.041
Iron and Steel	1,311,287	5.005	1,355,861	4.741
Castings and Machinery	268,669	1.025	360,823	1.262
Agricultural Implements	167,981	.641	170,961	.598
Wagons, Carriages, Tools, etc.	79,914	.305	88,815	.311
Lime, Cement and Plaster	385,403	1.471	382,967	1.339
Brick	420,676	1.605	470,933	1.647
Wines, Liquors and Beers	434,517	1.658	518,115	1.812
Household Goods and Furniture	129,686	.495	138,230	.483
Paper	170,523	.651	184,050	.644
Other Manufactures	749,311	2.860	808,055	2.826
	4,343,282	16.576	4,776,377	16.704
COMMODITIES NOT SPECIFIED	2,802,961	10.697	3,266,120	11.422
Total	26,201,941	100.000	28,596,041	100.000

EQUIPMENT, JUNE 30TH, 1907.

STANDARD GAUGE.

Locomotives		1,014
Passenger Cars		506
Sleeping Cars		97
Parlor Cars		24
Dining Cars		18
Cafe Observation Cars		3
Composite Observation Cars		3
Baggage, Mail, Express and Combination Cars		419
Freight Cars—		
Box Cars	27,884	
Stock Cars	3,624	
Flat, Coal and Ore Cars	9,139	
Refrigerator and Vegetable Cars	1,886	
Ballast Cars	1,476	44,009
Caboose Cars		524
Wrecking and Tool Cars		222
Business Cars		15

NARROW GAUGE.

Locomotives		3
Passenger Cars		3
Baggage, Mail, Express and Combination Cars		1
Freight Cars—		
Box Cars	47	
Stock Cars	36	
Flat Cars	9	92
Caboose Cars		1
Total		46,954

At the close of the year ending June 30th, 1906, thirty-nine hundred and eight cars and one locomotive of those destroyed in service or set apart for replacement had not been replaced, but the estimated amount required to replace them had been charged to Operating Expenses or Income Account.

During the present year six hundred and fifteen cars belonging to this Company were destroyed by wreck and fire on this and other roads, one small pile driver was taken down on account of its worn out condition, four small baggage cars and five flat cars were sold and sixty-two small locomotives, fifteen old passenger cars and seventeen hundred and four freight cars of small capacity have been set apart for replacement.

Four thousand two hundred and eighty-five cars, one pile driver and sixty-three locomotives have been purchased or built during the present year for replacement, and their cost charged to Equipment Replacement Fund, as shown on page 10 of this report.

At the close of this fiscal year, ending June 30th, 1907, there are thirteen hundred and seventy-six box cars, five hundred and forty-four flat cars, forty-two refrigerator cars, three vegetable cars and one ore car which have not been replaced. The estimated amount required to replace them is shown at the credit of Equipment Replacement Fund on page 24 of this report.