

1908

Forty-fourth Annual Report

OF THE

**Chicago, Milwaukee & St. Paul
Railway Company**

FOR THE

Fiscal Year ending June 30th, 1908.

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TABLE 1
 SUMMARY OF THE DATA SET

STATION NUMBER

TERM EXPIRES SEPTEMBER, 1906.

TERM EXPIRES SEPTEMBER, 1909.

TERM EXPIRES SEPTEMBER, 1910.

OFFICERS.

ROSSELL MILLER,	Chairman of the Board,	NEW YORK.
A. J. BAILING,	President,	CHICAGO.
F. 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. MOKINLAY,	Assistant Secretary and Transfer Agent,	NEW YORK.
C. E. FEIKY,	Assistant Secretary and Transfer Agent,	NEW YORK.
R. J. MABONY,	Assistant Secretary and Transfer Agent,	NEW YORK.
F. G. HANNEY,	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. HATCOCK,	Comptroller and Land Commissioner,	CHICAGO.
GEORGE R. PROCK,	General Counsel,	CHICAGO.
BULTON HANSON,	General Solicitor,	CHICAGO.
CHARLES E. VROMAN,	Assistant General Solicitor,	CHICAGO.

REPORT
OF THE
BOARD OF DIRECTORS.

THE
FORTY-FOURTH ANNUAL REPORT
OF THE DIRECTORS OF THE
CHICAGO, MILWAUKEE & ST. PAUL
RAILWAY COMPANY
TO THE STOCKHOLDERS.

For the Fiscal Year ending June 30th, 1908.

The Directors submit to the Stockholders the following report of the business and operations of the Company for the year ending June 30th, 1908, and of the condition of its property and finances at the close of that year.

The operations for the year show the following results:

Total Operating Revenues.....	\$56,932,620 50
Total Operating Expenses, excluding Taxes.....	37,163,368 43
Net Operating Revenues.....	<u>\$19,769,252 07</u>
Taxes	<u>2,304,962 40</u>
Operating Income.....	<u>\$17,464,289 67</u>
Fixed Charges—Interest on Bonds	<u>5,916,760 00</u>
Balance	<u>\$11,547,529 67</u>

Revenue from other sources during the year, which, prior to July 1, 1907, would have been included in Gross Earnings, but which under the present system of accounts is credited direct to Income Account, amounted to \$617,214.81.

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	7,270.86	
Second main track	448.40	
Third main track	9.57	
Fourth main track	2.99	
Connection tracks	37.94	
Yard tracks, sidings and spur tracks	2,176.67	9,946.43

Owned jointly with other Companies:

Main track	30.46	
Second main track	5.11	
Third main track	.12	
Fourth main track	.10	
Connection tracks	5.28	
Yard tracks, sidings and spur tracks	86.71	127.78

Used by this Company under contracts:

Main track	215.01	
Second main track	62.47	
Third main track	1.14	278.62
Total miles of track		<u>10,352.83</u>

The lines of road are located as follows:

In Wisconsin	1,783.10	miles
" Illinois	414.99	"
" Iowa	1,870.96	"
" Minnesota	1,244.94	"
" North Dakota	153.31	"
" South Dakota	1,534.63	"
" Missouri	140.27	"
" Michigan	159.12	"
Total length of main track	<u>7,301.32</u>	"

The line from Chamberlain, on the Missouri River, to Rapid City, South Dakota, a distance of about two hundred and nineteen miles, has been completed during the year.

The operations of the line of road extending from Wauzeka to La Farge, in Wisconsin, a distance of about fifty-two miles, owned by the Wisconsin Western Railroad Company, the Capital Stock of which was acquired by this Company in 1903, and of the line of road extending from Albert Lea to St. Clair, in Minnesota, a distance of about forty miles, owned by the Duluth, St. Cloud, Glencoe & Mankato Railway Company, the Capital Stock of which was acquired by this Company in 1906, are included in this report.

A line of road of about twelve miles has been constructed from a point near Glenham, South Dakota, to Mobridge, South Dakota, the point of connection with a line of railway now under construction to Seattle, Tacoma and other Puget Sound points. The line from a point near Glenham to Evarts will be abandoned.

The Company has become the owner, by purchase from the Pittsburg, Cincinnati, Chicago & St. Louis Railway Company, of one-half interest in certain property between Western Avenue and Canal Street, in the City of Chicago, a distance of about two and one-half miles, with main and second tracks thereon, the larger portion of which has been elevated, thereby abolishing grade crossings, at a cost of \$463,165.57.

The second main track on the River Division, from River Junction to Richmond, Minnesota, and from Lake City to Wabasha, Minnesota, a total distance of about twenty-two and one-half miles, which was under construction at the close of last year, has been completed.

There has been expended during the year for reduction of grades and improvement of alignment at sundry points the sum of \$496,850.61, 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 \$206,710.61, as follows:

Milwaukee	\$171,767 53
Dubuque	14,468 13
Minneapolis	11,794 76
Savanna	8,680 19

Of this amount \$172,520.73 has been charged to Capital Account, and \$34,189.88 to Renewal and Improvement Fund.

ROLLING STOCK.

At the close of the fiscal year ending June 30th, 1907, there was at the credit of Equipment Replacement Fund the sum of \$1,990,060.00, being the cost of replacement of 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.

These cars, with sixty-four small flat cars unfit for service at the close of last year, have been replaced with sixty-four dump cars and one thousand seven hundred and twenty-one box cars built at the Company's shops.

During the present year four hundred and twenty-one cars of various classes were destroyed by wreck or fire, sold or taken down on account of small capacity, viz.:

1 Sleeping Car	12 Caboose Cars	3 Ballast Unloaders
4 Baggage Cars	4 Ballast Cars	3 Tool Cars
202 Box Cars	1 Ore Car	3 Cable Stretchers
55 Stock Cars	1 Pile Driver	1 Slope Leveler
121 Flat Cars	1 Derrick Car	2 Steam Shovels
7 Refrigerator Cars		

The proportion of the original cost of these cars that is chargeable to the expenses of this year, with the value of the salvage and the amount received from sales, together with a certain percentage of the total cost of equipment, has been credited to the Replacement Accounts of Locomotives, Passenger Train Cars, Freight Train Cars and Work Train Cars.

To these accounts there has been charged the cost of the following locomotives and cars purchased or built during the year, viz.:

20 Locomotives	\$179,949 76
15 Passenger Cars	127,006 62
278 Box Cars	321,617 93
105 Caboose Cars	83,120 06
69 Dump Cars	26,310 38
4 Pile Drivers	26,908 92
1 Derrick Car	2,305 79
	<u>\$767,219 46</u>

The balance standing at the credit of the several Replacement Accounts at the close of the year is \$247,157.85, as shown on page 21 of this report.

CAPITAL EXPENDITURES.

Additional Locomotives and Cars	\$1,970,532 60
Construction of Sundry Lines	1,434,680 72
Construction of Second Main Track	279,901 03
Other Additions and Betterments	2,982,106 41
	<u>\$6,667,220 76</u>
Sundry Credits	90,214 72
Total as shown by detailed statement on page 28 of this report	<u>\$6,577,006 04</u>

RENEWAL AND IMPROVEMENT FUND.

Amount Credited to Renewal and Improvement Fund, to June 30th, 1908	\$11,426,758 23
Interest received on balances	1,096,003 76
Total	<u>\$12,522,761 99</u>

Expenditures:

Elevation of Tracks in Chicago:

Chicago & Milwaukee Division	\$1,380,990 26
Chicago & Evanston Division	3,285 21
Chicago & Council Bluffs Division in Illinois	566,252 49
	<u>\$1,950,527 96</u>
Improvements at Western Avenue, Chicago	232,774 94
Transfer House and Tracks at Galewood, Ill.	55,029 52
Third and Fourth Main Tracks: Chicago & Milwaukee Division	145,224 45

Reducing Grade and Improving Line:

La Crosse Division	1,207,260 06
Chicago & Council Bluffs Division in Iowa	2,537,547 66
River Division	536,325 30
Iowa & Minnesota Division	266,031 29
Chicago & Milwaukee Division	36,249 09
Dubuque Division	1,000 00
Hastings & Dakota Division	4,409 70
James River Division	62,173 29
	<u>4,650,996 39</u>
Carried forward	<u>\$7,034,553 26</u>

RENEWAL AND IMPROVEMENT FUND—CONTINUED.

Brought forward	\$7,034,553 26
Escanaba Docks and Terminal Facilities.....	1,277,611 66
Change of Line, Redfield, South Dakota.....	24,729 48
Change of Line, Oakwood, Wisconsin	146,484 76
Change of Line, Portage, Wisconsin	17,635 01
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	115,159 71
New Yard and Structures at Laredo, Missouri	57,788 96
New Subway, Fond du Lac Ave., Milwaukee ..	39,426 95
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.....	218,063 39
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.....	112,851 20
Replacement of Sixth Street Viaduct, Mil- waukee, Wisconsin.....	107,708 49
Replacement of First Avenue Viaduct, Mil- waukee, Wisconsin	71,138 97
Replacement of Bridge over Kinnickinnick River, at Stowell, Wisconsin	28,368 94
Improvements at Milwaukee Shops.....	340,134 87
Improvements at Dubuque Shops.....	9,380 65
Total Expenditure.....	\$10,990,707 06
Unexpended Balance, June 30th, 1908.....	\$1,532,054 93

CAPITAL STOCK.

At the close of the last fiscal year the share capital of the Company amounted to \$132,992,300, and consisted of \$49,808,400 of preferred stock and \$83,183,900 of common stock.

It has been increased during this fiscal year by \$138,000 of preferred stock, issued in exchange for the same amount of convertible bonds canceled, and \$30,000 of preferred stock, and \$194,000 of common stock sold during the year.

The total amount of capital stock at the close of the year is \$133,354,300.

The amount of capital stock per mile of road is \$18,264.41.

FUNDED DEBT.

At the close of the last fiscal year the funded debt of the Company was \$125,817,500.

It has been increased during this fiscal year by the issue of \$325,000 of General Mortgage Bonds, and it has been decreased \$463,000 by underlying bonds retired and canceled, as shown on page 22 of this report.

The amount of bonds at the close of the fiscal year ending June 30th, 1908, is \$125,679,500, which includes bonds in the treasury or due from trustees amounting to \$8,601,000.

The amount of funded debt per mile of road is \$17,213.26, on which the interest charge per mile of road is \$809.34.

The total capitalization of the Company per mile of road is \$35,477.67.

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 \$8,276,000.

This has been increased during this fiscal year by \$325,000 General Mortgage Bonds received for underlying bonds paid and canceled.

Bonds in the treasury or due from trustees, June 30th, 1908, amount to \$8,601,000, as shown on page 21 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, 1907.....	\$81,846 68	
Receipts during the year:		
Premiums	\$161,191 61	
Income from Investment of Guaranty Fund.....	67,555 04	
Losses paid by reinsurance.....	67,302 17	
Interest on Cash on deposit.....	1,904 81	297,953 63
		<u>\$379,800 31</u>

Payments during the year:

Losses	\$133,136 03	
Expenses	4,263 13	
Reinsurance	27,363 62	
Purchase of bonds and stock	181,654 58	346,417 36
Cash on hand, June 30th, 1908		<u>\$33,382 95</u>

The Guaranty Fund, June 30th, 1908, is \$1,712,474.58, an increase of \$181,654.58 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, Mil. & St. Paul R'y Co. Preferred Stock..	83,965 00	
Chicago, Mil. & St. Paul R'y Co. Common Stock..	4,250 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	
Pennsylvania R. R. Co. 4% Bonds.....	75,000 00	
Par value of Bonds and Stock.....		<u>\$1,660,215 00</u>
Amount of annual interest and dividends on same..		<u>\$73,416 75</u>

OPERATING REVENUES.

Under a new system of accounts, instituted July 1, 1907, certain revenues and expenditures, which would formerly have entered into the Earnings and Expense Accounts, have been charged or credited to Income Account since that date, and an accurate comparison therefore cannot be made.

The following is a general summary of the Earnings and Expense Accounts:

	YEAR ENDING JUNE 30, 1907	YEAR ENDING JUNE 30, 1908
GROSS EARNINGS.....	\$60,548,554 45	
OPERATING REVENUES		\$56,932,620 50
Revenue included in Gross Earnings or credited to Expense Accounts prior to July 1, 1907, included in other accounts since that date, viz.:		
Sleeping Car Earnings	\$532,040 18	
Parlor Car Earnings	56,969 52	
Elevator Earnings	28,205 11	
Receipts from Dining Cars.....	334,659 52	951,874 33
Miscellaneous Revenue.....		72,014 67
Total	<u>\$60,548,554 45</u>	<u>\$57,956,509 50</u>
Operating Expenses.....	\$39,400,410 14	\$37,163,368 43
Expenses included in Operating Expenses prior to July 1, 1907, charged to other accounts since that date, viz.:		
Sleeping Car Expenses	\$170,353 20	
Parlor Car Expenses	15,957 11	
Elevator Expenses.....	40,761 09	
Dining Car Expenses.....	350,847 50	577,918 90
Rents paid	425,776 19	
Rents received.....	225,826 30	199,949 80
Hire of Equipment.....		268,929 63
Total	<u>\$39,400,410 14</u>	<u>\$38,210,166 87</u>
Balance	<u>\$21,148,144 31</u>	<u>\$19,746,462 63</u>
Taxes	2,286,096 67	2,304,962 40
Balance of Earnings	<u>\$18,862,047 64</u>	<u>\$17,441,500 23</u>
Decrease		<u>\$1,420,547 41</u>

The total Operating Revenues for the year were \$56,932,-620.50, a decrease of \$3,615,933.95 as compared with the Gross Earnings of the previous year.

The revenue from freight traffic was \$40,426,879.64—71.01 % of total revenue—a decrease of \$3,688,179.52, or 8.36 %.

The number of tons of freight carried was 26,189,853—a decrease of 2,406,188 tons, or 8.41 %.

The following classes of commodities show a decrease from the previous year: Products of Agriculture, 830,545 tons; Products of Mines, 1,043,330 tons; Products of Forests, 403,988 tons; and Manufactures, 254,129 tons. There was an increase in Products of Animals of 29,180 tons, and Commodities not specified, of 96,624 tons.

The number of tons of all agricultural products carried during the year was 5,640,370 tons—a decrease compared with the previous year of 830,545 tons, or 12.84 %. Agricultural products comprised 21.54 % of the total tonnage carried, as compared with 22.63 % of the total tonnage of last year.

The number of tons of commodities other than agricultural products carried during the year was 20,549,483 tons—a decrease compared with the previous year of 1,575,643 tons, or 7.12 %—the per cent of the total being 78.46 % against 77.37 % last year.

The number of tons of revenue freight carried one mile was 4,930,486,243—a decrease of 175,175,988, or 3.40 %. The revenue per ton per mile was .8117 cents—a decrease of .0440 cents, or 5.14 %. The average miles each ton of revenue freight was carried was 190.17 miles—an increase of 9.88 miles, or 5.48 %.

The number of tons of revenue freight carried per loaded car was 14.837 against 14.728 last year—an increase of .74 %. The number of tons of revenue freight per freight and mixed train mile was 273.59, against 278.67 last year—a decrease of 1.82 %. The revenue from freight per freight and mixed train mile was \$2.2208, as against \$2.3845 last year—a decrease of 6.87 %.

The revenue from passenger traffic during the year was \$11,883,394.66—20.87 % of the total revenue—a decrease of \$218,801.56 compared with the previous year, or 1.81 %. The number of passengers carried was 14,234,127—an increase of 1,987,649, or 16.23 %. The number of passengers carried one mile was 619,468,248—an increase of 69,870,261, or 12.71 %; the revenue per passenger per mile was 1.918 cents—a decrease of .284 cent, or 12.90 %; the average miles each passenger was carried was 43.52 miles—a decrease of 1.36 miles, or 3.03 %.

OPERATING EXPENSES.

The operating expenses for the year, excluding taxes, under the new system of accounts instituted July 1st, 1907, were \$37,163,368.43, a decrease of \$2,237,041.71 as compared with the report of the previous year.

A comparison of the Operating Expenses under general heads, as nearly accurate as it can be made, with the change in the system of accounts referred to above, shows the following results:

Maintenance of Way and Structures	Increase,	\$811,852 71
Maintenance of Equipment	Decrease,	1,550,486 82
Traffic and Transportation Expenses	Decrease,	140,217 73
General Expenses	Decrease,	411,821 90
Additions and Betterments	Decrease,	946,867 97

The increase in Maintenance of Way and Structures is principally due to the increased expenditures for renewal of ties and rails, 499,974 ties and 9,941 tons of rails having been placed in track during this year in excess of the quantities used during the previous year.

The decrease in Maintenance of Equipment is due to the charging to Operating Expenses of the previous year the cost of replacing of seventeen hundred and nineteen old cars of small capacity, unfit for economical service.

There was an increase in Traffic and Transportation Expenses due to the increase in rates of wages paid to several classes of employees. In some instances increases were made during the previous year, but the expenses of only a part of that year were increased thereby, while for the present year the increases have prevailed for the entire period. Other expenditures under this head have been reduced.

"Additions and Betterments" in the report of last year represents the additional weight of rails laid in track, and the cost of Bridges, Buildings and other structures in excess of their original cost. Under the present system of accounts, expenditures of this nature are not charged to Operating Expenses.

The property has been operated with due economy with reference to the prevailing depression and the reduced earnings resulting therefrom, but it has not been thought to be true

economy to permit the property to deteriorate, and it has therefore been maintained at the usual high standard of efficiency.

During the year 31 steel bridges, aggregating 4,783 feet in length, were built—replacing 3,486 feet of wooden bridges, 813 feet of iron bridges and 484 feet of embankment; and 286 wooden culverts were replaced with iron. About .83 miles of pile bridges were filled with earth, 37 bridges having been completely filled and 24 reduced in length by filling.

The construction of the line of railway from the Missouri River to Seattle, Tacoma and other Puget Sound points by companies organized under the laws of South Dakota, Montana, Idaho and Washington, to which reference was made in the previous report, has progressed rapidly during the past year, and since the close of the year track-laying has been completed from the Missouri River to Butte, Montana. The work of putting this portion of the line in condition for regular traffic is under way, and it is expected that a considerable volume of business will be interchanged between the lines of your Company and the line of the Western Companies in the near future. Of the remaining six hundred and fifty miles, track-laying has been completed on about two hundred and fifty miles in the states of Montana, Idaho and Washington.

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, 1908.

To the President:

Herewith are submitted the General Accounts of the Company for the fiscal year ending June 30th, 1908, and the Statements of Operation for the same period.

W. N. D. WINNE,
General Auditor

STATEMENT OF INCOME ACCOUNT, JUNE 30TH, 1908.

Credit Balance, June 30th, 1907			\$38,862,461 01
Amount credited to Sinking Funds in 1895 and 1896, not used			510,270 00
Operating Revenues for the year ending June 30th, 1908		\$50,932,620 50	
Operating Expenses, excluding Taxes	\$37,163,368 43		
Taxes	2,304,962 40		
Operating Expenses, including Taxes		39,468,330 83	
Operating Income		17,464,289 67	
Income from other sources		1,052,662 23	18,516,951 90
			\$57,889,682 91
Hire of Equipment		\$268,929 65	
Rents paid		425,776 19	
		\$694,705 84	
Rents received	\$225,826 30		
Net revenue from operation of Sleeping, Parlor and Dining Cars and Elevators	373,955 43		
Miscellaneous Income	72,014 67	671,796 40	
			22,909 44
Interest accrued during the year on Funded Debt		5,916,760 00	
Dividend payable October 3d, 1907:			
3½% on \$49,838,400—Preferred Stock	\$1,744,344 00		
3½% on \$83,107,100—Common Stock	2,908,748 50	4,653,092 50	
Dividend payable April 20th, 1908:			
3½% on \$49,831,400—Preferred Stock	\$1,746,199 00		
3½% on \$83,107,100—Common Stock	2,908,748 50	4,654,947 50	15,247,709 44
Credit Balance, June 30th, 1908			\$42,641,973 47

GENERAL ACCOUNT, JUNE 30TH, 1908.

Cr.

Road and Equipment		\$264,860,733 05	Capital Stock—Preferred	\$49,976,400 00	
Bonds and Stock of other Companies		20,020,423 05	Capital Stock—Common	83,377,900 00	\$133,354,300 00
New England Trust Co.—Bonds held in Trust for Dubuque Division Sinking Fund	338,000 00		Funded Debt		125,679,500 00
Farmers' Loan & Trust Co.—Cash held in Special Trust for Dubuque Division and Wisconsin Valley Division Sinking Funds	69,577 24	407,577 24	Subscriptions to Capital Stock	406,893 43	65,179,005 85
United States Trust Co., Trustee		63,000 00	Dubuque Division Sinking Fund	683 81	407,577 24
General Mortgage Bonds, unsold, held in the Treasury of the Company and due from Trustees	7,512,000 00		Wisconsin Valley Division Sinking Fund		1,532,054 93
Milwaukee & Northern R. R. Co. 6% Consolidated Mortgage Bonds, unsold, held in the Treasury of this Company	1,089,000 00		Renewal and Improvement Fund		247,157 85
Common Stock of the Company unsold, held in its Treasury	270,800 00	8,871,800 00	Equipment Replacement Fund	5,408,563 84	
Stock of Material and Fuel		6,325,634 07	Pay Rolls and Vouchers	407,255 59	
Insurance Department		10,000 00	Due Transportation Companies	1,430,010 31	
Renewal and Improvement Fund—			Miscellaneous Balances	40,173 00	
United States Trust Co., New York	813,108 83		Dividends Unclaimed	37,252 50	
Union Trust Co., New York	718,946 11	1,532,054 93	Interest Coupons not presented	2,695,542 50	10,018,797 54
Bills Receivable	61,060,368 80		Interest Accrued, not yet payable		42,641,973 47
Advances to other Companies	2,554,355 18		Income Account		
Due from Agents and Conductors	1,688,246 08				
Due from Transportation Companies	1,193,233 40				
Miscellaneous Balances	1,429,937 15				
Due from United States Government	424,786 11				
Due from Trust Companies—Expenditures from Renewal and Improvement Fund during May and June, 1908	224,667 47				
Cash on hand	8,393,550 38	76,969,144 57			
		\$379,060,366 91			\$379,060,366 91

CAPITAL STOCK, JUNE 30TH, 1908.

Amount of Preferred Stock, June 30th, 1907....	\$49,808,400 00
Amount of Common Stock, June 30th, 1907....	82,183,990 00
Total Capital Stock, June 30th, 1907....	\$132,992,390 00
Preferred Stock issued during the year in exchange for Iowa & Dakota Division Extension Bonds	138,000 00
Preferred Stock sold.....	30,000 00
Common Stock sold.....	194,000 00
Total Capital Stock, June 30th, 1908....	\$133,354,390 00

FUNDED DEBT, JUNE 30TH, 1908.

Total Funded Debt, June 30th, 1907, including all liens on purchased roads	\$125,817,500 00
General Mortgage Bonds issued for underlying bonds retired and canceled	325,000 00
	\$126,142,500 00
Deduct:	
Bonds, retired and canceled as follows:	
Dubuque Division.....	251,000 00
Wisconsin Valley Division	74,000 00
Bonds received in exchange for Preferred Stock and canceled:	
Iowa & Dakota Division Extension.....	138,000 00
Total Funded Debt, June 30th, 1908....	\$125,679,500 00
Of the total amount of bonds as stated above, there remain in the Treasury unsold and due from Trustees	\$8,601,000 00

FUNDED DEBT, JUNE 30TH, 1908.

DESCRIPTION OF BONDS.	DATE OF MATURITY.	INTEREST.				AMOUNT OF BONDS.
		RATE.	PAYABLE.	ACCRUED DURING THE YEAR.	PAID DURING THE YEAR.	
Iowa & Dakota Division Extension	July 1, 1908	7 %	Jan'y and July	\$14,840 00	\$14,815 00	\$212,000 00
Southwestern Division	July 1, 1909	6 "	" " "	240,000 00	240,480 00	4,000,000 00
Hastings & Dakota Division Extension ..	Jan'y 1, 1910	7 "	" " "	397,600 00	397,110 00	5,680,000 00
Hastings & Dakota Division Extension ..	Jan'y 1, 1910	5 "	" " "	49,500 00	49,475 00	990,000 00
Chicago & Pacific Division.....	Jan'y 1, 1910	6 "	" " "	180,000 00	180,810 00	3,000,000 00
Southern Minnesota Division	Jan'y 1, 1910	6 "	" " "	445,920 00	450,300 00	7,433,000 00
Mineral Point Division	July 1, 1910	5 "	" " "	142,000 00	142,575 00	2,840,000 00
Terminal Mortgage	July 1, 1914	5 "	" " "	237,400 00	237,800 00	4,748,000 00
La Crosse & Davenport Division	July 1, 1919	5 "	" " "	125,000 00	125,000 00	2,500,000 00
Dubuque Division	July 1, 1920	6 "	" " "	302,940 00	302,610 00	5,049,000 00
Wisconsin Valley Division	July 1, 1920	6 "	" " "	115,680 00	115,820 00	1,928,000 00
Chicago & Pacific Western Division	Jan'y 1, 1921	5 "	" " "	1,267,000 00	1,267,025 00	25,340,000 00
Wisconsin & Minnesota Division	July 1, 1921	5 "	" " "	237,750 00	238,050 00	4,755,000 00
Chicago & Lake Superior Division	July 1, 1921	5 "	" " "	68,000 00	67,975 00	1,360,000 00
Chicago & Missouri River Division	July 1, 1926	5 "	" " "	154,150 00	153,975 00	3,083,000 00
General Mortgage.....	May 1, 1989	4 "	" " "	1,254,120 00	954,700 00	31,853,000 00
General Mortgage.....	May 1, 1989	3 1/2 "	" " "	313,250 00	313,582 50	8,950,000 00
Wisconsin Valley R. R. Co.	Jan'y 1, 1909	7 "	" " "	77,455 00	77,052 50	1,106,500 00
Mil. & Northern R. R. Co. 1st Mortgage ..	June 1, 1910	6 "	June and Dec.	129,300 00	129,720 00	2,155,000 00
Mil. & Northern R. R. Co. Consolidated ..	June 1, 1913	6 "	" " "	305,520 00	239,970 00	5,092,000 00
Dakota & Great Southern R'y Co.	Jan'y 1, 1916	5 "	Jan'y and July	142,800 00	143,350 00	2,856,000 00
Fargo & Southern R'y Co.	Jan'y 1, 1924	6 "	" " "	75,000 00	74,940 00	1,250,000 00
Interest on bonds retired				7,475 00	22,055 00	
				\$6,282,700 00		
Less amount of interest on bonds in the treasury of the Company and in hands of Trustees—not payable—included above ..				865,940 00		
Total.....				\$5,916,760 00	\$5,937,690 00	\$125,679,500 00

DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES

FOR THE YEAR ENDING JUNE 30TH, 1908

OPERATING REVENUES

	1908
Freight Revenue	\$40,426,879 64
Passenger Revenue	11,883,394 66
All other Revenue from Transportation	4,213,791 58
Revenue from Operations other than Transportation	408,554 02
Total Operating Revenues	\$56,932,620 50

OPERATING EXPENSES

MAINTENANCE OF WAY AND STRUCTURES	
Superintendence	\$327,451 10
Ballast	36,896 18
Ties	947,801 50
Rails	336,238 69
Other Track Material	450,344 20
Roadway and Track	2,300,204 01
Removal of Snow, Sand and Ice	155,433 65
Bridges, Trestles and Culverts	663,835 72
Over and Under Grade Crossings	14,914 18
Grade Crossings, Fences, Cattle Guards and Signs	151,301 05
Snow and Sand Fences and Snow Sheds	19,281 03
Signals and Interlocking Plants	84,082 92
Telegraph and Telephone Lines	52,052 75
Buildings, Fixtures and Grounds	526,488 01
Docks and Wharves	55,976 23
Roadway Tools and Supplies	121,729 16
Work Equipment—Repairs	65,309 63
Work Equipment—Renewals	14,499 95
Work Equipment—Depreciation	8,521 10
Injuries to Persons	64,759 89
Stationery and Printing	9,007 03
Insurance	102,901 51
Other Expenses	736 10
Maintaining Joint Tracks, etc.—Dr	209,107 98
Maintaining Joint Tracks, etc.—Cr	71,102 73
TOTAL—Maintenance of Way and Structures	\$6,642,820 34

MAINTENANCE OF EQUIPMENT	
Superintendence	\$130,276 13
Steam Locomotives—Repairs	2,246,478 97
Steam Locomotives—Depreciation	180,678 55
Passenger Train Cars—Repairs	548,069 87
Passenger Train Cars—Renewals	14,177 34
Passenger Train Cars—Depreciation	105,187 25
Freight Train Cars—Repairs	2,881,654 82
Freight Train Cars—Renewals	84,173 74
Freight Train Cars—Depreciation	434,141 76
Shop Machinery and Tools	184,104 58
Injuries to Persons	23,296 84
Stationery and Printing	13,587 28
Insurance	48,172 37
Other Expenses	1,829 77
Maintaining Joint Equipment at Terminals—Dr	34,509 59
Equipment Borrowed—Dr	808,809 93
Maintaining Joint Equipment at Terminals—Cr	1,971 99
Equipment Loaned—Cr	697,936 54
TOTAL—Maintenance of Equipment	\$7,039,270 26

OPERATING EXPENSES—CONTINUED

TRAFFIC EXPENSES		1908
Superintendence		\$242,749 66
Outside Agencies		535,355 74
Advertising		334,085 54
Traffic Associations		28,981 25
Industrial and Immigration Bureaus		7,404 53
Stationery and Printing		81,149 78
Other Expenses		1,956 53
TOTAL—Traffic Expenses		\$1,281,683 01

TRANSPORTATION EXPENSES		1908
Superintendence		\$325,568 45
Dispatching Trains		296,780 80
Station Employees		3,040,891 49
Weighing and Car-Service Associations		83,833 47
Coal and Ore Docks		25,791 52
Station Supplies and Expenses		210,548 80
Yardmasters and their Clerks		174,732 16
Yard Conductors and Brakemen		1,237,507 11
Yard Switch and Signal Tenders		100,301 80
Yard Supplies and Expenses		11,910 20
Yard Enginemen		710,442 50
Enginehouse Expenses—Yard		189,703 40
Fuel for Yard Locomotives		648,963 06
Water for Yard Locomotives		32,673 30
Lubricants for Yard Locomotives		8,145 31
Other Supplies for Yard Locomotives		14,124 02
Operating Joint Yards and Terminals—Dr		515,942 66
Operating Joint Yards and Terminals—Cr		150,784 58
Road Enginemen		2,617,197 27
Enginehouse Expenses—Road		723,172 15
Fuel for Road Locomotives		4,772,344 39
Water for Road Locomotives		184,447 12
Lubricants for Road Locomotives		76,823 25
Other Supplies for Road Locomotives		79,498 98
Road Trainmen		2,846,152 46
Train Supplies and Expenses		653,413 27
Interlockers, Block and Other Signals—Operation		118,235 68
Crossing Flagmen and Gatemen		179,482 57
Drawbridge Operation		33,516 91
Clearing Wrecks		68,160 89
Telegraph and Telephone—Operation		39,395 79
Stationery and Printing		152,131 69
Insurance		14,018 35
Other Expenses		29,781 48
Loss and Damage—Freight		742,067 25
Loss and Damage—Baggage		6,495 19
Damage to Property		61,436 49
Damage to Stock on Right of Way		22,991 69
Injuries to Persons		438,222 51
Operating Joint Tracks—Dr		44,069 39
Operating Joint Tracks—Cr		18,563 43
TOTAL—Transportation Expenses		\$21,360,567 41

GENERAL EXPENSES		1908
Salaries and Expenses of General Officers		\$172,006 72
Salaries and Expenses of Clerks and Attendants		354,312 79
General Office Supplies and Expenses		45,485 45
Law Expenses		177,754 74
Stationery and Printing		40,929 57
Other Expenses		23,502 16
General Administration Joint Tracks, Yards, etc.—Dr		16,279 61
General Administration Joint Tracks, Yards, etc.—Cr		753 09
TOTAL—General Expenses		\$839,027 41
TOTAL—Operating Expenses		\$37,163,368 43
Net Operating Revenues		\$19,769,252 07

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES

FOR THE YEARS ENDING JUNE 30TH, 1907 AND 1908.

OPERATING REVENUES.

	1907		1908	
	AMOUNT	PER CENT	AMOUNT	PER CENT
Freight	\$44,115,059 16	72.86	\$40,426,879 64	71.01
Passenger	12,102,196 22	19.99	11,883,394 66	20.87
Mails, Express, etc.	4,331,299 07	7.15	4,622,346 20	8.12
Operating Revenues	\$60,548,554 45	100.00	\$56,932,620 50	100.00

OPERATING EXPENSES.

Maintenance of Way and Structures	\$5,830,967 63	9.63	\$6,642,820 34	11.65
Maintenance of Equipment	8,589,757 08	14.19	7,039,270 26	12.36
Traffic Expenses			1,281,688 01	2.25
Conducting Transportation	22,782,468 15	37.63		
Transportation Expenses			21,360,567 41	37.55
General Expenses	1,250,349 31	2.06	839,027 41	1.47
Additions to Property	946,867 97	1.56		
Operating Expenses, excluding Taxes	\$39,400,410 14	65.07	\$37,163,368 43	65.28

RECAPITULATION.

Operating Revenues	\$60,548,554 45	100.00	\$56,932,620 50	100.00
Operating Expenses, excluding Taxes	39,400,410 14	65.07	37,163,368 43	65.28
Net Operating Revenues	\$21,148,144 31	34.93	\$19,769,252 07	34.72
Average miles in operation during the year, including miles of main track used under contracts	7,266.84		7,499.23	

COMPARATIVE SUMMARY OF OPERATION

FOR THE YEARS ENDING JUNE 30TH, 1907 AND 1908.

	1907	1908	DECREASE
Operating Revenues	\$60,548,554 45	\$56,932,620 50	\$3,615,933 95
Operating Expenses, excluding Taxes	39,400,410 14	37,163,368 43	2,237,041 71
Net Operating Revenues	\$21,148,144 31	\$19,769,252 07	\$1,378,892 24
Freight Revenues per mile	\$6,070 75	\$5,390 80	\$679 93
Passenger and Miscellaneous Revenues per mile	2,261 44	2,200 99	60 45
Operating Revenues per mile	\$8,332 17	\$7,591 79	\$740 38
Operating Expenses, excluding Taxes, per mile	5,421 95	4,955 63	466 33
Net Operating Revenues per mile	\$2,910 22	\$2,636 17	\$274 05
Average miles in operation during the year, including miles of main track used under contracts	7,266.84	7,499.23	Increase 232.39

EXPENDITURES CHARGED TO CAPITAL ACCOUNTS

DURING THE YEAR ENDING JUNE 30TH, 1908.

Equipment:

110 Locomotives.....	\$1,750,201 25
3 Dining Cars.....	52,372 81
10 Passenger Cars.....	76,000 00
6 Postal Cars.....	33,060 06
5 Baggage, Mail and Express Cars.....	25,788 10
2 Pile Drivers.....	13,454 48
Work Equipment.....	3,720 86
Additional cost of equipment purchased and built last year.....	15,934 44
	<u>\$1,970,532 60</u>
Construction of Line—Chamberlain to Rapid City, South Dakota.....	590,256 22
Construction of Line—Albert Lea to St. Clair, Minn.....	592,417 91
Completion of Sundry Lines.....	252,006 59
Construction of Second Main Track.....	279,901 03
Additions and Improvements to Shops.....	173,520 73
Track and Bridge, Ontonagon, Mich.....	74,096 00
Tomah Frog Shop.....	101,226 81
Galewood Yard and Structures.....	73,104 06
Chicago Terminals.....	463,165 57
Stock Feeding Yards, Montevideo, Minn.....	21,586 08
General Office Building, Chicago.....	147,511 90
Yard Tracks, Sidings and Spur Tracks.....	679,600 14
Ballast.....	79,163 78
Interlocking and Automatic Signals.....	50,203 73
Fences.....	4,399 48
Bridges.....	392,423 45
Increased Weight of Rail.....	211,457 65
Roundhouses, Fuel and Water Stations, etc.....	284,706 77
Station Buildings, Platforms, Sidewalks, etc.....	162,530 90
Telegraph and Telephone Lines.....	41,159 06
Miscellaneous.....	23,250 30
	<u>\$6,667,220 76</u>
Credit—Property sold, buildings destroyed, etc.....	90,214 72
	<u>\$6,577,006 04</u>
Road and Equipment, June 30, 1907.....	\$259,148,727 01
Less—Stock of Other Companies.....	865,000 00
	<u>258,283,727 01</u>
Road and Equipment, June 30, 1908.....	<u>\$264,860,733 05</u>

TRANSPORTATION STATISTICS

FOR THE YEARS ENDING JUNE 30TH, 1907 AND 1908.

	1907	1908
Miles run by freight trains.....	17,110,405	16,715,119
Miles run by passenger trains.....	12,194,535	11,980,088
Miles run by mixed trains.....	1,300,430	1,488,921
Total miles run by revenue trains.....	30,605,370	30,184,128
Miles run by loaded freight cars.....	350,065,186	335,685,027
Miles run by empty freight cars.....	116,344,334	128,917,870
Tons of revenue freight carried.....	28,596,041	26,189,853
Tons of revenue freight carried one mile.....	5,155,662,231	4,980,486,243
Tons of Company freight carried one mile.....	742,092,422	776,949,058
Tons of revenue freight per freight and mixed train mile.....	278.67	278.59
Tons of Company freight per freight and mixed train mile.....	40.11	42.63
Total tons of freight per freight and mixed train mile.....	318.78	316.27
Average revenue per ton of revenue freight per mile.....	.8557 cts.	.9117 cts.
Average distance haul per ton of revenue freight.....	180.29	190.17
Average amount received per ton of revenue freight.....	\$1.5427	\$1.5436
Average revenue from freight per freight and mixed train mile.....	\$2.3845	\$2.2208
Tons of revenue freight per loaded car.....	14.728	14.837
Tons of Company freight per loaded car.....	2.120	2.314
Total tons of freight per loaded car.....	16.848	17.151
Average number of loaded freight cars per train.....	18.922	18.440
Average number of empty freight cars per train.....	6.269	7.082
Average number of freight cars per train.....	25.211	25.522
Passengers carried.....	12,246,478	14,234,127
Passengers carried one mile.....	549,597,937	619,468,248
Passengers carried per passenger and mixed train mile.....	40.46	45.99
Average revenue per passenger per mile.....	2.202 cts.	1.918 cts.
Average distance each passenger was carried.....	44.88	43.52
Average amount received per passenger.....	98.82 cts.	83.49 cts.
Average revenue from passengers per passenger and mixed train mile.....	89.09 cts.	83.23 cts.
Operating Expenses, excluding taxes, per revenue train mile.....	\$1.2836	\$1.2312

STATEMENT OF COMMODITIES TRANSPORTED

DURING THE YEARS ENDING JUNE 30TH, 1907 AND 1908.

COMMODITIES	1907		1908	
	Tons	Per Cent	Tons	Per Cent
PRODUCTS OF AGRICULTURE:				
Flour.....	712,245	2.491	818,482	3.125
Other Mill Products.....	524,015	1.832	370,860	1.416
Wheat.....	1,414,931	4.948	1,276,735	4.875
Rye.....	87,834	.307	69,312	.265
Barley.....	956,724	3.346	713,415	2.724
Oats.....	1,033,389	3.614	778,519	2.973
Corn.....	703,893	2.461	693,876	2.649
Flax Seed.....	167,779	.587	101,056	.386
Hay.....	202,857	.709	182,442	.697
Fruit and Vegetables.....	388,318	1.358	256,995	.981
Other Agricultural Products.....	278,925	.975	378,072	1.446
	6,470,915	22.028	5,640,370	21.537
PRODUCTS OF ANIMALS:				
Live Stock.....	1,148,863	4.018	1,196,676	4.569
Dressed Meats.....	312,762	1.094	353,181	1.349
Other Packing House Products.....	115,613	.404	94,012	.359
Other Animal Products.....	199,014	.696	161,562	.617
	1,776,251	6.213	1,805,431	6.894
PRODUCTS OF MINES:				
Anthracite Coal.....	893,416	3.124	834,521	3.186
Bituminous Coal.....	3,001,088	10.495	3,043,083	11.619
Coke.....	633,407	2.215	523,608	2.000
Iron and other Ores.....	2,473,406	8.649	1,574,319	6.010
Stone, Sand, etc.....	1,386,435	4.848	1,390,651	5.310
Salt.....	124,478	.435	102,818	.393
	8,512,230	29.766	7,468,900	28.518
PRODUCTS OF FOREST:				
Lumber, Lath and Shingles.....	2,171,083	7.592	1,649,425	6.398
Sash, Doors and Blinds.....	74,405	.260	37,479	.143
Other Forest Products.....	1,548,660	5.416	1,703,256	6.503
	3,794,148	13.268	3,390,160	12.944
MANUFACTURES:				
Petroleum and other Oils.....	297,567	1.041	286,729	1.095
Iron and Steel.....	1,355,861	4.741	901,661	3.442
Castings and Machinery.....	360,823	1.262	201,232	.768
Agricultural Implements.....	170,961	.593	136,902	.523
Wagons, Carriages, Tools, etc.....	88,815	.311	61,173	.234
Lime, Cement and Plaster.....	382,967	1.339	459,544	1.755
Brick.....	470,933	1.647	543,963	2.096
Wines, Liquors and Beers.....	518,115	1.812	699,362	2.670
Household Goods and Furniture.....	138,230	.483	130,449	.498
Paper.....	184,050	.644	158,010	.603
Other Manufactures.....	803,055	2.826	938,223	3.583
	4,776,377	16.704	4,522,248	17.267
COMMODITIES NOT SPECIFIED:				
	3,266,120	11.422	3,362,744	12.840
Total	28,596,041	100.000	26,189,853	100.000

EQUIPMENT, JUNE 30TH, 1908.

STANDARD GAUGE.

Locomotives.....	1,148
Passenger Cars.....	531
Sleeping Cars.....	96
Parlor Cars.....	24
Dining Cars.....	21
Observation Cars.....	6
Baggage, Mail, Express and Combination Cars.....	427
Freight Cars—	
Box Cars.....	29,681
Stock Cars.....	3,569
Flat, Coal and Ore Cars.....	8,957
Refrigerator and Vegetable Cars.....	1,879
Ballast Cars.....	1,472
Caboose Cars.....	619
Wrecking and Tool Cars.....	363
Business Cars.....	15

NARROW GAUGE.

Locomotives.....	3
Passenger Cars.....	3
Baggage, Mail, Express and Combination Cars.....	1
Freight Cars—	
Box Cars.....	41
Stock Cars.....	36
Flat Cars.....	15
Caboose Cars.....	1
Total	48,908

Twelve steam shovels and two rotary snowplows are included in the inventory of equipment which had previously been omitted.

Three locomotives and two caboose cars were acquired with the Wisconsin Western Railroad, and one locomotive, one baggage car and five flat cars were acquired with the Duluth, St. Cloud, Glencoe & Mankato Railway.

PACIFIC

WASHINGTON

PORTLAND

OLYMPIA

TACOMA

SEATTLE

Maple Valley

Easton

Ellensburg

Boverly

River

Othello

SPOKANE

OREGON

S

THOMSON
SCOTT-WHEAT

