1913

FORTY-NINTH ANNUAL REPORT

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

FOR THE

Fiscal Year Ending June 30th, 1913.

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Forty-Ninth Annual Report

of the

Chicago, Milwaukee & St. Paul Railway Company

for the

Fiscal Year Ending June 30th, 1913.

REPORT

OF THE

BOARD OF DIRECTORS

THE
FORTY-NINTH ANNUAL REPORT

OF THE DIRECTORS OF THE

CHICAGO, MILWAUKEE & ST. PAUL
RAILWAY COMPANY

TO THE STOCKHOLDERS

For the Fiscal Year ending June 30th, 1913

The Directors submit to the Stockholders the following report of the operations of the Company for the year ending June 30th, 1913, and of the condition of its property and finances at the close of that year.

The operations for the year show the following results:

Operating Revenues		$94,084,054.69
Operating Expenses		62,883,967.60
Net Operating Revenue		$31,200,087.09
Net Revenue—Outside Operations		174,748.06
Total Net Revenue		$31,374,835.15
Taxes Accrued		3,823,832.52
Operating Income		$27,551,002.63
Interest on Bonds	$154,814.04	
Dividends on Stocks	58,107.00	
Interest on Other Securities, Loans and Accounts	1,886,818.11	
Rents—Received	363,008.02	
Miscellaneous	1,509,792.12	3,972,539.29
Gross Corporate Income		$31,523,541.92
Interest Accrued on Funded Debt	$11,438,141.30	
Hire of Equipment	755,303.97	
Rents—Paid	709,404.04	
Miscellaneous	479,947.66	13,382,796.97
Net Corporate Income		$18,140,744.95

The above figures include the operations for the entire fiscal year, of the lines formerly owned by the Chicago, Milwaukee and Puget Sound Railway Company.

ACQUISITION OF THE PUGET SOUND LINES.

The railway of the Chicago, Milwaukee & Puget Sound Railway Company was constructed as an extension of the lines of railway of this Company. The construction of the main line and branches of that Company having been substantially completed, it was deemed advisable, both on account of economy and efficiency in operation and of convenience to the public, to take over the lines of that Company and make them a part of the St. Paul system.

Accordingly that Company conveyed all of its railway, property and franchises to this Company by deed dated December 24th, 1912, and on the 1st day of January, 1913, this Company went into possession, under that deed, and since that date has operated said lines of railway as part of its system and as the owner thereof.

MILES OF TRACK, JUNE 30TH, 1913.

Owned solely by this Company:		
Main track	9,321.99	
Second main track	666.05	
Third main track	22.27	
Fourth main track	13.11	
Connection tracks	44.42	
Yard tracks, sidings and spur tracks	2,998.63	13,066.47
Owned jointly with other Companies:		
Main track	102.92	
Second main track	5.20	
Third main track	1.94	
Fourth main track	1.93	
Connection tracks	4.98	
Yard tracks, sidings and spur tracks	139.68	256.65
Used by this Company under contracts:		
Main track	285.11	
Second main track	78.36	
Third main track	1.14	364.61
Total miles of track		13,687.73

Average miles of main track in operation during the year:

Owned solely	9,228.73 miles
Owned jointly	101.73 "
Used under contracts	282.36 "
Total average miles operated	9,612.82 miles

MILES OF TRACK—Continued

The lines of road of this Company are located in the following States:

Wisconsin	1,783.05 miles
Illinois	415.04 "
Iowa	1,870.32 "
Minnesota	1,244.90 "
North Dakota	379.95 "
South Dakota	1,795.54 "
Missouri	140.27 "
Michigan	167.04 "
Montana	818.04 "
Idaho	197.31 "
Washington	613.45 "
Total length of main track owned solely and jointly	9,424.91 miles

EQUIPMENT.

During the year one hundred and ninety-nine locomotives and six thousand nine hundred and twenty-seven cars of various classes have been purchased or built as follows:

199	Locomotives	5	Stock Cars—Narrow Gauge
7	Gas-Electric Motor Cars	300	Ore Cars
20	Passenger Cars	500	Refrigerator Cars
25	Sleeping Cars	1000	Ballast Cars
3	Observation Cars	25	Cinder Dump Cars
23	Postal Cars	3	Wrecking Cranes
10	Baggage Cars	3	Gravel Spreaders
2	Pass. and Baggage Cars	1	Russell Snow Plow
500	Auto Carriage Cars	1	Ditching Machine
4487	Box Cars	1	Western Spreader Car
10	Box Cars—Narrow Gauge	1	Derrick Outfit Sleeping Car

During the year fifty-nine locomotives and thirteen hundred and sixty-seven cars of various classes were destroyed by wreck or fire, sold or taken down on account of small capacity, viz.:

59	Locomotives	20	Ore Cars
5	Passenger Cars	21	Refrigerator Cars
5	Mail and Express Cars	5	Vegetable Cars
940	Box Cars	9	Ballast Cars
78	Stock Cars	18	Caboose Cars
180	Flat and Coal Cars	86	Work Train Cars

The original cost of the equipment retired has been credited to Property Investment—Road and Equipment.

PROPERTY INVESTMENT—ROAD AND EQUIPMENT.

Purchase of the Railway, Property, Franchises and Equipment of the Chicago, Milwaukee and Puget Sound Railway Company	$176,560,139.49
Equipment	12,415,269.77
New Branch Lines and Extensions	5,441,240.83
Construction of Second Main Track	12,557,633.07
Construction of Third and Fourth Main Tracks	177,870.55
Reducing Grade and Improving Line	972,209.48
Yard Improvements	2,938,746.24
Shop Improvements	836,726.53
Other Additions and Betterments	5,487,759.89
	$217,387,595.85
Credit—Property retired or converted	172,096.27
Total as shown by detailed statement on page 35 of this report	$217,215,499.58

IMPROVEMENTS AUTHORIZED.

EQUIPMENT

Authority has been given for the purchase or building of additional equipment as follows: 41 Locomotives, 10 Baggage and Mail Cars, 3 Dining Cars, 4,064 Box Cars, 50 Caboose Cars, 300 Cinder Dump Cars, 2 Pile Drivers, 2 Bridge Derrick Cars and 1 Track Scale Test Car.

ADDITIONAL MAIN TRACKS

Construction work has been in active progress during the year on the second main track on the Chicago and Council Bluffs Division in Iowa and on the Hastings and Dakota Division.

On June 30th, 1913, the following new sections of second main track were completed and are now in operation:

CHICAGO AND COUNCIL BLUFFS DIVISION IN IOWA—

Marion to Louisa, Iowa	4.14	miles
Huxley to Madrid, Iowa	10.03	"
	14.17	"

HASTINGS AND DAKOTA DIVISION—

Minneapolis (Hennepin Avenue) to Hopkins, Minn.	6.17	miles
Milbank to Twin Brooks, So. Dak.	6.91	"
Bristol to Aberdeen, So. Dak.	43.80	"
	56.88	"

The work now in progress, when finished in 1914, will complete the second main track from Savanna, Illinois, to Manilla, Iowa, 289 miles, and from Minneapolis, Minnesota, to Aberdeen, South Dakota, 288 miles.

IMPROVEMENTS AUTHORIZED—Continued

AUTOMATIC BLOCK SIGNALS

Work is nearing completion on the automatic block signals on the Chicago and Milwaukee Division between Rondout, Illinois, and Lake, Wisconsin, and on the Chicago and Council Bluffs Division in Illinois, between Elgin and Savanna.

Installation of these signals has been authorized and work is in progress on the La Crosse Division from Milwaukee to North La Crosse, Wisconsin; on the River Division from Bridge Switch to Hastings, Minnesota; on the Hastings and Dakota Division from Minneapolis, Minnesota, to Aberdeen, South Dakota; on the Chicago and Council Bluffs Division in Iowa from Green Island to Council Bluffs, Iowa; on the Rocky Mountain Division from Lombard to Three Forks, Montana; on the Missoula Division from St. Regis to Haugan, Montana, and on the Columbia Division from Avery to St. Maries, Idaho, and from Kittitas to Cle Elum, Washington.

ELIMINATION OF GRADE CROSSINGS

The work of depressing the tracks in the City of Minneapolis, mentioned in last year's report, is progressing, about fifteen per cent having been completed.

Elevation of tracks is under way in Bloomingdale Road, Chicago, Illinois, from North Lawndale Avenue to North Ashland Avenue, a distance of 2.4 miles. This work, which will extend over two years, and is estimated to cost $2,000,000, will, when completed, eliminate thirty-five grade crossings.

Elevation of tracks in the City of Milwaukee, Wisconsin, is in progress, at an estimated cost of $2,000,000. This work extends from Kinnickinnick Avenue to Oregon Street, 1.3 miles, and from Clinton Street to Reed Street, 0.1 mile, and will be continued over two years. When completed, fourteen grade crossings will be eliminated.

NEW LINES AND EXTENSIONS

The status of the work on the several branch lines under construction is shown below:

During the past year work has been in progress on an extension from Crystal Falls to Iron River, Michigan, consisting of

IMPROVEMENTS AUTHORIZED—Continued

NEW LINES AND EXTENSIONS—Continued

22 miles of main track and the necessary spur and side tracks to serve various iron mines. The grading is nearly completed and 13 miles of track have been laid; forty per cent of the bridge work is completed, and it is expected that the line will be ready for operation this autumn.

The extension from Lewistown to Great Falls, Montana, in a general northwesterly direction, 137 miles in length, which has been under construction during the year, will be completed and ready for operation before the close of this calendar year.

The Choteau line extending 62 miles in a northwesterly direction from Great Falls to Agawam, Montana, is now under construction and it is expected that grading and track laying will be completed during the next fiscal year.

A branch line from Hilger to Roy, Montana, extending 20 miles in an easterly direction, and a branch known as the Dog Creek line, extending from a junction with the above named line four miles north of Hilger, in a northerly direction 25 miles to Winifred, Montana, are under construction, and track will probably be laid this season.

The work of grading the extension from Lewistown to Grass Range, Montana, a distance of 36 miles in an easterly direction, has been practically completed, and track laying will be finished this season.

The Silver Bow Canyon line, extending from Colorado Junction, near Butte, Montana, to Cliff Junction, Montana, has been under construction during this year, and the line is practically completed and ready for operation. This line will obviate the necessity of using the line of the Butte, Anaconda & Pacific Railway.

The line from Plummer, Idaho, northwesterly to Bell, Washington, a distance of 21 miles, is nearly completed, and will be ready for train service by September 1st. From the latter point trains will be operated under trackage contract for a distance of 22 miles into Spokane, Washington, over the line of the Oregon-Washington Railroad & Navigation Company. This line, in conjunction with the line now being constructed by that Company from Spokane to a connection with the main line of this Company at Marengo, 65 miles in length, over which trackage rights have been arranged, will give this Company a line via Spokane for through passenger trains, which will not materially increase the distance from Chicago to Seattle.

IMPROVEMENTS AUTHORIZED—Concluded

NEW LINES AND EXTENSIONS—Concluded

The work upon the Company's terminals in the City of Spokane, Washington, has been completed with the exception of the freight house, which will be completed by September of this year.

The Moses Lake line, a branch extending in a westerly direction from Tiflis, Washington, on the Marcellus Branch, to Neppel, Washington, on Moses Lake, a distance of 12 miles, was completed during the year, and is now in operation.

The Priest Rapids line, a branch extending in a south-easterly direction from a junction with the main line west of the Columbia River, near Beverly, Washington, to Hanford, Washington, a distance of 47 miles, was completed during the year, and is now in operation.

Construction work on the Snoqualmie Tunnel in the Cascade Mountains, 11,700 feet in length, has made good progress during the past year. The bore has been extended 3,500 feet from the west end. The necessary machinery and equipment for drilling operations from the east end are in position, and work will soon be under way from that point. Concreting is now in progress, and it is estimated that the tunnel will be completed within two years. This will shorten the line 3.6 miles and eliminate heavy grades on the present line between Rockdale and Keechelus, via Laconia, and also do away with snow troubles, which, in the Cascade Mountains, are confined to that portion of the line to be abandoned upon completion of the tunnel.

TERMINAL YARDS

The improvements of terminal facilities at Savanna, Illinois; Perry, Iowa; Council Bluffs, Iowa; and Montevideo, Minnesota, are practically completed.

GALLATIN VALLEY RAILWAY COMPANY.

A branch line from Bozeman to Menard, Montana, 25 miles in length, has been completed during the year and is in operation.

RESERVE FOR ACCRUED DEPRECIATION.

At the close of the fiscal year, ending June 30th, 1912, there was at the credit of Reserve for Accrued Depreciation the sum of $5,350,291.98.

A certain percentage of the total cost of equipment, aggregating $881,380.13, has been credited to this Reserve for accrued depreciation of locomotives, passenger train cars, freight train cars and work train cars.

There has been charged to this Reserve an amount of $581,852.04, representing the accrued depreciation, previously credited, on locomotives and cars destroyed, sold or taken down.

The balance of this Reserve, June 30th, 1913, as shown on page 22, is $5,649,820.07, which represents the estimated depreciation of rolling stock subsequent to June 30th, 1907.

FUNDED DEBT.

At the close of the last fiscal year the funded debt of the Company was $268,367,154.66.

It has been decreased during this fiscal year by $221,000.00 of bonds retired and canceled, as shown on page 26 of this report.

It has been increased by $221,000.00 of General Mortgage Bonds, issued for bonds retired and canceled, as stated above; by $13,957,300.00 of Convertible 4½ per cent Gold Bonds, and by $173,525,511.64 Chicago, Milwaukee & Puget Sound Railway Company 4 per cent Bonds.

The amount of bonds at the close of the year is $455,849,966.30, of which $156,295,211.64 are in the treasury of the Company, and $299,554,754.66 are outstanding.

TREASURY BONDS.

At the close of the last fiscal year the amount of the Company's bonds in its treasury was $40,768,000.00.

This has been increased during the year by $221,000.00 General Mortgage Bonds, for underlying bonds paid and canceled; $44,700.00 Convertible 4½ per cent Gold Bonds and $146,350,511.64 Chicago, Milwaukee & Puget Sound Railway Company 4 per cent Bonds.

It has been decreased by the sale of $30,000,000.00 General Mortgage 4½ per cent Bonds and $1,089,000.00 Milwaukee & Northern Railroad Company Consolidated 4½ per cent Bonds.

At the close of this fiscal year, June 30th, 1913, bonds in the treasury amount to $156,295,211.64, as follows:

Chicago, Milwaukee & Puget Sound Ry. Co. 4%	$146,350,511.64
General Mortgage 4½%	9,741,000.00
General Mortgage 4%	159,000.00
Convertible Gold 4½%	44,700.00
	$156,295,211.64

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

INSURANCE DEPARTMENT.

INSURANCE RESERVE ACCOUNT

INCOME:		
Premium Received:		
For Insurance of Railway Properties		$71,150.02
Less—Reinsurance paid		56,835,40
Net Premium Income		$14,314.62
Other Income:		
Interest and Dividends on Securities Owned		117,971.01
Gross Income to Reserve Account		$132,285.63
DISBURSEMENTS:		
Fire Losses—Net		112,699.90
Net Income for Period		$19,585.73
Insurance Reserve—July 1st, 1912	$2,821,373.62	
Appropriation in March, 1913	5,500.00	2,826,873.62
Insurance Reserve—June 30th, 1913		$2,846,459.35
Less Reinsurance effected applying subsequent to June 30th, 1913		82,845.67
Insurance Reserve as per General Balance Sheet—Page 23		$2,763,613.68

INSURANCE DEPARTMENT.

ASSETS AND LIABILITIES

Assets:		
Funded:		
Securities as shown below	$2,806,600.00	
Unfunded:		
Interest Accrued on Securities Owned	43,201.17	
Deferred Debits:		
Reinsurance effected applying subsequent to June 30th, 1913	82,845.67	
Total Assets		$2,932,646.84
Liabilities:		
Insurance Reserve	$2,846,459.35	
C. M. & St. P. Ry. Co.	86,187.49	
Total Liabilities		$2,932,646.84

INVESTMENTS—SECURITIES.

The Insurance Reserve June 30th, 1913, amounts to $2,846,459.35, of which $2,806,600.00 is invested in securities at par, as shown in the following statement:

Chicago, Milwaukee & St. Paul Ry. Co. Stock:	
Preferred Stock	$86,100.00
Common Stock	5,300.00
Chicago, Milwaukee & St. Paul Ry. Co. Bonds:	
General Mortgage 4%	600,000.00
Twenty-five Year Gold 4%	83,000.00
La Crosse & Davenport Division 5%	4,000.00
Chicago & Pacific Western Division 5%	6,000.00
Convertible Gold 4½%	19,200.00
Bonds of Subsidiary Companies:	
Chicago, Milwaukee & Puget Sound Ry. Co. 4%	1,000,000.00
Dakota & Great Southern Ry. Co. 5%	6,000.00
Fargo & Southern Ry. Co. 6%	2,000.00
Milwaukee & Northern R. R. Co. First 4½%	38,000.00
Milwaukee & Northern R. R. Co. Cons. 4½%	20,000.00
Tacoma Eastern R. R. Co. 5%	37,000.00
	$1,906,600.00
Bonds of Other Companies:	
Atchison, Topeka & Santa Fe Ry. Co. 4%	100,000.00
Baltimore & Ohio R. R. Co. 3½%	50,000.00
Chicago, Burlington & Quincy R. R. Co. 4%	50,000.00
Chicago & Western Indiana R. R. Co. 4%	125,000.00
City of New York 4%	75,000.00
Kansas City Belt Ry. Co. 6%	150,000.00
Lake Shore & Michigan Southern Ry. Co. 4%	100,000.00
Northern Pacific Ry. Co. 4%	100,000.00
Pennsylvania R. R. Co. 4%	100,000.00
Union Pacific R. R. Co. 4%	50,000.00
Total	$2,806,600.00

OPERATING REVENUES.

The Operating Revenues for the year, including the Revenues of the lines formerly owned by the Chicago, Milwaukee & Puget Sound Railway Company, were $94,084,054.69—an increase of $14,828,699.33 compared with the previous year.

The revenue from freight traffic was $67,964,161.10—72.24% of total revenue—an increase of $12,168,096.29 or 21.81%.

The number of tons of freight carried was 34,805,491—an increase of 5,519,376 tons, or 18.85%.

The following classes of commodities show an increase compared with the previous year: Products of Agriculture, 1,727,192 tons; Products of Mines, 1,042,195 tons; Products of Forests, 1,523,266 tons, Manufactures, 1,142,388 tons, and Commodities Not Specified, 199,064 tons.

There was a decrease in Products of Animals of 114,729 tons.

The number of tons of all agricultural products carried during the year was 7,291,131 tons—an increase compared with the previous year of 31.04%. Agricultural products comprised 20.95% of the total tonnage carried, compared with 19.00% of the total tonnage of last year.

The number of tons of commodities other than agricultural products carried during the year was 27,514,360 tons—an increase compared with the previous year of 3,792,184 tons, or 15.99%—the per cent of the total being 79.05% against 81.00% last year.

The number of tons of revenue freight carried one mile was 8,570,061,411—an increase of 1,993,834,436, or 30.32 %. The revenue per ton per mile was .7930 cent—a decrease of .0555 cent, or 6.54%. The average miles each ton of revenue freight was carried was 246.23 miles—an increase of 21.68 miles, or 9.65%.

The number of tons of revenue freight carried per loaded car was 16.776, against 15.355 last year—an increase of 9.25%. The number of tons of revenue freight per freight and mixed train mile was 356.95, against 307.82 last year—an increase of 15.96%. The revenue from freight per freight and mixed train mile was $2.8308, as against $2.6117 last year—an increase of 8.39%.

The revenue from passenger traffic during the year was $18,457,135.51—19.62% of the total revenue—an increase of $1,888,271.65 compared with the previous year, or 11.40%.

The number of passengers carried was 16,123,475, an increase of 1,233,538, or 8.28%. The number of passengers carried one mile was 862,229,683—an increase of 71,076,681, or 8.98%.

The revenue per passenger per mile was 2.141 cents—an increase of .047 cent, or 2.24%. The average miles each passenger was carried was 53.48 miles—an increase of .35 mile, or .66%.

OPERATING EXPENSES.

The Operating Expenses for the year, including the Expenses of the lines formerly owned by the Chicago, Milwaukee & Puget Sound Railway Company, were $62,883,967.60, an increase of $5,628,783.45 compared with the previous year.

The expenses of Maintenance of Way and Structures were $10,648,785.06; Maintenance of Equipment, $13,871,985.47 Traffic Expenses, $1,894,343.14; Transportation Expenses, $35,065,842.01, and General Expenses, $1,403,011.92.

There was an increase in Maintenance of Way and Structures of $641,578.46, in Maintenance of Equipment of $2,396,456.55, in Traffic Expenses of $75,701.27, in Transportation Expenses of $2,500,874.26, and in General Expenses of $14,172.91.

During the year 35 steel bridges, aggregating 2,291 feet in length and 15 masonry bridges, aggregating 790 feet in length, were built—replacing 2698 feet of wooden bridges, 254 feet of iron bridges and 129 feet of embankment; and 1,028 feet of wooden culverts were replaced with iron. About 2 miles of pile bridges were filled with earth, 81 bridges having been completely filled and 27 reduced in length by filling.

SUBSIDIARY COMPANIES.

The operations for the fiscal year ending June 30th, 1913, of the Subsidiary Companies named below—all of the Capital Stock of which is owned by this Company—show the following results:

These Companies are operated independently and their Revenues and Expenses are not included in the statement of the Chicago, Milwaukee & St. Paul Railway Company, shown on page 7 of this report.

TACOMA EASTERN RAILROAD COMPANY.

Operating Revenues		$669,997.56
Operating Expenses		470,669.11
Net Operating Revenue		$199,328.45
Taxes Accrued		34,526.76
Operating Income		$164,801.69
Rents Received		27,798.47
Gross Corporate Income		$192,600.16
DEDUCTIONS:		
Interest on Bonds	$44,200.00	
Interest paid Chicago, Milwaukee & St. Paul Ry. Company	88,989.92	
Hire of Equipment	16,544.72	
Rents Paid	1,125.00	
Miscellaneous	839.98	151,699.62
Net Corporate Surplus		$40,900.54

BELLINGHAM & NORTHERN RAILWAY COMPANY.

Operating Revenues		$347,449.23
Operating Expenses		214,096.85
Net Operating Revenue		$133,352.38
Taxes Accrued		20,474.31
Operating Income		$112,878.07
Rents Received		2,024.84
Gross Corporate Income		$114,902.91
DEDUCTIONS:		
Interest on Bonds	$31,306.14	
Sinking Fund	19,650.00	
Hire of Equipment	6,139.35	
Rents Paid	6,911.88	
Miscellaneous	2,983.49	66,990.86
Net Corporate Surplus		$47,912.05

SUBSIDIARY COMPANIES—Continued.

GALLATIN VALLEY RAILWAY COMPANY.

Operating Revenues		$131,378.21
Operating Expenses		92,512.78
Net Operating Revenue		$38,865.43
Taxes Accrued		7,732.26
Gross Corporate Income		$31,133.17
DEDUCTIONS:		
Interest paid Chicago, Milwaukee & St. Paul Ry. Company	$46,300.57	
Hire of Equipment	11,050.48	57,351.05
Net Corporate Deficit		$26,217.88

MILWAUKEE TERMINAL RAILWAY COMPANY.

Operating Revenues	$97,821.75
Operating Expenses	85,616.96
Net Operating Revenue	$12,204.79
Taxes Accrued	7,202.58
Operating Income	$5,002.21
Rents Paid	1,110.00
Gross Corporate Income	$3,892.21
DEDUCTIONS:	
Interest paid Chicago, Milwaukee & St. Paul Ry. Company	21,972.79
Net Corporate Deficit	$18,080.58

Roswell Miller, Chairman of the Board, died suddenly on January 2nd, 1913. The great loss ensuing to the Company, and his associates, was expressed by the Board of Directors in the following resolution:

"Whereas, after thirty years of service, death has removed from this organization Roswell Miller, the best of whose life was devoted to this corporation as General Manager, President and Chairman of the Board;

"Be it resolved by the Board of Directors of the Chicago, Milwaukee & St. Paul Railway Company, on behalf of the stockholders, officers and employes, that there be spread upon the permanent records of the Company this expression of the appreciation of the worth of Mr. Miller to the corporation as an official, and the personal tribute of the Directors to his memory as an associate."

William North Duane Winne, Comptroller, died February 23rd, 1913. He first served the Company as clerk in the Accounting Department fifty years ago, and after filling various intermediate positions, was elected General Auditor in 1890, and Comptroller July 1st, 1910. His high personal character, and the marked efficiency with which he discharged his exacting official duties, were acknowledged and appreciated by all who were associated with him.

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

By order of the Board of Directors.

AUGUST, 1913. A. J. EARLING, *President.*

To the President:

Herewith are submitted the General Accounts and Statements of Operation of the Company for the fiscal year ending June 30th, 1913.

For the purpose of convenient comparison of two fiscal years, the operations for the entire period, of the lines formerly owned by the Chicago, Milwaukee and Puget Sound Railway Company are included in the statements.

B. A. DOUSMAN,
General Auditor.

GENERAL BALANCE SHEET.

ASSETS—June 30th, 1913.

PROPERTY INVESTMENT:		
Road and Equipment		$518,808,393.23
Reserve for Accrued Depreciation—Cr.		5,649,820.07
		$513,158,573.16
Securities:		
Securities of Controlled Companies—Unpledged:		
Stocks	$9,951,895.31	
Funded Debt	169,000.00	10,120,895.31
Other Investments:		
Advances to Controlled Companies for Construction, Equipment and Betterments	$29,581,066.93	
Miscellaneous Investments:		
Physical Property	323,414.65	
Investment Securities—Unpledged	52,582.05	29,957,063.63
		$553,236,532.10
WORKING ASSETS:		
Cash	$17,361,249.19	
Securities Issued and Held in Treasury:		
Common Stock	402,200.00	
Preferred Stock	343,000.00	
Funded Debt	156,295,211.64	
Traffic and Car-Service Balances	16,703.89	
Due from Agents and Conductors	3,336,976.13	
Miscellaneous Accounts Receivable	2,922,187.07	
Materials and Supplies	11,154,580.23	
Other Working Assets	563,808.58	192,395,916.73
ACCRUED INCOME NOT DUE:		
Unmatured Interest		84,390.84
DEFERRED DEBIT ITEMS:		
Working Funds	$274,020.47	
Special Deposits	138,775.55	
Taxes Paid applicable to period subsequent to June 30th, 1913	532,085.95	
Cash and Securities in Sinking Funds	310,143.71	
Securities in Insurance Fund	2,806,600.00	
Other Deferred Debit Items	1,719,261.59	5,780,887.27
		$751,497,726.94

GENERAL BALANCE SHEET.

LIABILITIES—June 30th, 1913.

CAPITAL STOCK:		
Common Stock	$116,348,200.00	
Preferred Stock	116,274,900.00	$232,623,100.00
FUNDED DEBT:		
Mortgage Bonds	$330,772,511.64	
Debenture Bonds	125,077,454.66	455,849,966.30
		$688,473,066.30
WORKING LIABILITIES:		
Traffic and Car-Service Balances	$149,285.27	
Pay Rolls and Vouchers	8,857,116.08	
Miscellaneous Accounts Payable	457,831.65	
Unclaimed Dividends	4,961.50	
Interest Coupons not Presented	90,119.79	
Matured Funded Debt	10,000.00	
Other Working Liabilities	729,666.37	10,298,980.66
ACCRUED LIABILITIES NOT DUE:		
Interest Accrued on Funded Debt	$4,495,240.85	
Taxes Accrued	6,950.00	
French Government Tax—European Loan of 1910	1,308,398.54	5,810,589.39
DEFERRED CREDIT ITEMS:		
Insurance Department Fund—Reserve	$2,763,613.68	
Other Deferred Credit Items	415,150.12	3,178,763.80
APPROPRIATED SURPLUS:		
Reserves from Income or Surplus:		
Invested in Sinking Funds		319,233.71
		$708,080,633.86
PROFIT AND LOSS:		
Balance		43,417,093.08
		$751,497,726.94

STATEMENT OF INCOME ACCOUNT,

YEAR ENDING JUNE 30TH, 1913.

OPERATING INCOME:		
Rail Operations:		
Operating Revenues		$94,084,054.69
Operating Expenses		62,883,967.60
Net Operating Revenue		$31,200,087.09
Outside Operations:		
Revenues	$1,776,677.04	
Expenses	1,601,928.98	
Net Revenue—Outside Operations		174,748.06
Total Net Revenue		$31,374,835.15
Taxes Accrued		3,823,832.52
Operating Income		$27,551,002.63
OTHER INCOME:		
Interest Accrued on Bonds Owned	$154,814.04	
Dividends on Stocks Owned	58,107.00	
Interest on Other Securities, Loans and Accounts	1,886,818.11	
Rents—Received	363,008.02	
Miscellaneous	1,509,792.12	
Total Other Income		3,972,539.29
Gross Corporate Income		$31,523,541.92
DEDUCTIONS FROM GROSS CORPORATE INCOME:		
Interest Accrued on Funded Debt	$11,438,141.30	
Hire of Equipment	755,303.97	
Rents—Paid	709,404.04	
Miscellaneous	479,947.66	
Total Deductions from Gross Corporate Income		13,382,796.97
NET CORPORATE INCOME FOR YEAR CARRIED FORWARD TO CREDIT OF PROFIT AND LOSS		$18,140,744.95

PROFIT AND LOSS ACCOUNT, JUNE 30TH, 1913.

DEBIT.		CREDIT.	
Insurance Department Reserve	$120,504.18	Balance June 30th, 1912	$42,931,524.69
Dubuque Division and Wisconsin Valley Division Sinking Funds	116,930.00	Sundry Charges and Credits accruing prior to July 1st, 1912—*Net Credit*	416,920.33
Extinguishment of book value of equipment wrecked, sold or taken down during the year	376,144.11	Balance for year brought forward from Income Account	18,140,744.95
Net Loss on Property sold or abandoned and not replaced	227,067.03	Par value of General Mortgage Bonds, replacing bonds paid from Sinking Funds previously charged to this account	221,000.00
Expense of flotation of Convertible 4½% Gold Bonds	173,018.92		
Discount on General Mortgage 4½% Bonds and Extension of Milwaukee & Northern R. R. Co. 4½% Bonds	1,393,704.65		
Sundry Charges and Credits accruing since July 1st, 1912—*Net Debit*	156,755.66		
Adjustment by reason of the acquisition of the property and accounts of the Chicago, Milwaukee & Puget Sound Railway Co.	1,816,439.34		
Dividend declared August 1st, 1912:			
3½% on $115,931,900 Preferred Stock	4,057,616.50		
2½% on $115,946,000 Common Stock	2,898,650.00		
Dividend declared January 23d, 1913:			
3½% on $115,931,900 Preferred Stock	4,057,616.50		
2½% on $115,946,000 Common Stock	2,898,650.00		
Balance Credit, June 30th, 1913, carried to General Balance Sheet	43,417,093.08		
	$61,710,189.97		$61,710,189.97

FUNDED DEBT, JUNE 30TH, 1913.

Total Funded Debt, June 30th, 1912, including all liens on purchased roads................		$268,367,154.66
General Mortgage Bonds issued for underlying bonds retired and canceled.................		221,000.00
Convertible 4½% Gold Bonds issued..........		13,957,300.00
Chicago, Milwaukee & Puget Sound Ry. Co. 4% Bonds assumed.......................		173,525,511.64
		$456,070,966.30
Deduct:		
Bonds retired and canceled as follows:		
Dubuque Division........................	$ 197,000.00	
Wisconsin Valley Division...............	24,000.00	221,000.00
Total Funded Debt, June 30th, 1913....		$455,849,966.30
Of the total amount of bonds as stated above, there remain in the Treasury...............		$156,295,211.64

FUNDED DEBT, JUNE 30TH, 1913.

Description of Bonds	Date of Maturity	Interest: Rate	Interest: Payable	Interest: Accrued during the Year	Amount of Bonds
Southwestern Division	July 1, 1909	6 %	Jan. and July	....	$1,000.00
Terminal Mortgage	July 1, 1914	5 %	Jan. and July	$237,400.00	4,748,000.00
Dakota & Great Southern Ry. Co.	Jan. 1, 1916	5 %	Jan. and July	142,800.00	2,856,000.00
La Crosse & Davenport Division	July 1, 1919	5 %	Jan. and July	125,000.00	2,500,000.00
Dubuque Division	July 1, 1920	6 %	Jan. and July	275,220.00	4,587,000.00
Wisconsin Valley Division	July 1, 1920	6 %	Jan. and July	109,740.00	1,829,000.00
Chicago & Pacific Western Division	Jan. 1, 1921	5 %	Jan. and July	1,267,000.00	25,340,000.00
Wisconsin & Minnesota Division	July 1, 1921	5 %	Jan. and July	237,750.00	4,755,000.00
Chicago & Lake Superior Division	July 1, 1921	5 %	Jan. and July	68,000.00	1,360,000.00
Fargo & Southern Ry. Co.	Jan. 1, 1924	6 %	Jan. and July	75,000.00	1,250,000.00
Chicago & Missouri River Division	July 1, 1926	5 %	Jan. and July	154,150.00	3,083,000.00
General Mortgage	May 1, 1989	4 %	Jan. and July	1,953,640.00	48,841,000.00
General Mortgage	May 1, 1989	4½%	Jan. and July	223,500.00	30,000,000.00
General Mortgage	May 1, 1989	3½%	Jan. and July	313,250.00	8,950,000.00
Fifteen Year European Loan of 1910	June 1, 1925	4 %	June and Dec.	1,930,000.00	48,176,654.66
Convertible Gold	June 1, 1932	4½%	June and Dec.	1,778,132.43	48,806,100.00
Twenty-five Year Gold	July 1, 1934	4 %	Jan. and July	1,122,000.00	28,050,000.00
aMilwaukee & Northern R. R. Co. 1st Mortgage	June 1, 1934	4½%	June and Dec.	96,975.00	2,155,000.00
bMilwaukee & Northern R. R. Co. Consolidated	June 1, 1913	6 %	June and Dec.	220,165.00	....
cMilwaukee & Northern R. R. Co. Consolidated	June 1, 1934	4½%	June and Dec.	18,958.87	5,092,000.00
Chicago, Milwaukee & Puget Sound Ry. Co.	Jan. 1, 1949	4 %	Jan. and July	1,087,000.00	27,175,000.00
Interest on bonds matured and canceled	....	....	....	2,460.00	....
				$11,438,141.30	$299,554,754.66
Amount of bonds in the Treasury of the Company as shown on page 15				....	156,295,211.64
TOTAL				....	$455,849,966.30

a–c—Bonds extended twenty-one years at 4½%.
b—Bonds matured and interest at 6% ceased June 1st, 1913.

DETAILED STATEMENT OF OPERATING REVENUES, EXPENSES AND INCOME

For the Years Ending June 30th, 1912 and 1913.

OPERATING REVENUES.

	1912	1913	INCREASE	DECREASE
Freight Revenue	$55,796,064.81	$67,964,161.10	$12,168,096.29	....
Passenger Revenue	16,568,863.86	18,457,135.51	1,888,271.65	....
Other Transportation Revenue	6,196,480.92	6,919,685.75	723,204.83	....
Non-Transportation Revenue	693,945.77	743,072.33	49,126.56	....
Total—Operating Revenues	$79,255,355.36	$94,084,054.69	$14,828,699.33	....

OPERATING EXPENSES.

	1912	1913	INCREASE	DECREASE
Maintenance of Way and Structures				
Superintendence	$356,434.35	$437,352.34	$80,917.99	....
Ballast	97,709.94	99,340.68	1,630.74	....
Ties	1,753,015.25	1,385,208.36	....	$367,806.89
Rails	515,238.02	687,598.11	172,360.09	....
Other Track Material	418,063.60	423,559.36	5,495.76	....
Roadway and Track	3,644,139.61	4,132,225.18	488,085.57	....
Removal of Snow, Sand and Ice	417,995.24	291,439.64	....	126,555.60
Tunnels	1,915.03	8,131.85	6,216.82	....
Bridges, Trestles and Culverts	853,939.44	817,411.35	....	36,528.09
Over and Under Grade Crossings	26,046.96	39,239.86	13,192.90	....
Grade Crossings, Fences, Cattle Guards and Signs	211,679.14	202,894.77	....	8,784.37
Snow and Sand Fences and Snow Sheds	16,364.83	17,220.82	855.99	....
Signals and Interlocking Plants	166,334.70	210,556.90	44,222.20	....
Telegraph and Telephone Lines	102,712.48	121,231.70	18,519.22	....
Buildings, Fixtures and Grounds	820,654.18	1,014,562.10	193,907.92	....
Docks and Wharves	58,153.85	30,917.31	....	27,236.54
Roadway Tools and Supplies	163,094.97	151,175.98	....	11,918.99
Injuries to Persons	82,050.24	154,985.07	72,934.83	....
Stationery and Printing	11,504.88	19,307.91	7,803.03	....
Other Expenses	418.50	130.65	....	287.85
Maintaining Joint Tracks, etc.—Debit	410,421.09	531,026.16	120,605.07	....
Maintaining Joint Tracks, etc.—Credit	*120,679.70*	*126,731.04*	....	6,051.34
Total—Maintenance of Way and Structures	$10,007,206.60	$10,648,785.06	$641,578.46	....

OPERATING REVENUES, EXPENSES AND INCOME—Continued.

	1912	1913	INCREASE	DECREASE
Maintenance of Equipment				
Superintendence	$241,745.19	$273,140.96	$31,395.77	....
Steam Locomotives—Repairs	4,879,666.50	5,710,555.67	830,889.17	....
Steam Locomotives—Renewals	....	638.65	638.65	....
Steam Locomotives—Depreciation	217,126.62	264,387.43	47,260.81	....
Passenger-Train Cars—Repairs	769,412.11	841,281.53	71,869.42	....
Passenger-Train Cars—Renewals	803.29	*5,722.21*	....	$6,525.50
Passenger-Train Cars—Depreciation	92,908.23	87,926.80	....	4,981.43
Freight-Train Cars—Repairs	4,212,410.99	5,483,449.63	1,271,038.64	....
Freight-Train Cars—Renewals	100,746.77	32,710.34	....	68,036.43
Freight-Train Cars—Depreciation	431,694.39	461,771.20	30,076.81	....
Work Equipment—Repairs	162,519.28	292,472.47	129,953.19	....
Work Equipment—Renewals	25,382.07	15,588.66	....	9,793.41
Work Equipment—Depreciation	11,707.28	13,537.70	1,830.42	....
Shop Machinery and Tools	203,526.69	243,143.87	39,617.18	....
Injuries to Persons	69,209.24	99,260.63	30,051.39	....
Stationery and Printing	18,105.89	20,787.60	2,681.71	....
Other Expenses	346.93	.10	....	346.83
Maintaining Joint Equipment at Terminals—Debit	41,740.73	39,400.44	....	2,340.29
Maintaining Joint Equipment at Terminals—Credit	*3,523.28*	*2,346.00*	1,177.28	....
Total—Maintenance of Equipment	$11,475,528.92	$13,871,985.47	$2,396,456.55	....
Traffic Expenses				
Superintendence	$393,785.27	$409,507.06	$15,721.79	....
Outside Agencies	897,053.11	956,586.26	59,533.15	....
Advertising	329,144.42	323,333.65	....	$5,810.77
Traffic Associations	27,681.41	28,458.13	776.72	....
Immigration Bureaus	48,095.88	56,086.64	7,990.76	....
Stationery and Printing	119,949.88	118,568.34	....	1,381.54
Other Expenses	2,931.90	1,803.06	....	1,128.84
Total—Traffic Expenses	$1,818,641.87	$1,894,343.14	$75,701.27	....

OPERATING REVENUES, EXPENSES AND INCOME—Continued.

Transportation Expenses	1912	1913	Increase	Decrease
Superintendence	$256,745.27	$261,165.56	$4,420.29	....
Dispatching Trains	405,940.85	397,255.41	....	$8,685.44
Station Employes	4,118,734.87	4,075,747.90	....	42,986.97
Weighing and Car-Service Associations	105,798.52	124,483.16	18,684.64	....
Coal and Ore Docks	33,226.26	42,387.94	9,161.68	....
Station Supplies and Expenses	276,421.87	305,495.69	29,073.82	....
Yardmasters and their Clerks	256,618.42	285,181.54	28,563.12	....
Yard Conductors and Brakemen	1,772,616.35	2,176,829.94	404,213.59	....
Yard Switch and Signal Tenders	133,163.74	151,472.04	18,308.30	....
Yard Supplies and Expenses	14,537.41	16,685.89	2,148.48	....
Yard Enginemen	1,088,861.85	1,287,869.55	199,007.70	....
Enginehouse Expenses—Yard	292,376.98	406,564.33	114,187.35	....
Fuel for Yard Locomotives	836,886.95	968,303.01	131,416.06	....
Water for Yard Locomotives	62,103.52	79,205.38	17,101.86	....
Lubricants for Yard Locomotives	24,454.28	25,735.29	1,281.01	....
Other Supplies for Yard Locomotives	22,501.18	27,787.77	5,286.59	....
Operating Joint Yards and Terminals—Debit	576,122.56	672,804.57	96,682.01	....
Operating Joint Yards and Terminals—Credit	*132,520.40*	*143,808.74*	....	11,288.34
Road Enginemen	4,007,052.08	4,238,978.94	231,926.86	....
Enginehouse Expenses—Road	1,322,883.49	1,458,642.93	135,759.44	....
Fuel for Road Locomotives	8,083,430.06	8,119,402.68	35,972.62	....
Water for Road Locomotives	391,760.90	386,900.37	....	4,860.53
Lubricants for Road Locomotives	161,526.49	151,055.16	....	10,471.33
Other Supplies for Road Locomotives	146,576.75	173,960.48	27,383.73	....
Road Trainmen	4,219,881.04	4,428,558.18	208,677.14	....
Train Supplies and Expenses	897,014.39	1,202,451.72	305,437.33	....
Interlockers and Block and Other Signals—Operation	139,508.52	141,583.95	2,075.43	....
Crossing Flagmen and Gatemen	211,226.29	198,391.87	....	12,834.42
Drawbridge Operation	32,976.11	29,590.00	....	3,386.11
Clearing Wrecks	127,238.94	204,577.88	77,338.94	....
Telegraph and Telephone—Operation	75,482.13	74,599.18	....	882.95
Stationery and Printing	204,682.35	183,993.50	....	20,688.85
Other Expenses	97,866.82	29,446.70	....	68,420.12
Loss and Damage—Freight	1,158,298.42	1,677,673.32	519,374.90	....
Loss and Damage—Baggage	9,582.88	6,164.27	....	3,418.61

OPERATING REVENUES, EXPENSES AND INCOME—Continued.

Transportation Expenses—Continued	1912	1913	Increase	Decrease
Damage to Property	$108,073.02	$126,471.39	$18,398.37	....
Damage to Stock on Right of Way	61,367.86	58,390.88	....	$2,976.98
Injuries to Persons	907,539.99	952,558.76	45,018.77	....
Operating Joint Tracks and Facilities—Debit	167,160.40	174,768.74	7,608.34	....
Operating Joint Tracks and Facilities—Credit	*110,751.66*	*113,485.12*	....	2,733.46
Total—Transportation Expenses	$32,564,967.75	$35,065,842.01	$2,500,874.26	....
General Expenses				
Salaries and Expenses of General Officers	$265,501.11	$267,734.85	$2,233.74	....
Salaries and Expenses of Clerks and Attendants	616,104.68	610,464.70	....	$5,639.98
General Office Supplies and Expenses	59,238.21	61,192.73	1,954.52	....
Law Expenses	223,776.80	204,704.76	....	19,072.04
Insurance	81,330.69	77,094.87	....	4,235.82
Stationery and Printing	53,749.88	63,847.54	10,097.66	....
Other Expenses	61,066.59	89,592.22	28,525.63	....
General Administration Joint Tracks, Yards, etc.—Debit	28,701.24	28,822.76	121.52	....
General Administration Joint Tracks, Yards, etc.—Credit	*630.19*	*442.51*	187.68	....
Total—General Expenses	$1,388,839.01	$1,403,011.92	$14,172.91	....
Total—Operating Expenses	$57,255,184.15	$62,883,967.60	$5,628,783.45	....
Net Operating Revenue	$22,000,171.21	$31,200,087.09	$9,199,915.88	....
Outside Operations				
Total Revenues	$1,961,901.56	$1,776,677.04	....	$185,224.52
Total Expenses	1,828,319.62	1,601,928.98	....	226,390.64
Net Revenue—Outside Operations	$133,581.94	$174,748.06	$41,166.12	....
Total Net Revenue	$22,133,753.15	$31,374,835.15	$9,241,082.00	....
Taxes	3,921,963.50	3,823,832.52	....	$98,130.98
Operating Income	$18,211,789.65	$27,551,002.63	$9,339,212.98	....

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES

For the Years Ending June 30th, 1912 and 1913.

OPERATING REVENUES.

	1912		1913	
	AMOUNT	PER CENT	AMOUNT	PER CENT
Freight Revenue	$55,796,064.81	70.40	$67,964,161.10	72.24
Passenger Revenue	16,568,863.86	20.91	18,457,135.51	19.62
Other Transportation Revenue	6,196,480.92	7.82	6,919,685.75	7.35
Non-Transportation Revenue	693,945.77	.87	743,072.33	.79
Total Operating Revenues	$79,255,355.36	100.00	$94,084,054.69	100.00

OPERATING EXPENSES.

	1912		1913	
	AMOUNT	PER CENT	AMOUNT	PER CENT
Maintenance of Way and Structures	$10,007,206.60	12.63	$10,648,785.06	11.32
Maintenance of Equipment	11,475,528.92	14.48	13,871,985.47	14.75
Traffic Expenses	1,818,641.87	2.29	1,894,343.14	2.01
Transportation Expenses	32,564,967.75	41.09	35,065,842.01	37.27
General Expenses	1,388,839.01	1.75	1,403,011.92	1.49
Operating Expenses	$57,255,184.15	72.24	$62,883,967.60	66.84

RECAPITULATION.

	1912		1913	
	AMOUNT	PER CENT	AMOUNT	PER CENT
Operating Revenues	$79,255,355.36	100.00	$94,084,054.69	100.00
Operating Expenses	57,255,184.15	72.24	62,883,967.60	66.84
Net Operating Revenue	$22,000,171.21	27.76	$31,200,087.09	33.16
Average miles in operation during the year, including miles of main track used under contracts	9,570.15	....	9,612.82	....

COMPARATIVE SUMMARY OF OPERATION

For the Years Ending June 30th, 1912 and 1913.

	1912	1913	INCREASE
Operating Revenues	$79,255,355.36	$94,084,054.69	$14,828,699.33
Operating Expenses	57,255,184.15	62,883,967.60	5,628,783.45
Net Operating Revenue	$22,000,171.21	$31,200,087.09	$9,199,915.88
Freight Revenue per mile	$5,830.22	$7,070.16	$1,239.94
Passenger and Miscellaneous Revenues per mile	2,451.29	2,717.19	265.90
Operating Revenues per mile	$8,281.51	$9,787.35	$1,505.84
Operating Expenses per mile	5,982.68	6,541.68	559.00
Net Operating Revenue per mile	$2,298 83	$3,245.67	$946.84
Average miles in operation during the year, including miles of main track used under contracts	9,570.15	9,612.82	42.67

OPERATING REVENUES, EXPENSES AND TAXES—MONTHLY.

Year Ending June 30th, 1913.

Month	Operating Revenues	Operating Expenses	Net Operating Revenue	Net Revenue—Outside Operations	Taxes Accrued	Operating Income
July......1912	$7,393,547.36	$4,726,975.98	$2,666,571.38	$37,633.14	$310,561.87	$2,393,642.65
August......"	8,111,277.43	4,883,752.87	3,227,524.56	32,279.52	310,561.87	2,949,242.21
September......"	8,604,270.26	5,262,226.21	3,342,044.05	36,374.12	310,561.87	3,067,856.30
October......"	9,410,077.36	5,455,990.30	3,954,087.06	21,481.42	310,040.92	3,665,527.56
November......"	8,670,291.94	5,531,878.53	3,138,413.41	3,420.14	311,686.19	2,830,147.36
December......"	8,313,293.37	5,417,419.10	2,895,874.27	17,294.48	329,360.05	2,583,808.70
January......1913	7,283,151.98	5,230,958.42	2,052,193.56	*6,688.94	310,563.28	1,734,941.34
February......"	6,564,391.97	5,367,630.69	1,196,761.28	*10,887.28	328,390.94	857,483.06
March......"	7,596,899.81	5,131,349.72	2,465,550.09	*6,325.91	328,704.49	2,130,519.69
April......"	7,166,906.32	5,372,006.36	1,794,899.96	*7,942.80	315,961.89	1,470,995.27
May......"	7,338,031.02	5,214,439.62	2,123,591.40	10,006.81	328,699.86	1,804,898.35
June......"	7,631,915.87	5,289,339.80	2,342,576.07	48,103.36	328,739.29	2,061,940.14
Total......	$94,084,054.69	$62,883,967.60	$31,200,087.09	$174,748.06	$3,823,832.52	$27,551,002.63

*Deficit.

CHARGES TO PROPERTY INVESTMENT— ROAD AND EQUIPMENT.

During the Year Ending June 30th, 1913.

Additional Equipment Purchased or Built during year:		
199 Locomotives..............................		$4,186,162.29
7 Gas-Electric Motor Cars.................		183,998.37
20 Passenger Cars..........................		256,258.20
25 Sleeping Cars...........................		477,417.17
3 Observation Cars.........................		61,247.08
23 Postal Cars.............................		219,264.98
10 Baggage Cars............................		78,868.10
2 Passenger and Baggage Cars.............		13,964.66
500 Auto Carriage Cars......................		644,810.00
4487 Box Cars...............................		4,857,522.39
10 Box Cars—Narrow Gauge................		4,129.00
5 Stock Cars—Narrow Gauge..............		2,130 70
300 Ore Cars................................		279,129.00
500 Refrigerator Cars.......................		729,305.00
1000 Ballast Cars............................		1,322,330.00
25 Cinder Dump Cars......................		11,978.00
3 Wrecking Cranes.........................		25,392.50
3 Gravel Spreaders.........................		15,000.00
1 Russell Snow Plow......................		3,441.85
1 Ditching Machine.......................		6,052.93
1 Western Spreader Car...................		900.00
1 Derrick Outfit Sleeping Car.............		282.32
Improvements to Locomotives and Cars..		350,064.35
		$13,729,648.89
Less original cost of equipment destroyed, sold or taken down during the year..............		1,314,379.12
		$12,415,269.77
Purchase of the Railway, Property, Franchises and Equipment of the C. M. & P. S. Ry. Co.		176,560,139.49
New Branch Lines and Extensions............		5,441,240.83
Construction of Second Main Track...........		12,557,633.07
Construction of Third and Fourth Main Tracks.		177,870.55
Reducing Grade and Improving Line..........		972,209.48
Yard Improvements..........................		2,938,746.24
Shop Improvements..........................		836,726.53
Other Additions and Betterments:		
Right of Way and Station Grounds..........	$145,238.98	
Widening Cuts and Fills....................	277,943 16	
Protection of Banks and Drainage...........	82,240.68	
Bridges, Trestles and Culverts..............	361,951.25	
Increased Weight of Rails...................	241,885.58	
Track Fastenings and Appurtenances........	331,996.59	
Improved Frogs and Switches...............	9,238.27	
Ballast......................................	449,270.60	
Sidings and Spur Tracks....................	664,545.57	
Fencing.....................................	62,796.91	
Improvement of Crossings..................	63,231.19	
Elimination of Grade Crossings.............	315,054.85	
Interlocking Apparatus.....................	34,573.12	
Block and Other Signal Apparatus...........	709,675.03	
Telegraph and Telephone Lines.............	16,881.01	
Station Buildings, Platforms, Sidewalks, etc.	488,804.24	
Roundhouses, Fuel and Water Stations, etc...	728,988.92	
Miscellaneous...............................	503,443.94	5,487,759.89
		$217,387,595.85
Credit—Property retired or converted.........		172,096.27
		$217,215,499.58
Road and Equipment, June 30th, 1912.........		301,592,893.65
Road and Equipment, June 30th, 1913.........		$518,808,393.23

TRANSPORTATION STATISTICS.

For the Years Ending June 30th, 1912 and 1913.

	1912	1913
Miles run by freight trains	19,895,229	22,280,086
Miles run by passenger trains	16,846,029	17,389,993
Miles run by mixed trains	1,468,912	1,728,798
Total miles run by revenue trains	38,210,170	41,398,877
Miles run by loaded freight cars	428,276,429	510,841,035
Miles run by empty freight cars	152,448,436	179,155,067
Tons of revenue freight carried	29,286,115	34,805,491
Tons of revenue freight carried one mile	6,576,226,975	8,570,061,411
Tons of Company freight carried one mile	1,017,128,078	1,400,674,714
Tons of revenue freight per freight and mixed train mile	307.82	356.95
Tons of Company freight per freight and mixed train mile	47.61	58.34
Total tons of freight per freight and mixed train mile	355.43	415.29
Average revenue per ton of revenue freight per mile	.8485 ct.	.7930 ct.
Average distance haul of each ton of revenue freight—miles	224.55	246.23
Average amount received per ton of revenue freight	$1.9052	$1.9527
Average revenue from freight per freight and mixed train mile	$2.6117	$2.8308
Tons of revenue freight per loaded car	15.355	16.776
Tons of Company freight per loaded car	2.375	2.742
Total tons of freight per loaded car	17.730	19.518
Average number of loaded freight cars per train	20.046	21.277
Average number of empty freight cars per train	7.136	7.462
Average number of freight cars per train	27.182	28.739
Passengers carried	14,889,937	16,123,475
Passengers carried one mile	791,153,002	862,229,683
Passengers carried per passenger and mixed train mile	43.20	45.10
Average revenue per passenger per mile	2.094 cts.	2.141 cts.
Average distance traveled by each passenger—miles	53.13	53.48
Average amount received per passenger	$1.1128	$1.1447
Average revenue from passengers per passenger and mixed train mile	90.47 cts.	96.54 cts.
Operating expenses per revenue train mile	$1.4984	$1.5190

STATEMENT OF COMMODITIES TRANSPORTED.

During the Years Ending June 30th, 1912 and 1913.

Commodities	1912 Tons	1912 Per Cent	1913 Tons	1913 Per Cent
Products of Agriculture:				
Flour	753,646	2.573	1,012,399	2.909
Other Mill Products	594,710	2.031	603,598	1.734
Wheat	1,225,700	4.185	2,078,610	5.972
Rye	83,359	.285	122,535	.352
Barley	503,274	1.718	617,204	1.773
Oats	428,924	1.465	678,697	1.950
Corn	773,164	2.640	969,066	2.784
Flax Seed	89,993	.307	147,489	.424
Hay	330,476	1.129	246,958	.710
Fruits and Vegetables	315,046	1.076	398,152	1.144
Other Agricultural Products	465,647	1.590	416,423	1.196
	5,563,939	18.999	7,291,131	20.948
Products of Animals:				
Live Stock	1,447,278	4.942	1,353,088	3.888
Dressed Meats	173,644	.593	138,278	.397
Other Packing House Products	92,764	.317	99,476	.286
Other Animal Products	206,887	.706	215,002	.617
	1,920,573	6.558	1,805,844	5.188
Products of Mines:				
Anthracite Coal	714,915	2.441	775,198	2.227
Bituminous Coal	3,381,027	11.545	3,640,824	10.461
Coke	387,506	1.323	538,293	1.547
Iron and other Ores	1,821,203	6.219	2,048,349	5.885
Stone, Sand, etc	1,636,093	5.586	1,961,119	5.634
Salt	91,863	.314	111,019	.319
	8,032,607	27.428	9,074,802	26.073
Products of Forests:				
Lumber, Lath and Shingles	2,571,780	8.781	3,274,419	9.408
Sash, Doors and Blinds	59,939	.205	68,364	.197
Other Forest Products	2,031,004	6.935	2,843,206	8.168
	4,662,723	15.921	6,185,989	17.773
Manufactures:				
Petroleum and other Oils	311,890	1.065	345,853	.994
Iron and Steel	1,165,323	3.979	1,541,724	4.430
Castings and Machinery	245,119	.837	387,523	1.113
Agricultural Implements	149,441	.510	207,345	.596
Wagons, Carriages, Tools, etc.	82,598	.282	115,177	.331
Lime, Cement and Plaster	793,330	2.709	899,890	2.585
Brick	743,367	2.538	870,343	2.501
Wines, Liquors and Beers	524,541	1.791	561,521	1.613
Household Goods & Furniture	179,619	.614	173,025	.497
Paper	139,351	.476	158,309	.455
Other Manufactures	1,038,250	3.545	1,254,507	3.604
	5,372,829	18.346	6,515,217	18.719
Commodities not Specified	3,733,444	12.748	3,932,508	11.299
Total	29,286,115	100.000	34,805,491	100.000

EQUIPMENT, JUNE 30TH, 1913.

Locomotives		1,952
Gas Electric Motor Cars		7
Passenger Cars		665
Sleeping Cars		217
Parlor Cars		28
Dining Cars		45
Observation Cars		12
Buffet Cars		8
Baggage, Mail, Express and Combination Cars		577
Freight Cars—		
Box Cars	42,688	
Stock Cars	5,866	
Flat, Coal and Ore Cars	11,296	
Refrigerator and Vegetable Cars	2,316	
Refrigerator Express Cars	50	
Ballast Cars	2,441	64,657
Caboose Cars		1,121
Work Train, Wrecking and Tool Cars		1,706
Office Cars		6
Total		71,001

The equipment of the lines formerly owned by the Chicago, Milwaukee and Puget Sound Railway Company is included above.

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VANCOUVER ISLAND
Victoria
Strait of Juan de Fuca
Lynden
Maple Falls
Glacier
BELLINGHAM
EVERETT
Snohomish
Monroe
Duval
Tolt
SEATTLE
Black River Jc.
Maple Valley
Cedar Falls
Rockdale
Kent
Auburn
Sumner
Kanaskat
Bayne
Enumclaw
Puget Sound
TACOMA
Olympia
HOQUIAM
Montesano
Grays Harbor
Aberdeen
Cosmopolis
Melbourne
South Montesano
South Elma
Ford
Independence
Helsing Jc.
Maytown
Rainier
McKenna
Roy
Salsich Jc.
Electron
Kapowsin
Eatonville
Ashford
Ladd
Morton
Mt. Rainier
Whittier
Easton
Cle-Elum
Thorp
Ellensburg
Kittitas
Boylston
Beverly
Smyrna
Corfu
Othello
Warden
Roxboro
Lind
Ralston
Marengo
Paxton
Ewan
Malden
Rosalia
Seabury
Tekoa
Neppel
Tiflis
Marcellus
SPOKANE
Lake Chelan
Columbia River
Spokane R.
White Bluffs
Hanford
Snake R.
WASHINGTON
Mt. Adams
Columbia River
PORTLAND
THE DALLES
Willamette
Salem
PACIFIC

Chicago, Milwaukee
and S
M O N T A N
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Lake Pend d'Oreille
Pend d'Oreille River
Clarks Fork
Lake Coeur d'Alene
Coeur d'Alene
Bell
O-W.R.&N.CO.
Plummer
Ramsdell
St. Maries
St. Joe
Tekoa
Seabury
Lotus
Santa
Collins
Bovill
Elk River
LEWISTON
Snake River
Avery
Roland
East Portal
Saltese
Haugan
St. Regis
Superior
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Frenchtown
Missoula
Bonner
Blackfoot Jc.
Clearwater Crossing
Ovando
Browns Lake
BIG BLACKFOOT RY.
Clinton
Bearmouth
Drummond
Garrison
Deer Lodge
Morel
Cliff
BUTTE
Janney
Donald
Cedric
Piedmont
Jefferson Island
Sappington
ROCKY MTS.
BITTER ROOT MOUNTAINS
Helena
Agawam
Choteau
GREAT FALLS
Missouri River
Winifred
Roy
Hilger
LEWISTOWN
Heath
Grass Range
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Straw
Judith Gap
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Ryegate
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Musselshell
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Sumatra
Two Dot
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Summit
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Eustis
Three Forks
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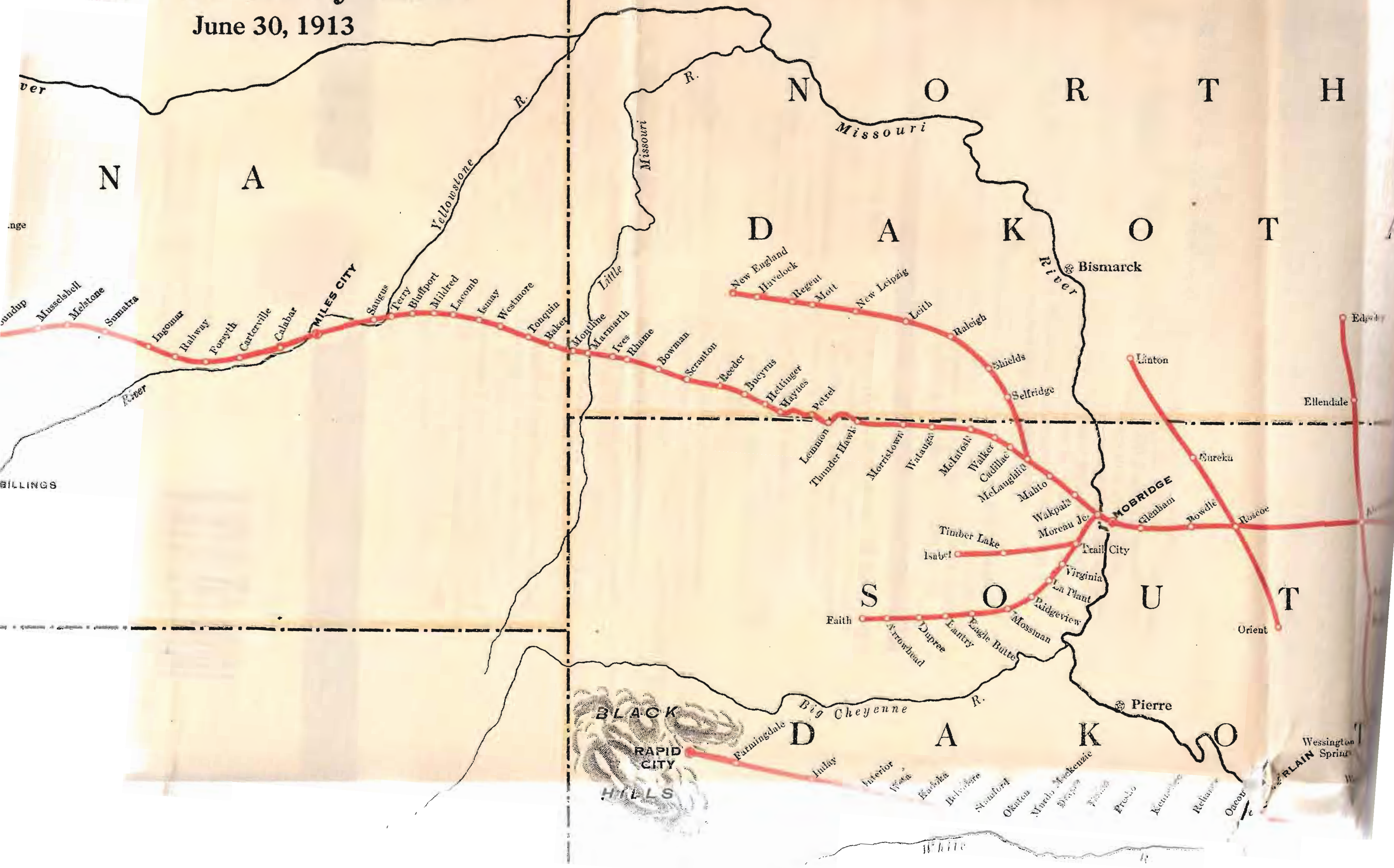
Belgrade Jc.
Bozeman Hot Springs
Salesville
LIVINGSTON
Yellowstone River
BILLINGS
Madison River
Gallatin R.
YELLOWSTONE NATIONAL PARK
Yellowstone Lake

...ukee & St. Paul Railway Company
and Subsidiary Lines
June 30, 1913




Lake of the Woods
Rainy River
Pigeon R.
ROYAL
LAKE SUP
Red Lake
Bemidji Lake
Cass Lake
Winnibigoshish Lake
Red River of the North
FARGO
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SUPERIOR
NOR. PAC. RY.
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Ontonagon
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Iron River
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Minocqua
Tomahawk
Gleason
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Kalinke Spur
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Traverse Lake
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L. Minnetonka
Lake Minnetonka
Hopkins
Hutchinson
Menomonie
Chippewa Falls
Eau Claire
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Vesper
Arpin
Ashton
Redfield
Elrod
Montevideo
Glencoe
Benton Jc.
Carver
Shakopee
Mendota
HASTINGS
Red Cedar Jc.
Durand
Granite Falls
Bird Island
Minnesota R.
Farmington
Cannon Falls
Pittsville Jc.
Dexterville
Babcock
Grand Rapids
Nekoosa
Wisconsin R.
Le Sueur Center
Northfield
Cannon Jc.
Red Wing
Wabasha
Mather
Necedah
Winneconne
Omro
Lake Preston
Big Sioux R.
Mankato
Faribault
Zumbrota
Mazeppa
Midland Jc.
Tomah
Berlin
Rush Lake Jc.
Egan
Flandreau
Pipestone
Sioux Falls Jc.
St. Clair
Owatonna
Winona
Bridge Switch
Onalaska
Sparta
New Lisbon
Brandon
Madison
Mackean
Fox Lake