

1916

FIFTY-SECOND ANNUAL REPORT

OF THE

CHICAGO, MILWAUKEE & ST. PAUL
RAILWAY COMPANY

FOR THE

Fiscal Year Ending June 30th, 1916

RECEIVED STATE
APR 30
YR 1917

532
52

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

DIRECTORS

TERM EXPIRES SEPTEMBER, 1916

J. OGDEN ARMOUR	CHICAGO
STANLEY FIELD	CHICAGO
L. J. PETIT	MILWAUKEE
P. A. ROCKEFELLER	NEW YORK

TERM EXPIRES SEPTEMBER, 1917

WALTER P. BLISS	NEW YORK
A. J. EARLING	CHICAGO
EDWARD S. HARKNESS	NEW YORK
SAMUEL McROBERTS	NEW YORK
JOHN D. RYAN	NEW YORK

TERM EXPIRES SEPTEMBER, 1918

DONALD G. GEDDES	NEW YORK
WILLIAM ROCKEFELLER	NEW YORK
JOHN A. STEWART	NEW YORK
H. R. WILLIAMS	NEW YORK

EXECUTIVE COMMITTEE

JOHN A. STEWART
WILLIAM ROCKEFELLER
H. R. WILLIAMS

A. J. EARLING
P. A. ROCKEFELLER
JOHN D. RYAN

OFFICERS

A. J. EARLING	President	CHICAGO
H. R. WILLIAMS	Vice-President	NEW YORK
J. H. HILAND	Vice-President	CHICAGO
E. S. KEELEY	Vice-President	CHICAGO
E. D. SEWALL	Vice-President	CHICAGO
D. L. BUSH	Vice-President	CHICAGO
H. B. EARLING	Vice-President	SEATTLE
C. A. GOODNOW	Assistant to the President	CHICAGO
J. W. TAYLOR	Assistant to the President	CHICAGO
E. W. ADAMS	Secretary	MILWAUKEE
C. B. FERRY	Vice-Pres't, Ass't Sec'y and Ass't Treas.	NEW YORK
A. C. HAGENSICK	Assistant Secretary	MILWAUKEE
R. J. MARONY	Assistant Secretary and Transfer Agent	NEW YORK
F. B. SIMPSON	Assistant Secretary and Transfer Agent	NEW YORK
F. G. RANNEY	Treasurer	CHICAGO
JOHN McNAB	Assistant Treasurer	CHICAGO
G. J. BUNTING	General Auditor	CHICAGO
P. C. HART	General Manager	CHICAGO
H. E. PIERPONT	Freight Traffic Manager	CHICAGO
F. A. MILLER	Passenger Traffic Manager	CHICAGO
R. M. CALKINS	Traffic Manager	SEATTLE
C. F. LOWETH	Chief Engineer	CHICAGO
BURTON HANSON	General Counsel	CHICAGO
H. H. FIELD	General Solicitor	CHICAGO
O. W. DYNES	Commerce Counsel	CHICAGO

Recd 26 April 29 P.M. 1917

REPORT
OF THE
BOARD OF DIRECTORS

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

For the Fiscal Year ending June 30th, 1916

The Directors submit to the Stockholders the following report of the operations of the Company for the year ending June 30th, 1916, 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.....	\$ 105,646,483.73
Operating Expenses.....	69,120,957.62
Net Operating Revenue.....	\$ 36,525,526.11
Taxes Accrued.....	5,264,331.29
Operating Income.....	\$ 31,261,194.82

Other Income:

Interest on Bonds.....	\$ 221,861.16
Dividends on Stocks.....	150,970.50
Interest on Other Securities, Loans and Accounts.....	1,906,978.95
Rents—Received.....	464,892.08
Miscellaneous.....	614,742.64
Gross Corporate Income....	\$ 34,620,640.15

Deductions:

Interest Accrued on Funded Debt.\$	15,604,262.23
Rents—Paid.....	1,039,907.47
Hire of Equipment.....	908,132.16
Miscellaneous.....	350,980.85
Net Corporate Income....	\$ 16,717,357.44

MILES OF TRACK, JUNE 30TH, 1916.

Owned solely by this Company:

Main track.....	9,747.03	
Second main track.....	1,023.50	
Third main track.....	21.72	
Fourth main track.....	13.11	
Connection tracks.....	48.79	
Yard tracks, sidings and spur tracks.....	3,152.44	14,006.59

Owned jointly with other Companies:

Main track.....	109.74	
Second main track.....	6.16	
Third main track.....	1.94	
Fourth main track.....	1.93	
Connection track.....	5.98	
Yard tracks, sidings and spur tracks.....	186.57	312.32

Used by this Company under contracts:

Main track.....	351.17	
Second main track.....	76.61	
Third main track.....	1.14	428.92

Total miles of track..... 14,747.83

Average miles of main track in operation during the year:

Owned solely.....	9,670.37 miles
Owned jointly.....	105.54 "
Used under contracts.....	354.17 "

Total average miles operated..... 10,130.08 miles

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

Wisconsin.....	1,823.59 miles
Illinois.....	415.04 "
Iowa.....	1,875.95 "
Minnesota.....	1,244.90 "
North Dakota.....	379.93 "
South Dakota.....	1,794.89 "
Missouri.....	140.27 "
Michigan.....	197.39 "
Montana.....	1,056.13 "
Idaho.....	237.89 "
Washington.....	690.79 "

Total length of main track owned solely and jointly..... 9,856.77 miles

ACQUISITION OF THE IDAHO & WASHINGTON
NORTHERN RAILROAD

On January 25, 1916, the railway, property and franchises of the Idaho & Washington Northern Railroad were offered for sale at public auction in the town of Spirit Lake, Idaho, pursuant to a decree of foreclosure theretofore entered in the District Court of the United States for the Northern District of Idaho, on November 18, 1915. The Chicago, Milwaukee & St. Paul Railway Company was the highest bidder at this sale, and, accordingly, the entire railway, property and franchises of that Railroad were conveyed to it by deed of conveyance, dated January 25, 1916, since which date it has been in possession of said railway, operating the same as the owner thereof.

CHICAGO UNION STATION COMPANY

During the year the Chicago Union Station Company sold \$30,000,000 of its First Mortgage four and one-half per cent Gold Bonds, designated Series A, and maturing July 1, 1963, to pay for property acquired, to carry on street and bridge work as required by the ordinance, and for other construction purposes. The total authorized issue is \$60,000,000; the remainder is to be issued as required.

The bonds issued by the Station Company are guaranteed by endorsement as to both principal and interest, jointly and severally by the Chicago, Burlington & Quincy Railroad Company, the Pittsburgh, Cincinnati, Chicago & St. Louis Railway Company, the Pennsylvania Company, and the Chicago, Milwaukee & St. Paul Railway Company, in accordance with the terms of an agreement dated July 2, 1915, between the companies named and the Chicago Union Station Company.

SUBSIDIARY COMPANIES

(The Capital Stock of these Companies is all owned and held by the Chicago, Milwaukee & St. Paul Ry. Co.)

SEATTLE, PORT ANGELES & WESTERN RAILWAY COMPANY

The eastern extension of the Seattle, Port Angeles & Western Railway, of which mention was made in the fifty-first annual report, was completed and placed in operation in May, 1916. An extension of approximately six miles from Majestic, Washington, westward was started in April of this year, and was about twenty-five per cent completed at the close of the fiscal year.

BIG BLACKFOOT RAILWAY COMPANY

An extension of the line of railway of the Big Blackfoot Railway Company from McNamara Junction to Clearwater, Montana, a distance of approximately 20 miles, was authorized during the present fiscal year. Active construction is under way, and the extension was about five per cent completed at the close of the fiscal year.

BELLINGHAM & NORTHERN RAILWAY COMPANY

A branch line extending from a point on the main line of the Bellingham & Northern Railway Company near Goshen, Washington, to Welcome, Washington, a distance of 11.3 miles, was authorized during the past fiscal year. Construction was started early in 1915, and the work was about ninety-five per cent completed at the close of this fiscal year.

EQUIPMENT.

During the year thirty-three locomotives and one thousand and twenty-four cars of various classes have been purchased or built, as follows:

13 Locomotives—Steam	151 Box Cars
20 Locomotives—Electric	12 Refrigerator Cars
2 Mail and Baggage Cars	500 Ore Cars
1 Passenger and Baggage Car	322 Flat and Coal Cars
7 Sleeping Cars	8 Caboose Cars
1 Passenger Observation Car	1 Ballast Car
2 Observation Parlor Cars	12 Work Train Cars
5 Passenger Cars	

During the year twelve locomotives and one thousand, five hundred and twelve cars were destroyed by wreck or fire, sold or taken down on account of small capacity, as follows:

12 Locomotives—Steam	61 Stock Cars
1 Parlor Car	139 Flat and Coal Cars
2 Passenger Cars	18 Ore Cars
4 Baggage Cars	16 Refrigerator Cars
1 Mail Car	12 Ballast Cars
1 Passenger and Baggage Car	7 Caboose Cars
1214 Box Cars	36 Work Train Cars

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

PROPERTY INVESTMENT DURING THE YEAR
ENDING JUNE 30, 1916.

Equipment.....	\$ 2,958,085.69
Purchase of Idaho & Washington Northern R. R..	5,629,784.05
New Branch Lines and Extensions.....	152,363.44
New Additional Main Tracks and Reducing Grade and Perfecting Line.....	1,179,474.51
Other Additions and Betterments.....	9,309,126.07
	<u>\$19,228,833.76</u>
Credit—Property retired or converted.....	1,262,915.47
Total as shown by detailed statement on page 40 of this report.....	<u>\$17,965,918.29</u>

ADDITIONS AND BETTERMENTS AUTHORIZED EQUIPMENT

Authority has been given for the purchase or building of additional equipment, as follows:

- 23 Electric Locomotives.
- 1066 Steel Underframe Box Cars.
- 120 Steel Underframe Flat Cars.
- 249 Automobile Box Cars.
- 100 Logging Cars.

Also to convert six wooden mail cars into steel underframe mail apartment cars and three wooden mail cars into steel underframe baggage cars, and to equip two wooden observation compartment sleeping cars with steel underframes.

NEW STATION BUILDINGS AND TERMINAL FACILITIES

A new engine terminal with twenty-two stall roundhouse at North McGregor, Iowa, on the Iowa and Dakota Division, has been authorized. The necessary real estate is also being secured for new engine terminals at Sioux City, Iowa, on the Sioux City and Dakota Division and at Atkins, Iowa, on the Chicago and Council Bluffs Division in Iowa.

A new engine terminal with a four stall roundhouse at Beloit, Wisconsin, on the Racine and Southwestern Division, is now under construction. It will be completed some time this autumn.

The construction of twenty-one grain tanks, of a total capacity of 625,000 bushels in connection with the Company's Elevator "E" at Milwaukee, Wisconsin, has been authorized.

A new passenger station is under construction in the City of Butte, Montana, at a cost of approximately \$150,000.00. It was about fifty per cent completed at the end of the fiscal year.

An extension of the yard track facilities at Cedar Rapids, Iowa, is under construction at a cost of approximately \$60,000.00, and it is expected that it will be completed during this calendar year.

An enlargement of the roundhouse and machine shop at Deer Lodge, Montana, in connection with the operation of electric locomotives, is under construction at a cost of approximately \$21,000.00.

Plans are under consideration for a proposed new passenger station and the duplication of the present ocean dock and warehouse at Tacoma, Washington. Automatic fire sprinkler and curtain devices are being installed in the present dock and warehouse at a cost of approximately \$25,000.00. The dredging of the outer half and mouth of the slip of the present dock and warehouse has been authorized at a cost of approximately \$23,400.00.

AUTOMATIC BLOCK SIGNALS

During the year ending June 30, 1916, installations of automatic block signals have been completed, as follows:

Chicago and Council Bluffs Division in Iowa:

Coon Rapids to Manilla, Iowa 31.4 miles

Hastings and Dakota Division:

Hopkins to Cologne, Minnesota 21.5 "

Rocky Mountain Division:

Butte Yard to Colorado Jct., Montana 1.9 "

The direct current semaphore signals formerly in service in the Electrification Zone, between Piedmont and Butte Yard and between Lombard and Three Forks, have been replaced with color indication, alternating current, light signals, on account of the trolley poles obstructing the view of the semaphore signals. A similar change in signaling is now under way between Lennep and Lombard on the Rocky Mountain Division and between Haugan and St. Regis, on the Missoula Division.

The direct current semaphore signals removed from these sections are now being installed between Plummer Junction and Manito on the Idaho Division, and between Marengo and Beverly on the Columbia Division, a total distance of 123 miles.

New light signals have been authorized and work is now under way between Harlowton and Lennep, Three Forks and Piedmont and Colorado Junction and Deer Lodge, on the Rocky Mountain Division, a total of 110.1 miles, and between Deer Lodge and Haugan, 173.4 miles on the Missoula Division.

When these installations are completed, the automatic block signals will be continuous from Harlowton to Seattle and Tacoma, via Spokane, with the exception of the staff block signals now in service between Haugan and Avery and Rockdale and Hyak.

ELIMINATION OF GRADE CROSSINGS

The work of depressing the tracks of the Hastings and Dakota Division, from Hiawatha Avenue to Hennepin Avenue, in the City of Minneapolis, a distance of about three miles, was 88% completed as of June 30, 1916. All of the grade crossings have been eliminated, and work on the remaining seven permanent over-head viaducts is under way and will be completed this season.

Elevation of tracks on the Chicago and Evanston Division from Montrose Avenue to Howard Avenue, Chicago, a distance of 4.4 miles, is under active construction, and about forty-five per cent of the work was completed at the close of this fiscal year.

The elevation of tracks in the City of Milwaukee, Wisconsin, is rapidly approaching completion, being about eighty-five per cent completed at the close of this fiscal year. The erection of permanent subways, at grade crossings thereby eliminated, will be completed during this season.

A new viaduct carrying Lake Street over the tracks of the Hastings and Dakota Division in the City of Minneapolis, Minnesota, was authorized during the past fiscal year, and is now under construction. It is expected that it will be completed some time this coming winter.

NEW LINES AND EXTENSIONS

The completion of the Choteau Line, extending from Great Falls to Agawam, Montana, a distance of 70 miles, is nearing completion. Track laying is now in progress, and it is expected that this line of railway will be placed in operation some time during the coming autumn.

TUNNELS

The lining with concrete of the St. Paul Pass Tunnel in the Bitter Root Mountains, which was started in the autumn of 1915, will be completed this coming winter.

ELECTRIFICATION

Electrical operation of the Rocky Mountain Division between Deer Lodge and Three Forks, Montana, a distance of 112.2 miles, was started in December, 1915, and between Three Forks and Harlowton, Montana, a distance of 114.2 miles, in April, 1916.

By May 31st, 1916, there had been received the required number of electric locomotives to operate the entire Rocky Mountain Division with the exception of two local passenger trains.

Work on the Missoula Division between Avery, Idaho, and Deer Lodge, Montana, is progressing at a rate which indicates the completion of the electrical construction work on this Division by the end of the calendar year.

RESERVE FOR ACCRUED DEPRECIATION.

At the close of the fiscal year, ending June 30th, 1915, there was at the credit of Reserve for Accrued Depreciation the sum of \$7,597,064.97.

A certain percentage of the total cost of equipment has been credited to this Reserve for the estimated depreciation of locomotives, passenger train cars, freight train cars and work equipment, accrued during the year, which, together with other adjustments, aggregates \$2,001,901.21.

There has been charged to this Reserve an amount of \$186,157.06, representing the accrued depreciation, previously credited, on locomotives and cars destroyed, sold or taken down during the year, which results in a net increase in this Reserve of \$1,815,744.15 for the year.

The balance of this Reserve, June 30, 1916, as shown on page 24, is \$9,412,809.12, which represents the estimated depreciation of rolling stock subsequent to June 30th, 1907.

CAPITAL STOCK

At the close of the last fiscal year the share capital of the Company amounted to \$233,636,300.00 and consisted of \$117,361,400.00 of Common Stock and \$116,274,900.00 of Preferred Stock. It has been increased during this fiscal year by \$49,900.00 of Common Stock issued and sold. The total amount of Capital Stock at the close of this fiscal year is \$233,686,200.00, of which \$434,400.00 is held by the Company.

FUNDED DEBT.

At the close of the last fiscal year the Funded Debt of the Company was \$482,133,154.66.

It has been decreased during the fiscal year by \$2,848,000.00 Dakota & Great Southern Ry. Co. 5% Bonds; \$55,000.00 Du-buque Division 6% Bonds and \$30,568,469.83 European Loan of 1910—4% bonds retired.

It has been increased by \$2,856,000.00 General Mortgage $4\frac{1}{2}$ % Bonds, \$30,568,469.83 4% Gold Bonds of 1925 and \$8,576,000 General and Refunding Mortgage Bonds issued.

The amount of bonds issued at the close of this fiscal year is \$490,662,154.66, of which \$132,418,200.00 are in the Treasury of the Company and \$358,243,954.66 are outstanding.

TREASURY BONDS.

At the close of the last fiscal year the amount of the Company's bonds in its treasury was.. \$123,893,800.00

It has been decreased by—

General and Refunding Mortgage 5% Convertible Bonds sold.....	51,600.00
	<u>\$123,842,200.00</u>

It has been increased by—

General and Refunding Mortgage Bonds issued..	8,576,000.00
---	--------------

At the close of this fiscal year, bonds in treasury amounted to.....	<u>\$132,418,200.00</u>
--	-------------------------

Composed of the following:—

General and Refunding Mortgage Bonds, available for the acquisition of additional property or for other additions and betterments.....	\$107,259,200.00
--	------------------

Bonds certified by Trustees, to reimburse the Company for expenditures incurred for additional property and paid from earnings, as follows:

*General and Refunding Mortgage Bonds.....	\$25,000,000.00
*General Mortgage Bonds	159,000.00
	25,159,000.00
Total.....	<u>\$132,418,200.00</u>

*These bonds are available for such corporate purposes as the Board of Directors may authorize.

INSURANCE DEPARTMENT.

INSURANCE RESERVE ACCOUNT.

INCOME:

Premium Received:

For Insurance of Railway Prop- erties.....	\$68,782.68
Less—Reinsurance paid.....	82,273.16
Net Premium Deficit.....	<u>\$13,490.48</u>

Other Income:

Interest and Dividends on Securi- ties owned.....	119,202.48
Gross Income.....	<u>\$105,712.00</u>

DISBURSEMENTS:

Fire Losses—Net.....	105,712.00
Insurance Reserve—June 30th, 1916..	\$2,838,373.62
Less Reinsurance effected applying subsequent to June 30th, 1916.....	114,306.63
Insurance Reserve as per General Balance Sheet—Page 27.....	<u>\$2,724,066.99</u>

ASSETS AND LIABILITIES.

ASSETS:

Funded:

Securities as shown on page 18....	\$2,818,100.00
------------------------------------	----------------

Unfunded:

Interest Accrued on Securities Owned.....	35,556.40
--	-----------

DEFERRED DEBITS:

Reinsurance effected applying sub- sequent to June 30th, 1916.....	114,306.63
Total Assets.....	<u>\$2,967,963.03</u>

LIABILITIES:

Insurance Reserve.....	\$2,838,373.62
C. M. & St. P. Ry. Co. Advances.	129,589.41
Total Liabilities.....	<u>\$2,967,963.03</u>

INSURANCE DEPARTMENT.

INVESTMENTS—SECURITIES

The Insurance Reserve June 30th, 1916, amounts to \$2,838,373.62, of which \$2,818,100.00 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:

Chicago, Milwaukee & Puget Sound Ry. Co. 4%..	1,000,000.00
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
General Mortgage 4%.....	600,000.00
General and Refunding Mortgage Convertible 5%	11,500.00
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:

Tacoma Eastern R. R. Co. 5%.....	43,000.00
	\$1,918,100.00

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.....	\$2,818,100.00

OPERATING REVENUES.

The Operating Revenues for the year were \$105,646,483.73 an increase of \$14,211,109.47 compared with the previous year.

The revenue from freight traffic was \$76,036,096.55—71.97% of total revenue—an increase of \$12,082,297.93 or 18.89%.

The number of tons of freight carried was 38,313,345—an increase of 5,353,953 tons, or 16.24%.

The following classes of commodities show an increase compared with the previous year: Products of Agriculture, 433,993 tons; Products of Animals, 174,916 tons; Products of Mines, 2,123,593 tons; Products of Forests, 511,912 tons; Manufactures, 1,688,866 tons and Commodities Not Specified, 420,673 tons.

The number of tons of all agricultural products carried during the year was 8,176,666 tons—an increase compared with the previous year of 5.61%. Agricultural products comprised 21.34% of the total tonnage carried, compared with 23.49% of the total tonnage of last year.

The number of tons of commodities other than agricultural products carried during the year was 30,136,679 tons—an increase compared with the previous year of 4,919,960 tons, or 19.51%—the per cent of the total being 78.66% against 76.51% last year.

The number of tons of revenue freight carried one mile was 10,043,235,657—an increase of 1,857,247,282, or 22.69%. The revenue per ton per mile was .7571 cent—a decrease of .0242 cent, or 3.10%. The average miles each ton of revenue freight was carried was 262.13 miles—an increase of 13.76 miles, or 5.54%.

The number of tons of revenue freight carried per loaded car was 17.941, against 16.835 last year—an increase of 6.57%. The number of tons of revenue freight per freight and mixed train mile was 424.54, against 390.21 last year—an increase of 8.80%. The revenue from freight per freight and mixed train mile was \$3.2141, as against \$3.0486 last year—an increase of 5.43%.

The revenue from passenger traffic during the year was \$18,923,892.76—17.91% of the total revenue—an increase of \$971,464.58 compared with the previous year, or 5.41%.

The number of passengers carried was 16,134,559, an increase of 69,103 or .43%. The number of passengers carried one mile was 899,872,201—an increase of 41,419,880, or 4.82%.

The revenue per passenger per mile was 2.103 cents—an increase of .012 cent, or .57%. The average miles each passenger was carried was 55.77 miles—an increase of 2.34 miles, or 4.38%.

OPERATING EXPENSES.

The Operating Expenses for the year were \$69,120,957.62, an increase of \$7,149,256.59 compared with the previous year.

The expenses of Maintenance of Way and Structures were \$11,563,768.73; Maintenance of Equipment, \$16,518,475.70; Traffic Expenses, \$1,899,027.38; Transportation Expenses, \$37,728,571.25; Miscellaneous, \$738,378.85; General Expenses, \$1,920,467.31; and Transportation for Investment—Cr., \$1,247,731.60.

There was an increase in Maintenance of Way and Structures of \$1,186,584.13, in Maintenance of Equipment of \$2,780,940.38, in Traffic Expenses of \$142,226.69, in Transportation Expenses of \$2,030,609.82, in Miscellaneous Operations of \$15,743.64, in General Expenses of \$57,528.42 and a decrease in Transportation for Investment—Cr., \$935,623.51.

During the year 25 steel bridges, aggregating 2,271 feet in length and 8 masonry bridges, aggregating 1,329 feet in length, were built—replacing 2,356 feet of wooden bridges, 464 feet of iron bridges and 780 feet of embankment; and 8,908 feet of wooden culverts were replaced with iron and concrete pipe. About 5.5 miles of pile bridges were filled with earth, 77 bridges having been completely filled and 74 reduced in length by filling.

SUBSIDIARY COMPANIES.

The operations for the fiscal year of the Subsidiary Companies named below, 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.....	\$513,854.83	
Operating Expenses.....	372,691.63	
Net Operating Revenue.....		\$141,163.20
Taxes Accrued.....		44,005.02
Operating Income.....		\$97,158.18
Rents Received.....	\$21,442.75	
Hire of Equipment.....	45,662.45	
Miscellaneous.....	542.78	67,647.98
Gross Corporate Income.....		\$164,806.16
DEDUCTIONS:		
Interest Accrued on Funded Debt.....	\$44,200.00	
Non-Operating Property Expenses.....	7,035.01	
Rents Paid.....	825.00	
Miscellaneous.....	256.97	52,316.98
*Net Corporate Income.....		\$112,489.18

*Excluding interest on funds advanced by the C. M. & St. P. Ry. Co.

SUBSIDIARY COMPANIES—Continued.

BELLINGHAM & NORTHERN RAILWAY COMPANY.

Operating Revenues.....	\$203,257.93	
Operating Expenses.....	152,034.84	
Net Operating Revenue.....		\$51,223.09
Taxes Accrued.....		20,833.25
Operating Income.....		\$30,389.84
OTHER INCOME:		
Rents Received.....	\$5,883.94	
Sinking Fund.....	425.00	6,308.94
Gross Corporate Income.....		\$36,698.78
DEDUCTIONS:		
Interest Accrued on Funded Debt.....	\$28,699.50	
Sinking Fund.....	6,565.18	
Hire of Equipment.....	437.66	
Rents Paid.....	4,045.00	39,747.34
*Net Corporate Deficit.....		\$ 3,048.56

GALLATIN VALLEY RAILWAY COMPANY.

Operating Revenues.....	\$128,835.70	
Operating Expenses.....	96,290.87	
Net Operating Revenue.....		\$32,544.83
Taxes Accrued.....		16,002.70
Gross Corporate Income.....		\$16,542.13
DEDUCTIONS:		
Hire of Equipment.....	\$17,709.61	
Miscellaneous.....	15.00	17,724.61
*Net Corporate Deficit.....		\$ 1,182.48

MILWAUKEE TERMINAL RAILWAY COMPANY.

Operating Revenues.....	\$156,820.41	
Operating Expenses.....	101,807.14	
Net Operating Revenue.....		\$55,013.27
Taxes Accrued.....		9,750.86
Gross Corporate Income.....		\$45,262.41
DEDUCTIONS:		
Hire of Equipment.....	\$1,033.60	
Non-Operating Property Expenses.....	1,208.67	
Rents Paid.....	537.90	2,780.17
*Net Corporate Income.....		\$42,482.24

*Excluding interest on funds advanced by the C. M. & St. P. Ry. Co.

SUBSIDIARY COMPANIES—Concluded.

BIG BLACKFOOT RAILWAY COMPANY.

Operating Revenues	\$81,987.20	
Operating Expenses	43,334.02	
Net Operating Revenue	\$38,653.18	
Taxes Accrued	2,291.82	
Operating Income	\$36,361.36	
Income from Non-Operating Property	1,322.76	
Gross Corporate Income	\$37,684.12	
DEDUCTIONS:		
Hire of Equipment	\$16,201.91	
Rents Paid	8,124.13	24,326.04
*Net Corporate Income		\$13,358.08

SEATTLE, PORT ANGELES & WESTERN RY. CO.

Operating Revenues	\$234,189.33	
Operating Expenses	117,076.06	
Net Operating Revenue	\$117,113.27	
Taxes Accrued	12,041.73	
Gross Corporate Income	\$105,071.54	
DEDUCTIONS:		
Hire of Equipment	59,466.30	
Net Corporate Income	\$ 45,605.24	

*Excluding interest on funds advanced by the C. M. & St. P. Ry. Co.

Charles W. Harkness, a member of the Executive Committee and of the Board of Directors, died suddenly in the City of New York on May 1st, 1916. The great loss ensuing to the Company and his associates by his demise was expressed by the Board of Directors in the following resolution:

"The Board of Directors of the Chicago, Milwaukee & St. Paul Railway Co., desiring to record their sincere sorrow at the death of their late colleague, Charles W. Harkness, and their appreciation of his character and services, do hereby

"RESOLVE, that in the death of Charles W. Harkness, a Director of this Company for twenty years and a member of its Executive Committee, each member of the Board feels a profound sense of loss. His personal qualities endeared him to all of his associates. To the sense of personal loss is added that which is suffered by the Company which he so long and faithfully served. His high principles, honesty of purpose, and integrity of character made his counsel wise and helpful and will be greatly missed in the future deliberations of the Board."

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

By order of the Board of Directors.

August, 1916.

A. J. EARLING, *President.*

247111
AND
YEAR

STATEMENT OF INCOME ACCOUNT.

YEAR ENDING JUNE 30TH, 1916

OPERATING INCOME:		
Rail Operations:		
Operating Revenues.....		\$105,646,483.73
Operating Expenses.....		69,120,957.62
Net Operating Revenue.....		\$ 36,525,526.11
Taxes Accrued.....		5,264,331.29
Operating Income.....		\$ 31,261,194.82
OTHER INCOME:		
Interest Accrued on Bonds Owned.....	\$ 221,861.16	
Dividends on Stocks Owned.....	150,970.50	
Interest on Other Securities, Loans and Accounts.....	1,906,978.95	
Rents—Received.....	464,892.08	
Miscellaneous.....	614,742.64	
Total Other Income.....		3,359,445.33
Gross Corporate Income.....		\$ 34,620,640.15
DEDUCTIONS FROM GROSS CORPORATE INCOME:		
Interest Accrued on Funded Debt.....	\$15,604,262.23	
Rents—Paid.....	1,039,907.47	
Hire of Equipment.....	908,132.16	
Miscellaneous.....	350,980.85	
Total Deductions from Gross Corporate Income.....		17,903,282.71
NET CORPORATE INCOME FOR YEAR CARRIED FORWARD TO CREDIT OF PROFIT AND LOSS.		\$ 16,717,357.44

PROFIT AND LOSS ACCOUNT, JUNE 30TH, 1916.

		CREDIT.	
DEBIT.			
Dubuque Division and Wisconsin Valley Division Sinking Funds.....	\$ 92,270.00	Balance June 30th, 1915.....	\$33,904,375.01
Extinguishment of book value of equipment destroyed, sold or taken down during the year.....	374,906.23	Profit on Property Sold and Other Miscellaneous Net Credits.....	2,188,490.27
Net Loss on Property sold or abandoned and not replaced.....	71,245.12	Balance for Year brought forward from Income Account.....	\$16,717,357.44
Discount on General Mortgage and General and Refunding Mortgage Bonds.....	54,281.82		
Surplus appropriated for Investment in Physical Property.....	76,749.68		
Dividend declared July 29th, 1915:			
3½% on \$115,845,800 Preferred Stock.....	4,054,603.00		
2% on \$117,356,100 Common Stock.....	2,347,122.00		
Dividend declared January 27th, 1916:			
3½% on \$115,845,800 Preferred Stock.....	4,054,603.00		
2½% on \$117,406,000 Common Stock.....	2,935,150.00		
Balance Credit, June 30th, 1916, carried to General Balance Sheet.....	38,749,291.87		
	\$52,810,222.72		\$52,810,222.72

CAPITAL STOCK JUNE 30th, 1916.

Common Stock June 30th, 1915.....	\$117,361,400.00
Preferred Stock June 30th, 1915.....	116,274,900.00
Total Capital Stock June 30th, 1915.....	\$233,636,300.00
Common Stock Issued and Sold during the Year.....	\$ 49,900.00
Common Stock June 30th, 1916.....	\$117,411,300.00
Preferred Stock June 30th, 1916.....	116,274,900.00
Total Capital Stock June 30th, 1916.....	\$233,686,200.00

FUNDED DEBT, JUNE 30th, 1916.

Total Funded Debt June 30th, 1915, including all items on purchased roads.....	\$482,133,154.66
Decreases during the year:	
Dakota & Great Southern Railway Co. 5% Bonds matured January 1, 1916, and retired.....	\$ 2,848,000.00
Dubuque Division Bonds purchased for Sinking Fund.....	55,000.00
European Loan of 1910 Bonds Pur- chased.....	30,568,469.83
Total Decrease.....	33,471,469.83
Increases during the year:	
General Mortgage 4½% Bonds Sold.....	\$ 2,856,000.00
4% Gold Bonds of 1925 sold.....	30,568,469.83
General and Refunding Bonds Issued.....	8,576,000.00
Total Increase.....	42,000,469.83
Total Funded Debt June 30th, 1916.....	\$490,662,154.66
Of the total amount of Bonds as stated above, there remains in the Treasury.....	\$132,418,200.00

FUNDED DEBT, JUNE 30th, 1916.

DESCRIPTION OF BONDS	DATE OF MATURITY	INTEREST			AMOUNT OF BONDS
		RATE	PAYABLE	ACCRUED DURING THE YEAR	
Southwestern Division.....	July 1, 1909	6 %	Jan. and July	\$ 200.00	\$ 1,000.00
Dakota & Great Southern Ry. Co.....	Jan. 1, 1916	5 %	Jan. and July	124,800.00	8,000.00
La Crosse & Davenport Division.....	July 1, 1919	5 %	Jan. and July	271,920.00	2,496,000.00
Dubuque Division.....	July 1, 1920	6 %	Jan. and July	91,560.00	4,532,000.00
Wisconsin Valley Division.....	July 1, 1920	6 %	Jan. and July	1,266,700.00	1,526,000.00
Wisconsin & Minnesota Division.....	Jan. 1, 1921	5 %	Jan. and July	237,750.00	25,334,000.00
Chicago & Pacific Western Division.....	July 1, 1921	5 %	Jan. and July	68,000.00	4,755,000.00
Chicago & Lake Superior Division.....	July 1, 1921	5 %	Jan. and July	74,880.00	1,360,000.00
Fargo & Southern Ry. Co.....	Jan. 1, 1924	6 %	Jan. and July	1,215,649.75	1,248,000.00
European Loan of 1910.....	June 1, 1925	4 %	June and Dec.	713,264.30	17,608,184.83
Four per cent Gold of 1925.....	June 1, 1925	4 %	June and Dec.	154,150.00	30,568,469.83
Chicago & Missouri River Division.....	July 1, 1926	5 %	Jan. and July	2,249,136.00	3,083,000.00
Convertible Gold.....	June 1, 1932	4½ %	June and Dec.	1,331,440.00	49,980,800.00
Twenty-five Year Gold.....	July 1, 1934	4 %	Jan. and July	95,265.00	33,286,000.00
Milwaukee & Northern R. R. Co. 1st Mortgage.....	June 1, 1934	4½ %	June and Dec.	228,240.00	2,117,000.00
Milwaukee & Northern R. R. Co. Consolidated.....	June 1, 1934	4½ %	June and Dec.	1,047,000.00	5,072,000.00
Chicago, Milwaukee & Puget Sound Ry. Co.....	Jan. 1, 1949	4 %	Jan. and July	1,929,640.90	26,175,000.00
General Mortgage.....	May 1, 1989	4 %	Jan. and July	313,250.00	48,241,000.00
General Mortgage.....	May 1, 1989	3½ %	Jan. and July	1,851,891.00	8,950,000.00
General Mortgage.....	May 1, 1989	4½ %	Jan. and July	814,005.00	42,597,000.00
General and Refunding Mortgage.....	Jan. 1, 2014	4½ %	Apr. and Oct.	1,452,821.18	18,089,000.00
General and Refunding Mortgage Convertible.....	Jan. 1, 2014	5 %	Feb. and Aug.	72,700.00	29,129,800.00
Interest on Bonds matured and retired.....				\$15,604,262.23	\$356,157,254.66
Bonds in the Treasury of the Company as shown on page 30.....					132,418,200.00
Bonds in Insurance Reserve and Sinking Funds.....					2,086,700.00
TOTAL.....					\$490,662,154.66

DETAILED STATEMENT OF OPERATING REVENUES, EXPENSES AND INCOME
FOR THE YEARS ENDING JUNE 30TH, 1915, AND 1916.

OPERATING REVENUES.

	1915	1916	INCREASE	DECREASE
TRANSPORTATION				
Freight.....	\$63,953,798.62	\$ 76,036,096.55	\$12,082,297.93	
Passenger.....	17,952,428.18	18,923,892.76	971,464.58	
Excess Baggage.....	218,606.14	197,873.30		\$ 20,732.84
Sleeping Car.....	1,028,760.34	1,175,865.14	147,104.80	
Parlor and Chair Car.....	76,850.65	78,627.09	1,776.44	
Mail.....	2,069,083.34	2,331,074.67	261,991.33	
Express.....	2,151,496.27	2,461,216.86	309,720.59	
Other Passenger Train.....	28,782.33	34,051.39	5,269.06	
Milk.....	859,079.87	939,473.76	80,393.89	
Switching.....	1,710,298.41	1,877,245.65	166,947.24	
Special Service Train.....	50,934.03	59,085.84	8,151.81	
TOTAL—Transportation Revenue.....	\$90,100,118.18	\$104,114,503.01	\$14,014,384.83	
INCIDENTAL				
Dining and Buffet.....	\$ 578,029.96	\$ 619,405.66	\$ 41,375.70	
Station, Train and Boat Privileges.....	41,892.87	46,260.10	4,367.23	
Parcel Room.....	3,785.85	3,763.71		\$ 22.14
Storage—Freight.....	34,652.39	53,797.22	19,144.83	
Storage—Baggage.....	12,733.76	13,609.91	876.15	
Demurrage.....	253,281.74	320,261.05	66,979.31	
Telegraph and Telephone.....	70,246.70	94,396.36	24,149.66	
Stock Yard.....	26,821.03	36,164.42	9,343.39	
Hotels and Restaurants.....	2,044.65	2,239.89	195.24	
Rents of Buildings and Other Property.....	111,417.47	109,478.05		1,939.42
Miscellaneous.....	79,115.61	143,390.98	64,275.37	
TOTAL—Incidental Revenue.....	\$ 1,214,022.03	\$ 1,442,767.35	\$ 228,745.32	
JOINT FACILITY				
Joint Facility—Credit.....	\$ 122,545.78	\$ 89,484.31		\$ 33,061.47
Joint Facility—Debit.....	1,311.73	270.94	\$ 1,040.79	
TOTAL—Joint Facility Revenue.....	\$ 121,234.05	\$ 89,213.37		\$ 32,020.68
TOTAL—Operating Revenues.....	\$91,435,374.26	\$105,646,483.73	\$14,211,109.47	

32

CHICAGO, MILWAUKEE & ST. PAUL

OPERATING REVENUES, EXPENSES AND INCOME
OPERATING EXPENSES.

	1915	1916	INCREASE	DECREASE
MAINTENANCE OF WAY AND STRUCTURES				
Superintendence.....	\$ 598,214.03	\$ 603,550.54	\$ 5,336.51	
Roadway Maintenance.....	1,009,701.47	1,201,228.46	191,526.99	
Tunnels and Subways.....	3,301.64	7,157.20	3,855.56	
Bridges, Trestles and Culverts.....	749,836.68	918,051.28	168,214.60	
Elevated Structures.....	105.81			\$ 105.81
Ties.....	1,672,384.03	1,579,987.85		92,396.18
Rails.....	466,794.13	454,937.91		11,856.22
Other Track Material.....	450,378.02	415,751.15		34,626.87
Ballast.....	147,358.10	293,512.38	146,154.28	
Track Laying and Surfacing.....	2,843,010.99	3,571,025.36	728,014.37	
Right of Way Fences.....	127,773.76	128,204.91	431.15	
Snow and Sand Fences and Snow Sheds.....	14,352.71	8,926.93		5,425.78
Crossings and Signs.....	139,034.19	146,399.18	7,364.99	
Station and Office Buildings.....	314,297.93	337,431.62	23,133.69	
Roadway Buildings.....	14,025.65	25,718.36	11,692.71	
Water Stations.....	137,679.00	168,587.98	30,908.98	
Fuel Stations.....	43,765.35	42,569.67		1,195.68
Shops and Engine-houses.....	197,618.79	189,284.41		8,334.38
Grain Elevators.....	8,033.64			8,033.64
Storage Warehouses.....	1,871.40			1,871.40
Wharves and Docks.....	13,598.81	15,456.02	1,857.21	
Coal and Ore Wharves.....	7,303.82	11,039.13	3,735.31	
Telegraph and Telephone Lines.....	155,767.72	134,743.91		21,023.81
Signals and Interlockers.....	269,223.38	280,925.30	11,701.92	
Power Plant Buildings.....	4,675.76	2,612.15		2,063.61
Power Substation Buildings.....		425.80	425.80	
Power Transmission Systems.....		144.60	144.60	
Power Distribution Systems.....	8,183.77	18,764.63	10,580.86	
Power Line Poles and Fixtures.....		1,147.39	1,147.39	
Miscellaneous Structures.....		94.46		688.11
Paving.....	782.57			3,724.39
Roadway Machines.....	5,892.19	2,167.80		
Small Tools and Supplies.....	49,003.58	53,707.69	4,704.11	
Removing Snow, Ice and Sand.....	120,370.21	147,457.61	27,087.40	
Assessments for Public Improvements.....	258,671.34	270,647.02	11,975.68	
Injuries to Persons.....	3,889.36	1,350.65		2,538.71
Insurance.....	160,528.31	155,438.84		5,089.47
Stationery and Printing.....	17,674.30	14,693.85		2,980.45
Other Expenses.....	17,321.51	15,749.24		1,572.27
Maintaining Joint Tracks, Yards and other Facilities—Dr.....	766.78	2,019.69	1,252.91	
Maintaining Joint Tracks, Yards and other Facilities—Cr.....	487,399.89	485,392.79		2,007.10
TOTAL—Maintenance of Way and Structures.....	\$10,377,184.60	\$11,563,768.73	\$ 1,186,584.13	

RAILWAY COMPANY

33

OPERATING REVENUES, EXPENSES AND INCOME—CONTINUED.

	1915	1916	INCREASE	DECREASE
MAINTENANCE OF EQUIPMENT				
Superintendence.....	\$ 308,048.70	\$ 312,509.72	\$ 4,461.02	
Shop Machinery.....	201,236.09	229,898.44	28,662.35	
Power Plant Machinery.....	25,188.15	29,694.28	4,506.13	
Power Substation Apparatus.....		1,689.72	1,689.72	
Steam Locomotives—Repairs.....	5,110,816.63	5,809,104.95	698,288.32	
Steam Locomotives—Depreciation.....	356,019.00	431,097.36	75,078.36	
Steam Locomotives—Retirements.....	236.01	12,382.88	12,146.87	
Other Locomotives—Repairs.....		36,754.70	36,754.70	
Other Locomotives—Depreciation.....		9,460.33	9,460.33	
Freight Train Cars—Repairs.....	5,042,632.25	6,130,163.49	1,087,531.24	
Freight Train Cars—Depreciation.....	785,173.91	1,041,710.67	256,536.76	
Freight Train Cars—Retirements.....	83,002.97	125,504.50	42,501.53	
Passenger Train Cars—Repairs.....	1,059,214.82	1,361,807.77	302,592.95	
Passenger Train Cars—Depreciation.....	202,979.03	268,539.49	65,560.46	
Passenger Train Cars—Retirements.....	677.88	3,572.36	2,894.48	
Motor Equipment of Cars—Repairs.....	7,797.00	10,433.68	2,636.68	
Motor Equipment of Cars—Depreciation.....	1,518.60	1,932.72	414.12	
Work Equipment—Repairs.....	300,095.06	394,992.08	94,897.02	
Work Equipment—Depreciation.....	30,400.92	43,747.21	13,346.29	
Work Equipment—Retirements.....	4,169.96	6,932.77	2,762.81	
Injuries to Persons.....	111,423.60	154,948.30	43,524.70	
Insurance.....	46,494.20	43,619.17		\$ 2,875.03
Stationery and Printing.....	17,743.74	18,900.49	1,156.75	
Other Expenses.....	5,671.04	4,444.67		1,226.37
Maintaining Joint Equipment at Terminals—Debit.....	39,270.96	36,844.58		2,426.38
Maintaining Joint Equipment at Terminals—Credit.....	2,275.20	2,210.63	64.57	
TOTAL—Maintenance of Equipment.....	\$13,737,535.32	\$16,518,475.70	\$ 2,780,940.38	
TRAFFIC				
Superintendence.....	\$ 438,690.59	\$ 459,195.40	\$ 20,504.81	
Outside Agencies.....	866,341.62	869,949.19	3,607.57	
Advertising.....	259,949.19	351,190.84	91,241.65	
Traffic Associations.....	45,153.11	29,857.25		\$ 15,295.86
Industrial and Immigration Bureaus.....	24,999.22	66,618.80	41,619.58	
Insurance.....	270.64	403.56	132.92	
Stationery and Printing.....	118,862.05	120,161.14	1,299.09	
Other Expenses.....	2,534.27	1,651.20		883.07
TOTAL—Traffic Expenses.....	\$ 1,756,800.60	\$ 1,899,027.38	\$ 142,226.69	

34 CHICAGO, MILWAUKEE & ST. PAUL

	1915	1916	INCREASE	DECREASE
OPERATING REVENUES				
TRANSPORTATION				
Superintendence.....	\$ 318,885.14	\$ 339,567.51	\$ 20,682.37	
Dispatching Trains.....	444,119.57	471,076.59	26,957.02	
Station Employees.....	4,521,355.47	4,740,777.02	219,421.55	
Weighing, Inspection and Demurrage Bureaus.....	115,679.75	122,078.50	6,398.75	
Coal and Ore Wharves.....	38,463.02	48,321.99	9,858.97	\$ 16,339.09
Station Supplies and Expenses.....	360,748.43	344,409.34	10,222.15	
Yard Masters and Yard Clerks.....	281,807.54	292,029.69	185,807.66	
Yard Conductors and Brakemen.....	2,046,856.15	2,232,663.81	2,335.15	
Yard Switch and Signal Tenders.....	156,100.97	153,436.12	120,346.02	
Yard Enginemen.....	1,182,540.33	1,302,886.35	2,669.40	
Yard Motormen.....	950,438.33	1,448,455.79	498,017.46	
Fuel for Yard Locomotives.....	78,846.90	86,737.46	1,650.41	
Yard Switching—Power Purchased.....	25,849.23	27,062.79	1,213.56	
Water for Yard Locomotives.....	30,799.67	33,131.61	2,331.94	
Lubricants for Yard Locomotives.....	467,102.45	477,899.28	10,796.83	
Other Supplies for Yard Locomotives.....	21,632.95	20,756.00		876.95
Enginehouse Expenses—Yard.....	660,264.83	556,919.84	103,344.99	
Yard Supplies and Expenses.....	147,215.94	157,704.09	10,548.15	
Operating Joint Yards and Terminals—Debit.....	4,168,774.65	4,561,963.82	393,189.17	
Operating Joint Yards and Terminals—Credit.....	6,300.65	45,290.90	38,990.25	
Train Enginemen.....	7,934,860.21	8,234,798.54	299,938.33	
Train Motormen.....		14,296.09	14,296.09	
Fuel for Train Locomotives.....		128,990.31	128,990.31	
Train Power Produced.....	442,121.81	444,722.10	2,600.29	
Train Power Purchased.....	140,253.57	167,420.34	27,166.77	
Water for Train Locomotives.....	128,731.79	131,055.73	2,323.94	
Lubricants for Train Locomotives.....	1,487,796.27	1,676,211.71	188,415.44	
Other Supplies for Train Locomotives.....	4,386,395.64	4,761,761.12	375,365.48	55,766.53
Enginehouse Expenses—Train.....	1,339,705.32	1,283,938.79	28,326.06	
Trainmen.....	254,636.38	282,962.44	28,706.05	
Train Supplies and Expenses.....	217,578.96	246,285.01		7,976.97
Operating Sleeping Cars.....	225,246.36	217,269.39		
Signal and Interlocker Operation.....	33,826.76	38,017.17	4,190.41	
Crossing Protection.....	59,591.17	81,624.15	22,032.98	
Drawbridge Operation.....	108,929.65	171,749.24	2,819.59	
Telegraph and Telephone Operation.....	63,882.43	67,920.23	4,037.80	
Stationery and Printing.....	181,923.08	187,553.54	5,630.46	
Other Expenses.....	112,060.60	108,263.90	3,796.70	
Operating Joint Tracks and Facilities—Debit.....	23,963.86	38,845.20	14,881.34	
Operating Joint Tracks and Facilities—Credit.....	115,696.65	133,697.94	18,001.29	
Insurance.....	169,824.62	106,078.31		63,746.31
Clearing Wrecks.....				
Damage to Property.....				

RAILWAY COMPANY

OPERATING REVENUES, EXPENSES AND INCOME—CONCLUDED.

	1915	1916	INCREASE	DECREASE
TRANSPORTATION—Concluded.				
Damage to Live Stock on Right of Way.....	\$ 71,690.84	\$ 81,261.08	\$ 9,570.24	
Loss and Damage—Freight.....	1,516,640.36	1,207,310.08		\$ 309,330.28
Loss and Damage—Baggage.....	9,743.88	6,182.95		3,560.93
Injuries to Persons.....	1,107,632.33	969,863.56		137,768.77
TOTAL—Transportation Expenses.....	\$35,697,961.43	\$37,728,571.25	\$ 2,030,609.82	
MISCELLANEOUS OPERATIONS				
Dining and Buffet Service.....	\$ 689,141.16	\$ 704,250.96	\$ 15,109.80	
Stock Yards.....	30,285.84	31,107.65	821.81	
Hotels and Restaurants.....	3,208.21	3,020.24		187.97
TOTAL—Miscellaneous Operations.....	\$ 722,635.21	\$ 738,378.85	\$ 15,743.64	
GENERAL				
Salaries and Expenses of General Officers.....	\$ 352,491.41	\$ 346,894.45		\$ 5,596.96
Salaries and Expenses of Clerks and Attendants.....	898,684.87	900,811.94	\$ 2,127.07	
General Office Supplies and Expenses.....	69,021.27	82,823.05	13,801.78	
Law Expenses.....	328,136.84	268,026.67		60,110.17
Insurance.....	437.60	500.95	63.35	
Stationery and Printing.....	64,060.14	69,857.19	5,797.05	
Valuation Expenses.....	46,900.33	147,904.53	101,004.20	
Other Expenses.....	69,437.82	69,228.00		209.82
General Joint Facilities—Debit.....	34,294.23	35,147.22	852.99	
General Joint Facilities—Credit.....	525.62	726.69		201.07
TOTAL—General Expenses.....	\$ 1,862,938.89	\$ 1,920,467.31	\$ 57,528.42	
Transportation for Investment—Credit.....	\$ 2,183,355.11	\$ 1,247,731.60	\$ 935,623.51	
TOTAL—Operating Expenses.....	\$61,971,701.03	\$69,120,957.62	\$ 7,149,256.59	

SUMMARY

Total Revenues.....	\$91,435,374.26	\$105,646,483.73	\$14,211,109.47	
Total Expenses.....	61,971,701.03	69,120,957.62	7,149,256.59	
Net Revenue.....	\$29,463,673.23	\$36,525,526.11	\$ 7,061,852.88	
Taxes Accrued.....	4,746,721.21	5,264,331.29	517,610.08	
Operating Income.....	\$24,716,952.02	\$31,261,194.82	\$ 6,544,242.80	

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES. FOR THE YEARS ENDING JUNE 30TH, 1915 AND 1916.

OPERATING REVENUES.

	1915		1916	
	AMOUNT	PER CENT	AMOUNT	PER CENT
Freight Revenue.....	\$63,953,798.62	69.95	\$76,036,096.55	71.97
Passenger Revenue.....	17,952,428.18	19.63	18,923,892.76	17.91
Other Transportation Revenue.....	8,193,891.38	8.96	9,154,513.70	8.67
Incidental Revenue.....	1,214,022.03	1.33	1,442,767.35	1.37
Joint Facility Revenue.....	121,234.05	.13	89,213.37	.08
Total Operating Revenues.....	\$91,435,374.26	100.00	\$105,646,483.73	100.00

OPERATING EXPENSES.

	1915	1916
	AMOUNT	PER CENT
Maintenance of Way and Structures.....	\$10,377,184.60	11.35
Maintenance of Equipment.....	13,737,535.32	15.03
Traffic Expenses.....	1,756,800.60	1.92
Transportation Expenses.....	35,697,961.43	39.04
Miscellaneous Operations.....	722,635.21	.79
General Expenses.....	1,862,938.89	2.04
Transportation for Investment—Credit.....	2,183,355.11	2.39
Operating Expenses.....	\$61,971,701.03	67.78

RECAPITULATION.

Operating Revenues.....	\$91,435,374.26	100.00	\$105,646,483.73	100.00
Operating Expenses.....	61,971,701.03	67.78	69,120,957.62	65.43
Net Operating Revenue.....	\$29,463,673.23	32.22	\$36,525,526.11	34.57
Average miles in operation during the year, including miles of main track used under contracts.....	10,052.58		10,130.08	

COMPARATIVE SUMMARY OF OPERATION.

FOR THE YEARS ENDING JUNE 30TH, 1915 AND 1916.

	1915	1916	INCREASE
Operating Revenues.....	\$91,435,374.26	\$105,646,483.73	\$14,211,109.47
Operating Expenses.....	61,971,701.03	69,120,957.62	7,149,256.59
Net Operating Revenue.....	\$29,463,673.23	\$36,525,526.11	\$ 7,061,852.88
Freight Revenue per mile of road.....	\$6,361.93	\$7,505.97	\$1,144.04
Passenger Revenue per mile of road.....	1,785.85	1,868.09	82.24
Miscellaneous Revenues per mile of road.....	947.93	1,054.93	107.00
Operating Revenues per mile of road.....	\$9,095.71	\$10,428.99	\$1,333.28
Operating Expenses per mile of road.....	6,164.75	6,823.34	658.59
Net Operating Revenue per mile of road.....	\$2,930.96	\$3,605.65	\$674.69
Average miles in operation during the year, including miles of main track used under contracts.....	10,052.58	10,130.08	77.50

OPERATING REVENUES, EXPENSES AND TAXES—MONTHLY.

YEAR ENDING JUNE 30TH, 1916.

MONTH	OPERATING REVENUES	OPERATING EXPENSES	NET OPERATING REVENUE	TAXES ACCRUED	OPERATING INCOME
July.....1915	\$ 8,219,281.23	\$ 4,960,321.43	\$ 3,258,959.80	\$ 447,232.38	\$ 2,811,727.42
August....."	8,285,176.65	5,320,548.21	2,964,628.44	454,924.08	2,509,704.36
September....."	9,261,439.18	5,438,472.02	3,822,967.16	455,039.66	3,367,927.50
October....."	9,515,770.62	5,627,340.91	3,888,429.71	453,738.45	3,434,691.26
November....."	9,908,927.87	5,731,439.81	4,177,488.06	454,947.89	3,722,540.17
December....."	9,212,150.02	5,572,159.32	3,639,990.70	454,621.70	3,185,369.00
January.....1916	7,645,036.74	5,654,005.04	1,991,031.70	411,252.18	1,579,779.52
February....."	7,699,229.79	5,820,467.46	1,878,762.33	413,423.24	1,465,339.09
March....."	8,876,704.87	5,597,797.86	3,278,907.01	420,074.22	2,858,832.79
April....."	8,748,558.19	6,196,748.28	2,551,809.91	419,080.49	2,132,729.42
May....."	9,110,462.63	6,424,678.90	2,685,783.78	387,637.58	2,298,146.20
June....."	9,163,745.89	6,776,978.38	2,386,767.51	492,359.42	1,894,408.09
Total.....	\$105,646,483.73	\$69,120,957.62	\$36,525,526.11	\$ 5,264,331.29	\$31,261,194.82

CHARGES TO PROPERTY INVESTMENT—ROAD & EQUIPMENT DURING THE YEAR ENDING JUNE 30TH, 1916

Additional Equipment Purchased or Built:

13 Locomotives—Steam	\$ 254,655.82
20 Locomotives—Electric	2,286,962.32
2 Mail and Baggage Cars	14,612.90
1 Passenger and Baggage Car	12,171.94
5 Passenger Cars	66,024.24
1 Passenger Observation Car	12,948.26
7 Sleeping Cars	157,621.11
2 Observation Parlor Cars	43,186.82
151 Box Cars	132,430.83
500 Ore Cars	444,609.85
322 Flat and Coal Cars	298,699.49
12 Refrigerator Cars	14,449.16
8 Caboose	16,286.00
1 Steam Shovel	9,636.56
1 Snow Plow	3,697.68
1 Pile Driver	4,434.77
1 Ditcher	7,935.16
1 Lidgerwood Unloader	7,211.89
4 Outfit Sleepers	4,384.84
2 Log Loader Cars	10,257.69
1 Ballast Spreader	3,722.72
1 Concrete Mixer	1,041.25
1 Automobile	1,396.95
Improvements to Locomotives and Cars	117,197.86

Gross Additions and Betterments—Equipment	\$ 3,925,576.11
Less original cost of equipment destroyed, sold or taken down during the year	967,490.42

Net Additions and Betterments—Equipment	\$ 2,958,085.69
Purchase of Idaho & Washington Northern Railroad	5,629,784.05
New Branch Lines and Extensions	152,363.44
New Additional Main Tracks and Reducing Grade and Perfecting Line	1,179,474.51

Other Additions and Betterments:	
Land for Transportation Purposes	\$ 146,420.79
Grading	947,341.79
Tunnels and Subways	214,394.46
Bridges, Trestles and Culverts	962,336.92
Ties	86,594.07
Rails	361,659.75
Other Track Material	368,580.40
Ballast	290,019.84
Track Laying and Surfacing	155,339.82
Right of Way, Fences, etc	38,759.03
Crossings and Signs	209,269.76
Station and Office Buildings	276,049.40
Roadway and Miscellaneous Buildings	78,499.99
Water and Fuel Stations	106,545.07
Shops and Enginehouses	73,935.90
Grain Elevators and Storage Warehouses	133,927.27
Wharves and Docks	21,532.68
Telegraph and Telephone Lines	1,836.50
Signals and Interlockers	309,703.41
Power Stations, Transmission Systems, etc	3,870,411.73
Paving and Assessments	171,331.85
Roadway Machines and Tools	5,860.10
Shop Machinery	22,343.65
Miscellaneous	456,426.89
	9,309,126.07

Gross Additions and Betterments—Road and Equipment	\$ 19,228,833.76
Credit—Property retired or converted	1,262,915.47

Net Additions and Betterment—Road and Equipment	\$ 17,965,918.29
Road and Equipment, June 30th, 1915	564,740,361.95
Road and Equipment, June 30th, 1916	\$582,706,280.24

RAILWAY COMPANY

TRANSPORTATION STATISTICS.

FOR THE YEARS ENDING JUNE 30TH, 1915 AND 1916.

	1915	1916
Miles run by freight trains	19,377,921	21,914,988
Miles run by passenger trains	17,042,953	17,572,123
Miles run by mixed trains	1,600,493	1,742,013
Total miles run by revenue trains	38,021,367	41,229,124
Miles run by loaded freight cars	486,262,422	559,797,130
Miles run by empty freight cars	212,679,012	225,143,889
Total miles run by freight cars	698,941,434	784,941,019
Freight Revenue	\$63,953,798.62	\$76,036,096.55
Tons of revenue freight carried	32,959,392	38,313,345
Tons of revenue freight carried one mile	8,185,988,375	10,043,235,657
Tons of Company freight carried one mile	1,439,270,375	1,409,573,840
Tons of all freight carried one mile	9,625,258,750	11,452,809,497
Tons of revenue freight per freight and mixed train mile	390.21	424.54
Tons of Company freight per freight and mixed train mile	68.61	59.58
Total tons of freight per freight and mixed train mile	458.82	484.12
Average revenue per ton of revenue freight per mile	.7813 ct.	.7571 ct.
Average distance haul of each ton of revenue freight—miles	248.37	262.13
Average amount received per ton of revenue freight	\$1.9404	\$1.9846
Average revenue from freight per freight and mixed train mile	\$3.0486	\$3.2141
Tons of revenue freight per loaded car	16.835	17.941
Tons of Company freight per loaded car	2.960	2.518
Total tons of freight per loaded car	19.795	20.459
Average number of loaded freight cars per train	23.179	23.663
Average number of empty freight cars per train	10.138	9.517
Average number of freight cars per train	33.317	33.180
Passenger Revenue	\$17,952,428.18	\$18,923,892.76
Passengers carried	16,065,456	16,134,559
Passengers carried one mile	858,452,321	899,872,201
Passengers carried per passenger and mixed train mile	46.05	46.59
Average revenue per passenger per mile	2.091 cts.	2.103 cts.
Average distance traveled by each passen- ger—miles	53.43	55.77
Average amount received per passenger	\$1.1175	\$1.1729
Average revenue from passengers per pas- senger and mixed train mile	96.29 ct.	97.98 ct.
Operating expenses per revenue train mile	\$1.6299	\$1.6765

STATEMENT OF COMMODITIES TRANSPORTED.

DURING THE YEARS ENDING JUNE 30TH, 1915 AND 1916.

COMMODITIES	1915		1916	
	TONS	PER CENT	TONS	PER CENT
PRODUCTS OF AGRICULTURE:				
Flour.....	1,006,345	3.053	1,254,088	3.273
Other Mill Products.....	752,673	2.284	561,548	1.466
Wheat.....	1,919,243	5.823	2,397,099	6.257
Rye.....	148,033	.449	172,028	.449
Barley.....	490,819	1.489	624,763	1.631
Oats.....	876,026	2.658	910,322	2.376
Corn.....	1,301,341	3.948	879,174	2.295
Flax Seed.....	44,046	.134	40,529	.106
Hay.....	369,822	1.122	280,232	.731
Fruits and Vegetables.....	452,816	1.374	630,721	1.646
Other Agricultural Products.....	381,509	1.158	426,162	1.112
	7,742,673	23.492	8,176,666	21.342
PRODUCTS OF ANIMALS:				
Live Stock.....	1,347,677	4.089	1,533,480	4.001
Dressed Meats.....	209,631	.636	234,245	.611
Other Packing House Products.....	106,565	.323	79,458	.207
Other Animal Products.....	340,860	1.034	332,466	.869
	2,004,733	6.082	2,179,649	5.688
PRODUCTS OF MINES:				
Anthracite Coal.....	720,933	2.187	1,217,211	3.177
Bituminous Coal.....	3,303,115	10.022	3,384,137	8.833
Coke.....	276,182	.838	518,839	1.354
Iron and Other Ores.....	2,227,396	6.758	2,995,830	7.819
Stone, Sand, etc.....	2,181,013	6.617	2,713,012	7.081
Salt.....	113,068	.343	116,271	.303
	8,821,707	26.765	10,945,300	28.567
PRODUCTS OF FORESTS:				
Lumber, Lath and Shingles..	2,175,611	6.601	5,463,431	14.259
Sash, Doors and Blinds.....	52,842	.160	58,443	.154
Other Forest Products.....	3,264,075	9.903	482,566	1.259
	5,492,528	16.664	6,004,440	15.672
MANUFACTURES:				
Petroleum and Other Oils ...	415,570	1.261	551,990	1.441
Iron and Steel.....	865,556	2.626	1,285,800	3.356
Castings and Machinery.....	161,981	.491	390,916	1.020
Agricultural Implements.....	176,360	.534	228,670	.597
Wagons, Carriages, Tools, etc.	104,656	.318	210,360	.550
Lime, Cement and Plaster...	892,446	2.708	901,616	2.353
Brick.....	826,477	2.508	1,097,507	2.865
Wines, Liquors and Beers...	477,540	1.449	468,945	1.224
Household Goods & Furniture	141,949	.431	222,567	.581
Paper.....	162,825	.494	38,850	.101
Other Manufacturers.....	1,145,872	3.477	1,662,877	4.340
	5,371,232	16.297	7,060,098	18.428
COMMODITIES NOT SPECIFIED:				
	3,526,519	10.700	3,947,192	10.303
Total.....	32,959,392	100.000	38,313,345	100.000

EQUIPMENT, JUNE 30TH, 1916.

Locomotives—Steam.....	1,984
Locomotives—Electric.....	20
Gas Electric Motor Cars.....	7
Passenger Cars.....	673
Sleeping Cars.....	240
Parlor Cars.....	33
Dining Cars.....	48
Observation Cars.....	17
Buffet Cars.....	8
Baggage, Mail, Express and Combination Cars.....	589
Freight Cars—	
Box Cars.....	41,981
Stock Cars.....	5,668
Flat, Coal and Ore Cars.....	11,555
Refrigerator and Vegetable Cars.....	2,243
Refrigerator Express Cars.....	48
Ballast Cars.....	2,400
Caboose Cars.....	1,098
Work Train, Wrecking and Tool Cars.....	1,672
Office Cars.....	8
Total.....	70,292

INDEX	PAGES
President's Report.....	1-23
Acquisition of Idaho & Washington Northern R. R.....	9
Bellingham & Northern Railway Co.—Income.....	21
Big Blackfoot Railway Co.—Income.....	22
Capital Stock—Comment.....	15
Capital Stock—Changes.....	30
Chicago Union Station Co.....	9
Commodities Transported.....	42
Comparative Summary of Operation.....	38
Directors.....	3
Executive Committee.....	3
Equipment—Additions and Deductions.....	11
Equipment—Inventory.....	43
Funded Debt—Comment.....	16
Funded Debt—Changes.....	30
Funded Debt—Detailed.....	31
Gallatin Valley Ry. Co.—Income.....	21
General Balance Sheet.....	26-27
Idaho & Washington Northern R. R.—Acquisition.....	9
Improvements Authorized.....	12
Income Account.....	28
In Memorium—Chas. W. Harkness.....	23
Insurance Department—Reserve.....	17
Insurance Department—Securities.....	18
Miles of Track.....	8
Milwaukee Terminal Ry. Co.—Income.....	21
Officers.....	3
Operating Expenses—Comment.....	20
Operating Revenues—Comment.....	19
Operating Revenues and Expenses—Condensed.....	37
Operating Revenues, Expenses and Taxes—Monthly.....	39
Operating Revenues, Expenses and Income—Detailed.....	32-36
Profit and Loss.....	29
Property Investment—Condensed.....	11
Property Investment—Detailed.....	40
Reserve for Accrued Depreciation.....	15
Seattle, Port Angeles & Western Ry.—Income.....	22
Tacoma Eastern R. R. Co.—Income.....	20
Treasury Bonds.....	16
Transportation Statistics.....	41