1917

FIFTY-THIRD ANNUAL REPORT

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

FOR THE

Fiscal Year Ended December 31, 1917

1917

FIFTY-THIRD ANNUAL REPORT

OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

FOR THE

Fiscal Year Ended December 31, 1917

CHICAGO, MILWAUKEE & ST. PAUL
RAILWAY COMPANY

DIRECTORS

TERM EXPIRES SEPTEMBER, 1918

H. E. BYRAM	Chicago
DONALD G. GEDDES	New York
WILLIAM ROCKEFELLER	New York
JOHN A. STEWART	New York

TERM EXPIRES SEPTEMBER, 1919

J. OGDEN ARMOUR	Chicago
STANLEY FIELD	Chicago
L. J. PETIT	Milwaukee
P. A. ROCKEFELLER	New York

TERM EXPIRES MAY, 1920

WALTER P. BLISS	New York
A. J. EARLING	Chicago
EDWARD S. HARKNESS	New York
SAMUEL McROBERTS	New York
JOHN D. RYAN	New York

EXECUTIVE COMMITTEE

JOHN A. STEWART
WILLIAM ROCKEFELLER
H. E. BYRAM
A. J. EARLING
P. A. ROCKEFELLER
JOHN D. RYAN

OFFICERS

A. J. EARLING	Chairman of the Board	Chicago
H. E. BYRAM	President	Chicago
E. D. SEWALL	Vice-President	Chicago
D. L. BUSH	Vice-President	Chicago
R. M. CALKINS	Vice-President	Chicago
H. B. EARLING	Vice-President	Seattle
C. A. GOODNOW	Vice-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
A. G. LOOMIS	Treasurer	Chicago
JOHN McNAB	Assistant Treasurer	Chicago
JOHN DICKIE	Assistant Treasurer	Chicago
G. J. BUNTING	Comptroller	Chicago
J. T. GILLICK	General Manager	Chicago
H. E. PIERPONT	Freight Traffic Manager	Chicago
C. F. LOWETH	Chief Engineer	Chicago
BURTON HANSON	General Counsel	Chicago
H. H. FIELD	General Solicitor	Chicago
O. W. DYNES	Commerce Counsel	Chicago

NOTICE TO STOCKHOLDERS

The accompanying annual report is sent to you pursuant to the By-laws of the Company. The Board of Directors deem it important to advise you at this time of the unusual situation which confronts the Company and the holders and owners of its outstanding bonds and stock, brought about by the action of the President of the United States in taking possession and control of the railroads and systems of transportation of the Company on December 28th, 1917, and the enactment by Congress of the so-called Federal Control Act of March 21, 1918. This Act, among other things, authorizes the President to make an agreement with each Company, whose railroad is taken over in respect of

(a) The amount of the annual compensation to be paid to each Company, which shall not exceed a sum equivalent to the average annual railway operating income for the three years ended June 30, 1917;

(b) The keeping of the railway and property in good repair so that it will be returned to the Company at the end of Federal Control in substantially as good condition and in substantially as complete equipment as it was in at the beginning of such control;

(c) The acceptance by the Company of all the terms and conditions of the Act, and any regulation or order of the President;

(d) All other reasonable provisions that may be deemed necessary by the President for the determination of the mutual rights and obligations of the parties arising out of such Federal Control.

This Act also provides that if no such agreement is made, or pending the execution of an agreement, the President may, nevertheless, pay to any Company while under Federal Control, an annual amount not exceeding ninety per centum of the estimated annual amount of just compensation, remitting the Company, in case where no agreement is made, to its legal rights for any balance claimed, to the remedies provided in Section 3 of the Act by filing its petition in the Court of Claims.

The Act also provides that the acceptance of said ninety per centum or any part thereof shall constitute an acceptance by the Company of all the provisions of the Act.

The alternative is therefore presented of making an agreement with the President, or, failing that, to resort to the remedies provided in the Act for obtaining the just compensation the Company is found to be legally entitled to for the use and possession of its railroads and system of transportation during Federal Control.

The Company through its proper officers is now negotiating for such an agreement and hopes to be able to submit to the stockholders at the coming annual meeting to be held in the City of Milwaukee, Wisconsin, May 18th next, for their consideration and action, the form of such agreement as is possible. If at that time the negotiations have not advanced to the point where the terms of an agreement may be presented to the meeting, it will be necessary for the stockholders to consider and decide whether they should authorize the Board of Directors acting by a majority vote to determine on behalf of the Company whether such agreement as it is found may be made with the President, shall be made and executed by the Company, or whether the Company, by its Board of Directors, shall under the then existing conditions, determine not to make the agreement which is found possible, but instead thereof will avail itself of the legal remedies provided in said Act for obtaining its just compensation.

The situation which thus confronts the Company is of such importance as to require you to attend the meeting in person, or to send your proxy.

The Board of Directors.

By A. J. EARLING,
Chairman.

Dated
Chicago, Ill., April 25, 1918.

REPORT

OF THE

BOARD OF DIRECTORS

THE

FIFTY-THIRD ANNUAL REPORT

OF THE DIRECTORS OF THE

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

TO THE STOCKHOLDERS

For the Fiscal Year ended December 31, 1917

The Directors submit to the Stockholders the following report of the operations of the Company for the year ended December 31, 1917, 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		$ 113,739,201.66
Operating Expenses		85,195,963.74
Net Operating Revenue		$ 28,543,237.92
Taxes Accrued		6,517,211.97
Operating Income		$ 22,026,025.95
Other Income:		
Interest on Bonds	$ 41,663.00	
Dividends on Stocks	279,471.00	
Interest on Other Securities, Loans and Accounts	597,404.59	
Rents—Received	518,404.55	
Miscellaneous	382,410.40	1,819,353.54
Gross Corporate Income		$ 23,845,379.49
Deductions:		
Interest Accrued on Funded Debt	$ 16,596,623.64	
Rents—Paid	1,026,147.67	
Hire of Equipment	1,136,242.05	
Miscellaneous	617,734.48	19,376,747.84
Net Corporate Income		$ 4,468,631.65

MILES OF TRACK, DECEMBER 31, 1917

Owned solely by this Company:		
Main track	9,840.61	
Second main track	1,035.03	
Third main track	23.02	
Fourth main track	14.40	
Connection tracks	49.01	
Yard tracks, sidings and spur tracks	3,246.38	14,208.45
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	6.51	
Yard tracks, sidings and spur tracks	196.78	323.06
Used by this Company under contracts:		
Main track	362.78	
Second main track	77.99	
Third main track	1.14	441.91
Total miles of track		14,973.42

Average miles of main track in operation during the year:

Owned solely	9,785.00 miles
Owned jointly	109.74 "
Used under contracts	361.79 "
Total average miles operated	10,256.53 miles

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

Wisconsin	1,823.59 miles
Illinois	415.04 "
Iowa	1,875.64 "
Minnesota	1,244.90 "
North Dakota	379.93 "
South Dakota	1,795.85 "
Missouri	140.27 "
Michigan	197.39 "
Montana	1,157.29 "
Idaho	237.89 "
Washington	682.56 "
Total length of main track owned solely and jointly	9,950.35 miles

SUBSIDIARY COMPANIES

(The capital stock of these companies is all owned and held by the Chicago, Milwaukee & St. Paul Railway Company.)

SEATTLE, PORT ANGELES & WESTERN RAILWAY COMPANY

Contract has been let for construction of three miles of the extension west from Twin Rivers, Washington. The work was about 50% completed on December 31, 1917, and will be finished in the Spring of 1918.

MILWAUKEE TERMINAL RAILWAY COMPANY

The car ferry purchased from the Northern Pacific Railway Company has been remodeled and was placed in service between Seattle, Bellingham and Port Townsend in August, 1917.

EQUIPMENT

During the year eight locomotives and two thousand two hundred and seventy cars of various classes have been purchased or built, as follows:

1	Locomotive—Steam	265	Ore Cars
7	Locomotives—Electric	1	Parlor Car
152	Flat Cars	1	Mine Rescue Car
1696	Coal Cars	155	Work Train Cars

During the year forty-seven locomotives and two thousand four hundred and eighty-five cars were destroyed by wreck or fire, sold or taken down on account of small capacity, as follows:

47	Locomotives—Steam	6	Passenger and Baggage Cars
1901	Box Cars	4	Baggage Cars
185	Flat Cars	1	Dining Car
98	Stock Cars	1	Parlor Car
52	Coal Cars	1	Other Passenger Train Car
43	Refrigerator Cars	1	Snow Plow
24	Caboose Cars	1	Pile Driver
39	Ore Cars	17	Ballast Cars
8	Coaches	101	Work Train Cars
2	Mail and Express Cars		

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

PROPERTY INVESTMENT DURING THE YEAR ENDED DECEMBER 31, 1917

Equipment	$ 2,175,821.62
New Branch Lines and Extensions	551,370.46
New Additional Main Tracks and Reducing Grade and Perfecting Line	61,084.27
Other Additions and Betterments	7,268,908.64
	$ 10,057,184.99
Credit—Property retired or converted	647,445.72
Total as shown by detailed statement on page 36 of this report	$ 9,409,739.27

ADDITIONS AND BETTERMENTS AUTHORIZED

Equipment

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

15 Electric Passenger Locomotives
4 Electric Switching Locomotives

New Station Buildings and Terminal Facilities

The new freight yard and engine terminal at North McGregor, Iowa, has been completed and is now in operation.

The grading for the new freight yard and engine terminal at Sioux City, Iowa, has been completed and the track work is eighty per cent completed. The buildings have all been constructed and will be ready for occupancy as soon as winter weather will permit the change from the old location.

Grading on the new yard and engine terminal at Atkins, Iowa, is ninety-five per cent, and track work is twenty per cent completed. The terminal buildings are eighty per cent completed and the pipe line to furnish water supply from the Cedar River, five miles distant, is sixty per cent completed. Work was suspended in December until Spring but can be fully completed and put into service by the fall of 1918.

The new yard and track changes at Cedar Rapids, Iowa, have been completed, and the yard is now in operation.

Automatic Block Signals

During the year ended December 31, 1917, installation of automatic block signals has been completed as follows:

Rocky Mountain Division, new three position, color indication, alternating current, light signals were installed, Harlowton to Lennep, 35.7 miles and Colorado Junction to Deer Lodge, 40 miles. The direct current semaphore signals between Lennep and Ringling, 21.6 miles have been replaced with light signals on account of the trolley poles obstructing the view of the semaphore arms.

Missoula Division, new installations of color indication, alternating current, light signals were made between Deer Lodge and Garrison and between Alberton and Haugan, a total distance of 73.8 miles.

The direct current semaphore signals formerly in service in the Electric Zone on the Rocky Mountain & Missoula Divisions have been re-installed on the Idaho Division between Plummer Junction and Manito, 26.3 miles, and on the Columbia Division between Marengo and Beverly 96.7 miles.

New color indication, alternating current, light signals have been authorized and work is rapidly nearing completion between Three Forks and Piedmont, 34.2 miles on the Rocky Mountain Division; between Garrison and Alberton, 100 miles, on the Missoula Division and between Hennepin Avenue, Minneapolis and South Minneapolis, 3 miles, on the Hastings and Dakota Division in the depression district, Minneapolis.

Replacement of the direct current, lower quadrant signals on the Iowa Division, Savanna to Green Island, 14.9 miles, with direct current, upper quadrant signals, has been authorized and work will be completed during the coming year.

Elimination of Grade Crossings

Elevation of the Chicago and Evanston Division from Montrose Avenue to Howard Avenue, Chicago, a distance of 4.4 miles, has eliminated thirty-seven grade crossings, and eighty per cent of the permanent work on the subways has been done.

The elevation of tracks in the City of Milwaukee, Wisconsin, was completed during 1917.

The new subway ordered by the Wisconsin Railroad Commission at Portage, Wisconsin, was constructed during 1917, and two street crossings over yard of fourteen tracks were vacated.

A viaduct 1750 feet long, with three approaches, has been constructed across the Railway Company's property on South Eleventh Street, Tacoma, at a cost of $121,000, the expense of which is borne jointly by the Railway Company and the City The Railway Company will have the right to lay additional tracks across South Eleventh Street, greatly facilitating switching operations to its shops and ocean docks.

New Lines and Extensions

The Choteau Line, extending from Great Falls to Agawam, Montana, a distance of 66.70 miles, was completed and put in operation June 30, 1917.

Grading and bridging were completed on an extension from Grass Range to Winnette, Montana, a distance of 22.98 miles, and track has been laid on same.

Grading and bridging on the extension of the Big Blackfoot Line from Blackfoot Junction to Clearwater, Montana, a distance of 22.01 miles, was completed to Blanchard Creek and track laid to a point one and one-half miles east of Blackfoot Junction.

Electrification

The electrification of the line between Othello and Seattle and Tacoma, a distance of 217 miles, was commenced in March, 1917, and has made such progress since that time that it now seems probable the entire work will be completed by July 1st, 1919, and the whole line above referred to placed under electric operation on that date.

RESERVE FOR ACCRUED DEPRECIATION

At the close of the fiscal year, ending December 31, 1916, there was at the credit of Reserve for Accrued Depreciation the sum of $10,239,458.02.

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 $1,917,827.12.

There has been charged to this Reserve an amount of $378,644.00, 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 $1,539,183.12 for the year.

The balance of this Reserve, December 31, 1917, as shown on page 22, is $11,778,641.14, which represents the estimated depreciation of rolling stock subsequent to June 30, 1907.

CAPITAL STOCK

At the close of the last fiscal year (December 31, 1916) the share capital of the Company amounted to $233,686,200.00 and consisted of $117,411,300.00 of Common Stock and $116,274,900.00 of Preferred Stock, of which $429,100.00 Preferred Stock and $5,300.00 Common Stock are held by the Company. No Capital Stock has been issued during the year ended December 31, 1917.

FUNDED DEBT

At the close of the last fiscal year the Funded Debt of the Company was $490,547,154.66.

It has been decreased during the fiscal year by $1,000.00 Dakota & Great Southern Ry. Co. 5% Bonds; $233,000.00 Dubuque Division 6% Bonds; $8,000.00 Wisconsin Valley Division 6% Bonds; $1,000.00 South Western Division 6% Bonds and $596,234.22 European Loan of 1910—4% bonds retired.

It has been increased by $596,234.22 Four per cent Gold Bonds of 1925, issued.

The amount of bonds issued at the close of this fiscal year is $490,304,154.66, of which $107,259,200.00 are in the Treasury of the Company and $383,044,954.66 are outstanding.

TREASURY BONDS

At the close of the last fiscal year the amount of the Company's bonds in its treasury was......	$ 132,259,200.00
It has been decreased by—	
General and Refunding Mortgage 4½% Bonds sold....................................	25,000,000.00
At the close of this fiscal year, bonds in treasury composed of General and Refunding Mortgage Bonds, available for the acquisition of additional property or for other additions and betterments amounted to............................	$ 107,259,200.00

INSURANCE DEPARTMENT

INSURANCE RESERVE ACCOUNT

Income:		
Premium Received:		
For Insurance of Railway Properties	$	191,360.59
Less—Reinsurance paid		158,688.07
Net Premium Income	$	32,672.52
Other Income:		
Interest and Dividends on Securities owned		116,914.50
Gross Income	$	149,587.02
Disbursements:		
Fire Losses—Net		225,578.39
Net Deficit for the Year	$	75,991.37
Insurance Reserve—December 31, 1917	$	2,785,487.17
Less Reinsurance effected applying subsequent to December 31, 1917		9,645.65
Insurance Reserve as per General Balance Sheet—Page 23	$	2,775,841.52

ASSETS AND LIABILITIES

Assets:		
Funded:		
Securities as shown on page 15	$	2,835,100.00
Unfunded:		
Interest Accrued on Securities Owned		40,753.78
Deferred Debits:		
Reinsurance effected applying subsequent to December 31, 1917		9,645.65
Total Assets	$	2,885,499.43
Liabilities:		
Insurance Reserve	$	2,785,487.17
C. M. & St. P. Ry. Co. Advances		100,012.26
Total Liabilities	$	2,885,499.43

INSURANCE DEPARTMENT

INVESTMENTS—SECURITIES

The Insurance Reserve December 31, 1917, amounts to $2,785,487.17, of which $2,835,100.00 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%		759,000.00
General & 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%		51,000.00
	$	2,085,100.00
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
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	$	2,835,100.00

OPERATING REVENUES

The Operating Revenues for the year were $113,739,201.66 an increase of $3,129,512.80 compared with the previous year.

The revenue from freight traffic was $79,957,271.48—70.30% of total revenue—an increase of $308,758.64 or .38%.

The number of tons of freight carried was 38,444,353—a decrease of 1,541,783 tons, or 3.86%.

The following classes of commodities show a decrease compared with the previous year: Products of Agriculture, 986,118 tons; Products of Animals, 66,824 tons; Manufactures, 435,767 tons and Commodities Not Specified, 387,623 tons.

There was an increase in Products of Mines of 308,977 tons and in Products of Forests of 25,572 tons.

The number of tons of all agricultural products carried during the year was 7,009,902 tons—a decrease compared with the previous year of 12.33%. Agricultural products comprised 18.23% of the total tonnage carried, compared with 20.00% of the total tonnage of last year.

The number of tons of commodities other than agricultural products carried during the year was 31,434,451 tons—a decrease compared with the previous year of 555,665 tons, or 1.74%—the per cent of the total being 81.77% against 80.00% last year.

The number of tons of revenue freight carried one mile was 10,545,443,466—a decrease of 201,879,949, or 1.88%. The revenue per ton per mile was .7582 cent—an increase of .0171 cent, or 2.31%. The average miles each ton of revenue freight was carried was 274.30 miles—an increase of 5.52 miles, or 2.05%.

The number of tons of revenue freight carried per loaded car was 20.056, against 18.151 last year—an increase of 10.50%. The number of tons of revenue freight per freight and mixed train mile was 467.53, against 441.96 last year—an increase of 5.76%. The revenue from freight per freight and mixed train mile was $3.5449, as against $3.2753 last year—an increase of 8.23%.

The revenue from passenger traffic during the year was $21,329,946.47—18.76% of the total revenue—an increase of $1,573,111.15 compared with the previous year, or 7.96%.

The number of passengers carried was 15,484,374, a decrease of 485,003 or 3.00%. The number of passengers carried one mile was 980,728,974—an increase of 58,735,142, or 6.37%.

The revenue per passenger per mile was 2.174 cents—an increase of .031 cent, or 1.45%. The average miles each passenger was carried was 63.34 miles—an increase of 5.60 miles, or 9.87%.

OPERATING EXPENSES

The Operating Expenses for the year were $85,195,963.74, an increase of $11,430,912.69 compared with the previous year.

The expenses of Maintenance of Way and Structures were $10,953,308.83; Maintenance of Equipment, $22,015,200.63; Traffic Expenses, $1,803,963.65; Transportation Expenses, $48,083,125.30; Miscellaneous, $813,678.84; General Expenses, $2,162,192.35; and Transportation for Investment — Credit $635,505.86.

There was an increase in Maintenance of Equipment of $4,481,752.29; in Transportation Expenses of $7,775,128.87; in Miscellaneous Operations of $81,628.39 and in General Expenses of $191,555.71.

There was a decrease in Maintenance of Way and Structures of $1,563,029.16; in Traffic Expenses of $158,015.78 and in Transportation for Investment—Credit of $621,892.37.

During the year 17 steel bridges, aggregating 1,842 feet in length and 5 masonry bridges, aggregating 716 feet in length, were built—replacing 1,098 feet of wooden bridges, 614 feet of iron bridges and 846 feet of embankment; and 7,163 feet of wooden culverts were replaced with iron and concrete pipe. About 1.25 miles of pile bridges were filled with earth, 34 bridges having been completely filled and 14 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		$450,710.91
Operating Expenses		362,090.20
Net Operating Revenue		$ 88,620.71
Taxes Accrued		43,200.00
Operating Income		$ 45,420.71
Rents Received	$24,269.33	
Hire of Equipment	77,679.72	
Miscellaneous	6,215.84	108,164.89
Gross Corporate Income		$153,585.60
DEDUCTIONS:		
Interest Accrued on Funded Debt	$44,200.00	
Non-Operating Property Expenses	7,208.22	
Rents Paid	750.00	
Miscellaneous	443.78	52,602.00
*Net Corporate Income		$100,983.60

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

SUBSIDIARY COMPANIES—Continued.

BELLINGHAM & NORTHERN RAILWAY COMPANY

Operating Revenues		$318,532.25
Operating Expenses		219,439.14
Net Operating Revenue		$ 99,093.11
Taxes Accrued		26,361.30
Operating Income		$ 72,731.81
OTHER INCOME:		
Rents Received	$ 4,401.08	
Miscellaneous	3,757.83	8,158.91
Gross Corporate Income		$ 80,890.72
DEDUCTIONS		
Interest Accrued on Funded Debt	$25,942.78	
Sinking Fund	16,397.50	
Hire of Equipment	12,570.64	
Rents Paid	3,140.00	
Miscellaneous	431.22	58,482.14
*Net Corporate Income		$ 22,408.58

GALLATIN VALLEY RAILWAY COMPANY.

Operating Revenues		$108,279.96
Operating Expenses		105,920.37
Net Operating Revenue		$ 2,359.59
Taxes Accrued		14,784.77
Operating Deficit		12,425.18
Non-Operating Property Income		2,066.00
Gross Corporate Deficit		$ 10,359.18
DEDUCTIONS:		
Hire of Equipment	$15,633.38	
Miscellaneous	808.44	16,441.82
*Net Corporate Deficit		$ 26,801.00

MILWAUKEE TERMINAL RAILWAY COMPANY

Operating Revenues		$169,978.38
Operating Expenses		122,027.68
Net Operating Revenue		$ 47,950.70
Taxes Accrued		9,000.00
Gross Corporate Income		$ 38,950.70
DEDUCTIONS:		
Hire of Equipment	$20,281.17	
Non-Operating Property Expenses	664.70	
Rents Paid, etc	731.40	21,677.27
*Net Corporate Income		$ 17,273.43

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

SUBSIDIARY COMPANIES—Concluded.

SEATTLE, PORT ANGELES & WESTERN RY. CO.

Operating Revenues		$241,345.56
Operating Expenses		158,338.58
Net Operating Revenue		$ 83,006.98
Taxes Accrued		26,558.91
Operating Income		56,448.07
Other Income		1,713.87
Gross Corporate Income		$ 58,161.94
DEDUCTIONS:		
Hire of Equipment	$ 62,834.75	
Miscellaneous	1,355.21	64,189.96
Net Corporate Deficit		$ 6,028.02

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

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

By order of the Board of Directors.

May, 1918.

H. E. BYRAM,
President.

To the President.

Herewith are submitted the General Accounts and Statements of Operation of the Company for the fiscal year ended December 31, 1917.

G. J. Bunting,
Comptroller.

GENERAL BALANCE SHEET

ASSETS—December 31, 1917.

Property Investment:		
Road and Equipment.		$604,578,835.94
Reserve for Accrued Depreciation—Cr		11,778,641.14
		$592,800,194.80
Securities:		
Securities of Controlled Companies—Unpledged:		
Stocks.	$11,304,855.12	
Funded Debt...	140,000.00	11,444,855.12
Other Investments:		
Advances to Controlled Companies for Construction, Equipment and Betterments..............................	$30,049,952.93	
Miscellaneous Investments:		
Physical Property....................	677,602.15	
Investment Securities—Unpledged......	24,321.54	30,751,876.62
Total Capital Assets.		$634,996,926.54
Working Assets:		
Cash................................	$ 7,418,940.49	
Loans and Bills Receivable	439,662.64	
Traffic and Car-Service Balances.	825,285.19	
Due from Agents and Conductors.......	1,915,287.38	
Miscellaneous Accounts Receivable.. ..	3,901,126.70	
Materials and Supplies..	14,688,584.99	
Other Working Assets...	794,196.13	29,983,083.52
Accrued Income not Due:		
Unmatured Interest...		89,262.99
Deferred Debit Items:		
Working Funds.......................	$ 288,032.08	
Special Deposits........	121,135.58	
Cash and Securities in Sinking Funds ..	442,146.87	
Securities in Insurance Fund.	2,835,100.00	
Other Deferred Debit Items...	4,612,072.20	8,298,486.73
		$673,367,759.78

GENERAL BALANCE SHEET

LIABILITIES—December 31, 1917.

Capital Stock:			
Common Stock.....................			
In Hands of Public . . .	$117,406,000.00		
Held by Company.	5,300.00	$117,411,300.00	
Preferred Stock			
In Hands of Public....	$115,845,800.00		
Held by Company.	429,100.00	116,274,900.00	
Premiums Realized on Capital Stock. .		36,183.87	
Total Capital Stock.			$233,722,383.87
Funded Debt:			
Mortgage Bonds....			
In Hands of Public....	$249,385,800.00		
Held by Company.	109,368,700.00	$358,754,500.00	
Debenture Bonds....................			
In Hands of Public....	$131,443,454.66		
Held by Company.	102,200.00	131,545,654.66	
Total Funded Debt.			$490,300,154.66
Total Capital Stock and Funded Debt. ..			$724,022,538.53
Less Stock and Bonds *unsold*, held by the Company..........................			107,602,200.00
Total Capital Liabilities.			$616,420,338.53
Working Liabilities:			
Traffic and Car-Service Balances.		$1,018,809.92	
Pay Rolls and Vouchers..............		9,569,324.60	
Miscellaneous Accounts Payable.......		1,425,826.96	
Unclaimed Dividends.		9,070.50	
Interest Coupons not Presented.		425,339.02	
Matured Funded Debt		7,782.62	
Other Working Liabilities.		953,534.60	13,409,688.22
Accrued Liabilities not Due:			
Interest Accrued on Funded Debt.		$ 5,698,123.66	
French Government Tax — European Loan of 1910........................		767,702.88	
Taxes Accrued not Payable...........		744,000.00	7,209,826.54
Deferred Credit Items:			
Insurance Department Fund—Reserve		2,775,841.52	
Other Deferred Credit Items..		1,998,116.29	4,773,957.81
Appropriated Surplus:			
Reserves from Income or Surplus:			
Invested in Sinking Funds..........		450,216.87	
Invested in Physical Property.		128,557.72	578,774.59
			$642,392,585.69
Profit and Loss—Balance:			
Surplus................................			30,975,174.09
			$673,367,759.78

STATEMENT OF INCOME ACCOUNT

YEAR ENDED DECEMBER 31, 1917.

OPERATING INCOME:		
Rail Operations:		
Operating Revenues...		$113,739,201.66
Operating Expenses...		85,195,963.74
Net Operating Revenue		$ 28,543,237.92
Taxes Accrued..		6,517,211.97
Operating Income...		$ 22,026,025.95
OTHER INCOME:		
Interest Accrued on Bonds Owned.	$ 41,663.00	
Dividends on Stocks Owned.	279,471.00	
Interest on Other Securities, Loans and Accounts...	597,404.59	
Rents—Received.	518,404.55	
Miscellaneous.	382,410.40	
Total Other Income.		1,819,353.54
Gross Corporate Income.		$23,845,379.49
DEDUCTIONS FROM GROSS CORPORATE INCOME:		
Interest Accrued on Funded Debt.	$16,596,623.64	
Rents—Paid..	1,026,147.67	
Hire of Equipment..	1,136,242.05	
Miscellaneous.	617,734.48	
Total Deductions from Gross Corporate Income.		19,376,747.84
NET CORPORATE INCOME FOR YEAR CARRIED FORWARD TO CREDIT OF PROFIT AND LOSS		$ 4,468,631.65

PROFIT AND LOSS ACCOUNT, DECEMBER 31, 1917.

DEBIT.		CREDIT.	
Dubuque Division and Wisconsin Valley Division Sinking Funds	$ 184,540.00	Balance December 31, 1916	$42,247,364.23
Extinguishment of book value of equipment destroyed, sold or taken down during the year	453,009.93	Balance for Year brought forward from Income Account	4,468,631.65
Net Loss on Property sold or abandoned and not replaced	126,600.42	Profit on Property Sold and Other Miscellaneous Net Credits	$ 168,441.88
Unamortized Discount and Expenses on Funded Debt	1,722,315.80		
Surplus appropriated for Investment in Physical Property	30,321.52		
Dividend declared January 25, 1917:			
3½% on $115,845,800 Preferred Stock	4,054,603.00		
2½% on $117,406,000 Common Stock	2,935,150.00		
Dividend declared July 26, 1917:			
3½% on $115,845,800 Preferred Stock	4,054,603.00		
2% on $117,406,000 Common Stock	2,348,120.00		
Balance Credit, December 31, 1917, carried to General Balance Sheet	30,975,174.09		
	$46,884,437.76		$46,884,437.76

CAPITAL STOCK, DECEMBER 31, 1917

Common Stock December 31, 1916	$117,411,300.00
Preferred Stock December 31, 1916	116,274,900.00
Total Capital Stock, December 31, 1916	$233,686,200.00
Common Stock December 31, 1917	$117,411,300.00
Preferred Stock December 31, 1917	116,274,900.00
Total Capital Stock December 31, 1917	$233,686,200.00

FUNDED DEBT, DECEMBER 31, 1917

Total Funded Debt December 31, 1916, including all liens on purchased roads		$490,547,154.66
Decrease during the year:		
European Loan of 1910 Bonds purchased	$ 596,234.22	
Dubuque Division Bonds purchased for Sinking Fund	233,000.00	
Wisconsin Valley Division Bonds purchased for Sinking Fund	8,000.00	
Dakota & Great Southern Railway Co. Bond purchased	1,000.00	
South Western Division Bond purchased	1,000.00	
Total Decrease		839,234.22
		$489,707,920.44
Increase during the year:		
4% Gold Bonds of 1925 sold		596,234.22
Total Funded Debt December 31, 1917		$490,304,154.66
Of the total amount of Bonds as stated above, there remains in the Treasury		$107,259,200.00

FUNDED DEBT, DECEMBER 31, 1917

Description of Bonds	Date of Maturity	Interest: Rate	Interest: Payable	Interest: Accrued during the year	Amount of Bonds
Dakota & Great Southern Ry. Co.	Jan. 1, 1916	5 %	Jan. and July		$ 4,000.00
La Crosse & Davenport Division	July 1, 1919	5 %	Jan. and July	$ 124,800.00	2,496,000.00
Dubuque Division	July 1, 1920	6 %	Jan. and July	255,660.00	4,261,000.00
Wisconsin Valley Division	July 1, 1920	6 %	Jan. and July	88,680.00	1,478,000.00
Chicago & Pacific Western Division	Jan. 1, 1921	5 %	Jan. and July	1,266,700.00	25,334,000.00
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	74,880.00	1,248,000.00
European Loan of 1910	June 1, 1925	4 %	June and Dec.	527,330.04	13,076,496.42
Four per cent Gold of 1925	June 1, 1925	4 %	June and Dec.	1,400,537.60	35,100,158.24
Chicago & Missouri River Division	July 1, 1926	5 %	Jan. and July	154,150.00	3,083,000.00
Convertible Gold	June 1, 1932	4½%	June and Dec.	2,249,136.00	49,980,800.00
Twenty-five Year Gold	July 1, 1934	4 %	Jan. and July	1,331,440.00	33,286,000.00
Milwaukee & Northern R. R. Co. First Mortgage	June 1, 1934	4½%	June and Dec.	95,265.00	2,117,000.00
Milwaukee & Northern R. R. Co. Consolidated	June 1, 1934	4½%	June and Dec.	228,240.00	5,072,000.00
Chicago, Milwaukee & Puget Sound Ry. Co.	Jan. 1, 1949	4 %	Jan. and July	1,047,000.00	26,175,000.00
General Mortgage	May 1, 1989	4 %	Jan. and July	1,929,640.00	48,241,000.00
General Mortgage	May 1, 1989	3½%	Jan. and July	313,250.00	8,950,000.00
General Mortgage	May 1, 1989	4½%	Jan. and July	1,916,865.00	42,597,000.00
General and Refunding Mortgage	Jan. 1, 2014	4½%	Apr. and Oct.	1,828,380.00	43,089,000.00
General and Refunding Mortgage Convertible	Jan. 1, 2014	5 %	Feb. and Aug.	1,456,490.00	29,129,800.00
Interest on Bonds matured and retired				2,430.00	
				$16,596,623.64	$380,833,254.66
Bonds in the Treasury of the Company as shown on pages 13 and 26					107,259,200.00
Bonds in Insurance Reserve and Sinking Funds					2,211,700.00
TOTAL					$490,304,154.66

DETAILED STATEMENT OF OPERATING REVENUES, EXPENSES AND INCOME.

For the Years Ended December 31, 1916 and 1917.

OPERATING REVENUES.

	1916	1917	Increase.	Decrease.
Transportation				
Freight	$ 79,648,512.84	$ 79,957,271.48	$ 308,758.64	
Passenger	19,756,835.32	21,329,946.47	1,573,111.15	
Excess Baggage	191,670.90	183,841.04		$ 7,829.86
Sleeping Car	1,217,419.67	1,386,630.78	169,211.11	
Parlor and Chair Car	78,242.84	78,004.40		238.44
Mail	2,329,575.10	2,217,622.97		111,952.13
Express	2,619,955.53	3,164,464.25	544,508.72	
Other Passenger Train	35,670.70	93,633.87	57,963.17	
Milk	928,318.40	934,140.89	5,822.49	
Switching	1,899,172.53	2,169,375.73	270,203.20	
Special Service Train	38,641.51	30,394.62		8,246.89
Total—Transportation Revenue	$108,744,015.34	$111,545,326.50	$ 2,801,311.16	
Incidental				
Dining and Buffet	$ 649,171.08	$ 725,650.24	$ 76,479.16	
Station, Train and Boat Privileges	56,266.03	63,078.78	6,812.75	
Parcel Room	3,696.88	3,511.37		$ 185.51
Storage—Freight	63,267.23	56,281.66		6,985.57
Storage—Baggage	14,827.03	26,163.87	11,336.84	
Demurrage	430,514.65	582,820.11	152,305.46	
Telegraph and Telephone	102,778.94	110,830.12	8,051.18	
Stock Yard	38,357.89	75,232.16	36,874.27	
Hotels and Restaurants	2,911.52	3,389.91	478.39	
Rents of Buildings and Other Property	108,360.38	132,025.48	23,665.10	
Miscellaneous	257,369.07	284,448.15	27,079.08	
Total—Incidental Revenue	$ 1,727,520.70	$ 2,063,431.85	$ 335,911.15	
Joint Facility				
Joint Facility—Credit	$ 138,384.52	$ 130,808.00		$ 7,576.52
Joint Facility—Debit	*231.70*	*364.69*		132.99
Total—Joint Facility Revenue	$ 138,152.82	$ 130,443.31		$ 7,709.51
Total—Operating Revenues	$110,609,688.86	$113,739,201.66	$ 3,129,512.80	

OPERATING REVENUES, EXPENSES AND INCOME—Continued

OPERATING EXPENSES.

	1916	1917	Increase	Decrease
Maintenance of Way and Structures				
Superintendence	$ 614,945.53	$ 646,416.61	$ 31,471.08	
Roadway Maintenance	1,527,327.67	1,522,658.66		$ 4,669.01
Tunnels and Subways	5,909.15	3,503.76		2,405.39
Bridges, Trestles and Culverts	987,498.54	680,260.44		307,238.10
Elevated Structures	1,372.85	107.16		1,265.69
Ties	1,461,134.91	1,013,482.04		447,652.87
Rails	448,119.24	*172,167.92*		620,287.16
Other Track Material	355,465.39	258,267.44		97,197.95
Ballast	359,942.80	143,356.62		216,586.18
Track Laying and Surfacing	3,900,267.52	3,506,217.78		394,049.74
Right of Way Fences	130,400.02	98,398.95		32,001.07
Snow and Sand Fences and Snow Sheds	14,690.58	22,926.09	8,235.51	
Crossings and Signs	150,883.42	135,572.43		15,310.99
Station and Office Buildings	361,560.50	367,171.13	5,610.63	
Roadway Buildings	40,710.41	27,007.62		13,702.79
Water Stations	161,494.14	181,627.35	20,133.21	
Fuel Stations	49,921.97	89,881.55	39,959.58	
Shops and Engine-houses	259,225.50	359,173.43	99,947.93	
Storage Warehouses	*58.77*	126.10	184.87	
Wharves and Docks	40,281.87	22,864.29		17,417.58
Coal and Ore Wharves	9,705.74	37,843.06	28,137.32	
Telegraph and Telephone Lines	141,552.13	127,011.19		14,540.94
Signals and Interlockers	272,551.91	273,102.62	550.71	
Power Plant Buildings	2,266.31	2,774.99	508.68	
Power Substation Buildings	1,084.32	468.64		615.68
Power Transmission Systems	4,564.15	1,000.68		3,563.47
Power Distribution Systems	40,354.05	81,944.74	41,590.69	
Power Line Poles and Fixtures	12,622.64	14,573.92	1,951.28	
Underground Conduits	*437.94*		437.94	
Miscellaneous Structures	711.33	572.98		138.35
Paving	5,905.21	*1,217.97*		7,123.18
Roadway Machines	58,909.61	54,693.50		4,216.11
Small Tools and Supplies	174,633.24	154,065.54		20,567.70
Removing Snow, Ice and Sand	291,512.94	584,471.51	292,958.57	
Assessments for Public Improvements	1,095.12	4,031.14	2,936.02	
Injuries to Persons	189,291.96	209,988.97	20,697.01	
Insurance	12,620.58	40,919.90	28,299.32	
Stationery and Printing	16,881.28	17,859.85	978.57	
Other Expenses	3,003.51	1,275.48		1,728.03
Maintaining Joint Tracks, Yards and Other Facilities—Dr	557,648.02	591,340.38	33,692.36	
Maintaining Joint Tracks, Yards and Other Facilities—Cr	*151,231.36*	*150,263.82*	967.54	
Total—Maintenance of Way and Structures	$12,516,337.99	$10,953,308.83		$ 1,563,029.16

OPERATING REVENUES, EXPENSES AND INCOME—Continued

	1916	1917	Increase	Decrease
Maintenance of Equipment				
Superintendence	$ 327,353.51	$ 360,196.90	$ 32,843.39	
Shop Machinery	267,538.72	337,221.11	69,682.39	
Power Plant Machinery	35,471.12	39,962.79	4,491.67	
Power Substation Apparatus	3,682.21	10,034.37	6,352.16	
Steam Locomotives—Repairs	6,474,882.49	8,351,370.32	1,876,487.83	
Steam Locomotives—Depreciation	433,376.28	434,109.16	732.88	
Steam Locomotives—Retirements	1,105.87	14,198.60	13,092.73	
Other Locomotives—Repairs	90,961.10	220,525.76	129,564.66	
Other Locomotives—Depreciation	33,908.69	77,134.23	43,225.54	
Freight Train Cars—Repairs	6,186,065.48	7,760,360.12	1,574,294.64	
Freight Train Cars—Depreciation	1,049,813.84	1,090,460.99	40,647.15	
Freight Train Cars—Retirements	139,727.53	176,577.12	36,849.59	
Passenger Train Cars—Repairs	1,438,125.67	1,887,135.98	449,010.31	
Passenger Train Cars—Depreciation	269,844.57	269,969.20	124.63	
Passenger Train Cars..Retirements	2,437.58	7,313.64	4,876.06	
Motor Equipment of Cars—Repairs	11,773.26	9,584.15		$ 2,189.11
Motor Equipment of Cars—Depreciation	1,932.72	1,934.37	1.65	
Work Equipment—Repairs	426,876.39	496,683.65	69,807.26	
Work Equipment—Depreciation	44,371.49	44,219.17		152.32
Work Equipment—Retirements	7,398.26	12,722.47	5,324.21	
Injuries to Persons	179,410.16	215,650.97	36,240.81	
Insurance	41,613.70	129,102.58	87,488.88	
Stationery and Printing	21,448.09	24,956.52	3,508.43	
Other Expenses	3,873.19	2,754.16		1,119.03
Maintaining Joint Equipment at Terminals—Debit	43,464.48	44,166.77	702.29	
Maintaining Joint Equipment at Terminals—Credit	*3,008.06*	*3,144.47*		136.41
Total—Maintenance of Equipment	$17,533,448.34	$22,015,200.63	$ 4,481,752.29	
Traffic				
Superintendence	$ 462,307.65	$ 464,255.73	$ 1,948.08	
Outside Agencies	901,179.38	840,064.71		$ 61,114.67
Advertising	360,964.69	279,453.40		81,511.29
Traffic Associations	30,968.66	31,932.54	963.88	
Industrial and Immigration Bureaus	73,820.90	62,414.32		11,406.58
Insurance	383.11	44.60		338.51
Stationery and Printing	129,461.52	121,425.86		8,035.66
Other Expenses	2,893.52	4,372.49	1,478.97	
Total—Traffic Expenses	$ 1,961,979.43	$ 1,803,963.65		$ 158,015.78

OPERATING REVENUES, EXPENSES AND INCOME—Continued

	1916	1917	Increase	Decrease
Transportation				
Superintendence	$ 356,487.24	$ 432,179.55	$ 75,692.31	
Dispatching Trains	505,243.36	513,831.85	8,588.49	
Station Employes	5,279,681.37	6,042,246.59	762,565.22	
Weighing, Inspection and Demurrage Bureaus	119,902.95	140,088.37	20,185.42	
Coal and Ore Wharves	62,356.72	86,815.14	24,458.42	
Station Supplies and Expenses	363,440.32	374,993.07	11,552.75	
Yard Masters and Yard Clerks	305,005.87	408,825.76	103,819.89	
Yard Conductors and Brakemen	2,385,791.34	3,052,614.18	666,822.84	
Yard, Switch and Signal Tenders	157,598.57	177,896.61	20,298.04	
Yard Enginemen	1,384,186.77	1,765,640.01	381,453.24	
Yard Motormen	3,697.18	16,007.63	12,310.45	
Fuel for Yard Locomotives	1,601,700.31	2,169,952.11	568,251.80	
Yard Switching—Power Produced	33.12	233.83	200.71	
Yard Switching—Power Purchased	3,034.73	8,321.86	5,287.13	
Water for Yard Locomotives	87,767.38	93,402.94	5,635.56	
Lubricants for Yard Locomotives	27,076.88	31,404.07	4,327.19	
Other Supplies for Yard Locomotives	35,797.59	43,424.80	7,627.21	
Enginehouse Expenses—Yard	520,593.24	741,440.42	220,847.18	
Yard Supplies and Expenses	20,345.07	24,919.95	4,574.88	
Operating Joint Yards and Terminals—Debit	592,276.01	636,219.29	43,943.28	
Operating Joint Yards and Terminals—Credit	*158,696.38*	*173,974.55*		$ 15,278.17
Train Enginemen	4,664,052.18	5,033,303.04	369,250.86	
Train Motormen	138,040.24	262,177.75	124,137.51	
Fuel for Train Locomotives	8,618,246.16	10,466,551.60	1,848,305.44	
Train Power Produced	34,230.26	49,402.15	15,171.89	
Train Power Purchased	325,808.88	544,224.25	218,415.37	
Water for Train Locomotives	464,558.75	506,587.92	42,029.17	
Lubricants for Train Locomotives	161,083.84	166,505.26	5,421.42	
Other Supplies for Train Locomotives	141,844.79	164,409.70	22,564.91	
Enginehouse Expenses—Train	1,835,061.51	2,338,963.90	503,902.39	
Trainmen	4,929,383.72	5,441,166.94	511,783.22	
Train Supplies and Expenses	1,354,532.58	1,683,476.28	328,943.70	
Operating Sleeping Cars	281,315.35	301,868.50	20,553.15	
Signal and Interlocker Operation	250,084.47	283,744.57	33,660.10	
Crossing Protection	228,664.24	245,045.68	16,381.44	
Drawbridge Operation	38,193.58	38,180.81		12.77
Telegraph and Telephone Operation	92,543.02	100,972.52	8,429.50	
Stationery and Printing	189,777.42	215,990.50	26,213.08	
Other Expenses	155,590.10	88,981.99		66,608.11
Operating Joint Tracks and Facilities—Debit	216,480.89	266,118.16	49,637.27	
Operating Joint Tracks and Facilities—Credit	*103,635.80*	*114,699.15*		11,063.35

OPERATING REVENUES, EXPENSES AND INCOME—Concluded

Transportation—Concluded	1916	1917	Increase	Decrease
Insurance	$ 34,558.41	$ 43,526.59	$ 8,968.18	....
Clearing Wrecks	155,492.87	224,472.30	68,979.43	....
Damage to Property	114,988.43	173,180.74	58,192.31	....
Damage to Live Stock on Right of Way	88,503.11	94,767.25	6,264.14	....
Loss and Damage—Freight	1,083,633.63	1,552,346.57	468,712.94	....
Loss and Damage—Baggage	5,086.56	8,281.33	3,194.77	....
Injuries to Persons	1,156,557.60	1,317,094.67	160,537.07	....
Total—Transportation Expenses	$40,307,996.43	$48,083,125.30	$ 7,775,128.87	....
Miscellaneous Operations				
Dining and Buffet	$ 700,415.38	$ 743,731.44	$ 43,316.06	....
Hotels and Restaurants	3,857.28	4,188.80	331.52	....
Stock Yards	27,777.79	65,758.60	37,980.81	....
Total—Miscellaneous Operations	$ 732,050.45	$ 813,678.84	$ 81,628.39	....
General				
Salaries and Expenses of General Officers	$ 364,154.17	$ 378,308.89	$ 14,154.72	....
Salaries and Expenses of Clerks and Attendants	885,433.88	968,748.85	83,314.97	....
General Office Supplies and Expenses	87,118.79	90,856.17	3,737.38	....
Law Expenses	295,940.88	295,152.77	....	$ 788.11
Insurance	666.16	1,295.94	629.78	....
Stationery and Printing	72,373.82	94,408.95	22,035.13	....
Valuation Expenses	155,254.04	231,774.60	76,520.56	....
Other Expenses	74,655.06	70,592.83	....	4,062.23
General Joint Facilities—Debit	35,930.22	31,936.97	....	3,993.25
General Joint Facilities—Credit	*890.38*	*883.62*	6.76	....
Total—General Expenses	$ 1,970,636.64	$ 2,162,192.35	$ 191,555.71	....
Transportation for Investment—Credit	*$ 1,257,398.23*	*$ 635,505.86*	$ 621,892.37	....
Total—Operating Expenses	$73,765,051.05	$85,195,963.74	$11,430,912.69	....

SUMMARY

	1916	1917	Increase	Decrease
Total Operating Revenues	$110,609,688.86	$113,739,201.66	$ 3,129,512.80	....
Total Operating Expenses	73,765,051.05	85,195,963.74	11,430,912.69	....
Net Operating Revenue	$36,844,637.81	$28,543,237.92	....	$ 8,301,399.89
Taxes Accrued	5,480,119.39	6,517,211.97	$ 1,037,092.58	....
Operating Income	$31,364,518.42	$22,026,025.95	....	$ 9,338,492.47

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES.

For the Years Ended December 31, 1916 and 1917.

OPERATING REVENUES.

	1916		1917	
	Amount	Per Cent	Amount	Per Cent
Freight Revenue	$ 79,648,512.84	72.01	$ 79,957,271.48	70.30
Passenger Revenue	19,756,835.32	17.86	21,329,946.47	18.76
Other Transportation Revenue	9,338,667.18	8.44	10,258,108.55	9.02
Incidental Revenue	1,727,520.70	1.56	2,063,431.85	1.82
Joint Facility Revenue	138,152.82	.13	130,443.31	.10
Total Operating Revenues	$110,609,688.86	100.00	$113,739,201.66	100.00

OPERATING EXPENSES

	1916 Amount	Per Cent	1917 Amount	Per Cent
Maintenance of Way and Structures	$ 12,516,337.99	11.32	$ 10,953,308.83	9.63
Maintenance of Equipment	17,533,448.34	15.85	22,015,200.63	19.36
Traffic Expenses	1,961,979.43	1.78	1,803,963.65	1.58
Transportation Expenses	40,307,996.43	36.44	48,083,125.30	42.28
Miscellaneous Operations	732,050.45	.66	813,678.84	.71
General Expenses	1,970,636.64	1.78	2,162,192.35	1.90
Transportation for Investment—Credit	*1,257,398.23*	*1.14*	*635,505.86*	*.56*
Operating Expenses	$ 73,765,051.05	66.69	$ 85,195,963.74	74.90

RECAPITULATION

	1916 Amount	Per Cent	1917 Amount	Per Cent
Operating Revenues	$110,609,688.86	100.00	$113,739,201.66	100.00
Operating Expenses	73,765,051.05	66.69	85,195,963.74	74.90
Net Operating Revenue	$ 36,844,637.81	33.31	$ 28,543,237.92	25.10
Average miles in operation during the year, including miles of main track used under contracts	10,196.25	....	10,256.53	....

COMPARATIVE SUMMARY OF OPERATION.

For the Years Ended December 31, 1916 and 1917.

	1916	1917	INCREASE	DECREASE
Operating Revenues	$110,609,688.86	$113,739,201.66	$ 3,129,512.80	....
Operating Expenses	73,765,051.05	85,195,963.74	11,430,912.69	....
Net Operating Revenue	$ 36,844,637.81	$ 28,543,237.92	....	$ 8,301,399.89
Freight Revenue per mile of road	$ 7,811.55	$ 7,795.74	....	$ 15.81
Passenger Revenue per mile of road	1,937.66	2,079.65	$ 141.99	....
Miscellaneous Revenues per mile of road	1,098.87	1,214.05	115.18	....
Operating Revenues per mile of road	$ 10,848.08	$ 11,089.44	$ 241.36	....
Operating Expenses per mile of road	7,234.53	8,306.51	1,071.98	....
Net Operating Revenue per mile of road	$ 3,613.55	$ 2,782.93	$	$ 830.62
Average miles in operation during the year, including miles of main track under contracts	10,196.25	10,256.53	60.28	....

OPERATING REVENUES, EXPENSES AND TAXES—MONTHLY

Year Ended December 31, 1917.

Month		Operating Revenues	Operating Expenses	Net Operating Revenue	Taxes Accrued	Operating Income
January	1917	$ 8,351,112.93	$ 6,220,807.00	$ 2,130,305.93	$ 465,192.98	$ 1,665,112.95
February	"	6,514,625.36	6,209,115.35	305,510.01	458,697.03	* 153,187.02
March	"	8,757,232.10	6,183,252.46	2,573,979.64	458,580.60	2,115,399.04
April	"	9,330,909.40	6,718,432.03	2,612,477.37	457,383.36	2,155,094.01
May		9,917,911.06	6,729,444.75	3,188,466.31	442,437.91	2,746,028.40
June	"	9,410,567.01	6,544,674.08	2,865,892.93	545,620.09	2,320,272.84
July	"	10,195,753.86	6,977,649.91	3,218,103.95	590,013.08	2,628,090.87
August	"	10,500,802.16	7,681,036.61	2,819,765.55	597,704.78	2,222,060.77
September	"	10,382,216.37	8,185,878.11	2,196,338.26	597,820.36	1,598,517.90
October	"	11,034,551.48	8,029,522.89	3,005,028.59	655,569.15	2,349,459.44
November	"	10,155,099.10	8,011,084.45	2,144,014.65	657,120.69	1,486,893.96
December	"	9,188,420.83	7,705,066.10	1,483,354.73	591,071.94	892,282.79
Total		$113,739,201.66	$ 85,195,963.74	$ 28,543,237.92	$ 6,517,211.97	$ 22,026,025.95

*Deficit.

CHARGES TO PROPERTY INVESTMENT—ROAD & EQUIPMENT

During the Year Ended December 31, 1917

Additional Equipment Purchased or Built:		
7 Locomotives—Electric		$ 758,216.84
1 Locomotive—Steam		9,000.00
150 Flat Cars		265,364.90
2 Flat Cars—Converted		1,597.36
1696 Coal Cars—Gondolas		2,317,690.04
250 Ore Cars		246,071.37
15 Ore Cars—Rebuilt		11,183.86
1 Parlor Car		8,596.48
1 Mine Rescue Car—Converted		12,157.88
141 Cinder Dump Cars		65,762.33
5 Supply Cars—Converted		5,278.41
1 Wrecking Car—Converted		731.13
6 Boom Cars—Converted		2,764.08
1 Water Service Car—Converted		450.00
1 Locomotive Crane		8,230.84
1 Automobile Truck		1,253.92
Improvements to Locomotives and Cars		243,851.39
Gross Additions and Betterments—Equipment		$ 3,958,209.83
Less original cost of equipment destroyed, sold or taken down during the year		1,782,388.21
Net Additions and Betterments—Equipment		$ 2,175,821.62
New Branch Lines and Extensions		551,370.46
New Additional Main Tracks and Reducing Grade and Perfecting Line		61,084.27
Other Additions and Betterments:		
Land for Transportation Purposes	$ 113,138.61	
Grading	718,264.07	
Tunnels and Subways	58,848.17	
Bridges, Trestles and Culverts	758,516.13	
Ties	125,375.83	
Rails	366,223.05	
Other Track Material	213,745.45	
Ballast	229,722.15	
Track Laying and Surfacing	214,067.42	
Right of Way Fences, etc.	36,820.42	
Crossings and Signs	157,694.60	
Station and Office Buildings	428,909.77	
Roadway and Miscellaneous Buildings	62,412.92	
Water and Fuel Stations	355,444.38	
Shops and Enginehouses	489,300.79	
Grain Elevators and Storage Warehouses	89,808.12	
Wharves and Docks	42,588.00	
Telegraph and Telephone Lines	18,249.89	
Signals and Interlockers	500,098.71	
Power Stations, Transmission Systems, etc.	1,572,842.92	
Paving and Assessments	134,972.58	
Roadway Machines and Tools	12,360.04	
Shop Machinery	104,521.19	
Miscellaneous	464,898.43	7,268,908.64
Gross Additions and Betterments—Road and Equipment		$ 10,057,184.99
Credit—Property retired or converted		647,445.72
Net Additions and Betterment—Road and Equipment		$ 9,409,739.27
Road and Equipment, December 31, 1916		595,169,096.67
Road and Equipment, December 31, 1917		$604,578,835.94

TRANSPORTATION STATISTICS

For the Years Ended December 31st, 1916 and 1917.

	1916	1917
Miles run by freight trains	22,561,341	20,959,947
Miles run by passenger trains	17,794,060	18,166,288
Miles run by mixed trains	1,756,332	1,595,799
Total miles run by revenue trains	42,111,733	40,722,034
Miles run by loaded freight cars	592,113,791	525,792,181
Miles run by empty freight cars	225,394,150	182,489,099
Total miles run by freight cars	817,507,941	708,281,280
Freight revenue	$79,648,512.84	$79,957,271.48
Tons of revenue freight carried	39,986,136	38,444,353
Tons of revenue freight carried one mile	10,747,323,415	10,545,443,466
Tons of Company freight carried one mile	1,489,988,109	1,479,690,429
Tons of all freight carried one mile	12,237,311,524	12,025,133,895
Tons of revenue freight per freight and mixed train mile	441.96	467.53
Tons of Company freight per freight and mixed train mile	61.27	65.60
Total tons of freight per freight and mixed train mile	503.23	533.13
Average revenue per ton of revenue freight per mile	.7411 ct.	.7582 ct.
Average distance haul of each ton of revenue freight—miles	268.78	274.30
Average amount received per ton of revenue freight	$1.9919	$2.0797
Average revenue from freight per freight and mixed train mile	$3.2753	$3.5449
Tons of revenue freight per loaded car	18.151	20.056
Tons of Company freight per loaded car	2.516	2.814
Total tons of freight per loaded car	20.667	22.870
Average number of loaded freight cars per train	24.349	23.311
Average number of empty freight cars per train	9.269	8.090
Average number of freight cars per train	33.618	31.401
Passenger Revenue	$19,756,835.32	$21,329,946.47
Passengers carried	15,969,377	15,484,374
Passengers carried one mile	921,993,832	980,728,974
Passengers carried per passenger and mixed train mile	47.16	49.63
Average revenue per passenger per mile	2.143 cts.	2.174 cts.
Average distance traveled by each passenger—miles	57.74	63.34
Average amount received per passenger	$1.2372	$1.3775
Average revenue from passengers per passenger and mixed train mile	$1.0106	$1.0793
Operating expenses per revenue train mile	$1.7517	$2.0921

STATEMENT OF COMMODITIES TRANSPORTED

During the Years Ended December 31st, 1916 and 1917.

Commodities	1916		1917	
	Tons	Per Cent	Tons	Per Cent
Products of Agriculture:				
Grain	4,827,940	12.074	4,079,581	10.612
Flour	1,177,974	2.946	1,049,265	2.729
Other Mill Products	539,901	1.350	477,840	1.243
Hay	251,126	.628	246,183	.640
Tobacco	38,848	.097	46,253	.120
Cotton	54,386	.136	28,249	.074
Fruit and Vegetables	742,046	1.857	759,785	1.976
Other Products of Agriculture	363,199	.909	322,746	.840
Total	7,996,020	19.997	7,009,902	18.234
Products of Animals:				
Live Stock	1,539,022	3.850	1,452,407	3.778
Dressed Meats	240,873	.602	209,906	.546
Other Packing House Products	76,756	.192	90,710	.236
Poultry, Game and Fish	86,705	.217	67,330	.175
Wool	23,236	.058	11,862	.031
Hides and Leather	85,372	.213	79,794	.208
Other Products of Animals	184,539	.461	257,670	.670
Total	2,236,503	5.593	2,169,679	5.644
Products of Mines:				
Anthracite Coal	1,005,083	2.514	895,999	2.331
Bituminous Coal	3,588,345	8.974	4,988,257	12.975
Coke	514,616	1.287	323,854	.842
Ores	3,266,328	8.169	3,025,128	7.869
Stone, Sand and Other Like Articles	2,817,566	7.046	2,239,313	5.825
Other Products of Mines	214,460	.536	242,824	.632
Total	11,406,398	28.526	11,715,375	30.474
Products of Forests:				
Lumber	5,918,878	14.803	5,677,991	14.769
Other Products of Forests	485,907	1.215	752,366	1.957
Total	6,404,785	16.018	6,430,357	16.726
Manufactures:				
Petroleum and Other Oils	642,288	1.606	747,148	1.943
Sugar	169,993	.425	141,357	.368
Naval Stores	13,550	.034	13,268	.035
Iron, Pig and Bloom	526,585	1.317	507,417	1.320
Iron and Steel Rails	93,643	.234	81,104	.211
Other Castings & Machinery	483,410	1.209	545,646	1.419
Bar and Sheet Metal	598,933	1.498	635,689	1.654
Cement, Brick and Lime	1,949,957	4.877	1,577,954	4.105
Agricultural Implements	218,793	.547	270,686	.704
Wagons, Carriages, Tools, etc.	230,631	.577	256,169	.666
Wines, Liquors and Beers	520,081	1.301	496,497	1.291
Household Goods & Furniture	186,914	.467	169,735	.441
Other Manufactures	1,766,647	4.418	1,522,988	3.962
Total	7,401,425	18.510	6,965,658	18.119
Commodities not Specified	4,541,005	11.356	4,153,382	10.803
Grand Total	39,986,136	100.000	38,444,353	100.000

EQUIPMENT, DECEMBER 31, 1917.

Locomotives—Steam			1,937
Locomotives—Electric			45
Freight-train Cars:			
Box Cars		40,759	
Flat Cars		4,850	
Stock Cars		5,519	
Coal Cars		6,546	
Refrigerator Cars		2,233	
Caboose Cars		1,067	
Other Freight-train Cars (Ore Cars)		2,112	63,086
Passenger-Train Cars:			
Coaches		646	
Combination Passenger Cars		133	
Passenger, Baggage and Mail	4		
Passenger and Baggage	101		
Gas-Electric Motor Cars	7		
Baggage-Buffet	5		
Buffet-Observation	14		
Buffet-Lounging Cars	2		
Other Combination Cars		138	
Baggage, Mail and Express	6		
Baggage and Mail	83		
Mail and Express	49		
Dining Cars		61	
Parlor Cars		34	
Sleeping Cars		239	
Standard	203		
Tourist	36		
Baggage and Express Cars		269	
Postal Cars		57	1,577
Company Service Cars:			
Office and Pay Cars		23	
Ballast Cars		2,384	
Derrick Cars		47	
Steam Shovels		21	
Wrecking Cars		15	
Other Company Service Cars		1,615	4,105
Total			70,750

INDEX