

FIFTEENTH ANNUAL REPORT

OF THE

PRESIDENT AND OFFICERS

OF THE

New York, Ontario & Western

RAILWAY COMPANY

WITH

STATEMENTS OF ACCOUNTS

FOR THE

Fiscal Year ending June 30th, 1894.

NEW YORK:
WYNKOOP & HALLENBECK, PRINTERS,
441 TO 447 PEARL STREET.

1894.

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New York, Ontario & Western Railway Company.

DIRECTORS:

THOMAS P. FOWLER,	- - - - -	56 Beaver Street, New York.
JOHN B. KERR,	- - - - -	56 Beaver Street, New York.
JOSEPH PRICE,	- - - - -	5 & 6 Great Winchester Street, London.
HENRY W. CANNON,	- - - - -	New York.
FRANCIS R. CULBERT,	- - - - -	Newburgh, N. Y.
GERALD L. HOYT,	- - - - -	New York.
RICHARD IRVIN,	- - - - -	"
WM. H. PAULDING,	- - - - -	"
HARRY PEARSON,	- - - - -	London.
ALBERT S. ROE,	- - - - -	New York.
EBEN K. SIBLEY,	- - - - -	"
EDWARD B. STURGES,	- - - - -	Scranton, Pa.
CHARLES S. WHELEN,	- - - - -	Philadelphia.

OFFICERS:

THOMAS P. FOWLER, <i>President,</i>	- - - - -	New York.
JOSEPH PRICE, <i>Vice-President,</i>	- - - - -	London.
JOHN B. KERR, <i>Vice-President and General Counsel,</i>	- - - - -	New York.
RICHARD D. RICKARD, <i>Secretary and Treasurer,</i>	- - - - -	"
JAMES E. CHILDS, <i>General Manager,</i>	- - - - -	"
JAMES C. ANDERSON, <i>General Freight and Passenger Agent,</i>	- - - - -	"
CHARLES A. DRAPER, <i>Purchasing Agent and Paymaster,</i>	- - - - -	"
JOSEPH P. BRADFIELD, <i>General Superintendent,</i>	- - - - -	Middletown, N. Y.
GEORGE W. WEST, <i>Supt. Motive Power,</i>	- - - - -	" "
EDWARD CANFIELD, <i>Chief Engineer,</i>	- - - - -	" "

COAL DEPARTMENT.

DICKSON & EDDY, *General Coal Sales Agents,* - - - 29 Broadway, New York.

AUDITORS:

BARROW, WADE, GUTHRIE & Co., *Public Accountants,* Equitable Building,
New York.

Transfer Agent, JOHN FLEMING, - - - - - New York.
" ENGLISH ASSOCIATION OF AMERICAN BOND AND SHARE-
HOLDERS, LIMITED, - - - - - London.

Registrars of Stock, MERCANTILE TRUST Co., 120 Broadway, New York, and
6 Lombard Street, London, E. C.

GENERAL OFFICES:

NEW YORK, - - - - - 56 Beaver Street.
LONDON, - - - - - 5 & 6 Great Winchester Street.

NEW YORK, ONTARIO & WESTERN RAILWAY COMPANY.

OFFICE OF THE PRESIDENT.

NEW YORK, September 24th, 1894.

TO THE STOCKHOLDERS :

In behalf of the Board of Directors, I beg leave to submit the following report of operations for the fiscal year ended June 30th, 1894, compared with the receipts and disbursements of the preceding year :

RECEIPTS.

	1894.	1893.
Passengers	\$679,149.14	\$725,470.89
Freight.....	2,997,011.22	2,819,717.14
Mails, Express, etc.....	124,841.21	106,390.69
Miscellaneous.....	41,118.06	36,595.20
Total	<u>\$3,842,119.63</u>	<u>\$3,688,173.92</u>

OPERATING EXPENSES.

	1894.	1893.
Conducting Transportation.....	\$810,185.48	\$822,880.50
Motive Power	832,455.21	889,646.29
Maintenance of Cars	229,856.89	252,114.02
Maintenance of Way.....	490,015.44	465,163.79
General Expenses.....	114,470.54	115,018.43
Miscellaneous Expenses.....	150,895.65	152,960.33
Total.....	<u>\$2,627,879.21</u>	<u>\$2,697,783.36</u>
Taxes.....	104,660.95	100,442.26
Total Operating Expenses and Taxes..	<u>\$2,732,540.16</u>	<u>\$2,798,225.62</u>
Net Earnings	\$1,109,579.47	\$889,948.30
Interest, Rentals, and Charges	690,012.89	633,095.79
Surplus	<u>\$419,566.58</u>	<u>\$256,852.51</u>

In view of attention recently given to the subject of the independent audit of accounts of railway corporations, you are reminded that since 1886 the statements and accounts of your Company, have been regularly audited by Messrs. Barrow, Wade, Guthrie & Co., Public Accountants, of No. 120 Broadway, New York, and the certificate of that firm to the accuracy of the accounts for the last fiscal year, is herewith presented by the Secretary and Treasurer.

The adoption of this plan has not only proved acceptable to your Board of Directors and Officers, but has been commended by many of the shareowners, as well as by the public press. Your Officers and Directors, moreover, desire to have it distinctly understood that they will, at all times, be pleased to supplement the usual annual, quarterly, monthly and weekly published statements and reports with such additional details and information, concerning the accounts and operations of the Company, as may be desired by stockholders of record, or any owner of your Company's bonds.

There was received from local passengers \$557,870.08, compared with \$574,509.97 in the preceding fiscal year; from through passengers and immigrants \$121,279.06, compared with \$150,960.92; and from mails and express \$124,841.21 against \$106,390.69 in 1893.

The through passenger traffic last summer was stimulated by the World's Fair at Chicago, large numbers of excursionists having been carried at exceedingly low rates, and these, replaced almost entirely the usual through rates, and seriously affected the immigrant business.

The local passenger traffic was also affected by the financial panic and by reason of the low through rates, which induced people to visit Chicago and other more distant places.

Freight traffic receipts, compared with the fiscal years ended June 30th, 1893, and June 30th, 1892, are classified, for your information, as follows:

	1894.	1893.	1892.
Through Freight	\$226,291.55	\$347,246.26	\$355,299.89
Local Freight	662,807.39	688,571.81	671,595.23
Milk	354,037.94	347,359.54	302,695.85
Coal	1,753,874.34	1,436,539.53	1,126,456.77
Miscellaneous	41,118.06	36,595.20	35,827.88
Total	\$3,038,129.28	\$2,856,312.34	\$2,491,875.62

Following the form adopted in the last year's report, a comparison with earnings of former years is submitted:

	Earnings Year ending June 30th.	Operating Ex- penses and Taxes.	Net Revenue.	Charges.	Surplus.
1890	\$2,200,446.01	\$1,768,042.43	\$432,403.58	\$285,961.67	\$146,441.91
1891	2,809,702.16	2,155,372.16	654,330.00	553,890.68	100,439.32
1892	3,265,417.89	2,461,136.39	804,281.50	597,262.22	207,019.28
1893	3,688,173.92	2,798,225.62	889,948.30	633,095.79	256,852.51
1894	3,842,119.63	2,732,540.16	1,109,579.47	690,012.89	419,566.58

In connection with the revenue statements for five years, the following summary of passengers and freight traffic, covering the same period, will doubtless be interesting:

	Passengers carried.	Carried one mile.	Tons of freight.	Carried one mile.
1890	827,766	32,142,497	1,257,199	114,554.570
1891	1,008,215	36,011,439	1,737,059	194,897,759
1892	1,060,383	37,006,885	2,085,769	263,839,116
1893	1,057,815	40,358,702	2,291,430	294,636,533
1894	926,657	36,918,802	2,404,358	328,533,616

From the foregoing tabulated statement, it will be seen that local freight receipts were \$662,807.39, compared with \$688,571.81 for the fiscal year ended June 30th, 1893, a decrease of \$25,764.42, and through freight earnings were \$226,291.55, against \$347,246.26 in the preceding year, a decrease of \$120,954.71. Through freight rates were so low that it was thought no substantial advantage was to be derived by competing for that business. Local freight traffic, like passenger travel, felt the effects of the serious financial depression which continued throughout the year.

The earnings from milk show an increase of \$6,678.40.

The milk traffic on your line has continued to increase gradually each year, as below :

	Tons of Milk Carried.	Revenue.
Year ending June 30th, 1890.....	34,853	\$233,116.15
“ “ 1891.....	39,125	250,686.01
“ “ 1892.....	48,403	302,695.85
“ “ 1893.....	54,521	347,359.54
“ “ 1894.....	55,729	354,037.94

This source of revenue has been very carefully guarded and wisely expanded, until milk is now carried to New York from various places nearly three hundred miles distant, and as opportunity offers and the demand increases, new territory should be opened up by the extension of branch lines or the construction of new branches, as feeders to the main line.

Since the opening of the Scranton Division (June 30th, 1890), the anthracite coal tonnage, including coal received from the Delaware and Hudson Canal Company at Sidney, has been increased as follows :

	Tons.	Revenue.
Year ending June 30th, 1891.....	811,485	\$782,218.29
“ “ 1892.....	1,120,416	1,126,456.77
“ “ 1893.....	1,352,225	1,436,539.53
“ “ 1894.....	1,642,063	1,753,874.34

The revenue derived from anthracite coal traffic, for the year ended June 30th, 1894, was \$317,334.81 greater than in the preceding fiscal year.

The ability of your Company to successfully handle and distribute this large tonnage has been fully demonstrated. At Weehawken its capacity has been considerably augmented by the erection of an additional trestle and re-arrangement of tracks at that point, under an agreement with the West Shore Railroad. Cornwall-on-the-Hudson, where you own a large plant, is an

excellent distributing point for river and tide-water markets. At Utica a large tonnage is sent northward over the Rome, Watertown & Ogdensburg division of the New York Central system, and at Oneida facilities have been provided for loading New York Central Railroad and other box cars for the western markets. Oswego has proved to be a convenient and important shipping port for markets reached via the lakes.

The total number of tons shipped from Oswego (not including the Delaware & Hudson Canal Company's tonnage) for four years, was as follows:

Year ending June 30th, 1891	33,856 Tons.
“ “ 1892	89,888 “
“ “ 1893	117,073 “
“ “ 1894	159,967 “

Plans are now being considered for rebuilding the old Oswego trestle, thereby increasing its capacity, so that the tonnage of the Delaware and Hudson Canal Company, shipped from that place, may be handled over a separate trestle.

In connection with the anthracite coal traffic, the operations of the Ontario, Carbondale and Scranton Company, submitted separately, will doubtless be acceptable to you.

Your Company owns all of the stock of that Company and also its bonds, both of which have been deposited with the Mercantile Trust Company, Trustee, as additional security for the four per cent. refunding gold bonds of the New York, Ontario and Western Railway Company, which in 1890 entered into a formal agreement to lease the railway of the Scranton Company, at an annual rental of \$75,000 and five per cent. of gross receipts, besides an annual allowance of \$3,000 for maintaining the separate corporate existence of that Company.

Allowing the Scranton Company its proportion of earnings, based upon its actual mileage, the earnings and expenses of the Scranton Company for the fiscal year ended June 30th, 1894, were as hereunder given:

Earnings.....		\$508,714.55
Expenses and taxes.....		320,356.84
		<u>\$188,357.71</u>
Balance.....		
Rental.....	\$75,000.00	
Five per cent. of gross receipts.....	25,435.72	
Maintenance of organization.....	3,000.00	
		<u>103,435.72</u>
Net income.....		\$84,921.99

The net income, derived as above stated, is but a small part of the revenues received through the construction of the Scranton line, as a large and profitable coal traffic is delivered to your Company at Hancock Junction to be distributed over its main line and branches in either direction.

There are twelve coal breakers which contribute tonnage to the Scranton Division. These all belong to independent operators, to some of whom your Company, as you have been advised, has made advances which are secured by mortgage upon breakers and improvements. The amount of these advances at June 30th, 1893, was \$614,148.51. During the year a new mortgage was taken on the property and improvements of the West Ridge Coal Company, for \$120,000, and the transportation of all coal from its colliery was secured to the Railway Company by contract. The principal of the loan, with six per cent. annual interest, is to be repaid at the rate of twenty-five cents per ton on prepared sizes, and one-half that rate on smaller sizes of all coal mined by the West Ridge Company, with a minimum guarantee of one hundred and fifty thousand tons per annum, after the first year.

Within the last fiscal year, \$60,892.01 was received in interest and on account of the principal of such loans. Balance due the Railway Company June 30th, 1894, including interest to that date, \$742,479.55.

Briefly, therefore, the result of the year's operations for the entire system was a decrease of \$46,321.75 in all branches of passenger traffic; mail, express and miscellaneous receipts increased \$22,973.38, leaving a net decrease of \$23,348.37 in earn-

ings from passenger trains and in miscellaneous receipts. Local and through freight receipts decreased \$146,719.13, while earnings from milk and coal increased \$324,013.21, entirely offsetting the loss of revenue from other branches of traffic and leaving an increase in gross earnings for the year of \$153,945.71 over the year ended June 30th, 1893.

Notwithstanding the financial stringency, coal miners' and other strikes and business disturbances of the last fiscal year, your Company is able to present for your consideration a statement which is, in several respects, both gratifying and encouraging. While the gross earnings have continued to increase in the face of these adverse conditions, the surplus has also been increased from \$256,852.51 to \$419,566.58, or more than 63 per cent.

A new iron viaduct has been constructed over Lyon Brook, near Norwich, to replace a light iron structure erected in 1870. Three thousand tons of steel rails, weighing seventy-six pounds to the yard, have been laid at various points during the past year, and the greater part of the main line, between Cornwall and Rockland, is now laid with heavy steel, either sixty-seven or seventy-six pounds to the yard.

Other improvements have been made, which are referred to in detail in the report of the General Manager, to which your attention is called.

Your Company owns 133 locomotives, sixty-seven of which have been purchased within five years, and the general condition of the motive power has been brought to an exceptionally high standard.

The number of coal cars in service is 4,637. Of these, 3,850 have been acquired since the Scranton extension was undertaken in 1889. The Company now owns 3,287 coal cars and 1,350 cars are held under lease. Eight hundred and fifty cars under the lease of 1891, having cost \$472,326.80, of which amount \$241,726.10 has already been paid, leaving a balance to be paid, within the next four years, of \$230,600.70. In December, 1893,

500 coal cars were purchased from the Michigan Peninsula Car Company at an extremely low price; \$20,000 was paid as the cars were delivered, and under an arrangement with The New York Guaranty and Indemnity Company, \$200,000 was borrowed to pay the balance due, at five per cent. annual interest, without other costs or commissions. In addition to a lien upon these cars, \$200,000 four per cent. refunding bonds were deposited as additional security, to be returned as the cars are paid for. By offering ample security for the money borrowed, the rate of interest was made lower than is usually the case with car trust obligations. The amount thus borrowed from the New York Guaranty and Indemnity Company, is to be repaid in twenty quarterly installments, of ten thousand dollars each, and the first of such payments was made within the fiscal year.

Referring to the statement of capital expenditures, I would call attention to the fact that money has not been expended during the year for extensions, but for additional equipment, replacing old bridges which had reached the limit of safe operation, with substantial steel structures, new side-tracks and improvement of tracks already in existence, and also for the enlargement and betterment of terminals. A considerable amount of such work has been done from the standpoint of economy. To keep expenses at a minimum it is necessary that the facilities and accommodations should be such as to enable a road to do the greatest possible amount of work on every mile of its track. In connection with this subject, I would also call your attention to a statement for five years past, showing the gross earnings per mile of road operated, expenses and taxes per mile, and net earnings per mile:

	Gross Earnings Per Mile.	Expenses and Taxes.	Net Earnings Per Mile.
1890.....	\$5,188.26	\$4,168.73	\$1,019.53
1891.....	5,893.20	4,520.78	1,372.42
1892.....	6,849.04	5,162.10	1,686.94
1893.....	7,735.75	5,869.13	1,866.62
1894.....	8,058.64	5,731.36	2,327.28

During the year the State of New York selected, through its Fish Commissioners, a site for a fish hatchery near Rockland, a station on your Company's main line in Sullivan County. It is said that the supply and quality of water and the temperature of the same fully meet all requirements, and it is thought that the most advantageous results will follow the establishment of a hatchery at that point.

The State authorities have also purchased a site at Napanoch, in Ulster County, as the location for a new State Reformatory, which will cost a large amount of money, and to and from which there is likely to be a good deal of travel and traffic. Plans are being prepared for the buildings, and it is claimed that this will be one of the most extensive and important State institutions in the country. Napanoch is a village about three miles distant from Ellenville, the terminus of your Company's Ellenville branch. A careful survey is being made with a view to extending the Ellenville branch, which is eight miles in length, some distance further down the Rondout Valley. It is thought that in addition to the Reformatory business, a profitable milk territory may be opened up and additional facilities afforded for the large and increasing summer resort travel. Provided the required rights of way can be secured on favorable terms or shall be donated by property-owners, who would be benefited by the extension of this branch, it is probable that it would be profitable to extend the Ellenville branch beyond the Reformatory site as proposed. The Governor of the State received the Company's assurance that the branch would at least be extended to the Reformatory site, before the location at Napanoch was selected.

As stated in this and former Annual Reports, your Directors and Officers have thought that your best interests were subserved by them, in the nurture and development of local traffic.

The increase during the past few years in earnings from local summer travel, milk traffic and anthracite coal business, it may be claimed, has fully justified this policy.

The introduction to the 108th Volume of the New York City Directory, recently issued, says :

"The present volume contains 387,411 names. This on a basis of five to one, which we deem a fair ratio, would show that this City contains 1,937,055 inhabitants, and these reside or do business within forty-one square miles, while the names represented in the Chicago Directory spread over 185 square miles, Philadelphia 129 square miles, St. Louis 62½ square miles.

"One hundred and eighty-five square miles in this vicinity, with the Central Park as the central point, would show a population exceeding 4,000,000, and all of the inhabitants of that section, so far as business and social relations are concerned, are as much a part of the population of this City as are those residing within the City limits."

The population of New York has grown in a phenomenal manner during the last half century. In 1830 it was 202,000; in 1860 it was 1,206,500; in 1892 it was (State enumeration) 1,800,891.

According to the revised edition of "King's Hand-Book of New York," there are in this City 25,399 factories, giving employment to 350,000 persons, who make every year \$765,000,000 worth of goods, of which clothing, books, papers, cigars and pianos constitute the largest amount, and the commercial exports amount annually to more than \$460,000,000.

When it is remembered that in 1830 the population of New York and the neighboring City of Brooklyn, with the immediate vicinity, was under 300,000, it would appear reasonable to assume, that the traffic and earning power of railways having termini at New York will increase in volume somewhat in proportion to the growth of that terminus. Having this self-evident fact in view, your Directors and Officers have, as stated, believed that their time and attention could best be devoted to the development of local traffic in the shape of milk, butter, fruits and other farm and garden products, and to the anthracite coal trade, which may also be classed, to a very considerable extent,

with local traffic; also to the growing summer tourist, fishing, sporting and boarding-house and hotel business of this vast and rapidly increasing population. These sources of revenue have had the constant and energetic attention of the General Freight and Passenger Agent, and it is confidently believed that the revenues of the Company in the directions indicated will grow from year to year, as its lines are well situated and adapted for active participation in these branches of local business.

Under the agreement dated January 18th, 1838, between the New York, Ontario and Western Railway Company, the New York Central & Hudson River Railroad Company, and West Shore Railroad, your Company has the right, until the 12th day of May, 2079, to run its passenger and freight trains between Cornwall and Weehawken. Therefore, for a period of one hundred and eighty-five years from the present time, a terminus at New York Harbor is assured to it. Your terminal property on the Hudson River at Cornwall is also likely to increase each year in value and importance.

It is proper to state that the relations of your Company with the New York Central and West Shore Companies have been cordial and harmonious. Difficulties and dissensions are likely to arise, at frequent intervals, between two railway companies operating over the same track and using the same terminals; but in this instance, there has been but little friction between the two Companies, which have continued, under the existing contract, to use the same track south of Cornwall, and the Weehawken terminals, for a period of nearly nine years.

The comparatively favorable results of the year's operations are largely owing to the enforcement of the most rigid economy in all departments. In these efforts, the Executive Officers have not only had the earnest co-operation of all officials and employees; but the General Manager has labored diligently and incessantly to curtail every possible item of expenditure, and has succeeded with the assistance of the General Superintendent, Superintendent of Motive Power and Chief Engineer in main-

taining a high standard of efficiency, while satisfactorily decreasing the cost of operating the line. Much attention has also been given to the vital question of loading cars and in filling out trains with the maximum number of cars per train.

Your employees deserve commendation for faithful attention to their duties and for the sincere interest they have at all times taken in the success and welfare of the Company.

In behalf of the Board,

THOMAS P. FOWLER,

President.

GENERAL MANAGER'S REPORT

FOR THE YEAR ENDING JUNE 30TH, 1894.

THOMAS P. FOWLER, ESQ.,
President.

DEAR SIR: I respectfully submit the following report of the operations of this Company's railway for the year ending June 30th, 1894. This report covers all lines owned, leased, and operated.

EARNINGS AND EXPENSES.

The gross earnings for the year were \$3,842,120, compared with \$3,688,174 in previous year, an increase of \$153,946, or 4.17 per cent.

The working expenses for the year were \$2,627,879, compared with \$2,697,783 for the previous year, a decrease of \$69,904, or 2.59 per cent. The percentage of working expenses this year was 68.40, and in previous year 73.15 per cent. The percentage of taxes this year was 2.72 per cent. of gross earnings—same as previous year.

The net earnings for the year, after deducting taxes, were \$1,109,579, and in previous year \$889,948, an increase of \$219,631, or 24.7 per cent.

The winter of 1893-4 was unusually mild, with but little snow. The cost of removing snow and ice was but \$9,156, compared with \$31,423 in previous winter.

The ratio of operating expenses to gross earnings for the past six years has been as follows :

Year ending June 30th, 1889.....	77.83	per cent.
“ “ “ “ 1890.....	76.55	“ “
“ “ “ “ 1891.....	73.16	“ “
“ “ “ “ 1892.....	72.27	“ “
“ “ “ “ 1893.....	73.15	“ “
“ “ “ “ 1894.....	68.40	“ “

The gross earnings per mile operated were \$8,059, as compared with \$7,736 in previous year, an increase of 4.17 per cent. This includes miles operated south of Cornwall.

The expenses per mile operated were \$5,512, as compared with \$5,658 in previous year, a decrease of 2.58 per cent.

The net earnings per mile operated were \$2,547, as compared with \$2,077 during previous year, an increase of 22.6 per cent.

PASSENGER TRAFFIC.

Total number of passengers carried during the year was 926,657, as compared with 1,057,815 in previous year, a decrease of 131,158, or 12.4 per cent. The decrease was chiefly in emigrant traffic.

The number of passengers carried one mile was 36,918,802 and in previous year 40,358,702, a decrease of 8.5 per cent., while there was an increase of 73.5 per cent. in through first class, and a decrease of 43.08 per cent. in through second class and emigrant passengers.

The average earnings per passenger for the current year were 73.2 cents, and in previous year 68.5 cents.

The average earnings per passenger per mile were 1.839 cents, as compared with 1.797 cents in previous year.

The passenger train mileage during the year was 988,737 miles, while during the previous year it was 973,783.

The earnings per passenger train per mile were 82.7 cents as compared with 86.7 cents in previous year.

The expenses per passenger train mile were 62 cents as compared with 64 cents in previous year.

The net earnings per passenger train mile were 20.8 cents as compared with 22.4 cents in previous year.

WORLD'S FAIR BUSINESS.

The Company purchased no new equipment and scheduled no additional trains on account of World's Fair business, though we ran through Pullman Sleeping Cars to Chicago on our Day and our Night Express trains in each direction in connection with the Rome, Watertown & Ogdensburg Railroad, Grand Trunk and Chicago and Grand Trunk Railroads. We also ran special excursion trains, with day coaches only, at low rates fixed by the Trunk Line Association. The following statement shows the number of World's Fair passengers carried by this Company, and the percentage of total carried by all the Trunk Lines out of New York:

One-way passengers	739	1.1%
Regular excursion passengers	3,660	8.8%
Day coach excursion passengers	2,998	11.7%
	<u>7,397</u>	<u>5.4%</u>

The Company's earnings from World's Fair business, after deducting all extra expenses incidental to it, such as cost of running special trains, assisting engines, light engine mileage, mileage on Pullman and other foreign cars, advertising, printing, etc., were about \$50,000.

EMIGRANT.

The total revenue derived from transportation of emigrant and second-class passengers during the year was \$55,812, as compared with \$109,415 in previous year, a decrease of \$53,603, or 49 per cent.

EXCURSION.

During the year 135 excursions, carrying 48,885 passengers, were run, from which the revenue was \$29,294. The total mileage made by excursion trains was 8,112 miles, and the earnings per

train mile averaged \$3.61. A considerable portion of this business was carried on regular trains, the mileage of which is included in the above. In previous year the average earnings per train mile from excursions were \$3.57. There was a decrease in the number of excursions on account of the World's Fair business.

FREIGHT TRAFFIC.

The total number of tons freight carried was 2,404,358, as compared with 2,291,430 in previous year, an increase of 4.9 per cent.

The total number tons freight carried one mile was 328,533,616, as compared with 294,636,533 tons in previous year, an increase of 11.5 per cent.

The earnings from freight were \$2,997,011, as compared with \$2,819,717 during previous year, an increase of 6.28 per cent.

The earnings per ton on local freight were \$1.22, and in previous year \$1.15.

The earnings per ton on interstate freight were \$1.38, as compared with \$1.21 in previous year.

The total tons coal carried, including D. & H. C. Company's shipments via Sidney, were 1,642,063 tons, compared with 1,352,225 tons in previous year, an increase of 289,838 tons, or 21.5 per cent., on which revenue received was \$1,753,874, as compared with \$1,436,540, an increase of \$317,334, or 22.1 per cent.

The average earnings per ton on all coal carried during the year, including D. & H. C. Company's coal, were \$1.068, as compared with \$1.062 in previous year.

The average per ton on all freight carried were \$1.24, as compared with \$1.23 in previous year.

The average expenses per ton of freight carried during the year were 83.83 cents, as compared with 90.42 cents in previous year.

The average earnings per ton per mile on all classes of freight

were .912 cents, as compared with .956 cents during previous year.

The expenses per ton per mile were .61 cents, as compared with .70 cents during previous year.

The net earnings per ton per mile were .298 cents, and in previous year .253 cents.

The freight train mileage was 1,930,101 miles, and during previous year 1,886,960, an increase of 43,141 miles, or 2.29 per cent.

The earnings per freight train mile averaged \$1.566, as against \$1.507 during previous year.

The expenses per freight train mile were \$1.044, and in previous year \$1.098.

The net earnings per freight train mile were 52 cents as compared with 41 cents in previous year.

The average number of cars and tons per freight train on the Main Line was 20.5 cars and 202 tons, and in mixed trains, 9.4 cars and 93 tons; on leased Lines and Branches the average for freight trains was 20.7 cars and 204 tons, and for mixed trains 8.2 cars and 81 tons. These figures include milk trains, which reduce the average.

The average number of tons per freight train mile hauled in all freight and mixed trains on Main and Leased Lines and Branches was 170 tons, compared with 156.6 tons in previous year.

PROPOSED LAKE-AND-RAIL BUSINESS VIA OSWEGO.

Arrangements were made at Oswego to participate in the East-Bound Lake-and-Rail business, chiefly for the purpose of securing additional vessels at Oswego Harbor for our West-Bound shipments of coal, but the early, and continued demoralization of Lake-and-Rail rates was such that it was not thought advisable to take any of this traffic. With a slight expenditure of money, a small transfer was put in, which enables the Company to load

cars at the Oswego Elevator and transfer them on floats to its tracks on the East side of the river.

COAL.

The coal shipments from the Scranton Division, including supply coal used on engines, were 1,273,449 tons, an increase over previous year of 298,345 tons, or 30 per cent. The increase is from the growth of collieries and from three new collieries which were added during the year. There are now twelve breakers supplying coal to the Line, and several of them will continue to increase their output for two years before they reach their maximum production.

During the year the number of gross tons of coal transported from the Scranton Division (exclusive of supply coal for Company's use) was 1,141,838 tons, compared with 878,142 tons in previous year, an increase of 263,696 tons, or 30 per cent. The average revenue per gross ton received for the same during the year was \$1.315, compared with \$1.37 in previous year.

The following statement shows the number of gross tons of coal from the Scranton Division handled over the Company's docks at Oswego, Cornwall and Weehawken, compared with previous year:

	1894.	1893.
To the lakes, via Oswego.....	159,967	117,073
To tide water, via Cornwall.....	223,271	325,099
To tide water, via Weehawken.....	213,745	
Total.....	596,983	442,172

The additional terminal facilities provided at Weehawken have doubled the capacity for handling coal at that point.

Coal hauled for the Delaware & Hudson Canal Company from Sidney to Oswego, for Lake shipments, during the year, was 96,348 tons, an increase of 8,233 tons, or 9.3 per cent. as compared with previous year. The average rate per ton per mile received for transportation of this coal was 0.7993 cents, as compared with 0.6583 cents in previous year.

Total shipments of D. & H. coal from Sidney to points on leased lines via Randallsville, were 172,397 tons, compared with 166,933 tons in previous year, an increase of 3.2 per cent.

The total amount of D. & H. coal shipped from Sidney to all points during the year was 362,742 tons, an increase of 2,817 tons, or .78 per cent. compared with previous year.

The total revenue from transportation of D. & H. coal during the year was \$251,459, as compared with \$227,985, increase of \$23,474, or 10.3 per cent.

The average rate per ton per mile for transportation of D. & H. coal during the year (exclusive of Utica Division shipments) was 0.8656 cents, as compared with 0.7996 cents in previous year.

The above statements do not include local shipments to Oswego or miscellaneous shipments received at Sidney, Middletown and other points, and transported over our line, all of which has been included in our general freight statement.

It is very gratifying to note that notwithstanding the large increase in tonnage of this Company's coal handled both at the port of Oswego and over the Utica Division, there has been no diminution of the tonnage of the Delaware & Hudson Canal Company's coal hauled over this Company's line to these points.

MILK.

The following statement shows tonnage, revenue and earnings per train mile from milk business as compared with previous year :

	1894.	1893.	Increase.	Decrease.
Tons of milk carried.....	55,729	54,521	2.2%	....
Tons carried 1 mile.....	9,330,026	8,745,182	6.7%	....
Revenue.....	\$354,038	\$347,360	1.9%	....
Miles run.....	287,397	278,906	3.0%	....
Earnings per train mile.....	\$1.23	\$1.25	....	1.6%

This statement does not include revenue from freight, passenger and express business carried on these trains. The express

business on milk trains has increased largely, and frequently a full car load of express is carried. Two trains are now run over a portion of the line, but these trains are combined at Cornwall.

MILEAGE.

The mileage of engines and cars during the year as compared with previous year, is as follows :

	1894.	1893.
Passenger trains.....	917,199	903,410
Freight trains.....	1,370,669	1,520,445
Mixed trains.....	630,970	436,888
Total train miles earning revenue.....	2,918,838	2,860,743
Shifting, pushing, light running, etc.....	753,251	785,847
Total traffic engine miles run.....	3,672,089	3,646,590
Passenger train car miles.....	3,611,538	3,690,811
Freight train car miles.....	28,128,387	29,631,217
Mixed train car miles.....	5,681,754	3,678,022
Total car miles.....	37,421,679	37,000,050

The performance of engines during the past year, as compared with previous year, was as follows :

	1894.	1893.
Total number of engines on hand at end of year.....	133	134
Average number making mileage during year.....	108	112

Engine Mileage.

Passenger.....	917,199	903,410
Freight.....	1,370,669	1,520,445
Mixed.....	630,970	436,888
Shifter.....	449,284	507,477
Work train.....	50,662	183,053
Light running and pushing.....	303,967	278,370
Total miles run.....	3,722,751	3,829,643

Fuel.

Tons coal consumed.....	210,497	204,821
Pounds coal consumed per engine mile.....	113.4	106.9
Pounds coal consumed per car mile.....	11.3	11.1

<i>Stores.</i>		
Quarts of oil consumed.....	223,478	255,616
Pounds of waste used.....	25,642	26,574
<i>Miles run to</i>		
One ton of coal.....	17.7	18.7
One quart of oil.....	16.6	15.0
One pound of waste	145.2	144.1
<i>Cost per engine mile in cents.</i>		
Repairs.....	4.26	6.16
Fuel	8.66	9.11
Stores	0.37	0.35
Wages of engine crew, cleaners, etc.....	6.90	6.91
Total cost per mile.....	20.19	22.53
Car mileage.....	37,734,037	38,372,797
No. cars hauled per train mile, all trains.....	10.1	10.0

FUEL AND REPAIRS.

The following statement shows total cost of fuel for locomotives, and cost per train, car and engine mile, as compared with previous year:

	Total cost of fuel.	Cost per train mile.	Cost per engine mile.	Cost per car mile.
1893.....	\$333,021	11.64 cts.	9.13 cts.	.900 cts.
1894.....	\$316,415	10.84 "	8.62 "	.845 "

The reduction in cost of fuel has been caused by improvement in engines, and by the introduction of anthracite coal burning engines, burning the small and cheaper sizes known as pea, buckwheat, and buckwheat No. 2 coal, some of which has been reclaimed from the old culm piles.

During the year we furnished the factories along the line 23,256 tons of bituminous coal from our supply. The amount realized for transportation of this coal on our line was \$10,287.89, or 2.25 cents per ton mile.

EQUIPMENT.

The condition of our motive power equipment, at the close of the fiscal year compared with previous year, can be judged from the following table :

	1894.	1893.
No. engines owned	133	134
No. engines in service.....	116	115
No. engines in shop under repairs.....	14	19
No. engines in shop waiting repairs.....	3	0
No. engines received general repairs.....	40	57
No. engines received ordinary repairs	174	132
No. cars waiting repairs.....	327	223
No. cars received repairs.....	12,563	6,968

Number of cars waiting repairs includes foreign cars, waiting repairs at junction points.

One old light engine has been taken out of equipment and used for operating transfer table at Middletown shops, and charged to workshops and machinery. See Table No. 5.

During the year the following new equipment has been purchased or built, and additions and improvements made and charged to capital. This includes all equipment purchased in the summer months of 1893, as well as in the spring of 1894:

500 new coal cars have been purchased under car trust agreement.

6 four-wheel cabooses have been built.

1 engine has had Westinghouse brakes changed from old to new automatic, with train signal.

2 engines have been equipped with Westinghouse new automatic brakes and train signals.

3 passenger cars have had Westinghouse brakes changed from old to new automatic, with train signal.

229 freight cars have been equipped with automatic couplers, replacing ordinary draw-bars. 4,705 cars, or about 75 per cent. of all freight cars, are now equipped with automatic couplers.

2 coaches, Nos. 55 and 56, have been fitted up for chair-cars and equipped with Frost lights.

The following machinery has been purchased and erected in shops, etc. :

Middletown Shops :

- 1 patent cylinder boring machine.
- 1 Tabor steam engine indicator.
- 1 new car repairers' shed.

Norwich Shops :

- 1 36" upright drill press.
- 1 portable valve-seat planer.

Oswego Coal Dock :

- 1 steam hoister for reloading coal.

The following improvements have been made and charged to operating expenses :

- 4 engines equipped with steam-heating apparatus.
- 2 engines equipped with Beal's patent driver brake.
- 28 engines equipped with automatic couplers, replacing ordinary draw-bars.
- Steam-heating couplings on 59 engines and 112 passenger cars have been changed from McElroy to Sewell.
- 3 passenger cars have been equipped with steam-heating apparatus.
- 2 sleeping cars rebuilt. These are Pullman cars assigned to this Company in 1881, and until the termination of the contract in 1896 the Company agrees to keep up repairs (except to bedding and inside fixtures) in lieu of paying mileage. This is the first time these cars have had general repairs. The cost was \$4,984.40.
- 53 passenger cars have been equipped with vertical plane couplers, replacing ordinary Miller couplers.
- 12 passenger cars have been equipped with new standard trucks.
- 26 freight cars have been equipped with new standard trucks.

- 16 freight cars have been re-built, and capacity changed from 28,000 pounds to 40,000 pounds.
 2 new four-wheel cabooses have been built, replacing old cabooses destroyed.
 6 new flat cars have been built, replacing old cars destroyed.
 1 new coal car has been built, replacing old car destroyed.
 10 new coal cars have been purchased, replacing old cars destroyed.

CONSTRUCTION AND IMPROVEMENT.

The amount charged to construction and improvement during the year, as compared with previous year, is as follows :

	1894.	1893.
Construction	\$41,553 87	\$163,599 88
Improvement of Road.....	115,291 62	274,739 78
Improvement of Equipment.....	8,653 78	9,171 59
New Equipment.....	74,762 11	812,503 36
Land Purchases, Surveys, etc.....	6,417 26	19,943 30
Futock Canal Boats.....	3,857 73	4,700 00
Total	\$250,536 37	\$1,284,657 91

MAINTENANCE OF WAY DEPARTMENT.

The following statement shows the number and length of iron and wooden bridges and trestles, as compared with previous year :

	1894.		1893.	
	Number.	Aggregate length in feet.	Number.	Aggregate length in feet.
Iron Bridges	133	16,907	126	16,303
Wooden Bridges	43	3,007	50	3,620
Wooden Trestles.....	112	21,770	113	22,322
Total	288	41,684	289	42,245

In the Road Department the following repairs, additions and improvements have been made :

MAIN LINE AND BRANCHES.

Additional Tracks.—\$10,482.49. New sidings constructed, 2.27 miles. At Weehawken, 0.51 miles; Middletown, 0.56 miles; at Oswego, 0.73 miles; other sidings, 0.47 miles; 0.40 miles of old siding have been taken up.

Ballasting.—\$3,894.24. Surfacing track near Earlville and between Rockland and Cook's Falls.

Bridges and Trestles.—\$25,780.59. Seven timber bridges, an aggregate length of 585 feet, have been rebuilt with steel, including bridges 242, two spans of 130 feet each, over Unadilla River at Sidney; and bridge 320, one span 100 feet, over Chenango River at Earlville, which was mentioned in last Annual Report as being under contract.

The cost of bridge 242 was \$11,531.66, of which amount \$7,800.00 was charged to improvement. The cost of bridge 320, which includes the rebuilding of masonry, was \$4,243.21; of this amount \$1,743.21 was charged to improvement.

Contracts for rebuilding Lyon Brook bridge were made in February last. The masonry for new piers was commenced in May, and erection of new bridge in June. The cost of the new bridge to June 30th is \$17,453.73, and the total cost of the new bridge, including masonry, will be about \$36,000.00; of this amount one-half will be charged to improvements. On August 15th the work was practically completed, and trains are running over the new bridge. The new structure consists of eight plate girder tower spans of 30 feet each, three spans of 80 feet, four spans of 60 feet, and two spans of 50 feet, lattice girders, a total length of 820 feet, and maximum height of 150 feet, and has been erected without any interruption of traffic whatever.

Bridge 95, Little Falls ; viaduct, 336 feet ; bridge 250, Humphreys viaduct, 696 feet, replacing hemlock trestle ; bridges 26, 33, and 39, Utica Division, are also under contract, and will be completed this fall.

12 over-head highway bridges on Main Line have been rebuilt, centre spans raised to 20 feet from rail, and 2 Howe-Truss spans on New Berlin Branch have been rebuilt, and cost charged to repairs. About 320,000 feet B. M. of timber have been used in replacing the old 1878 stringers, in hard pine trestles, Nos. 72, 123, 210, 217, 223 and 349, and expenses charged to repairs.

Bridge 111, Hamlin's trestle, and bridge 283, North trestle approach to Lyon Brook bridge, and being filled, and will be completed this Fall.

Culverts and Passes.—\$5,215.09. Eleven timber passes have been replaced by steel I beams, and 2,160 lineal feet of iron pipe put in timber culverts, and ten small openings filled up.

Grading.—\$3,440.25. Expense of work-train widening cuts and material used in filling up timber structures and grading for side-tracks.

Safety Switches.—\$92.00.

Signals.—\$6,501.25. The cost of interlocking signals and tower at Cornwall for crossing the tracks of the West Shore Railroad to reach our coal docks, \$4,400.00. Automatic electric block signals at Moodna Yard, \$731.00. Semaphore signals at Middletown and Hancock Junction for protection of trains standing at stations have been put in, and five street crossings at Fulton protected by electric bells at cost of \$1,216.82.

Stations and Buildings.—\$12,698.14. The new station at Liberty and the office building, restaurant and station at Middletown, of which extended mention is made in last report, were completed in July, 1893. Randallsville station has been enlarged at a cost of \$420.03 ; a small

freight station built at Horton's Switch ; a new ice-house at Brown's Pond ; and new scales at Norwich.

Station Grounds.—Grading, \$634.85 Expense of grading new depot at Middletown and Liberty.

Steel Rail.—\$31,424.02. 3,000 tons, about 25.50 miles of 76-pound steel rail have been laid in place of 56-pound. 11½ miles were laid on grades north of Walton Tunnel, on Smyrna and Oneida grades, the balance between Rockland and Burnside. There are still about 12 miles of light rail between Cornwall and Rockland. The labor, expense and difference in weight of rails and angle bars have been charged to improvement. Six miles of the rail released have been used in replacing old iron rail in passing sidings, and \$1,000.00 per mile charged to improvements. The balance of rail released has been used in new sidings and repairs of branch lines.

Turntables.—\$4,695.07. New iron tables at Oswego and Oneida, including pit and foundations at Oneida. The Oswego table foundation is not yet finished.

Water Stations.—\$949.48. Cost of new pump and boiler for Summitville and larger pipe at Hancock Junction.

There have been used in repairs, Main Line, and Branches 204,471, oak, yellow pine and chestnut ties.

UTICA DIVISION.

Additional Sidings.—\$441.69. Cost of extension of sidings at Hamilton and Solsville.

Bridges and Trestles.—\$2,114.91. The timber Howe-Truss bridge over Water Street, Utica, has been replaced by a steel-plate girder at cost of \$3,100.82. Of this amount, \$1,950.71 was charged to improvements.

Culverts and Passes.—\$757.00 ; 336 lineal feet of cast-iron drain pipe have been put in timber culverts, and openings filled up.

Signals.—\$162.00.

Steel Rail.—\$140.00. There have been used in repairs 26,113 yellow pine and chestnut ties.

SCRANTON DIVISION.

Additional Sidings.—\$8,272.35; 1.33 miles of new tracks have been put in, of which 0.92 miles were at Mayfield Yard.

Bridges and Trestles.—\$56.00. Side-walk, Providence Street bridge.

Culverts and Passes.—\$185.14; 144 feet of cast-iron drain pipe.

Fencing.—\$478.99, 2,057 feet of snow fence.

Grading.—\$6,276.17. The balance of Providence trestle, about 3,000 feet, and of Bennet's trestle, 360 feet, have been filled and Martin's trestle, 552 feet, partly filled; also about 350 feet of trestles on Riverside branch.

Stations and Buildings.—\$4,506.28. The engine coaling trestle at Mayfield Yard has been completed at a cost of \$4,987.33, of which amount \$674.53 was expended in previous year. Creamery platforms have been built at Starlight, Belmont and Poyntelle stations.

There have been used in repairs 8,110 yellow pine ties.

SCRANTON DIVISION.

CONSTRUCTION ACCOUNT.

Improvements year ending June 30th, 1894.....	\$21,688 15
Riverside and Winton branch.....	364 72
Elk Creek branch.....	1,518 84
Total.....	<u>\$23,571 71</u>

MAIN LINE.

CONSTRUCTION ACCOUNT.

Survey for proposed extension of Ellenville branch.....	\$210 92
Oswego docks and dredging.....	3,019 00
Weehawken coal docks.....	30,134 65
Hurleyville improvement in grades.....	3,895 23
	<hr/>
	\$37,259 80

Weehawken Coal Docks.—A double track approach 1,900 feet in length, of which 300 feet is trestle, including bridges over West Shore tracks and river road, has been constructed at Weehawken shipping trestle, and a conveyor trestle with loading chutes for three vessels built on the south line of property. The cost of whole work was \$37,857.47. The expense of dredging, \$7,843.38, was charged to repairs.

Hurleyville.—The work at Hurleyville consists of cutting down the grade at Smith Hill Rock cut six feet, and filling in sag on North side of hill, reducing grade from two per cent. to one per cent., and in cutting down hill South of Hurleyville and raising embankments either side. The surplus material is being used in filling two timber trestles, 360 and 84 feet in length. The work was begun in May, and amount expended to June 30th, was \$3,895.23. The total cost of the work will be about \$18,000.00.

Oswego.—Cost of dredging slip and building transfer slip for floats for Pier No. 6, \$3,019.00.

Ellenville Survey.—Survey for proposed extension of the Ellenville Branch, \$210.92.

The total amount charged to Improvements and Construction through Road Department for the year ending June 30th, 1894 :

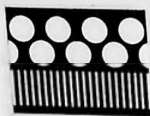
Main Line Improvements.....	\$105,807 47
Utica Division Improvements.....	3,615 60
Scranton Division Improvements.....	21,688 15
" " —Riverside and Winton Branch.....	364 72
" " —Elk Creek Branch.....	1,518 84
Main Line Construction.....	37,259 80
Total Improvement and Construction.....	<u>\$170,254 58</u>

Of this amount, the sum expended for the improvement of the permanent way, heavier rail, ballast, filling of timber trestles, and replacing of timber bridges is \$90,406.93, a smaller sum than last year, but larger in proportion to the whole expenditure and larger than the sum expended for additional tracks, extensions and new buildings, branches and terminals.

There will be a larger amount expended for new bridges during the coming year, as the number of bridges recommended for improvements and rebuilding last year, are now nearly all under contract:

No. 95 Little Falls.....	336 feet, estimated cost,	\$12,000 00
106 Neversink.....	500 feet, estimated cost,	15,000 00
136 Little Beaverkill.....	125 feet, estimated cost,	3,000 00
143 Willowemoc.....	212 feet, estimated cost,	5,000 00
144 ".....	44 feet, estimated cost,	800 00
146 ".....	75 feet, estimated cost,	2,000 00
250 Humphrey's.....	696 feet, estimated cost,	18,000 00
283 Lyon Brook.....	820 feet, balance to repairs	.....
350 Oneida Creek.....	65 feet, estimated cost,	1,200 00
26 Utica Division.....	75 feet, estimated cost,	3,000 00
33 Utica Division.....	75 feet, estimated cost,	3,000 00
39 Utica Division.....	84 feet, estimated cost,	4,000 00

The expense of filling those portions of the hemlock trestle at Neversink and Humphrey's, which are not to be rebuilt, will be about \$7,000.00. About one-half of the above items will be a proper charge to improvement, \$37,000.00. There are four more Howe-Truss bridges on Main Line and two A-Truss bridges on Ellenville Branch.



No. 137	Morsston Highway.....	66 feet,	built in 1882
138	Little Beaverkill.....	196 feet,	built in 1882
140	Livingston Manor.....	66 feet,	built in 1882
149	Willowemoc.....	108 feet,	built in 1882
8	Ellenville Branch.....	40 feet,	built in 1880
11	Ellenville Branch.....	50 feet,	built in 1881

These bridges will probably have to be rebuilt within the next two years.

The viaduct at Sidney Centre, which it is proposed to rebuild during the next fiscal year, will cost at present price of steel and masonry work, about \$48,000.00, or a third less than estimated in last Annual report.

These improvements will replace all the hemlock trestles, all the timber Howe-Truss and A-Truss wooden bridges on the Main Line. It will also provide for filling all the timber trestles on the Main Line, which it will be necessary or practicable to fill during the next five or six years.

We shall require about 25 miles of 76-pound rail; 12 miles to complete heavy rail between Cornwall and Rockland, and the balance to replace some of the light steel laid in 1881 and 1882 on grades north of Sidney Centre and the Oneida Hill.

We shall require about \$15,000.00 for ballasting track. This will include ten miles of broken stone ballast on the Oneida grade, where gravel can not be obtained.

It will be necessary during the next year to rebuild the coal-trestle at Oswego used by the D. & H. C. Co.—estimated cost \$24,000.00, which will be charged to repairs. This trestle will be extended, and the cost of extension and dredging, estimated at \$12,000.00, will be charged to improvements.

EFFECT OF THE NEW TARIFF LAW.

Under the new bill, the duty on barley imported from Canada is reduced about one-third. Prior to the McKinley bill, the importation of barley from Canada to the port of Oswego, was from 4,000,000 to 6,000,000 bushels per year. Since then it has fallen

off to less than 500,000 bushels. It is probable that the reduction under the new bill will stimulate this business somewhat, but it is not sufficient to restore the business to the volume received prior to the McKinley bill.

Timber is now on the free list, which will revive the lumber business at Oswego.

Under the new law, the internal revenue tax on grain alcohol, formerly 90 cents, and now \$1.10 per gallon, is rebated, when the alcohol is used in arts and manufactures. This will seriously affect the wood acid business along the line, and may close all the factories. There are 28 of these factories contiguous to our line, employing directly and indirectly from 40 to 150 men each. They manufacture from beech, maple and birch, wood alcohol, acetate and charcoal, but the chief product is wood alcohol, which has been used in manufactures. The actual cost is at least double the cost of grain alcohol, which is equally good for this purpose, and without the internal revenue tax, will command the market. The closing of these factories will considerably reduce the local freight earnings of the Company. In other respects, the new tariff bill will not have much effect on the Company's business.

GENERAL BUSINESS.

The effect of the general depression in business throughout the year is shown in the decrease in local and through passenger business, and particularly in receipts from emigrant traffic, which decreased 49%; also in local freight, which decreased 3.9%; and in through freight, which decreased 34.8%. There was a slight increase in earnings from milk, but this business has been seriously affected.

The greatest increase has been in coal earnings, \$317,334.00, or 22.1%, making up the losses from other sources; making the increase of earnings in the aggregate \$153,946.00.

Notwithstanding the restriction in the coal output of from 40 to 60% from December to April, both inclusive, the tonnage in-

crease from the Scranton Division was nearly 300,000 tons, or 30%. This restriction was necessary on account of the light consumption owing to a very mild and open Winter, and the general depression in all kinds of business. Under the circumstances, prices (on which coal earnings are based) were fairly well sustained, but past experience shows that in time of financial panic or business depression, coal business is the last to feel, and last to recover from it. Since the close of the fiscal year prices have ruled much lower, and unless production is confined to the market demands, it is not probable that prices (and consequently revenue) from this source, will be as high as in the year past.

The increase in earnings from coal business this year, and loss on other classes of traffic, followed by a considerable decrease in the ratio of operating expenses, shows the net revenue from this class of traffic from which about 45 per cent. of the revenue of the Company is now derived, and this result is further proof of the wisdom shown in extending the line to the coal fields.

CAPITAL EXPENDITURES.

As intimated in last year's report, Capital expenditures have been less than in any previous year, and the work that has been done, was either required to provide facilities for the proper care of the growing business, or was for improvements of a permanent character, generally necessary to safety in operation, really in the nature of economy, and which will assist in a further reduction in the ratio of operating expenses.

GROWTH AND EARNING POWER.

The growth of traffic and earning power of the Company is shown by the following table, covering a period of eight years; and as the mileage has increased during this period, the earnings, expenses, etc., are herein shown on the basis of the average miles operated in each year.

RESULTS PER MILE OPERATED.

Year ending.	Gross Receipts.	Expenses inc. Taxes.	Net from Operation.	Surplus.
Sept. 30th, 1887.....	\$4,048	\$3,280	\$768	\$160
Sept. 30th, 1888.....	4,559	3,783	776	120
Sept. 30th, 1889.....	4,760	3,943	817	144
June 30th, 1890.....	5,188	4,168	1,020	345
June 30th, 1891.....	5,893	4,520	1,373	210
June 30th, 1892.....	6,849	5,162	1,687	434
June 30th, 1893.....	7,735	5,869	1,866	538
June 30th, 1894.....	8,059	5,732	2,327	880

CONDITION OF THE PROPERTY.

The condition of the track and bridges has been much improved. The replacement of the few remaining wooden bridges with steel should go on while the prices of steel are lower than ever before. The filling of trestles with earth and culm should be continued.

The Motive Power and cars (with the exception hereinafter noted) are in a high state of efficiency. Some of the oldest light engines have reached a point where it is no longer economy to repair them, and four of them will be scrapped during the coming year. These will be replaced by new heavy engines and the cost charged to operating expenses. With this addition we shall have all the engines required during the year, unless the traffic is exceptionally heavy.

About 500 additional coal cars should be provided to enable the Company to handle the increased volume of coal. It will also be necessary to build four milk cars.

The good results shown, notwithstanding the financial disturbances and partial paralysis of business during the greater part of the year, may be attributed, in a large measure, to the energetic and untiring efforts and faithful co-operation of all the Heads of Departments and employees of your Company, working together in harmony.

Yours respectfully,

J. E. CHILDS,

General Manager.

September 15th, 1894.

NEW YORK, ONTARIO AND WESTERN RAILWAY CO.

OFFICE OF THE SECRETARY AND TREASURER.

THOMAS P. FOWLER, ESQ.,

President.

New York, September 17th, 1894.

DEAR SIR: I beg to submit herewith statements of the General Accounts of the Company and statements of Operating Results, for the fiscal year ending June 30th, 1894.

The accounts of the Company have been verified by the Auditors elected by the stockholders at the last Annual Meeting, Messrs. Barrow, Wade, Guthrie & Co., and their certificate has been given as below.

Yours respectfully,

R. D. RICKARD,

Secretary and Treasurer.

CERTIFICATE.

New York, September 17th, 1894.

To the Proprietors of the New York, Ontario & Western Railway Company:

We hereby certify that we have made a continuous audit of the Books and Accounts of the Company for the year ending June 30th, 1894, and have compared the Vouchers with the Cash Book.

We have also examined the General Balance Sheet and Revenue Accounts for June 30th, 1894, and compared these with the various books, and we certify that the same are in conformity therewith. The earnings of the Road, as shown in the Revenue Account, and the Operating Expenses are truly and accurately stated.

In regard to Expenditure on Capital and Revenue Accounts, we notice that great care has been taken to correctly discriminate between these, and that nothing has been charged to one which properly belongs to the other.

We have in the course of our audit verified, from time to time, the cash balances at the Company's Bankers, and the unissued bonds of the Company in the Treasury of the Company.

BARROW, WADE, GUTHRIE & Co.,

Auditors.

THE NEW YORK, ONTARIO AND

Accounts for the fiscal year

No. 1.—Statement of

Articles of Association.....	
May 13th, 1880, pursuant to Chap. 155 Laws of 1880, to carry out reorganization, not exceeding.....	
Consolidated First Mortgage, June 1st, 1889, 5 per cent. fifty-year bonds, redeemable @ 105 on and after June 1st, 1899, on six months' notice:	
To retire \$4,000,000 6 per cent. bonds.....	\$4,400,000
For purposes of Construction, etc.....	5,600,000
Refunding Mortgage, June 1st, 1892, 4 per cent. one hundred year bonds:	
To retire the \$4,000,000 6 per cent. bonds, Sept. 1, 1892.....	5,500,000
" " 5,600,000 5 per cent. " ".....	7,000,000
For general purposes.....	1,000,000
For additions, etc.....	6,500,000

No. 2.—Stock and Share Capital created,

Articles of Association and pursuant to Chapter 155, Laws of 1880.
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No. 3.—Bond Capital created,

	Amount Created.
Consolidated First Mortgage Bonds, 5 per cent.	\$5,600,000
Refunding Mortgage Bonds, 4 per cent.....	8,340,000
Total.....	\$13,940,000

No. 4.—Receipts and Expenditure

	Expended to June 30th, 1893.	Expended dur- ing year.	Total.
To Expenditure:			
On Main Line, Branches and Equipment.....	\$68,218,360 11	\$539,078 43	\$68,757,438 54
To Balance.....			2,587,544 30
			\$71,344,982 84

WESTERN RAILWAY COMPANY.

ending June 30th, 1894.

Capital authorized.

STOCK.		Bonds.	Total.
Common.	Preferred.		
\$48,000,000	\$2,000,000		
15,000,000			
		\$10,000,000	\$95,000,000
		20,000,000	

showing amount issued.

Amount Created.	Amount Issued.
\$60,113,982 84	\$58,110,052 84

showing amount issued.

Amount Issued.	Amount Unissued.
\$5,600,000	.....
7,625,000	\$715,000
\$13,225,000	\$715,000

on Capital Account.

	Received to June 30th, 1893.	Received During Year.	Total.
By Receipts:			
Common Stock.....	\$58,113,982 84	.....	\$58,113,982 84
Preferred Stock.....	6,000 00	.....	6,000 00
Consolidated First Mortgage 5 per cent. Bonds sold.....	5,600,000 00	.....	5,600,000 00
Refunding Mortgage 4 per cent. Bonds sold.....	0,500,000 00	\$1,125,000 00	7,625,000 00
			\$71,344,982 84

No. 6.—Revenue Account.—

EXPENDITURE.		June 30th, 1893.	June 30th, 1894.
\$	c.	\$	c.
822,880	50	810,185	48
889,646	29	832,455	21
252,114	02	229,856	89
465,163	79		
115,018	43	490,015	44
152,960	33	114,470	54
		150,895	65
		2,627,879	21
2,697,783	36	104,660	95
100,442	26	2,732,540	16
2,798,225	62	1,109,579	47
889,948	30	3,842,119	63
3,688,173	92		

No. 7.—Net Revenue Account.—

38,500	00	To Interest on First Mortgage 6 per cent. Bonds	280,000	00
280,000	00	“ “ Consol. “ 5 “ “	289,041	67
209,848	90	“ “ Refunding “ 4 “ “	75,000	00
75,000	00	“ Rent of U. C. & B. and R. & C. Railroads	3,750	00
3,750	00	“ “ Wharton Valley Railway	103,435	72
101,689	42	“ “ Ontario, Carbondale & Scranton Railway	13,875	50
		“ Sundry Interest and Discounts	765,102	89
708,788	32		419,566	58
256,852	51	To Balance, carried to Account No. 8	1,184,669	47
965,640	83			

No. 8.—Profit and Loss Account.—

To Sundry items charged direct to Profit and Loss Account during the year	4,182	83
“ Balance to Account No. 9	1,614,964	71
	1,619,147	54

No. 9.—General Balance Sheet.—

ASSETS.	June 30th, 1894.	
\$	c.	
Franchises and Property, per Statement No. 4	68,757,438	54
Preferred Stock Redemption Fund	6,000	00
Investments in other Companies	3,073,100	00
Cash at Bankers	101,719	60
Stores, Fuel, etc., on hand	187,270	02
Sundry Outstanding Accounts due to the Company	828,938	57
Outstanding Traffic Accounts due to the Company	587,015	82
Loans and Bills Receivable	766,446	97
Accrued Interest on O. C. & S. Railway Bond for \$1,500,000	0,250	00
Cars under Lease (Car Trusts)	408,100	70
	74,722,280	22

June 30th, 1894.

RECEIPTS.		June 30th, 1893.	June 30th, 1894.
\$	c.	\$	c.
725,470	89	679,149	14
106,390	69	124,841	21
2,819,717	14	2,997,011	22
36,595	20	41,118	06
		3,842,119	63
3,688,173	92		

June 30th, 1894.

889,948	30	By Balance of Revenue Account for the year, as per Account No 6	1,109,579	47
75,000	00	“ Interest on Bond of the Ontario, Carbondale & Scranton Railway Co. for \$1,500,000	75,000	00
60	00	“ Interest on Bonds of the Preston Park Association for \$1,500	90	00
632	53	“ Sundry Interest and Discounts		
965,640	83		1,184,669	47

June 30th, 1894.

By Balance at July 1st, 1893	1,199,580	96
“ Balance of Net Revenue Account, year ended June 30th, 1894	419,566	58
	1,619,147	54

June 30th, 1894.

LIABILITIES.	June 30th, 1894.	
\$	c.	
Common Stock	58,113,982	84
Preferred “	6,000	00
Consolidated First Mortgage 5 per cent. Bonds	5,600,000	00
Refunding Mortgage 4 per cent. Bonds	7,925,000	00
Interest on Funded Debt, due and accrued	139,475	00
Sundry Outstanding Accounts due by the Company	411,112	13
Outstanding Traffic Accounts due by the Company	58,078	15
Wages for month of June	128,176	49
Loans and Bills payable	415,150	00
Wharton Valley Railway Construction Fund	54,013	57
Hancock & Penna. R.R.	147,326	63
Balance under Car Trust Agreements	408,100	70
Profit and Loss Account	1,614,964	71
	74,722,280	22

No. 11.—Mileage.

	June 30th, 1893.	June 30th, 1894.
Main Line: Cornwall to Oswego	271.75	271.75
Ellonville Branch	7.80	7.80
Delhi Branch	16.84	16.84
New Berlin Branch	22.38	22.38
Total miles owned	318.77	318.77
TRACKAGE RIGHTS.		
Weehawken to Cornwall: Over West Shore R.R.	53.07	53.07
LINES LEASED.		
Randallsville to Utica (U. C. & B. R.R.)	31.30	31.30
Clinton to Rome (R. & C. R.R.)	12.78	12.78
Wharton Valley R.R.	6.80	6.80
Ontario, Carbondale & Scranton R'y	54.05	54.05
Total miles leased	104.93	104.93
Total miles worked by Engines	476.77	476.77
TRACK MILEAGE.		
Main Line	271.75	271.75
Branches	47.02	47.02
Main Line Sidings	94.00	95.81
Branch Line Sidings	3.88	3.94
Total Tracks and Sidings Owned	416.65	418.52
Leased Lines	104.93	104.93
Leased Lines Sidings and Mine Branches	44.43	45.76
Total Tracks and Sidings Leased	149.36	150.69
Total Tracks and Sidings Leased and Owned ..	566.01	569.21

No. 12.—Statement of Engine and Car Mileage.

	June 30th, 1893.		June 30th, 1894.	
	ENGINE	CAR	ENGINE	CAR
Passenger Trains	903,410	3,690,811	917,199	3,611,538
Freight Trains	1,520,445	29,631,217	1,370,609	28,128,367
Mixed Trains	430,688	3,678,022	630,970	5,681,754
Total Train Miles	2,860,743	37,000,050	2,918,638	37,421,670
Switching, Light Running, etc.	785,847	.....	753,251	.....
Total Traffic Engine and Car Miles..	3,646,590	37,000,050	3,672,069	37,421,670
Work Trains	183,053	1,372,747	50,662	312,358
Gross Engine and Car Miles	3,829,643	38,372,797	3,722,751	37,734,037

No. 13.—Statistics of Earnings and Expenses.

	Year ending June 30th, 1890.		Year ending June 30th, 1891.		Year ending June 30th, 1892.		Year ending June 30th, 1893.		Year ending June 30th, 1894.	
	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.
July	\$212,919 00	\$151,270 00	\$240,083 00	\$167,735 00	\$298,165 00	\$193,325 00	\$351,386 00	\$210,288 00	\$308,001 00	\$246,555 00
August	231,700 00	157,175 00	280,098 00	175,172 00	296,899 00	189,299 00	355,835 00	220,662 00	390,808 00	246,275 00
September	189,961 00	139,785 00	245,465 00	169,508 00	282,705 00	193,714 00	308,201 00	221,164 00	343,230 00	233,612 00
October	194,901 00	148,503 00	240,023 00	197,253 00	293,057 00	203,264 00	306,460 00	219,579 00	368,821 00	238,975 00
November	174,759 00	142,915 00	214,661 00	159,250 00	255,195 00	192,501 00	279,594 00	208,622 00	325,289 00	218,853 00
December	161,469 00	133,464 00	206,435 00	158,632 00	247,829 00	186,755 00	280,717 00	210,460 00	268,920 00	203,823 00
January	139,231 00	131,710 00	211,800 00	177,362 00	201,289 00	173,302 00	267,488 00	222,050 00	257,099 00	195,008 00
February	149,093 00	126,883 00	200,029 00	170,955 00	217,821 00	183,112 00	241,796 00	215,521 00	228,862 00	172,288 00
March	190,021 00	145,755 00	230,204 00	178,295 00	251,916 00	208,489 00	314,106 00	251,712 00	288,366 00	201,146 00
April	174,693 00	136,215 00	228,080 00	173,742 00	281,484 00	202,497 00	285,821 00	216,835 00	251,285 00	194,823 00
May	190,160 00	143,781 00	240,309 00	179,092 00	306,118 00	213,844 00	322,482 00	238,107 00	346,481 00	234,074 00
June	191,539 01	127,022 48	272,515 16	178,648 22	332,999 89	224,683 86	374,197 02	256,783 36	379,867 63	242,447 21
	\$2,200,446 01	\$1,684,478 48	\$2,809,702 16	\$2,055,644 22	\$3,265,417 89	\$2,359,845 86	\$3,688,173 92	\$2,697,783 36	\$3,842,119 63	\$2,627,870 21
Per cent. of expenses to receipts	.....	76.55	.....	73.16	.....	72.27	.....	73.15	.....	68.40
Taxes .....	.....	83,563 95	.....	99,727 94	.....	101,290 53	.....	100,442 26	.....	104,660 95
Per cent. to receipts..	.....	3.80	.....	3.55	.....	3.10	.....	2.72	.....	2.72
Total....	\$2,200,446 01	\$1,768,042 43	\$2,809,702 16	\$2,155,372 16	\$3,265,417 89	\$2,461,136 39	\$3,688,173 92	\$2,798,225 62	\$3,842,119 63	\$2,732,540 16
Per cent. to receipts..	.....	80.35	.....	76.71	.....	75.37	.....	75.87	.....	71.12
Train Miles.....	1,835,188		2,245,576		2,616,977		2,860,743		2,918,838	
Per Train Mile.....	\$1.199	\$0.963	\$1.251	\$0.960	\$1.247	\$0.940	\$1.289	\$0.978	\$1.316	\$0.136
Passengers carried—Number..	827,766		1,008,215		1,060,383		1,057,815		926,657	
" " one mile..	32,142,197		36,011,439		37,006,885		40,358,702		36,918,802	
Earnings per Passenger per mile	1c.912		1c.822		1c.802		1c.797		1c.830	
General Freight carried—Tons.	869,360		886,449		916,950		884,684		706,566	
Coal " " "	352,986		811,485		1,120,416		1,352,225		1,612,063	
Milk " " "	34,853		39,125		48,403		54,521		53,729	
Total Freight	1,257,199		1,737,059		2,085,769		2,291,430		2,401,358	
" " carried—Tons 1 mile	114,554,570		194,897,759		264,839,116		294,636,533		328,533,616	
Earnings per Ton per mile....	1c.271		1c.033		0c.939		0c.956		0c.912	

No. 14.—Return of Rolling Stock, June 30th, 1894.

	PASSENGER AND FREIGHT CARS.																	
	Locomotives.	First Class.	Second Class.				Baggage and Express.		Total Passenger Cars.	Cattle.	Platform.	Box.	Milk.	Cuboose.	Coal.	Total Freight Cars.	Derrick and Tool Cars, Snow Plovs and Dump Cars.	Grand Total.
			With Smoking Compartment.	With Mail and Smoking Compartment.	Ordinary.	Ordinary.	With Mail Compartment.											
Stock owned at June 30th, 1893	134	60	5	4	29	17	8	123	64	646	664	39	52	3287	4752	32	4907	
Added since at Cost of Capital													6		6		6	
Transfers	*1		1	1							3				3	3		
Total Stock Owned	133	60	6	3	29	17	8	123	64	646	661	39	58	3287	4755	35	4913	
Cars Leased under Car Trust Agreements														1350	1350		1350	
Total Stock Owned and Leased	133	60	6	3	29	17	8	123	64	646	661	39	58	4637	6105	35	6263	

* Engine No. 21 transferred to Machinery.