

SEVENTEENTH 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, 1896.

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

1896.

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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.
HARRY PEARSON,	- - - - -	London
CHARLES S. WHELEN,	- - - - -	Philadelphia.
FRANCIS R. CULBERT,	- - - - -	Newburgh, N. Y.
WM. H. PAULDING,	- - - - -	New York.
ALBERT S. ROE,	- - - - -	"
EDWARD B. STURGES,	- - - - -	Scranton, Pa.
GERALD L. HOYT,	- - - - -	New York.
HENRY W. CANNON,	- - - - -	"
C. LEDYARD BLAIR,	- - - - -	"
JOHN G. MOORE,	- - - - -	"

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>	- - - - -	"
EDWARD CANFIELD, <i>General Superintendent,</i>	- - - - -	Middletown, N. Y.
GEORGE W. WEST, <i>Supt. Motive Power,</i>	- - - - -	" "

COAL DEPARTMENT.

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

AUDITORS:

BARROW, WADE, GUTHRIE & Co., *Public Accountants,* 27 Pine Street, New York.

Transfer Agent, JAMES M. FLEMING, - - - - - New York.

" ENGLISH ASSOCIATION OF AMERICAN BOND AND SHARE-

HOLDERS, LIMITED, - - - - - London.

Registrar of Stock, MERCANTILE TRUST Co., 120 Broadway, New York, and
Broad St. House, New Broad St, London, E. C.

GENERAL OFFICES:

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

Richard Irvin,

Elected a Director, July 1st, 1884.

Died, March 8th, 1896.

Extract from Board Minutes of March 25th, 1896.

The President made formal announcement to the Board of the death of Mr. RICHARD IRVIN, for nearly twelve years a Director of this Company, whereupon, on motion of Mr. Whelen, seconded by Mr. Culbert, it was

RESOLVED, that the Board of Directors of the New York, Ontario and Western Railway Company record with profound sorrow the death of RICHARD IRVIN, for many years a Director of the Company.

RESOLVED, that his associates desire hereby to express their sincere appreciation of his manly integrity and worth and of the value of the services he faithfully performed, by regular attendance, at Board and Committee Meetings and by loyal devotion to the best interests of this Company and zealous care and protection of its credit and financial status.

RESOLVED, that the Secretary be instructed to transmit to the widow of our late honored associate and esteemed friend, a copy of the foregoing resolutions."

New York, Ontario & Western Railway Company.

OFFICE OF THE PRESIDENT.

NEW YORK, September 5th, 1896.

TO THE STOCKHOLDERS:

Following is a statement of the receipts and disbursements for the last fiscal year, compared with the fiscal year ended June 30th, 1895.

RECEIPTS.

	1896.	1895.
Passengers	\$654,066.58	\$599,451.79
Freight	2,960,595.29	2,908,034.89
Mails, Express, etc.	122,906.21	122,931.82
Miscellaneous.....	41,767.43	38,694.68
Total	<u>\$3,779,335.51</u>	<u>\$3,669,113.18</u>

OPERATING EXPENSES.

	1896.	1895.
Maintenance of Way and Structures.....	\$479,192.74	\$481,742.79
Maintenance of Equipment.....	466,916.19	434,356.08
Conducting Transportation.....	1,518,338.97	1,508,844.43
General Expenses.....	121,460.41	116,408.10
Total	<u>\$2,585,908.31</u>	<u>\$2,541,351.40</u>
Taxes.....	112,649.75	101,061.04
Total Operating Expenses and Taxes..	<u>\$2,698,558.06</u>	<u>\$2,642,412.44</u>
Net Earnings.....	\$1,080,777.45	\$1,026,700.74
Interest, Rentals and Charges	705,208.02	700,317.93
Surplus	<u>\$375,569.43</u>	<u>\$326,382.81</u>

Local passenger receipts were \$572,382.25 compared with \$547,108.91 in the preceding year; through passenger and immigrant earnings were \$81,684.33 compared with \$52,342.88; mail and express receipts were \$122,906.21 compared with \$122,931.82.

Freight Traffic earnings of the last fiscal year, classified, as in former reports, and compared with the four preceding years, were as follows:

	1896.	1895.	1894.	1893.	1892.
Through F'ght	\$292,549.07	\$303,584.34	\$226,291.55	\$347,246.26	\$355,290.89
Local Freight.	654,007.76	641,541.96	662,807.39	688,571.81	671,595.23
Milk	425,614.10	381,681.30	354,037.94	347,359.54	302,695.85
Coal	1,588,424.36	1,581,227.29	1,753,874.34	1,436,539.53	1,126,456.77
Miscellaneous	41,767.43	38,694.68	41,118.06	36,595.20	35,827.88
Total	\$3,002,362.72	\$2,946,729.57	\$3,038,129.28	\$2,856,312.34	\$2,491,875.62

The Board desires me to call your attention to the comparative statement of operations for the last seven fiscal years :

	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	889,948.90	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
1895.....	3,669,113.18	2,642,412.44	1,026,700.74	700,317.93	326,382.81
1896.....	3,779,335.51	2,698,558.06	1,080,777.45	705,208.02	375,569.43

The Scranton Division was opened July 1st, 1890. Since that date the anthracite tonnage and revenue, including coal received at Sidney from the Delaware & Hudson Canal Company has been in each of the following years :

	Net Tons.	Revenue.
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
1895.....	1,715,991	1,581,227.29
1896.....	1,673,861	1,588,424.36

During the greater part of the fiscal year, the anthracite coal trade was in a decidedly demoralized condition, and operations were carried on at a loss to many of the producers and without sufficient profit to the carrying companies. The output since February last has been restricted to the requirements of the trade, resulting in a slight advance in prices to the producer and in better rates for the anthracite carrying railways. The pros-

pects are at present favorable for the continuance of rational business methods in the mining and marketing of anthracite coal, and for reasonably stable and firm rates for carrying the product of the mines to tide water and other markets.

The local and through business has been depressed, owing to existing unsettled financial and commercial conditions, and the Company has been obliged in many instances to adjust its rates to meet the requirements of shippers and the smaller margin of profits which have resulted from most mercantile transactions undertaken during the last two or three years.

The rates on bluestone, the products of the wood-acid factories, and many other items of traffic, have been reduced to the lowest possible point, and it may be said that until there is a general revival in business, an advance to a more profitable basis cannot be brought about.

The Company's milk traffic has continued to increase satisfactorily and the details are given with the General Manager's report. The policy of your Company has been to offer the best facilities to the farmers and creamerymen adjacent to its main line and branches, and the steady increase of the traffic indicates that these efforts have been duly appreciated. The trains consist of cars which are especially built for and which are used only in this line of business. These cars are iced in summer and warmed in winter, and the trains are equipped with air brakes and all the latest improvements, so that they may run on quick time and with the greatest regularity. Facilities have been afforded at nearly every available point on the line for shipping, and at several places creameries have been erected and leased to responsible tenants, for taking care of the surplus, so that the farmer may not be subjected to the loss of his product when the markets are overstocked. Empty cans are collected and returned with great promptness, while special agents are employed in looking after the cans and in watching the markets and city trade in the shippers' interests. It has been the custom for many years for

the milk-carrying roads to charge a uniform rate of freight for all services rendered, regardless of distance. The rate at present, and for many years in effect, has been thirty-two cents for each can carried, emptys being returned, and other services rendered, without additional charge.

Within the past year a small number of farmers, with their friends and supporters, living within the territory nearest to the New York market, complained to the Inter-State Commerce Commission chiefly because the same rate per can was charged for the short distance milk as for the milk carried a long distance. The Commissioners, last winter, devoted several weeks of their time to the hearing. The case is now pending, and in view of that fact it would be improper in this report to enter into the merits, or discuss the main question presented. Suffice it to say, that hundreds of farmers in the more remote milk-producing districts, many of whom showed their intense interest by voluntary attendance at the hearings, are awaiting the outcome with anxiety, as the margin on which business is now carried is so narrow that even a small increase in their rate of freight might possibly drive their milk out of the market, while, should the rate be less for the shorter than for the longer haul, the effect would practically be the same. As the future development of this most important branch of the Company's business depends upon the continuation of a uniform rate of freight, the present proceeding and its final outcome will be closely watched by all who are interested in the development and welfare of the property, and everything will be done to protect the interests both of the Company and its shippers.

The Pecksport Loop Line, recommended by the General Manager in last year's report, is now practically completed, and will be in operation before this report is in your hands. The length of the loop line is 3.80 miles and its construction will avoid a long grade of seventy feet per mile now encountered by northbound trains. As then stated by the General Manager, an engine which now hauls 500 tons north from Norwich to Oswego

over Eaton Summit will haul 1030 tons over the loop line via Pecksport. On the basis of 125 cars per day northbound, the saving will be $17\frac{1}{2}$ engine miles for ten trains, or about \$10,000 a year. The cost of the loop line will be represented by stock and bonds of the Pecksport Connecting Railway Company, issued in payment of the advances made by your Company, and will be held by it. Its cost, it is thought, will not exceed \$70,000.

After careful investigation by a special committee, appointed by the Board, the Company last spring authorized the construction of four barges, costing, with equipment, about \$69,000.00. Two of such barges are intended for service from Cornwall and Weehawken to Long Island Sound points, and two are ocean barges, intended to run to Boston, Providence and other New England ports. These barges are already in commission, and it is believed that they will enable the Company to handle a portion of its New England tonnage to better advantage and at greater profit than it has heretofore been able to do.

With the annual report for the year ended June 30th, 1893, a statement was presented showing, in great detail, to what additions and improvements the proceeds of bonds and net revenues of the Company had been applied. For the five years terminating with June 30th, 1893, it was shown that there had been expended for additional motive power, new equipment, terminal property and other additions and improvements to the main line and branches, \$3,935,688.53; and for the Scranton extension, including terminal property at Hancock Junction and Scranton, yards at Mayfield and Carbondale, branches to mines and breakers and for bond discounts and expenses, \$6,095,826.07—making a total of \$10,031,514.60.

From June 30th, 1893, to June 30th, 1896, further expenditures for additions and improvements to the property and equipment have been as follows:

	5 New Locomotives.....	\$49,215.98	
Less :	6 Locomotives sold and broken up	<u>36,765.98</u>	\$12,450.00
			113,552.00
	250 Coal Cars		7,370.17
	8 Milk Cars		2,027.43
	6 Caboose Cars		15,068.34
	1 "Jull" Snow Excavator		
	On account of 1,350 Coal Cars purchased under Car Trust Agreements.....		254,406.04
	6 Coal Boats—Balance		3,857.73
	1 Float, Oswego.....		2,600.00
	2 "Sound" Coal Barges.....		18,751.47
	2 "Ocean" " on account.....		30,304.65
	Improvements to Rolling Stock :		
	Fitting Coaches Nos. 55 and 56 as Chair Cars.....	2,196.31	
	New Power Brakes	6,488.83	
	Automatic Couplers to Freight Cars	17,836.00	
	Tank for "Jull" Snow Excavator	<u>720.48</u>	
			27,241.62
	Work Shops and Machinery.....		17,491.33
	Steel Rails. Difference in weight.....		109,326.80
	Additional Sidings.....		53,157.85
	Bridges, Trestles, Culverts, etc.....		107,749.22
	Passenger and Freight Stations.....		21,771.18
	Creameries and Ice Houses.....		21,700.53
	Grading, Ballasting, etc.....		70,603.53
	Arching Bloomingburgh Tunnel.....		6,233.87
	Signals		14,058.07
	Water and Coal Stations.....		7,010.20
	Turntables		6,573.41
	Coal Terminals and Trestles		88,075.73
	Plant for Brickmakers' dust, Cornwall		2,721.87
	Electric Light Plant.....		1,189.07
	Ellenville Branch Extension (Surveys)....		4,023.15
	Land and Land Damages		22,097.42
	Bond Discount.....		<u>360,315.51</u>
	Total.....		\$1,408,037.19

The total capital expenditure for the past year, as set forth in detail in the Treasurer's statement of capital expenditures and General Manager's report, was \$450,171.21. This amount includes Car Trust notes, amounting to \$88,085.68. The Car Trust

notes, originally issued under the English trusts, amounted to \$434,926.80, of which there has been paid \$328,590.90, leaving balance outstanding, \$106,335.90. Under the New York Guaranty and Indemnity Company trust, the amount borrowed in 1894 was \$187,500.00, of which the company has paid \$90,000.00, leaving still to be paid \$97,500.00.

Within the last ten years the motive power and rolling stock of the Company have been to a great extent replaced and largely increased, while terminals have been purchased, trestles built, and the track relaid with steel on main line and branches, embankments widened, cuts enlarged, the Zig Zag tunnel built, trestles filled or renewed and light iron viaducts replaced by heavy steel structures. Steel bridges have replaced wooden structures, many miles of track ballasted, grades reduced where practicable, and it might justly be claimed that much of the main line between Oswego and Cornwall has been entirely reconstructed and all of it brought to a safe and reasonably modern standard, from a condition which was in many respects deplorable.

The Scranton Division, built in 1889-90, was constructed in the best possible manner and is up to the highest standard of single track railways in New York and Pennsylvania. The other branches of the main line are in good condition and are equal to all requirements of traffic passing over them. It has been the custom in the past to charge the cost of all improvements to capital account, but the financial strength of the property and its earning power have now increased to an extent which will permit the Company to follow the excellent example of some of the stronger lines and to charge to operating expenses many disbursements heretofore charged to capital account.

In order that an accurate comparison with last year's operating expenses may be placed before you this year, the accounting department has included several such capital charges, which, while comparatively unimportant in amount, and strictly so chargeable, it is hoped will in the future be embraced in operating

expenses. Reference is made more particularly to the following items:

Culverts and Passes.....	\$3,993.98
Grading, Sloping, Ditching, etc.....	8,892.86
Dredging	843.30
Ballasting	8,857.52
Total	<u>\$22,587.66</u>

Much of the main line and original branches had never been ballasted, and while a portion of the cost of such work has heretofore very properly been charged to capital account, still, it is considered wise to include all such expense in operating cost, if the earnings of the Company justify this policy, as now promises to be the case. In laying heavier steel rails, the cost of the increased weight of rail only has been charged to capital account.

The Company's property has been in every respect fully maintained during the year and the permanent way and equipment have never been in such satisfactory condition as at present.

By continuing the policy of improvement for a time the condition of the property will be gradually brought to a high state of proficiency, the expenditure of the entire surplus for additions and improvements will no longer be imperative, the ratio of operating cost will further decrease and some return upon the stock will be assured.

Advances to a large amount have been made to the lessees and owners of coal lands, with whom transportation contracts have been made, to enable them to purchase collieries in operation or erect breakers and develop new properties, and so furnish an assured coal tonnage. These loans are secured by mortgage and are repayable, with interest, at an agreed rate per ton as coal is mined.

The investments so made aggregated originally \$923,084.61, upon which \$886,041.58 was outstanding at June 30, 1896, including interest balances to that date.

In addition to the coal carried for those to whom loans have been made your Company has received a large tonnage from other operators to whom no advances were necessary.

Many of the collieries adjacent to the line are new operations and have not reached their maximum output, and some of the more recently opened properties cannot be developed to the fullest extent for some time to come.

The Scranton Division, since its opening July 1, 1890, has up to June 30, 1896, delivered to the main line at Hancock Junction 5,658,116 gross tons of coal, besides other freights and passengers, and its gross and net earnings based on actual mileage, have been—

	Gross Earnings.	Operating Expenses and Taxes.	Net Earnings.
Year ending June 30th, 1891.....	\$263,814.30	\$234,236.47	\$29,577.83
" " " " 1892.....	396,596.18	305,889.42	90,706.76
" " " " 1893.....	473,788.37	353,255.77	120,532.60
" " " " 1894.....	508,714.55	320,356.84	188,357.71
" " " " 1895.....	487,667.80	329,199.67	158,468.13
" " " " 1896.....	491,033.36	305,699.36	185,334.00

During this period your Company has expended upon that line in additions, including thirteen miles of mine branches, additional sidings, real estate for yards at Mayfield and other points, filling trestles, ballasting, etc., \$646,244.93, all of which stands charged against the Ontario, Carbondale and Scranton Railway Company, and which amount is included in the balance sheet presented with this report, among advances to other companies. This amount will in the course of time be liquidated to some extent by sales of property not required for operation and by application of rental as between the two companies, which, while legally and necessarily separate organizations, are in reality but one corporation. While the advances last referred to are an apparent asset, your Board of Directors state the facts relating thereto thus fully, in order that you may be informed as to its exact nature, it being their wish that every detail of the affairs

and accounts of the Company should be clearly given in comprehensive form, so that they may be thoroughly understood by you.

The Company recently purchased near its Wickham Avenue station at Middletown a suitable building site, on which it proposes, when financial conditions improve, to erect a substantial and convenient building for the use of its employees and the Railroad Branch of the Young Men's Christian Association.

The Board desires to acknowledge its indebtedness to all those in the service of the Company for the results of the year, which are in great part due to the faithful and efficient discharge of their respective duties.

By order of the Board.

THOMAS P. FOWLER,

President.

GENERAL MANAGER'S REPORT

FOR THE YEAR ENDING JUNE 30TH, 1896.

THOMAS P. FOWLER, ESQ.,

President.

DEAR SIR: I respectfully submit the following report of the operations of this Company for the year ending June 30th, 1896.

EARNINGS AND EXPENSES.

The gross earnings for the year were \$3,779,336, compared with \$3,669,113 in previous year, an increase of \$110,223, or 3 per cent.

The working expenses for the year were \$2,585,908, compared with \$2,541,351 for previous year, an increase of \$44,557, or 1.75 per cent.

The net earnings for the year, after deducting taxes, were \$1,080,777, and in previous year \$1,026,701, being an increase of \$54,076, or 5.27 per cent.

The percentages of working expenses for the past seven years are shown in the following table:

Year ending June 30th, 1890.....	76.55	per cent.
" " " " 1891.....	73.16	" "
" " " " 1892.....	72.27	" "
" " " " 1893.....	73.15	" "
" " " " 1894.....	68.40	" "
" " " " 1895.....	69.24	" "
" " " " 1896.....	68.42	" "

Full details of earnings, expenses, cost of operating, etc., for the fiscal years ending June 30th, 1892 to 1896, inclusive, are shown in table on page 20.

The statistics in relation to Passenger and Freight Traffic will be found on page 20.

PASSENGER TRAFFIC.

The local passenger earnings for the year were \$572,382, compared with \$547,109 in previous year, an increase of \$25,273, or 4.6 per cent. This increase is exclusively in the summer business from New York city, as other local passenger earnings, owing to the depressed condition of general business, show a considerable decrease.

The "Summer Homes" business to Orange, Sullivan and Delaware counties continues to steadily increase. From New York city ticket offices alone, for the three months of June, July and August of the present period, we carried 47,930 one-way passengers to points South of Walton, as against 43,374 of the previous season, or an increase of about 10 per cent. Additional hotels and boarding houses have been erected by the residents of the above counties during the past winter and spring, and the accommodations offered visitors are now fairly adequate to the demands.

The through earnings, consisting of coupon and emigrant business, amounted to \$81,684, compared with \$52,343 in previous year, an increase of \$29,341, or 56.05 per cent. This increase is largely from eastbound business. On May 19th, 1895, the time of trains 5 and 6 was shortened between New York and Suspension Bridge, making them one night trains from and to Chicago, with the above gratifying result.

The emigrant business also shows an increase, owing to the greater number of emigrants ticketed from the port of New York, there being a total for all Trunk Lines of 96,421, against 65,269 for the last fiscal year.

During the year 172 excursions, carrying 47,828 passengers, were run 7,911 miles, paying \$28,814, or 3.65 cents per mile. In the previous year 153 excursions, with train mileage 9,629, yielded a revenue of \$38,229, or 3.97 cents per mile. The excursions this year were mostly short distances, and at competing

points, necessitating lower average rates. This class of passenger traffic has suffered more than any other from the advent of the trolley systems, which are met at every place of considerable size on the line.

BAGGAGE DEPARTMENT.

The number of pieces of baggage handled during the fiscal year ending June 30th, 1896, was 335,610, compared with 290,860 for previous year. But one piece was lost—a baby carriage—and only \$24 in loss and damage claims paid.

The excess baggage collections and storage amounted to \$7,535.69, compared with \$6,412.73 of the previous year.

During the year 6,729 bicycles, and 1,067 baby carriages were carried.

FREIGHT TRAFFIC.

The local freight earnings were \$654,008, as against \$641,542 in previous year, an increase of \$12,466, or 1.9 per cent.

The through freight earnings were \$292,549, compared with \$303,584 in previous year, a decrease of \$11,035, or 3.6 per cent. This loss was occasioned by the demoralized condition of the business. The constant cutting of rates by standard lines made differentials worthless, and consequently all were abolished in April, 1895. Up to that time this Company had been allowed the following differentials on westbound business from New York on the six classes, viz.:—10-8-6-4-4 and 3 cents per 100 pounds. The abolition of differentials compelled this Company, with a service 24 hours longer to Chicago, to compete at the same rates with the stronger lines for westbound business. The Joint Traffic Association was organized January 1st, 1896. Application was made to the Board of Managers on February 1st for a renewal of differentials, also for an increase in the allotment of our westbound tonnage of from 1½ to 5 per cent. On May 21st, 1896, the Board granted differentials to this Company of 6-5-4-3-2 and

2, on the six classes of freight, no action being taken upon the application for an increased tonnage, to which we are clearly entitled. These differentials were not granted until after lake navigation was opened, and were made to expire by limitation November 30th, 1896. Their effect, therefore, in influencing business was but small, as the differentials applied only during the last months of the fiscal year, and wholly within the season of lake navigation. With these differentials continued during the winter and rates maintained by our competitors, we may confidently expect a considerable increase in traffic.

COAL.

The earnings of the Company from the transportation of coal were \$1,588,424, compared with \$1,581,227 in previous year, an increase of \$7,197, or 0.45 per cent. The total shipments from the Scranton Division, including supply coal used on engines, were 1,354,946 tons, a decrease of 50,145 tons over previous year, or 3.57 per cent. The number of gross tons of coal transported from the Scranton Division (exclusive of supply coal for Company's use) was 1,217,716 tons, compared with 1,265,770 tons in previous year, a decrease of 48,054 tons, or 3.79 per cent. The average revenue per gross ton received from the same during the year was \$1.151, compared with \$1.094 in previous year.

The demoralized condition of the Anthracite Coal business, referred to in last year's report, continued through the greater part of this fiscal year. Since February 1st, 1896, there has been an earnest effort on the part of all producers to limit the output to the market requirements, which has resulted in a small advance in prices for the last quarter of the fiscal year. The recovery has been slow, and prices realized at the mines are now barely above cost of production.

Following the practice of older anthracite roads, this Company has, for several years past, carried a considerable quantity of coal to Buffalo docks during the winter months, where it is stored

until the opening of lake navigation, and then forwarded to Western ports, consigned to agents to be sold on commission. This business has been so unsatisfactory, that during the past winter no coal was forwarded to Buffalo for storage, and during the season of 1895 none to Western ports on consignment, business in that quarter having been limited to actual sales. The net results from coal forwarded to tidewater, Long Island Sound, and Eastern ports, have been more satisfactory, but in order to handle more coal in the Eastern markets, and be on an equal footing at all times with our competitors, as well as to regulate ocean and sound freights, which fluctuate violently when vessels are in demand, it became necessary to own, or control, vessels for regular and prompt forwarding of these shipments. The company has met this demand by the purchase of two barges of 1,500 tons each for ocean service, and two of 800 tons each for service along the sound. It is believed that with these barges our Coal Agents will be able to place an increased tidewater tonnage with promptness, and at reasonable rates, and that the barges can be kept fully occupied, so that the freight earnings received from them will yield a fair revenue above the interest on their cost, maintenance, repairs, insurance, and a fair allowance for depreciation.

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

	1896.	1895.
To the lakes, via Oswego	210,275	157,056
To tide water, via Cornwall.....	182,476	553,337
To tide water, via Weehawken.....	312,023	
Total.....	704,774	710,393

This statement also includes any coal sold locally at these points.

The following statement shows the total shipments of coal by the Delaware & Hudson Canal Company and this company to Oswego over our lines for six years:

Year ending	D. & H. Shipments.	O. & W. Ship'ts.	Aggregate gross tons.
June 30th, 1891.....	63,025	53,131	116,156
" " 1892.....	68,506	102,583	171,089
" " 1893.....	76,592	134,570	211,162
" " 1894.....	85,053	204,533	289,586
" " 1895.....	61,194	157,066	218,260
" " 1896.....	73,073	210,275	283,348

Coal hauled for the Delaware & Hudson Canal Company from Sidney to Oswego during the year, 73,073 tons, shows an increase of 11,879 tons, or 19.41 per cent., as compared with previous year. The average rate per ton per mile received for transportation of this coal between Sidney and Oswego (a distance of 125 miles) was 0.6086 cents, as compared with 0.7082 cents in previous year,—but a final adjustment of the accounts for this service, now pending, will probably increase the earning.

The shipments of D. & H. coal from Sidney to points on the Utica Division, via Randallsville, were 119,978 tons, compared with 127,297 tons in previous year, a decrease of 5.75 per cent.

The total amount of D. & H. coal shipped from Sidney to all points north during the year was 276,805 tons, an increase of 9,831 tons, or 3.68 per cent., compared with previous year.

The total revenue received from transportation of D. & H. coal during the year was \$187,203, as compared with \$196,665, a decrease of \$9,462, or 4.81 per cent., with the account for Oswego coal unadjusted, as above noted.

The average rate per ton per mile for transportation of D. & H. coal during the year (exclusive of Utica Division shipments) was 0.7468 cents, as compared with 0.8443 cents in previous year.

The above statements do not include local shipments received at Sidney and transported over the line to the various stations south of that point at local rates. These have been included in our general freight statement.

MILK.

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

	1896	1895.	Increase.
Tons of milk carried.....	68,482	60,088	14.0%
Tons carried 1 mile.....	12,044,281	10,173,805	18.4%
Revenue.....	\$425,614	\$381,681	11.5%
Miles run.....	298,237	280,464	6.3%
Earnings per train mile.....	\$1.43	\$1.36	5.1%

This statement does not include mileage of mixed trains over branches, bringing milk to the regular milk trains on the Main Line, but the mileage only of the latter; and the earnings stated, are exclusive of that derived from passengers, express and freight carried on such trains. The increase in the milk business is entirely in long distance milk. This is owing mainly to the fact that farmers of Sullivan and Delaware counties sold much of their stock, on account of the scarcity of hay and pasturage, during the summer and fall of 1895.

During the year creameries at Sidney, New Berlin Junction, Rome and Westmoreland were built by the Company, and leased at a rental of ten per cent. per annum on their cost. The creamery at Solsville, owned by the Company, was enlarged. There are now along the line 77 creameries, of which 19 were built and are owned by this Company, and leased at the rate named above.

MOTIVE POWER DEPARTMENT.

MILEAGE.

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

	1896.	1895.
Passenger trains.....	849,479	866,890
Freight trains.....	1,361,917	1,395,546
Mixed trains.....	630,521	604,303
Total train miles earning revenue.....	2,841,917	2,866,739
Shifting, pushing, light running, etc.....	821,132	799,115
Total traffic engine miles.....	3,663,049	3,665,854
Passenger train car miles.....	3,315,720	3,317,009
Freight train car miles.....	29,181,072	29,601,100
Mixed train car miles.....	6,158,747	5,530,315
Total car miles.....	38,655,539	38,448,424

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

	1896.	1895.
Total number of engines on hand at end of year.....	133	133
Average number making mileage.....	107	107
<i>Engine Mileage.</i>		
Passenger	849,479	866,890
Freight.....	1,361,917	1,395,546
Mixed.....	630,521	604,303
Shifter	484,554	478,033
Work train.....	82,359	94,599
Light running and pushing.....	336,578	321,082
	<hr/>	<hr/>
Total miles run.....	3,745,408	3,760,453
<i>Fuel.</i>		
Tons coal consumed.....	209,047	216,198
Pounds coal consumed per engine mile.....	111.6	116.0
Pounds coal consumed per car mile	10.6	11.2
<i>Stores.</i>		
Quarts of oil consumed.....	162,100	163,606
Pounds of waste used	26,748	25,238
<i>Miles run to</i>		
One ton of coal	17.9	17.4
One quart of oil.....	23.1	23.0
One pound of waste.....	140.0	149.0
<i>Cost per engine mile in cents.</i>		
Repairs	5.26	4.42
Fuel	6.83	7.64
Stores	0.35	0.28
Wages of engine crew, cleaners, etc.....	7.12	7.16
	<hr/>	<hr/>
Total cost per mile.....	19.56	19.50
Car mileage	39,374,028	39,106,863

FUEL.

The following statement shows the total cost of fuel for locomotives, and cost per train, car and engine mile, for the past three years:

	Total cost of fuel.	Cost per train mile.	Cost per engine mile.	Cost per car mile.
1894.....	\$316,415	10.84 cts.	8.62 cts.	.845 cts.
1895.....	\$279,090	9.74 "	7.61 "	.726 "
1896.....	\$250,281	8.81 "	6.83 "	.647 "

EQUIPMENT.

The condition of equipment at the close of the fiscal year, compared with previous year, is shown in the following table :

	1896.	1895.
No. of engines owned.....	133	133
No. of engines in service.....	107	110
No. of engines in shop under repairs.....	10	14
No. of engines in shop waiting repairs.....	5	9
No. of engines received general repairs.....	70	46
No. of engines received ordinary repairs.....	99	238
No. of cars waiting repairs.....	298	232
No. of cars received repairs.....	15,939	13,811

Number of cars waiting repairs includes foreign cars and all cars awaiting repairs at junction points.

IMPROVEMENTS CHARGED TO CAPITAL ACCOUNT.

During the year new equipment has been purchased or built in our shops, and additions and improvements made and charged, wholly or in part, to capital account to the amount of \$136,089.58, as follows :

- 3 new fine anthracite coal burning engines purchased (1 four-wheel, for passenger service, and 2 consolidation, for freight service), at a cost of \$29,266, replacing two old freight engines, which were scrapped, and one old engine, which was sold, the value of the engines if new, estimated at \$17,266, was charged to operating expenses and the balance, \$12,000, to improvement of equipment.
- 3 new standard milk cars built.
- 250 new 60,000-pound capacity coal cars purchased.
- 6 engines equipped with Westinghouse air brakes.
- 88 freight cars equipped with air brakes.
- 1 new tank for Jull snow plow built.

254 freight cars equipped with automatic couplers, replacing ordinary draw bars.

The following machinery has been purchased and erected in the shops of the Company, at a cost of \$5,693 :

Middletown :

- 1 small mortising machine.
- 1 new crane for car shop.
- Small pneumatic tools.

Norwich :

- 1 drill press.
- 1 mortising machine.
- 1 small lathe and drill.
- 1 combined punch and shears.
- 1 radial drill.
- Small pneumatic tools.

A plant for handling coal dust for brick making purposes was put in at Cornwall coal dock at an expense of \$2,722.

IMPROVEMENTS CHARGED TO OPERATING EXPENSES.

Other improvements have been made and charged to operating expenses to the amount of \$114,260.51, as follows :

- 3 engines purchased to replace same number sold or destroyed, as above noted.
- 10 engines rebuilt.
 - 1 engine equipped with Beal's driver brake.
 - 2 engines had new fire boxes.
 - 2 passenger coaches rebuilt.
 - 1 new baggage car built and
 - 1 new baggage car under construction, to replace two destroyed.
- 6 refrigerator cars equipped with Fox steel trucks in place of old diamond trucks.
- 217 freight cars strengthened with new sub-sills.

- 38 freight cars equipped with new standard trucks.
 58 freight cars had new roofs.
 77 freight cars built to replace cars destroyed, and capacity increased from 28,000 pounds to 40,000 and 60,000 pounds.
 1 new derrick car has been built, replacing car destroyed.
 25 new 60,000-pound capacity coal cars purchased to replace others destroyed.

MAINTENANCE OF WAY DEPARTMENT.

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

MAIN LINE AND BRANCHES.

Additional Sidings.—\$20,533.47. New sidings constructed, 3.56 miles, including sidings extended, 1.81 miles, and new station tracks, 1.75 miles; 0.40 miles of old sidings taken up.

Ballasting.—\$8,857.52. Surfacing track with culm and gravel between Middletown and Mountindale, \$2,400; with culm between Hancock Junction and Sidney, \$1,830.12, and between Fulton and Oswego, \$3,000; at other points, \$1,627. The total amount is distributed over 27 miles of track, an average improvement charge of about \$330 per mile of track ballasted. The total amount of material used was 52,000 cubic yards, or 1,900 cubic yards per mile.

Bridges and Trestles.—\$39,787.97. Nine timber bridges and trestles, an aggregate length of 857 feet, have been rebuilt in steel. A new highway undercrossing was put in near Guilford at an expense of \$2,685.13; Bridge No. 216, Sidney Centre viaduct, 90 feet in height and 1,220 feet long, consisting of thirteen 40-foot spans, and fourteen 50-foot spans, plate girders, has been rebuilt in steel, and 190 feet of old bridge filled in. The total cost of the

work, including new piers and abutments, was \$44,378.50, of which amount \$21,140.30 was charged to improvements, and \$23,238.20 to repairs. The latter amount will be credited with about \$2,200 when the old material is sold. The charges on account of other more important bridges which have been rebuilt are as follows:

		Imp.	Repairs.
No. 90, Phillippsport,	100 feet.....	\$1,247.93	\$468.75
" 136, Little Beaverkill,	125 "	2,440.49	2,566.08
" 137, Highway,	66 "	773.95	782.07
" 138, Little Beaverkill,	196 "	3,500.03	3,461.74
" 140, Livingston Manor,	66 "	643.25	909.62
" 143, Willowemoc,	142 "	3,551.55	3,870.02
" 149, Willowemoc,	100 "	2,000.00	2,049.86

All of the above, except No. 90, replaced timber Howe truss bridges built in 1882.

Culverts and Pusses.—\$3,993.98. Twelve small timber bridges have been replaced with steel "I" beams, and 738 lineal feet of 12-inch to 48-inch pipe put in place of timber and other defective culverts, and openings filled up.

Grading.—\$8,807.87. 72 feet of bridge 90, 190 feet of bridge 216, and 30 feet of bridge 49, New Berlin Branch, have been filled up, and the hemlock portions of bridges 106 and 250 partly filled. \$2,250 have been expended in widening roadbed along the river.

Signals.—\$4,192.31. Automatic electric signals have been put in at Bull's Switch, Centreville, Trout Brook, Miller's, Sidney Centre, New Berlin Junction and Norwich.

Stations and Buildings.—\$4,771.41. Creameries have been built at Sidney and New Berlin Junction at an expense of \$2,000 and \$2,100 respectively, and water supply at Clark's and Morrisville creameries, also a new station at Beerston at an expense of \$680. New stations are in progress at Rock Rift and Cook's Falls.

Station Grounds.—\$536.14. Expense of grading station grounds at Beerston and Rock Rift, and improvements in platform and sidewalks at Oswego.

Steel Rail.—\$39,212.13. 22.71 miles of 76-pound rail, 2,712 tons, have been laid in place of 56-pound rail on main line. The difference in weight of rail, angle bars, frogs, and switches have been charged to improvements. About 13 miles, or 1,125 tons, of the 56-pound rail taken up have been used in replacing light iron and worn-out iron rail in sidings. There are now in main track of main line 81.86 miles of 76-pound, 57.80 of 67-pound, and 33.08 of 58-pound rail, and 99 miles of 56-pound rail.

Water Stations.—\$1,349.75. Expense of water cranes at Oneida, Livingston Manor, Constantia and Pennellville. There have been used in repairs of track, Main Line and Branches, 200,521 cross ties.

UTICA DIVISION.

Additional Sidings.—\$1,617.83. Expense of changing location of main track at Clinton, freight siding at Oriskany Falls, and coal trestle siding at New Hartford.

Bridges and Trestles.—\$628.19. Expense of completing new bridges, Nos. 33 and 49, noted in last report.

Culverts and Passes.—\$338.61. 144 feet of cast-iron pipe in place of timber culverts.

Signals.—\$425.22.—Crossing gates at Sunset avenue, Utica.

Stations and Buildings.—\$7,664.77. A new depot and local coal trestle have been built at New Hartford, new creameries at Rome and Westmoreland, Solsville creamery has been enlarged, and new ice house built at Rome.

Steel Rail.—\$1,675.00. 1.675 miles of 56-pound steel rail laid in place of light iron rail in sidings.

There have been used in repairs of track, Utica Division, 15,346 cross ties.

SCRANTON DIVISION.

Additional Sidings.—\$6,724.81. 2.03 miles of new siding at Waddell breaker, Winton, for ice track at Poyntelle, and to Russell breaker, Richmondale.

Bridges and Trestles.—\$387.87. Expense of guard timbers and bumping posts at four through bridges.

Culverts and Passes.—\$823.16. 768 lineal feet of cast iron pipe culverts.

Fencing.—\$278.67. Snow fence at Como.

Grading.—\$5,981.43. Expense of work train in filling Sands trestle, 444 feet in length, and widening cuts and embankments.

Stations and Buildings.—\$644.89. Expense of enlarging Mayfield engine house.

Miscellaneous.—\$529.30. Rail braces.

There have been used in repairs, Scranton Division, 13,359 cross ties.

Construction.—\$38,474.61.

Hurleyville Grade.—Balance, \$84.99. Improvements of grade north and south of Hurleyville, noted in detail in last annual report.

Wechawken Terminal.—\$2,965.96. Extensions of channel in front of bulkhead, \$843.30; additional pockets for coal-ing tugs, \$230.56; new retail pockets in south side of dock, \$1,892.10.

Cornwall Terminal.—\$3,221.31. Cost of pockets and machinery for making and loading brickmakers' dust and strengthening dock.

Oswego Terminal.—\$17,757.28. The stocking trestle and river pockets have been completed at a cost of \$12,944.48, and machinery for elevating and shipping coal from

stock pile at a cost of \$9,625.60. Of the last item the Delaware & Hudson Canal Company paid one-half. *Pecksport Connecting Railway*.—\$14,445.07. The amount charged to Pecksport Line to July 1st.

The amounts charged each account for improvements, Main Line and Branches, Utica Division and Scranton Division, are as follows:

	Scranton Division.	Utica Division.	Main Line.
Additional Sidings.....	\$6,724.81	\$1,617.83	\$20,533.47
Ballasting.....	.....	.....	8,857.52
Bridges and Trestles.....	387.87	628.19	39,787.97
Culverts and Passes.....	823.16	338.61	3,993.98
Fencing.....	278.67	.....	.....
Grading.....	5,981.43	.....	8,807.87
Signals.....	.....	425.22	4,192.31
Stations and Buildings.....	644.89	7,664.77	4,771.41
Station Grounds—Grading.....	.....	.....	536.14
Steel Rail.....	.....	1,675.00	39,212.13
Water Stations.....	.....	.....	1,349.75
Miscellaneous.....	529.30	.....	.....
Totals.....	\$15,370.13	\$12,349.62	\$132,042.55

The total amounts charged to improvements and construction in this department for year ending June 30th, 1896, were as follows:

Main Line Improvements.....	\$132,042.55
Utica Division Improvements.....	12,349.62
Scranton Division Improvements.....	15,370.13
Main Line Construction.....	38,474.61
Total expended.....	\$198,236.91

This amount is \$38,674.33 less than expended in previous year.

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

	1896.		1895.	
	Number.	Aggregate length in feet.	Number.	Aggregate length in feet.
Iron Bridges.....	154	19,511	146	18,955
Wooden Bridges.....	28	1,671	34	2,427
Wooden Trestles.....	100	18,574	102	19,118
Total.....	282	39,756	282	40,500
			282	39,756
Filled and Shortened.....				744

The amount expended for improvement of the old line—heavier rail, ballast, filling of timber trestles, and replacing temporary structures—is about \$110,500, at an improvement charge of \$260 per mile of track owned and leased, and is somewhat less than for the previous year.

CONSTRUCTION AND IMPROVEMENT.

The total amount charged to construction and improvement during the year was as follows:

	1896.	1895.
Construction.....	\$25,194.24	\$53,614.19
Fleet, Oswego.....		2,600.00
Improvement of Road.....	142,784.12	177,543.98
Improvement of Equipment.....	11,385.48	7,202.36
New Equipment.....	216,498.36	113,613.51
Land Purchased, Surveys, etc.....	5,252.89	10,427.27
Sound Coal Barges.....	18,751.47	
Ocean Coal Barges.....	30,304.65	
Total.....	\$450,171.21	\$347,014.10

EARNING POWER.

The following statement shows the results per mile of road operated for fiscal years 1887 to 1896, inclusive:

Year ending.	Gross Receipts.	Expenses incl. 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

Year ending.	Gross Receipts.	Expenses incl. Taxes.	Net from Operation.	Surplus.
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
June 30th 1895.....	7,696	5,542	2,154	685
June 30th, 1896.....	7,927	5,660	2,267	788

GENERAL BUSINESS.

The improvement in the general condition of coal business during the last quarter of the fiscal year has continued up to this date, and with the continued restriction of output to the market requirements, there is every prospect of a further advance in prices, which we hope in the near future will be on a fairly remunerative basis. The other freight and passenger business, which, like the general commercial business of the country, has suffered through political and financial agitation, depends entirely upon the restoration of confidence, which it is hoped will follow the November elections.

CONDITION OF THE PROPERTY.

Greater progress has been made in improvement of track, motive power and cars than in any previous year; 27 miles of track having been ballasted with culm, cinders and gravel. Most of the improvement to track has been on the Northern Division, between Oneida and Oswego, and at the present rate of progress this portion of the line will be in splendid condition before the winter months.

A larger number of freight cars than usual have been built in our shops, replacing old freight cars of light capacity destroyed.

All engines purchased or rebuilt in our shops are now equipped with the wide fire boxes necessary for the consumption of fine anthracite coal. This has caused considerable increase in engine repairs. The following statement, showing cost of repairs and fuel per engine mile for five years, shows that the use of these fire boxes has resulted in great saving in cost of fuel:

	Cost of repairs to engines per engine mile.	Cost of fuel per engine mile.
1892.....	4.56 cents.	9.33 cents.
1893.....	6.16 "	9.13 "
1894.....	4.26 "	8.62 "
1895.....	4.42 "	7.61 "
1896.....	5.26 "	6.83 "

With a decrease in tons carried one mile of less than 1 per cent., and an increase in passengers carried one mile of 2.86 per cent., and a decrease of train miles of 0.86 per cent. (see page 20), the cost of fuel consumed on engines has been reduced from \$279,090 to \$250,281, a saving of \$28,809, or 10.3 per cent. The average cost per ton for all supply coal was about the same as in previous year, so that the saving can be attributed to the better condition of motive power and the larger use of fine anthracite coal.

PECKSPORT LOOP LINE.

The Pecksport Connecting Railway Company was organized on May 6th, 1896, to build the connecting link, 3.8 miles long, between the Utica Division, near Pecksport, and the Main Line, near White's Corners, about one mile north of Morrisville, for the purpose of avoiding the heavy grade over Eaton Summit with northbound coal and freight trains, of which mention was made in last year's report.

The grading and track laying was completed early in August, and the line will be fully ballasted and ready for use by the date fixed for fall schedule, September 13th.

All officers, agents and employes have been faithful and attentive to their duties, and I take pleasure in acknowledging their hearty co-operation in all measures tending to secure economical and efficient service.

Yours respectfully,

J. E. CHILDS,

General Manager.

Sept. 1st, 1896.

OFFICE OF THE SECRETARY AND TREASURER.

New York, August 28th, 1896.

THOMAS P. FOWLER, ESQ.,

President.

DEAR SIR: I beg to submit herewith statements of the General Accounts of the Company and statements of Operating Results, for the fiscal year ended June 30th, 1896.

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 the result of their audit is shown in their certificate hereto attached.

For this report there has been used, with your approval, the classification of operating expenses prescribed by the Interstate Commerce Commission which has been adopted by the Board of Railroad Commissioners of the State of New York and the Department of Internal Affairs of the State of Pennsylvania, to each of which this company makes report. Before the adoption by the Interstate Commerce Commission of this classification it was reviewed by the Accounting Officers of the principal railroads of the country, and it has been generally adopted.

Yours respectfully,

R. D. RICKARD,

Secretary-Treasurer.

CERTIFICATE.

New York, August 28th, 1896.

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

We hereby certify that we have made a continuous monthly audit of the Books and Accounts of the Company for the year ending June 30th, 1896, and have compared the Vouchers with the Cash Book.

We have also examined the General Balance Sheet and Revenue Accounts for June 30th, 1896, 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, 1-80, 5 per cent. fifty-year bonds, redeemable @ 105 on and after June 1st, 1893, 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,

No. 3.—Bond Capital created,

	Amount Created.
Consolidated First Mortgage Bonds, 5 per cent.	\$5,600,000
Refunding Mortgage Bonds, 4 per cent.....	9,115,000
Total.....	\$14,715,000

No. 4.—Receipts and Expenditure

	Expended to June 30th, 1895.	Expended dur- ing year.	Total.
To Expenditure: On Main Line, Branches and Equipment....	\$69,170,230 00	\$450,171 21	\$69,620,397 30
To Balance			2,218,585 54
			\$71,844,982 84

WESTERN RAILWAY COMPANY.

ending June 30th, 1896.

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	\$58,119,982 84

showing amount issued.

Amount Issued.	Amount Unissued.
\$5,600,000	
8,125,000	\$990,000
\$13,725,000	\$990,000

on Capital Account.

	Received to June 30th, 1895.	Received During Year.	Total.
By Receipts:			
Common Stock	\$58,113,982 84		\$58,113,982 84
Preferred Stock	0,000 00		0,000 00
Consolidated First Mortgage 5 per cent. Bonds sold.....	5,600,000 00		5,600,000 00
Refunding Mortgage 4 per cent. Bonds sold..	8,125,000 00		8,125,000 00
			\$71,844,982 84

No. 5.—Detail of Expenditure on Capital Account.

ROLLING STOCK:—Additional—		
3 Locomotives, Nos. 1, 101 and 102.....	\$20,265 08	
3 Standard Milk Cars	2,660 68	
250 Coal Cars	113,552 00	
Amount paid on account of 850 Gondola Coal Cars, under Car Trust Agreements dated October 25th, 1890, and January 15th, 1891	48,085 08	
Amount paid on account of 500 Coal Cars, under agreement between the Michigan-Peninsular Car Co., the New York Guaranty and Indemnity Co., and the New York, Ontario & Western Railway Co., dated December 15th, 1893.....	40,000 00	
	\$233,704 34	
Deduct: Amount charged to Operating Expenses, being value of Engines Nos. 35 and 57 broken up, and No. 23 sold	17,265 08	\$216,498 36
IMPROVEMENTS TO ROLLING STOCK—		
New Power Brakes.....	\$5,404 00	
Automatic Couplers to Freight Cars	5,261 00	
Tank for "Jull" Snow Excavator.....	720 48	11,385 48
WORK SHOPS AND MACHINERY—		
Middletown	\$1,997 54	
Norwich.....	3,695 50	5,693 13
IMPROVEMENTS AND ADDITIONS TO LINE—		
Rails, Braces, and Fastenings: difference in weight, account of 2,712 tons of 76 lb. Steel Rails laid in place of 56 lb. Steel	\$39,212 13	
3.16 Miles additional Sidings and Safety Switches	20,533 47	
Rebuilding Bridges, Trestles, and Culverts	43,781 05	
Passenger Depots, Freight Houses and Station Grounds ..	1,204 08	
Creameries	9,356 75	
Grading, Sloping Cuts, Ditching, and Surfacing.....	8,892 86	
Ballasting	8,857 52	
Signals	4,192 31	
Water Stations	1,340 75	
Plant for making Brickmakers' Dust, Cornwall	2,721 87	
Coal Trestle, New Hartford—Retail	1,164 70	
Plant for Coaling Tugs, Weehawken	230 50	
Wagon Scales	255 19	
Dredging, Weehawken Coal Terminal.....	843 30	
Retail Coal Pockets, Weehawken.....	1,636 01	
Strengthening Dock, Cornwall.....	499 44	
Trestle and Machinery for D. & H. C. Co. Conl, Oswego..	17,757 28	
	\$162,556 07	
Deduct: Transfer to Pecksport Connecting Railway Co. for Survey of Line.—See Annual Report for year ended June 30th, 1893.....	264 84	162,285 23
2 Sound Coal Barges.....	\$18,751 47	
2 Ocean Coal Barges, on a c.....	30,304 05	49,056 12
Land and Land Damages		5,252 89
		\$450,171 21

No. 10.—Expenditure on

MAINTENANCE OF WAY AND STRUCTURES.		
	June 30th, 1895.	June 30th, 1896.
	\$ c.	\$ c.
1. Repairs to Roadway	210,771 11	221,030 63
1½. Clearing Snow and Ice.....	28,007 01	19,010 69
2. Renewals of Rails.....	821 46	12,724 06
3. Renewals of Ties.....	87,715 52	87,174 75
4. Repairs and Renewals of Bridges and Culverts	91,757 20	61,861 53
5. Repairs and Renewals of Fences, Road Crossings, etc.	12,021 73	17,680 60
6. Repairs and Renewals of Buildings and Fixtures.....	26,785 34	37,935 78
7. Repairs and Renewals of Docks and Wharves		
7½. Repairs and Renewals of Coal Terminals	20,868 98	18,981 17
8. Repairs and Renewals of Telegraph.....	204 38	436 91
9. Stationery and Printing.....	1,800 00	1,747 00
10. Other Expenses		
	481,742 79	479,192 74
Per Cent. on Gross Receipts.....	13.13	12.68
Per Mile Line and Sidings owned and leased.....	\$830 27	\$825 13
Per Ton Freight carried	c. 18.97	c. 18.68

MAINTENANCE OF EQUIPMENT.		
	June 30th, 1895.	June 30th, 1896.
	\$ c.	\$ c.
11. Superintendence.....	17,215 74	17,190 68
12. Repairs and Renewals of Locomotives	159,701 10	192,285 18
13. Repairs and Renewals of Passenger Cars.....	40,405 44	52,436 88
14. Repairs and Renewals of Freight Cars	177,204 03	167,726 14
15. Repairs and Renewals of Work Cars.....	854 40	3,211 37
16. Repairs and Renewals of Marine Equipment.....	400 60	197 08
17. Repairs and Renewals of Shop Machinery and Tools..	12,083 21	13,510 95
18. Stationery and Printing.....	2,700 00	1,863 87
19. Other Expenses.....	23,634 52	18,553 14
	431,356 08	460,916 10
Per Cent. on Gross Receipts	11.84	12.35
Per Traffic Engine Mile.....	c. 11.85	c. 12.75
Per Traffic Car Mile.....	c. 1.13	c. 1.21

Revenue Account.

CONDUCTING TRANSPORTATION.		
	June 30th, 1895.	June 30th, 1896.
	\$ c.	\$ c.
20. Superintendence	48,264 07	48,713 55
21. Engine and Round-house Men.....	228,164 32	204,569 09
22. Fuel for Locomotives	270,080 58	250,281 63
23. Water Supply for Locomotives	15,164 74	13,238 22
24. Oil, Tallow and Waste for Locomotives	11,958 34	12,089 53
25. Other Supplies for Locomotives.....	3,800 30	3,250 90
26. Train Service	229,449 58	223,763 53
27. Train Supplies and Expenses	26,077 05	20,877 60
28. Switchmen, Flagmen and Watchmen	51,228 03	57,430 58
29. Telegraph Expenses.....	49,166 04	48,021 46
30. Station Service.....	118,822 20	128,063 46
31. Station Supplies.....	21,741 20	20,076 23
32. Switching Charges—Balance		377 48
33. Car Mileage—Balance.....	40,830 00	32,590 19
34. Hire of Equipment	15 00	
35. Loss and Damage	0,744 38	11,429 54
36. Injuries to Persons	1,454 22	21,111 14
37. Clearing Wrecks	5,940 26	4,983 41
38. Operating Marine Equipment.....	33,573 82	31,291 53
39. Advertising.....	10,514 01	10,035 13
40. Outside Agencies	15,874 37	34,962 54
41. Commissions		
42. Stock Yards and Elevators		
42½. Coal Terminals.....	23,781 76	34,121 53
43. Rents for Tracks, Yards, and Terminals.....	205,228 12	201,812 04
44. Rents of Buildings and other Property	10,877 47	17,450 36
45. Stationery and Printing.....	9,707 65	11,603 28
46. Other Expenses.....	3,310 28	2,640 70
	1,508,814 43	1,518,338 07
Per Cent. on Gross Receipts	41.13	40.17
No. of Passengers Carried.....	825,883	849,583
No. of Tons of Freight Carried.....	2,540,157	2,524,622

GENERAL EXPENSES.		
	June 30th, 1895.	June 30th, 1896.
	\$ c.	\$ c.
47. Salaries of General Officers.....	37,699 92	37,699 02
48. Salaries of Clerks and Attendants.....	30,740 75	38,388 05
49. General Office Expenses and Supplies.....	4,245 17	3,811 50
50. Insurance.....	14,077 85	13,225 91
51. Law Expenses.....	2,855 00	7,811 31
52. Stationery and Printing (General Offices).....	5,037 08	4,845 04
53. Other Expenses.....	14,262 33	15,077 72
	110,408 10	121,400 41
Per Cent. on Gross Receipts	8.17	8.22

No. 11.—Mileage.

	June 30th, 1895.	June 30th, 1896.
Main Line: Cornwall to Oswego	271.75	271.75
Ellenville 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 (K. & C. R.R.)	12.78	12.78
Wharton Valley R.R.	6.80	6.80
Ontario, Carbondale & Scranton R'y	51.05	51.05
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	100.34	102.77
Branch Line Sidings	4.06	4.79
Total Tracks and Sidings Owned	423.17	426.33
Leased Lines	104.93	104.93
Leased Lines Sidings and Mine Branches	47.27	49.49
Total Tracks and Sidings Leased	152.20	154.42
Total Tracks and Sidings Leased and Owned ..	575.37	580.75

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

	June 30th, 1895.		June 30th, 1896.	
	ENGINE	CAR	ENGINE	CAR
Passenger Trains	866,890	3,317,009	849,479	3,315,720
Freight Trains	1,395,546	20,601,100	1,361,917	29,161,072
Mixed Trains	604,303	5,530,315	630,521	6,158,747
Total Train Miles	2,866,739	38,448,424	2,841,917	38,655,539
Switching, Light Running, etc.	799,115		821,132	
Total Traffic Engine and Car Miles ..	3,665,854	38,448,424	3,663,049	38,655,539
Work Trains	94,599	658,439	82,359	718,489
Gross Engine and Car Miles	3,760,453	39,106,863	3,745,408	39,374,028

No. 13.—Statistics of Earnings and Expenses.

	Year ending June 30th, 1892.		Year ending June 30th, 1893.		Year ending June 30th, 1894.		Year ending June 30th, 1895.		Year ending June 30th, 1896.	
	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.
July	\$298,165 00	\$193,325 00	\$351,386 00	\$210,288 00	\$398,091 00	\$246,555 00	\$369,781 00	\$223,069 00	\$353,444 00	\$221,056 00
August	296,899 00	189,299 00	355,835 00	220,002 00	590,808 00	246,275 00	378,871 00	231,657 00	376,900 00	218,845 00
September	282,705 00	193,714 00	308,201 00	221,164 00	343,230 00	233,612 00	308,518 00	209,681 00	308,587 00	216,013 00
October	293,057 00	203,261 00	306,469 00	219,579 00	368,821 00	238,975 00	353,766 00	214,384 00	360,810 00	231,152 00
November	255,195 00	192,561 00	279,594 00	203,622 00	325,289 00	218,853 00	316,383 00	217,385 00	340,275 00	218,579 00
December	247,829 00	186,755 00	289,717 00	210,460 00	268,920 00	203,823 00	262,838 00	197,993 00	298,211 00	217,637 00
January	201,289 00	173,302 00	267,488 00	222,059 00	257,699 00	195,098 00	276,795 00	212,820 00	272,260 00	203,363 00
February	217,821 00	183,112 00	241,795 00	215,521 00	224,862 00	172,288 00	228,602 00	197,779 00	232,005 00	190,600 00
March	251,916 00	203,489 00	314,196 00	251,712 00	288,366 00	201,146 00	298,024 00	210,110 00	258,716 00	206,118 00
April	281,484 00	202,497 00	285,821 00	216,835 00	291,285 00	194,823 00	285,363 00	202,446 00	291,121 00	207,860 00
May	306,118 00	213,844 00	322,482 00	238,197 00	346,481 00	234,074 00	288,950 00	203,559 00	313,729 00	220,659 00
June	332,939 89	224,683 86	374,197 92	256,783 36	379,897 63	242,447 21	301,092 18	209,368 36	363,377 51	233,087 31
	\$3,265,417 89	\$2,359,845 86	\$3,688,173 92	\$2,607,783 26	\$3,842,119 63	\$2,627,879 21	\$3,669,113 18	\$2,540,251 36	\$3,770,335 51	\$2,585,508 31
Per cent. of expenses to receipts		72.27		73.15		68.40		69.24		68.42
Taxes		101,290 53		102,442 26		104,669 95		102,161 08		112,049 75
Per cent. to receipts..		3.10		2.72		2.72		2.78		2.08
Total.....	\$3,265,417 89	\$2,461,136 39	\$3,688,173 92	\$2,708,225 62	\$3,842,119 63	\$2,732,549 16	\$3,669,113 18	\$2,642,412 44	\$3,770,335 51	\$2,698,558 06
Per cent. to receipts..		75.37		75.87		71.12		72.02		71.40
Train Miles.....		2,616,977		2,860,743		2,918,838		2,866,739		2,841,017
Per Train Mile.....	\$1.247	\$0.910	\$1.289	\$0.978	\$1.316	\$0.936	\$1.279	\$0.921	\$1.330	\$0.950
Passengers carried—Number..	1,060,383		1,057,815		926,657		825,883		849,583	
“ “ one mile..	37,006,885		40,558,792		36,918,802		29,035,710		31,366,468	
Earnings per Passenger per mile	1c.802		1c.797		1c.839		1c.004		2c.084	
General Freight carried—Tons.	916,950		884,684		706,566		764,078		782,373	
Coal “ “	1,120,416		1,352,225		1,642,063		1,715,991		1,673,767	
Milk “ “	48,403		54,521		55,729		60,088		68,482	
Total Freight “ “	2,085,769		2,291,430		2,404,358		2,540,157		2,524,622	
“ “ carried—Tons 1 mile	263,839,116		294,636,531		328,533,616		359,358,052		350,414,070	
Earnings per Ton per mile....	0c.939		0c.956		0c.912		0c.837		0c.831	

No. 14.—Return of Rolling Stock, June 30th, 1896.

	PASSENGER AND FREIGHT CARS.																	
	Locomotives.																	
		First Class.	Second Class.			Baggage and Express.		Total Passenger Cars.	Cattle.	Platform.	Box.	Milk.	Caboose.	Coal.	Total Freight Cars.	Derrick and Tool Cars, Snow Plows and Dump Cars.	Grand Total.	
			With Smoking Compartment.	With Mail and Smoking Compartment.	Ordinary.	Ordinary.	With Mail Compartment.											
Stock owned at June 30th, 1895	133	60	7	2	29	17	8	123	64	646	661	44	58	3287	4700	36	4019	
Added since at Cost of Capital												3		250	253		253	
Transfers.....											1			1	1			
Total Stock Owned	133	60	7	2	29	17	8	123	64	646	660	47	58	3537	5012	37	5172	
Cars Leased under Car Trust Agreements														1350	1350		1350	
Total Stock Owned and Leased	133	60	7	2	29	17	8	123	64	646	660	47	58	4887	6362	37	6522	