

EIGHTEENTH 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, 1897.

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

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# New York, Ontario & Western Railway Company.

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## DIRECTORS:

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

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## 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>	-	-	-	-	-	" "

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## COAL DEPARTMENT.

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

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## 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.

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## 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 8th, 1897.

TO THE STOCKHOLDERS:

The receipts and disbursements for the last fiscal year, compared with the fiscal year ended June 30th, 1896, were:

	RECEIPTS.	
	1897.	1896.
From Passengers .....	\$638,659.26	\$654,066.58
“ Freight .....	3,075,505.24	2,960,595.29
“ Mails, Express, etc. ....	121,658.63	122,906.21
“ Miscellaneous .....	58,579.86	41,767.43
Total Receipts .....	<u>\$3,894,402.99</u>	<u>\$3,779,335.51</u>
	OPERATING EXPENSES.	
	1897.	1896.
Maintenance of Way and Structures .....	\$546,017.30	\$479,192.74
Maintenance of Equipment .....	457,717.67	466,916.19
Conducting Transportation .....	1,531,200.59	1,518,338.97
General Expenses .....	120,923.70	121,460.41
Total .....	<u>\$2,655,859.26</u>	<u>\$2,585,908.31</u>
Taxes .....	124,636.97	112,649.75
Total Operating Expenses and Taxes ..	<u>\$2,780,496.23</u>	<u>\$2,698,558.06</u>
Net Earnings .....	\$1,113,906.76	\$1,080,777.45
Interest, Rentals and Charges .....	713,995.77	705,208.02
Surplus .....	<u>\$399,910.99</u>	<u>\$375,569.43</u>

The local passenger receipts were \$563,389.54 compared with \$572,382.25 in the preceding year; through passenger and immigrant earnings \$75,269.72 compared with \$81,684.33; mail and express receipts were \$121,658.63 compared with \$122,906.21.

Freight Traffic earnings, classified as in former reports and compared with the four years preceding, were :

	1897.	1896.	1895.	1894.	1893.
Through F'ght	\$322,632.14	\$292,549.07	\$303,584.34	\$226,291.55	\$347,246.26
Local Freight.	587,128.19	654,007.76	641,541.96	662,807.39	688,571.81
Milk .....	443,408.48	425,614.10	381,681.30	354,037.94	347,359.54
Coal.....	1,722,936.43	1,588,424.36	1,581,227.29	1,753,874.34	1,436,539.53.
Miscellaneous	58,579.86	41,767.43	38,694.68	41,118.06	36,595.20
Total....	\$3,134,085.10	\$3,002,362.72	\$2,946,729.57	\$3,038,129.28	\$2,856,312.34

Your attention is called to the following comparative statement of operations for the last eight 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
1897.....	3,894,402.99	2,780,496.23	1,113,906.76	713,995.77	399,910.99

Since the Scranton Division was opened, July 1st, 1890, the anthracite tonnage and revenue, including coal received from the Delaware & Hudson Canal Company at Sidney, 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
1897.....	1,653,596	1,722,936.43

The policy of charging to operating expenses the cost of many improvements and additions, heretofore charged to capital account, has been continued, and it will be noticed with some degree

of satisfaction, that during the last fiscal year, had the cost of all additions and improvements to the property been included in operating expenses, there would still have remained a surplus, beyond operating expenses, interest and rentals.

Throughout the fiscal year under review, the same general conditions of uncertainty and depression continued as were noted, somewhat at length, in the last Annual Report. There are, at present, indications that a revival of business in various directions may be looked forward to with some degree of confidence, and this Company is prepared to avail itself of any improvement in trade that may hereafter occur. Its motive power, equipment and road-bed were never in better condition than at present.

In March last, the Interstate Commerce Commission rendered a decision upon the complaint of the Milk Producers' Protective Association against the various Companies engaged in carrying milk to New York, in which the Commission recommended that, instead of a uniform charge of thirty-two cents per can of forty quarts, irrespective of distance, the Companies should divide the territory into groups of forty, one hundred and one hundred and ninety miles, and charge in such groups respectively, twenty-three, twenty-six and twenty-nine cents per can, and beyond the one hundred and ninety mile limit, thirty-two cents, the former rate. They also recommended that the rates upon milk in bottles, which has been carried at the same rate per quart as charged on milk in cans, should be increased. While the authority of the Commissioners to enforce these rates might have been successfully defended, it was concluded best to accept the recommendation of the Commissioners and, accordingly, the rates mentioned were put in force May 15th, the rate on milk in bottles being one-fifth of a cent per quart higher than that on milk in cans. It is too early as yet to determine, exactly, what effect this change in rates will have upon the revenue of your Company from this source, or what effect, if any, will be felt by the farmers at the more distant points from the New York market. No very serious injury is anticipated to either interest, and it is safe to assume that the

milk-rate question, which has been constantly agitated for many years, has now been settled for a long time to come.

Earnest efforts have been made by the Joint Traffic Association to maintain freight rates upon a reasonable basis, but until Congress shall so amend the Interstate Commerce Act, that agreements can be entered into by the various Companies, under proper supervision by the Commission, which can be enforced by appropriate penalties, the efforts of the Association in this direction cannot be altogether successful. It is, however, more than probable that utter demoralization would have prevailed had not the influence of the Association been exerted to hold the Companies together, so far as existing laws would permit co-operation.

The course of legislation since the passage of the Interstate Commerce Act has not been aimed at the more effective regulation and control of railroad affairs, but has been simply antagonistic to railroad interests. I believe, however, that business men throughout the land are fast arriving at the conclusion, that reasonable and stable rates and a fairly prosperous condition of the railroad industry are necessary factors in the general welfare of the country, and that intelligent legislation is needed to secure those conditions, and it seems not unlikely that the tendency to adverse legislation will receive a decided check at the hands of the public, by whom Congress and the several Legislatures will be controlled, once the situation is thoroughly understood.

As heretofore, the employees of the Company have continued faithfully and loyally to discharge their duties, and it is my pleasure to acknowledge the fact in this report.

By order of the Board.

THOMAS P. FOWLER,  
*President.*

## GENERAL MANAGER'S REPORT

FOR THE YEAR ENDING JUNE 30TH, 1897.

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, 1897.

## EARNINGS AND EXPENSES.

The gross earnings for the year were \$3,894,403, compared with \$3,779,336 in previous year, an increase of \$115,067, or 3.05 per cent.

The working expenses for the year were \$2,655,859, compared with \$2,585,908 for previous year, an increase of \$69,951, or 2.70 per cent.

The net earnings for the year, after deducting taxes, were \$1,113,907, and in previous year \$1,080,777, being an increase of \$33,130, or 3.07 per cent.

The percentages of working expenses for the past eight 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	“ “
“ “ “ “ 1897.....	68.20	“ “

Full details of earnings, expenses, cost of operating, etc., for the fiscal years ending June 30th, 1893 to 1897, inclusive, are shown in table on page 27.

The statistics in relation to Passenger and Freight Traffic will be found on page 27.

## PASSENGER TRAFFIC.

The local passenger earnings for the year were \$563,390, compared with \$572,382 in the previous year, a decrease of



\$8,992, or 1.57 per cent. This decrease is due to the depressed condition of general business.

The Summer business from New York and Brooklyn to Orange, Sullivan and Delaware counties continues to show a healthy increase. For the months of July and August, 1896, and June 1897, of the fiscal year, we carried 51,365 one way passengers to stations South of Walton, as against 47,930 in the previous year, an increase of a little over 7 per cent. This business has shown for a number of years a steady increase of about 10 per cent. per annum. Additional hotels and boarding houses are being erected, and the residents of these counties are thoroughly awakened to the importance of the business, and seem inclined to provide accommodations necessary for the increase.

The through passenger earnings, consisting of coupon and emigrant business, amounted to \$75,270, compared with \$81,684 in previous year, a decrease of \$6,414, or 7.85 per cent. The emigrant business shows a decrease owing to the reduced number of emigrants received at the port of New York, there being a total for all Trunk Lines of 63,812 passengers, against 96,421 for the last fiscal year, a decrease of 33.82 per cent.

During the past year the number of immigrants received at all United States ports was 230,832.

During the years 1880 to 1893 the average number received at all ports was about 500,000 per year. The high-water mark seems to have been reached in 1882, when the arrivals were 788,992. Since this time there has been a steady decrease.

There was a large falling off in 1894, indicating that hard times has affected the arrivals. Some increase may follow the return of prosperity, but undoubtedly some repressive measures will be adopted by the next Congress, as public opinion now demands the restriction or exclusion of the illiterate and undesirable classes.

During the year 175 excursions were run, carrying 40,242 passengers, the mileage of trains being 6,609, and the revenue \$29,942, or \$4.53 per mile. In the previous year there were 172 excursions, with train mileage 7,911, revenue \$28,814, or \$3.65 per mile.

## BAGGAGE DEPARTMENT.

The number of pieces of baggage handled during the last fiscal year was 357,871, compared with 335,610 for the previous year.

The amount paid by the Company for loss and damage sustained in handling baggage was \$45.17.

The excess baggage and storage collections amounted to \$7,813.34, compared with \$7,535.69 in the previous year.

During the year 14,596 bicycles were carried, as against 6,729 in previous year. and 2,085 baby carriages, against 1,067 in previous year.

## FREIGHT TRAFFIC.

The local freight earnings were \$587,128, as against \$654,008 in previous year, a decrease of \$66,880, or 10.23 per cent.

The through freight earnings were \$322,032, compared with \$292,549 in the previous year, an increase of \$29,483, or 10.08 per cent. The differentials granted to the company on westbound freight by the Joint Traffic Association in May, 1896, which expired by limitation on the 30th of November of that year, have been continued, but for the past six or eight months these differentials have been of little value to the Company on account of the generally demoralized condition of westbound rates.

## COAL.

The earnings of the Company from the transportation of coal were \$1,722,936, compared with \$1,588,424 in previous year, an increase of \$134,512, or 8.47 per cent. The total shipments from the Scranton Division, including supply coal used on engines and at stations, were 1,335,171 gross tons, a decrease of 19,775 gross tons over previous year, or 1.46 per cent. The number of gross tons of coal transported from the Scranton Division (exclusive of supply coal for Company's use) was 1,203,788 gross tons, compared with 1,217,716 gross tons in previous year, a decrease of 13,928 gross tons, or 1.14 per cent. The average revenue per gross ton received from the same during the year was \$1.276, compared with \$1.151 in previous year.

There has been a slow, but steady recovery from the demoralized condition of the Anthracite Coal business, which has prevailed since 1895, and prices have slightly improved.

Since February, 1896, there has been an earnest effort on the part of all producers to limit the output to the market requirements, and this course, if continued, must result in fairly remunerative prices.

As in the previous year this Company sent no coal to Western markets on consignment, and our Sales Agents have limited their Western shipments to actual sales. This accounts for the decrease in shipments to the lakes via Oswego, and also for the large increase in shipments to tide water. The ocean and sound barges purchased last year have enabled our Sales Agents to place in the Eastern markets the tonnage formerly shipped to the West, with much better results in revenue.

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:

	1897.	1896.
To the lakes, via Oswego .....	143,974	210,275
To tide water, via Cornwall.....	306,169 }	494,499
To tide water, via Weehawken.....	358,129 }	
Total.....	808,272	704,774

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 seven 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
" " 1897.....	85,698	143,974	229,672

Coal hauled for the Delaware & Hudson Canal Company from Sidney to Oswego during the year, 85,698 gross tons, shows an increase of 12,625 gross tons, or 17.28 per cent., as compared with the previous year. The average rate per gross ton per mile received for transportation of this coal between Sidney and Oswego (a distance of 124 miles) was 0.6131 cents, as compared with 0.6086 cents in previous year.

The shipments of D. & H. coal from Sidney to points on the Utica Division, via Randallville, were 112,497 gross tons, compared with 119,978 gross tons in previous year, a decrease of 6.24 per cent.

The total amount of D. & H. coal shipped from Sidney to all points during the year was 272,637 gross tons, a decrease of 4,168 tons, or 1.51 per cent., compared with previous year.

The total revenue received from transportation of D. & H. coal during the year was \$186,698, as compared with \$187,203, a decrease of \$505 or 0.27 per cent.

The average rate per net ton per mile for transportation of D. & H. coal during the year (exclusive of Utica Division shipments) was 0.7204 cents, as compared with 0.7468 cents in previous year.

The above statements do not include miscellaneous shipments transported over the line to the various stations, which 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 :

	1897.	1896.	
Tons of milk carried .....	71,234	68,482	4.02% Inc.
Tons carried 1 mile.....	12,598,829	12,044,281	4.60% "
Revenue.....	\$443,408	\$425,614	4.18% "
Miles run.....	322,143	298,237	8.02% "
Earnings per train mile.....	\$1.38	\$1.43	3.50% Dec.

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.

On May 15th, 1897, the new milk tariff recommended by the Interstate Commerce Commission, under their decision of March 13th, 1897, went into effect. It has already resulted in a decrease of shipments from the territory north of Walton. Many dealers having creameries in the locality above referred to, also have receiving stations in the territory nearer New York, where the rate of freight is from 6 to 9 cents per can less than from the territory north of Walton, consequently they ship as much as possible from near by stations, and the balance of the market requirements from the long distance points, converting the surplus into cream or butter.

#### MOTIVE POWER DEPARTMENT.

##### MILEAGE.

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

	1897.	1896.
Passenger trains.....	826,479	849,479
Freight trains.....	1,267,163	1,361,917
Mixed trains.....	662,659	630,521
Total train miles earning revenue.....	2,756,301	2,841,917
Shifting, pushing, light running, etc.....	767,363	821,132
Total traffic engine miles.....	3,523,664	3,663,049
Passenger train car miles.....	3,265,734	3,315,720
Freight train car miles.....	28,653,975	29,181,072
Mixed train car miles.....	6,399,685	6,158,747
Total car miles.....	38,319,394	38,655,539

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

	1897.	1896.
Total number of engines on hand at end of year....	133	133
Average number making mileage.....	106	107

<i>Engine Mileage.</i>		1897.	1896.
Passenger .....		826,479	849,479
Freight.....		1,267 163	1,361,917
Mixed.....		662,659	630,521
Shifter .....		449,915	484,554
Work train .....		71,528	82,359
Light running and pushing.....		317,448	336,578
		<hr/>	<hr/>
Total miles run.....		3,595,192	3,745,408
 <i>Fuel.</i>			
Tons coal consumed.....		202,308	209.047
Pounds coal consumed per engine mile .....		112.5	111.6
Pounds coal consumed per car mile .....		10.3	10.6
 <i>Stores.</i>			
Quarts of oil consumed.....		135,993	162,100
Pounds of waste used.....		18,610	26,748
 <i>Miles run to</i>			
One ton of coal.....		17.8	17.9
One quart of oil.....		26.4	23.1
One pound of waste .....		193.2	140.0
 <i>Cost per engine mile in cents.</i>			
Repairs .....		5.19	5.26
Fuel .....		6.77	6.83
Stores .....		0.35	0.35
Wages of engine crew, cleaners, etc.....		7.25	7.12
		<hr/>	<hr/>
Total cost per mile.....		19.56	19.56
Car mileage.....		39,119,004	39,374,028

## FUEL.

The following statement shows the total cost of fuel for locomotives, and cost per train, car and engine mile, for the past four 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 "
1897.....	236,860	8.59 "	6.72 "	.618 "

## EQUIPMENT.

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

	1897.	1896.
No. of engines owned.....	133	133
No. of engines in service.....	106	107
No. of engines in shop under repairs.....	7	10
No. of engines in shop awaiting repairs.....	3	5
No. of engines received general repairs and rebuilt.....	58	70
No. of engines received ordinary repairs.....	70	99
No. of cars awaiting repairs.....	246	298
No. of cars received repairs.....	12,783	15,959

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

The weights of all engines, without tenders, are as follows:

44 engines.....	66 tons.
16 ".....	58 to 60 tons.
25 ".....	50 to 55 "
24 ".....	41 to 47 "
24 ".....	36 to 40 "

98 engines, or 73.7 per cent., have been purchased or rebuilt since 1890.

130 engines are equipped with air brakes.

Of the total number of passenger cars—123, 34 have been purchased or rebuilt since 1890. Of the total number of milk cars—47, 22 have been built since 1890. Of the total number of freight cars—6,256, 4,508, or 72 per cent., have been purchased or rebuilt since 1890.

4,300 freight cars have capacity of 30 tons,

1,173 " " " " " 20 to 30 tons,

783 " " " " " less than 20 tons.

5,535 freight cars are equipped with automatic couplers.

510 freight cars are equipped with air brakes.

#### IMPROVEMENTS CHARGED TO CAPITAL ACCOUNT.

During the year new equipment and shop tools have been purchased or built in the shops of the Company, and additions and improvements made, and charged wholly or in part to capital account, as follows:

1 new 4-wheeled passenger engine, with wide fire box for burning fine anthracite, purchased from the Cooke Locomotive Works, at a cost of \$8,925, to replace an old engine worn out and scrapped. The value of this engine when new, \$5,425, was charged to operating expenses, and the balance was charged to improvement of equipment .....	\$3,500
13 engines equipped with Westinghouse air brakes .....	5,000
126 freight cars equipped with air brakes.....	5,998
191 freight cars equipped with automatic couplers.....	3,720
Total.....	<u>\$18,218</u>

## SHOP TOOLS AND MACHINERY.

*Middletown :*

1 air compressor .....	\$544	
1 planer .....	847	
Small pneumatic tools .....	409	
		<u>1,800</u>

*Norwich :*

1 planer .....	\$834	
1 car wheel grinder .....	1,575	
1 air compressor .....	475	
1 boiler for shops .....	2,617	
1 electric light plant .....	4,487	
Small pneumatic tools.....	16	
		<u>10,004</u>

Total.....\$30,022

## IMPROVEMENTS CHARGED TO OPERATING EXPENSES.

Other improvements have been made and charged to operating expenses to the amount of \$101,133, as follows :

- 1 engine as above noted.
- 8 engines have been rebuilt, and three of them changed from bituminous to fine anthracite coal burners.
- 5 engines have been equipped with Beals' driver brake.
- 18 engines have been equipped with track sanders.
- 1 passenger coach has been rebuilt.
- 1 new baggage car, under construction last year, has been completed.
- 358 freight cars equipped with sub-sills.
- 14 freight cars have been equipped with new standard trucks.
- 54 freight cars have had new roofs.



113 freight cars have been built to replace old cars destroyed, and capacity changed from 28,000 pounds to 40,000 and 60,000 pounds.

3 caboose cars have been built to replace old cars destroyed.

27 milk cars have been equipped for steam heating.

1 air hoist and crane at Norwich shop.

1 flue rattler at Norwich shop.

1 " " " Middletown shop.

1 5-ton traveling hoist at Middletown shop.

1 5-ton swing crane " " "

1 2-ton air hoist " " "

5 1-ton " hoists " " "

#### MAINTENANCE OF WAY DEPARTMENT.

In the Maintenance of Way Department the following additions and improvements have been made and charged to capital account :

##### MAIN LINE AND BRANCHES.

*Additional Sidings.*—\$8,120.95. New sidings constructed, 1.42 miles.

*Grading.*—\$7,479.14. Filling of north approach to Never-sink bridge, 161 feet, \$562.60, and Humphrey's trestle, 192 feet, \$1,337.18. The channel of Sandburg creek, near Mountaindale, has been changed, two trestle bridges filled up, and two highway crossings at grade taken out, at a cost of \$2,855.02, and \$2,744.34 expended in grading at other points.

*Signals.*—\$4,678.68. Automatic electric signals have been put in at Parksville, Cook's Falls, Chiloway, Fish's Eddy, Sherburne Four Corners and Smyrna, and electric crossing bells at Centreville and Fallsburg, and crossing gates at Middletown.

*Stations and Buildings.*—\$12,342.92. New stations have been built at Cook's Falls, \$1,500, and Rock Rift, \$1,601.54, one-half of expense being charged to improvements. A new boiler and power house at Norwich shops, \$2,910.70; tube house at Middletown shops, \$434.89; new ice house and loading chutes at Fargo, \$3,106.25; additional ice house at Delhi, \$222.53, and Brown's Pond, \$776.37; new creamery at Valley Mills, \$1,336.39.

*Station Grounds.*—\$589.84 have been expended in grading new station grounds at Cook's Falls and Rock Rift.

*Steel Rail.*—\$54,090.11. 44.06 miles, or 5,262 tons of 76 pound steel rail have been laid in place of 56 pound steel on the Main Line. The difference in weight of rail, fastenings, frogs and switches has been charged to capital. 15.73 miles of 56 pound rail taken up have been used in replacing light and worn out iron rail in sidings.

*Coal Terminals.*—\$2,278 76 Cornwall office building, \$1,271 09; Weehawken steamer coaling pockets, \$242.89; bulkhead for D. & H. storage, Oswego, \$764 78.

Total capital charges, Maintenance of Way Department, Main Line and Branches, \$89,580.40.

#### SCRANTON DIVISION.

*Additional Tracks.*—\$17,835.83. New sidings constructed, 2.87 miles, of which 2.18 miles are at Mayfield Yard.

*Fencing.*—\$361.94. Snow fence at Orson.

*Grading.*—\$2,137.42. Sloping cuts, and filling trestles.

*Stations and Buildings*—\$250.84. Freight stations at Mayfield and Carbondale Yard.

*Steel Rail.*—\$521.66. Difference in weight of 1.08 miles of 76 pound rail laid in place of 67 pound near Starlight Station.

*Rail Braces and Tie Plates.*—\$819.53.  
Total capital charges, Maintenance of Way Department, Scranton Division, \$21,927.22.

## CONSTRUCTION.

*Pecksport Connecting Railway.*—\$47,035.16. The Pecksport Line around Eaton summit was completed, and opened for traffic on September 13th, last. There was expended in previous year \$14,445.07, making the total cost for the 3.69 miles of main track, one-half mile of passing siding at Fargo, and the Pecksport "Y" \$73,029.77.

## SUMMARY.

The amounts charged to improvements and construction for the year ending June 30th, 1897, were as follows :

Main Line and Branches .....	\$89,580.40
Scranton Division .....	21,927.22
Pecksport Connecting Railway .....	47,035.16
Total .....	\$158,542.78

IMPROVEMENTS CHARGED TO OPERATING EXPENSES,  
MAIN LINE AND BRANCHES.

The following improvements, amounting to \$32,764.70, on Main Line and Branches have been charged to operating expenses:

*Ballasting.*—\$15,739.38. Surfacing track with gravel and cinders between Middletown and Livingston Manor, about 6 miles, \$3,202.33; with cinders and culm between Cadosia and Sidney, about 10 miles, \$2,628.37; with gravel and cinders between Sidney and Randallsville, about 3 miles, \$1,044.90, with culm on New Berlin Branch, about 6 miles, \$690.34; and between Oncida and Fulton, 30 miles, \$8,173.44. The total amount is distributed over 55 miles of track at an average cost of \$286 per mile.

*Bridges and Trestles.*—\$4,376.75. Bridges 164, 179, 180, 181 and 183, all timber trestles, total length 372 feet, have been rebuilt with stone abutments and steel "I" beams, also timber stringers of 7 bridges replaced with "I" beams, and bridge 8, Ellenville Branch, a 44 foot timber truss, replaced with steel plate girder. In rebuilding, the above bridges have been shortened 275 feet.

*Culverts and Passes.*—\$5,105.51. 880 feet of tile pipe, and 2,544 feet of iron pipe, 12 to 48 inches in diameter, have been put in place of timber and other defective culverts, and the openings filled up.

*Tunnels.* — \$5,757.62. 200 feet brick arch on stone bench walls have been put in Fallsburg tunnel at a cost of \$5,523.69, or \$27.62 per lineal foot, and \$234.93 expended account of arching Bloomingburgh tunnel.

*Water Stations.*—\$1,680.14. Water crane and supply pipes at Delhi, Constantia and Pennellville.

#### UTICA DIVISION.

The following improvements, amounting to \$16,220.42, on the Utica Division, have also been charged to maintenance:

*Additional Tracks.* — \$6,136.58 Additional tracks Canal Branch yard, Utica, 1.12 miles; extension of Pecksport siding, 0.07 miles.

*Bridges and Trestles.* — \$2,744.20. Rebuilding the foundation of Utica draw bridge account New York State Canal improvement, \$1,944.20; two steel plate girders in place of timber bridges, 48 and 44 feet spans, on Rome Branch, \$800.

*Culverts and Passes.* — \$323.99. 120 feet cast iron culvert pipe in place of timber and defective culverts.

*Stations and Buildings.* — \$1,315.01. Local coal sheds, Utica, \$705.43; addition to Rome creamery, \$490.10 other buildings, \$119.48.

*Station Grounds.*—\$100.86. New road to Clinton creamery.

*Steel Rail.* — \$4,785.37. About 5 miles of 76 pound steel rail have been laid in place of old 62 pound rail between Randallville and Pecksport. The difference in weight of rail is \$3,290.37. 2.4 miles of iron sidings have been relaid with steel, \$1,498.

*Coal Terminals.* — \$811.01. Rebuilding retaining wall at Rome transfer trestle, account New York State Canal improvement.

### CHARACTERISTICS OF ROAD.

#### MILEAGE.

*See mileage table, No. 11, page 38.*

#### GRADES.

The following statement shows the various gradients and their lengths in miles:

	LEVEL	UNDER 40	40-50	50-65	65-70	70-80	80-84
Main Line (via Eaton) 271.75 miles	} 38.65	92.64	22.67	67.66	22.81	26.46	0.86
(via Pecksport) 272.32 miles.							
Scranton Division. 54.05 miles.	} 4.38	9.95	17.16	3.67	....	8.66	10.23

#### CURVES.

The percentage of curved to straight line is as follows:

On the Southern Division .....	44 per cent.
“ Northern “ .....	25 “
“ Utica “ .....	30 “
“ Scranton “ .....	42 “
“ Branches, .....	38 “

The maximum curve on Main Line and Branches is 7 degrees; on the Scranton Division, 8 degrees.

#### BRIDGES.

The following statement shows the number and length of iron or steel and wooden bridges and trestles on Main Line, Branches and Leased Lines, compared with previous year, and with 1891, the year in which Scranton Division bridges were first taken into this report:

	1897.		1896.		1891.	
	Number.	Aggregate length in feet.	Number.	Aggregate length in feet.	Number.	Aggregate length in feet.
Iron Bridges.....	158	19,652	154	19,511	94	14,706
Wooden Bridges.....	26	1,578	28	1,671	89	5,098
Wooden Trestles.....	96	17,921	100	18,574	124	23,884
Total.....	280	39,151	282	39,756	307	43,688
			280	39,151	280	39,151
Filled and Shortened.....			2	605	27	4,537

The following statement shows the number and length of bridges for the O. & W. proper, Main Line and Branches, owned, compared with 1886:

	1897.		1886.	
	Number.	Aggregate length in feet.	Number.	Aggregate length in feet.
Iron Bridges.....	103	13,509	27	7,521
Wooden Bridges.....	10	499	80	6,357
Wooden Trestles.....	81	14,054	117	20,441
Total.....	194	28,062	224	34,319
			194	28,062
Filled and Shortened.....			30	6,257

## RAILS.

The weight and distribution of rail in the main track is as follows:

DIVISION.	MILES AND WEIGHT OF RAIL.						Total.
	76	67	62	58	56	50	
Main Line.....	126.06	57.64	....	23.80	64.25	....	271.75
Branches.....	....	....	....	....	8.37	45.45	53.82
Scranton Division...	1.07	52.98	....	....	....	....	54.05
Utica Division.....	5.41	....	27.56	....	11.11	....	44.08
Peeksport Line.....	3.69	....	....	....	....	....	3.69
Total Miles.....	136.23	110.62	27.56	23.80	83.73	45.45	427.39

There have been used in repairs 269,850 ties, at an average price of 34 cents, and distributed as follows:

Main Line and Branches.....	214,381
Utica Division.....	18,935
Scranton Division.....	36,534

The average number of ties in main track is 18 per rail, 3,168 per mile; in sidings, 3,000 per mile.

The average life of ties has been about 8 years. The renewals for the past year, however, have been on basis of 7 years, the apparent decrease being caused by the increase in track mileage since 1889 and 1890, and the replacing of a large number of joint ties in laying new rail during the past year.

About 40 per cent. of the ties used are hard pine, 50 per cent. chestnut, and 10 per cent. oak.

#### BALLAST.

During the past eight years the entire main line of the road (via Pecksport) has been reballasted with cinders, culm and gravel. The road-bed is well drained, track in good line and surface, and since the introduction of culm and cinders very little trouble has been experienced by track heaving from frost.

#### EQUIPMENT.

The equipment, with the exception of a few more passenger coaches required on account of Summer business, is ample, and in excellent condition. For details see pages 14 and 40.

#### TRAFFIC DENSITY.

The following table shows the freight density (tons carried one mile per mile of road operated), cars and tons per train, and earnings per train mile, compared with 1888:

Year.	Freight density.	Average cars per freight train.	Average number of tons per freight train.	Earnings per ton per mile.
1888.....	219,721	14.49	105	1.37c.
1897.....	734,769	19.45	200	0.87c.

These statements include way freight, mixed freight and passenger, and milk trains, which largely reduces the average. The average cars and tons in freight trains on the Main Line is now 22.5 cars, and 232 tons. See page 27.

## PASSENGER DENSITY.

The passenger density has not increased during this period, owing to the falling off in emigrant business, and the large decrease in the emigrants received at the port of New York. The decrease has been offset by the increase in local and Summer business, and the average earnings per passenger per mile has increased from 1.78 cents in 1888 to 2.07 cents in 1897.

## GENERAL BUSINESS.

*Anthracite Coal.* Over one-half the freight revenues of the company is derived from the transportation of coal. From careful estimates, made in most cases from borings by the individual operators, the coal remaining in the collieries contiguous to the line, whose output, in whole, or partially, is now carried on this line, will continue on the basis of the present output for at least 26 years. In every year since the opening of the Scranton Division we have secured some additional coal, and there are still some small properties which may be acquired, which, with thin veins not now considered workable at a profit, will probably extend this period to 30 or 40 years.

As stated in a previous report, past experience shows that in time of financial panic, or business depression, the coal business is the last to feel the disturbing influence, and the last to recover from it.

The large anthracite coal shipments for the calendar year 1895 .....46,511,477 tons  
 were followed in 1896 by.....43,117,485 tons  
 and the output for 1897 is now variously estimated at from 38,000,000 to 40,000,000 tons.

This large falling off in the shipments for two years does not necessarily indicate a permanent shrinkage in the consumption of anthracite coal, as for several decades past every period of financial depression has been followed by just such large reduction in shipments, from which recovery came with a bound—generally about one year after all other business had returned to normal conditions.



In 1873, the year of the great panic, shipments of anthracite coal were.....21,227,952 tons

This tonnage did not increase for a period of five years, and in 1878 shipments were but.....17,605,262 tons while in 1879 the shipments jumped to.....26,142,689 tons an increase in one year, of over..... 8,500,000 tons

For thirty years past, 1866 to 1896, there has been an average, and (with the exception of years of panic and business depression) a uniform increase in anthracite shipments of over one million tons per year, and although the shipments for 1897 fall as low as 38,000,000, we need not fear that business which shows this steady and tremendous growth for so long a period is now going backwards, permanently.

Judging of the future from past experience, the only logical conclusion is, that after all other mercantile and manufacturing interests have returned to normal conditions, possibly not until 1898 or 1899, anthracite shipments will pass the high water mark of 1895. Much has been said by those who take a pessimistic view of the trade about the falling off in demand for domestic sizes, indicating not only the practice of rigid household economy, but the substitution of gas and bituminous coal. However, a large part of the illuminating gas is now made from anthracite, and the ruinously low prices which have beggared the bituminous producing and transportation interests cannot long prevail, and it is quite probable that the falling off in anthracite consumption from these causes is more than offset by the increase in population of cities and towns, where most of the coal is consumed. The increase of the population of the United States in ten years, 1880 to 1890, was 25 per cent., and nearly all of this increase was in cities and towns. During the same period the increase in the assessed valuation of the United States was 50 per cent. No one assumes that this country has reached its maximum growth, and it would be equally absurd to assume that the anthracite consumption had reached its limit in 1895.

Should the shipments in the future, taken in periods of six years each, average the same increase as in the past thirty years, the shipments would be

In 1902.....	49,000,000 tons
In 1908.....	55,000,000 tons
In 1914.....	61,000,000 tons

The area of the anthracite coal producing territory is practically limited to about 200 square miles in the State of Pennsylvania. Nearly all of this territory is now being worked, or held in reserve by the larger transportation and mining companies.

In view of the well-known fact that many of the largest mines have now passed the period of maximum production, while a larger number will be entirely worked out before the last named period, it is not probable that the present difficulty, a productive capacity largely in excess of the market requirements, will always be a serious disturbing factor in the trade.

When this good time comes the coal carrying roads and producers will have a steady and reliable market with good prices. Until then the present conservative policy should be continued, and the output restricted to the actual market demands.

*Local Freight and Passenger Business.* The local freight and passenger business has shown no material increase during two years past, for reasons already stated, but with a return of prosperity, which is now hopefully looked for, we may expect some increase from these sources of revenue.

Of the total freight revenues 89½ per cent. is derived from the transportation of local freight, coal and milk, all of a local character, and not affected by fluctuations in through rates.

88½ per cent. of our passenger revenues is also local, and will probably continue to increase.

*Milk.*—This business, which has shown a phenomenal increase for many years, has received a check by the new tariff recommended by the Interstate Commerce Commissioners, and adopted by all lines. It is difficult to foretell what the result

will be, but it is not probable that we shall show much increase in revenue from this source for one or two years, as during this time strenuous efforts will be made to supply the market with milk from nearby points, enjoying lower rates, but in time, with the constant increase in the consumption in New York and Brooklyn, the nearby points will have reached their limit of production, and the increased demand will have to be supplied from the long distance territory.

#### EARNING POWER.

The following statement shows the results, per mile of road operated, for fiscal years 1887 to 1897, inclusive:

Year ending.	Gross Receipts.	Expenses incl. Taxes.	Net from Operation.	Surplus.
Sept. 30th, 1887.....	\$4,448	\$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
June 30th, 1895.....	7,696	5,542	2,154	685
June 30th, 1896.....	7,927	5,660	2,267	788
June 30th, 1897.....	8,105	5,787	2,318	832

#### WORKING EXPENSES.

The ratio of working expenses has been steadily reduced from 76.55 per cent. in 1890 to 68.20 per cent. in this year.

The continued improvement in road-bed and equipment will tend to a further reduction, but with the policy now in vogue of charging many improvements and additions to operating expenses it is not probable that any considerable reduction can be made, except in years when the traffic is exceptionally heavy, or when there is an increase in coal tonnage or rates.

I take pleasure in acknowledging the hearty co-operation of officers and employees in all measures tending to secure economical and efficient service.

Yours respectfully,

J. E. CHILDS,

*General Manager.*

DESCRIPTION.	1893.	1894.	1895.	1896.	1897.	INCREASE.	DECREASE.	PER CENT.
<b>PASSENGER TRAFFIC.</b>								
Number of Passengers carried.....	1,057,815	926,057	825,883	849,583	808,811	-----	40,772	4.80
" " " " " one mile.....	40,358,702	30,918,802	29,055,710	31,366,468	30,827,936	-----	538,532	1.72
Average Distance each Passenger carried.....	38.153	39.841	35.158	30.920	38.115	1.105	-----	3.24
" " Amount Received from each Passenger.....	68.582 cts.	73.295 cts.	72.462 cts.	76.986 cts.	78.963 cts.	1.977 cts.	-----	2.57
" " Rate Paid per Passenger per mile.....	1.797 "	1.658 "	2.084 "	2.084 "	2.005 "	-----	0.012 cts.	0.58
Estimated Cost of carrying each Passenger one mile.....	1.550 "	1.658 "	1.922 "	1.997 "	2.005 "	0.008 cts.	-----	0.40
Total Pass. Earnings, including Mail and Express.....	\$831,861 58	\$803,900 35	\$722,383 61	\$776,972 79	\$760,317 89	\$16,654 90	-----	2.14
Passenger Earnings per mile of road.....	\$1.744 79	\$1.680 33	\$1.545 16	\$1.629 60	\$1.582 48	\$47 18	-----	2.90
" " Expenses " " " train mile.....	82.148 cts.	74.794 cts.	70.963 cts.	77.149 cts.	76.634 cts.	-----	0.515 cts.	0.67
" " Expenses " " " one mile.....	61.797 "	56.934 "	54.834 "	62.205 "	62.315 "	0.110 cts.	-----	0.18
Net Passenger Earnings per train mile.....	20.351 "	17.840 "	16.129 "	14.944 "	14.319 "	-----	0.625 cts.	4.18
<b>FREIGHT TRAFFIC.</b>								
Number of Tons of Freight carried.....	2,291,430	2,404,358	2,540,157	2,524,622	2,492,056	-----	32,566	1.20
" " " " " one mile.....	294,636,533	328,533,616	359,358,052	356,414,070	353,166,732	-----	3,313,338	0.93
Average Distance each Ton was carried.....	128.584	136.640	141.470	141.175	141.691	0.516	-----	0.37
" " Amount Received for each Ton of Freight.....	\$1 23.854	\$1 24.190	\$1 14.130	\$1 17.230	\$1 23.812	6.143 cts.	-----	5.24
" " " " " carried one mile.....	0.957 cts.	0.912 cts.	0.837 cts.	0.831 cts.	0.871 cts.	0.010 "	-----	4.81
Estimated Cost of carrying One Ton one mile.....	0.703 "	0.614 "	0.552 "	0.550 "	0.577 "	0.027 "	-----	4.91
Total Freight Earnings.....	\$2,819,717 14	\$2,997,011 22	\$2,908,034 89	\$2,960,595 29	\$2,975,505 24	\$114,900 95	-----	3.88
Freight Earnings per mile of road.....	\$5.914 24	\$6.286 07	\$6.093 00	\$6.269 69	\$6.401 17	\$191 48	-----	3.08
" " Expenses " " " train mile.....	\$1 52.535	\$1 62.537	\$1 57.225	\$1 61.955	\$1 74.335	12.976 cts.	-----	8.04
" " Expenses " " " one mile.....	\$1 12.118	\$1 09.347	\$1 07.519	\$1 06.793	\$1 15.392	8.708 "	-----	8.15
Net Freight Earnings per train mile.....	\$9 49.186	\$9 53.473	\$9 50.808	\$9 54.642	\$9 58.263	4.268 "	-----	7.82
<b>TOTAL.</b>								
Gross Earnings.....	\$3,688,173 92	\$3,842,119 63	\$3,669,113 18	\$3,779,335 51	\$3,892,402 99	\$115,067 48	-----	3.01
" " Operating Expenses.....	2,697,783 36	2,627,879 21	2,510,251 36	2,585,908 31	2,655,850 26	69,950 95	-----	2.71
Net Earnings.....	990,390 56	1,214,240 42	1,128,861 66	1,193,427 20	1,236,552 73	45,116 53	-----	3.78
Gross Earnings per mile of road operated.....	7.735 75	8.058 64	7.695 77	7.926 96	8.105 57	178 61	-----	2.25
Expenses per mile of road.....	5.658 46	5.511 81	5.328 04	5.423 81	5.527 74	103 93	-----	1.92
Net Earnings per mile of road.....	2.077 29	2.546 80	2.367 73	2.503 15	2.577 83	74 68	-----	2.98
<b>TRAIN MILEAGE.</b>								
Miles Run by Passenger Trains.....	902,410	917,199	866,890	849,479	826,479	-----	23,000	2.71
" " " Freight.....	1,520,445	1,570,669	1,685,546	1,681,917	1,665,581	-----	94,751	6.96
" " " Mixed.....	436,888	439,970	604,263	650,524	662,659	32,138	-----	5.10
Total Mileage of Trains Earning Revenue.....	2,860,743	2,918,838	2,866,739	2,819,917	2,756,301	-----	85,616	3.01
Miles Run by Construction and other trains.....	968,940	863,913	893,714	903,451	898,894	-----	64,600	7.15
Grand Total Train Mileage.....	3,829,683	3,782,751	3,760,453	3,745,408	3,595,192	-----	150,216	4.01
Mileage of Loaded Freight Cars.....	18,321,833	18,595,372	20,975,806	21,042,881	20,701,363	-----	251,028	1.10
" " Empty.....	14,425,352	14,669,681	13,556,812	13,566,861	13,571,810	-----	48,991	0.36
Total Mileage of Loaded and Empty Freight Cars.....	32,747,185	33,265,053	34,532,618	34,609,742	34,273,173	-----	300,019	0.87
Cars per Freight Train—Main Line.....	19.79	20.48	21.19	21.50	22.50	1.20	-----	5.63
" " " " " " " ".....	176	202	211	219	232	13	-----	5.94
Cars per Mixed " " " " " ".....	10.49	11.28	11.17	11.94	11.97	0.03	-----	0.25
" " " " " " " ".....	94	112	116	123	123	-----	-----	-----
Cars per Freight Train—Leased Lines and Branches.....	19.12	20.69	22.1	21.90	23.00	1.16	-----	5.30
" " " " " " " ".....	172	205	221	225	237	12	-----	5.33
Cars " Mixed " " " " " ".....	6.85	9.29	9.85	10.25	9.81	-----	0.44	4.20
Tons " " " " " " " ".....	62	82	103	105	101	-----	4	3.81

## OFFICE OF THE SECRETARY AND TREASURER.

*New York, August 30th, 1897.*

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, 1897.

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 the audit is shown in their certificate hereto attached.

During the current fiscal year, payment of Car Trust notes of four series, issued in 1891, will be completed, and title to 850 Gondola coal cars will, thereby, pass to this Company.

The dates of final payment, and the numbers of cars affected, are as follows:

January 15th, 1898,	cars	(11501 to 11750)	=250.
February " " "		(11751 to 12000)	=250.
April 1st " "		(12001 to 12250)	=250.
" 20th " "		(12251 to 12350)	=100.

Yours respectfully,

R. D. RICKARD,

*Secretary-Treasurer.*

## CERTIFICATE.

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*New York, August 30th, 1897.*

*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, 1897, and have compared the Vouchers with the Cash Book.

We have also examined the General Balance Sheet and Revenue Accounts for June 30th, 1897, 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 Capital which properly belongs to Revenue.

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.*

## NEW YORK, ONTARIO AND

Accounts for the fiscal year

## No. 1.—Statement of

Articles of Association.....	
May 13th, 1860, pursuant to Chap. 155, Laws of 1860, to carry out reorganization, not exceeding.....	
Consolidated First Mortgage, June 1st, 1880, 5 per cent. fifty-year bonds, redeemable @ 105 on and after June 1st, 1890, on six months' notice:	
To retire \$4,000,000 6 per cent. bonds.....	\$4,400,000 }
For purposes of Construction.....	5,600,000 }
Refunding Mortgage, June 1st, 1882, 4 per cent. one hundred year bonds:	
To retire the \$4,000,000 6 per cent. bonds, Sept. 1, 1892	5,500,000 }
" " 5,000,000 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 1860.

## 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, 1896.	Expended dur- ing year.	Total.
To Expenditure: On Main Line, Branches and Equipment....	\$69,620,397 30	\$260,598 63	\$69,886,995 93
To Balance .....			2,206,986 91
			\$72,093,982 84

## WESTERN RAILWAY COMPANY.

ending June 30th, 1897.

## 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.
\$69,113,982 84	\$58,118,082 84

## showing amount issued.

Amount Issued.	Amount Unissued.
\$5,600,000	.....
8,375,000	\$740,000
\$13,975,000	\$740,000

## on Capital Account.

	Received to June 30th, 1896.	Received During Year.	Total.
By Receipts:			
Common Stock.....	\$58,113,082 84	.....	\$58,113,082 84
Preferred Stock.....	0,000 00	Dr. \$1,000 00	5,000 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	\$250,000 00	8,375,000 00
			\$72,093,982 84

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

<b>ROLLING STOCK:—Additional—</b>		
Amount paid on account of 850 Gondola Coal Cars, under Car Trust Agreements dated October 25th, 1890, and January 15th, 1891 .....	\$48,085 68	
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	\$88,085 68
<b>IMPROVEMENTS TO ROLLING STOCK—</b>		
Automatic Couplers to Freight Cars .....	\$3,720 00	
New Power Brakes.....	10,997 77	
Locomotive No. 2, in place of Locomotive No. 100, \$8,924.95 Less amount charged to operating Expenses, 5,424.95	3,500 00	18,217 77
<b>WORK SHOPS AND MACHINERY—</b>		
Middletown .....	\$2,234 84	
Norwich.....	8,427 61	10,662 45
<b>IMPROVEMENTS AND ADDITIONS TO LINE—</b>		
Rails, Braces, and Fastenings; difference in weight, account of 5,262 tons of 76 lb. Steel Rails laid in place of 50 lb. Steel ..	\$54,090 11	
1.42 Miles additional Sidings and Safety Switches ..	8,120 95	
Passenger Depots, Freight Houses and Station Grounds ..	3,882 87	
Creameries .....	1,451 69	
Ice Houses .....	4,105 15	
Grading, Sloping Cuts, Ditching, and Surfacing.....	7,479 14	
Signals .....	4,678 68	
Office Building, Cornwall Coal Dock .....	1,261 09	
Coal Storage bins, Oswego (D. & H. C., Co. Coal) .....	774 78	
Steamer Coal-Pockets, Weehawken .....	242 89	
Telegraph Line to Fargo .....	147 46	
Electric Light Plant, Norwich.....	4,487 50	90,722 31
2 Ocean Coal Barges.....	\$51,058 54	
Deduct: Expenditure to June 30th, 1896.....	30,304 65	21,653 89
Land and Land Damages .....		4,428 75
		\$233,770 85
Discount on \$250,000 Refunding Mortgage 4% Bonds.....	\$26,777 78	
4% Bonds Expense a/c.....	50 00	26,827 78
		\$260,598 03



## No. 6.—Revenue Account.—

June 30th, 1890.		EXPENDITURE.	June 30th, 1897.	
\$	c.		\$	c.
			546,017	30
470,192	74	Maintenance of Way and Structures .....	457,717	67
466,016	19	Maintenance of Equipment .....	1,531,200	59
1,518,333	07	Conducting Transportation .....	120,923	70
121,460	41	General Expenses .....	2,655,859	26
2,585,968	31	Total Operating Expenses .....	124,636	97
112,649	75	Taxes .....	2,780,496	23
2,698,558	09	Total Operating Expenses and Taxes .....	1,113,906	76
1,080,777	45	Balance carried to Net Revenue Account—No. 7 .....	3,894,402	99
3,779,335	51			

## No. 7.—Net Revenue Account.—

280,000	00	To Interest on Consol. Mortgage 5 per cent. Bonds .....	289,000	00
325,000	00	"    "    Refunding " 4 " .....	329,055	56
75,000	00	"    "    Rent of U. C. & B. and R. & C. Railroads .....	75,000	00
3,750	00	"    "    Wharton Valley Railway .....	3,750	00
102,551	67	"    "    Ontario, Carbondale & Scranton Railway .....	104,512	99
371	35	"    "    Sundry Interest and Discounts .....	4,477	22
786,673	02		796,795	77
375,569	43	To Balance, carried to Account No. 8 .....	339,910	99
1,162,242	45		1,166,706	76

## No. 8.—Profit and Loss Account.—

To Sundry Items charged direct to Profit and Loss Account during the year .....	15,251	09
" Balance to Account No. 9 .....	2,681,087	28
	2,696,338	37

## No. 9.—General Balance Sheet.—

ASSETS.	June 30th, 1897.	
	\$	c.
Franchises and Property, per Statement No. 4 .....	69,886,995	93
Preferred Stock Redemption Fund .....	5,000	00
Investments in other Companies .....	3,250,300	00
Cash at Bankers .....	103,523	43
Stores, Fuel, etc., on hand .....	219,209	84
Sundry Outstanding Accounts due to the Company .....	957,476	70
Outstanding Traffic Accounts due to the Company .....	416,647	98
Loans and Bills Receivable .....	1,030,167	00
Accrued Interest .....	20,335	00
Cars under Lease (Car Trusts) .....	101,703	50
	75,991,359	38

## June 30th, 1897.

June 30th, 1890.		RECEIPTS.	June 30th, 1897.	
\$	c.		\$	c.
654,066	58	Passengers .....	838,659	26
122,906	21	Mails, Express, etc. ....	121,658	63
2,960,595	29	Freight .....	3,075,505	24
41,767	43	Miscellaneous .....	58,579	86
3,779,335	51		3,894,402	99

## June 30th, 1897.

1,080,777	45	By Balance of Revenue Account for the year, as per Account No. 6 .....	1,113,906	76
75,000	00	" Interest on Bond of the Ontario, Carbondale & Scranton Railway Co. for \$1,500,000 .....	75,000	00
90	00	" Interest on Bonds of the Preston Park Association for \$1,500 .....	90	00
6,375	00	" Interest on Bonds of the West Ridge Coal Co. for \$153,000 .....	7,650	00
		" Interest on Bonds of the Rush Brook Coal Co. for \$6,000 .....	60	00
1,162,242	45		1,196,706	76

## June 30th, 1897.

By Balance at July 1st, 1896 .....	2,296,427	38
" Balance of Net Revenue Account, year ended June 30th, 1897 .....	399,910	99
	2,696,338	37

## June 30th, 1897.

LIABILITIES.		June 30th, 1897.	
	\$	c.	
Common Stock .....	53,113,982	84	
Preferred " .....	5,000	00	
Consolidated First Mortgage 5 per cent. Bonds ..	5,000,000	00	
Refunding Mortgage 4 per cent. Bonds .....	8,375,000	00	
Interest on Funded Debt, due and accrued .....	152,105	00	
Sundry Outstanding Accounts due by the Company ..	307,755	89	
Outstanding Traffic Accounts due by the Company ..	75,954	50	
Wages for month of June .....	127,238	11	
Loans and Bills payable .....	250,000	00	
Wharton Valley Railway Construction Fund .....	54,205	57	
Hancock & Penna. R.R. " .....	147,320	63	
Balance under Car Trust Agreements .....	101,703	50	
Profit and Loss Account .....	2,681,087	28	
	75,991,359	38	

## No. 10.—Expenditure on

MAINTENANCE OF WAY AND STRUCTURES.		
	June 30th, 1896.	June 30th, 1897.
	\$ c.	\$ c.
1. Repairs to Roadway .....	221,036 63	264,616 87
1½. Clearing Snow and Ice.....	10,610 69	9,114 81
2. Renewals of Rails.....	12,724 66	34,245 83
3. Renewals of Ties.....	87,174 75	95,985 11
4. Repairs and Renewals of Bridges and Culverts.....	61,861 35	72,538 99
5. Repairs and Renewals of Fences, Road Crossings, etc.....	17,680 60	17,399 03
6. Repairs and Renewals of Buildings and Fixtures.....	37,935 78	39,698 55
7. Repairs and Renewals of Docks and Wharves.....	18,964 17	9,908 64
7½. Repairs and Renewals of Coal Terminals.....	436 91	426 83
8. Repairs and Renewals of Telegraph.....	1,747 00	1,503 50
9. Stationery and Printing.....		579 14
10. Other Expenses.....	479,192 74	546,017 30
	12.68	14.02
Per Cent. on Gross Receipts.....	\$825 13	\$924 86
Per Mile Line and Sidings owned and leased.....	c. 18.93	c. 21.91
MAINTENANCE OF EQUIPMENT.		
	\$ c.	\$ c.
11. Superintendence.....	17,190 68	17,015 40
12. Repairs and Renewals of Locomotives.....	192,285 18	182,471 23
13. Repairs and Renewals of Passenger Cars.....	32,436 88	58,215 68
14. Repairs and Renewals of Freight Cars.....	167,720 14	162,291 66
15. Repairs and Renewals of Work Cars.....	3,211 37	1,589 80
16. Repairs and Renewals of Marine Equipment.....	197 98	3,067 69
17. Repairs and Renewals of Shop Machinery and Tools.....	13,510 95	11,343 80
18. Stationery and Printing.....	1,803 87	1,599 45
19. Other Expenses.....	18,553 14	20,122 90
	468,016 19	457,717 67
	12.35	11.75
Per Cent. on Gross Receipts.....	c. 12.75	c. 12.90
Per Traffic Engine Mile.....	c. 1.21	c. 1.19
Per Traffic Car Mile.....		

## Revenue Account.

CONDUCTING TRANSPORTATION.		
	June 30th, 1896.	June 30th, 1897.
	\$ c.	\$ c.
20. Superintendence.....	46,713 55	48,852 70
21. Engine and Round-house Men.....	294,569 09	258,582 43
22. Fuel for Locomotives.....	250,281 03	230,860 09
23. Water Supply for Locomotives.....	13,238 22	14,043 98
24. Oil, Tallow and Waste for Locomotives.....	12,689 53	12,092 45
25. Other Supplies for Locomotives.....	3,250 00	2,302 27
26. Train Service.....	223,763 53	216,834 37
27. Train Supplies and Expenses.....	20,877 60	24,901 05
28. Switchmen, Flagmen and Watchmen.....	57,430 58	56,897 02
29. Telegraph Expenses.....	48,021 46	49,187 84
30. Station Service.....	128,063 46	127,920 67
31. Station Supplies.....	20,076 23	18,730 55
32. Switching Charges—Balance.....	377 48	603 70
33. Car Mileage—Balance.....	32,599 19	33,074 88
34. Hire of Equipment.....		
35. Loss and Damage.....	11,429 54	11,969 03
36. Injuries to Persons.....	21,111 14	29,767 12
37. Clearing Wrecks.....	4,983 41	3,522 54
38. Operating Marine Equipment.....	31,291 53	47,264 94
39. Advertising.....	16,035 13	17,060 79
40. Outside Agencies.....	34,902 51	39,009 92
41. Commissions.....		
42. Stock Yards and Elevators.....		
42½. Coal Terminals.....	34,121 53	34,015 61
43. Rents for Tracks, Yards, and Terminals.....	201,812 94	210,283 63
44. Rents of Buildings and other Property.....	17,450 38	17,576 22
45. Stationery and Printing.....	11,603 28	11,141 46
46. Other Expenses.....	2,646 70	4,528 31
	1,518,338 97	1,531,200 59
	40.17	39.32
Per Cent. on Gross Receipts.....	849,583	808,811
No. of Passengers Carried.....	2,524,622	2,492,056
No. of Tons of Freight Carried.....		
GENERAL EXPENSES.		
	\$ c.	\$ c.
47. Salaries of General Officers.....	37,699 92	37,699 92
48. Salaries of Clerks and Attendants.....	38,388 05	30,288 82
49. General Office Expenses and Supplies.....	3,811 56	4,009 82
50. Insurance.....	13,225 01	14,842 73
51. Law Expenses.....	7,811 31	5,963 40
52. Stationery and Printing (General Offices).....	4,845 94	3,091 00
53. Other Expenses.....	15,677 72	16,027 41
	121,460 41	120,923 70
	3.22	3.11
Per Cent. on Gross Receipts.....		

## No. 11.—Mileage.

	June 30th, 1896.	June 30th, 1897.
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 (R. & C. R.R.) .....	12.78	12.78
Wharton Valley R.R. ....	6.80	6.80
Ontario, Carbondale & Scranton R'y .....	51.05	51.05
Peekspport Connecting Railway Co. ....		3.69
Total miles leased .....	104.93	108.62
Total miles worked by Engines .....	476.77	480.46
TRACK MILEAGE.		
Main Line .....	Steel 271.75	271.75
Branches .....	Steel 47.02	47.02
Main Line Sidings .....	Steel and Iron 102.77	103.95
Branch Line Sidings .....	Steel and Iron 4.79	5.03
Total Tracks and Sidings Owned .....	426.33	427.75
Leased Lines .....	Steel 104.93	108.62
Leased Lines Sidings and Mine Branches .....	49.49	51.01
Total Tracks and Sidings Leased .....	154.42	162.63
Total Tracks and Sidings Owned and Leased ..	580.75	590.38

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

	June 30th, 1896.		June 30th, 1897.	
	ENGINE	CAR	ENGINE	CAR
Passenger Trains .....	849,479	3,315,720	820,479	3,265,731
Freight Trains .....	1,301,917	29,181,072	1,267,163	28,653,975
Mixed Trains .....	680,521	6,158,747	662,659	6,399,685
Total Train Miles .....	2,841,917	36,655,539	2,750,301	36,319,391
Switching, Light Running, etc. ....	821,132		767,363	
Total Traffic Engine and Car Miles ..	3,663,049	36,655,539	3,523,664	36,319,391
Work Trains .....	82,359	716,460	71,528	709,610
Gross Engine and Car Miles .....	3,745,408	30,374,028	3,595,192	39,119,001

### No. 13.—Statistics of Earnings and Expenses.

	Year ending June 30th, 1893.		Year ending June 30th, 1894.		Year ending June 30th, 1895.		Year ending June 30th, 1896.		Year ending June 30th, 1897.	
	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.
July.....	\$351,386 00	\$210,288 00	\$368,091 00	\$246,535 00	\$369,781 00	\$263,049 00	\$353,444 00	\$221,956 00	\$396,322 00	\$234,510 00
August.....	353,835 00	220,692 00	359,808 00	246,275 00	378,871 00	231,657 00	376,900 00	218,845 00	399,928 00	242,801 00
September.....	308,201 00	221,164 00	343,230 00	233,612 00	308,518 00	209,681 00	308,587 00	216,013 00	338,976 00	222,875 00
October.....	306,460 00	219,579 00	368,821 00	258,975 00	353,766 00	214,384 00	360,810 00	231,152 00	374,974 00	243,050 00
November.....	279,594 00	208,622 00	325,289 00	218,853 00	316,383 00	217,385 00	349,275 00	218,570 00	337,790 00	218,778 00
December.....	280,717 00	216,460 00	268,920 00	203,823 00	262,838 00	197,993 00	268,211 00	217,637 00	278,715 00	197,774 00
January.....	267,488 00	222,050 00	257,099 00	195,608 00	276,725 00	212,820 00	272,260 00	203,363 00	256,869 00	206,162 00
February.....	241,796 00	215,521 00	223,862 00	172,288 00	228,602 00	197,779 00	232,005 00	190,600 00	258,234 00	192,030 00
March.....	314,196 00	251,712 00	288,366 00	201,146 00	298,024 00	210,110 00	258,716 00	206,148 00	303,720 00	215,920 00
April.....	285,821 00	216,835 00	251,285 00	191,823 00	285,563 00	202,446 00	291,121 00	207,860 00	300,190 00	215,358 00
May.....	322,482 00	238,107 00	346,481 00	234,074 00	288,950 00	203,559 00	313,729 00	220,659 00	299,006 00	225,454 00
June.....	374,107 92	250,783 36	379,867 63	242,447 21	301,092 18	209,368 36	363,377 51	233,087 31	340,672 99	241,147 26
Per cent. of expenses to receipts	\$3,688,173 92	\$2,697,783 36	\$3,842,119 63	\$2,627,879 21	\$3,669,113 18	\$2,540,251 36	\$3,770,335 51	\$2,585,008 31	\$3,894,402 99	\$2,655,859 26
Taxes.....		73.15		68.40		69.24		68.42		68.20
Per cent. to receipts..		100.442 26		101.660 95		102.161 08		112.649 75		124.636 97
		2.72		2.72		2.78		2.98		3.20
Total....	\$3,688,173 92	\$2,798,225 62	\$3,842,119 63	\$2,732,540 16	\$3,669,113 18	\$2,612,412 44	\$3,770,335 51	\$2,698,558 00	\$3,894,402 99	\$2,780,406 23
Per cent. to receipts..		75.87		71.12		72.02		71.40		71.40
Train Miles.....	2,860,743		2,018,838		2,866,739		2,841,017		2,756,301	
Per Train Mile.....	\$1.280	\$0.978	\$1.316	\$0.936	\$1.279	\$0.921	\$1.330	\$0.950	\$1.413	\$1.000
Passengers carried—Number..	1,057,815		926,657		825,883		849,683		808,811	
"          one mile..	40,358,702		36,918,802		29,035,710		31,366,468		30,837,030	
Earnings per Passenger per mile	1c.797		1c.839		2c.004		2c.084		2c.072	
General Freight carried—Tons..	884,684		766,566		764,078		782,373		767,230	
Coal                    "          ".....	1,352,225		1,642,063		1,715,991		1,073,767		1,653,592	
Milk                    "          ".....	54,621		55,729		60,088		08,482		71,234	
Total Freight                    ".....	2,291,430		2,464,358		2,540,157		2,524,622		2,492,056	
"          carried—Tons 1 mile	204,636,533		226,533,616		359,358,052		356,414,070		353,160,732	
Earnings per Ton per mile....	0c.956		0c.912		0c.837		0c.831		0c.871	

No. 14.—Return of Rolling Stock, June 30th, 1897.

	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, 1896	133	60	7	2	29	17	8	123	64	646	660	47	58	3537	5012	37	5172
Transfers.....											1			1	1		
Total Stock Owned .....	133	60	7	2	29	17	8	123	64	646	659	47	58	3537	5011	38	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	659	47	58	4887	6361	38	6522