

TWENTY-FIFTH ANNUAL REPORT

OF THE

PRESIDENT AND OFFICERS

OF THE

New York, Ontario & Western

RAILWAY COMPANY

WITH

STATEMENT OF ACCOUNTS

FOR THE

Fiscal Year ending June 30th, 1904.

NEW YORK.

WYNKOOP HALLENBECK CRAWFORD CO., PRINTERS

497 TO 505 PEARL STREET

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New York, Ontario & Western Railway Company.

DIRECTORS:

O. D. ASHLEY,	- - - - -	New York.
C. LEDYARD BLAIR,	- - - - -	"
HENRY W. CANNON,	- - - - -	"
FRANCIS R. CULBERT,	- - - - -	"
CHAUNCEY M. DEPEW,	- - - - -	"
THOMAS P. FOWLER,	- - - - -	"
GERALD L. HOYT,	- - - - -	"
JOHN B. KERR,	- - - - -	"
H. PEARSON,	- - - - -	London.
JOSEPH PRICE,	- - - - -	"
ALBERT S. ROE,	- - - - -	New York.
GRANT B. SCHILEY,	- - - - -	"
CHARLES S. WHELEN,	- - - - -	Philadelphia.

OFFICERS:

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

COAL DEPARTMENT.

DICKSON & EDDY, *General Coal Sales Agents,* - 17 Battery Place, 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 and 6 Great Winchester Street.

New York, Ontario & Western Railway Company.

OFFICE OF THE PRESIDENT.

NEW YORK, August 31st, 1904.

TO THE STOCKHOLDERS:

The receipts and disbursements of your Company for the fiscal year ended June 30th, 1904, compared with the year preceding were as follows:

RECEIPTS

	1904.	1903.
From Passengers	\$1,043,092.60	\$981,288.29
“ Freight	5,355,274.73	4,964,601.01
“ Mail and Express	1,5919.56	133,213.22
Miscellaneous	108,197.08	97,415.38
Total	\$6,652,483.97	\$6,176,517.90

OPERATING EXPENSES

	1904.	1903.
Maintenance of Way and Structures	\$1,002,183.02	\$925,698.78
Maintenance of Equipment	940,167.68	831,357.67
Conducting Transportation	2,828,134.91	2,493,682.09
General Expenses	158,120.13	156,760.73
Taxes	144,331.98	149,587.32
Total	\$5,072,937.72	\$4,557,086.59
Net Earnings	\$1,579,546.25	\$1,619,431.31
Interest, Rentals and Charges	692,717.42	758,459.95
Surplus	\$886,828.83	\$860,971.36
Expended for Construction of Second Track...	1,031,931.89	423,214.46

In accordance with the policy already announced, the surplus earnings have been used for the construction of a portion of the second track, on the main line, between Cadonia and Cornwall.

At the end of the fiscal year 51 $\frac{1}{3}$ miles of second track had been completed, at a cost of \$1,455,146.35. The estimated cost of the entire work, nearly 107 miles, is \$2,818,259.76, leaving a balance to be provided of about \$1,400,000, for the remaining 55 miles.

The local passenger receipts were \$920,005.28, compared with \$854,868.01 in the preceding fiscal year; through passenger and immigrant earnings were \$123,087.32 compared with \$126,420.28. Mail and express earnings were \$145,919.56 compared with \$133,213.22.

Freight Traffic earnings in detail for the last six years were:

	Through Freight.	Local Freight.	Milk.	Coal.	Miscellaneous.	Total.
1899..	\$384,262.54	\$669,881.69	\$484,491.02	\$1,923,502.76	\$63,680.70	\$3,525,818.71
1900..	440,214.49	815,038.43	491,397.38	2,223,463.74	87,847.20	4,057,961.24
1901..	452,209.15	793,936.28	476,243.35	2,546,918.13	76,690.41	4,345,997.32
1902..	526,997.94	801,208.01	512,641.83	2,517,338.39	78,539.93	4,436,726.10
1903..	661,402.82	912,340.32	551,613.08	2,839,244.79	97,415.38	5,002,016.39
1904..	647,268.72	925,809.74	596,879.75	3,185,316.52	108,197.08	5,463,471.81

Your attention is called to the following statement of operation for the years ended the 30th of June since 1890.

	Earnings Year ending June 30th.	Operating Expenses 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
1898.....	3,914,635.27	2,801,642.70	1,112,992.57	710,532.36	402,460.21
1899.....	4,346,163.35	2,970,110.37	1,376,052.98	689,658.75	623,717.99
1900.....	4,963,482.84	3,414,917.44	1,548,565.40	689,541.08	859,024.32
1901.....	5,322,883.65	3,772,137.12	1,545,746.53	666,514.75	879,231.78
1902.....	5,456,696.03	4,157,754.20	1,298,941.83	639,982.96	658,958.87
1903.....	6,176,517.90	4,557,086.59	1,619,431.31	758,459.95	860,971.36
1904.....	6,652,483.97	5,072,937.72	1,579,546.25	692,717.42	886,828.83

For the five years terminating with June, 1893, there had been expended for new equipment, terminal property, the Scranton extension, yards, branches to mines and breakers and other additions and improvements, a total of \$10,031,514.60, details

whereof were given in the report of that year. With the report for 1896 additional details were given, covering the period from June 30th, 1893 to June 30th, 1896, aggregating \$1,408,037.19. The details of expenditures for similar purposes from June 30th, 1896, to June 30th, 1904, are as follows:

17	Locomotives (Less 5 broken up and 1 transferred to workshop)		\$227,792.63
23	Mail, baggage and express cars		53,361.97
35	Milk cars		32,600.53
1350	Coal cars—"Trust"—Balance paid completing purchase		179,764.23
	<i>Under Trust Agreement, on Account,</i>	<i>Series</i>	
	6 Consolidation engines		
	1 Mogul engine	"A"	454,959.90
	6 Vestibule coaches		
	2 Drawing-room cars		
	575 Standard coal cars		
	25 Pressed Steel coal cars	"B"	244,695.00
	25 Rolled Beam Steel coal cars		
	500 Coal cars	"C"	99,514.00
	200 Box cars		
	6 Coaches		
	2 Parlor cars	"D"	80,000.00
	2 Locomotives		
	250 Box cars		
	50 Refrigerator cars		
	4 Vestibuled coaches		
	2 Parlor cars		
	6 Mogul engines		
	3 Passenger engines		
19	Caboose cars		9,360.42
1	New Official car		6,363.44
3	Reclining chair cars		25,863.77
5	Drawing-room cars		34,501.05
5	Parlor cars		50,307.38
1	Steam wrecking crane		11,466.95
1	50-ton steam derrick		11,707.62
1	Steam shovel		6,455.72
1	Pile driver		5,200.00
8	Harbor boats		12,775.00
4	Ocean barges		68,743.77
	Improvements to equipment		37,294.44
	" " shops and machinery		18,932.06
	" " line		17,303.83
	Steel rails		72,893.18
	Additional tracks		63,038.00
	Creameries		16,944.68
	Weehawken terminal		177,369.70
	Oswego terminal		774.78
	Cornwall terminal		17,146.49
	Middletown Coal transfer (Coal Storage Plant)		116,676.15
	Utica coal terminal		8,896.73
	Grading, Ballasting, etc.		7,743.98
	Land Purchases and Land Damages		89,584.37
	Electric Light Plant (Norwich)		4,487.50

Capouse Branch.	\$160,038.82
Raymond Washery Branch.	13,637.10
Toronto Coal terminal.	31,652.74
Oswego Fort Grounds (Grading, etc.)	13,059.69
	<hr/>
	\$2,482,007.62
Less float at Oswego, sold 1902.	2,600.00
	<hr/>
	\$2,480,307.62
Bond discount and expenses.	547,630.73
	<hr/>
	\$3,027,938.35

As shown more fully in the report of the General Manager, the Company's coal tonnage and earnings were depleted owing to the destruction by fire of the large Pine Brook Breaker of the Scranton Coal Company in April last. That structure is now being rebuilt as speedily as possible, and while the insurance policies in great part, fortunately for the Scranton Coal Company, covered the value of the buildings destroyed, the loss of the tonnage and indirect damage resulting from the fire, proved a serious loss to the Railway Company. The breaker of the Pancoast Company was also burned in March, with a resultant loss of tonnage from that source, but renewal of operation is expected in October. There were further losses of revenue due to the heavy storms and severity of the winter, and the same causes contributed with others to an increase of working expenses. The outlook for the present year promises more satisfactory returns, both in gross and net earnings.

During the year the following engines and cars were ordered, but deliveries of the freight cars were not completed at the closing of the accounts.

6 Locomotives.	at \$15,600.00	\$93,600.00
3 " " " " " " " " " " " "	15,516.00	46,548.00
2 Drawing-room cars.	" 11,154.27 ¹ / ₂	22,308.55
4 Vestibuled coaches.	" 8,367.27 ³ / ₄	33,460.11
250 Forty-ton Box cars.	" 732.31	183,077.50
50 Thirty-ton Refrigerator cars.	" 910.41	45,520.50
		<hr/>
		\$424,523.66

against which the Company issues its 4½ per cent. Equipment Notes, Series D, to the Manhattan Trust Company of New York, Trustee, for \$340,000, maturing at fixed periods, within five years, paying the remainder in cash.

In May last one million dollars of the 4 per cent. Refunding Mortgage Bonds of the Company were sold at 97½ and accrued

interest, and the proceeds applied to the payment of the floating debt.

A slight amendment to the By-Laws of the Company is necessary, in order that the title of Vice-President may be added to that of General Manager. The Vice-Presidency, heretofore held by a member of the Board residing in London, will be discontinued. The General Counsel will continue to act as Vice-President, having under his immediate charge, as in the past, all legal matters, with a general supervision of financial affairs and the accounts of the Company, and full charge of all business in the absence or inability of the President. The General Manager, acting as an additional Vice-President, will continue to have charge of operations and traffic details. The General Freight and Passenger Agent will become Traffic Manager, having under his immediate control the general freight and passenger business of the Company, as heretofore.

Immediately after the annual meeting of the stockholders, held at the Company's office on September 28th, 1903, the President of your Company addressed the Board of Directors in part as follows:

"GENTLEMEN:

"It is not necessary to review in detail the operations of the Company for the year ended the 30th of last June. Printed copies of the report for that period have been widely distributed, and some weeks since were mailed to every stockholder of record. It may, however, not be out of place for me to briefly call attention to the fact that in the year under consideration the net earnings of the Company were considerably in excess of the entire gross earnings for the fiscal year ended September 30th, 1887.

"The officers and directors, who but a short time previous to that date had come into the management, set to work, not only to develop the property, but to rebuild it, some of us believing in the future prosperity of the Empire State, and the probable expansion of traffic between the central counties and the metropolitan city of New York.

"No marked advance was accomplished until 1890, when a line fifty-four miles in length was built into the anthracite coal

"fields of Pennsylvania. Whilst the credit of the Company was
 "not altogether sufficient to command the funds essential for
 "the purpose of building that costly line, the personnel
 "of the Board and of the officers of the Company was, I
 "believe, instrumental in gaining the assistance and hearty support
 "of one of the most conservative and reputable firms of bankers in
 "this city, without whose aid what has been accomplished could not
 "have been consummated. To personal friends in Scranton and
 "in that vicinity, very much credit is also due, as well as to other
 "gentlemen, whose long familiarity with the anthracite coal business
 "enabled them to extend aid and advice of inestimable value to
 "this Company.

"Just prior to that time the Company's affairs were success-
 "fully disentangled and separated from the West Shore Railroad
 "complications. That property, and the North River Construction
 "Company, were in the hands of Receivers. Their affairs and
 "those of this Company were interwoven and complex. The On-
 "tario and Western Company was guarantor and was responsible
 "jointly and severally with a bankrupt partner for a large amount
 "of Weehawken terminal bonds, and was under other obligations
 "which at that time threatened to wipe its tangible property
 "out of existence. With the aid of some of the officials and
 "Directors then in service, the property was saved from com-
 "plete wreck and certain existing rights and concessions were
 "demanded and enforced, which are to-day among our most val-
 "uable and important possessions. These are some of the serv-
 "ices which the stockholders of to-day owe to this Board and
 "to the officers of this Company, as well as to its financial and
 "other friends.

"The process of upbuilding and rebuilding may seem tardy and
 "slow to some of those who have interested themselves with us
 "during that period, but, whilst these things have taken much
 "time, it may be justly claimed that much has been accomplished.
 "In all of these operations, and throughout all these years, the
 "holders of a very large proportion of the Company's stock, both
 "at home and abroad, have continued loyally to support the man-
 "agement, and it gives me pleasure to-day to refer to the fact that
 "we have a larger number of proxies at our command than we have
 "ever had before. Occasionally, and it is not surprising that it

“should be so, one of the stockholders will refer somewhat impatiently to the existing voting trust. I claim, without fear of contradiction, that had it not been for the stability of management made possible by the voting trust, very little progress would have been made. I do not mean to say that others could not have done as well, but I do contend that repeated changes in the control and policy of the Company would have rendered the progress that has been made both impossible and unattainable. A good deal of misconception prevails in regard to the voting power.

“The trustees who vote the preferred stock are the trustees for the company and in fact for the common stockholders. They do not vote on the forty shares still outstanding, but they vote on nineteen thousand nine hundred and sixty shares already deposited, the voting power on which has been kept alive in order to prevent control of the property by the holders of the few shares still outstanding. So much for the forty shares; and now I come for a few minutes to the question of doing away with the right of the preferred stock to elect eight of the thirteen Directors by the declaration of a dividend on the common stock.

“The declared policy of the Board to devote the surplus earnings to the improvement of the property has to the present time received the endorsement of the stockholders, and more emphatically at this meeting than heretofore. Had that plan not been followed as it has been, there would have been no surplus to-day to talk about or to devote to any purpose. I don't mean to say, nor do I recommend to the Board, that we should go on indefinitely spending our entire surplus earnings on the property.

“This is a subject for consideration and discussion. While making no promise at this time, I shall be pleased, as other Directors of the Company will be, to receive the candid views of the stockholders, in the hope that together we may be able to work out some plan for the future which will safeguard their best interests, and be a businesslike, dignified and proper solution of the questions presented for our consideration.

“To the present time we have endeavored to work in harmony with other interests, to follow a conservative course, and to go forward on legitimate lines. We have established the credit of the Company on a firm basis, and the future is not without promise

"to those who have a real interest in this property and who intend
"to retain it."

The policy of the Company for some years, for which the President assumes entire responsibility, has been to use surplus earnings in the building up of the property. It will appear from a perusal of the annual reports, that prior to the opening of the Scranton Line to the anthracite field, in June, 1890, the surplus earnings were very meagre indeed. The Board, upon the recommendation of the President, had hoped to continue for a longer period the application of the surplus earnings to the completion of double tracking the main line from Cadosia to Cornwall, as shown on the map issued with the annual report last year. The result, it was believed, would have been that within two years from the present time the property would yield to the stockholders a more satisfactory return upon their investment than could have been secured from any other course that could be devised.

Within a few months a number of stockholders in whose names a considerable amount of stock was registered, presented the following petition to the President of the Company:

"We, the undersigned stockholders (representing in our own
"names over 186,000 shares of the capital stock of the New York,
"Ontario and Western Railway Company, and the largest stock-
"holders on record) desire to point out to you that the stock-
"voting trust, whereby a large majority of the Company's directors
"are elected annually, still exists. Whatever reason there was
"for the creation of the voting trust originally, if any, that reason
"certainly no longer obtains; and we desire to say to you that we
"consider its existence, after all these years, not only unfair to
"the stockholders, but most objectionable as well. As this matter
"has been brought to your attention a number of times in the
"past, you are, of course, entirely conversant with the provisions
"by which the trust is governed. Still, it may not be out of place
"to refresh your memory with some of the salient facts.

"When the New York, Ontario and Western Railway Com-
"pany was organized in 1880, as the successor of the Oswego Mid-
"land R.R. Co., the capital stock of the present Company con-
"sisted of \$2,000,000, preferred stock, and \$58,113,982 common
"stock; the preferred stock was given the right to elect eight
"directors, and the common stock only five directors, until such

“time as the Company should earn and pay a dividend on the
“common shares. This arrangement continued without serious
“opposition until 1885, when, as you will remember, the common
“shareholders entered a vigorous protest against such a one-
“sided arrangement, and, as a result of their efforts, the Legislature
“of New York passed an Act authorizing the New York, Ontario
“and Western Railway Company to issue \$2,000,000 Mortgage
“Bonds, to retire the preferred stock at par; the said Act also
“provided that the preferred shares so retired should be registered
“upon the books of the Company, in the names of Thomas P. Fowler,
“Richard Irvin, Jr., Thomas Swinyard, Charles S. Whelen, and
“William F. Dunning, as Trustees of the New York, Ontario and
“Western Railway Company, who should be entitled to hold and
“vote on the preferred stock so turned in until all the shares
“had been exchanged. In 1895 you reported that \$1,994,000
“of the issue had been turned in, leaving only sixty shares out-
“standing (since reduced to forty shares) against which \$6,000
“of the Company’s bonds had been deposited with the Farmers’
“Loan and Trust Company, for exchange, whenever the owners
“should present their shares. At that time you expressed the
“opinion that the entire issue could never be brought in, as part
“of the amount outstanding represented fractional receipts issued
“for Receivers’ Certificates, and many of those were probably
“misaid or destroyed. You also, at that time, expressed the
“opinion that the most desirable method of disposing of the trust
“would be by the declaration of a small dividend upon the Com-
“pany’s shares. You, in addition, stated that the Company’s
“position was comparatively strong, and its future prospects
“warranted the belief that the trust would be terminated at no
“distant day by the declaration of a dividend; and the assurance
“was given that action would be taken by the directors at the
“earliest practicable moment to restore to stockholders the right
“to vote directly for the entire Board, as it was recognized that
“all voting trusts were objectionable. Since you made the above
“statements nine years have elapsed, the voting trust is still in
“full force, and no steps have been taken to dissolve it. During
“those nine years, the gross earnings have jumped from \$3,669,113
“in 1895, to \$6,176,517 for the year ending June 30th, 1903; and
“the profits, after deducting operating expenses and fixed charges,

"increased from \$326,382 in 1895 to \$860,971 in 1903. If the
 "Company's position was strong enough nine years ago to war-
 "rant the belief on your part that the trust could be soon termi-
 "nated by the declaration of a dividend on the common stock,
 "there certainly can be no reason now why such a policy should
 "not be pursued, as the profits of the Company have increased
 "nearly two and a half times since then; and its physical condi-
 "tion must have materially improved, as the road has been for
 "years operated at a cost of nearly 75 per cent. of its gross receipts.
 "We are not disposed, at the present time, to criticise the wisdom
 "of the policy now pursued by you of building a second track of
 "net earnings that properly belong to the stockholders; but we
 "do contend that whether a dividend be declared or not, the long
 "patient and suffering shareholders, which now number nearly
 "three thousand, should be given an opportunity of having a
 "direct voice in the management of their own property; and this
 "can only be accomplished by according to them the right to vote
 "directly for the entire Board of Directors. Leaving the question
 "of dividends out entirely, it is inconceivable that a voting trust
 "which has been running for more than twenty-four years, should
 "be still kept alive on the flimsy pretext that forty shares of
 "stock out of an original issue of twenty thousand shares, are still
 "outstanding; and this, also in the face of the belief expressed
 "by you nine years ago, that the balance of the shares could never
 "be brought in, as part of the amount outstanding represented
 "fractional receipts for Receivers' Certificates, which were prob-
 "ably mislaid or destroyed. The Courts, time and time again,
 "have adjudged that the whole amount of a stock or bond issue
 "has been canceled when only a small amount remains outstand-
 "ing, merely requiring that a deposit in some bank or trust com-
 "pany be made to cover the par value of the security which is
 "still out. This is our case exactly, and we claim that the voting
 "trust is no longer in force, by virtue of the fact that the preferred
 "stock has been retired under Legislative Act—the provisions of
 "said Act to all intents and purposes having been fully carried
 "out. If there is any doubt in your mind regarding this point, it
 "can be easily determined by your petitioning the Courts to make
 "a ruling thereon. We respectfully ask that this be done without
 "delay, so that the matter can be fully determined before the an-

"nual meeting next fall. While we have no desire to criticise the "past management of the property, we do say, that the market "value of our shares would be greatly enhanced if they carried a "vote which could be cast freely and independently each year for "a Board of Directors of our own choosing. To deprive a stock- "holder of the right to vote his shares as he pleases, takes away "about the only market value a non-dividend stock possesses; "besides, as you stated to the stockholders in 1895, "it is recog- "nized that all voting trusts are objectionable." With that "statement we are in entire accord, and it is for that and the "other reasons recited above, that we now insist that the voting "trust of the New York, Ontario and Western Railway shall be "dissolved."

The foregoing communication was promptly placed before the Board of Directors, and was immediately referred to a Committee of three of the Directors, who are not voting Trustees, and after due deliberation that committee presented a report to the Board, which was as follows:

"TO THE BOARD OF DIRECTORS OF THE NEW YORK, ONTARIO AND WESTERN RAILWAY COMPANY."

"A communication signed by forty-three firms and individuals "claiming to represent in their own names 186,000 shares of com- "mon stock, demanding that steps be taken to dissolve the 'voting "trust', so called, and that a dividend be paid upon the common "stock for the purpose of terminating the right of the preferred "stock to elect eight of the thirteen Directors, was submitted to "the Board on May 4th, and referred to us for consideration and "report.

"We have given careful attention to all phases of the subjects "that seemed to us involved in the consideration of the demands "referred to, and now report:

"First: The act of the Legislature by virtue of which the "Trustees are acting, was passed in 1885, and the "Trust" came "into existence and became effective early in 1886, when a major- "ity of the preferred stock had been exchanged for bonds, and the "stock transferred to the Trustees. Ever since that time the "Trustees have exercised all the rights conferred upon holders of "preferred stock, not only in respect to voting for Directors, but

"in other respects equally important in carrying on the business of
 "the Company in conformity with the Articles of Association.

"The Board had understood that if the right of the Trustees
 "to vote for Directors should be terminated by the payment of a
 "dividend upon the common stock, yet so long as any preferred
 "stock should remain outstanding in the hands of any holder but the
 "Trustees, the 'Trust' must continue for the protection of the Com-
 "pany and its common stockholders.

"That we might reach a conclusion advisedly, however, we
 "consulted Hon. W. B. Hornblower, and received from him an
 "opinion upon the questions as to which our own views seemed to
 "conflict with the assertions of the stockholders mentioned, from
 "which opinion we quote the following:

"My attention is called to the Articles of Association of
 'the New York, Ontario and Western Railway Company, under
 'the terms of which the holders of the preferred stock are
 'entitled to elect eight Directors of the Company until such
 'time as the Company shall have earned and paid a dividend
 'on the common stock.

'My attention is also called to Chapter 421 of the Laws of
 '1885, which authorized the issue of bonds of the Company in
 'exchange for the preferred stock and the transfer of the stock
 'so exchanged to five Trustees named in the Act, or their suc-
 'cessors, to be held by them until all the preferred stock should
 'be so transferred.

'I am informed by you that a majority of the stock was so
 'exchanged, and the present Trustees now hold 19,960 of the
 '20,000 shares of preferred stock, leaving 40 shares outstand-
 'ing.

'A demand has been made, on behalf of certain holders of
 'the common stock claiming to represent in their own names
 'over 186,000 shares, asking in effect that the Trustees de-
 'clare the voting trust' to be no longer in force, or, if in
 'doubt on this point, to petition the Courts to make a ruling
 'thereon.

'You ask my opinion on the following questions:

'1. Will it be necessary for the protection of the Company
 'or the interests of the holders of the common stock, to con-
 'tinue the 'trust' created by the act referred to, after the Com-

'pany shall have earned and paid a dividend on the common 'stock?

'2. Can the 'trust' be dissolved before the preferred 'stock shall have been transferred to the trustees?

'In answering these questions, it is to be borne in mind 'that the right of the preferred shareholders to elect eight of 'the thirteen Directors is quite distinct, and rests upon an en- 'tirely different basis from the 'voting trust'. The right of 'the preferred stockholders to elect eight of the Directors rests 'upon the Articles of Association of the New York, Ontario 'and Western Railway Company, dated January 21, 1880, by 'Article Sixth, of which it is provided:

'Sixth. That the corporation is to be managed by thir- 'teen (13) Directors, of whom the preferred stockholders are 'to elect eight (8) and the common stockholders five (5), until 'such time as the Company shall have earned and paid a divi- 'dend upon the common stock; upon the happening of which 'event the Directors shall be elected by a majority of both 'classes voting at any election.'

'This provision of the Articles of Association creates a 'contract obligation as between the two classes of stock- 'holders.

"On the other hand, the so-called "voting trust" arises 'under an Act of the Legislature passed several years after the 'organization of the Company, viz., in 1885. The Act pro- 'vided for the exchange of preferred stock for bonds, provided 'such exchange, and the issue of bonds therefor shall have been 'first authorized by a majority of the Directors of said Company 'representing each class of stockholders.

"By section 2 of the Act it was provided that whenever any 'such exchange should be made, the stock so exchanged should 'be transferred to and registered upon the books of the Company 'in the name of Thomas P. Fowler and four other persons 'named, as Trustees for the New York, Ontario and Western 'Railway Company, "who shall hold the same until all the 'preferred stock shall be so exchanged and transferred; and 'until that time the Trustees aforesaid and their successors 'shall be entitled to vote upon any preferred stock so exchanged 'and transferred at all elections for Directors representing

'preferred stock, and at all meetings of stockholders, but such
'stock shall not have any right to dividends as preferred stock,
'or any other preferential right except the right of voting as
'aforesaid."

"Section 3 provides for filling vacancies in the office of
'Trustee by the remaining Trustees.

"Section 4 provides that:

"When all such preferred stock shall have been so trans-
'ferred the certificates thereof shall be surrendered by such
'Trustees or their successors to the said Railway Company,
'and thereupon said certificates and said stock shall be can-
'celled, and said stock shall not be re-issued; and upon filing
'in the office of the Secretary of State of the State of New
'York, and of the Clerk of the County in which the principal
'office of the said Railway Company is located, certificates
'setting forth such exchange, transfer, and cancellation, signed
'by a majority of all the Directors of said Railway Company,
'and verified under oath by its President or Secretary, the
'capital stock of said Railway Company shall be thereupon
'deemed to have been and shall be thereby reduced to the
'extent of the amount of the said preferred stock so exchanged,
'transferred and cancelled.

"While this statute makes no reference to the provision in
'the Articles of Association with regard to the right of the
'preferred stockholders to elect eight of the thirteen Directors
'until the declaration of a dividend on the common stock, the
'evident purpose and intent of the Act was to protect the
'Company against control by a minority of the preferred
'shareholders as a result of the process of conversion from
'preferred stock to bonds.

"That this statute was a valid exercise of the power of the
'Legislature to amend the charter of the Railway Company as
'contained in its Articles of Association, would seem to follow
'from the decisions of the Supreme Court of the United States
'in the case of *Miller v. The State*, 15 Wall. 478, and *Looker v.*
'*Maynard*, 179 U. S. 46.

"I do not understand that any question has been raised on
'this point, nor do I think that any question can properly be
'raised. It follows that so long as this statute remains un-

repealed by the Legislature, the Trustees therein named and their successors are bound to carry it out according to its terms.

"The declaration of a dividend upon the common stock would not operate to put an end to the "voting trust" as such, under this statute. The effect of the declaration of a dividend would be, however, to take away the right of the "voting trust," as representing the preferred shareholders, to "elect eight of the thirteen Directors"; the right of the "voting trust" to represent the preferred shareholders in other respects would still remain. The question of the termination of the "voting trust" and the question of the termination of the right of the preferred shareholders represented by the "voting trust" to elect eight out of the thirteen Directors of the Board, depend upon entirely different conditions.

"I am of opinion that the declaration of a merely nominal dividend to the common stockholders would not be sufficient compliance with the condition in the Articles of Association to take away the right of the preferred shareholders to elect eight of the thirteen Directors. I am of opinion that there must be a substantial dividend actually earned and declared in good faith in the ordinary course of business, and not a mere nominal dividend declared for the mere purpose of complying with the condition and thereby terminating the rights of the preferred shareholders. The declaration of a dividend, however, even if a substantial one, and in the ordinary course of business, would not, as I have already observed, terminate the "voting trust," but would only operate to terminate the right of the Trustees to elect eight of the thirteen Directors. It would, of course, operate to give the common stockholders the right to elect a majority of the Board, and, in this sense, it would amount to a modification *pro tanto*, of the powers of the Trustees under the "voting trust."

"My answer to your first question is that it will be necessary for the protection of the Company and of the interests of the holders of the common stock, to continue the "trust" created by the Act referred to, after the Company shall have earned and paid a dividend on the common stock. There are other purposes to be subserved by the "voting trust" than

'the preservation of the right of the preferred shareholders to
 'elect eight of the Directors. There is, for instance, the pro-
 'vision of the Articles of Association with regard to future
 'mortgages, contained in the first paragraph of the Fourth
 'Article of the plan of Agreement, embodied in the Seventh
 'Article of the Articles of Association, to the effect that with
 'the exception of a Mortgage for \$200,000 "no mortgage shall
 'ever be placed upon the railroad or its property unless a
 'majority in interest of each class of the stockholders shall have
 'first given their written assent thereto." The continuation
 'of the "voting trust" is important to prevent the outstanding
 'minority of preferred stockholders from vetoing action under
 'this clause to the possible detriment of the Company and the
 'common stockholders. It is necessary for the protection of
 'the Company itself and the common stockholders that so
 'long as there is any preferred stock outstanding the "voting
 'trust" should be kept alive in order that the small minority
 'of outstanding preferred stock should not be able to exercise,
 'in its own interests, the very important powers conferred by
 'the charter upon the preferred stockholders as a class, but
 'that these powers should be exercised by the Trustees in the
 'interest and for the benefit of the corporation as a whole.

"'The foregoing views indicate my answer to the second
 'question: Can the "trust" be dissolved before all the pre-
 'ferred stock shall have been transferred to the Trustees?
 'My opinion is that it cannot, so long as there is any preferred
 'stock actually outstanding in the hands of lawful owners
 'thereof and not held in trust for the Company itself. The
 'Legislature has itself created the "trust" and has declared the
 'condition and the sole condition on which it shall terminate,
 'viz., "when all such preferred stock shall have been so trans-
 'ferred.

"'It is urged in the communication above referred to, sent
 'to you on behalf of certain of the common stockholders, that
 'the retirement of all of the preferred stock, with the exception
 'of forty shares out of an original issue of 20,000 shares, is such
 'a substantial compliance with the condition provided for by
 'the statute that the condition may be considered as having
 'been complied with, and it is insisted that the courts would

'so decide if appealed to, requiring a deposit in some bank or 'trust company to cover the par value of the shares still out-standing.

"I do not see my way clear to concurring in this view of the 'situation. We are dealing not with a mere contract *inter partes*, as between the two classes of stockholders, or as between the stockholders and the corporation, but we are dealing with an Act of the Legislature, and I am of opinion that the 'courts must construe that Act literally according to its terms, 'and, that so long as the preferred stock remains actually out-standing in the hands of owners who are unwilling to surrender 'it, the courts have no power to disregard the plain language 'of the statute or to terminate the 'voting trust.'

"From the foregoing the conclusion seems irresistible that the "'trust' cannot be dissolved, and we so report.

"We deem it only just to recall attention to the following facts: "It has at all times been within the power of the common stock "at any election to place in the Board five Directors to assert and "emphasize their objection to any policy pursued by the majority "if any dissatisfaction had existed.

"Three of the Trustees now in office, Messrs. Fowler, Whelen "and Price, were members of the Committees representing common "stock, that were active in securing the passage of the Act of 1885; "they were then and ever since have been, members of the Board, "and they, or one or more of them, at each succeeding election, "acting as proxies for the holders of common stock, have cast the "vote of more than a majority for five Directors representing that "stock without a dissenting vote; the vote so cast at the Annual "Meeting, as late as September 27, 1903, having been 364,789 out "of 580,000 shares, and at that meeting 30 of the 43 signers of the "communication referred to us were so represented.

"We feel justified in saying, therefore, that the Company "passed under the control of the common stock in 1886, and has "remained there. Certainly no stronger proof could be given of "the conviction of the shareholders that the Trustees were acting "solely in their interest and in furtherance of their wishes, than "has been adduced at each Annual Meeting.

"We desire, also, to call attention to a way in which the 'trust' "has been of great benefit to the Company, although one not con-

"templated by its originators. The extensions of the roads and
 "interests of the Company, notably the construction of the Scranton
 "line and the incidental additions to the main line and equipment
 "and the later investments to secure coal tonnage, were virtually
 "new enterprises, requiring large capital, which could not be se-
 "cured from the stockholders, but had to be raised from the outside.
 "Without the continuity and stability of management that the
 "'trust' assured until the enterprises were carried to completion and
 "into full operation, the necessary capital could not have been
 "found.

"Second: When the Company shall have earned and paid a
 "dividend on the common stock, the right of the preferred stock
 "to elect eight of the thirteen Directors will terminate, and the
 "Board is asked to pay a dividend at once to accomplish that re-
 "sult.

"The financial condition of the Company from time to time has
 "been well understood, and the fact that it has been necessary to
 "use its surplus earnings for the improvement of the property and
 "the development of its interests, has been well known and ap-
 "proved. Continuously, the Board and its officers and their poli-
 "cies, have had the support and approval of the stockholders, as
 "already stated.

"The last important work undertaken, commenced about two
 "years ago and now under way, was the construction of a second
 "track from Cadonia, the junction with the Scranton line, to Corn-
 "wall, the junction with the West Shore road, where we have a large
 "coal delivery on the Hudson River. The traffic of the line, both
 "passenger and freight, had grown to such proportions that it could
 "no longer be handled safely and economically on a single track,
 "under the conditions of grade and frequency of meeting and pass-
 "ing points for trains that exist between the places named. A
 "second track would not of itself increase traffic, but should tend
 "to reduce the cost of operation. The Board determined to apply
 "the surplus earnings to this work, believing it to be for the best
 "interests of the Company that it should be paid for, as far as pos-
 "sible, in that way.

"This policy was announced in the press, and in the reports
 "to stockholders, and not only was never criticised, but met with
 "general approval. The amounts appropriated for the purpose

“have also appeared in the reports to stockholders and in those
 “made to and published by the Railroad Commissioners from time
 “to time.

“The improvement will cover about 107 miles, of which about
 “39 miles have been completed, 15 more will be in use by July 1st,
 “and about 29 now under contract will be finished by the end of the
 “year, all that could be done in that time without too great inter-
 “ference with the operation of the road. This work will absorb all
 “the surplus earnings of the current year, and over and above its
 “cost the Company has no earnings applicable to dividends.

“We report, therefore, that no dividend should be or can be
 “paid upon the common stock at this time; but while the building
 “of the second track must be continued and carried to completion
 “as speedily as the work can be done with economy, we recom-
 “mend that, at the proper time, some plan be submitted to the
 “stockholders for creating new resources supplemental to those we
 “now have, with which to provide for the further cost of that work,
 “and other expenditures that may properly be charged to capital.

“Any such plan should be comprehensive enough not only to
 “meet ordinary traffic and improvement requirements for a con-
 “siderable period of years, but to enable the Company to avail it-
 “self of any opportunity that may offer to extend its operations.

“If the stockholders shall approve such a plan, when sub-
 “mitted to them, the division of any surplus earnings will become a
 “proper question for disposition by the Board.

“Dated, June 28th, 1904.

“GRANT B. SCHLEY,
 “C. LEDYARD BLAIR,
 “GERALD L. HOYT,
 “Committee.”

The foregoing report is set out at length, because it gives a
 comprehensive history of the Company under the present manage-
 ment and of the “voting trust” and its operation, as well as its
 present status, and is a sufficient vindication of the Directors and
 Trustees from any charge that has been or may be made impugn-
 ing the integrity of their motives and actions during their period
 of office.

Acting upon the recommendation of the Special Committee, the
 Board of Directors of your Company determined to cease using sur-

plus earnings for the second track work, and is now considering a financial plan for creating new resources, supplemental to those at the Company's command, in order to provide for the present and future requirements of the Company. The plan, when finally formulated by the Board, will be submitted to the stockholders at a special meeting to be called as soon after the annual meeting as practicable.

As shown by the present report, there stood to the credit of profit and loss account, June 30th, 1904, the sum of \$6,099,387 $\frac{6.6}{100}$ the aggregate of surplus earnings to that date, which is represented largely by the investments made in the second mortgages upon the properties of the Scranton Coal Company and the Elk Hill Coal and Iron Company, and the securities of, and advances to, other railroad Companies, whose lines form extensions of the lines of the Company.

Should the shareholders, at the special meeting referred to, approve the plan submitted to them, the Company will be enabled to provide means for completing the work now under way, and making improvements and additions to the property and extensions of existing lines in the future, as occasion arises, and to reimburse the net revenue account to such an extent, as will warrant the payment of a dividend upon the common stock, so terminating the right of the preferred stock to elect eight of the thirteen Directors. The question of the division of future surplus earnings will then be left free for disposition by those to whom the owners of the property may intrust its management.

Acknowledgment is hereby made of the faithful and efficient services rendered by officers and employees in all Departments during the year.

By order of the Board of Directors,

THOMAS P. FOWLER,

President.

GENERAL MANAGER'S REPORT.

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, 1904.

EARNINGS AND EXPENSES.

The gross earnings for the year were \$6,652,484, compared with \$6,176,518 in the previous year, an increase of \$475,966, or 7.71 per cent.

The working expenses for the year were \$4,928,606, compared with \$4,407,499 for the previous year, an increase of \$521,107, or 11.82 per cent.

The net earnings for the year, after deducting taxes, were \$1,579,546, and in the previous year \$1,619,431, being a decrease of \$39,885, or 2.46 per cent.

The surplus for the year, after deducting fixed charges, rentals, etc., was \$886,829, and in the previous year, \$860,971, an increase of \$25,858, or 3.00 per cent.

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

Year ending June 30th,	1800.....	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	"
" " " "	1898.....	68.68	"
" " " "	1899.....	65.25	"
" " " "	1900.....	66.07	"
" " " "	1901.....	68.35	"
" " " "	1902.....	73.60	"
" " " "	1903.....	71.36	"
" " " "	1904.....	74.09	"

The increase in ratio of operating expenses, 74.09 per cent., compared with 71.36 per cent. in previous year, was largely caused by the general increase in cost of labor, fuel and supplies, as well as by an unusually severe winter, both in floods and snow blockades.

The great flood in October caused damage to road bed and bridges estimated at \$135,000, and was followed in the spring by two more floods of almost equal severity.

The cost of removing snow and ice, \$66,204, was about double the usual amount, and loss of traffic followed the long and frequent snow blockades, both on our own lines and on our western connections.

Excessive cost of fuel for locomotives, \$722,985. or \$167,764 more than in previous year, was occasioned by higher prices and larger consumption during the severe winter.

Attention is also called to the amounts of improvements charged to operating expenses, both in Motive Power (page 33), and Maintenance of Way (page 39) Departments.

In March and April two large coal breakers shipping over the line were destroyed by fire, and, as it requires at least six months' time to rebuild them, we lost the transportation of their output, about 150,000 tons, in the last quarter.

The outlook for the coming year is more favorable. Though the coal breakers destroyed by fire will not be rebuilt until October, the tonnage has been partially replaced by increasing the output of other collieries and washeries, and after the completion of the new breakers the tonnage will be further increased. There has been some falling off in through freight, but the local is doing well, and there has been a large increase in local and through passenger business and milk traffic. We have no labor problems on hand. Prices for fuel, ties and other supplies are generally lower.

The roadway and buildings are in excellent condition; equipment generally ample, and in a high state of efficiency.

The double track is now in operation over the greater part of the line between Cadosia and Cornwall, and 31 additional miles, now under contract, are rapidly approaching completion. Taking all these matters into consideration, I feel safe in predicting for the coming year an increase in gross earnings, and a considerable reduction in the ratio of operating.

PASSENGER TRAFFIC.

The local passenger earnings for the year were \$920,005, compared with \$854,868 in the previous year, an increase of \$65,137, or 7.62 per cent.

The through passenger receipts, consisting of coupon and immigrant business, amounted to \$123,087, as compared with \$126,420 in the previous year, a decrease of \$3,333, or 2.64 per cent.

During the fiscal year 564,805 immigrants were received at the port of New York. Of this number 260,517 were ticketed westward by all Trunk Lines, a decrease of 54,247, or 17.23 per cent.

EXCURSIONS.

During the year 135 excursions were run, carrying 44,662 passengers. The mileage of excursion trains was 8,951 miles, and revenue \$30,850, or \$3.45 per mile. In the previous year there were 167 excursions run, carrying 46,153 passengers, with train mileage of 8,074 miles, and revenue of \$35,298, or \$4.37 per mile.

A large number of excursions were declined during the continuance of the summer time table, in order not to interfere with freight traffic, and regular summer passenger business out of New York.

BAGGAGE DEPARTMENT.

The number of pieces of baggage handled during the fiscal year was 468,117, compared with 439,957 for the previous year.

The amount paid by the company for loss and damage sustained in handling same was \$112.98, as compared with \$173.20 in the previous year.

The excess baggage and storage collections amounted to \$10,771, compared with \$10,909 in the previous year.

During this period 19,243 bicycles were carried, compared with 32,402 in the previous year.

FREIGHT TRAFFIC.

The local freight earnings were \$925,810, compared with \$912,340 in the previous year, an increase of \$13,470, or 1.48 per cent.

The through freight earnings were \$647,269, compared with

\$661,403 in the previous year, a decrease of \$14,134, or 2.14 per cent.

During the fiscal year 1,528,861 tons of through freight from New York were carried by the Trunk Lines; of this amount this company carried 73,053 tons. For the previous year there were handled 1,607,103 tons by all lines, of which this company handled 92,109 tons.

The through merchandise freight rates westbound from New York during the fiscal year have been fairly well maintained.

COAL.

The earnings of the company from the transportation of coal were \$3,185,317, compared with \$2,839,245 in the previous year, an increase of \$346,072, or 12.19 per cent. The total shipments from the Scranton Division, including supply coal used on engines and at stations, were 2,556,806 gross tons, an increase of 317,371 over previous year, or 14.17 per cent. The number of gross tons of coal transported from the Scranton Division (exclusive of supply coal for company's use) was 2,323,540, compared with 2,038,924 in previous year, an increase of 284,616, or 13.96 per cent.

The total output of anthracite coal by all companies for the year 1903 was 59,362,831 tons, an increase of 28,161,941 tons, as compared with the previous year.

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

	1904.	1903.
To the lakes, via Oswego.....	209,311	189,699
To tide water, via Cornwall.....	575,621	1,019,354
To tide water, via Weehawken.....	644,793	
Total.....	<u>1,429,725</u>	<u>1,209,053</u>

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

The following statement shows the total shipments of coal by the Delaware & Hudson and this company to Oswego over our lines for fourteen 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
" " 1898	64,310	122,412	186,722
" " 1899	43,628	174,029	217,657
" " 1900	43,211	134,874	178,085
" " 1901	47,898	125,682	173,580
" " 1902	49,469	113,699	163,168
" " 1903	41,565	199,699	231,264
" " 1904	42,754	209,311	252,065

Coal hauled for the Delaware & Hudson Company from Sidney to Oswego during the year, 42,754 gross tons, shows an increase of 1,189, or 2.86 per cent., as compared with the previous year.

The shipments of D. & H. coal from Sidney to points on Utica Division, via Randallsville, were 141,404 gross tons, compared with 101,577 in previous year, an increase of 39.29 per cent.

The total amount of D. & H. coal shipped from Sidney to all points during the year was 256,823 gross tons, an increase of 44,687, or 21.06 per cent., compared with previous year, and the total revenue received therefor was \$192,079, as compared with \$158,308, an increase of \$33,771, or 21.34 per cent.

The above statements do not include some small miscellaneous shipments to 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:

	1904.	1903.	
Tons of milk carried.....	105,913	95,783	10.61% Inc.
Tons carried one mile.....	18,635,808	16,566,100	12.49% "
Revenue	\$596,283	\$551,613	8.21% "
Miles run	370,891	366,607	1.17% "
Earnings per train mile.....	\$1.61	\$1.50	7.33% "

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 those derived from passengers, express and perishable freight carried on such trains.

During the spring the company constructed creameries at State Bridge, West Monroe Central Square, Bartlett and Poyntelle.

For the calendar year 1903 this company was again the largest milk carrier into New York city.

MOTIVE POWER DEPARTMENT.

MILEAGE.

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

	1904.	1903.
Passenger trains.....	1,084,935	1,003,276
Freight trains.....	1,812,363	1,632,038
Mixed trains.....	800,675	804,886
Total train miles earning revenue.....	3,697,973	3,440,200
Shifting, light running, etc.....	1,421,252	1,195,587
Total traffic engine miles.....	5,119,225	4,635,787
Passenger train car miles.....	4,565,594	4,274,036
Freight train car miles.....	41,265,276	36,976,730
Mixed train car miles.....	8,312,294	8,280,356
Total car miles.....	54,143,164	49,531,122

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

	1904.	1903.
Total number of engines on hand at end of year.....	165	149
Average number making mileage.....	143	129

Engine Mileage.

Passenger.....	1,084,935	1,003,276
Freight.....	1,812,363	1,632,038
Mixed.....	800,675	804,886
Shifter.....	869,001	708,016
Work train.....	289,010	232,787
Light running, etc.....	552,251	487,571
Total miles run.....	5,408,235	4,888,574

Fuel.

Tons coal consumed.....	383,222	315,767
Pounds coal consumed per engine mile.....	141.7	129.2
Pounds coal consumed per car mile.....	13.6	12.2

Stores.

Quarts of oil consumed.....	284,688	245,506
Pounds of waste used.....	36,039	32,382

Miles run to

One ton of coal.....	14.1	15.5
One quart of oil.....	19.0	19.9
One pound of waste.....	150.1	151.0

Cost per engine mile in cents.

Repairs.....	7.40	6.06
Fuel.....	13.80	11.68
Stores.....	0.45	0.41
Wages of engine crew, cleaners, etc.....	8.28	7.62
Total cost per mile.....	29.93	25.77
Car mileage.....	56,288,264	51,804,867

FUEL.

The following statement shows the total cost of fuel for locomotives, and cost per train, car and engine mile, for the past eleven 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 "

	Total cost of fuel.	Cost per train mile.	Cost per engine mile.	Cost per car mile.
1898.....	\$222,311	8.46 cts.	6.56 cts.	.608 cts.
1899.....	248,368	8.67 "	6.72 "	.579 "
1900.....	289,677	9.67 "	7.33 "	.636 "
1901.. . .	367,735	11.94 "	9.05 "	.784 "
1902.....	427,899	13.30 "	9.85 "	.891 "
1903.....	555,221	16.14 "	11.97 "	1.121 "
1904.....	722,985	19.55 "	14.12 "	1.335 "

During the year, 138,223 tons of bituminous, and 244,999 tons of anthracite coal were used on engines.

EQUIPMENT.

The condition of equipment at the close of the fiscal year, compared with the previous year, is shown in the following table, two engines of P. J. M. & S. R. R. not included:

	1904.	1903.
No. of engines owned and leased	165	149
No. of engines laid up ready for service.....	2	1
No. of engines in service.....	144	136
No. of engines in shop under repairs.....	16	11
No. of engines in shop awaiting repairs.....	2	1
No. of engines scrapped (to be replaced)	1	—
No. of engines purchased.....	16	5
No. of engines received general repairs and rebuilt.....	72	52
No. of engines received ordinary repairs.....	109	43
No. of cars awaiting repairs.....	272	141
No. of cars received repairs.....	39,158	36,325

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

FREIGHT CAR EQUIPMENT.

The "Return of Rolling Stock," page 60, having been revised to conform to Interstate Commerce Commission report, there is shown, after exclusion of cabooses,

Total cars in freight service owned at June 30, 1903, as per equipment records of original numbers,	6,270
Added since at cost of capital,	5
	<u>6,275</u>
Transferred to company service,	8
	<u>6,267</u>
Total number in freight service June 30, 1904,	5,801
Leaving an apparent shortage in numbers of,	466

These cars, however, have actually been replaced on a *tonnage basis*.

During the ten years ending June 30, 1904, we have destroyed 967 light capacity cars, having an aggregate tonnage of 19,461½ tons. These were old cars of from 12 to 20 tons capacity, and entirely unfit to be used in trains of modern cars of heavy tonnage.

We have built 886 cars for replacement account (charging their cost to operating expenses), having an aggregate tonnage of 26,780½ tons. We have also rebuilt 93 light cars, increasing their tonnage capacity in the aggregate by 836 tons, making a total increased tonnage capacity of 27,616½ tons, or 8,155 tons in excess of the tonnage of cars destroyed.

In making replacement regard has been had to the changing requirements of the business; for instance, the minimum standard of coal cars is now 40 tons, instead of 25 tons as a maximum, and renewals are in conformity with that standard; the same is true of the demand for box cars; in the case of flat cars the stone and wood trade on the line for which they were mainly provided, has decreased, and in replacing tonnage represented by that class of cars destroyed, closed cars are substituted, which can be used generally for all purposes.

Having replaced the destroyed cars on a tonnage basis, we now report cars owned and leased by the company at the number actually in service.

If more light cars are destroyed, they will be replaced on the tonnage basis, if that method best meets the requirements of the service, otherwise in numbers, and the cost of replacement will be charged to operating. When additional equipment is acquired on account of increase in traffic, such cars will be added to the official list, and their cost charged to capital account.

The following table shows the effective tonnage capacity of all freight cars, and also the average carrying capacity of each car. This statement includes service cars in use, but does not include cabooses:

Classification of the Entire Freight Equipment according to the capacity of Cars
in Tonnage, June 30th, 1904, cars of P. J. M. & S. R. R. not included.

YEARS.	Actual number of Open Cars in service classified according to tonnage.						Actual number of Closed Cars in service classified according to tonnage.						Total number of Freight Cars.							
	Cars of 12 Tons.	Cars of 14 Tons.	Cars of 20 Tons.	Cars of 25 Tons.	Cars of 30 Tons.	Cars of 42½ Tons.	Total.			Cars of 14 Tons.	Cars of 20 Tons.	Cars of 30 Tons.	Cars of 40 Tons.	Total.			Total Freight Cars Owned and Leased.	Number of Cars in Service.	Total marked capacity in Tons, all Cars in service.	Average Tons per Car.
							Actual number of Cars.	Total marked capacity in Tons. All Cars.	Average Tons per Car.					Actual number of Cars.	Total marked capacity in Tons.	Average Tons per Car.				
1880.....	225	572	.....	.....	.....	.....	797	10,708	13.1 ₁₀₀	442	9	.....	.....	451	6,368	14.1 ₁₀₀	1248	1248	17,076	13.6 ₁₀₀
1890.....	115	345	873	.....	900	.....	2233	50,670	22.6 ₁₀₀	382	562	8	.....	752	12,828	17.0 ₁₀₀	3118	2985	63,498	21.2 ₁₀₀
1893.....	72	332	867	.....	3354	.....	4625	123,472	26.6 ₁₀₀	353	382	10	.....	745	12,882	17.2 ₁₀₀	5602	5370	136,354	25.4 ₁₀₀
1895.....	42	209	844	2	3934	.....	5031	138,380	27.5 ₁₀₀	327	371	39	.....	737	13,168	17.8 ₁₀₀	6110	5768	151,548	26.1 ₁₀₀
1897.....	38	182	788	2	4274	.....	5284	147,034	27.9 ₁₀₀	207	385	71	.....	663	12,728	19.2 ₁₀₀	6361	5947	159,762	26.5 ₁₀₀
1898.....	28	103	784	2	4336	.....	5253	147,588	28.1 ₁₀₀	136	355	158	.....	649	13,744	21.1 ₁₀₀	6361	5902	161,332	27.3 ₁₀₀
1899.....	26	61	780	2	4334	.....	5203	146,836	28.1 ₁₀₀	109	357	216	.....	682	15,146	22.2 ₁₀₀	6317	5885	161,982	27.5 ₁₀₀
1900.....	21	50	764	2	4447	1	5285	149,732	28.3 ₁₀₀	82	351	233	.....	666	15,158	22.7 ₁₀₀	6329	5051	164,890	27.7 ₁₀₀
1901.....	20	49	755	2	4465	612	5903	176,036	29.1 ₁₀₀	78	342	244	.....	664	15,252	22.9 ₁₀₀	6942	6567	191,288	29.1 ₁₀₀
1902.....	17	41	733	2	4452	636	5881	176,078	29.7 ₁₀₀	76	327	252	.....	655	15,164	23.1 ₁₀₀	6954	6536	191,242	29.2 ₁₀₀
1903.....	16	27	716	2	4443	1131	6325	196,297	30.7 ₁₀₀	72	314	277	202	865	23,678	27.3 ₁₀₀	7662	7200	219,975	30.5 ₁₀₀
1904.....	7	22	676	2	4407	1122	6236	193,857	31.1 ₁₀₀	71	301	284	302	958	27,614	28.5 ₁₀₀	7592	*7194	221,471	30.7 ₁₀₀

* Including 68 cars in company service.

IMPROVEMENTS CHARGED TO CAPITAL ACCOUNT.

During the year new equipment, costing \$153,678, has been purchased or built in the shops of the company, and charged to capital account, as follows:

- 4 new mogul freight engines purchased.
- 3 new 100-ton consolidation engines purchased.
- 5 new standard milk cars built.
- 10 new 4-wheel caboose cars built.
- 1 new steam derrick purchased.
- 1 new steam shovel purchased.
- 1 new pile driver purchased.
- 1 new official car purchased.

The following new equipment (delivery of freight cars not completed at close of year) was purchased under agreement with the Manhattan Trust Company at cost of \$424,524, the expenditure in this year's account being \$80,000. (See Treasurer's statement, Table No. 9—Car Trust Series "D"):

- 4 wide vestibule passenger coaches, and
- 2 wide vestibule parlor cars, built by the Harlan & Hollingsworth Company.
- 250 40-ton standard box cars, and
- 50 30-ton standard refrigerator cars, built by the American Car & Foundry Company.
- 3 mogul passenger engines, and
- 6 mogul freight engines, built by the American Locomotive Company.

IMPROVEMENTS CHARGED TO OPERATING EXPENSES.

The following additions and improvements, amounting to \$164,799, have been made and charged to operating expenses:

- 5 engines have been rebuilt and had new boilers.
- 3 engines have received general repairs and had new fire-boxes.
- 8 engines have had new fire-boxes.

- 1 new pay car has been built.
- 1 new baggage car has been built.
- 7 4-wheel caboose cars have been built.
- 123 new freight cars have been built (to replace old, light capacity cars destroyed), as follows:
 - 100 40-ton box cars.
 - 21 30-ton flat cars.
 - 2 30-ton coal cars.
- 2 box cars have been equipped with pneumatic flangers.
- 241 freight cars have been equipped with air-brakes.
- 838 steel truck bolsters have been applied to freight cars.
- 722 freight cars have been reinforced with subsills.
- 55 freight cars have have been equipped with new standard trucks.
- 534 coal cars have had side trusses applied to keep them from bulging.
- 18 box cars have had new roofs.

The following shop tools and machinery have been purchased:

Middletown:

- 3 "Little Giant" drills.
- 1 link grinding machine.
- 1 "Boyer" piston air drill.
- 1 set of "McClave" grates for shop boiler.
- 1 "No. 70 Forbes" patent die stock and dies.
- 1 "Oliver" band saw and blades.
- 1 hose splicing and fitting machine.
- 1 "No. 5 Little Giant" wood borer.
- 1 spring case hardening furnace.

Norwich:

- 1 "Greenlee" standard vertical boring machine, with 10-foot steel table.
- 1 "No. 14 Little Giant" boring machine.
- 1 "No. 5 Little Giant" wood boring machine, reversing.
- 1 24"x10" "Hendy-Norton" lathe.
- 1 18"x8" "Hendy-Norton" lathe.

Mayfield:

- 1 36" " Dresser " radial drill.
- 1 24" shaper.
- 1 "No. 5" reversible drill.
- 1 "No. 3 Boyer" drill.
- 1 "Little Giant" drill.

SUMMARY.

Amount charged to capital account for equipment purchased, and improvements made in shops of company,	\$153,678	}	\$465,678
Amount charged to capital account for payments made on equipment purchased under car trust agreements .	312,000		
Amount charged to operating expenses			164,799
Total,			<u>\$630,477</u>

The following table shows the increase in weight and in number of drive wheels, also increase in steam pressure of engines for the years named; two engines of P. J. M. & S. not included:

Year	Number of Engines				Weight of Engines in Working Order, Without Tenders																	Minimum Weight	Maximum Weight	Average	Maximum Steam Pressure					
	4 Drivers	6 Drivers	8 Drivers	Total	24 Tons	27 Tons	28 Tons	30 Tons	32 Tons	34 Tons	36 Tons	37 Tons	39 Tons	43 Tons	48 Tons	50 Tons	52 Tons	53 Tons	54 Tons	58 Tons	60 Tons	65 Tons	66 Tons	68 Tons		80 Tons	100 Tons	Tons	Tons	Tons	Lbs.
1881	44	35	...	79	1	4	1	3	18	1	24	27	24	37	34.5	130
1885	39	34	...	73	1	3	18	1	24	26	24	37	34.8	130
1890	34	45	13	92	1	2	23	16	11	9	4	1	10	8	...	7	24	58	42.5	160
1895	32	50	51	133	...	1	3	...	17	14	9	7	4	1	10	10	2	13	42	27	66	51.4	180
1900	34	45	54	133	...	...	...	...	...	...	13	15	5	4	11	10	8	2	13	4	2	41	4	...	1	37	100	54.7	200
1901	30	47	63	140	...	...	...	...	...	...	13	11	5	4	11	10	8	2	13	4	2	41	4	2	10	37	100	57.5	200
1902	30	47	67	144	...	...	...	...	...	...	13	11	5	4	11	10	8	2	13	4	2	41	4	2	14	37	100	59.6	200
1903	30	49	70	149	...	...	...	...	...	...	13	11	5	4	11	10	8	2	13	4	2	41	4	4	17	37	100	60.2	200
1904	20	62	73	164	...	...	...	...	...	...	1	12	5	...	14	10	15	6	13	4	2	41	4	17	20	37	100	64.1	200

The following table shows the increase in tractive power, or draw-bar pull, of engines for the same period, two engines of P. J. M. & S. not included:

YEAR	1881		1885		1890		1895		1900		1901		1902		1903		1904	
	No. of Engines	Size of Cylinder Inches Pounds	No. of Engines	Size of Cylinder Inches Pounds	No. of Engines	Size of Cylinder Inches Pounds	No. of Engines	Size of Cylinder Inches Pounds	No. of Engines	Size of Cylinder Inches Pounds	No of Engines	Size of Cylinder Inches Pounds	No. of Engines	Size of Cylinder Inches Pounds	No. of Engines	Size of Cylinder Inches Pounds	No. of Engines	Size of Cylinder Inches Pounds
	1	15x24 13,400	1	15x24 13,400	1	12x19 6,800	1	15x24 11,300	1	15x24 11,300	1	15x24 11,300	1	15x24 11,300	1	15x24 11,300	1	15x24 11,300
	1	12x19 6,800	1	12x19 6,800	1	15x24 13,400	1	15x24 13,400	4	17x24 18,400	4	17x24 18,400	4	17x24 18,400	4	17x24 18,400	4	17x24 18,400
	1	14x24 9,300	1	16x24 12,300	1	16x24 12,300	1	17x24 14,700	7	17x24 18,000	7	17x24 18,000	7	17x24 18,000	7	17x24 18,000	7	17x24 16,500
	3	17x20 12,500	3	17x20 12,500	18	17x24 14,700	17	17x24 14,700	7	17x24 18,000	7	17x24 14,700	7	17x24 14,700	1	17x24 16,500	1	17x24 14,700
	1	16x19 12,300	20	17x19 13,900	1	16x19 15,300	6	18x24 18,400	6	18x24 15,700	3	17x24 15,700	3	17x24 15,700	3	17x24 15,700	3	17x24 15,700
	2	16x19 15,300	3	17x20 12,500	1	16x19 14,900	1	18x24 20,300	10	17x24 20,300	10	17x24 20,300	10	17x24 20,300	5	17x24 17,600	5	17x24 17,600
	15	17x24 13,800	15	17x24 15,000	17	17x24 16,800	10	18x24 20,600	10	17x24 17,600	10	17x24 17,600	10	17x24 17,600	7	17x24 16,600	7	17x24 16,600
	10	17x24 15,000	8	17x24 17,600	4	18x24 18,400	2	18x24 21,000	5	18x24 20,300	5	18x24 20,300	5	18x24 20,300	5	18x24 20,300	7	18x24 20,300
	15	17x24 17,600	8	18x26 23,000	9	18x24 20,300	11	18x24 21,800	12	18x24 19,500	12	18x24 19,500	12	18x24 19,500	2	18x24 19,500	2	18x24 18,000
	4	16x24 14,000	3	18x26 20,100	11	18x26 22,800	4	19x24 25,200	4	18x24 18,000	4	18x24 18,000	4	18x24 18,000	4	18x24 18,000	2	18x24 20,600
	8	18x20 23,300			8	19x24 21,000	13	18x26 21,800	12	18x24 20,600	12	18x24 20,600	12	18x24 20,600	2	18x24 20,600	2	18x26 22,800
	3	18x26 20,100			5	19x24 21,800	15	19x24 21,800	8	18x20 22,800	8	18x26 22,800	8	18x26 22,800	8	18x26 22,800	2	18x26 22,800
					15	20x24 27,000	2	20x24 31,000	12	18x26 24,100	12	18x28 24,100	12	18x28 24,100	2	18x28 24,100	2	18x28 24,100
									8	18x28 24,100	8	19x24 21,000	8	19x24 21,000	8	19x24 21,000	11	19x24 21,000
									11	19x24 21,800	11	19x24 21,800	11	19x24 21,800	11	19x24 21,800	4	19x24 21,800
									4	19x24 25,200	4	19x24 25,200	4	19x24 25,200	7	20x28 29,200	7	20x28 29,200
									12	19x24 27,000	12	19x28 29,300	12	19x28 29,300	4	19x28 29,300	4	19x28 29,300
									41	20x24 31,000	41	20x24 31,000	41	20x24 31,000	12	20x24 27,000	12	20x24 27,000
									1	21x22 50,500	10	21x22 50,500	41	20x24 31,000	41	20x24 31,000	10	20x26 31,500
									10	21x22 50,500	10	21x22 50,500	14	21x22 50,500	17	21x22 50,500	20	21x32 50,500
TOTAL	70	1,251,000	73	1,178,800	92	1,815,500	133	3,125,700	133	3,238,000	140	3,688,100	144	3,890,100	149	4,100,000	164	4,618,300
Average tractive power per engine		15,843		10,148		10,734		23,500		24,350		20,344		27,015		27,516		28,100

The approximate valuation of locomotives and tenders, based upon an assumed valuation of \$100 per ton, would be as follows:

Year	Valuation	Average Number of Drive Wheels per Engine
1881.....	\$359,400	4.88
1890.....	478,400	5.54
1895.....	877,800	6.28
1901.....	1,092,000	6.47
1902.....	1,141,600	6.51
1903.....	1,219,300	6.53
1904 ²	1,506,360	6.53

MAINTENANCE OF WAY DEPARTMENT.

The following additions and improvements have been made in the Maintenance of Way Department and charged to capital account or to operating expenses, as stated below:

CHARGED TO CAPITAL ACCOUNT, \$34,706.20.

MAIN LINE AND BRANCHES.

Creameries built at State Bridge, West Monroe and Central Square,	\$7,845.31
Changes in tracks and moving of buildings at Oswego fort grounds, under agreement with U. S. Government,	13,059.69
Total,	<u>\$20,905.00</u>

SCRANTON DIVISION.

New creamery, at Poyntelle,	2,658.30
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UTICA DIVISION.

New creamery, at Bartlett,	\$2,246.17
Local coal trestle, at Sunset Avenue, Utica	8,896.73

Total,	<u>\$11,142.90</u>
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*P. J. M. & S. not included.

CHARGED TO OPERATING EXPENSES, \$179,459.87.

MAIN LINE AND BRANCHES.

Additional Sidings—

New sidings constructed, . . . 5.31 miles

The principal additions were: Campbell Hall, 0.8 miles; Middletown, 1.77 miles; Summitville, 0.6 miles; Livingston Manor, 0.3 miles; Hazel, 0.5 miles; Oswego, 0.5 miles, . . .

\$31,081.66

Ballasting.—Surfacing old track, about 3 miles, principally between Sidney and Parker, . . .

2,898.85

Bridges and Culverts.—444 feet of iron pipe have been put in place of timber and other defective culverts, and openings filled. Both state and towns having paid their proportions of highway bridges at Summitville, Mountindale, and Guilford, \$6,543, mentioned in last year's report, there is a credit to this account of . . .

297.15

Solid floors of concrete and rails have been put in 30 small open culverts and bridges of an aggregate length of 450 feet, "I" beams taken out, and expense charged to maintenance.

Grading.—Widening cuts and embankments, . . .

10,112.03

Signals.—Interlocking signals have been put in at Crawford Junction, and automatic electric signals at Ferndale . . .

3,347.65

Stations and Buildings.—At Middletown there have been built a brick freight house, a Transportation Department store-house, and turn-table for 100-ton engines, north of Wickham Avenue. An addition has been made to the Wickham Avenue station, enlarging the restuarant, and furnishing more office room for officials located there.

the ice-house rebuilt on larger plan, and a shop fire alarm system installed in connection with the city system. Modern brick and cement passenger stations have been built at Fallsburgh and Walton, and a frame station at Centreville. A water station has been built at Merrickville, and the one at North Bay rebuilt and enlarged. At Norwich the car shop has been rebuilt and enlarged, and at Oswego a new engine coaling trestle erected 74,544.51

Station Grounds.—Grounds have been graded at Middletown freight station and Centreville, Fallsburgh and Walton passenger stations. At "Sand's" highway an overhead bridge has been erected, abolishing two grade crossings. Timber highway and trolley bridge south of Middletown has been replaced with steel 17,352.43

Tunnels.—170 feet of Bloomingburgh tunnel have been arched with brick 8,430.96

Steel Rail.—203 tons, 1.7 miles, of 76-pound rail were laid in place of 56-pound at Oswego, (20 pounds per yard being charged to improvement) 1,516.06

Total, \$ 148,987.00

SCRANTON DIVISION.

Additional Tracks.—Principally at Diamond Crossing and Poyntelle, 0.28 miles. The long sidings at Preston Park and Forest City having been thrown into second track, the net decrease in sidings is 5.13 miles \$1,556.22

Bridges.—Finishing bridge No. 4, Preston Park siding 616.84

Grading.—Ditching, sloping and filling Jones' Trestle, 12,340.35

<i>Signals.</i> —Gates erected at Peckville and Diamond Crossing interlocking plant rebuilt	1,215.31
<i>Stations and Buildings.</i> —A gravity water supply has been put in at Forest City, which will save \$1,000 per year in water rents, and one at Preston Park, which will save expense of pumping plant, about \$1,300 per year	3,192.05
<i>Station Grounds.</i> —Paving Carbon Street, Scranton	385.47
<i>Steel Rail.</i> —1,548.89 tons of 76-pound rail, 12.95 miles, have been laid in place of 67-pound, and 9 pounds per yard charged to improvement . .	5,392.29
Total,	\$24,698.53

UTICA DIVISION.

<i>Culverts.</i> —48 feet of 48-inch iron pipe have been put in place of defective culverts	\$559.25
<i>Grading.</i> —Filling small timber openings on Rome Branch,	949.25
<i>Steel Rail.</i> —118.42 tons of 67-pound rail have been laid in place of 56-pound and 62-pound, and difference in weight charged to improvement .	283.34
<i>Stations and Buildings.</i> —Ice houses at Rome and Hamilton have been rebuilt and enlarged . .	1,424.45
Total,	\$3,216.29

PORT JERVIS, MONTICELLO & SUMMITVILLE DIVISION.

Coal switch at Port Jervis has been put in, iron pipe in culverts, fencing at St. Joseph's, and heating and plumbing at Monticello, all at an expense of	\$2,558.05
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SUMMARY.

The improvements and betterments noted above, amounting to \$213,686.81, are charged as follows:

	Capital.	Operating.
Main Line and Branches	\$20,905.00	\$148,987.00
Scranton Division	2,658.30	24,698.53
Utica Division	11,142.90	3,216.29
P. J. M. & S. Division		2,558.05
Total	<u>\$34,706.20</u>	<u>\$179,459.87</u>

RAILS.

The weight and distribution of rails in Main Line, Branches and Leased Lines are as follows:

Division.	Miles and Weight of Rail.							Total.
	95-lb.	76-lb.	75-lb.	67-lb.	62-lb.	56-lb.	50-lb.	
Main Line.....	34.66	221.31	13.62			2.16		271.75
Branches.....				5.92		20.02	27.88	53.82
Scranton Division....		44.86		8.73				53.59
Utica Division....		5.41		11.41	14.99	12.27		44.08
Pecksport Line....		3.60						3.69
P. J. M. & S.....				13.00		25.27		38.27
E. & K.....				27.14				27.14
Total Miles....	34.66	275.27	13.62	66.20	14.99	59.72	27.88	492.34

TIES.

There have been used in repairs 195,813 ties, being 13,433 more than previous year, at an average price of 55½ cents, which is 7⅓ cents more than last year. They were distributed as follows:

Main Line and Branches.....	132,911
Scranton Division.....	35,982
Utica Division.....	18,904
P. J. M. & S. and E. & K.....	8,016

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, as compared with previous year, and with 1891, the year in which the Scranton Division bridges were first taken into this report:

	1904.		1903.		1891.	
	Number.	Aggregate length in feet.	Number.	Aggregate length in feet.	Number.	Aggregate length in feet.
Steel or Iron Bridges	211	23,619	211	23,900	94	14,706
Wooden Bridges	20	1,354	21	1,374	89	5,098
Wooden Trestles	72	14,966	71	15,109	124	23,884
Total	303	39,939	303	40,383	307	43,688
Filled and Shortened in past year				444		
Filled and Shortened since 1891					31	5,659

The P. J. M. & S. and E. & K. bridges are included in this statement for 1903 and 1904—29 bridges; length, 2,011 feet.

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

	1904.		1886.	
	Number.	Aggregate length in feet.	Number.	Aggregate length in feet.
Steel or Iron Bridges	122	14,968	27	7,521
Wooden Bridges	7	398	80	6,357
Wooden Trestles	57	10,903	117	20,441
Total	186	26,269	224	34,319
			186	26,269
Filled and Shortened			38	8,050

PORT JERVIS, MONTICELLO & SUMMITVILLE RAILROAD.

A connecting track 0.66 mile in length has been constructed between the Summitville and Monticello Branches of the Port Jervis, Monticello & Summitville Railroad, near Rose's Point. It was put in operation in June, and decreases the distance to Monticello from Main Line stations, via Summitville, 5.59 miles. The cost of this improvement was \$25,835.

A new station has been built at Hartwood at a cost of \$2,935.

TRAIN LOADS.

The following table shows average tons hauled per freight train and per car, also cars per train, for seventeen years:

Year ending	Tons Per Train.	Tons Per Car	Cars Per Train.
Sept. 30, 1888.....	123	7.20	17.1
Sept. 30, 1889.....	128	7.00	18.3
June 30, 1890.....	132	7.23	18.3
June 30, 1891.....	170	8.66	19.6
June 30, 1892.....	182	9.23	19.7
June 30, 1893.....	176	9.00	19.6
June 30, 1894.....	202	9.89	20.5
June 30, 1895.....	221	10.42	21.2
June 30, 1896.....	219	10.30	21.3
June 30, 1897.....	232	10.29	22.5
June 30, 1898.....	256	10.92	23.5
June 30, 1899.....	276	11.47	24.1
June 30, 1900.....	287	11.89	24.1
June 30, 1901.....	290	12.24	23.7
June 30, 1902.....	285	12.54	22.7
June 30, 1903.....	287	13.69	21.9
June 30, 1904.....	285	12.96	22.0

In making up the above table, miles run by a pushing or assisting engine in service are counted as train miles.

The following statement shows cost of maintenance per mile of road operated and per engine and car for past fifteen years. P. J. M. & S. and E. & K. not included:

Year ending	Maintenance Cost per Mile of Road Operated.	Maintenance Cost per Engine Per Year.	Maintenance Cost per Car Per Year.
June 30, 1890.....	\$867	\$958	\$38
June 30, 1891.....	933	775	33
June 30, 1892.....	897	1,318	40
June 30, 1893.....	1,098	1,577	40
June 30, 1894.....	1,157	1,280	33
June 30, 1895.....	1,137	1,201	35
June 30, 1896.....	1,131	1,446	34
June 30, 1897.....	1,578	1,372	34
June 30, 1898.....	1,295	1,297	36
June 30, 1899.....	1,197	1,191	46
June 30, 1900.....	1,492	1,532	62
June 30, 1901.....	1,778	1,640	60
June 30, 1902.....	2,093	1,774	59
June 30, 1903.....	2,112	1,921	56*
June 30, 1904.....	2,201	2,646	69

* Equipment delivered at the close of the fiscal year, 200 box cars, is not included.

The following table shows freight train and car miles, as well as tons carried one mile, for seventeen years:

Year ending	Train miles.	Car miles.	Tons carried one mile.
Sept. 30, 1888.....	799,729	11,363,474	81,820,504
Sept. 30, 1889.....	790,512	11,979,412	84,960,450
June 30, 1890.....	921,771	14,357,674	103,883,353
June 30, 1891.....	1,326,470	22,502,704	194,897,759
June 30, 1892.....	1,624,718	28,584,646	263,839,116
June 30, 1893.....	1,848,111	32,747,185	294,636,533
June 30, 1894.....	1,930,101	33,202,453	328,533,616
June 30, 1895.....	1,848,773	34,499,778	359,358,052
June 30, 1896.....	1,834,808	34,609,182	350,414,070
June 30, 1897.....	1,764,157	34,309,163	353,100,732
June 30, 1898.....	1,617,886	32,432,447	354,127,528
June 30, 1899.....	1,832,830	38,405,988	440,413,877
June 30, 1900.....	1,949,251	40,906,128	486,442,640
June 30, 1901.....	2,009,138	42,173,435	516,135,284
June 30, 1902.....	2,127,288	43,135,535	541,789,449
June 30, 1903.....	2,235,702	44,372,524	580,406,194
June 30, 1904.....	2,412,869	48,715,967	630,918,900

EARNING POWER.

The following statement shows the results per mile of road operated for the fiscal years 1887 to 1904, inclusive:

Year ending	Gross Receipts	Expenses Inc. Taxes.	Net from Operation.	Surplus
Sept. 30, 1887.....	\$4,048	\$3,280	\$768	\$160
Sept. 30, 1888.....	4,559	3,783	776	120
Sept. 30, 1889.....	4,760	3,943	817	144
June 30, 1890.....	5,188	4,168	1,020	345
June 30, 1891.....	5,893	4,520	1,373	210
June 30, 1892.....	6,849	5,162	1,687	434
June 30, 1893.....	7,735	5,869	1,866	538
June 30, 1894.....	8,059	5,732	2,327	880
June 30, 1895.....	7,696	5,542	2,154	685
June 30, 1896.....	7,927	5,660	2,267	788
June 30, 1897.....	8,105	5,787	2,318	832
June 30, 1898.....	8,148	5,831	2,317	883
June 30, 1899.....	9,046	6,182	2,864	1,298
June 30, 1900.....	10,331	7,108	3,223	1,788
June 30, 1901.....	11,079	7,861	3,218	1,830
June 30, 1902.....	11,357	8,654	2,703	1,372
June 30, 1903.....	11,263	8,310	2,953	1,570
June 30, 1904.....	12,131	9,251	2,880	1,617

PER DIEM PLAN FOR SETTLEMENT OF CAR MILEAGE.

Our second year's experience with the per diem plan confirms the wisdom of this method of settling car mileage. Besides securing a more prompt return of cars, the car mileage balance in favor of the company for settlements made under this plan only, was \$28,818.55, and for the previous year, \$7,163.82, an increase of \$21,654.73. For the last ten years previous to the adoption of the per diem plan, the average balance against this company for car hire was \$15,380.00 per year, which added to this year's balance shows that the per diem has been worth to this company during the second year of its operation \$44,198.55.

The amount received by the company as penalty, at the rate of 80 cents per day for cars held more than 30 days, alone amounted to \$11,950.40 in excess of like penalties paid, against \$3,323.20 received in the previous year.

The car mileage balance shown in Treasurer's statement, page 57, includes all settlements on both per diem and the old mileage basis and demonstrates the desirability of having all car service placed upon the former basis as rapidly as other lines can be brought to consent to the change.

I take pleasure in acknowledging the faithful and efficient services rendered by employes in all departments during the year.

Yours respectfully,

J. E. CHILDS,

General Manager.

NEW YORK, August 18, 1904.

OFFICE OF THE SECRETARY AND TREASURER.

New York, August 26th, 1904.

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, 1904.

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.

Yours respectfully,

R. D. RICKARD,

Secretary-Treasurer.

CERTIFICATE.

New York, August 26th, 1904.

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, 1904, and have compared the Vouchers with the Cash Book.

We have also examined the General Balance Sheet and Revenue Accounts for year ending June 30th, 1904, 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 issued 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, 1880, pursuant to Chap. 153, Laws of 1880, to carry out reorganization, not exceeding.....	
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
" " 5,000,000 5 per cent. " June 1, 1899.	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 153, Laws of 1880.
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No. 3.—Bond Capital authorized,

	Amount Authorized.	Amount Issued.
Refunding Mortgage Bonds, 4 per cent.	\$20,000,000	\$18,027,000

WESTERN RAILWAY COMPANY.

ending June 30th, 1904.

Capital authorized.

STOCK.		Bonds.	Total
Common.	Preferred.		
\$48,000,000	\$2,000,000		
15,000,000			\$85,000,000
		\$20,000,000	

showing amount issued.

Amount Created.	Amount Issued.
\$60,113,982.84	\$60,113,062.84

showing amount issued and sold.

Amount Sold.	Amount on Hand.
\$17,937,000	\$90,000

No. 4.—Revenue Account.—

June 30th, 1903.	EXPENDITURE.	June 30th, 1901.
\$ c		\$ c
925,695 78	Maintenance of Way and Structures.....	1,002,183 02
831,357 07	Maintenance of Equipment.....	940,167 68
2,493,682 09	Conducting Transportation.....	2,828,134 91
156,760 73	General Expenses.....	158,120 13
4,407,499 27		4,928,605 74
140,587 32	Taxes.....	144,331 68
4,557,086 59	Total Operating Expenses.....	5,072,937 72
1,610,431 31	Balance carried to Net Revenue Account No. 5.....	1,579,546 25
6,176,517 90		6,652,483 97

No. 5.—Net Revenue Account.—

677,460 00	To Interest on Refunding Mortgage 4 per cent. Bonds.....	683,757 78
75,000 00	" Rent of U. C. & B. and R. & C. Railroads.....	75,000 00
3,750 00	" " Wharton Valley Railway.....	3,750 00
134,119 63	" " Ontario, Carbondale & Scranton Railway.....	130,217 73
280,047 41	" Sundry Interest and Discounts.....	271,638 86
860,971 36	To Balance, carried to Account No. 6.....	886,828 83
2,021,368 40		2,051,193 20

No. 6.—Profit and Loss Account.—

To Transfer of amount "Expended for Construction of Second Track".....	1,031,934 89
" Sundries.....	39,954 72
" Balance carried to Account No. 7.....	6,089,387 66
	7,171,274 27

No. 7.—General Balance Sheet.—

ASSETS.	June 30th, 1901.
	\$ c
Franchises and Property.....	72,654,335 65
Preferred Stock Redemption Fund.....	4,000 00
Investments in other Companies.....	12,814,602 34
Advances to other Companies.....	662,189 13
Cash at Bankers.....	257,318 16
Stores, Fuel, etc., on hand.....	763,528 19
Sundry Outstanding Accounts due to the Company.....	359,569 36
Outstanding Traffic Accounts.....	630,102 12
Loans and Bills Receivable.....	118,010 45
Accrued Interest.....	108,687 50
Rolling Stock under lease.....	741,925 66
	89,142,268 56

June 30th, 1904.

June 30th, 1903.	RECEIPTS.	June 30th, 1901.
\$ c		\$ c
981,288 29	Passengers.....	1,013,092 60
133,213 22	Mails and Express.....	145,919 56
4,964,601 01	Freight.....	5,355,274 78
97,415 38	Miscellaneous.....	108,197 08
6,176,517 90		6,652,483 97

June 30th, 1904.

1,619,431 31	By Balance of Revenue Account for the year as per Account No. 4.....	1,579,546 25
	" Interest on Bond of the Ontario, Carbondale & Scranton Railway Co.....	75,000 00
75,000 00	" Interest on Bonds of the Scranton Coal Co.....	112,633 33
152,633 24	" Interest on Bonds of the Elk Hill Coal & Iron Co.....	219,750 00
131,250 00	" Interest on Bonds of the Clark Tunnel Coal Co.....	
743 33	" Interest on Bond of the Port Jervis, Monticello & Summitville R.R. Co.....	3,900 00
9,310 42	" Interest on Shares of the Temple Iron Co.....	1,263 62
3,000 00	" Interest on Shares of the Priceburg Water Co.....	
2,021,368 40		2,051,193 20

June 30th, 1904.

By Balance at July 1st, 1903.....	0,142,935 15
" Balance of Net Revenue Account.....	856,828 83
" Repayment on Account of Advances to O. C. & S. Ry. Co.....	45,510 29
" Accrued Interest on Elk Hill Coal & Iron Co.'s 2d Mortgage year to June 30, 1903.....	96,000 00
	7,171,274 27

June 30th, 1904.

LIABILITIES.	June 30th, 1901.
	\$ c
Common Stock.....	58,113,982 84
Preferred ".....	4,000 00
Refunding Mortgage 4 per cent. Bonds.....	17,937,000 00
Interest on Funded Debt, due and accrued.....	242,491 12
Sundry Outstanding Accounts due by the Company.....	845,545 56
Outstanding Traffic Accounts.....	99,602 50
Wages for Month of June.....	233,343 03
Loans and Bills payable:	1,650,000 00
Gold Notes secured by First Mortgage of Scranton Coal Co.....	2,975,000 00
" " " " Elk Hill Coal & Iron Co.....	741,925 66
" " " " (Rolling Stock under lease).....	6,089,387 66
Manhattan Trust Co., Trustee (Rolling Stock under lease).....	
Profit and Loss Account.....	89,142,268 56

No. 8.—Details of Investment in Other Companies.

Ontario, Carbondale & Scranton Ry. Co.....Capital Stock.....	\$1,500,000 00
Ontario, Carbondale & Scranton Ry. Co.....Mortgage Bond....	1,500,000 00
Scranton Coal Co. ....1st Mortgage Bond.	1,850,000 00
Scranton Coal Co.....2d Mortgage Bond.	1,170,000 00
Elk Hill Coal & Iron Co.....1st Mortgage Bond.	2,975,000 00
Elk Hill Coal & Iron Co.....2d Mortgage Bond.	2,400,000 00
Wharton Valley Ry. Co.....Capital Stock.....	70,000 00
Peeksport Connecting Ry. Co..... Capital Stock.....	40,000 00
Port Jervis, Monticello & Summitville R. R. Co.....Capital Stock.....	110,000 00
Port Jervis, Monticello & Summitville R. R. Co. ....Mortgage Bond ...	327,000 00
Ellenville & Kingston R.R. Co.....Capital Stock.....	300,000 00
Sundry Shares and Bonds.....	572,602 34
	\$12,814,602 34
DETAILS OF ADVANCES TO OTHER COMPANIES.	
Peeksport Connecting Ry. Co.	\$40,060 50
Ellenville and Kingston R.R. Co.....	589,478 00
Port Jervis, Monticello and Summitville R.R. Co.....	32,650 63
	\$662,189 13

No. 9.—Details of Expenditure on Capital Account.

ROLLING STOCK.—Additional—			
Lease and purchase under Trust Agreement:		\$	c
6 Consolidation Engines.....	Series "A."	114,000	00
1 Mogul Engine.....			
6 Vestibuled Coaches.....			
2 Drawing-Room Cars.....			
575 Standard Coal Cars.....			
25 Pressed Steel Coal Cars.....			
25 Rolled Beam Steel Coal Cars.....			
500 Coal Cars.....	Series "B."	74,060	00
200 Box Cars.....	Series "C"	44,000	00
6 Coaches.....			
2 Parlor Cars.....			
2 Locomotives.....			
250 Box Cars.....	Series "D"	80,000	00
50 Refrigerator Cars.....			
4 Vestibuled Coaches.....			
2 Parlor Cars.....			
6 Mogul Engines.....			
3 Passenger Engines.....			
			312,000 00
1 New Pile Driver.....		5,200	00
1 New Official Car, No. 25.....		6,363	44
10 New 4-Wheel Caboose Cars.....		4,010	11
1 50-Ton Steam Derrick.....		11,707	62
1 New Steam Shovel.....		6,455	72
3 Consolidation Engines.....		53,372	25
4 Mogul Engines.....		62,379	92
5 New Standard Milk Cars.....		3,289	44
			153,678 50
IMPROVEMENTS AND ADDITIONS TO LINE—			
Hanauer's Coal Trestle at Utica.....		8,806	73
State Bridge Creamery.....		2,196	33
West Monroe.....		2,546	38
Central Square.....		3,102	60
Bartlett.....		2,246	17
Poyntelle.....		2,658	30
Oswego Fort Grounds (Grading, Etc.).....		13,059	69
			34,706 20
			7,678 82
Land Purchases and Land Damages.....			508,063 52
			25,000 00
Discount on Refunding Mortgage 4% Bonds Sold.....			\$533,063 52

No. 10.—Expenditure on

MAINTENANCE OF WAY AND STRUCTURES.				
	June 30th, 1903.		June 30th, 1904.	
	\$	c	\$	c
1. Repairs to Roadway.....	412,498	49	426,978	68
1½. Clearing Snow and Ice.....	37,377	91	66,203	57
2. Renewals of Rails.....	48,499	16	49,760	97
3. Renewals of Ties.....	110,184	15	118,364	47
4. Repairs and Renewals of Bridges and Culverts.....	134,355	29	76,809	60
5. Repairs and Renewals of Fences, Road Crossings, etc.....	39,603	47	47,674	22
6. Repairs and Renewals of Buildings and Fixtures.....	109,389	31	182,672	18
7. Repairs and Renewals of Docks and Wharves.....				
7½. Repairs and Renewals of Coal Terminals.....	25,742	65	29,176	98
8. Repairs and Renewals of Telegraph.....	3,874	47	1,613	00
9. Stationery and Printing.....	2,923	88	2,929	35
10. Other Expenses.....	1,250	60		
	925,698	78	1,062,183	62
Per Cent on Gross Receipts.....	14.99		15.07	
Per Mile of Line and Sidings owned and leased..	\$1,304	36	\$1,827	47
Per Ton of Freight carried.....	c 23.30		c 23.22	
MAINTENANCE OF EQUIPMENT.				
	\$	c	\$	c
11. Superintendence.....	22,215	68	23,797	02
12. Repairs and Renewals of Locomotives.....	286,160	57	389,065	75
13. Repairs and Renewals of Passenger Cars.....	96,619	95	92,110	47
14. Repairs and Renewals of Freight Cars.....	344,590	19	353,912	87
15. Repairs and Renewals of Work Cars.....	5,969	77	10,909	70
16. Repairs and Renewals of Marine Equipment.....	13,115	70	13,893	86
17. Repairs and Renewals of Shop Machinery and Tools.....	34,474	03	22,430	67
18. Stationery and Printing.....	3,028	13	3,125	95
19. Other Expenses.....	25,183	65	30,975	39
	831,357	67	940,167	68
Per Cent. on Gross Receipts.....	13.46		14.13	
Per Traffic Engine Mile.....	c 17.93		c 18.36	
Per Traffic Car Mile.....	c 1.68		c 1.74	

Revenue Account.

CONDUCTING TRANSPORTATION.				
	June 30th, 1903.		June 30th, 1904.	
	\$	c	\$	c
20. Superintendence.....	58,005	10	\$ 64,549	57
21. Engine and Round-house Men.....	366,895	66	441,004	85
22. Fuel for Locomotives.....	555,221	45	722,985	23
23. Water Supply for Locomotives.....	21,402	46	24,549	35
24. Oil, Tallow and Waste for Locomotives.....	18,928	71	17,247	80
25. Other Supplies for Locomotives.....	4,251	93	2,587	77
26. Train Service.....	329,072	49	366,150	87
27. Train Supplies and Expenses.....	45,951	46	52,739	19
28. Switchmen, Flagmen and Watchmen.....	71,657	89	87,823	33
29. Telegraph Expenses.....	62,979	73	80,055	27
30. Station Service.....	181,705	51	208,785	39
31. Station Supplies.....	25,622	84	25,123	64
32. Switching Charges—Balance.....	309	59		
33. Car Mileage—Balance.....	3,058	63	Cr. 18,833	65
34. Hire of Equipment.....	46,989	16	33,754	82
35. Loss and Damage.....	16,767	27	23,888	84
36. Injuries to Persons.....	72,823	55	59,910	00
37. Clearing Wrecks.....	8,643	41	14,507	07
38. Operating Marine Equipment.....	59,136	77	65,019	74
39. Advertising.....	16,432	95	15,056	21
40. Outside Agencies.....	48,887	78	45,623	46
41. Commissions.....				
42. Stock Yards and Elevators.....			58,062	28
42½. Coal Terminals.....	40,509	98	372,556	85
43. Rents of Tracks, Yards and Terminals.....	381,509	11	19,481	13
44. Rents of Buildings and other Property.....	17,025	08	20,378	36
45. Stationery and Printing.....	20,878	54	7,474	54
46. Other Expenses.....	7,015	04		
	2,403,662	06	2,828,134	91
Per Cent. on Gross Receipts.....	40.37		42.51	
No. of Passengers Carried.....	1,507,988		1,637,087	
No. of Tons of Freight Carried.....	3,072,561		4,315,422	
GENERAL EXPENSES.				
	\$	c	\$	c
47. Salaries of General Officers.....	49,500	08	50,232	35
48. Salaries of Clerks and Attendants.....	46,665	11	4,984	77
49. General Office Expenses and Supplies.....	4,181	56	18,445	61
50. Insurance.....	18,844	61	15,184	25
51. Law Expenses.....	15,938	85	3,927	93
52. Stationery and Printing (General Offices).....	3,842	57	15,025	15
53. Other Expenses.....	17,787	95		
	156,700	73	158,120	13
Per Cent. on Gross Receipts.....	2.54		2.38	

No. 11.—Mileage.

	June 30th, 1903.	June 30th, 1901.
Main Line: Cornwall to Oswego	271.75	271.75
Ellenville Branch	7.80	7.80
Delhi Branch	16.84	16.81
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
LEASED LINES.		
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'y	6.80	6.80
Ontario, Carbondale & Scranton R'y	54.05	54.05
Pecksport Connecting R'y	3.69	3.69
Port Jervis, Monticello & Summitville R.R.	40.80	40.80
Ellenville & Kingston R. R.	27.14	27.14
Total miles leased	176.56	176.56
Total miles worked by Engines	548.40	548.40
TRACK MILEAGE.		
Main Line	271.75	271.75
Second Track	Steel	51.00
Branches	Steel	47.02
Main Line Sidings	Steel and Iron	129.01
Branch Line Sidings	Steel and Iron	6.50
Total Tracks and Sidings Owned	454.28	505.52
Lines Leased	Steel	176.56
Second Track	Steel	8.31
Leased Lines Sidings and Mine Branches	78.85	72.31
Total Tracks and Sidings Leased	255.41	254.65
Total Tracks and Sidings Owned and Leased ..	709.69	760.17

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

	June 30th, 1903.		June 30th, 1904.	
	ENGINE.	CAR.	ENGINE.	CAR.
Passenger Trains	1,003,276	4,274,036	1,084,935	4,565,594
Freight Trains	1,632,038	36,076,730	1,812,363	41,265,276
Mixed Trains	604,866	8,280,356	800,675	8,312,294
Total Train Miles	3,440,200	49,531,122	3,697,973	54,143,164
Switching, Light Running, etc.	1,105,587	.....	1,421,252	.....
Total Traffic Engine and Car Miles..	4,035,787	49,531,122	5,119,225	54,143,164
Work Trains	252,787	2,273,745	289,010	2,145,100
Gross Engine and Car Miles	4,888,574	51,804,867	5,408,235	56,288,264

No. 13.—Statistics of Earnings and Expenses.

	Year ending June 30th, 1900.		Year ending June 30th, 1901.		Year ending June 30th, 1902.		Year ending June 30th, 1903.		Year ending June 30th, 1904.	
	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.
July.....	\$422,966 00	\$253,622 00	\$452,655 00	\$282,781 00	\$543,528 00	\$346,341 00	\$337,845 00	\$283,813 00	\$683,197 00	\$419,918 00
August.....	503,427 00	282,223 00	526,589 00	304,557 00	571,513 00	336,046 00	408,215 00	303,983 00	680,890 00	427,552 00
September.....	459,519 00	292,023 00	378,611 00	258,142 00	490,768 00	349,656 00	350,001 00	326,318 00	602,800 00	421,566 00
October.....	454,265 00	297,762 00	282,022 00	214,040 00	521,701 00	337,075 00	384,149 00	321,056 00	493,184 00	445,615 00
November.....	426,327 00	301,612 00	460,365 00	300,766 00	501,422 00	333,212 00	612,263 00	356,873 00	538,883 00	412,294 00
December.....	411,910 00	250,837 00	450,840 00	296,267 00	463,292 00	344,738 00	600,163 00	386,078 00	467,380 00	391,046 00
January.....	391,985 00	274,355 00	483,020 00	313,998 00	466,498 00	356,976 00	569,063 00	422,901 00	419,094 00	402,176 00
February.....	354,836 00	243,450 00	385,041 00	299,879 00	333,855 00	323,606 00	538,925 00	370,073 00	455,321 00	361,619 00
March.....	365,980 00	257,527 00	416,284 00	330,822 00	462,428 00	339,726 00	557,227 00	391,359 00	534,261 00	412,323 00
April.....	363,131 00	234,936 00	460,865 00	336,615 00	468,888 00	362,475 00	553,950 00	408,174 00	534,303 00	387,171 00
May.....	383,859 00	280,111 00	493,522 00	356,204 00	370,758 00	308,147 00	621,932 00	386,507 00	570,497 00	410,901 00
June.....	425,277 84	301,170 70	503,069 65	338,269 71	262,045 03	278,297 93	642,704 90	437,364 27	642,373 97	413,424 74
	\$4,963,482 84	\$3,279,628 70	\$5,322,883 65	\$3,638,340 71	\$5,456,696 03	\$4,016,295 03	\$6,170,517 90	\$4,407,409 27	\$6,652,483 97	\$4,928,605 74
Per cent. of expenses to receipts.....	.....	66.07	.....	68.35	.....	73.60	.....	71.36	.....	74.09
Taxes.....	.....	135,288 74	.....	138,796 41	.....	141,458 27	.....	149,587 32	.....	144,331 98
Per cent. to receipts.....	.....	2.73	.....	2.61	.....	2.59	.....	2.42	.....	2.17
Total.....	\$4,963,482 84	\$3,414,917 44	\$5,322,883 65	\$3,777,137 12	\$5,456,696 03	\$4,157,754 20	\$6,170,517 90	\$4,557,086 59	\$6,652,483 97	\$5,072,937 72
Per cent. to receipts.....	.....	68.80	.....	70.96	.....	76.19	.....	73.78	.....	76.26
Train Miles.....	2,996,795		3,080,804		3,216,286		3,440,200		3,697,073	
Per Train Mile.....	\$1.656	\$1.140	\$1.728	\$1.226	\$1.697	\$1.293	\$1.795	\$1.325	\$1.798	\$1.372
Passengers carried—Number.....	1,213,291		1,312,572		1,386,030		1,507,088		1,637,087	
Onomile.....	44,174,576		46,683,528		49,715,250		52,006,057		56,086,905	
Earnings per Passenger per mile.....	1c.783		1c.831		1c.705		1c.854		1c.859	
General Freight carried—Tons.....	1,176,425		1,066,641		1,070,284		1,355,509		1,310,254	
Coal.....	2,157,533		2,361,026		2,455,305		2,521,170		2,890,225	
Milk.....	82,628		80,841		86,898		85,783		105,943	
Total Freight.....	3,416,606		3,508,508		3,612,487		3,072,501		4,315,422	
" carried—Tons 1 mile.....	480,442,640		516,135,284		541,789,449		580,400,104		630,918,900	
Earnings per Ton per mile.....	0c.816		0c.827		0c.801		0c.855		0c.848	

No. 14.—Return of Rolling Stock at June 30th, 1904.

	Owned at June 30th, 1903.	Added since at cost of Capital.	Transfers.	Owned at June 30th, 1904. See Foot Note.	Leased under Trust Agreement.	Total Owned and Leased.	Out of Service.
LOCOMOTIVES.							
Passenger	39			39	6	45	1
Freight.....	101	7		108	12	120	
Total.....	140			147	18	165	1
CARS IN PASSENGER SERVICE.							
Parlor Cars.....	6			6	6	12	
1st Class Coaches.....	66			66	16	82	
2nd " ".....	15			15		15	1
Combination Cars	24			24		24	
Mail and Baggage Cars	11			11		11	
Baggage and Express Cars	21			21		21	
Total.....	143			143	22	165	1
CARS IN FREIGHT SERVICE.							
Box	564		8	512	200	712	
Refrigerator	37			37		37	
Cattle	64			63		63	
Milk	77	5		82		82	
Platform	641			458		458	
Coal	4,887			4,049	1,125	5,774	
Total.....	6,270	5	8	5,801	1,325	7,126	
CARS IN COMPANY SERVICE.							
Air Brake Car	1			1		1	
Cabooses	67	10		77		77	
Derrick	5	1		6		6	
Dump	20			20		20	
Officers and Pay Cars	2	1		3		3	
Pile Driver		1		1		1	
Steam Shovel		1		1		1	
Snow Plows	6			6		6	
Tool Cars	9			9		9	1
Road Department	62		8	70		70	
Total.....	172	14	8	194		194	
Grand Total—Cars.....	6,585	19		6,138	1,347	7,485	2

The number of cars owned heretofore carried in the freight equipment records of the Company has been reduced to 5,801 by replacement on tonnage basis as stated by Gen. Manager, see page 30, which number will hereafter form the basis of accounting for cars in freight service.