

TWENTY-EIGHTH 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, 1907.

NEW YORK.

WYCKOFF HALLENBECK CRAWFORD CO., PRINTERS

492 TO 505 PEARL STREET

New York, Ontario & Western Railway Company.

DIRECTORS

CHARLES F. BROOKER,	Ansonia, Conn.
D. NEWTON BARNEY,	Hartford, "
FRANK W. CHENEY	So. Manchester, "
JAMES E. CHILDS,	New York.
THOMAS P. FOWLER,	"
JOHN B. KERR,	"
CHARLES S. MELLEN,	New Haven, Conn.
GEORGE MACCULLOCH MILLER	New York.
J. PIERPONT MORGAN,	"
WM. ROCKEFELLER,	"
GRANT B. SCHLEY,	"
WILLIAM SKINNER,	Holyoke, Mass.
CHARLES S. WHELEN	Philadelphia.

OFFICERS

THOMAS P. FOWLER, <i>President</i> ,	New York.
JOHN B. KERR, <i>Vice-President and General Counsel</i> ,	"
JAMES E. CHILDS, <i>Vice-President and General Manager</i> ,	"
RICHARD D. RICKARD, <i>Secretary and Treasurer</i> ,	"
JAMES M. FLEMING, <i>Ass't Secretary</i> ,	"
ARTHUR L. PARMELEE, <i>Ass't Treasurer</i> ,	"
JAMES C. ANDERSON, <i>Traffic Manager</i> ,	"
FRANK W. SMITH, <i>Asst. Gen'l Freight and Passenger Agent</i> ,	"
EDWARD CANFIELD, <i>General Superintendent</i> ,	Middletown, N. Y.
GEORGE W. WEST, <i>Superintendent Motive Power</i> ,	" "
CURTIS E. KNICKERBOCKER, <i>Engincer Maintenance of Way</i> ,	" "
CHARLES A. DRAPER, <i>Purchasing Agent</i> ,	New York.
ANDREW RILEY, <i>Paymaster</i> ,	"

AUDITORS

BARROW, WADE, GUTHRIE & Co., <i>Public Accountants</i> , 25 Broad St., New York.
<i>Transfer Agent</i> , JAMES M. FLEMING, New York.
<i>Registrar of Stock</i> , MERCANTILE TRUST CO., . 120 Broadway, New York.
<i>Agents in London, England</i> , THE ENGLISH ASSOCIATION OF AMERICAN
BOND AND SHAREHOLDERS, LIMITED, . 5 Great Winchester Street.

GENERAL OFFICES

NEW YORK 56 Beaver Street.

New York, Ontario & Western Railway Company.

OFFICE OF THE PRESIDENT.

New York, August 31st, 1907.

TO THE STOCKHOLDERS:

I present for your information, a statement of the receipts and disbursements of the Company, for the year ended June 30th, 1907, compared with the fiscal year preceding:

RECEIPTS

	1907.	1906.
From Passengers.....	\$1,553,996.62	\$1,376,042.80
“ Freight	6,326,641.54	5,589,443.76
“ Mail and Express.....	180,919.03	170,012.31
Miscellaneous	140,803.64	129,558.70
Total.....	<u>\$8,202,360.83</u>	<u>\$7,265,057.57</u>

DISBURSEMENTS

	1907.	1906.
Maintenance of Way and Structures.....	\$1,002,728.51	\$892,099.88
Maintenance of Equipment.....	1,250,561.70	1,104,835.05
Conducting Transportation.....	3,027,417.73	2,895,393.21
General Expenses.....	169,259.77	166,761.67
Taxes	194,378.15	174,197.21
Total.....	<u>\$5,644,345.86</u>	<u>\$5,233,287.02</u>
Net Earnings.....	\$2,558,014.97	\$2,031,770.55
Interest, Rentals and Charges.....	903,232.74	844,269.73
Surplus	<u>\$1,654,782.23</u>	<u>\$1,187,500.82</u>

Local passenger earnings were \$1,288,299.77, compared with \$1,186,203.34; through passenger and immigrant earnings were \$265,696.85, compared with \$189,839.46, and mail and express receipts, \$180,919.03, compared with \$170,012.31.

Freight Traffic earnings in detail for eight years have been as follows:

	Freight Through	Freight Local	Milk	Coal	Miscellaneous	Total
1900	\$440,214.49	\$815,038.43	\$491,397.38	\$2,223,463.74	\$87,847.20	\$4,057,061.24
1901	452,209.15	703,936.28	476,243.35	2,546,918.13	76,690.41	4,345,997.32
1902	526,997.04	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	5,062,016.39
1904	647,268.72	925,809.74	596,879.75	3,185,316.52	108,197.08	5,463,471.81
1905	644,189.40	962,833.67	630,516.59	3,380,843.46	123,403.92	5,741,787.04
1906	707,824.80	1,122,046.80	688,287.24	3,070,384.83	129,558.70	5,719,002.46
1907	791,038.81	1,177,196.18	705,264.04	3,653,142.51	140,803.64	6,467,445.18

The operations in detail for eighteen years are shown below:

	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	2,698,558.05	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	680,688.75	623,717.99
1900	4,963,482.84	3,414,917.44	1,548,565.40	680,541.08	850,024.32
1901	5,322,883.65	3,777,137.12	1,545,746.53	666,514.75	879,231.78
1902	5,456,696.03	4,157,754.20	1,298,941.83	639,982.06	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
1905	7,090,888.80	5,050,739.32	2,040,130.57	758,862.79	1,281,276.78
1906	7,265,957.57	5,233,287.02	2,031,770.55	844,269.73	1,187,500.82
1907	8,202,360.83	5,644,345.86	2,558,014.97	903,232.74	1,654,782.23

Out of the surplus from the operations of the year, your Board declared a dividend of two per cent. upon the common stock, which was paid to the stockholders July 29th.

During the year additional equipment was purchased to meet the requirements of the increasing summer passenger traffic. It was also found necessary to increase the boat equipment employed in the carriage of coal from terminal points, by the purchase of ten small boats for river and harbor deliveries, and three barges for more distant points. Two tugs are also under contract for the same service, and it is hoped to accomplish with them a much more satisfactory and economical service than has been given the traffic heretofore.

Improvements on the main and branch lines have been continued, and much needed enlargement and re-arrangement of the shops at Middletown and Norwich nearly completed.

The physical condition of your property is much better than at any time in the history of the Company.

Work has been resumed on the main line second track for a distance of about six miles near Liberty, and upon its completion we shall have double track the entire distance from Cornwall to Cadosia, except in the intervening tunnels which it is not intended to enlarge.

In February last your Board authorized the issue of \$1,948,000 General Mortgage Bonds to reimburse the treasury for capital expenditures theretofore made, for the following purposes:

Equipment	\$692,328.95
Construction second track.....	588,390.98
Additional sidings	67,739.96
New rail (weight additional to that replaced).....	44,765.89
New ballasting, grading and signal system.....	101,523.32
Reconstructing and filling bridges and trestles.....	165,849.64
New overhead bridges and crossings.....	55,410.34
Additional lands and improvements and extensions, stations, shops, terminals, etc.....	232,612.35

At the close of the fiscal year \$1,334,000 of the bonds had been sold and an option on the balance given to bankers, which has been exercised to the extent of \$222,000. When the remainder have been disposed of, the total amount of General Mortgage bonds so far authorized and outstanding will be \$3,948,000. The discount upon the bonds sold has been charged to the profit and loss account, leaving only the fixed rate of four per cent. to be charged against earnings.

The report of the Vice-President and General Manager gives, in detail, the operations of your Company for the year, to which your attention is directed.

The statements of the Secretary and Treasurer, verified as usual, by the auditors, Messrs. Barrow, Wade, Guthrie & Co., certified and chartered accountants, are also worthy of your consideration.

The employees of the Company have continued faithful and efficient in the discharge of their various duties, and the measure of success attained has been largely due to their efforts.

By order of the Board,

THOMAS P. FOWLER, *President.*

VICE-PRESIDENT AND 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, 1907.

EARNINGS AND EXPENSES

The gross earnings for the year were \$8,202,361, compared with \$7,265,058 in the previous year, an increase of \$937,303, or 12.90 per cent.

The working expenses for the year were \$5,449,968, compared with \$5,059,090 for the previous year, an increase of \$390,878, or 7.73 per cent.

The net earnings for the year, after deducting taxes, were \$2,558,015, and in the previous year \$2,031,771, being an increase of \$526,244, or 25.90 per cent.

The surplus for the year, after deducting fixed charges, rentals, etc., was \$1,654,782, and in the previous year, \$1,187,501, an increase of \$467,281, or 39.35 per cent.

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

Year ending June 30th, 1890.....	76.55	per cent.
“ “ “ “ 1891.....	73.16	“ “
“ “ “ “ 1892.....	72.27	“ “
“ “ “ “ 1893.....	73.15	“ “
“ “ “ “ 1894.....	68.40	“ “
“ “ “ “ 1895.....	69.24	“ “
“ “ “ “ 1896.....	68.42	“ “
“ “ “ “ 1897.....	68.20	“ “
“ “ “ “ 1898.....	68.68	“ “
“ “ “ “ 1899.....	65.25	“ “
“ “ “ “ 1900.....	66.07	“ “
“ “ “ “ 1901.....	68.35	“ “
“ “ “ “ 1902.....	73.60	“ “
“ “ “ “ 1903.....	71.36	“ “
“ “ “ “ 1904.....	74.09	“ “
“ “ “ “ 1905.....	68.99	“ “
“ “ “ “ 1906.....	69.64	“ “
“ “ “ “ 1907.....	66.44	“ “

PASSENGER TRAFFIC

The local passenger earnings for the year were \$1,288,300, compared with \$1,186,203 in the previous year, an increase of \$102,097, or 8.61 per cent.

The through passenger receipts, consisting of coupon and immigrant business, amounted to \$265,697, as compared with \$189,839 in the previous year, an increase of \$75,858, or 39.96 per cent.

The summer business from New York to resorts in Orange, Sullivan, Ulster and Delaware counties continues to show a steady increase.

EXCURSIONS

During the year 52 excursions were run, carrying 17,881 passengers. The mileage of excursion trains was 3,792 miles, and the revenue \$20,067, or \$5.29 per mile. In the previous year there were 42 excursions run, carrying 26,481 passengers, with train mileage of 5,062 miles, and the revenue of \$23,662, or \$4.67 per mile.

As in the previous year, few coaches could be spared for excursion business during the season of summer travel.

BAGGAGE DEPARTMENT

The number of pieces of baggage handled during the fiscal year was 520,618, compared with 518,403 for the previous year.

The amount paid by the company for loss and damage sustained in handling same was \$404, compared with \$338 in the previous year.

The excess baggage and storage collections amounted to \$12,736, compared with \$12,791 in the previous year.

During this period 12,056 bicycles were carried, compared with 14,428 in the previous year.

FREIGHT TRAFFIC

The local freight earnings were \$1,177,196, compared with \$1,122,947 in the previous year, an increase of \$54,249, or 4.83 per cent.

The through freight earnings were \$791,039, compared with \$707,825 in the previous year, an increase of \$83,214, or 11.76 per cent.

COAL

The earnings of the company from the transportation of coal were \$3,653,143, compared with \$3,070,385 in the previous year, an increase of \$582,758, or 18.98 per cent. The total shipments from the Scranton Division, including supply coal used on engines and at stations, were 2,711,633 gross tons, an increase of 207,194 over previous year, or 8.27 per cent. The number of gross tons of coal transported from the Scranton Division (exclusive of supply coal for company's use) was 2,502,989, compared with 2,286,437 in previous year, an increase of 216,552, or 9.47 per cent.

The total output of anthracite coal from the entire field, for the year 1906 was 55,698,595 tons, a decrease of 5,711,606 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:

	1907.	1906.
To the lakes, via Oswego.....	148,568	118,825
To tide water, via Cornwall.....	530,760	
To tide water, via Weehawken.....	760,630	
	1,291,399	1,281,803
Total	1,439,667	1,400,628

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

Shortage of labor in the mining region throughout the year has tended to reduce the output of anthracite coal.

MILK

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

	1907.	1906.	
Tons of milk carried.....	111,341	109,004	Inc., 2.14%
Tons carried one mile.....	23,031,690	21,577,100	" 6.74%
Revenue	\$705,264	\$688,287	" 2.47%
Miles run	591,300	557,123	" 6.13%
Earnings per train mile.....	\$1.19	\$1.24	Dec., 4.03%

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.

MOTIVE POWER DEPARTMENT

MILEAGE

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

	1907.	1906.
Passenger trains.....	1,258,877	1,228,987
Freight trains.....	1,916,469	1,779,210
Mixed trains.....	1,008,063	976,155
Total train miles earning revenue.....	4,183,409	3,984,352
Shifting, light running, etc.....	1,413,104	1,378,664
Total traffic engine miles.....	5,596,513	5,363,016
Passenger train car miles.....	5,916,629	5,574,117
Freight train car miles.....	45,238,614	42,272,617
Mixed train car miles.....	9,834,913	9,506,004
Total car miles.....	60,990,156	57,352,738

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

	1907.	1906.
Total number of engines on hand at end of year....	173	171
Average number making mileage.....	156	151

Engine Mileage.

Passenger	1,258,877	1,228,987
Freight	1,916,469	1,779,210
Mixed	1,008,063	976,155
Shifter	878,204	862,651
Work train.....	251,770	247,862
Light-running, etc.....	534,900	516,013
Total miles run.....	5,848,283	5,610,878

Fuel.

Tons coal consumed.....	398,351	371,946
Pounds coal consumed per engine mile.....	136.2	132.6
Pounds coal consumed per car mile.....	12.6	12.5

Stores.

Quarts of oil consumed.....	276,767	281,629
Pounds of waste used.....	36,401	43,834

<i>Miles run to</i>	1907.	1906.
One ton of coal.....	14.6	15.0
One quart of oil.....	21.1	19.9
One pound of waste.....	160.6	128.0
<i>Cost per engine mile in cents.</i>		
Repairs	8.04	8.11
Fuel	12.54	11.74
Stores	0.38	0.46
Wages of engine crew, cleaners, etc.....	8.15	8.15
Total cost per mile.....	29.11	28.46
Car mileage.....	62,904,744	59,296,651

FUEL

The following statement shows the total cost of fuel for locomotives, and cost per train, car and engine mile, for the past fourteen 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 "
1898.....	222,311	8.46 "	6.56 "	.608 "
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 "
1905.....	683,140	17.38 "	12.73 "	1.182 "
1906.....	640,342	16.07 "	11.94 "	1.116 "
1907.....	708,621	16.94 "	12.66 "	1.162 "

During the year, 180,748 tons of bituminous, and 217,603 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:

	1907.	1906.
No. of engines owned and leased.....	176	171
No. of engines laid up ready for service.....	....	1
No. of engines in service.....	154	161
No. of engines in shop under repairs.....	15	7
No. of engines in shop awaiting repairs.....	4	1
No. of engines scrapped and sold.....	4	3
No. of engines purchased.....	7	6
No. of engines received general repairs and rebuilt.....	82	91
No. of engines received ordinary repairs.....	128	106
No. of cars awaiting repairs.....	376	169
No. of cars received repairs.....	53,769	50,116

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

**Classification of the Entire Freight Equipment according to the tonnage capacity
of Cars for years shown**

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 40 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	10,703	13.15%	442	9	.....	.....	451	6,368	14.15%	1248	1248	17,076	13.75%	
1890	115	345	873	.....	900	.....	2233	50,670	22.75%	382	362	8	.....	752	12,828	17.25%	3118	2985	63,498	21.25%	
1893	72	332	867	.....	3354	.....	4625	123,472	26.75%	353	382	10	.....	745	12,882	17.25%	5602	5370	136,354	25.15%	
1895	42	209	844	2	3934	.....	5031	138,380	27.75%	327	371	39	.....	737	13,168	17.75%	6110	5768	151,548	26.05%	
1897	38	182	788	2	4274	.....	5284	147,034	27.75%	207	385	71	.....	663	12,728	19.25%	6361	5947	159,762	26.15%	
1898	28	103	784	2	4336	.....	5253	147,588	28.25%	136	355	158	.....	649	13,744	21.25%	6301	5902	161,332	27.15%	
1899	26	61	780	2	4334	.....	5203	146,836	28.25%	109	357	216	.....	682	15,146	22.25%	6317	5885	161,982	27.15%	
1900	21	50	764	2	4447	.....	5285	149,732	28.25%	82	351	233	.....	666	15,158	22.25%	6329	5951	164,890	27.25%	
1901	20	49	755	2	4465	.....	612	5903	176,036	29.25%	78	342	244	.....	664	15,252	22.25%	6942	6567	191,288	29.25%
1902	17	41	733	2	4452	.....	636	5881	176,078	29.25%	76	327	252	.....	655	15,164	23.25%	6954	6536	191,242	29.25%
1903	16	27	716	2	4443	.....	1131	6335	196,297	30.25%	72	314	277	202	865	23,678	27.25%	7662	7200	219,975	30.25%
1904	7	22	676	2	4407	.....	1122	6236	193,857	31.25%	71	301	284	302	958	27,614	28.25%	7592	7194	221,471	30.75%
1905	7	20	635	2	4402	.....	1134	6200	193,369	31.25%	66	281	337	550	1234	38,654	31.25%	7426	*7434	232,023	31.25%
1906	6	16	584	2	4406	10	1138	6162	192,971	31.25%	62	270	356	550	1238	38,948	31.25%	7445	*7400	231,919	31.25%
1907	5	14	533	2984	1422	70	1135	6163	179,213	29.25%	60	260	357	549	1226	38,710	31.25%	7443	†7389	217,923	29.25%

* Including 72 cars in company service. † Including 70 cars in company service.
The decrease in total tonnage in the last fiscal year was caused by changing the marked capacity on 2,984 coal cars from 60,000 to 50,000 pounds.

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:

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		
1881	44	35	...	79	1	4	1	3	18	1	24	27	Tons 24	Tons 37	Tons 34.5	Lbs. 130	
1885	39	34	...	73	1	3	18	1	24	26
1890	34	45	13	92	1	2	23	16	11	9	4	1	10	8	...	7
1895	32	50	51	133	...	1	3	...	17	14	9	7	4	1	10	10	2	13	42
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 $\frac{1}{2}$	200
1904	29	62	73	164	...	...	...	...	...	...	1	12	5	...	14	10	15	6	13	4	2	41	4	17	20	37	100	64 $\frac{1}{2}$	200	
1905	28	66	73	167	...	...	...	...	...	...	...	...	11	6	...	14	10	15	6	13	4	2	41	4	21	20	39	100	64 $\frac{1}{2}$	200
1906	27	70	73	170	...	...	...	...	...	...	...	...	8	6	...	14	10	8	6	20	4	2	41	4	27	20	39	100	65 $\frac{1}{2}$	200
1907	26	73	74	173	...	...	...	...	...	...	...	...	8	4	...	13	10	8	6	19	4	3	42	4	32	20	39	100	66 $\frac{1}{2}$	200

The following table shows the increase in tractive power, or draw-bar pull, of engines:

YEAR	1881			1885			1890			1895			1900			1901		
	No. of Engines	Size of Cylinder		No. of Engines	Size of Cylinder		No. of Engines	Size of Cylinder		No. of Engines	Size of Cylinder		No. of Engines	Size of Cylinder		No. of Engines	Size of Cylinder	
		Inches	Pounds		Inches	Pounds		Inches	Pounds		Inches	Pounds		Inches	Pounds		Inches	Pounds	Inches	Pounds
	1	12x22	5,800	1	12x22	5,500	1	12x22	5,500	1	15x24	10,000	1	15x24	10,000	1	15x24	10,000
	1	15x22	11,400	1	15x22	11,400	1	15x22	11,400	1	15x22	11,400	4	17x24	62,400	4	17x24	62,400
	2	14x22	15,800	2	16x22	26,000	18	17x24	229,900	17	17x24	217,100	7	17x24	106,500	7	17x24	106,500
	3	17x20	31,900	10	16x24	25,000	18	17x24	265,300	16	17x24	235,800	7	17x24	27,400	7	17x24	27,400
	1	16x22	10,500	20	17x22	254,600	1	16x22	13,000	6	18x24	60,600	2	17x24	27,400	3	17x24	35,500
	2	16x22	26,000	3	17x20	31,900	1	16x24	12,500	7	18x24	120,700	2	17x24	69,400	3	17x24	34,500
	20	17x22	254,000	15	17x24	192,000	2	17x24	28,200	2	18x24	34,400	2	17x24	34,300	3	17x24	34,500
	15	17x24	192,000	18	17x24	253,800	4	18x24	60,900	8	19x24	142,600	10	17x24	147,400	10	17x24	147,400
	19	17x24	207,900	8	18x26	154,200	9	18x24	156,000	11	19x24	231,000	5	18x24	80,700	5	18x24	86,700
	4	10x24	50,000	3	18x26	58,000	11	18x26	212,000	4	19x24	85,000	4	18x24	32,200	4	18x24	33,500
	8	18x26	154,200				8	19x24	142,500	9	18x26	173,700	2	18x24	60,900	4	18x24	60,900
	3	18x20	55,000				5	19x24	105,500	13	20x24	297,000	8	18x26	34,800	2	18x24	34,800
							13	20x24	297,000	38	20x24	992,200	2	18x28	154,200	8	18x26	154,200
												8	18x28	40,800	8	18x28	40,800	
												11	19x24	142,500	11	19x24	142,500	
												4	19x24	231,000	11	19x24	231,000	
												4	19x24	85,600	4	19x24	231,000	
												12	20x24	274,200	12	20x24	85,000	
												41	20x24	1,070,000	12	20x24	82,000	
												1	21x32	436,000	41	20x24	274,200	
															10	21x32	1,070,000	
															10	21x32	436,000	
TOTAL	70		1,078,100	73		1,012,700	92		1,539,700	133		2,642,100	133		2,735,500	140		3,128,800
Average tractive power per engine			13,650			13,870			16,730			19,960			20,570			22,350

The following table shows the increase in tractive power, or draw-bar pull, of engines:

YEAR	1902		1903		1904		1905		1906		1907			
	No. of Engines	Tractive Power	No. of Engines	Tractive Power	No. of Engines	Tractive Power	No. of Engines	Tractive Power	No. of Engines	Tractive Power	No. of Engines	Tractive Power		
	Inches	Pounds	Inches	Pounds	Inches	Pounds	Inches	Pounds	Inches	Pounds	Inches	Pounds		
1	15x24	10,000	1	15x24	10,000	1	15x24	10,000	1	15x24	11,800	1	15x24	11,800
4	17x24	62,400	4	17x24	62,400	4	17x24	62,400	4	17x24	62,400	4	17x24	62,400
7	17x24	106,500	7	17x24	106,500	7	17x24	106,500	7	17x24	106,500	6	17x24	91,280
2	17x24	27,400	2	17x24	27,400	1	17x24	13,700	1	17x24	13,700			
3	17x24	38,300	3	17x24	38,300	3	17x24	38,300	2	17x24	25,500	2	17x24	25,500
2	17x24	34,300	2	17x24	34,300	5	17x24	73,700	5	17x24	73,700	3	17x24	44,200
10	17x24	147,400	10	17x24	147,400	7	17x24	120,000	7	17x24	120,000	7	17x24	120,000
5	18x24	86,700	5	18x24	86,700	7	18x24	119,700	7	18x24	119,700	6	18x24	102,000
2	18x24	33,200	2	18x24	33,200	4	18x24	60,900	4	18x24	60,900	4	18x24	60,900
4	18x24	60,900	4	18x24	60,900	4	18x24	34,800	2	18x24	34,800	2	18x24	34,800
2	18x24	34,800	2	18x24	34,800	8	18x26	154,200	6	18x26	106,500	6	18x26	106,500
8	18x26	154,200	8	18x26	154,200	2	18x28	40,800	2	18x28	40,800	3	18x28	61,200
2	18x28	40,800	2	18x28	40,800	8	19x24	142,500	8	19x24	166,400	8	19x24	166,400
8	19x24	142,500	8	19x24	142,500	11	19x24	231,000	11	19x24	231,000	11	19x24	231,000
11	19x24	231,000	11	19x24	231,000	4	19x24	85,600	4	19x24	85,600	4	19x24	85,600
4	19x24	85,600	4	19x24	85,600	7	20x28	182,900	11	20x28	256,000	17	20x28	442,900
2	19x28	52,000	4	19x28	104,000	12	20x24	274,200	12	20x24	274,200	12	20x24	274,200
12	20x24	274,200	12	20x24	274,200	41	20x24	1,070,600	41	20x24	1,070,600	41	20x24	1,096,200
41	20x24	1,070,600	41	20x24	1,070,600	10	20x26	287,000	10	20x26	287,100	15	20x26	420,500
14	21x32	610,400	17	21x32	741,400	20	21x32	872,000	20	21x32	872,000	20	21x32	872,000
TOTAL	144	3,303,200	149	3,486,200	164	3,979,900	167	4,059,300	170	4,100,600	173	4,318,600		
Average tractive power per engine		22,940		23,400		24,270		24,307		24,650		24,964		

IMPROVEMENTS CHARGED TO CAPITAL ACCOUNT

During the year new equipment has been purchased or built in the shops of the company, and additions and improvements made, and charged to capital account, costing \$125,000.60, as follows:

- 5 new mogul freight engines purchased.
- 2 new combination baggage and mail cars built.
- 1 new steam wrecking derrick purchased.
- 1 new "No. 1 Russell" snow plow purchased.
- 312 freight cars have been equipped with air brakes.
- 10 new vestibule passenger coaches purchased, under construction (first payment).
- 2 new combination baggage and express cars purchased, under construction (first payment).

Middletown Shops:

- 1 new air compressor set up, and steam connections made.
- 1 new blast pipe made, and 8 new Blacksmith forges connected up.
- 1 new "Hendey-Norton" engine lathe purchased.
- 1 new "No. 21 Thor" reversible piston drill purchased.
- 1 new "No. 1 Williams" pipe-threading and cutting machine purchased.
- 1 new automatic key seating machine purchased.
- 1 new 3000-lb. steam hammer purchased.
- 1 new "Thor" air turbine rip-saw purchased.
- 1 new "Belfield" 360-lb. boiler testing gauge purchased.
- 1 new "Thor" air riveting hammer purchased.

Norwich Shops:

- 4 new Blacksmith's anvils purchased.
- 16 new Blacksmith's forges purchased.
- 1 new "Hendey-Norton" engine lathe purchased.
- 1 new "Vreeland" 15-ton drop pit jack purchased.
- 1 new automatic water regulator and boiler feeder purchased.
- 1 new spring and case hardening furnace purchased.

IMPROVEMENTS CHARGED TO OPERATING EXPENSES

The following improvements and general repairs, amounting to \$349,658.50, have been made and charged to operating expenses:

- 1 new passenger engine purchased, to replace old engine, destroyed.
- 1 rebuilt freight engine purchased, to replace old engine, destroyed.
- 3 engines have been rebuilt, and had new boilers.
- 2 engines have had new boilers and new fire-boxes.
- 5 engines have had general repairs and new fire-boxes.
- 4 engines have had general repairs.
- 3 engines have had new tenders.
- 4 engines have received new fire-boxes.
- 2 new combination passenger and baggage cars have been built.
- 1 parlor car has been remodeled, and seating capacity increased from 38 to 42.
- 3 chair cars have been rebuilt and remodeled, and had acetylene gas lighting systems applied.
- 71 new freight cars have been built (to replace old, light capacity cars destroyed), as follows:
 - 40 30-ton coal cars,
 - 10 40-ton coal cars,
 - 17 30-ton flat cars,
 - 3 30-ton stock cars,
 - 1 30-ton refrigerator car.
- 2 new 4-wheel caboose cars have been built.
- 1 new 8-wheel caboose car has been built.
- 50 new "Rodger" ballast cars have been purchased.
- 1 new "Rodger" plow car has been purchased.
- 745 steel truck bolsters have been applied to freight cars.
- 963 freight cars have been reinforced with sub sills.
- 193 freight cars have been equipped with new standard trucks.
- 41 box cars have had new roofs.
- 929 freight cars have had steel trusses applied to keep them from bulging.

The following shop tools and machinery have been purchased:
Middletown:

- 1 "No. 2" reversible pneumatic spindle drill.
- 1 78-inch, 300-ton wheel press.
- 1 "Worthington" duplex pump.
- 2 "B" chipping hammers.
- 1 "No. 80" riveting hammer.
- 1 "No. 21 Thor" piston air drill.
- 1 15-horse power motor for operating bending rolls.
- 1 10-horse power motor for operating punch and shears.

Norwich:

- 1 "No. 3 Thor" pneumatic hammer.
- 1 "No. 2 Boyer" pneumatic hammer.
- 1 "No. 3 Boyer" pneumatic hammer.

SUMMARY

Amount charged to capital account.....	\$125,000.60
Amount charged to operating expenses.....	349,658.50

Total	\$474,659.10

MAINTENANCE OF WAY DEPARTMENT

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

MAIN LINE AND BRANCHES

<i>Additional Sidings.</i> —5.97 miles, less 0.46 miles taken up; net increase, 5.51 miles, principally at Campbell Hall, Middletown, East Branch, Rock Rift, Niles, Norwich, Constantia, Fulton, Minetto and Oswego	\$39,864.12
<i>Ballasting.</i> —Between Burnside and Middletown, partly ballasted with gravel; at South New Berlin, 1½ miles; Oxford, 1 mile; Galena and Morrisville, 6½ miles, and Central Square, 1 mile.	20,781.00
<i>Bridges and Trestles.</i> —At Oxford, No. 274, and Kenwood, No. 349, wooden trestles have been replaced by steel viaducts, the masonry and 2/3 of the steel being charged to capital. The 5 wooden bridges on the Wharton Valley Railroad have been replaced by steel, the masonry and ½ of the steel being charged to capital.	58,012.51
<i>Grading.</i> —Filling wooden trestles, finishing No. 274 at Oxford, partly filling No. 349 at Kenwood, beginning the filling of No. 331, at Pratts, improvement of grade north of Sands, and crossing of the Erie and Jersey Railroad, this company's portion of the expense being \$11,267.36.	21,927.50
<i>Signals.</i> —16 automatic electric block signals between Middletown and Summitville, and one each at Norwich, Woods, Earlville and Fulton, have been put in, also 10 banner signals between Livingston Manor and Cook's Falls. Two crossing alarm bells at Walton and eight facing switch semaphores have been put in.	17,609.01

Stations and Buildings.—At Walton, additional water tank and crane; at Norwich, a blacksmith shop, an electric light room and an electric light line have been built; at Oswego, a brick freight station, and at Edmeston a combined passenger and freight station \$64,774.78

Overhead Bridges and Crossings.—At Crystal Run an overhead highway bridge is being constructed, eliminating 3 grade crossings; at Oswego, 7th street, an undercrossing..... 35,820.28

Steel Rail.—10.63 miles, or 1,254 tons of 75-lb. rail have been laid in place of 50-lb. on New Berlin Branch, and the difference in weight of rail and angle bars charged to capital..... 16,396.11

Anthracite Coal Storage.—At Middletown the anthracite coal storage is being increased 50 per cent., or 60,000 tons. To June 30, 1907, there was expended 4,053.30

Total \$279,238.61

SCRANTON DIVISION

Additional Sidings.—0.48 miles sidings have been laid at Poyntelle, Carbondale and Dickson..... 8,374.08

Grading.—At Carbondale a concrete retaining wall in place of dry masonry has been put in, and 1/3 charged to capital..... 2,383.50

Signals.—At Poyntelle and Stillwater facing point switch semaphores..... 1,244.93

Stations and Buildings.—At Mayfield an additional water station and power house have been built.... 7,708.75

Steel Rail.—1.86 miles of 75-lb. rail have been laid in place of 67-lb., and the difference in weight charged to capital..... 980.69

Total \$20,691.95

UTICA DIVISION

<i>Additional Sidings.</i> —0.59 miles of sidings laid at Clinton and Solsville.....	\$3,664.93
<i>Ballasting.</i> —6 miles of ballast have been put in between Solsville and Clinton.....	2,839.27
<i>Bridges and Trestles.</i> —"Howe" truss bridges, Nos. 19, 24 and 29 have been replaced with steel plate girders, and ½ of cost of steel bridge charged to capital	2,379.66
<i>Grading.</i> —Filling part of bridge No. 29.....	697.44
<i>Stations and Buildings.</i> —A part of Rome transfer coal trestle turned into a retail trestle.....	3,249.06
<i>Overhead Bridges and Crossings.</i> —At Utica crossing gates have been put up at Lafayette, Whitesboro, and Varick streets.....	2,103.13
<i>Steel Rail.</i> —0.69 miles of 75-lb. rail laid in place of 62-lb. and 56-lb.....	726.02
Total.....	<u>\$15,659.51</u>

P. J. M. & S. DIVISION

<i>Additional Sidings.</i> —0.43 miles of sidings put in at Huguenot gravel pit and at Monticello.....	\$2,512 60
<i>Ballasting.</i> —Culm ballast between Wurtsboro and Valley Junction.....	1,187.05
<i>Stations and Buildings.</i> —Retail coal trestles have been built at Monticello and Port Jervis.....	5,889 57
<i>Steel Rail.</i> —.....	62.35
Total	<u>\$9,651.57</u>

SUMMARY

The improvements and betterments noted above, amounting to \$325,241.64, are charged as follows:

Main Line and Branches.....	\$279,238.61
Scranton Division	20,691.95
Utica Division	15,659.51
P. J. M. & S. Division.....	<u>9,651.57</u>
Total	\$325,241.64

RAILS

The weight and distribution of rails on 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.	
Main Line.....	36.46	212.44	22.85				271.75
Branches			28.20	11.20		14.24	53.82
Scranton Division....		40.39	11.86	1.41			53.66
Utica Division.....		5.35	12.39	14.25	4.05	8.04	44.68
Pecksport Line.....		3.69					3.69
P. J. M. & S.....			34.10	1.02		3.15	38.27
E. & K.....				25.89		1.25	27.14
Total Miles.....	36.46	261.87	109.49	53.86	4.05	26.68	492.41

TIES

There have been used in repairs 204,379 ties, being 11,440 less than previous year, at an average price of 63.6 cents, which is 9.1 cents more than last year. They were distributed as follows:

Main Line and Branches.....	140,703
Scranton Division.....	24,616
Utica Division.....	19,045
P. J. M. & S. and E. & K.....	20,015

BRIDGES AND TRESTLES

The following statement shows the number and length of 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:

	1907.		1906.		1891.	
	Number.	Aggregate length in feet.	Number.	Aggregate length in feet.	Number.	Aggregate length in feet.
Steel Bridges.....	225	27,085	214	25,325	94	14,706
Wooden Bridges.....	9	574	17	1,127	89	5,008
Wooden Trestles.....	57	9,350	63	11,403	124	23,884
Total	291	37,009	294	37,855	307	43,688
Filled or Shortened in past year.....			3	846		
Filled or Shortened since 1891.....					46	8,719

The P. J. M. & S. and E. & K. bridges of 13 feet clear span and over are included in 1906 and 1907—30 bridges, 2,040 feet.

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

	1907.		1886.	
	Number.	Aggregate length in feet.	Number.	Aggregate length in feet.
Steel Bridges.....	122	16,830	27	7,521
Wooden Bridges.....	7	398	80	6,357
Wooden Trestles.....	46	6,365	117	20,441
Total	175	23,593	224	34,319
Filled or Shortened.....			49	10,726

SECOND TRACK

	Main Line	Scranton Div.
Expended during year ended June 30, 1907.....	\$45,398.90	\$80,744.64
Expended prior to July 1, 1906.....	2,835,979.40	110,866.02
Total	\$2,881,378.30	\$191,610.66

SECOND TRACK IN USE ON MAIN LINE, JUNE 30, 1907:

	Miles	Miles
ROAD MILEAGE—Cornwall to Cadosia.....		106.79
Less tunnels.....	1.76	
Less Strongtown to Young's Gap (now under construction)	6.52	8.28
Total completed second track.....		98.51

SECOND TRACK IN USE ON SCRANTON DIVISION, JUNE 30, 1907:

	Miles
Scranton to Diamond Crossing.....	0.85
Jermyn to Mayfield Yard.....	1.80
Carbondale to Pleasant Mount.....	13.48
Preston Park to Starlight.....	2.96
Total	19.09

TRAIN LOADS

The following table shows average tons hauled per freight train and per car, also cars per train, on Main Line, for twenty 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	19.7
June 30, 1892.....	182	9.23	19.6
June 30, 1893.....	176	9.00	19.5
June 30, 1894.....	202	9.89	20.3
June 30, 1895.....	221	10.42	21.2
June 30, 1896.....	219	10.30	21.6
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	12.56	22.7
June 30, 1903.....	287	13.09	21.9
June 30, 1904.....	285	12.96	22.0
June 30, 1905.....	298	13.41	22.2
June 30, 1906.....	303	13.01	23.3
June 30, 1907.....	307	13.36	23.0

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 passenger and freight car for past eighteen years:

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.....	1,278	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	2,358	63
June 30, 1905.....	1,671	2,320	66
June 30, 1906.....	1,810	2,568	71
June 30, 1907.....	2,035	2,636	85

The following table shows freight train and car miles, as well as tons carried one mile, for twenty 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	356,414,070
June 30, 1897.....	1,764,157	34,399,163	353,100,732
June 30, 1898.....	1,617,886	32,432,447	354,127,528
June 30, 1899.....	1,832,840	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
June 30, 1905.....	2,545,056	51,848,297	695,332,579
June 30, 1906.....	2,511,327	50,868,340	661,651,285
June 30, 1907.....	2,672,516	54,146,695	723,580,961

EARNING POWER

The following statement shows the results per mile of road operated for the fiscal years 1887 to 1907, 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	1,208
June 30, 1900.....	10,331	7,108	3,223	1,788
June 30, 1901.....	11,070	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
June 30, 1905.....	12,930	9,210	3,720	2,336
June 30, 1906.....	13,309	9,587	3,722	2,175
June 30, 1907.....	15,026	10,340	4,686	3,031

PER DIEM PLAN FOR SETTLEMENT OF CAR MILEAGE

The following statement shows the amount received for use of cars of this company, and amount paid for foreign cars, under the per diem plan, during the fiscal year, as compared with previous year:

	1907.	1906.
Amount received for hire of O. & W. cars.....	\$243,229.85	\$141,173.80
Amount paid for use of foreign cars.....	<u>138,506.05</u>	<u>96,462.60</u>
Balance in favor of this company.....	\$104,633.80	\$44,711.20

The amount received and paid as penalty (which is included in the above statement), during same period, is as follows:

	1907.	1906.
Amount received for penalty on O. & W. cars.....	\$21,508.75	\$12,237.20
Amount paid for penalty on foreign cars.....	<u>1,720.55</u>	<u>1,235.20</u>
Balance in favor of this company.....	\$19,788.20	\$11,002.00

For the year ending June 30, 1906, the per diem rate was 20 cents, and the penalty 80 cents. During the last fiscal year the per diem rate was 25 cents, and the penalty 75 cents.

GENERAL REMARKS

There has been a continued improvement in the physical condition of the property. The second track between Cadosia and Cornwall is now completed and in use, except for a distance of about six miles in the vicinity of Liberty, and this portion is now under construction, and the grading, masonry and bridging will be finished early in the next calendar year.

Motive power is in excellent condition and sufficient for our needs. Freight equipment is ample for tonnage in sight. It will be necessary to purchase eight or ten new coaches to meet the demands of our summer passenger business.

We have had no strikes or labor troubles during the year, but increases in wages have been quite general.

I take pleasure in acknowledging the faithfulness and efficiency of employes in all departments.

Yours respectfully,

J. E. CHILDS,

Vice-President and General Manager.

NEW YORK, August 30, 1907.

OFFICE OF THE SECRETARY AND TREASURER.

New York, August 30th, 1907.

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 30, 1907.

The accounts of the Company have been verified by the Auditors elected by the stockholders at the last Annual Meeting, Messrs. Barrow, Wade, Guthrie & Co., and their certificate is hereto attached.

Yours respectfully,

R. D. RICKARD,

Secretary-Treasurer.

CERTIFICATE

New York, August 30th, 1907.

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, 1907, 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, 1907, and compared these with the various books, and we certify that the same are in conformity therewith. The earnings of the road, as shown in the Revenue Account, and the Operating Expenses, are truly and accurately stated.

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

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

BARROW, WADE, GUTHRIE & Co.,
Auditors.

NEW YORK, ONTARIO AND

Accounts for the fiscal year

No. 1.—Statement of

Articles of Association.....	
May 13th, 1880, pursuant to Chap. 155, 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
" 5,600,000 5 per cent. " June 1, 1899.....	7,000,000
For general purposes.....	1,000,000
For additions, etc.....	6,500,000
General Mortgage, May 31, 1905, 4 per cent. 50 year bonds, redeemable, at 110.....	

No. 2. Stock and Share Capital created,

Articles of Association and pursuant to Chapter 155, Laws of 1880.
--

No. 3. Bond Capital authorized

	Amount Authorized.
Refunding Mortgage Bonds, 4 per cent.	\$20,000,000
General " " " " "	12,000,000

WESTERN RAILWAY COMPANY

ending June 30th, 1907

Capital authorized

STOCK.		Bonds.	Total.
Common.	Preferred.		
\$48,000,000	\$2,000,000		
15,000,000			
		\$20,000,000	
		12,000,000	\$97,000,000

showing amount issued

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

showing amount issued and sold

Amount Issued.	Amount Sold.
\$20,000,000	\$20,000,000
3,334,000	3,334,000

No. 8.—Details of Investment in Other Companies
June 30, 1907

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 Bal.	1,100,000 00
Scranton Coal Co.	2d " " "	1,170,000 00
Elk Hill Coal & Iron Co.....	1st " " "	2,525,000 00
Elk Hill Coal & Iron Co.....	2d " "	2,400,000 00
Wharton Valley Ry. Co.....	Capital Stock.....	70,000 00
Pecksport Connecting Ry. Co.....	" "	40,000 00
Port Jervis, Monticello & Summitville R.R. Co....	" "	110,000 00
Port Jervis, Monticello & Summitville R.R. Co....	1st Mortgage Bond.....	450,000 00
Ellenville & Kingston R.R. Co.....	Capital Stock.....	300,000 00
Ellenville and Kingston R.R. Co.....	1st Mortgage Bond.....	650,000 00
Sundry Shares and Bonds.....		482,927 24
		<u>\$12,297,927 24</u>
DETAILS OF ADVANCES TO OTHER COMPANIES.		
Pecksport Connecting Ry. Co.,.....		\$10,060 50

No. 9.—Details of Expenditure on Capital Account

EQUIPMENT.—Additional— Lease and purchase under Trust Agreement:			
Car Trust, Series "B." (Final Payment).....		\$	c
" " " "C".....	74,000	00	
" " " "D".....	44,000	00	
	100,000	00	
		\$	c
5 New Freight Locomotives, Nos. 40 to 44 inclusive.....	76,972	94	
1 Steam Wrecking Crane, S.D. 3.....	11,169	26	
2 Combination Mail and Baggage Cars, Nos. 160, 161.....	10,332	24	
1 Snow Plow, No. P. 2.....	3,000	00	
Expended Account 10 Additional Vestibule Passenger Coaches under Construction.....	1,057	76	
Expended Account 2 Additional Baggage Cars under Construction.....	172	84	
Air Brakes Applied to Freight Cars.....	11,893	63	
		218,000	00
Shop Machinery and Tools.....		9,501	03
Additional Sidings.....		54,415	73
Ballasting.....		24,807	32
Overhead Bridges and Crossings.....		37,023	41
Bridges and Trestles.....		60,392	17
Grading.....		25,008	44
Signals.....		18,853	94
Stations and Buildings.....		81,022	16
Steel Rails.....		18,105	17
Middletown Hard Coal Storage.....		4,053	30
Marine Equipment.....		139,220	94
Land Purchases.....		30,785	14
Cost of Water Plant, Cadosia, N. Y.....		3,233	08
Second Track—			
Main Line.....	45,398	90	
Scranton Division.....	80,744	64	
		120,143	54
		\$967,631	84

No. 10.—Expenditure on

MAINTENANCE OF WAY AND STRUCTURES.				
	June 30th, 1906.		June 30th, 1907.	
	\$	c	\$	c
1. Repairs to Roadway.....	447,623	87	511,028	42
13. Clearing Snow and Ice.....	15,945	00	25,216	42
2. Renewals of Rails.....	26,460	20	30,527	45
3. Renewals of Ties.....	110,112	86	147,758	59
4. Repairs and Renewals of Bridges and Culverts.....	94,812	75	83,198	36
5. Repairs and Renewals of Fences, Road Crossings, etc.....	30,608	25	28,948	33
6. Repairs and Renewals of Buildings and Fixtures.....	130,092	12	143,998	31
7. Repairs and Renewals of Docks and Wharves.....			367	85
7½. Repairs and Renewals of Coal Terminals.....	25,187	31	25,174	12
8. Repairs and Renewals of Telegraph.....	2,001	84	3,113	81
9. Stationery and Printing.....	3,255	68	3,396	85
10. Other Expenses.....				
	892,090	88	1,002,728	51
Per Cent. on Gross Receipts.....	12.28		12.22	
Per Mile of Line and Sidings owned and leased.....	\$1,108.14		\$1,227.34	
Per Ton of Freight carried.....	c 19.02		c 18.89	
MAINTENANCE OF EQUIPMENT.				
	June 30th, 1906.		June 30th, 1907.	
	\$	c	\$	c
11. Superintendence.....	24,058	59	27,781	81
12. Repairs and Renewals of Locomotives.....	439,123	15	463,873	58
13. Repairs and Renewals of Passenger Cars.....	110,872	62	148,669	01
14. Repairs and Renewals of Freight Cars.....	433,568	55	502,872	38
15. Repairs and Renewals of Work Cars.....	5,479	39	7,505	07
16. Repairs and Renewals of Marine Equipment.....	37,598	80	42,327	17
17. Repairs and Renewals of Shop Machinery and Tools.....	17,223	96	17,429	22
18. Stationery and Printing.....	3,485	28	3,396	85
19. Other Expenses.....	32,524	71	36,706	61
	1,104,835	05	1,250,501	70
Per Cent. on Gross Receipts.....	15.21		15.25	
Per Traffic Engine Mile.....	c 20.00		c 22.34	
Per Traffic Car Mile.....	c 1.03		c 2.05	

Revenue Account

CONDUCTING TRANSPORTATION				
	June 30th, 1906.		June 30th, 1907.	
	\$	c	\$	c
20. Superintendence.....	72,812	17	75,507	44
21. Engine and Round-house Men.....	466,276	63	487,807	10
22. Fuel for Locomotives.....	640,342	05	708,621	03
23. Water Supply for Locomotives.....	23,197	85	20,039	59
24. Oil, Tallow and Waste for Locomotives.....	23,596	04	22,092	51
25. Other Supplies for Locomotives.....	2,455	52	2,903	10
26. Train Service.....	468,672	83	436,419	03
27. Train Supplies and Expenses.....	62,613	74	66,209	58
28. Switchmen, Flagmen and Watchmen.....	98,344	02	103,139	52
29. Telegraph Expenses.....	83,905	67	88,709	28
30. Station Service.....	235,523	19	251,835	25
31. Station Supplies.....	31,577	21	33,903	96
32. Switching Charges—Balance.....				
33. Car Mileage—Balance.....	Cr. 34,078	55	Cr. 107,292	37
34. Hire of Equipment.....	28,870	78	18,203	26
35. Loss and Damage.....	22,778	85	26,607	26
36. Injuries to Persons.....	31,087	63	79,423	71
37. Clearing Wrecks.....	9,255	72	10,245	56
38. Operating Marine Equipment.....	98,188	22	81,669	59
39. Advertising.....	12,167	15	14,453	33
40. Outside Agencies.....	66,147	44	65,637	88
41. Commissions.....				
42. Stock Yards and Elevators.....				
42½. Coal Terminals.....	45,678	30	49,984	69
43. Rents of Tracks, Yards and Terminals.....	416,512	63	434,792	33
44. Rents of Buildings and other Property.....	19,491	61	18,041	32
45. Stationery and Printing.....	23,372	76	23,777	96
46. Other Expenses.....	6,603	85	8,625	52
	2,895,393	21	3,027,417	73
Per Cent. on Gross Receipts.....	39.85		36.91	
No. of Passengers Carried.....	1,871,722		1,975,379	
No. of Tons of Freight Carried.....	4,690,973		5,308,066	
GENERAL EXPENSES				
	June 30th, 1906.		June 30th, 1907.	
	\$	c	\$	c
47. Salaries of General Officers.....	52,500	07	52,837	56
48. Salaries of Clerks and Attendants.....	55,623	51	57,754	27
49. General Office Expenses and Supplies.....	4,598	05	8,801	28
50. Insurance.....	22,546	47	21,858	34
51. Law Expenses.....	12,040	09	10,296	67
52. Stationery and Printing (General Office).....	3,642	73	3,716	11
53. Other Expenses.....	15,804	75	13,905	54
	166,761	67	169,259	77
Per Cent. on Gross Receipts.....	2.30		2.06	

No. 11.—Mileage

	June 30th, 1906.	June 30th, 1907.
Main Line: Cornwall to Oswego.....	271.75	271.75
Ellenville Branch.....	7.80	7.80
Delhi Branch.....	16.84	16.84
New Berlin Branch.....	22.38	22.38
Total miles owned.....	318.77	318.77
TRACKAGE RIGHTS.		
Weehawken to Cornwall: Over West Shore R.R.....	53.07	53.07
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.....	38.27	38.27
Ellenville & Kingston R.R.....	27.14	27.14
Total miles leased.....	174.03	174.03
Total miles worked by Engines.....	545.87	545.87
TRACK MILEAGE		
Main Line.....	271.75	271.75
Second Track.....	98.51	98.51
Branches.....	47.02	47.02
Main Line Sidings.....	114.98	119.92
Branch Line Sidings.....	5.35	5.92
Total Tracks and Sidings Owned.....	537.61	543.12
Lines Leased.....	174.03	174.03
Second Track.....	14.16	19.09
Leased Lines Sidings and Mine Branches.....	79.24	80.75
Total Tracks and Sidings Leased.....	267.43	273.87
Total Tracks and Sidings Owned and Leased.....	805.04	816.99

No. 12—Statement of Engine and Car Mileage

	June 30th, 1906.		June 30th, 1907.	
	ENGINE.	CAR.	ENGINE.	CAR.
Passenger Trains.....	1,228,987	5,574,117	1,258,877	5,916,629
Freight Trains.....	1,779,210	42,272,617	1,916,469	45,238,614
Mixed Trains.....	976,155	9,506,004	1,008,063	9,834,913
Total Train Miles.....	3,984,352	57,352,738	4,183,409	60,990,156
Switching, Light Running, etc.....	1,378,664	.....	1,413,104	.....
Total Traffic Engine and Car Miles.....	5,363,016	57,352,738	5,596,513	60,990,156
Work Trains.....	247,862	1,943,913	251,770	1,914,588
Gross Engine and Car Miles.....	5,010,878	59,296,651	5,848,283	62,904,744

No. 13.—Statistics of Earnings and Expenses

	Year ending June 30th, 1903.		Year ending June 30th, 1904.		Year ending June 30th, 1905.		Year ending June 30th, 1906.		Year ending June 30th, 1907.	
	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.	EARNINGS.	EXPENSES.
July.....	\$337,845 00	\$283,813 00	\$683,197 00	\$419,918 00	\$646,806 00	\$385,655 00	\$708,523 00	\$462,084 00	\$807,370 00	\$448,470 53
August.....	408,215 00	303,983 00	680,890 00	427,552 00	702,570 00	392,405 00	782,954 00	477,705 00	845,505 16	485,489 13
September.....	350,061 00	326,318 00	602,800 00	421,566 00	594,449 00	375,051 00	655,980 00	451,044 00	715,766 83	453,951 71
October.....	384,149 00	321,056 00	493,484 00	445,615 00	592,578 00	410,103 00	662,412 00	458,977 00	693,757 00	409,097 18
November.....	612,263 00	356,873 00	538,883 00	412,294 00	578,542 00	398,071 00	620,628 00	438,015 00	639,173 79	453,441 86
December.....	600,163 00	386,078 00	467,380 00	394,046 00	544,523 00	417,130 00	593,282 00	412,761 00	590,873 55	399,011 82
January.....	569,063 00	422,001 00	449,094 00	402,176 00	491,212 00	400,194 00	565,635 00	411,780 00	615,718 59	435,605 80
February.....	538,925 00	370,073 00	455,321 00	381,619 00	419,792 00	389,406 00	457,806 00	372,950 00	518,958 00	405,262 00
March.....	557,227 00	394,359 00	534,261 00	412,323 00	586,065 00	420,565 00	617,877 00	423,987 00	646,418 06	442,514 14
April.....	553,950 00	408,174 00	534,503 00	387,171 00	590,554 00	400,142 00	343,017 00	300,227 00	707,502 67	491,450 86
May.....	621,952 00	293,507 00	570,497 00	410,901 00	609,631 00	435,318 00	554,410 00	300,045 00	695,070 20	465,020 23
June.....	642,704 90	437,364 27	642,373 97	413,424 74	674,163 89	437,855 57	702,473 57	409,514 81	726,246 38	500,672 26
Percent. of expenses to receipt Taxes.....	\$6,176,517 90	\$4,407,499 27	\$6,652,483 97	\$4,928,005 74	\$7,090,888 89	\$4,591,901 57	\$7,265,057 57	\$5,059,089 81	\$8,202,300 83	\$5,449,967 71
Per cent. to receipts....	71.36	149,587 32	74.09	144,331 98	68.99	158,847 75	69.64	174,107 21	66.44	191,378 15
Total.....	\$6,176,517 90	\$4,537,086 50	\$6,652,483 97	\$5,072,967 72	\$7,090,888 89	\$5,050,749 32	\$7,265,057 57	\$5,233,287 02	\$8,202,300 83	\$5,644,345 86
Per cent. to receipts....	73.78	76.26	71.23	72.04	71.23	72.04	72.04	68.81		
Train Miles.....	3,440,200		3,697,973		3,920,604		3,984,352		4,182,409	
Per Train Mile.....	\$1.795	\$1.325	\$1.798	\$1.372	\$1.804	\$1.285	\$1.823	\$1.313	\$1.961	\$1.349
Passengers carried—Number..	1,507,088		1,637,987		1,731,806		1,871,722		1,975,379	
" One mile.....	52,904,037		56,086,005		63,108,404		72,867,521		81,861,091	
Earnings per Passr. per mile ...	1c. 834		1c. 859		1c. 889		1c. 888		1c. 898	
General Freight carried—Tons	1,355,599		1,319,254		1,440,082		1,755,996		2,050,918	
Coal.....	2,521,179		2,890,225		3,141,260		2,825,973		3,145,807	
Milk.....	95,783		105,943		104,008		109,004		111,341	
Total Freight.....	3,972,561		4,315,422		4,685,350		4,690,973		5,308,066	
" " carried—Tons 1 mile	580,403,194		630,918,000		693,282,579		661,651,285		723,580,061	
Earnings per Ton per mile....	0c. 855		0c. 848		0c. 808		0c. 814		0c. 874	

No. 14.—Return of Rolling Stock at June 30th, 1907

	Total Rolling Stock owned and leased at June 30, 1906.	Owned at June 30th, 1906.	*Added since at cost of Capital.	Transfers.	Owned at June 30th, 1907.	Leased under Trust Agreement.	Total Owned and Leased.	Out of Service.
LOCOMOTIVES.								
Passenger.....	51	46	.....	.....	46	5	51	2
Freight.....	120	114	5	.....	119	6	125	1
Total.....	171	160	5	.....	165	11	176	3
CARS IN PASSENGER SERVICE.								
Parlor Cars.....	12	8	.....	.....	8	4	12	.....
1st Class Coaches.....	100	90	.....	.....	90	10	100	2
2d Class Coaches.....	16	16	.....	.....	16	.....	16	.....
Combination Cars.....	26	26	.....	.....	26	.....	26	.....
Mail and Baggage Cars.....	11	11	2	.....	13	.....	13	1
Baggage and Express Cars.....	21	21	.....	.....	21	.....	21	.....
Total.....	186	172	2	.....	174	14	188	3
CARS IN FREIGHT SERVICE.								
Box.....	961	511	.....	2	509	450	959	46
Refrigerator.....	87	37	.....	.....	37	50	87	1
Cattle.....	63	63	.....	.....	63	.....	63	3
Milk.....	102	102	.....	.....	102	.....	102	.....
Platform.....	458	458	.....	.....	458	.....	458	16
Coal.....	5,774	5,274	500	.....	5,774	.....	5,774	58
Total.....	7,415	6,445	500	2	6,913	500	7,413	124
CARS IN COMPANY SERVICE.								
Air Brake Car.....	1	1	.....	.....	1	.....	1	.....
Caboose.....	93	93	.....	.....	93	.....	93	1
Derrick.....	6	6	1	.....	7	.....	7	.....
Dump.....	20	20	.....	.....	.....	.....	.....	.....
Officers and Pay Cars.....	3	3	.....	.....	3	.....	3	.....
Pile Driver.....	1	1	.....	.....	1	.....	1	.....
Steam Shovel.....	1	1	.....	.....	1	.....	1	.....
Snow Plows.....	6	6	1	.....	7	.....	7	.....
Tool Cars.....	9	9	.....	.....	9	.....	9	.....
Road Department.....	82	82	.....	2	84	.....	84	.....
Total.....	222	222	2	2	206	.....	206	1
Grand Total—Cars.....	7,853	6,839	504	.....	7,323	514	7,837	128

*Title to 500 Coal Cars passed to the Railway Co. on maturity of Car Trust Series B, June 1, 1907.