

FORTY-FOURTH ANNUAL REPORT

OF THE BOARD OF DIRECTORS

OF

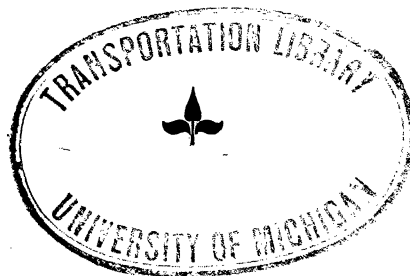
THE LAKE SHORE AND MICHIGAN SOUTHERN

RAILWAY COMPANY

TO THE STOCKHOLDERS

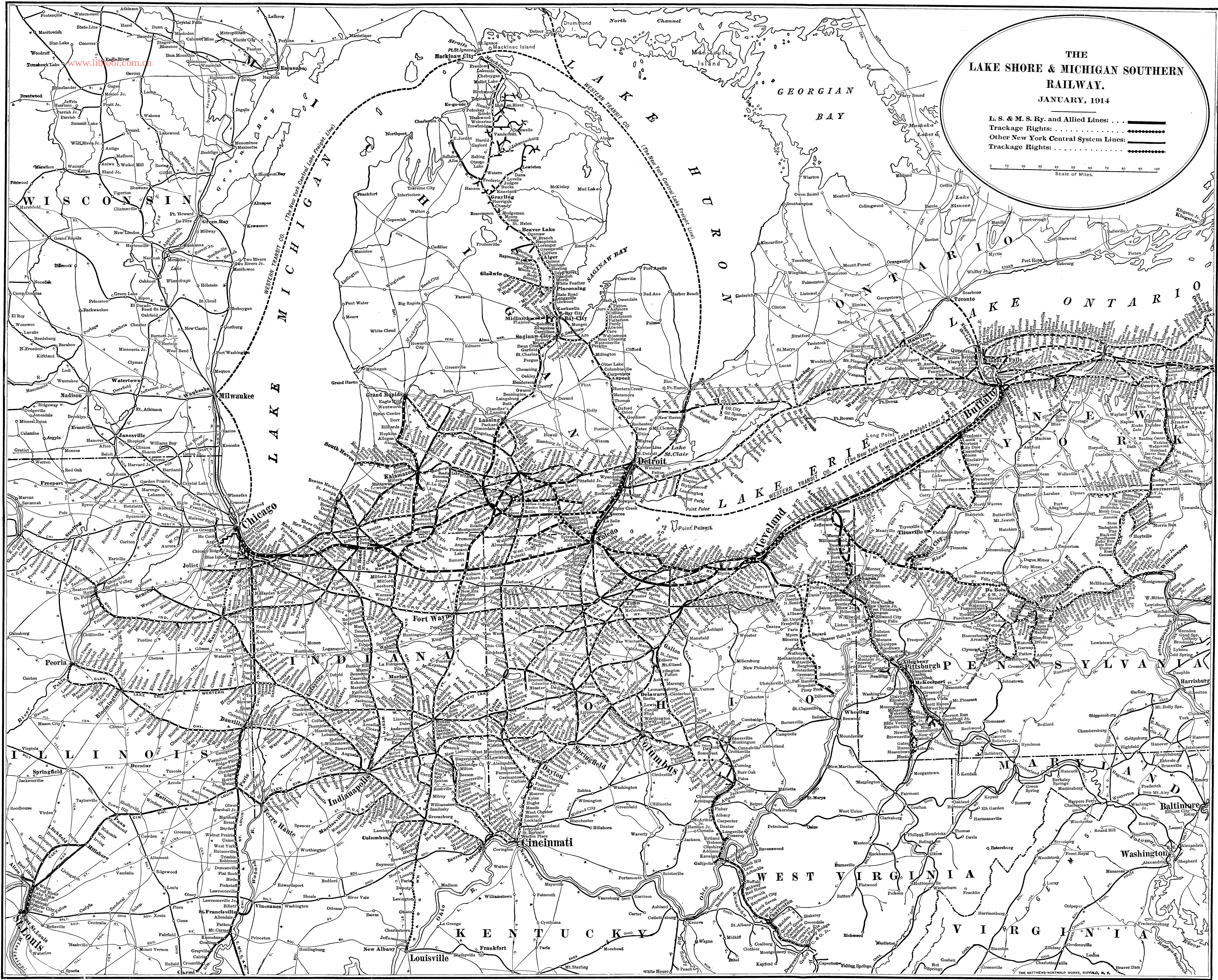
FOR THE YEAR ENDED

DECEMBER 31 1913



**CLEVELAND
OHIO**

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THE
LAKE SHORE & MICHIGAN SOUTHERN
RAILWAY.

JANUARY, 1914

- L. S. & M. S. Ry. and Allied Lines: . . .
Trackage Rights: . . .
Other New York Central System Lines: . . .

Scale of Miles.
0 10 20 30 40 50 60 70 80 90 100

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FORTY-FOURTH ANNUAL REPORT

OF THE BOARD OF DIRECTORS

OF

THE LAKE SHORE AND MICHIGAN SOUTHERN
RAILWAY COMPANY

TO THE STOCKHOLDERS

FOR THE YEAR ENDED

DECEMBER 31 1913



CLEVELAND
OHIO

ORGANIZATION OF
THE LAKE SHORE AND MICHIGAN SOUTHERN RAILWAY COMPANY
DECEMBER 31, 1913

DIRECTORS

J. PIERPONT MORGAN	} Term Expires May 1914	WILLIAM K. VANDERBILT	} Term Expires May 1915
JAMES STILLMAN		LEWIS CASS LEDYARD	
GEORGE F. BAKER		WILLIAM ROCKEFELLER	
W. SEWARD WEBB		MARVIN HUGHITT	
FREDERICK W. VANDERBILT	} Term Expires May 1916		
WILLIAM K. VANDERBILT, JR			
CHAUNCEY M. DEPEW			
WILLIAM H. NEWMAN			
WILLIAM C. BROWN			

EXECUTIVE COMMITTEE

CHAUNCEY M. DEPEW, *Chairman of the Board of Directors**
WILLIAM C. BROWN, *President**

WILLIAM K. VANDERBILT	LEWIS CASS LEDYARD
FREDERICK W. VANDERBILT	GEORGE F. BAKER
WILLIAM ROCKEFELLER	J. PIERPONT MORGAN

WILLIAM H. NEWMAN

**Members ex-officio*

OFFICERS

President	WILLIAM C. BROWN	New York
Senior Vice President	ALFRED H. SMITH	New York
Vice President	WILLIAM K. VANDERBILT, JR	New York
Vice President	JOHN CARSTENSEN	New York
Vice President	ALBERT H. HARRIS	New York
Vice President	CHARLES F. DALY	New York
Vice President	JOHN J. BERNET	Chicago
Assistant Vice President	EDWARD T. GLENNON	Chicago
Secretary	DWIGHT W. PARDEE	New York
Treasurer	MILTON S. BARGER	New York
Local Treasurer	RUDOLPH P. AHRENS	Cleveland
General Auditor	RICHARD M. HUDDLESTON	Chicago
Auditor	GEORGE M. GLAZIER	Cleveland
General Counsel	FRANK J. JEROME	Cleveland
General Counsel	ROBERT J. CARY	Chicago
General Counsel	BERTRAND WALKER	Chicago
General Solicitor	CLYDE BROWN	New York
General Claims Attorney	FRANK V. WHITING	New York
General Manager	DEWITT C. MOON	Cleveland
General Superintendent	ALBERT S. INGALLS	Cleveland
General Superintendent Telegraph	EDWIN C. KEENAN	Chicago
General Land and Tax Agent	HERBERT D. HOWE	Chicago
Chief Engineer	GEORGE C. CLEVELAND	Cleveland
Superintendent Motive Power	DONALD R. MACBAIN	Cleveland
General Purchasing Agent	SYDNEY B. WIGHT	New York
Purchasing Agent	GEORGE R. INGERSOLL	Cleveland
Freight Traffic Manager	GEORGE H. INGALLS	Chicago
General Freight Agent	WILLIAM A. NEWMAN	Cleveland
Passenger Traffic Manager	JOHN W. DALY	Chicago
General Passenger Agent	LESTER A. ROBISON	Cleveland

The annual meeting of stockholders for the election of directors is held in the city of Cleveland, Ohio, on the first Wednesday in May.

REPORT

To the Stockholders of

THE LAKE SHORE AND MICHIGAN SOUTHERN RAILWAY COMPANY :

The Board of Directors herewith submits its report for the year ended December 31, 1913, with statements showing results for the year and the financial condition of the company.

The mileage embraced in the operation of the road is as follows :

	Miles
Main line and branches	849'09
Proprietary lines	269'72
Leased lines	543'70
Trackage rights	190'46
Total road operated	<u>1,852'97</u>

A change has been made in the classification of road mileage operated by transferring to mileage of leased lines the Erie and Kalamazoo Railroad, 21.82 miles, for years reported as a part of mileage of main line and branches. This road being in fact a leased line, under a strict interpretation of the agreement, the change in classification is deemed advisable. There is a decrease in total miles of road operated, in comparison with the previous year's report, owing to the transfer to The Michigan Central Railroad Company for operation of a section (19.60 miles) of the Detroit Toledo and Milwaukee Railroad. There were also some slight changes due to re-measurements and adjustments. A table showing in detail the miles of road and track operated will be found upon another page.

There was no change in capital stock during the year, the amount authorized and outstanding December 31, 1913, being \$50,000,000.00.

The mortgage, bonded and secured debt outstanding on December 31, 1912, was

\$169,406,167 10

It has been increased during the year by adding pro-rata liability for certificates issued under the New York Central Lines Equipment Trust agreement of 1913

1,213,072 16

\$170,619,239 26

It has been decreased by payments during the year of pro-rata of installments on account of equipment trust certificates as follows:

January 1, third installment 1910 trust	\$889,149 54	
January 1, first installment 1912 trust	198,330 75	
November 1, sixth installment 1907 trust	447,226 18	1,534,706 47

Total mortgage, bonded and secured debt outstanding December 31, 1913 \$169,084,532 79

Annual Report

SUMMARY OF FINANCIAL OPERATIONS AFFECTING INCOME

OPERATING INCOME	1913	1912	Increase	Decrease
RAIL OPERATIONS	1,852'97 miles operated	1,872'30 miles operated		19'33 miles
Revenues	\$57,941,920 37	\$54,283,616 52	\$3,658,303 85	
Expenses	42,445,209 21	35,534,644 36	6,910,564 85	
NET REVENUE—RAIL OPERATIONS	\$15,496,711 16	\$18,748,972 16		\$3,252,261 00
Percentage of expenses to revenues	(73.25%)	(65.46%)	(7.79%)	
AUXILIARY OPERATIONS				
Revenues	\$1,411,189 34	\$1,206,895 79	\$204,293 55	
Expenses	1,300,187 15	1,091,491 27	208,695 88	
NET REVENUE—AUXILIARY OPERATIONS	\$111,002 19	\$115,404 52		\$4,402 33
NET OPERATING REVENUE	\$15,607,713 35	\$18,864,376 68		\$3,256,663 33
RAILWAY TAX ACCRUALS	2,126,437 54	1,771,097 88	\$355,339 66	
OPERATING INCOME	\$13,481,275 81	\$17,093,278 80		\$3,612,002 99
OTHER INCOME				
From lease of road	\$5,000 00	\$5,000 00		
Hire of equipment—credit balance	667,085 87	551,998 49	\$115,087 38	
Joint facility rents	380,247 05	357,851 47	22,395 58	
Miscellaneous rents	105,111 30	98,394 37	6,716 93	
Net profit from miscellaneous physical property	12,753 53	1,211 26	11,542 27	
Separately operated properties—profit	1,213,371 26	1,272,125 22		\$58,753 96
Dividend income	6,493,713 80	6,904,180 66		410,466 86
Income from funded securities	564,450 57	488,311 25	76,139 32	
Income from unfunded securities and accounts	1,025,334 20	663,001 23	362,332 97	
Miscellaneous income	6,144 92	6,702 73		557 81
TOTAL OTHER INCOME	\$10,473,212 50	\$10,348,776 68	\$124,435 82	
GROSS INCOME	\$23,954,488 31	\$27,442,055 48		\$3,487,567 17
DEDUCTIONS FROM GROSS INCOME				
For lease of other roads	\$2,904,413 31	\$2,663,239 19	\$241,174 12	
Joint facility rents	901,485 89	774,143 47	127,342 42	
Miscellaneous rents	21,916 69	8,029 45	13,887 24	
Miscellaneous tax accruals	1,220 25	5,948 22		\$4,727 97
Separately operated properties—loss	36,513 77	178,693 51		142,179 74
Interest for funded debt	6,632,067 65	6,678,440 31		46,372 66
Interest for unfunded debt	968,530 64	549,177 27	419,353 37	
TOTAL DEDUCTIONS FROM GROSS INCOME	\$11,466,148 20	\$10,857,671 42	\$608,476 78	
NET INCOME	\$12,488,340 11	\$16,584,384 06		\$4,096,043 95
DIVIDEND APPROPRIATIONS OF INCOME				
On guaranteed stock (18%)	\$96,030 00	\$96,030 00		
On common stock (18%)	8,903,970 00	8,903,970 00		
TOTAL DIVIDEND APPROPRIATIONS OF INCOME	\$9,000,000 00	\$9,000,000 00		
INCOME BALANCE TRANSFERRED TO CREDIT OF PROFIT AND LOSS	\$3,488,340 11	\$7,584,384 06		\$4,096,043 95
Amount to credit of profit and loss (free surplus), December 31, 1912				\$41,187,167 89
Add:				
Balance to credit of profit and loss for the year 1913			\$3,488,340 11	
Balance profit from operation of the Pittsburgh McKeesport and Youghiogheny Railroad from July 1, 1907 to December 31, 1911			4,362,643 43	
Profit from sale of \$7,350,000.00 bonds of The Cleveland Short Line Railway Company			246,215 00	
Proportion of profit from sale of a portion of the Detroit Toledo and Milwaukee Railroad			132,501 00	8,229,699 54
				\$49,416,867 43
Deduct:				
Discount, commission and expenses on one year notes			\$166,864 24	
Discount, commission and expenses on New York Central Lines equipment trust certificates of 1913			43,544 84	
Adjustment of sundry accounts including uncollectible items			70,514 29	280,923 37
Balance to credit of profit and loss (free surplus), December 31, 1913				\$49,135,944 06

The revenues from rail operations for the year were the largest in the history of the company, amounting to \$57,941,920.37, an increase of \$3,658,303.85 or 6.74% as compared with the previous year.

Freight revenue was \$38,434,441.92, an increase of \$2,063,197.43. The revenue freight carried amounted to 43,094,033 tons, or 2,012,460 tons more than last year. With the exception of products of agriculture, each group of commodities shows a greater tonnage carried than in 1912. Products of mines show a conspicuous improvement in tonnage moved, especially in bituminous coal, which increased 686,831 tons, ores 730,782 tons, and stone, sand and other like articles and other products of mines 257,860 tons. The movement of manufactured commodities was 701,060 tons greater than during 1912, the noticeable increases being in bar and sheet metal, cement, brick and lime and other manufactured articles. In accordance with orders of the Interstate Commerce Commission freight rates on coke from the Connellsville district were reduced effective August 1, 1913, and freight rates on ore from Lake Erie ports to the Pittsburgh district were reduced effective August 15, 1913, resulting in a substantial loss of revenue to the company.

Passenger traffic of the company shows a gratifying growth over the previous year, the increase in revenue therefrom being \$1,190,494.73. There were 794,797 more passengers carried than in the previous year, of whom 244,974 were interline, and 549,823 local fares.

Revenue from transportation of mails was \$2,060,289.31, an increase of \$86,061.55.

Since the regular quadrennial weighing of mails in 1911, the parcel post has been inaugurated, the original weight limit of parcels being eleven pounds, for the transportation of which Congress has allowed an increase in compensation (effective from July 1, 1913, and until the next regular weighing of the mails) of not to exceed five per cent., which is equal to an annual increase of \$134,430.91 in the compensation paid this company for carrying the mails. The situation in reference to mail pay, however, is still unsatisfactory. Pending the report of the joint Congressional Committee now sitting and action upon this report by Congress, the conditions have been much aggravated by the enlargement of the parcel post, with substantially no return to the railroads for the increased service. This new feature of mail transportation has had the effect of curtailing express revenue without compensating return from other sources of traffic.

Revenue from express traffic was \$2,103,615.85, an increase of \$117,925.53, attributable to additional business handled during the year.

Other transportation revenues amounted to \$1,773,017.39, an increase of \$146,233.39, mainly due to additional revenue derived from switching service.

Revenues other than transportation were \$544,862.34, an increase of \$54,391.22, largely due to collections from other railway companies for detouring their trains during the spring floods, and to greater revenues received from car service and storage.

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Operating expenses for the year, by groups, were:

	Amount	Increase	Per Cent
Maintenance of way and structures	\$7,593,610 18	\$1,077,398 28	16'53
Maintenance of equipment	12,471,741 17	3,187,908 34	34'34
Traffic expenses	1,071,647 54	109,885 88	11'43
Transportation expenses	20,158,292 43	2,360,957 98	13'26
General expenses	1,149,917 89	174,414 37	17'88
Total	<u>\$42,445,209 21</u>	<u>\$6,910,564 85</u>	<u>19'45</u>

In maintenance of way and structures the principal increases are in renewal of rails and ties, and roadway and track work, chiefly due to 100 miles of rail laid during 1913 in excess of 1912, and 105,000 more ties renewed than in the previous year; also to an increasing quantity of creosoted ties used. A general shortage of labor necessitated increased wages to mechanics and laborers, which added \$320,975.00 to roadway and track expenses. Maintenance expenses were also required to bear the renewal portion of general improvements carried on by the company during the year, which resulted in heavy charges to repairs of bridges, buildings and signal and interlocking plants.

The increase in maintenance of equipment expenses is principally due to greater expenditures for repairs to locomotives and freight train cars. The mileage of locomotives in revenue service increased 6.13 per cent over 1912, and freight train car mileage was 485,900,628 miles, or 9.06 per cent, more than last year, making imperative heavy repairs in order to keep the equipment in service. In comparison with the previous year there was an increase of 132,792 in freight train cars repaired. A general advance in pay of approximately 4 per cent was granted to employes of the locomotive and car departments, creating an increase of \$182,600.00 in maintenance of equipment expenses. Additional charges to renewal of equipment were occasioned by the rebuilding of 34 locomotives into Mikado type and the disposal and dismantling of a larger number of old passenger train cars than in the previous year. All retirements of equipment during the year, including the amount of depreciation not already accrued thereon, have been charged to operating expenses, and in addition thereto depreciation at the rate of two per cent per annum has been accrued since January 1, 1913, upon the cost of equipment of all classes and charged to expenses.

Practically all items under traffic expenses show increases, the principal item being cost of printing tariffs in connection with the application for an increase in freight rates which tariffs have been presented to and suspended by the Interstate Commerce Commission.

In transportation expenses practically all items show increases, partially attributable to the greater tonnage handled and to increase of 5.79 per cent in passenger train mileage. Tonnage moved during the year increased 4.9 per cent over the previous year, as compared with an increase of 3.23 per cent in freight train mileage and 3.16 per cent in freight locomotive miles. Increases in wages granted to stationmen, yardmen, engineers, firemen and trainmen during the year and the latter part of 1912, some of

The Lake Shore and Michigan Southern Railway Company

which were the result of arbitration, added to transportation expenses for the year the sum of \$263,081.93.

General expenses increased \$174,414.37, principally due to a change in the distribution of pay of clerks employed in the Shop and Engineer Accountants' offices heretofore charged to other operating accounts, and to additions in clerical forces needed to meet the continually increasing requirements of the Interstate Commerce Commission and State Commissions.

Net revenue from auxiliary operations for the year amounted to \$111,002.19, a decrease of \$4,402.33, as compared with the previous year. This decrease is the net result of a loss from operation of the company's ice supply plants owing to the higher cost of ice and is partly offset by a better comparative showing in the operation of dining cars and coal and ore docks.

Railway tax accruals amounted to \$2,126,437.54, an increase over the previous year of \$355,339.66, approximately \$193,500.00 of which was due to taxes on the property of The Cleveland Short Line Railway Company having been included in this account for this year and paid by The Lake Shore and Michigan Southern Railway Company as provided for under the terms of the lease, \$118,000.00 to increase in tax rates and property returned, and the balance to increased assessment.

Other income for the year amounted to \$10,473,212.50, an increase of \$124,435.82, as compared with the previous year. Additional income was derived from hire of equipment and from interest upon unfunded securities and accounts. There was a decrease in income from dividends on stock owned by the company as compared with last year, chiefly because The Pittsburgh and Lake Erie Railroad Company stock owned by the company paid a smaller extra dividend than in 1912. This loss in revenue was partially offset, however, by an extra dividend of fifty per cent received on stock of The Mahoning Coal Railroad Company. Income from separately operated properties decreased \$58,753.96, attributable to a reduction in surplus earnings for the year of the Pittsburgh McKeesport and Youghioghenny Railroad, in which the company has a one-half interest.

Deductions from gross income for the year were \$11,466,148.20, showing an increase of \$608,476.78 over last year, due to the following causes:

Deductions for lease of other roads increased \$241,174.12, owing to the payment of a full year's rental to The Lake Erie Alliance and Wheeling Railroad Company, as compared with six months in the previous year, to additional rental paid to The Mahoning Coal Railroad Company account increase in traffic moved over that road, and to increase in rental paid to The Cleveland Short Line Railway Company due to additional stock and bonds issued by that company during the year.

Separately operated properties—loss decreased \$142,179.74, due to the discontinuance on January 1, 1913, of the guaranteed payments to the Merchants Despatch Transportation Company.

Interest on unfunded debt increased \$419,353.37. This is attributable to interest charges accruing on additional one year notes issued during the year.

Out of the net income of the company for the year, amounting to \$12,488,340.11, there were paid three dividends of 6 per cent each on both the guaranteed and common capital stock, aggregating 18 per cent or \$9,000,000.00, leaving a balance of \$3,488,340.11 which was transferred to the credit of profit and loss.

There was expended during the year for additions and improvements to the property \$4,919,567.73, all of which was charged direct to capital account. The following are the important items :

Completion of new double track draw bridge at Buffalo started in 1912.

New enginehouse and car repair yard at Wesleyville, Pennsylvania.

The construction of a new car repair plant at Ashtabula for repairing steel equipment was started and will be completed early in 1914. It was necessary to provide a plant of this nature owing to the large amount of steel car repair work now required to properly care for that constantly increasing class of equipment.

Continuation of work in connection with change of line at Port Clinton, Ohio.

Improvements at Air Line Junction, consisting of additional yard tracks, new freight engine terminals, coal chute, large general car repair yard and shop.

At Elkhart the power house for the new locomotive repair shop was practically completed.

At Englewood there were completed new engine terminals and new freight car repair shed and tracks.

Large expenditures were made for separation of grades at Detroit, Cleveland, Toledo and Chicago in order to comply with State and Municipal requirements.

A statement showing in detail the expenditures for additions and betterments will be found on a following page.

This company in conjunction with The Michigan Central Railroad Company as owners in equal proportions of all of the capital stock of the Detroit Toledo and Milwaukee Railroad Company consented to the sale by the latter of that part of its railroad between Battle Creek, Michigan, and Allegan, Michigan, which sale was consummated effective September 1, 1913. Inasmuch as the portion of the line sold had been operated by The Michigan Central Railroad Company, a new subdivision of the road for operating purposes was made, which resulted in this company relinquishing to The Michigan Central Railroad Company for operation that portion of the Detroit Toledo and Milwaukee Railroad between Moscow, Michigan, and Homer, Michigan, a distance of 19.60 miles.

The company issued on March 15, 1913, \$12,000,000.00 of one year notes payable March 15, 1914. Of the proceeds realized \$11,710,706.57 was used to reimburse J. P. Morgan and Company for amounts advanced to retire the company's one year franc and sterling notes falling due February 24, 1913, and March 2, 1913. The company also issued on May 15, 1913, its one year sterling notes payable May 15, 1914, for 2,000,000 pounds equivalent to \$9,726,500.00, and on September 6, 1913, issued its one year sterling notes payable September 6, 1914, for 420,000 pounds equivalent to \$2,041,410.00, making a

total amount of its sterling notes sold during the year of \$11,767,910.00, the proceeds of which were placed in the treasury of the company.

During the year the company surrendered to The Cleveland Short Line Railway Company its holding of 35,250 shares of preferred stock in exchange for \$3,525,000.00 of first mortgage bonds of that company. On January 29th the company also acquired by purchase 10,000 shares of common stock, par value \$1,000,000.00, and \$1,275,000.00 of first mortgage bonds of The Cleveland Short Line Railway Company, making a total of 47,500 shares of common stock, par value \$4,750,000.00, and \$11,800,000.00 of first mortgage bonds of that company issued and outstanding, and at that time possessed by The Lake Shore and Michigan Southern Railway Company. Later in the year the company sold \$7,350,000.00 of the said first mortgage bonds after having guaranteed the payment of the principal and interest thereof. The company has also loaned to The Cleveland Short Line Railway Company the sum of \$525,000.00 on demand notes of that company.

In accordance with authority of the Board and as referred to in last year's report the company sold at par 17,772 shares of stock of the Merchants Despatch Transportation Company and at the same time acquired by purchase from that company full ownership of 2,520 refrigerator cars and an equity in 468 refrigerator cars covered by Merchants Despatch Equipment Trust of 1911.

There was acquired during the year by purchase, 2,115 shares of stock, par value \$105,750.00, of The Pittsburgh McKeesport and Youghioghenny Railroad Company.

Under the contracts for the acquisition of coal lands in Christian, Montgomery, Fayette, Saline, Franklin and Williamson Counties, Illinois, as referred to in report for 1912, the company has received during the year deeds for 53,709 acres and has paid \$1,544,701.47, making the total lands acquired to December 31, 1913, 70,009 acres at a cost of \$2,273,011.45.

The company being the owner of all of the capital stock of The Elkhart and Western Railroad Company and all of the mortgage bonds issued by that company as of June 1, 1893, and due June 1, 1913, amounting to \$200,000.00, has surrendered said bonds and secured the release of the mortgage and a record of such release in Elkhart and St Joseph Counties, Indiana.

Since November 24, 1912, the parallel lines of the company and The Michigan Central Railroad Company between River Rouge, Michigan, and Wagon Works, Ohio, have been operated as double track, southbound trains using the track of The Lake Shore and Michigan Southern Railway Company and northbound trains using the track of The Michigan Central Railroad Company. Both companies are benefitted by the greater safety, efficiency and convenience of double track operation.

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Out of \$24,000,000.00 of certificates authorized under the New York Central Lines Equipment Trust of 1913 there were issued during the year an aggregate of \$15,494,000.00. The cost of the equipment to be assigned to this company in connection with the issue of these latter certificates is approximately \$1,347,857.96 and its pro-rata amount of certificates representing not to exceed 90% of the cost is \$1,213,072.16. Full particulars as to the character of the equipment acquired are set forth upon another page of this report.

Cost of road and equipment on December 31, 1912, was \$135,766,748 79

It has been increased during the year as follows :

Expenditures for additions and betterments to the property as shown in detail elsewhere	\$4,919,567 73	
Cost of equipment received during the year under the equipment trust of 1913	1,119,712 00	
Cost of new equipment purchased by the company during the year, consisting of 8 class J-41 locomotives, 5 combination passenger and baggage cars, 6 horse cars, 1,000 refrigerator cars and 1 locomotive crane	1,845,790 89	
Value of equipment acquired from Merchants Despatch Transportation Company consisting of full ownership of 2,520 refrigerator cars and an equity in 468 refrigerator cars covered by Merchants Despatch Equipment Trust of 1911	1,794,798 75	9,679,869 37
		<u>\$145,446,618 16</u>
Value of equipment retired from service during the year	\$1,378,642 41	
Less amount charged in connection with conversion of 34 class G-5 locomotives to Mikado type, cost of applying superheaters to 77 locomotives, rebuilding dining car and conversion of 17 passenger and 49 freight cars to work equipment	426,846 84	
	<u>\$951,795 57</u>	
Net credit account adjustments and deferred charges for 1910 and 1912 trust equipment	9,810 89	961,606 46
		<u>\$144,485,011 70</u>
Amount credited account depreciation accrued during the year on all equipment in service	\$1,428,697 41	
Less depreciation on equipment retired from service during the year	113,059 13	1,315,638 28
Cost of road and equipment, December 31, 1913		<u>\$143,169,373 42</u>

Under an agreement dated August 1, 1913, the company has obtained freight trackage rights over the rails of The New York Central and Hudson River Railroad Company from a connection near Seneca Street, Buffalo, to a connection with the International Bridge at Black Rock, N. Y., which enables the direct interchange of traffic with the Michigan Central Railroad.

In the operation of the pension department 51 employees were retired and placed upon the pension rolls. Of these retirements 30 were authorized because of the attainment of seventy years of age and 21 because of total and permanent physical disability. 33 pensioners died during 1913 and at the close of the year 364 retired employees were carried upon the pension rolls. The average monthly pension allowance to these men was \$22.89 and the total amount paid in pension allowances during the year was \$99,854.22.

Section 19-A of the Act to Regulate Commerce, which became a law on the first day of March, 1913, provides that the Interstate Commerce Commission shall investigate and ascertain the value of all the property owned or used by all railroad companies. The Commission is required to ascertain and report in detail as to each piece of property owned or used, the original cost to date, cost of reproduction new, cost of reproduction less depreciation; also all other values and elements of value, if any, of such property. It is also required to investigate and to report upon the history and organization of the present and of any previous corporation operating the property; upon moneys received by reason of any issues of stocks, bonds, or other securities; upon the syndicating, banking, and other financial arrangements under which such issues were made and the expense thereof, together with a large number of other matters unnecessary to specify in detail. The company is required to co-operate with and aid in the work of the valuation of its property in such particulars and to such extent as the Commission may require and direct. It is impossible even to approximate at this time the expense which will thereby be incurred. The performance of the work for the company has been undertaken by a Valuation Committee appointed by the Board of Directors. The Committee is engaged in the preliminary inquiries essential to the proper organization of the necessary forces and in making the preparation required to comply with the requirements of the Commission. Shortly after the passage of the Act, the principal carriers of the country, including this company, organized an association known as The Presidents' Conference Committee. This Committee, in an informal conference with the Commission, pledged its hearty co-operation in the work. It has appointed an Engineering Committee consisting of fifteen members, which for several months past has been engaged in discussing with the Board of Engineers appointed by the Commission, the maps, profiles and schedules which shall be furnished by the carriers to the Commission for its use in inspecting, listing and valuing the property of the carriers. The questions involved have been of great importance and difficulty and as a result these conferences have necessarily taken a very considerable time and no active work has been undertaken by the Commission upon the property of this company. It is expected, however, that progress will be made during the year 1914.

During the year 1913, practically all of the railroads in the eastern section of the United States, operating in the territory east of the Mississippi and north of the Ohio and Potomac Rivers were parties to arbitrations, first with the Brotherhood of Locomotive Firemen and Enginemen, and later with the Order of Railway Conductors and Brotherhood of Railroad Trainmen, acting jointly. The concerted movement of the Firemen demanded standardization of pay and working conditions, involving an increase in the wages of firemen employed by this company of approximately 58 per cent, and resulted in arbitration under the Erdman Act. The railroads selected Mr. William W. Atterbury, Vice-President of the Pennsylvania Railroad, and the firemen designated Mr. Albert Phillips, Vice-President of the Brotherhood of Locomotive Firemen and Enginemen. The third member of the Board (appointed by the Federal Authorities) was the Honorable William L. Chambers, of Washington, D. C., who was selected Chairman. The Arbitration proceedings were held in New York City from March 10th to April 5th, and on April 23rd an award was handed down which provided for an increase in wages paid to firemen on the Lake Shore and Michigan Southern Railway of 12.15% or \$137,636.00 per annum. While the Conference Committee of Managers was engaged in preparation for the Firemen's Arbitration proceedings, a petition approved October 19, 1912, by the Eastern Association of General Committees, Order of Railway Conductors and Brotherhood of Railroad Trainmen for standardization of rates of pay, involving an increase in the payrolls of this company estimated at \$662,000.00, or 19% per annum, was presented to all roads east of Chicago and north of the Chesapeake and Ohio Railway, and to the Conference Committee of Managers as well, with a view of ascertaining whether the matter would be handled by the several roads individually or in concert. United action was determined upon by the roads concerned and an Arbitration Board consisting of six members was agreed to under the terms of the Newlands Amendment of the Erdman Act. The railroads were represented upon this Board by Mr. W. W. Atterbury, Vice-President, Pennsylvania Railroad, and Mr. A. H. Smith, Senior Vice-President, New York Central Lines. The Conductors' and Trainmen's organizations designated as their representatives Mr. L. E. Sheppard, Senior Vice-President, Order of Railway Conductors, and Mr. D. L. Cease, Editor and Manager, "The Railroad Trainmen," and the four members so selected met and completed their Board by choosing the Honorable Seth Low and Doctor John H. Finley, President, the College of the City of New York. The Board so constituted, having chosen Mr. Seth Low as its Chairman, heard testimony between September 11th and October 15th, and on November 10th handed down its award, which provided for an increase in the wages of conductors and trainmen employed by this company of 6.5%, or approximately \$226,156.00 per annum.

The Board records the death at Rome, Italy, on March 31, 1913, of Mr. J. Pierpont Morgan, who had been a director of the company from May 17, 1898, to November 13, 1903, and again since May 4, 1904. To fill this vacancy his son, Mr. J. Pierpont Morgan, was, on April 30, 1913, elected a director of the company.

The Lake Shore and Michigan Southern Railway Company

The Board records the appointment on April 1, 1913, of Mr. Alfred H. Smith as Senior Vice-President of the company and of Mr. John J. Bernet, Vice-President in charge of operation, maintenance and construction.

The Board also records the resignation, effective December 31, 1913, of Mr. William C. Brown, who has been a director of the company since June 21, 1901, and President of the company since February 1, 1909. To fill these vacancies, Mr. Alfred H. Smith was on December 10, 1913, elected President and a director of the company effective January 1, 1914.

Acknowledgment is hereby rendered to officers and employes for faithful and efficient service.

ALFRED H. SMITH,
Senior Vice-President.

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REVENUES IN DETAIL (Rail operations)

TRANSPORTATION				
	1913	1912	Increase	Decrease
Freight	\$38,434,441 92	\$36,371,244 49	\$2,063,197 43	
Passenger	13,025,693 56	11,835,198 83	1,190,494 73	
Excess baggage	172,592 81	168,452 71	4,140 10	
Mail	2,060,289 31	1,974,227 76	86,061 55	
Express	2,103,615 85	1,985,690 32	117,925 53	
Milk (on passenger trains)	56,972 55	51,001 21	5,971 34	
Other passenger train	498,033 01	545,264 67		\$47,231 66
Switching	965,001 81	780,232 84	184,768 97	
Special service train	19,619 95	31,457 30		11,837 35
Miscellaneous transportation	60,797 26	50,375 27	10,421 99	
Totals	\$57,397,058 03	\$53,793,145 40	\$3,603,912 63	
OTHER THAN TRANSPORTATION				
Station and train privileges	\$18,973 02	\$18,516 08	\$456 94	
Parcel room receipts	58,512 95	56,954 80	1,558 15	
Storage—freight	44,859 45	34,512 38	10,347 07	
Storage—baggage	10,605 15	7,807 80	2,797 35	
Car service	198,435 42	162,429 94	36,005 48	
Telegraph and telephone service	1,799 96	1,924 90		\$124 94
Rents of buildings and other property	183,093 95	228,992 05		45,898 10
Miscellaneous	66,208 45	21,373 47	44,834 98	
Joint facilities revenue—Dr.	58,066 48	62,375 21	4,308 73	
Joint facilities revenue—Cr.	20,440 47	20,334 91	105 56	
Totals	\$544,862 34	\$490,471 12	\$54,391 22	
Total revenues—rail operations	\$57,941,920 37	\$54,283,616 52	\$3,658,303 85	

EXPENSES IN DETAIL (Rail operations)

MAINTENANCE OF WAY AND STRUCTURES				
	1913	1912	Increase	Decrease
Superintendence	\$315,577 84	\$288,136 41	\$27,441 43	
Ballast	336,511 34	366,428 94		\$29,917 60
Ties	1,234,164 99	1,029,245 28	204,919 71	
Rails	304,795 38	249,849 96	54,945 42	
Other track material	372,905 45	291,601 61	81,303 84	
Roadway and track	2,814,282 47	2,372,284 12	441,998 35	
Removal of snow, sand and ice	140,071 35	252,662 34		112,590 99
Tunnels	302 55	212 68	89 87	
Bridges, trestles and culverts	355,011 86	295,972 47	59,039 39	
Over and under grade crossings	24,941 66	10,966 23	13,975 43	
Grade crossings, fences, cattle guards and signs	160,919 99	120,079 31	40,840 68	
Snow and sand fences and snowsheds	2,526 32	2,505 81	20 51	
Signals and interlocking plants	368,739 11	303,504 86	65,234 25	
Telegraph and telephone lines	140,378 68	85,857 08	54,521 60	
Buildings, fixtures and grounds	711,638 88	628,939 59	82,699 29	
Docks and wharves	2,969 63	2,316 34	653 29	
Roadway tools and supplies	125,254 90	114,953 33	10,301 57	
Injuries to persons	36,030 52	29,809 33	6,221 19	
Stationery and printing	19,823 99	18,798 79	1,025 20	
Other expenses	758 86	330 81	428 05	
Maintaining joint tracks, yards and other facilities—Dr.	384,088 73	301,525 80	82,562 93	
Maintaining joint tracks, yards and other facilities—Cr.	258,084 32	249,769 19		8,315 13
Totals	\$7,593,610 18	\$6,516,211 90	\$1,077,398 28	

EXPENSES IN DETAIL (Rail operations)—continued

MAINTENANCE OF EQUIPMENT

	1913	1912	Increase	Decrease
Superintendence	\$275,623 11	\$229,047 69	\$46,575 42	
Steam locomotives—repairs	2,676,473 57	2,442,118 42	234,355 15	
Steam locomotives—renewals and depreciation	741,343 69	468,947 87	272,395 82	
Passenger-train cars—repairs	586,556 09	560,889 41	25,666 68	
Passenger-train cars—renewals and depreciation	232,685 80	86,802 90	145,882 90	
Freight-train cars—repairs	5,935,739 71	3,443,325 23	2,492,414 48	
Freight-train cars—renewals and depreciation	1,422,561 17	1,516,135 21		\$93,574 04
Floating equipment—renewals	607 68	300 00	307 68	
Work equipment—repairs	112,051 58	96,376 25	15,675 33	
Work equipment—renewals and depreciation	76,038 23	65,062 65	10,975 58	
Shop machinery and tools	310,913 62	302,568 68	8,344 94	
Injuries to persons	60,957 64	46,237 20	14,720 44	
Stationery and printing	33,211 72	26,501 45	6,710 27	
Other expenses	863 78	640 83	222 95	
Maintaining joint equipment at terminals—Dr.	10,525 60	4,581 86	5,943 74	
Maintaining joint equipment at terminals—Cr.	4,411 82	5,702 82	1,291 00	
Totals	\$12,471,741 17	\$9,283,832 83	\$3,187,908 34	

TRAFFIC EXPENSES

Superintendence	\$239,864 62	\$224,260 33	\$15,604 29	
Outside agencies	208,537 96	187,549 69	20,988 27	
Advertising	150,453 24	136,321 42	14,131 82	
Traffic associations	24,965 07	25,538 34		\$573 27
Fast freight lines	284,069 92	264,511 66	19,558 26	
Industrial and immigration bureaus	8,029 48	4,984 70	3,044 78	
Stationery and printing	155,197 50	118,590 93	36,606 57	
Other expenses	529 75	4 59	525 16	
Totals	\$1,071,647 54	\$961,761 66	\$109,885 88	

TRANSPORTATION EXPENSES

Superintendence	\$476,538 72	\$424,687 09	\$51,851 63	
Dispatching trains	97,372 70	89,825 31	7,547 39	
Station employees	3,318,340 47	3,063,741 90	254,598 57	
Weighing and car-service associations	46,333 17	36,658 23	9,674 94	
Station supplies and expenses	185,068 09	165,120 08	19,948 01	
Yardmasters and their clerks	422,192 91	403,224 07	18,968 84	
Yard conductors and brakemen	1,707,714 92	1,465,436 26	242,278 66	
Yard switch and signal tenders	165,558 73	155,808 95	9,749 78	
Yard supplies and expenses	34,216 90	29,851 76	4,365 14	
Yard enginemen	1,114,276 18	940,489 53	173,786 65	
Enginehouse expenses—yard	306,064 50	232,345 07	73,719 43	
Fuel for yard locomotives	942,684 94	846,573 99	96,110 95	
Water for yard locomotives	76,163 87	64,710 75	11,453 12	
Lubricants for yard locomotives	18,633 28	15,537 00	3,096 28	
Other supplies for yard locomotives	27,681 47	23,814 84	3,866 63	
Operating joint yards and terminals—Dr.	347,100 44	348,388 60		\$1,288 16
Operating joint yards and terminals—Cr.	613,096 46	584,965 41		28,131 05
Road enginemen	2,004,287 55	1,789,853 25	214,434 30	
Enginehouse expenses—road	529,045 57	494,207 14	34,838 43	
Fuel for road locomotives	3,104,144 24	3,000,242 54	103,901 70	
Water for road locomotives	234,201 17	215,886 00	18,315 17	
Lubricants for road locomotives	70,264 58	66,506 82	3,757 76	
Other supplies for road locomotives	55,599 97	49,134 86	6,465 11	
Carried forward	\$14,670,387.91	\$13,337,078 63		

EXPENSES IN DETAIL (Rail operations)—concluded

TRANSPORTATION EXPENSES—concluded

	1913	1912	Increase	Decrease
Brought forward	\$14,670,387 91	\$13,337,078 63		
Road trainmen	2,098,934 18	1,895,447 34	\$203,486 84	
Train supplies and expenses	603,813 77	454,149 66	149,664 11	
Interlockers, block and other signals—operation	386,243 12	341,744 57	44,498 55	
Crossing flagmen and gatemen	171,837 61	155,952 01	15,885 60	
Drawbridge operation	26,516 24	24,639 43	1,876 81	
Clearing wrecks	118,285 81	102,830 34	15,455 47	
Telegraph and telephone—operation	104,276 98	81,142 99	23,133 99	
Stationery and printing	231,372 74	197,048 28	34,324 46	
Other expenses	102,291 91	104,035 55		\$1,743 64
Loss and damage—freight	886,079 24	571,327 28	314,751 96	
Loss and damage—baggage	6,175 39	5,518 21	657 18	
Damage to property	72,616 38	31,240 15	41,376 23	
Damage to stock on right of way	6,317 20	6,092 73	224 47	
Injuries to persons	641,747 90	462,327 07	179,420 83	
Operating joint tracks and facilities—Dr.	156,085 86	110,657 83	45,428 03	
Operating joint tracks and facilities—Cr.	124,689 81	83,897 62		40,792 19
Totals	\$20,158,292 43	\$17,797,334 45	\$2,360,957 98	

GENERAL EXPENSES

Salaries and expenses of general officers	\$135,252 86	\$124,409 25	\$10,843 61	
Salaries and expenses of clerks and attendants	555,343 39	404,267 06	151,076 33	
General office supplies and expenses	56,699 03	58,123 90		\$1,424 87
Law expenses	152,298 16	135,438 57	16,859 59	
Insurance	39,220 49	40,707 82		1,487 33
Pensions	103,633 05	103,314 94	318 11	
Stationery and printing	59,676 94	48,493 92	11,183 02	
Valuation expenses	1,906 51		1,906 51	
Other expenses	40,078 24	56,106 64		16,028 40
General administration joint tracks, yards and terminals—Dr.	6,498 16	5,322 47	1,175 69	
General administration joint tracks, yards and terminals—Cr.	688 94	681 05		7 89
Totals	\$1,149,917 89	\$975,503 52	\$174,414 37	
Total expenses—rail operations	\$42,445,209 21	\$35,534,644 36	\$6,910,564 85	

PERCENTAGE OF RAIL OPERATING EXPENSES TO REVENUE FROM RAIL OPERATIONS BY GROUPS

	1913	1912
Maintenance of way and structures	13.11	12.00
Maintenance of equipment	21.52	17.10
Traffic expenses	1.85	1.77
Transportation expenses	34.79	32.79
General expenses	1.98	1.80
Totals	73.25	65.46

*The Lake Shore and Michigan Southern Railway Company***AUXILIARY OPERATIONS**

	1913	1912	Increase	Decrease
DINING CAR SERVICE				
Revenues	\$614,925 50	\$557,379 28	\$57,546 22	
Expenses	641,250 02	591,206 98	50,043 04	
Net deficit	\$26,324 52	\$33,827 70		\$7,503 18
RESTAURANTS				
Revenues	\$24,407 50	\$19,577 77	\$4,829 73	
Expenses	22,398 00	18,919 91	3,478 09	
Net revenue	\$2,009 50	\$657 86	\$1,351 64	
COMMERCIAL ICE SUPPLY PLANTS				
Revenues	\$66,261 25	\$55,673 73	\$10,587 52	
Expenses	75,991 99	37,006 62	38,985 37	
Net revenue	*\$9,730 74	\$18,667 11		\$28,397 85
COAL AND ORE DOCKS				
Revenues	\$705,595 09	\$574,265 01	\$131,330 08	
Expenses	560,547 14	444,357 76	116,189 38	
Net revenue	\$145,047 95	\$129,907 25	\$15,140 70	
Total net revenue	\$111,002 19	\$115,404 52		\$4,402 33
*Deficit				

RAILWAY TAX ACCRUALS

	1913	1912	Increase	Decrease
ON CAPITAL STOCK				
New York	\$8,224 65	\$8,673 39		\$448 74
Pennsylvania	30,375 00	30,375 00		
ON GROSS EARNINGS				
New York	2,116 12	1,913 48	\$202 64	
Pennsylvania	2,041 59	1,694 47	347 12	
Ohio	167,410 48	136,298 80	31,111 68	
ON REAL ESTATE				
New York	100,465 83	96,985 14	3,480 69	
Pennsylvania	5,066 58	6,935 69		1,869 11
Ohio	841,706 33	525,785 89	315,920 44	
Indiana	331,283 85	330,964 71	319 14	
Michigan	399,397 57	396,358 38	3,039 19	
Illinois	64,822 89	74,929 11		10,106 22
ON BONDED DEBT (Pennsylvania)	26,000 00	21,702 40	4,297 60	
RAILROAD COMMISSIONERS' ASSESSMENTS (Ohio)	2,319 62	1,813 00	506 62	
ON NET INCOME (United States)	145,207 03	136,668 42	8,538 61	
Totals	\$2,126,437 54	\$1,771,097 88	\$355,339 66	

DIVIDENDS

ON GUARANTEED STOCK			
Payable March 31, 1913, 6% on 5,335 shares of guaranteed stock		\$32,010 00	
Payable August 1, 1913, 6% on 5,335 shares of guaranteed stock		32,010 00	
Payable February 2, 1914, 6% on 5,335 shares of guaranteed stock		32,010 00	\$96,030 00
ON COMMON STOCK			
Payable March 31, 1913, 6% on 494,665 shares of common stock		\$2,967,990 00	
Payable July 29, 1913, 6% on 494,665 shares of common stock		2,967,990 00	
Payable January 29, 1914, 6% on 494,665 shares of common stock		2,967,990 00	8,903,970 00
Total dividends			\$9,000,000 00

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DEDUCTIONS FROM GROSS INCOME

For lease of other roads

ERIE AND KALAMAZOO RAILROAD		
Dividend at 10% on 6,000 shares of capital stock (\$50.00 per share)		\$30,000 00
DETROIT HILLSDALE AND SOUTHWESTERN RAILROAD		
Organization expenses	\$500 00	
Dividend at 4% on 13,500 shares of capital stock	54,000 00	54,500 00
FORT WAYNE AND JACKSON RAILROAD		
Organization expenses	\$1,500 00	
Dividend at 5½% on 22,914,1⅙ shares of capital stock	126,027 88	127,527 88
KALAMAZOO ALLEGAN AND GRAND RAPIDS RAILROAD		
Interest at 5% on \$840,000 first mortgage bonds	\$42,000 00	
Dividend at 6% on 6,100 shares of capital stock	36,600 00	78,600 00
STURGIS GOSHEN AND ST LOUIS RAILWAY		
Interest at 3% on \$322,000 first mortgage bonds		9,660 00
BATTLE CREEK AND STURGIS RAILWAY		
Interest at 3% on \$79,000 first mortgage bonds		2,370 00
JAMESTOWN FRANKLIN AND CLEARFIELD RAILROAD		
Interest at 4% on \$11,000,000 gold mortgage bonds	\$440,000 00	
Dividend at 5% on 30,000 shares of capital stock	150,000 00	590,000 00
CLEVELAND SHORT LINE RAILWAY		
Interest at 4½% on \$11,800,000 first mortgage bonds (part year)	\$486,468 49	
Dividend at 5% on 35,250 shares preferred capital stock (part year)	36,095 03	
Dividend at 5% on 47,500 shares common capital stock (part year)	233,493 15	756,056 67
LAKE ERIE ALLIANCE AND WHEELING RAILROAD		
Dividend at 4% on 30,000 shares of capital stock		120,000 00
MAHONING COAL RAILROAD		
40% of gross earnings of \$2,839,246.90 for year ended December 31, 1913	1,135,698 76	\$2,904,413 31
Joint facility rents		901,485 89
Miscellaneous rents		21,916 69
Miscellaneous tax accruals		1,220 25
Separately operated properties—loss		36,513 77
Interest on funded debt		
Interest 3½% per annum on gold mortgage bonds of 1897	\$1,750,000 00	
Interest 4% per annum on gold bonds of 1903	2,000,000 00	
Interest 4% per annum on gold bonds of 1906	2,000,000 00	
Interest 5% per annum on Kalamazoo and White Pigeon mortgage bonds	20,000 00	
Interest 5% per annum on equipment trust certificates of 1907	219,886 21	
Interest 4½% per annum on equipment trust certificates of 1910	480,140 76	
Interest 4½% per annum on equipment trust certificates of 1912	124,948 36	
Interest 4½% per annum on equipment trust certificates of 1913	37,092 32	6,632,067 65
Interest on unfunded debt		968,530 64
Total deductions from gross income		\$11,466,148 20

DETAIL OF EXPENDITURES FOR IMPROVEMENTS TO PROPERTY

EXPENDITURES DURING THE YEAR FOR ADDITIONS AND IMPROVEMENTS TO THE PROPERTY CHARGED TO CAPITAL ACCOUNT

ADDITIONAL MAIN TRACKS:

Madison to Saybrook	\$127,632 93	
Elyria Junction to Amherst	27,080 72	
Sandusky Pier to Bay Bridge	39,120 86	
Martin to Millbury	9,427 76	
Wagon Works to Alexis	74,566 32	
Pine to Millers	16,785 66	\$294,614 25

SEPARATION OF GRADES:

Erie	\$38,295 20	
Ashtabula	20,321 23	
Cleveland	121,168 24	
Elyria	49,958 63	
Sandusky	89,756 23	
Air Line Junction	40,894 10	
Detroit	19,143 09	
La Porte	20,312 62	
East Side to Englewood (track elevation)	250,599 74	
Chicago, at 79th St with Pennsylvania Co	19,776 89	670,225 97

YARD IMPROVEMENTS:

Cleveland, extension of East 26th Street yard	\$18,396 52	
Danbury, storage tracks	6,347 33	
Air Line Junction, additional yard facilities, engine house, shops, etc.	1,493,721 30	
Jackson, additional storage tracks	9,979 35	
Fort Wayne, additional yard tracks	10,478 63	
Elkhart, additional yard tracks	12,685 59	
Indiana Harbor, enlargement of yard	26,918 46	1,578,527 18

ROADWAY AND BRIDGE IMPROVEMENTS:

Toledo to Detroit, track improvements and renewal of bridges	\$17,817 48	
Englewood to South Chicago, wire conduit	10,878 96	
Buffalo, new drawbridge over Buffalo Creek	118,792 25	
Wesleyville, new interlocker	18,725 45	
Ashtabula Harbor, interlocker with N Y C & St L R R Co	20,753 18	
Port Clinton, change of line	183,052 94	
Chicago, automatic signals, 61st Street to Polk Street	11,024 80	
Entire line, increased weight of rail	76,511 18	
Industrial and passing sidings, new signals, bridge and culvert renewals and other improvements	261,774 61	719,330 85

SHOPS, ENGINE HOUSES AND FUEL STATIONS:

Buffalo, coaling plant, cinder pit and washing plant	\$16,942 65	
West Seneca, engine washing system at engine house	14,522 41	
Wesleyville, new engine house, repair and train yard	161,579 01	
Ashtabula, new steel car repair shop	191,646 75	
Ashtabula Harbor, car repair yard, facilities and tools	34,803 48	
Painesville, water station, pipe line and intake	54,014 88	
Collinwood and Nottingham, general improvements in shops	64,537 20	
Elkhart, locomotive and car repair shop	119,740 13	
Englewood, new roundhouse, car repair shop and power plant	246,153 58	
General improvements in water supply	17,835 28	921,775 37

STATION AND OTHER STRUCTURES:

Buffalo, enlarge freight office and pave driveway	\$12,124 20	
Ashtabula Harbor, dock improvements	13,826 07	
Collinwood, scrap handling plant at storehouse	12,155 83	
Hillsdale, new office building, freight house, team tracks, etc.	19,576 66	
Fort Wayne, new freight house, team tracks, etc.	38,721 65	
Chicago, improvements at La Salle Street Station	15,698 67	
Additions and improvements to various station buildings and other structures	113,808 04	225,911 12

LAND: At various places

282,615 66

EQUIPMENT:

Installation of superheaters, fire doors and other improvements to locomotives	\$86,468 12	
Application of steel underframes, metal truck and body bolsters, steel roofs, etc., to freight cars	123,189 87	
Various improvements to passenger and work equipment	70,948 60	280,606 59

\$4,973,606 99

54,039 26

Less credits account property abandoned, land sold and adjustments

Total

\$4,919,567 73

*Annual Report***CAPITALIZATION***Capital stock*

Number of shares authorized	500,000	Total par value authorized	\$50,000,000.00
Number of shares issued—common	494,665	Total par value issued and out- standing	\$50,000,000 00
Number of shares issued—guaranteed ten per cent	5,335	Par value per share	\$100 00
Total number of shares outstanding	500,000	Dividend for the year	18 per cent

Amount of capital stock per mile of road owned (856.93 miles), \$58,347.82

Mortgage, bonded and secured debt

<u>Class of bond</u>	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Amount of authorized issue</u>	<u>Amount issued and now outstanding</u>	<u>Rate of interest</u>	<u>Payable on the first day of</u>
MORTGAGE AND PLAIN BONDS						
Gold mortgage	1897	June 1, 1997	\$50,000,000 00	\$50,000,000 00	3½ %	{ June and December
Gold bonds	1903	Sept. 1, 1928	50,000,000 00	50,000,000 00	4 %	{ March and September
Gold bonds	1906	May 1, 1931	50,000,000 00	50,000,000 00	4 %	{ May and November

EQUIPMENT TRUST OBLIGATIONS

Payable in fifteen annual installments

Equipment trust certificates	{	1907	Nov. 1, 1922	\$6,708,392 73	\$4,025,035 65	5 %	{ May and November
Equipment trust certificates	{	1910	Jan. 1, 1925	13,337,243 10	10,669,794 48	4½ %	{ January and July
Equipment trust certificates	{	1912	Jan. 1, 1927	2,974,961 25	2,776,630 50	4½ %	{ January and July
Equipment trust certificates	{	1913	Jan. 1, 1928	1,213,072 16	1,213,072 16	4½ %	{ January and July

BONDS OF OTHER ROADS ASSUMED BY THIS COMPANY

Kalamazoo & White Pigeon	{	1890	Jan. 1, 1940	\$400,000 00	\$400,000 00	5 %	{ January and July
Total amount of mortgage, bonded and secured debt outstanding					\$169,084,532 79		

Amount of mortgage, bonded and secured debt per mile of road owned (856.93 miles), excluding Kalamazoo and White Pigeon bonds, \$196,847.51

*Treasurer, Room 3111 Grand Central Terminal,
New York*

Union Trust Company, New York

{ Transfers stock
{ Pays dividends
{ Transfers registered bonds
{ Pays interest on coupon and registered bonds
Registers stock

*The Lake Shore and Michigan Southern Railway Company***NEW YORK CENTRAL LINES EQUIPMENT TRUSTS**

The following statement shows the character of the equipment acquired under the terms of the New York Central Lines Equipment Trust Agreements and Leases of 1907, 1910, 1912 and 1913 together with the total amount of certificates issued and the amounts now outstanding:

EQUIPMENT TRUST OF 1907

Road	Loco- motives	Passenger cars	Freight cars	Company service cars	Certificates issued for not to exceed 90% of value bearing interest at 5%.	Certificates redeemed	Balance certificates outstanding December 31, 1913
N Y C & H R R R	447	88	4,000		\$11,904,901 78	\$4,761,960 72	\$7,142,941 06
L S & M S Ry	125	25	4,000	200	6,708,392 73	2,683,357 08	4,025,035 65
C I & S R R	2	8	3,400	150	3,779,976 60	1,511,990 64	2,267,985 96
M C R R	5	15	3,500	200	3,906,381 73	1,562,552 70	2,343,829 03
C C C & St L Ry	112	17	1,525	100	3,700,347 16	1,480,138 86	2,220,208 30
Totals	691	153	16,425	650	\$30,000,000 00	\$12,000,000 00	\$18,000,000 00

EQUIPMENT TRUST OF 1910

Road	Loco- motives	Passenger cars	Freight cars	Company service cars	Certificates issued for not to exceed 90% of value bearing interest at 4½%.	Certificates redeemed	Balance certificates outstanding December 31, 1913
N Y C & H R R R	127	30	4,000		\$6,509,466 30	\$1,301,893 26	\$5,207,573 04
L S & M S Ry	75	60	12,500	250	13,337,243 10	2,667,448 62	10,669,794 48
C I & S R R	31	2	1,000		1,638,607 50	327,721 50	1,310,886 00
M C R R	112	34	3,300		5,520,295 80	1,104,059 16	4,416,236 64
C C C & St L Ry	80	6	1,600		2,994,387 30	598,877 46	2,395,509 84
Totals	425	132	22,400	250	\$30,000,000 00	\$6,000,000 00	\$24,000,000 00

EQUIPMENT TRUST OF 1912

Road	Loco- motives	Passenger cars	Freight cars	Company service cars	Certificates issued for not to exceed 90% of value bearing interest at 4½%.	Certificates redeemed	Balance certificates outstanding December 31, 1913
N Y C & H R R R	50	70	6,350	150	\$7,156,741 50	\$477,116 10	\$6,679,625 40
L S & M S Ry			3,750		2,974,961 25	198,330 75	2,776,630 50
C I & S R R			250		194,280 75	12,952 05	181,328 70
M C R R	20		2,500		2,275,663 50	151,710 90	2,123,952 60
C C C & St L Ry	48	25	1,500		2,398,353 00	159,890 20	2,238,462 80
Totals	118	95	14,350	150	\$15,000,000 00	\$1,000,000 00	\$14,000,000 00

EQUIPMENT TRUST OF 1913

Road	Locomotives	Passenger cars	Freight cars	Certificates issued for not to exceed 90% of value bearing interest at 4½%.
N Y C & H R R R	226	50	1,000	\$6,028,012 95
L S & M S Ry	33	30		1,213,072 16
M C R R	78	30		2,055,234 09
C C C & St L Ry			1,000	1,087,551 00
P & L E R R			4,000	3,981,991 50
T & O C Ry	3		1,000	1,128,138 30
Totals	340	110	7,000	\$15,494,000 00

CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1913

Assets

Property investment

Road and equipment				
Investment to June 30, 1907				
Road	\$67,060,000 00			
Equipment	24,800,000 00		\$91,860,000 00	
Investment since June 30, 1907				
Road	\$24,045,941 40			
Owned equipment	\$4,409,137 62			
Trust equipment	27,041,014 87			
	\$31,450,152 49			
Reserve for accrued depreciation—Cr	4,186,720 47			
Net total equipment	27,263,432 02	51,309,373 42		\$143,169,373 42
Securities				
Securities of proprietary, affiliated and controlled companies—unpledged				16,478,019 60
Other investments				
Miscellaneous investments				
Physical property		\$121,179 42		
Securities—unpledged		825 00		122,004 42
Total property owned as investment				\$159,769,397 44

Working assets

Cash				
Treasurer	\$2,611,266 75			
Local treasurer	558,473 99			
Station agents' and conductors' remittances in transit	459,347 52			
Lincoln National Bank for payment of interest	91,990 00	\$3,721,078 26		
Securities issued or assumed—held in treasury			3,900 00	
Lake Shore and Michigan Southern Ry Co stock			103,589,074 91	
Marketable securities				
Loans and bills receivable				
Chicago Indiana and Southern R R Co	\$4,895,469 05			
Cleveland Cincinnati Chicago and St Louis Ry Co	6,404,480 00			
Detroit Terminal R R Co	267,712 16			
Indiana Harbor Belt R R Co	1,151,307 96			
Jamestown Franklin and Clearfield R R Co	1,143,000 00			
Lake Erie and Western R R Co	1,679,075 17			
Merchants Despatch Transportation Co	250,000 00			
New York Central and Hudson River R R Co	2,000,000 00			
Terminal Ry of Buffalo	1,500,000 00			
Toledo and Ohio Central Ry Co	1,500,000 00			
Sundry bills receivable	39,201 00	20,830,245 34		
Traffic and car service balances due from other companies		414,705 71		
Net balance due from agents and conductors		1,556,195 41		
Miscellaneous accounts receivable		7,048,096 94		
Materials and supplies		4,805,166 34		
Other working assets		123,650 66		142,092,113 57

Accrued income not due

Unmatured interest, dividends and rents receivable				1,453,950 18
--	--	--	--	--------------

Deferred debit items

Advances				
Temporary advances to proprietary, affiliated and controlled companies				
Cleveland Short Line Ry Co	\$529,171 23			
Jamestown Franklin and Clearfield R R Co	940,800 92			
Lake Erie Alliance and Wheeling R R Co	22,713 09			
Lake Erie and Pittsburgh Ry Co	15,000 00			
Pittsburgh McKeesport and Youghiogheny R R Co	5,282,563 08	\$6,790,248 32		
Working funds		64,838 48		
Other advances		168,863 36	\$7,023,950 16	
Cash and securities in sinking and redemption funds			5,000 00	
Other deferred debit items			3,664,257 14	10,693,207 30
Total				\$314,008,668 49

*The Lake Shore and Michigan Southern Railway Company***CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1913***Liabilities**Stock*

Capital stock		
Common	\$49,466,500 00	
Guaranteed	533,500 00	\$50,000,000 00

Mortgage, bonded and secured debt

Funded debt		
Mortgage bonds		
First general mortgage bonds of 1897	\$50,000,000 00	
Kalamazoo and White Pigeon first mortgage bonds	400,000 00	\$50,400,000 00
Plain bonds, debentures and notes		
Gold bonds of 1903	\$50,000,000 00	
Gold bonds of 1906	50,000,000 00	100,000,000 00
Equipment trust obligations		
Equipment trust certificates of 1907	\$4,025,035 65	
Equipment trust certificates of 1910	10,669,794 48	
Equipment trust certificates of 1912	2,776,630 50	
Equipment trust certificates of 1913	1,213,072 16	18,684,532 79
		169,084,532 79

Working liabilities

Loans and bills payable		
One year notes due March 15, 1914	\$12,000,000 00	
One year sterling notes due May 15, 1914	9,726,500 00	
One year sterling notes due September 6, 1914	2,041,410 00	\$23,767,910 00
Audited vouchers and wages unpaid		
Audited vouchers	\$5,148,823 17	
Audited pay-rolls	1,213,405 39	6,362,228 56
Miscellaneous accounts payable		845,297 51
Matured interest, dividends and rents unpaid		111,721 67
Other working liabilities		366,624 54
		31,453,782 28

Accrued liabilities not due

Unmatured interest, dividends and rents payable	4,367,963 27
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Deferred credit items

Operating reserves	\$10,086 88	
Other deferred credit items	399,106 84	409,193 72

Appropriated surplus

Additions to property through income since June 30, 1907	9,557,252 37
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Profit and loss

Free surplus	49,135,944 06
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Total	\$314,008,668 49
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STOCK AND BONDS OWNED

Stock

	Number of Shares	Total par value
Battle Creek & Sturgis Railway Co	825	\$82,500 00
Chicago Indiana & Southern Railroad Co preferred	50,000	5,000,000 00
Chicago Indiana & Southern Railroad Co common	150,000	15,000,000 00
Chicago Kalamazoo & Saginaw Railway Co	1,800	180,000 00
Cleveland Cincinnati Chicago & St Louis Railway Co	302,077	30,207,700 00
Cleveland Short Line Railway Co	47,500	4,750,000 00
Detroit & Chicago Railroad Co	10,000	1,000,000 00
Detroit Monroe & Toledo Railroad Co	4,141	414,100 00
Detroit Toledo & Milwaukee Railroad Co	7,500	750,000 00
Detroit Terminal Railroad Co	933	93,300 00
Elkhart & Western Railroad Co	4,598	229,900 00
Fairport & Phalanx Railroad Co	10	1,000 00
Indiana Harbor Belt Railroad Co	7,350	735,000 00
Jamestown Franklin & Clearfield Railroad Co	29,945 ½	2,994,550 00
Jefferson Coal Co	5,100	510,000 00
Kalamazoo & White Pigeon Railroad Co	2,309	230,900 00
Kanawha & Michigan Railway Co	40,296	4,029,600 00
Lake Erie Alliance & Wheeling Railroad Co	30,000	3,000,000 00
Lake Erie & Pittsburg Railway Co	21,500	2,150,000 00
Lake Erie & Western Railroad Co preferred	59,300	5,930,000 00
Lake Erie & Western Railroad Co common	59,400	5,940,000 00
Lake Shore & Michigan Southern Railway Co common	39	3,900 00
Lansing Transit Railway	10	1,000 00
Mahoning Coal Railroad Co preferred	7,990	399,500 00
Mahoning Coal Railroad Co common	17,318	865,900 00
Mahoning State Line Railroad Co	15	750 00
Merchants Despatch Transportation Co	5,612	561,200 00
New York Chicago & St Louis Railroad Co 1st preferred	25,030	2,503,000 00
New York Chicago & St Louis Railroad Co 2nd preferred	62,750	6,275,000 00
New York Chicago & St Louis Railroad Co common	62,400	6,240,000 00
Northern Central Michigan Railroad Co	5,985	598,500 00
Pittsburgh & Lake Erie Railroad Co	299,885	14,994,250 00
Pittsburgh McKeesport & Youghiogheny Railroad Co	30,113	1,505,650 00
Reading Company 1st preferred	121,300	6,065,000 00
Reading Company 2nd preferred	285,300	14,265,000 00
Reading Company common	200,050	10,002,500 00
Sturgis Goshen & St Louis Railway Co	3,000	300,000 00
Swan Creek Railway Co	400	40,000 00
Terminal Railway of Buffalo	5,000	500,000 00
Toledo Terminal Railroad Co	4,800	480,000 00
Toledo & Ohio Central Railway Co preferred	37,014	3,701,400 00
Toledo & Ohio Central Railway Co common	58,463	5,846,300 00
Westinghouse Electric & Manufacturing Co	6	300 00
Total par value stock		<u>\$158,377,700 00</u>

Bonds

	Total amount held
Chicago Kalamazoo & Saginaw Railway Co First mortgage	\$507,000 00
Cleveland Cincinnati Chicago & St Louis Railway Co General mortgage	1,000,000 00
Cleveland Short Line Railway Co First mortgage	4,450,000 00
Lake Erie & Pittsburg Railway Co First mortgage	2,150,000 00
Terminal Railway of Buffalo First mortgage	500,000 00
Toledo & Ohio Central Railway Co First preference income	192,000 00
Total par value bonds	<u>\$8,799,000 00</u>
Grand total par value stock and bonds	<u>\$167,176,700 00</u>

The securities held by the company are carried on its books at a total value of \$120,070,994.51

MILEAGE STATISTICS

LOCOMOTIVE MILEAGE

REVENUE SERVICE	1913	1912	Increase	Decrease
Freight locomotive-miles	11,387,436	11,037,848	349,588	
Passenger locomotive-miles	10,811,212	10,246,963	564,249	
Mixed locomotive-miles	32,959	33,848		889
Special locomotive-miles	9,716	22,901		13,185
Switching locomotive-miles	9,437,532	8,507,392	930,140	
Total revenue locomotive mileage	31,678,855	29,848,952	1,829,903	
Non-revenue locomotive mileage	1,251,836	1,293,258		41,422
Total locomotive mileage	32,930,691	31,142,210	1,788,481	

TRAIN MILEAGE

REVENUE SERVICE				
Freight train-miles	10,208,731	9,889,528	319,203	
Passenger train-miles	10,186,182	9,628,593	557,589	
Mixed train-miles	32,552	32,656		104
Special train-miles	7,257	17,145		9,888
Total revenue train mileage	20,434,722	19,567,922	866,800	
Non-revenue train mileage	566,742	640,644		73,902
Total train mileage	21,001,464	20,208,566	792,898	

CAR MILEAGE

REVENUE SERVICE				
Freight car-miles				
Loaded	330,384,407	313,616,881	16,767,526	
Empty	155,516,221	131,919,531	23,596,690	
Caboose	10,535,112	10,094,696	440,416	
Total freight car-miles	496,435,740	455,631,108	40,804,632	
Passenger car-miles				
Passenger	16,963,869	16,845,208	118,661	
Sleeping, parlor and observation	22,158,542	20,457,331	1,701,211	
Other passenger-train cars	34,829,974	30,183,298	4,646,676	
Total passenger car-miles	73,952,385	67,485,837	6,466,548	
Special car-miles				
Freight—loaded	166,701	145,021	21,680	
Freight—empty		5,877		5,877
Caboose	7,317	8,139		822
Passenger	180	10,597		10,417
Sleeping, parlor and observation		31,777		31,777
Other passenger-train cars	42	26,856		26,814
Total special car-miles	174,240	228,267		54,027
Total revenue car mileage	570,562,365	523,345,212	47,217,153	
Non-revenue car mileage	3,873,369	5,187,302		1,313,933
Total car mileage	574,435,734	528,532,514	45,903,220	

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TRAFFIC STATISTICS

DESCRIPTION OF FREIGHT MOVED

	1913	1912	Increase	Decrease
	Tons	Tons	Tons	Tons
PRODUCTS OF AGRICULTURE				
Grain	1,598,962	2,047,225		448,263
Flour	441,919	422,177	19,742	
Other mill products	314,548	346,650		32,102
Hay	197,944	156,591	41,353	
Tobacco	24,738	22,615	2,123	
Cotton	38,972	53,532		14,560
Fruit and vegetables	427,672	488,188		60,516
Other articles	242,274	161,065	81,209	
PRODUCTS OF ANIMALS				
Live stock	518,017	519,832		1,815
Dressed meats	263,151	221,486	41,665	
Other packing house products	173,382	160,418	12,964	
Poultry, game and fish	117,681	63,952	53,729	
Wool	14,374	15,594		1,220
Hides and leather	42,946	49,762		6,816
Other articles	190,256	213,749		23,493
PRODUCTS OF MINES				
Anthracite coal	1,714,726	1,849,102		134,376
Bituminous coal	11,494,189	10,807,358	686,831	
Coke	1,306,369	1,396,411		90,042
Ores	6,351,944	5,621,162	730,782	
Stone, sand and other like articles	4,108,722	4,047,681	61,041	
Other articles	422,341	225,522	196,819	
PRODUCTS OF FOREST				
Lumber	1,166,118	1,108,948	57,170	
Other articles	160,110	126,744	33,366	
MANUFACTURES				
Petroleum and other oils	673,537	641,871	31,666	
Sugar	114,442	102,433	12,009	
Naval stores	15,295	5,452	9,843	
Iron, pig and bloom	660,331	646,278	14,053	
Iron and steel rails	86,344	96,874		10,530
Other castings and machinery	932,209	1,004,899		72,690
Bar and sheet metal	1,647,238	1,602,422	44,816	
Cement, brick and lime	1,551,587	1,431,916	119,671	
Agricultural implements	98,292	81,699	16,593	
Wagons, carriages, tools, etc.	239,172	211,477	27,695	
Wines, liquors and beers	167,487	155,455	12,032	
Household goods and furniture	94,251	100,540		6,289
Other articles	4,881,471	4,379,280	502,191	
MISCELLANEOUS				
Other commodities not previously mentioned	601,022	495,213	105,809	
TOTALS	43,094,033	41,081,573	2,012,460	

*The Lake Shore and Michigan Southern Railway Company***TRAFFIC STATISTICS—concluded**

FREIGHT	1913	1912	Increase	Decrease
Tons of revenue freight carried	43,094,033	41,081,573	2,012,460	
Tons of company freight carried	5,339,133	4,400,187	938,946	
Total tons of freight carried	48,433,166	45,481,760	2,951,406	
Tons of revenue freight carried one mile	7,051,539,934	6,874,015,071	177,524,863	
Tons of company freight carried one mile	478,963,143	379,378,419	99,584,724	
Total tons of freight carried one mile	7,530,503,077	7,253,393,490	277,109,587	
Miles of road operated in freight service	1,844.43	1,802.71	41.72	
Tons of revenue freight carried one mile per mile of road	3,823,154	3,813,156	9,998	
Tons all freight carried one mile per mile of road	4,082,835	4,023,605	59,230	
Average distance haul of one ton of revenue freight	163.6	167.3		3.7
Average distance haul of one ton all freight	155.5	159.5		4.0
Average number of tons of revenue freight per train mile	688.5	692.8		4.3
Average number of tons all freight per train mile	735.3	731.0	4.3	
Average number of tons of revenue freight per loaded car mile	21.3	21.9		.6
Average number of tons all freight per loaded car mile	22.8	23.1		.3
Average number of freight cars per train mile	48.5	45.9	2.6	
Average number of loaded cars per train mile	32.3	31.6	.7	
Average number of empty cars per train mile	15.2	13.3	1.9	
Total freight revenue	\$38,434,441.92	\$36,371,244.49	\$2,063,197.43	
Average amount received for each ton of freight	cts. 89.2	cts. 88.5	cts. 0.7	
Average revenue per ton per mile	mills 5.45	mills 5.29	mills 0.16	
Average revenue per mile of road	\$20,838.11	\$20,175.87	\$662.24	
Average revenue per train mile	\$3.75	\$3.67	\$0.08	
PASSENGER				
Number of interline passengers carried	1,538,235	1,293,261	244,974	
Number of local passengers carried	8,904,715	8,354,892	549,823	
Total number of revenue passengers carried	10,442,950	9,648,153	794,797	
Total number of revenue passengers carried one mile	680,382,013	610,378,781	70,003,232	
Miles of road operated in passenger service	1,556.49	1,519.19	37.30	
Number of revenue passengers carried one mile per mile of road	437,126	401,779	35,347	
Average distance each revenue passenger carried	65.15	63.26	1.89	
Average number of passengers per train mile	66.58	63.18	3.40	
Average number of passengers per car mile	17.39	16.36	1.03	
Average number of passenger cars per train mile	7.24	6.99	.25	
Total passenger revenue	\$13,025,693.56	\$11,835,198.83	\$1,190,494.73	
Average amount received from each passenger	\$1.25	\$1.23	\$0.02	
Average revenue per passenger per mile	cts. 1.914	cts. 1.939		cts. 0.025
Total passenger service train revenue	\$17,917,197.09	\$16,559,835.50	\$1,357,361.59	
Average passenger service train revenue per mile of road	\$11,511.28	\$10,900.44	\$610.84	
Average passenger service train revenue per train mile	\$1.75	\$1.71	\$0.04	
TOTAL TRAFFIC				
Operating revenues	\$57,941,920.37	\$54,283,616.52	\$3,658,303.85	
Operating expenses	42,445,209.21	35,534,644.36	6,910,564.85	
Net operating revenue	\$15,496,711.16	\$18,748,972.16		\$3,252,261.00
Operating revenues per mile of road	\$31,055.23	\$28,993.01	\$2,062.22	
Operating expenses per mile of road	22,749.43	18,979.14	3,770.29	
Net operating revenue per mile of road	\$8,305.80	\$10,013.87		\$1,708.07
Operating revenues per train mile	\$2.83	\$2.77	\$0.06	
Operating expenses per train mile	2.08	1.82	0.26	
Net operating revenue per train mile	\$0.75	\$0.95		\$0.20

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EQUIPMENT STATISTICS

	1913	1912
Average mileage per engine	36,723	32,747
Cost of repairs per engine mile	cts. 8'05	cts. 7'84
Total capacity of freight train cars, tons	2,363,950	2,243,290
Average capacity of freight train cars, tons	40'97	41'46
Seating capacity of passenger train cars	26,135	26,732
Average seating capacity of passenger train cars	70	70
Average mileage per passenger train car	63,591	61,722
Average cost of repairs per passenger train car mile	cts. 1'16	cts. 1'26

MISCELLANEOUS STATISTICS

CONSUMPTION OF FUEL BY LOCOMOTIVES

	1913	1912
Total tons of coal (bituminous)	2,419,837	2,343,157
Average pounds consumed per mile run by locomotives in freight service	208	214
Average pounds consumed per mile run by locomotives in passenger service	106	108
Average cost of fuel per ton	\$1.75	\$1.71
Average cost of fuel per locomotive mile	cts. 12'83	cts. 12'83

NEW STEEL RAIL LAID

Total tons of 100 pound rail, average price per ton, \$30.02,	18,508	12,062
Total tons of 80 pound rail, average price per ton, \$30.02,	7,257	7,132

NEW TIES LAID

Hard wood	375,949	370,324
Soft wood		5,346
Creosoted	1,054,255	934,225
Totals	1,430,204	1,309,895

Average price at distributing points	\$0.92	\$0.90
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TABLE OF TRACKS

MAIN LINE	Miles	Second track	Third track	Fourth track	Sidings	Total
Buffalo to Toledo, via Norwalk	293.71	214.85	200.34	*187.48	404.91	1,301.29
Toledo to Vulcan	3.88	2.13	.73	.71	.90	8.35
Palmyra to Chicago, via Adrian	217.16	94.21	34.20	21.70	375.07	742.34
<i>Total main line</i>	<u>514.75</u>	<u>311.19</u>	<u>235.27</u>	<u>209.89</u>	<u>780.88</u>	<u>2,051.98</u>
BRANCHES						
Ashtabula to Ashtabula Harbor	2.33	1.34			64.73	68.40
Ashtabula to Ohio-Penna. State Line	30.72	12.81	2.47		11.37	57.37
Carson to Mann—low grade line	18.10	18.10			6.81	43.01
Elyria Junction to Millbury Junction	73.00	73.00	37.64	28.76	76.88	289.28
Air Line Junction to Ohio-Michigan State Line	7.42	6.35			14.00	27.77
Air Line Junction to Elkhart, via Air Line	131.16	131.10	79.22	29.66	52.82	423.96
Monroe to Lenawee Junction	29.50				6.31	35.81
Lenawee Junction to Jackson	42.11				9.90	52.01
<i>Total branches</i>	<u>334.34</u>	<u>242.70</u>	<u>119.33</u>	<u>58.42</u>	<u>242.82</u>	<u>997.61</u>
<i>Total main line and branches</i>	<u>849.09</u>	<u>553.89</u>	<u>354.60</u>	<u>268.31</u>	<u>1,023.70</u>	<u>3,049.59</u>
PROPRIETARY LINES (OWNED WHOLLY BY THIS COMPANY)						
Detroit Monroe and Toledo Railroad	}	51.43			37.80	89.23
Ohio-Michigan State Line to D & M Jct						
Detroit and Chicago Railroad	}	25.22			3.16	28.38
Grosvenor to Fayette						
Northern Central Michigan Railroad	}	61.34			14.62	75.96
Jonesville to North Lansing						
Sturgis Goshen and St Louis Railway	}	28.92			1.90	30.82
Goshen to Sturgis						
Battle Creek and Sturgis Railway	}	7.19			.63	7.82
Sturgis to Findley						
Elkhart and Western Railroad	}	12.10			9.47	21.57
Elkhart to Mishawaka						
Kalamazoo and White Pigeon Railroad	}	36.54			14.57	51.11
White Pigeon to Kalamazoo						
Detroit Toledo and Milwaukee Railroad	}	46.98			5.19	52.17
Dundee to Moscow						
<i>Total proprietary lines</i>		<u>269.72</u>			<u>87.34</u>	<u>357.06</u>
LEASED LINES						
Lake Erie Alliance and Wheeling Railroad	}	87.67			38.87	126.54
Phalanx to Dillonvale						
Jamestown Franklin and Clearfield Railroad	}	103.56	11.08		37.12	151.76
Ohio-Penna. State Line to Rose Siding						
Franklin to Oil City		8.96			6.81	15.77
Polk Junction to Belmar		10.71			4.80	15.51
Mahoning Coal Railroad	}	38.19	11.00	8.82	41.36	99.37
Andover to Youngstown						
Mann to Brookfield		24.49	24.41		5.64	54.54
Doughton to Sharon		7.94			10.69	18.63
Branch to Keel Ridge					.92	.92
Cleveland Short Line Railway	}	19.64	19.17		22.23	61.04
Rockport to Collinwood						
Erie and Kalamazoo Railroad	}	21.82			6.17	27.99
Vulcan to Palmyra						
Detroit Hillsdale and Southwestern Railroad	}	64.74			4.69	69.43
Ypsilanti to Bankers						
Fort Wayne and Jackson Railroad	}	97.53			23.76	121.29
Jackson to Fort Wayne						
Kalamazoo Allegan and Grand Rapids Railroad	}	58.45			18.11	76.56
Kalamazoo to Grand Rapids						
<i>Total leased lines</i>		<u>543.70</u>	<u>65.66</u>	<u>8.82</u>	<u>221.17</u>	<u>839.35</u>

*Includes .85 miles of 5th main track and .49 miles of 6th main track

TABLE OF TRACKS—concluded

TRACKAGE RIGHTS	Miles	Second track	Third track	Fourth track	Sidings	Total
Pennsylvania Railroad Co Rose Siding to Falls Creek	21·68					21·68
Buffalo Rochester and Pittsburgh Ry Co Falls Creek to Clearfield	31·20					31·20
New York Central and Hudson River Railroad Co Buffalo	·66					·66
Pennsylvania Railroad Co Oil City	1·00					1·00
Erie Railroad Co Sharpsville to West Middlesex	10·28					10·28
Grand Trunk Railway System D & M Junction to Brush St Detroit	3·33					3·33
Michigan Central Railroad Co Jackson	·46					·46
Michigan Central Railroad Co Ypsilanti	·34					·34
New York Chicago and St Louis Railroad Co Grand Crossing to Osborn	13·90					13·90
Chicago Indiana and Southern Railroad Co Osborn to Indiana Harbor	4·98					4·98
Lake Erie and Pittsburg Railway Co Marcy to Brady's Lake Junction	27·79				10·08	37·87
Pennsylvania Co Brady's Lake Junction to Minerva Junction	36·67					36·67
M V Junction to Ravenna Junction	1·19					1·19
Baltimore and Ohio Railroad Co Ravenna Junction to Haselton	36·98					36·98
<i>Total trackage rights</i>	<u>190·46</u>				<u>10·08</u>	<u>200·54</u>
<i>Total mileage operated</i>	<u>1,852·97</u>	<u>619·55</u>	<u>363·42</u>	<u>268·31</u>	<u>1,342·29</u>	<u>4,446·54</u>

TABLE OF TRACKS ACCORDING TO STATES

STATE	Miles	Second track	Third track	Fourth track	Sidings	Total
New York	68·45	67·79	61·21	61·01	95·14	353·60
Pennsylvania	233·28	55·04	43·96	43·96	104·82	481·06
Ohio	673·48	336·56	206·25	131·97	688·36	2,036·62
Michigan	586·73				160·56	747·29
Indiana	267·23	152·51	47·26	26·73	219·29	713·02
Illinois	23·80	7·65	4·74	4·64	74·12	114·95
Totals	<u>1,852·97</u>	<u>619·55</u>	<u>363·42</u>	<u>268·31</u>	<u>1,342·29</u>	<u>4,446·54</u>

In addition to mileage operated as shown above, the company owns the following tracks which are leased to and operated by The New York Chicago and St Louis Railroad Company.

	Main track	Second track	Total
Silver Creek to Dunkirk	7·84	7·84	15·68

EQUIPMENT IN SERVICE

(INCLUDING EQUIPMENT OF LEASED LINES)

LOCOMOTIVES	Dec. 31, 1912	Increase		Decrease		Dec. 31, 1913
		Added	Change of class and service	Retired	Change of class and service	
For passenger service	145	8		6		147
For freight service	402			16		386
For switching service	211			13		198
Inspection engines	3					3
Totals	761	8		35		734
CARS IN PASSENGER SERVICE						
Passenger coaches, wood	198		1	1	14	184
Passenger coaches, steel	7					7
Passenger coaches, steel underframe	18					18
Smoking cars, wood	63				1	62
Smoking cars, steel	10					10
Combination passenger and baggage cars, wood	24			1		23
Combination passenger and baggage cars, steel		5				5
Combination passenger, baggage and mail cars, wood	2					2
Dining cars, wood	10				1	9
Dining cars, steel	3					3
Dining cars, steel underframe	3	1				4
Cafe dining coaches, wood	3					3
Buffet and cafe cars, wood	12				2	10
Buffet and cafe cars, steel	2					2
Buffet and cafe cars, steel underframe			1			1
Mail cars, wood	39				8	31
Mail cars, steel	18					18
Mail cars, steel underframe	5		6			11
Mail and baggage cars, wood	16		1	1	2	14
Mail and baggage cars, steel underframe	5		1			6
Baggage and express cars, wood	173		1	1	7	166
Baggage and express cars, steel underframe	5		8			13
Special horse cars, wood	6					6
Special horse cars, steel	3	3				6
Milk cars	2				1	1
Refrigerator express cars, steel underframe		74				74
Totals	627	83	19	4	36	689
CARS IN FREIGHT SERVICE						
Box cars, wood	11,076	1	3	606	236	10,238
Box cars, steel underframe	1,998		188	5	3	2,178
Box automobile cars, wood	1,937			13	16	1,908
Box automobile cars, steel underframe			16			16
Refrigerator cars, wood		2,183	14	12	425	1,760
Refrigerator cars, steel underframe		1,263	425	1	14	1,673
Flat cars, wood	3,645	4	22	480	3	3,188
Flat cars, steel underframe	5					5
Stock cars	457	501		51		907
Coal and coke cars, wood	6,517	3	1	351	150	6,020
Coal and coke cars, steel	7,992			4		7,988
Coal and coke cars, steel underframe	1,001		127			1,128
Caboose cars	521		11	11	20	501
Totals	35,149	3,955	807	1,534	867	37,510

EQUIPMENT IN SERVICE—concluded

(INCLUDING EQUIPMENT OF LEASED LINES)

EQUIPMENT IN COMPANY'S SERVICE	Dec. 31, 1912	Increase		Decrease		Dec. 31, 1913
		Added	Change of class and service	Retired	Change of class and service	
Officers' cars, wood	6				2	4
Officers' cars, steel underframe	4		2			6
Air-brake instruction cars	1					1
Ballast cars, wood	106			12		94
Ballast cars, steel underframe	480			2		478
Derrick cars	12					12
Steam wrecking cranes	8					8
Cinder, push, gas and oil transport cars	13			5		8
Other road cars	1,096	6	66	46	1	1,121
Totals	1,726	6	68	65	3	1,732
MARINE EQUIPMENT						
Tugs, steel	1					1
Mud scows, open-deck	4					4
Dredges	1					1
Totals	6					6

LEASED UNDER EQUIPMENT TRUSTS

LOCOMOTIVES	Dec. 31, 1912	Increase		Decrease		Dec. 31, 1913
		Added	Change of class and service	Retired	Change of class and service	
For passenger service	95	5				100
For freight service	60	38				98
For switching service	45	20				65
Totals	200	63				263
CARS IN PASSENGER SERVICE						
Passenger coaches, wood	15					15
Passenger coaches, steel underframe	40					40
Smoking cars, wood	10					10
Mail cars, steel	6					6
Express and baggage cars, steel	10	15				25
Buffet cars, steel	2					2
Dining cars, steel		2				2
Dining cars, steel underframe	3					3
Totals	86	17				103
CARS IN FREIGHT SERVICE						
Box cars, wood	494			1		493
Box cars, steel underframe	4,753	5		5		4,753
Box automobile cars, wood	497			3		494
Box automobile cars, steel underframe	2,992			8		2,984
Refrigerator cars, steel underframe		468				468
Coal and coke cars, steel	11,497			5		11,492
Caboose cars	8					8
Totals	20,241	473		22		20,692
EQUIPMENT IN COMPANY'S SERVICE						
Ballast cars, steel	450			2		448