

**THE DULUTH,
SOUTH SHORE AND ATLANTIC
RAILWAY COMPANY**

**MINERAL RANGE RAILROAD
COMPANY**

**SAINTE MARIE UNION DEPOT
COMPANY**

**REPORT FOR THE YEAR ENDED
DECEMBER 31, 1925**

THE DULUTH, SOUTH SHORE AND ATLANTIC RAILWAY COMPANY

DIRECTORS

OFFICERS

C. T. JAFFRAY	President	Minneapolis, Minn.
A. E. WALLACE	Vice-President	Minneapolis, Minn.
C. E. LYITLE	General Manager	Marquette, Mich.
A. E. MILLER	General Solicitor	Marquette, Mich.
A. E. DELPH	Comptroller	Marquette, Mich.
S. R. LEWIS	Traffic Manager	Duluth, Minn.
R. O. HAMBLY	General Frt. Agent	Duluth, Minn.
JAMES MANEY	General Pass. Agent	Duluth, Minn.
E. A. WHITMAN	Chief Engineer	Minneapolis, Minn.
T. A. FOQUE	Gen'l Mech'l Supt.	Minneapolis, Minn.
E. T. STONE	Purchasing Agent	Minneapolis, Minn.
W. R. HARLEY	Secretary	Minneapolis, Minn.
W. J. ELLISON	Treasurer	Marquette, Mich.
C. H. BENDER	Ass't Treasurer	Minneapolis, Minn.
W. H. PECK	Ass't Secretary and Ass't Treasurer	64 Wall St., New York, N. Y.
MISS M. E. LEHNEN	Ass't Secretary	Marquette, Mich.

Transfer Agents: AGENTS. BANK OF MONTREAL, 64 Wall Street, New York.

Fiscal Agents: AGENTS, BANK OF MONTREAL, 64 Wall Street, New York.

Registrar: CENTRAL UNION TRUST COMPANY OF NEW YORK.

Annual Meeting, Third Thursday in April, at Marquette, Michigan.

MINERAL RANGE RAILROAD COMPANY

DIRECTORS

R. L. AGASSIZ	Boston, Mass.
EDWARD S. BICE	Marquette, Mich.
C. T. JAFFRAY	Minneapolis, Minn.
JAMES MAC NAUGHTON	Calumet, Mich.
C. E. LYTLE	Marquette, Mich.
A. E. PETERMANN	Calumet, Mich.
A. E. WALLACE	Minneapolis, Minn.

OFFICERS

C. T. JAFFRAY	President	Minneapolis, Minn.
JAMES MAC NAUGHTON	Vice-President	Calumet, Mich.
A. E. WALLACE	Vice-President	Minneapolis, Minn.
C. E. LYTLE	General Manager	Marquette, Mich.
W. R. HARLEY	Secretary	Minneapolis, Minn.
W. J. ELLISON	Treasurer	Marquette, Mich.
C. H. BENDER	Ass't Treasurer	Minneapolis, Minn.
W. H. PECK	Ass't Secretary and Ass't Treasurer	64 Wall St., New York, N. Y.
MISS M. E. LEHNEN	Ass't Secretary	Marquette, Mich.
A. E. DELF	Comptroller	Marquette, Mich.

Transfer Agent, W. H. PECK,
64 Wall Street, New York City.

Fiscal Agents, AGENTS, BANK OF MONTREAL,
64 Wall Street, New York City.

Annual Meeting, Third Thursday in April, at Marquette, Michigan.

SAINTE MARIE UNION DEPOT COMPANY

DIRECTORS

C. T. JAFFRAY	Minneapolis, Minn.
A. E. WALLACE	Minneapolis, Minn.
C. E. LYTLE	Marquette, Mich.
P. W. PHELPS	Marquette, Mich.
F. J. SCHULTHEIS	Marquette, Mich.

OFFICERS

C. T. JAFFRAY	President	Minneapolis, Minn.
C. E. LYTLE	Vice-President	Marquette, Mich.
W. R. HARLEY	Secretary	Minneapolis, Minn.
W. J. ELLISON	Treasurer	Marquette, Mich.
A. E. DELF	Auditor	Marquette, Mich.

Annual Meeting, Third Thursday in April, at Marquette, Michigan.

ANNUAL REPORT
OF
The Duluth, South Shore and Atlantic
Railway Company
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 1925

TO THE STOCKHOLDERS:

Submitted herewith is a report for the fiscal year ended December 31, 1925.

The Gross Earnings, Operating Expenses, Fixed Charges, Surplus, etc., are as shown in the following condensed statement:

Gross Revenue.....	\$5,808,935.45
Operating Expenses	4,611,035.48
Net Operating Revenue...	\$1,197,899.97
Income from Other Sources....	162,954.84
Total Income	\$1,360,854.81
Taxes, Fixed Charges, etc.....	1,479,567.22
Deficit	\$ 118,712.41

The freight revenue during the year was \$4,287,168.22, an increase of \$48,790.22, or 1.15%, compared with the previous year.

The passenger revenue was \$989,175.72, a decrease of \$136,563.23, or 12.13%, compared with the previous year. This decrease was almost entirely in local traffic, due to increased use of privately-owned automobiles and also increase in use of bus lines.

The Maintenance of Way expenses were \$1,023,311.60, an

increase of \$14,715.85 over the previous year. This increase was due to the following causes:

	1924	1925
New 80-pound rail laid..	27.64 miles	47.32 miles
Ties renewed.....	233,394	249,121

Transportation expenses were \$2,353,748.30, a decrease of \$207,026.16, compared with the previous year. Of this decrease, \$106,385.00 was due to decrease in cost of fuel and its more economical use. There was a decrease in the cost of Enginemen and Trainmen of \$59,881.00. Due largely to the use of new locomotives purchased in 1924, the average tons per train was 404.45 tons, compared with 362.79 tons the previous year.

There was expended during the year for additions and betterments a total of \$428,707.93, of which \$230,937.73 was for equipment. The Company purchased, during the year, the following equipment:

125 Steel Ore Cars
11 Cabooses

Respectfully submitted,

C. T. JAFFRAY,
President.

THE DULUTH,
SOUTH SHORE AND ATLANTIC
RAILWAY COMPANY

GENERAL BALANCE SHEET

ASSETS

Investment in Road and Equipment:

Road	\$44,848,975.80
Equipment	4,658,237.05
Total	<u>\$49,507,212.85</u>

Miscellaneous Physical Property	326,844.42
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Investment in Affiliated Companies:

Mineral Range R. R. Co. Stock.....	\$ 751,995.00
Lake Superior Term. & Trans. Ry. Co. Stock	87,300.00
Sainte Marie Union Depot Co. Stock.....	37,500.00
Mackinac Transportation Co. Stock.....	21,666.66
New Jersey Bridge Construction Co. Stock.	250.00
South Shore Land Co. Ltd. Stock.....	3,000.00
Mineral Range R. R. Co. Equip. Notes....	144,889.31
Mackinac Transportation Co. Advances...	228,552.91
Sainte Marie Union Depot Co. Advances..	27,497.77
Mineral Range R. R. Co. Advances	<u>106,165.00</u>
Total	1,408,816.65

Current Assets:

Cash	\$ 333,846.06
Special Deposits	97,160.00
Loans and Bills Receivable	2,848.35
Traffic & Car Service Balances Receivable..	132,876.78
Due from Agents and Conductors.....	145,988.30
Miscellaneous Accounts Receivable	319,391.25
Material and Supplies	<u>739,248.12</u>
Total	1,771,358.86

Deferred Debits:

Working Fund Advances	\$ 1,010.29
Rent and Insurance Premiums Paid in Advance	412.93
Other Deferred Debits	<u>921.42</u>
Total	2,344.64

Profit and Loss:	10,794,264.17
Grand Total	<u>\$63,810,841.59</u>

DECEMBER 31, 1925.

LIABILITIES

Capital Stock:

Common	\$12,000,000.00
Preferred	10,000,000.00
Total	\$22,000,000.00

Funded Debt Unmatured:

D. S. S. & A. R'y Consol. Mortgage 4% Bonds, due in 1990	\$15,107,000.00
D. S. S. & A. R'y First Mortgage 5% Bonds, due in 1937	3,816,000.00
M. H. & O. R. R. 6% Bonds, due in 1935	1,077,000.00
Equipment Trust Obligations, 14th Series	42,000.00
Equipment Trust Obligations, Series "A"	396,000.00
Equipment Trust Obligations	37,500.00
Total	20,475,500.00

Non-Negotiable Debt to Affiliated Companies:

Canadian Pacific R'y Co.	97,845.79
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Current Liabilities:

Traffic and Car Service Balances Payable \$ 229,434.07	
Audited Vouchers and Wages Unpaid.... 455,518.88	
Matured Interest Unpaid	15,080,015.18
Matured Income Certificates Unpaid.... 3,000,000.00	
Unmatured Interest on Funded Debt.... 276,500.83	
Total	19,041,468.96

Unadjusted Credits:

Tax Liability	\$ 320,000.00
Accrued Depreciation—Road	314,289.90
Accrued Depreciation—Equipment	1,432,022.16
Other Unadjusted Credits	78,328.77
Total	2,144,640.83

Additions to Property Through Income and

Surplus	51,386.01
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Grand Total	\$63,810,841.59
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OPERATING REVENUES AND EXPENSES
Corporate Only—Not Including Federal Lap-Overs.

	1925.
Revenue from Transportation.	
Freight Revenue	\$3,591,351.60
Iron Ore Revenue	695,816.62
Passenger Revenue	989,175.72
Excess Baggage Revenue	9,680.68
Sleeping Car Revenue	36,806.90
Parlor and Chair Car Revenue	4,272.91
Mail Revenue	78,606.24
Express Revenue	83,257.96
Other Passenger Train Revenue	3,064.42
Milk Revenue	22,808.53
Switching Revenue	22,359.51
Special Service Train Revenue	3,513.10
Other Freight Train Revenue	10.00
Total Transportation Revenue	\$5,540,724.19
Incidental Operating Revenue.	
Dining and Buffet Revenue	\$ 41,250.15
Station, Train and Boat Privileges	1,390.38
Parcel Room Receipts	554.10
Storage—Freight	1,252.69
Storage—Baggage	577.94
Demurrage	14,011.00
Telegraph and Telephone Service	1,270.67
Rents of Buildings and Other Property	503.86
Miscellaneous Revenue	152,880.64
Total Incidental Operating Revenue	\$ 213,691.43
Joint Facility Revenue.	
Joint Facility Revenue—Cr.	\$ 54,620.17
Joint Facility Revenue—Dr.	Dr. 100.34
Total Joint Facility Revenue	\$ 54,519.83
Total Operating Revenue	\$5,808,935.45
Operating Expenses.	
Maintenance of Way and Structures	\$1,023,311.60
Maintenance of Equipment	956,826.69
Traffic Expenses	82,027.02
Transportation Expenses	2,353,748.30
Miscellaneous Operations	64,872.88
General Expenses	136,812.93
Transportation for Investment—Cr.	Cr. 6,563.94
Total Operating Expenses	\$4,611,035.48
Net Operating Revenue	\$1,197,899.97
Railway Tax Accruals	336,660.65
Uncollectible Railway Revenue	134.12
Net Operating Income	\$ 861,105.20

INCOME ACCOUNT

Year Ended December 31, 1925.

Net Operating Income \$ 861,105.20

Non-Operating Income:

Rent from Locomotives	\$ 3,875.10
Rent from Passenger Train Cars	139.99
Rent from Work Equipment	356.07
Joint Facility Rent Income	6,256.19
Miscellaneous Rent Income	12,829.71
Miscel. Non-Oper. Physical Property.....	18,709.15
Dividend Income	106,669.50
Income from Unfunded Securities and Accounts	14,104.32
Miscellaneous Income	14.81
 Total Non-Operating Income	 162,954.84
 Gross Income	 \$ 1,024,060.04

Deductions from Gross Income:

Hire of Freight Cars	\$ 173,060.92
Rent for Locomotives	8,889.83
Rent for Passenger Train Cars	3,281.34
Rent for Work Equipment	187.14
Rent for Floating Equipment	354.03
Joint Facility Rents	67,265.05
Miscellaneous Rents	33.90
Miscellaneous Tax Accruals	1,082.15
Interest on Funded Debt	886,020.83
Interest on Unfunded Debt	376.76
Miscellaneous Income Charges	2,220.50
 Total Deductions from Gross Income.....	 1,142,772.45
 Net Deficit	 \$ 118,712.41

PROFIT AND LOSS ACCOUNT

December 31, 1925.

By Balance December 31, 1924, Debit	\$10,436,318.50
Net Deficit for Year Ended December 31, 1925.	118,712.41
 \$10,555,030.91	

Credits During Year:

Profit on Road and Equipment Sold.....\$ 3,470.84	
Donations	2,782.37
Unrefunded Overcharges	22.95
Miscellaneous Credits	326.07
 6,602.23	
 \$10,548,428.68	

Debits During Year:

Loss on Retired Road and Equipment....\$ 94,851.51	
Surplus Appropriated for Investment in Physical Property	2,782.37
Debt Discount Extinguished Through Surplus	250.00
Delayed Income Debits	147,845.79
Miscellaneous Debits	105.82
 245,835.49	

Debit Balance December 31, 1925.....\$10,794,264.17

**DETAILED STATEMENT OF OPERATING REVENUES
AND EXPENSES.**

Including Federal Lap-Overs—for Comparison Only.

Revenue from Transportation.	1925.	1924.
Freight Revenue	\$3,591,351.60	\$3,658,015.34
Iron Ore Revenue	695,816.62	580,362.66
Passenger Revenue	989,175.72	1,125,738.95
Excess Baggage Revenue	9,680.68	10,398.90
Sleeping Car Revenue	36,806.90	38,352.91
Parlor and Chair Car Revenue.....	4,272.91	4,775.72
Mail Revenue	78,606.24	77,214.24
Express Revenue	83,257.96	96,132.91
Other Passenger Train Revenue.....	3,064.42	1,597.99
Milk Revenue	22,808.53	21,272.99
Switching Revenue	22,359.51	24,351.49
Special Service Train Revenue.....	3,513.10	4,501.18
Other Freight Train Revenue	10.00	28.75
 Total Transportation Revenue	 \$5,540,724.19	 \$5,642,744.03
Incidental Revenue.		
Dining and Buffet Revenue.....	\$ 41,250.15	\$ 37,280.58
Station, Train and Boat Privileges	1,390.38	1,619.76
Parcel Room Receipts	554.10	573.55
Storage—Freight	1,252.69	1,472.25
Storage—Baggage	577.94	675.34
Demurrage	14,011.00	23,686.00
Telegraph and Telephone Service.....	1,270.67	1,318.51
Rents of Buildings and Other Property.....	503.86	435.36
Miscellaneous Revenue	152,880.64	132,646.11
 Total Incidental Revenue	 \$ 213,691.43	 \$ 199,707.46
Joint Facility Revenue.		
Joint Facility Revenue—Cr.	\$ 54,620.17	\$ 59,696.48
Joint Facility Revenue—Dr.	Dr. 100.34	Dr. 18.85
 Total Joint Facility Revenue	 \$ 54,519.83	 \$ 59,677.63
 Total Operating Revenue	 \$5,808,935.45	 \$5,902,129.12
OPERATING EXPENSES		
Maintenance of Way and Structures.	1925.	1924.
Superintendence	\$ 38,523.22	\$ 40,604.65
Roadway Maintenance	80,382.23	83,100.62
Bridges, Trestles and Culverts	23,371.00	41,120.81
Ties	208,502.51	194,356.65
Rails	77,916.70	46,197.00
Other Track Material	40,379.94	47,442.93
Ballast	2,364.60	11,885.59
Track Laying and Surfacing	330,548.54	327,118.67
Right of Way Fences	12,744.01	1,539.95
Snow and Sand Fences and Snow Sheds	1,422.90	1,916.07
Crossings and Signs	6,002.36	3,148.17
Station and Office Buildings	10,045.63	14,579.07
Roadway Buildings	4,457.54	3,607.64
Water Stations	13,375.96	10,767.82
Fuel Stations	5,317.32	4,752.41
Shops and Enginehouses	25,781.15	13,315.08
Wharves and Docks	9,099.17	7,000.25
Coal and Ore Wharves.....	31,776.04	24,619.86
Coal and Ore Wharves—Depreciation.....	19,145.88	19,145.88
Telegraph and Telephone Lines.....	9,504.66	8,874.01
Signals and Interlockers	392.55	941.57
Miscellaneous Structures	12.60	195.37
Roadway Machines	6,590.96	5,192.94
Small Tools and Supplies	10,719.31	13,864.99
Removing Snow, Ice and Sand.....	39,227.30	61,736.10
Assessments for Public Improvements.....	4,147.76	216.53
Injuries to Persons		7,039.84
 Carried forward	 \$1,011,751.93	 \$ 994,280.47

**DETAILED STATEMENT OF OPERATING REVENUES
AND EXPENSES—Continued**
Including Federal Lap-Overs—for Comparison Only.

	1925.	1924.
Maintenance of Way and Structures.		
Brought forward	\$1,011,751.93	\$ 994,280.47
Insurance	5,458.06	3,419.60
Stationery and Printing	2,040.16	2,353.69
Other Expenses	274.80	177.87
Maintaining Joint Tracks, Yards and Other Facilities—Dr.	19,814.27	21,033.78
Maintaining Joint Tracks, Yards and Other Facilities—Cr.	Cr. 16,028.02	Cr. 12,600.72
Total	\$1,023,311.60	\$1,008,595.75
Maintenance of Equipment.		
Superintendence	\$ 22,824.81	\$ 21,790.14
Shop Machinery	9,487.72	6,496.06
Steam Locomotives—Repairs	285,318.34	330,371.13
Steam Locomotives—Depreciation	27,683.23	21,258.88
Steam Locomotives—Retirements	Cr. 3,850.83	Cr. 3,360.67
Freight Train Cars—Repairs	352,085.11	349,969.22
Freight Train Cars—Depreciation	66,880.36	65,208.51
Freight Train Cars—Retirements	Cr. 7,707.12	Cr. 16,900.24
Passenger Train Cars—Repairs	100,186.17	111,788.25
Passenger Train Cars—Depreciation	13,479.68	11,795.87
Passenger Train Cars—Retirements	Cr. 1,810.48	448.86
Work Equipment—Repairs	20,045.26	15,837.79
Work Equipment—Depreciation	2,036.77	3,222.64
Work Equipment—Retirements	20.88	792.71
Injuries to Persons	8,456.40	2,358.91
Insurance	6,942.19	4,801.60
Stationery and Printing	2,845.08	2,599.55
Other Expenses	689.76	861.02
Maintaining Joint Equipment at Terminals—Dr.	51,213.36	10,292.31
Total	\$ 956,826.60	\$ 939,070.54
Traffic Expenses.		
Superintendence	\$ 44,988.15	\$ 43,075.98
Outside Agencies	15,143.07	12,225.73
Advertising	1,115.22	771.34
Traffic Associations	524.86	255.15
Fast Freight Lines		67.34
Industrial and Immigration Bureaus	7,044.48	6,430.78
Insurance	33.61	33.67
Stationery and Printing	13,177.03	13,441.80
Total	\$ 82,027.02	\$ 76,301.79
Transportation Expenses.		
Superintendence	\$ 49,051.78	\$ 44,470.61
Dispatching Trains	31,186.77	31,357.20
Station Employees	376,472.64	394,368.47
Weighing, Insp. and Demurrage Bureaus	4,750.17	4,269.06
Coal and Ore Wharves	57,194.62	58,010.76
Station Supplies and Expenses	14,854.92	17,581.49
Yardmasters and Yard Clerks	13,985.15	14,196.49
Yard Conductors and Brakemen	100,385.07	100,162.10
Yard Switch and Signal Tenders	14,179.36	14,081.14
Yard Enginemen	72,030.59	72,209.26
Fuel for Yard Locomotives	63,769.21	70,890.22
Water for Yard Locomotives	1,297.59	1,613.52
Lubricants for Yard Locomotives	1,289.65	1,590.33
Other Supplies for Yard Locomotives	859.97	331.33
Enginehouse Expenses—Yard	35,509.80	33,889.15
Yard Supplies and Expenses	2,234.65	1,716.81
Operating Joint Yards and Terminals—Dr.	146,943.86	151,682.75
Operating Joint Yards and Terminals—Cr.	Cr. 86,722.19	Cr. 37,430.35
Carried forward	\$ 949,273.61	\$ 969,790.34

**DETAILED STATEMENT OF OPERATING REVENUES
AND EXPENSES—Continued**
Including Federal Lap-Overs—for Comparison Only.

Transportation Expenses.	1925.	1924.
Brought forward	\$ 949,273.61	\$ 969,790.34
Train Enginemen	302,562.57	326,566.63
Fuel for Train Locomotives	456,389.20	555,653.61
Water for Train Locomotives	29,362.69	28,010.51
Lubricants for Train Locomotives	8,467.16	11,065.89
Other Supplies for Train Locomotives	4,864.68	4,156.29
Enginehouse Expenses—Train	96,782.34	94,603.61
Trainmen	364,323.55	400,200.82
Train Supplies and Expenses	74,827.04	70,519.85
Operating Sleeping Cars	14,295.18	12,421.67
Signal and Interlocker Operation	4,599.38	4,560.18
Crossing Protection	20,818.45	21,565.34
Telegraph and Telephone Operation	173.32	173.32
Stationery and Printing	15,094.17	16,438.48
Other Expenses	1,911.97	1,390.75
Operating Joint Tracks and Facilities—Dr.	16,841.35	19,344.71
Operating Joint Tracks and Facilities—Cr.	38,574.67	36,880.49
Cr.	38,574.67	36,880.49
Insurance	2,809.10	1,741.35
Clearing Wrecks	5,572.42	4,283.28
Damage to Property	1,289.81	1,163.92
Damage to Live Stock on Right-of-Way	2,475.45	2,173.55
Loss and Damage—Freight	15,262.80	15,328.62
Loss and Damage—Baggage	109.23	313.72
Injuries to Persons	4,217.50	36,108.71
Total	\$2,353,748.30	\$2,560,774.46
Miscellaneous Operations.		
Dining and Buffet Service	\$ 57,110.55	\$ 58,807.63
Other Miscellaneous Operations	7,762.33	9,032.33
Total	\$ 64,872.88	\$ 67,839.96
General Expenses.		
Salaries and Expenses of General Officers	\$ 20,479.66	\$ 24,938.16
Salaries and Expenses of Clerks and Attendants	70,700.97	69,864.12
General Office Supplies and Expenses	3,968.86	3,866.85
Law Expenses	16,869.47	13,328.58
Insurance	143.51	129.66
Pensions	1,125.60	1,237.92
Stationery and Printing	7,025.61	6,589.22
Valuation Expenses	1,000.68	328.15
Other Expenses	8,427.57	5,620.87
General Joint Facilities—Dr.	7,071.00	9,317.90
Total	\$ 136,812.93	\$ 135,721.43
Transportation for Investment—Cr.	Cr. 6,563.94	Cr. 1,878.80
Recapitulation of Operating Expenses.		
Maintenance of Way and Structures	\$1,023,811.60	\$1,008,685.75
Maintenance of Equipment	956,826.69	939,070.54
Traffic Expenses	82,027.02	76,301.79
Transportation Expenses	2,358,748.30	2,560,774.46
Miscellaneous Operations	64,872.88	67,839.96
General Expenses	136,812.93	135,721.43
Transportation for Investment—Cr.	Cr. 6,563.94	Cr. 1,878.80
Total Operating Expenses	\$4,611,035.48	\$4,786,425.13
Net Operating Revenue	\$1,197,899.97	1,115,703.99
Percentage of Operating Expenses to Operating Revenue	79.38	81.10

REVENUE.

	1925.	1924.	1923.	1922.	1921.	1920.	1919.
Freight	\$3,591,351.60	\$3,660,732.65	\$3,643,543.37	\$2,733,741.59	\$2,722,400.61	\$3,576,909.43	\$2,815,493.29
Iron Ore	695,816.62	580,362.66	468,102.43	292,759.50	130,188.54	425,251.89	386,483.18
Passenger	989,175.72	1,125,738.95	1,210,989.88	1,083,944.02	1,161,073.71	1,369,903.49	1,235,685.01
Mail	78,606.24	77,214.24	77,759.24	77,913.24	105,264.93	147,759.38	39,638.00
Express	83,257.96	96,132.91	85,206.29	71,773.96	73,598.21	59,871.09	56,636.87
Miscellaneous	370,727.31	365,179.02	375,531.77	305,679.90	272,335.00	370,195.46	224,765.82
Total	\$5,808,935.45	\$5,905,360.43	\$5,861,202.98	\$4,495,812.21	\$4,464,863.00	\$5,949,890.74	\$4,758,601.17

EXPENSES.

Maintenance of Way and Structures	\$1,023,311.60	\$1,008,595.75	\$ 827,018.66	\$ 729,395.44	\$ 866,807.24	\$ 1,153,341.01	\$ 925,068.39
Maintenance of Equipment	956,826.69	938,979.85	899,410.74	688,551.31	970,809.00	1,063,888.74	874,670.28
Traffic Expenses	82,027.02	76,301.79	79,324.70	80,715.33	80,128.45	65,571.95	65,517.63
Transportation Expenses	2,353,748.30	2,560,819.27	2,679,662.70	2,284,068.80	2,420,042.55	3,076,864.75	2,368,608.74
Miscellaneous Operations	64,872.88	67,839.96	69,952.95	65,971.92	80,835.31	87,457.45	58,992.87
General Expenses	136,812.93	135,713.93	141,943.33	125,079.47	147,030.65	151,077.53	168,433.26
Transportation for Investment	Cr. 6,563.94	Cr. 1,878.80	Cr. 2,387.42	Cr. 1,988.97	Cr. 1,251.24	.....	.....
Total	\$4,611,035.48	\$4,786,371.75	\$4,694,925.66	\$3,961,793.36	\$4,565,201.96	\$5,598,701.43	\$4,461,300.17
Percentage of Operating Expenses to							
Operating Revenue	79.38	81.05	80.10	88.12	102.25	94.10	93.33
Net Operating Revenue	\$1,197,899.97	\$1,118,988.68	\$1,166,277.32	\$ 534,018.85	Def. \$100,338.96	\$351,189.31	\$297,301.00
Taxes Accrued	336,660.65	367,353.51	347,635.96	383,618.58	357,084.42	356,028.32	269,244.30
Uncollectible Railway Revenue	134.12	104.37	128.49	305.84	445.43	436.27	295.80
Operating Income	\$ 861,105.20	\$ 751,530.80	\$ 818,512.87	\$ 150,094.43	Def. \$457,868.81	Def. \$5,275.28	\$27,760.90
Non-Operating Income	162,954.84	196,216.61	96,165.63	56,525.49	35,189.29	.....	.....
Gross Income	\$ 1,024,060.04	\$ 947,747.41	\$ 914,673.50	\$ 206,619.92	Def. \$422,679.52	.....	.....
Interest on Funded Debt, Rentals and Other Deductions from Income	1,142,772.45	1,192,072.49	1,095,174.52	933,829.59	1,160,173.07	.....	.....
Net Deficit	\$ 118,712.41	\$ 244,325.08	\$ 180,496.02	\$ 727,209.67	\$ 1,582,852.59	.....	.....
Average Mileage Operated	590.87	591.30	591.30	591.30	591.80	600.42	614.54

Years 1919, 1920 and 1921 for comparative purposes only, as they include both Federal and Corporate Items.

TRAFFIC AND MILEAGE STATISTICS.

	1923.	1924.
	Passengers, Tonnage, Rates, and Revenue	Passengers, Tonnage, Rates, and Revenue
Passenger Traffic.		
Number of Passengers Carried Earning Revenue	499,731	622,914
Number of Passengers Carried One Mile	28,340,206	32,348,221
Number of Passengers Carried One Mile per Mile of Road.....	47,964	54,707
Average Distance Carried, Miles.....	56 71	51 93
Total Passenger Revenue	\$989,175 72	\$1,125,738 95
Average Amount Received from Each Passenger	\$1 97942	\$1 80721
Average Receipts per Passenger per Mile	\$ 03490	\$ 03480
Total Passenger Service Train Revenue	\$1,227,673 36	\$1,375,484 61
Passenger Service Train Revenue per Mile of Road	\$2,077 74	\$2,326 20
Passenger Service Train Revenue per Train Mile	\$1 33	\$1 48
Freight Traffic.		
Number of Tons Carried of Freight Earning Revenue	4,432,594	4,273,860
Number of Tons Carried One Mile..	320,631,721	319,694,153
Number of Tons Carried One Mile per Mile of Road	542,643	540,663
Average Distance Haul of One Ton, Miles	72 34	74 80
Total Freight Revenue	\$4,287,168 22	\$4,238,378 00
Average Amount Received for Each Ton of Freight	\$ 96719	\$ 99170
Average Receipts per Ton per Mile	\$ 01337	\$ 01326
Freight Revenue per Mile of Road...	\$7,255 69	\$7,167 90
Freight Revenue per Train Mile.....	\$5 41	\$4 81
Total Traffic.		
Operating Revenue	\$5,808,935 45	\$5,902,120 12
Operating Revenues per Mile of Road.	\$9,831 16	\$9,981 62
Operating Revenues per Train Mile..	\$3 38	\$3 26
Operating Expenses	\$4,611,035 48	\$4,786,425 13
Operating Expenses per Mile of Road.	\$7,803 81	\$8,094 75
Operating Expenses per Train Mile..	\$2 68	\$2 64
Net Operating Revenue	\$1,197,899 97	\$1,115,703 99
Net Operating Revenue per Mile of Road	\$2,027 35	\$1,886 87

TRAFFIC AND MILEAGE STATISTICS—Continued

Revenue Locomotive Mileage:	1925	1924.
Freight Service	887,322	987,414
Passenger Service	950,207	957,829
Mixed Service	2,727	2,548
Special Service	1,097	958
Train Switching	165,422	179,812
Yard Switching	269,541	273,995
Total Revenue Locomotive Mileage	2,276,316	2,402,556
Non-revenue Service Locomotive Miles	26,669	26,728
Revenue Car Mileage:		
Freight—Loaded	12,543,774	12,708,290
Freight—Empty	5,971,818	6,812,660
Freight—Caboose	787,305	878,437
Total Freight Car Miles	19,302,897	20,399,387
Passenger	1,785,276	1,828,066
Sleeping, Parlor and Observation	987,021	984,646
Dining	196,833	190,392
Other Passenger Train Cars	1,015,683	1,059,715
Total Passenger Car Miles	3,984,813	4,062,819
Mixed Car Miles.		
Freight—Loaded	36,500	29,320
Freight—Empty	13,350	14,501
Passenger	5,608	4,888
Total Mixed Car Miles	55,458	48,709
Special Car Mileage:		
Freight—Loaded	9,771	15,658
Freight—Empty	877	958
Freight—Caboose	4,641	5,371
Passenger	15,289	21,987
Total Special Car Miles	23,358,457	24,532,902
Non-revenue Service Car Miles	128,865	57,461
Revenue Train Mileage:		
Freight	790,405	879,003
Passenger	923,843	929,914
Mixed	2,624	2,444
Special	844	958
Total Revenue Train Mileage	1,717,716	1,812,319
Non-revenue Service Train Miles	26,669	26,728
Average Number of Revenue Passengers per Car-Mile	10.20	11.48
Average Number of Revenue Passengers per Train-Mile	30.67	34.79
Average Number Passenger Cars per Pass. Train-Mile	4.31	4.37
Average Number Tons Rev. Fgt. per Loaded Car-Mile	25.49	25.10
Average Number Tons Rev. Freight per Train-Mile	404.45	362.79
Average Number of Freight Cars per Freight Train-Mile	23.43	22.21
Average Number of Loaded Cars per Freight Train-Mile	15.87	14.46
Average Number of Empty Cars per Freight Train-Mile	7.56	7.75
Average Mileage Operated During Year	590.87	591.30

FREIGHT TRAFFIC MOVEMENT
(Company's Material Excluded)

COMMODITY	Year Ending Dec. 31, 1925.		Year Ending Dec. 31, 1924.	
	Tons	Per Cent	Tons	Per Cent
Wheat	2,129	.05	2,637	.06
Corn	1,697	.04	3,218	.08
Oats	7,962	.18	10,468	.24
Other Grain	1,327	.03	568	.01
Flour and Meal	28,711	.65	29,679	.69
Other Mill Products	20,113	.45	18,513	.43
Hay, Straw and Alfalfa	25,189	.57	24,691	.58
Cotton	162	.00	.....	.....
Citrus Fruits	917	.02	1,726	.04
Other Fresh Fruits	8,982	.20	7,683	.18
Potatoes	1,683	.04	2,098	.05
Other Fresh Vegetables	1,079	.02	2,549	.06
Dried Fruits and Vegetables	4,774	.11	4,614	.11
Other Products of Agriculture	294	.01	730	.02
Horses and Mules	640	.02	910	.02
Cattle and Calves	1,384	.03	1,052	.02
Sheep and Goats	213	.00	24	.00
Hogs	22	.00	52	.00
Fresh Meats	7,464	.17	7,508	.18
Other Packing House Products	17	.00	11	.00
Poultry	84	.00	37	.00
Eggs	834	.01	403	.01
Butter and Cheese	10,773	.24	11,340	.27
Wool	72	.00	1,014	.02
Hides and Leather	4,915	.11	4,173	.10
Other Products of Animals	862	.02	1,195	.03
Anthracite Coal	28,797	.65	35,778	.84
Bituminous Coal	152,526	3.44	125,541	2.94
Coke	23,135	.52	36,555	.86
Iron Ore	1,567,982	35.37	1,327,123	31.05
Other Ores and Concentrates	78	.00	7,637	.18
Clay, Gravel, Sand and Stone	345,398	7.79	356,603	8.34
Crude Petroleum .....	.....	.....	18	.....
Asphaltum	480	.01	896	.02
Salt	6,004	.14	4,394	.10
Other Products of Mines	6,979	.16	6,632	.16
Logs, Post Poles and Cordwood	978,162	22.07	1,096,525	25.66
Ties	42,117	.95	62,857	1.47
Pulp Wood	107,910	2.44	129,384	3.03
Lumber, Timber, Box Shooks, Staves and Headings	538,700	12.15	465,232	10.88
Other Products of Forests	23,938	.54	22,004	.51
Refined Petroleum and its Products	34,093	.77	30,000	.70
Vegetable Oils	31	.00	.....	.....
Sugar, Syrup, Glucose and Molasses	8,882	.08	3,225	.08
Boats and Vessel Supplies	33	.00	8	.00
Iron, Pig and Bloom	46,606	1.06	49,166	1.15
Rails and Fastenings	4,619	.10	7,490	.18
Bar and Sheet Iron, Structural Iron, and Iron Pipe	8,118	.18	11,810	.28
Other Metals, Pig, Bar and Sheet	27,399	.62	21,297	.50
Castings, Machinery and Boilers	2,717	.06	6,646	.16
Cement	14,640	.33	35,560	.83
Brick and Artificial Stone	11,574	.26	10,922	.26
Lime and Plaster	16,966	.38	10,254	.24
Sewer Pipe and Drain Tile	214	.01	4,541	.11
Agricultural Implements and Vehicles other than Automobiles	1,009	.02	3,182	.07
Automobiles and Auto Trucks	21,420	.48	13,756	.32
Household Goods and Second Hand Furniture	1,284	.03	1,033	.02
Furniture (new)	260	.01	109	.00
Beverages	2,860	.07	1,818	.04
Ice	7,206	.16	10,856	.25
Fertilizers (all kinds)	438	.01	2,873	.07
Paper, Printed Matter and Books	19,183	.44	27,072	.63
Chemicals and Explosives	51,936	1.17	35,414	.83
Textiles	168	.00	12	.00
Canned Goods (all Canned Food Products)	2,768	.06	4,730	.11
Other Manufactures and Miscellaneous	108,673	2.45	90,294	2.11
Merchandise—All L. C. L. Freight	91,098	2.06	77,920	1.82
Total	4,432,594	100.00	4,273,860	100.00

ADDITIONS AND BETTERMENTS

Year Ended December 31, 1925.

Engineering	\$ 273.02
Land for Transportation Purposes	Cr. 2,984.85
Grading	25,785.92
Bridges, Trestles and Culverts	26,885.37
Ties	6,110.95
Rails	80,360.13
Other Track Material	48,566.13
Ballast	248.99
Track Laying and Surfacing	7,170.61
Right-of-Way Fences	4,387.21
Snow and Sand Fences and Snowsheds	414.64
Crossings and Signs	Cr. 182.81
Station and Office Buildings	3,111.12
Roadway Buildings	Cr. 1,497.18
Water Stations	12,202.38
Fuel Stations	194.06
Shops and Enginehouses	Cr. 3,272.54
Wharves and Docks	2,767.50
Coal and Ore Wharves	Cr. 29,935.88
Power Distributing Systems	341.72
Power Lines, Poles and Fixtures	86.70
Assessments for Public Improvements	178.61
Shop Machinery	16,558.40
Steam Locomotives	4,249.96
Freight Train Cars	98,003.78
Passenger Train Cars	129,451.08
Work Equipment	Cr. 767.09
Total Debit	\$428,707.93

EQUIPMENT CHANGES

Year Ended December 31, 1925.

Additions:

Locomotives	\$ 49,176.43
Flat Cars	Cr. 774.00
125 Ore Cars	71,293.36
11 Cabooses	35,876.77
2 First-Class Coaches	53,328.29
2 Second-Class Coaches	53,328.31
2 Baggage and Mail Cars	46,685.60
1 Store Dept. Car	400.00
4 Boarding Cars	1,900.00
1 Water Tank Car	300.00
Freight Car Improvements	27,748.20
	<u>\$339,262.96</u>

Deductions:

4 Locomotives	\$ 44,551.47
7 Flat Cars	4,216.56
1 Coal Car	588.45
1 Gondola Car	592.70
50 Ore Cars	25,818.90
3 Box Cars	2,099.08
4 Caboose Cars	2,824.77
3 Second Class Coaches	16,124.40
2 Baggage, Mail and Express Cars	7,766.72
5 Boarding Cars	3,367.09
3 Locomotive Snow Plows	375.00
	<u>\$108,325.23</u>
Net Additions	<u>\$230,937.73</u>
	<u>=====</u>

Reserve for Accrued Depreciation on Equipment.

Balance from Previous Year	\$1,367,454.98
Depreciation on Locomotives	11,818.08
Depreciation on Freight Cars	48,089.56
Depreciation on Passenger Cars	3,810.92
Depreciation on Work Cars	848.62
	<u>\$1,432,022.16</u>

EQUIPMENT OWNED DECEMBER 31, 1925.

Locomotives:

Passenger	25
Freight	45
Switch	4
	—
Total number of Locomotives	74

Passenger Train Cars:

First Class Passenger Coaches	21
Second Class Passenger Coaches	11
Combination Cars	4
Dining Cars	6
Sleeping Cars	7
Baggage, Mail and Express Cars	14
	—
Total Passenger Train Cars	63

Freight Train Cars:

Box Cars	756
Flat Cars	773
Gondola Cars	159
Bunk Log Cars	48
Coal Cars	22
Refrigerator Cars	30
Charcoal Cars	5
Ore Cars	1,010
Caboose Cars	39
	—
Total Freight Train Cars	2,842

Miscellaneous Cars:

Business Cars	2
Tool Cars	10
Steam Shovels	2
Pile Drivers	2
Air Compressor Car	1
Ditchers	1
Snow Plows	10
Derrick Cars	4
Boarding Cars	96
Cinder Cars	6
Gravel Spreaders	2
Gas Tank Cars	3
Water Tank Cars	2
Ice Cutter	1
Dump Cars	8
Store Dept. Cars	14
Other Cars	6
	—
Total Miscellaneous Cars	170

Total number of Cars

3,075

MILEAGE OWNED AND OPERATED

Main Line Owned:	Mileage
Sault Ste. Marie, Mich.....to Superior, Wis.	407.25
Soo Junction, Mich.....to St. Ignace, Mich.	42.97
Marquette, Mich.....to Winthrop Jct., Mich.	17.38
Humboldt, Mich.....to Republic, Mich.	8.76
Nestoria, Mich.....to Houghton, Mich.	48.20
	<hr/>
	524.51
Branch Lines Owned:	
Negaunee, Mich.....to C. & N. W. R'y Conn.	
Richmond Mine, Mich.....	5.03
Bessemer Jct., Mich. ....to Bessemer, Mich.	2.03
To Various Mines and Industries	31.31
	<hr/>
	38.37
Total Owned Mileage Operated	562.88
Trackage Rights:	
Sainte Marie Union Depot Co.	53
Mpls., St. Paul & S. S. Marie R'y	7.77
Mineral Range R. R.	14.17
C., St. P., M. & O. R'y.....	1.35
Lake Superior Term. & Trans. R'y .....	.98
Northern Pacific R'y .....	.84
Chicago & N. W. R'y	2.20
	<hr/>
	27.84
Total Mileage Operated	590.72
Owned But Not Operated:	
Main Track, 28th St. to Belknap Ave., Superior, Wis.	2.33
Log Branches	23.86
Total Owned and Operated	616.91

**MINERAL RANGE
RAILROAD COMPANY**

GENERAL BALANCE SHEET

ASSETS

Investment in Road and Equipment:

Road	\$ 2,127,150.30
Equipment	1,109,701.19
Total	\$ 3,236,851.49

Improvements on Leased Railway Property:

Hancock & Calumet R. R.	195,053.47
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Miscellaneous Physical Property

23,310.07

Investments in Affiliated Companies:

Hancock & Calumet R. R. Co. Stock.....	350,000.00
--	------------

Current Assets:

Cash	\$ 20,343.05
Special Deposits	16,725.00
Traffic and Car Service Balances Receivable	3,568.15
Due from Agents and Conductors	36,497.01
Miscellaneous Accounts Receivable	76,489.04
Materials and Supplies	45,807.23
Total	199,229.48

Deferred Debits:

Working Fund Advances	\$ 20.00
Hancock & Calumet R. R. Co. Bonds Assumed	325,000.00
Total	325,020.00
Profit and Loss	290,598.25

Grand Total

\$ 4,620,062.76

DECEMBER 31, 1925.

LIABILITIES.

Capital Stock:

Common	\$ 1,500,000.00
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Funded Debt Unmatured:

Mineral Range R. R. 5% Bonds, due 1931..	\$ 339,000.00
Mineral Range R. R. 4% Bonds, due 1931..	254,000.00
Mineral Range R. R. 4% Bonds, due 1951..	1,000,000.00
Hancock & Calumet R. R. 5% Bonds, due 1931	<u>325,000.00</u>
Total	1,918,000.00

Non-Negotiable Debt to Affiliated Companies:

The Duluth, South Shore and Atlantic R'y Co.	106,165.00
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Current Liabilities:

Traffic and Car Service Balances Payable.	\$ 33,082.57
Audited Vouchers and Wages Unpaid....	65,402.41
Matured Interest Unpaid	95,027.52
Matured Bonds Unpaid	2,000.00
Matured Equipment Trust Obligations	
Unpaid	<u>311,070.63</u>
Total	506,583.13

Unadjusted Credits:

Tax Liability	\$ 55,000.00
Accrued Depreciation-Equipment	522,677.91
Other Unadjusted Credits	<u>2,800.39</u>
Total	580,478.30

Additions to Property Through Income and Surplus

8,836.33

Grand Total	\$ 4,620,062.76
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**DETAILED STATEMENT OF OPERATING REVENUES
AND EXPENSES.**

Corporate Only—Not Including Federal Lap-Overs.

Revenue from Transportation.	1925.	1924.
Freight Revenue	\$269,545.12	\$241,504.95
Copper Rock Revenue	199,615.04	209,620.60
Passenger Revenue	3,082.80	2,627.06
Excess Baggage Revenue	3.05	3.36
Mail Revenue	3,840.00	4,445.00
Express Revenue	9,620.99	9,907.80
Other Passenger Train Revenue	65.00	.....
Milk Revenue	2,393.55	3,050.58
Switching Revenue	7,675.57	7,539.57
Special Service Train Revenue.....	937.90	534.45
 Total Transportation Revenue	 \$496,779.02	 \$479,233.37
 Incidental Revenue.		
Station, Train and Boat Privileges.....	\$ 122.27	\$ 121.34
Parcel Room Receipts	104.05	115.55
Storage—Freight	178.19	252.37
Storage—Baggage	94.32	139.56
Demurrage	2,471.00	2,144.00
Telegraph and Telephone Service	671.04	699.83
Rents of Buildings and Other Property.....	301.68	376.68
Miscellaneous Revenue	321.63	1,143.95
 Total Incidental Revenue	 \$ 4,264.18	 \$ 4,993.28
 Total Operating Revenue	 \$501,043.20	 \$484,226.65
 Operating Expenses.		
Maintenance of Way and Structures	\$ 74,306.55	\$ 99,655.06
Maintenance of Equipment	106,980.45	116,331.87
Traffic Expenses	3,950.01	3,903.03
Transportation Expenses	198,934.56	206,557.86
General Expenses	13,180.03	13,474.21
Transportation for Investment—Cr.	Cr. 119.48	Cr. 85.11
 Total Operating Expenses	 \$397,232.12	 \$439,836.92
 Net Operating Revenue	\$103,811.08	\$ 44,389.73
Railway Tax Accruals	57,238.25	57,387.75
Uncollectible Railway Revenues	35.38	.....
 Net Operating Income	 \$ 46,537.45	 * \$12,998.02

* Deficit.

INCOME ACCOUNT

Year Ended December 31, 1925.

Net Operating Income \$ 46,537.45

Non-Operating Income:

Hire of Freight Cars	\$ 19,407.67
Rent from Locomotives	9,460.00
Joint Facility Rent Income	18,780.59
Miscellaneous Rent Income	4,425.54
Income from Unfunded Securities and Accounts.	1,402.15

Total Non-Operating Income 53,475.95Gross Income \$100,013.40

Deductions from Gross Income:

Rent for Locomotives	\$ 130.00
Joint Facility Rents	437.50
Miscellaneous Rents	25.00
Interest on Funded Debt	83,360.00
Interest on Unfunded Debt	15,563.30
Miscellaneous Income Charges	11.25

Total Deductions from Gross Income 99,527.05Net Income \$ 486.35

PROFIT AND LOSS ACCOUNT

December 31, 1925.

By Balance December 31, 1924, Debit \$221,768.56
Net Income for Year Ended December 31, 1925.... 486.35\$221,282.21

Credits During Year:

Profit on Road and Equipment Sold	\$ 34.44
Donations	99.40
Unrefundable Overcharges	2.24
Miscellaneous Credits	6.75

142.83\$221,139.38

Debits During Year:

Loss on Retired Road and Equipment	\$ 6,568.85
Surplus Appropriated for Investment in Phys- ical Property	99.40
Delayed Income Debits	62,748.99
Miscellaneous Debits	41.63

69,458.87Debit Balance December 31, 1925..... \$290,598.25

**DETAILED STATEMENT OF OPERATING REVENUES
AND EXPENSES.**

Including Federal Lap-overs—for Comparison Only.

Revenue from Transportation.	1925.	1924.
Freight Revenue	\$ 269,545.12	\$ 241,249.13
Copper Rock Revenue	199,615.04	209,620.60
Passenger Revenue	3,082.80	2,627.06
Excess Baggage Revenue	3.05	3.36
Mail Revenue	3,840.00	4,445.00
Express Revenue	9,620.99	9,907.80
Other Passenger Train Revenue	65.00	.....
Milk Revenue	2,393.55	3,050.58
Switching Revenue	7,675.57	7,539.57
Special Service Train Revenue	937.90	534.45
Total Transportation Revenue	\$ 496,779.02	\$ 478,977.55
Incidental Revenue.		
Station, Train and Boat Privileges	\$ 122.27	\$ 121.84
Parcel Room Receipts	104.05	115.55
Storage—Freight	178.19	252.37
Storage—Baggage	94.32	139.56
Demurrage	2,471.00	2,119.28
Telegraph and Telephone Service	671.04	699.83
Rents of Buildings and Other Property	301.68	376.68
Miscellaneous Revenue	321.63	1,143.95
Total Incidental Revenue	\$ 4,264.18	\$ 4,968.56
Total Operating Revenue	\$ 501,043.20	\$ 483,946.11

OPERATING EXPENSES

Maintenance of Way and Structures.	1925.	1924.
Superintendence	\$ 5,948.74	\$ 7,731.42
Roadway Maintenance	5,273.34	5,271.91
Bridges, Trestles and Culverts	5,846.00	3,120.95
Ties	20,014.89	28,468.96
Rails	2,017.83	356.30
Other Track Material	918.27	3,192.00
Track Laying and Surfacing	18,208.41	20,513.22
Right of Way Fences	451.08	971.87
Snow and Sand Fences and Snow Sheds	314.09	615.40
Crossings and Signs	1,462.78	1,143.74
Station and Office Buildings	2,767.84	3,034.98
Roadway Buildings	160.91	729.46
Water Stations	530.21	839.68
Fuel Stations	2,399.14	1,390.89
Shops and Enginehouses	1,036.74	831.11
Telegraph and Telephone Lines	70.03	2.43
Signals and Interlockers	86.88	82.98
Roadway Machines	218.72	191.63
Small Tools and Supplies	448.11	606.88
Removing Snow, Ice and Sand	10,852.87	18,064.72
Injuries to Persons	344.94	14.00
Insurance	750.25	534.21
Stationery and Printing	332.41	283.13
Maintaining Joint Tracks, Yards and Other Facilities—Dr.	291.06	3,367.43
Maintaining Joint Tracks, Yards and Other Facilities—Cr.	Cr. 2,897.83	Cr. 1,854.12
Total	\$ 74,306.55	\$ 99,655.06

DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES—Continued

Including Federal Lap-Overs—for Comparison Only.

Maintenance of Equipment.	1925.	1924.
Superintendence	\$ 566.92	\$ 757.49
Shop Machinery	70.55	213.36
Steam Locomotives—Repairs	32,343.96	50,712.88
Steam Locomotives—Depreciation	5,625.21	7,505.97
Steam Locomotives—Retirements	Cr. 2,159.96	Cr. 10,263.50
Freight Train Cars—Repairs	41,256.37	36,736.60
Freight Train Cars—Depreciation	27,025.66	27,302.55
Freight Train Cars—Retirements	Cr. 1,402.54	Cr. 82.40
Passenger Train Cars—Repairs	214.90	278.79
Passenger Train Cars—Depreciation	72.39	72.39
Work Equipment—Repairs	1,326.86	1,271.95
Work Equipment—Depreciation	341.40	426.88
Work Equipment—Retirement	Cr. 4.32	.....
Injuries to Persons	33.00	.....
Insurance	1,525.83	1,184.41
Stationery and Printing	144.22	204.50
Total	\$ 106,980.45	\$ 116,331.87
Traffic Expenses.		
Superintendence	\$ 2,482.03	\$ 2,736.23
Outside Agencies	383.19	.....
Advertising	25.00	25.00
Traffic Associations	75.55	41.84
Industrial and Immigration Bureaus	588.39	588.27
Stationery and Printing	445.85	511.69
Total	3,950.01	\$ 3,903.03
Transportation Expenses.		
Superintendence	\$ 5,458.60	\$ 6,246.59
Dispatching Trains	3,125.62	3,925.81
Station Employees	41,151.17	41,082.48
Weighing, Insp. and Demurrage Bureaus	117.00	117.00
Station Supplies and Expenses	2,750.68	2,792.49
Yardmasters and Yard Clerks	1,305.00	1,623.80
Yard Conductors and Brakemen	10,640.96	12,687.28
Yard Switch and Signal Tenders	909.95	925.60
Yard Enginemen	7,606.68	4,378.86
Fuel for Yard Locomotives	8,942.35	5,321.91
Water for Yard Locomotives	404.27	402.86
Lubricants for Yard Locomotives	184.11	129.84
Other Supplies for Yard Locomotives	334.25	297.33
Enginehouse Expenses—Yard	276.58	191.70
Yard Supplies and Expenses	172.86	197.69
Operating Joint Yards and Terminals—Dr.	13,517.54	15,554.45
Train Enginemen	20,192.99	21,006.52
Fuel for Train Locomotives	32,077.20	42,080.53
Water for Train Locomotives	3,071.46	3,362.57
Lubricants for Train Locomotives	512.48	659.67
Other Supplies for Train Locomotives	521.71	696.79
Enginehouse Expenses—Train	9,174.30	8,288.98
Trainmen	26,210.62	24,245.11
Train Supplies and Expenses	1,738.37	2,678.78
Signal and Interlocker Operation	12.00	12.00
Crossing Protection	1,335.82	1,460.04
Stationery and Printing	1,071.74	1,707.52
Other Expenses	261.81	116.41
Operating Joint Tracks and Facilities—Dr.	3,756.87	4,039.02
Operating Joint Tracks and Facilities—Cr.	Cr. 1,597.82	Cr. 1,602.22
Insurance	397.05	260.75
Clearing Wrecks	85.98	47.60
Damage to Property .....	.....	11.98
Damage to Live Stock on Right of Way .....	.....	30.00
Loss and Damage—Freight	648.77	877.30
Injuries to Persons	2,565.59	102.32
Total	\$ 198,934.56	\$ 206,557.86

**DETAILED STATEMENT OF OPERATING REVENUES
AND EXPENSES—Continued**

Including Federal Lap-Overs—for Comparison Only.

General Expenses.	1925.	1924.
Salaries and Expenses of General Officers.....	\$ 3,178.03	\$ 3,185.29
Salaries and Expenses of Clerks and Attendants.....	7,096.02	7,134.97
General Office Supplies and Expenses.....	5.73	6.00
Law Expenses	1,008.43	888.87
Insurance	31.50	32.63
Stationery and Printing	747.52	816.68
Valuation Expenses	8.02	21.53
Other Expenses	1,104.78	1,388.24
Total	\$ 13,180.03	\$ 13,474.21
Transportation for Investment—Cr.	Cr. 119.48	Cr. 85.11
Recapitulation of Operating Expenses.		
Maintenance of Way and Structures	\$ 74,306.55	\$ 99,655.06
Maintenance of Equipment	106,980.45	116,331.87
Traffic Expenses	3,950.01	3,903.03
Transportation Expenses	198,934.56	206,557.86
General Expenses	13,180.03	13,474.21
Transportation for Investment—Cr.	Cr. 119.48	Cr. 85.11
Total Operating Expenses	\$ 397,232.12	\$ 439,886.92
Net Operating Revenue	103,811.08	44,109.19
Percentage of Operating Expenses to Operating Revenue	78.28	90.89

COMPARATIVE STATEMENT OF REVENUE AND EXPENSES.

REVENUE							Corporate and Federal			
Corporate Only.							1921.	1920.	1919.	
1925.	1924.	1923.	1922.							
Freight	\$269,545.12	\$241,504.95	\$255,438.68	\$182,049.96	\$188,970.22	\$327,984.40	\$316,068.85			
Copper Rock	199,615.04	209,620.60	178,286.87	112,239.77	59,825.70	309,696.06	408,145.29			
Passenger	3,082.80	2,627.06	2,860.67	3,808.80	4,214.68	3,937.82	4,489.71			
Mail	3,840.00	4,445.00	3,600.00	4,390.00	2,999.39	1,845.05	4,200.00			
Express	9,620.39	9,907.80	9,964.29	8,740.96	8,187.65	4,986.35	5,070.20			
Miscellaneous	15,339.25	16,121.24	21,942.63	16,425.51	14,952.35	21,169.89	15,252.34			
Total	\$501,043.20	\$484,226.65	\$472,133.14	\$327,065.00	\$273,149.99	\$669,619.57	\$753,226.39			
EXPENSES.										
Maintenance of Way & Structure	\$ 74,306.55	\$ 99,655.06	\$ 93,654.83	\$ 95,192.34	\$ 80,787.14	\$ 183,740.88	\$ 165,420.40			
Maintenance of Equipment	106,980.45	116,331.87	90,158.79	61,084.78	87,948.93	254,451.58	256,233.38			
Traffic Expenses	3,950.01	3,903.03	4,152.06	4,120.36	4,702.92	4,187.72	4,785.57			
Transportation Expenses	198,934.56	206,557.86	213,191.90	187,239.63	217,298.82	408,913.86	406,357.92			
General Expenses	13,180.03	13,444.21	14,517.34	13,533.11	14,939.48	15,646.28	13,515.39			
Transportation for Investment Cr.	119.48	Cr. 85.11	Cr. 242.19	Cr. 16.11	Cr. 27.69	.....	.....	.....	.....	.....
Total	\$397,232.12	\$439,836.92	\$415,452.73	\$361,154.11	\$405,649.60	\$866,948.32	\$846,312.66			
Percentage of Operat. Expenses to Operat. Revenue	79.28	90.83	87.99	110.22	145.32	129.47	112.36			
Net Operating Revenue	103,811.08	44,389.73	56,010.41	Def. 33,489.11	Def. 126,499.61	Def. 197,328.75	Def. 93,086.27			
Taxes Accrued	57,238.25	57,387.75	52,013.25	67,109.61	61,781.99	62,146.86	48,060.41			
Uncollectible Railway Revenue	35.38	.....	55.96	.....	21.82	22.50	.69			
Operating Income	\$ 46,557.45	Def. 12,988.02	\$ 4,631.20	Def. \$100,588.72	Def. \$188,303.42	Def. \$259,498.11	Def. \$141,147.37			
Other Income	53,475.95	57,476.53	45,520.16	25,989.55	24,111.10	.....	.....	.....	.....	.....
Gross Income	\$100,013.40	\$ 44,478.51	\$ 50,151.36	Def. \$74,609.17	Def. \$164,192.32	.....	.....	.....	.....	.....
Interest on Funded Debt, Rentals and Other Deductions from Income	99,527.05	\$3,681.99	84,391.87	87,038.55	87,746.76	.....	.....	.....	.....	.....
Net Income	486.35	Def. \$ 39,203.48	Def. \$34,240.51	Def. \$161,647.72	Def. \$251,939.08	.....	.....	.....	.....	.....
Average Mileage Operated.....	88.09	88.97	98.85	98.36	101.11	101.11	101.11			

Years 1919, 1920 and 1921 for comparative purposes only, as they include both Federal and Corporate Items.

TRAFFIC AND MILEAGE STATISTICS.

	1925.	1924.
	Passengers, Tonnage, Rates, and Revenue	Passengers, Tonnage, Rates, and Revenue
Passenger Traffic.		
Number of Passengers Carried Earning Revenue	7,375	6,559
Number of Passengers Carried One Mile	86,614	71,992
Number of Passengers Carried One Mile per Mile of Road	983	809
Average Distance Carried, Miles.....	11 74	10 98
Total Passenger Revenue	\$3,082 80	\$2,627 06
Average Amount Received from Each Passenger	\$ 41801	\$ 40053
Average Receipts per Passenger per Mile	\$ 03559	\$ 03649
Total Passenger Service Train Revenue	\$19,005 39	\$20,033 89
Passenger Service Train Revenue per Mile of Road	\$215 75	\$225 18
Passenger Service Train Revenue per Train Mile	\$9 42	\$7 61
Freight Traffic.		
Number of Tons Carried of Freight Earning Revenue	1,377,519	1,291,006
Number of Tons Carried One Mile...	13,961,152	12,761,471
Number of Tons Carried One Mile per Mile of Road	158,487	143,436
Average Distance Haul of One Ton, Miles	10 13	9 88
Total Freight Revenue	\$469,160 16	\$450,869 73
Average Amount Received for Each Ton of Freight	\$ 34058	\$ 34924
Average Receipts per Ton per Mile..	\$ 03360	\$ 03533
Freight Revenue per Mile of Road...	\$5,325 92	\$5,067 66
Freight Revenue per Train Mile.....	\$8 55	\$8 03
Total Traffic.		
Operating Revenues	\$501,043 20	\$483,946 11
Operating Revenues per Mile of Road.	\$5,687 86	\$5,439 43
Operating Revenues per Train Mile..	\$8 79	\$8 23
Operating Expenses	\$397,232 12	\$439,836 92
Operating Expenses per Mile of Road.	\$4,509 39	\$4,943 65
Operating Expenses per Train Mile...	\$6 97	\$7 48
Net Operating Revenue	\$103,811 08	\$44,109 19
Net Operating Revenue per Mile of Road	\$1,178 47	\$495 78

TRAFFIC AND MILEAGE STATISTICS—Continued

Revenue Locomotive Mileage:	1925.	1924.
Freight Service	40,612	44,294
Passenger Service	26	.....
Mixed Service	24,568	22,961
Special Service	148	42
Train Switching	28,798	37,684
Yard Switching	27,975	17,789
Total Revenue Locomotive Mileage.....	122,121	122,770
Non-revenue Service Locomotive Miles.....	1,592	3,113
Revenue Car Mileage:		
Freight—Loaded	383,504	341,414
Freight—Empty	301,397	248,898
Freight—Caboose	38,395	40,258
Total Freight Car Miles.....	723,296	630,570
Passenger	18,428	18,158
Sleeping, Parlor and Observation .....	.....	.....
Dining .....	.....	.....
Other Passenger Train Cars.....	.....	.....
Total Passenger Car Miles.....	18,428	18,158
Special Car Mileage:		
Freight—Loaded	1,112	504
Caboose	99	42
Passenger	476	196
Total Special Car Miles	1,687	742
Total Revenue Car Mileage	743,411	649,470
Non-revenue Service Car Miles.....	1,371	294
Revenue Train Mileage:		
Freight	38,557	40,604
Passenger	20	.....
Mixed	18,318	18,154
Special	99	42
Total Revenue Train Mileage.....	56,994	58,800
Non-revenue Service Train Miles.....	1,592	3,113
Average Number of Revenue Passengers per Car-Mile.....	4.70	3.96
Average Number of Revenue Passengers per Train-Mile.....	4.72	3.96
Average Number Passenger Cars per Pass. Train-Mile.....	5.50	.....
Average Number Tons Rev. Fgt. per Loaded Car-Mile.....	36.40	37.38
Average Number Tons Rev. Freight per Train-Mile.....	254.40	227.37
Average Number of Freight Cars per Freight Train-Mile.....	13.87	11.90
Average Number of Loaded Cars per Freight Train-Mile.....	7.84	6.98
Average Number of Empty Cars per Freight Train-Mile.....	6.03	4.92
Average Mileage Operated During Year.....	88.09	88.97

FREIGHT TRAFFIC MOVEMENT.
(Company's Material Excluded)

COMMODITY.	Year Ending Dec. 31, 1925.		Year Ending Dec. 31, 1924.	
	Tons	Per Cent	Tons	Per Cent
Wheat	.....	.....	.....	.....
Corn	.....	.....	30	.00
Oats	1,366	.10	1,497	.12
Other Grain	.....	.....	322	.03
Flour and Meal	2,447	.18	3,437	.27
Other Mill Products	6,629	.48	5,833	.45
Hay, Straw and Alfalfa	2,365	.17	4,625	.36
Tobacco	20	.00	.....	.....
Cotton	.....	.....	.....	.....
Cotton Seed and Products, except Oil	.....	.....	.....	.....
Citrus Fruits	17	.00	523	.04
Other Fresh Fruits	2,090	.15	2,475	.19
Potatoes	176	.01	421	.03
Other Fresh Vegetables	315	.02	577	.05
Dried Fruits and Vegetables	58	.01	52	.00
Other Products of Agriculture	129	.01	158	.01
Horses and Mules	105	.01	132	.01
Cattle and Calves	60	.01	.....	.....
Sheep and Goats	.....	.....	.....	.....
Hogs	.....	.....	.....	.....
Fresh Meats	.....	.....	.....	.....
Other Packing House Products	.....	.....	.....	.....
Poultry	.....	.....	.....	.....
Eggs	.....	.....	.....	.....
Butter and Cheese	199	.01	150	.01
Wool	.....	.....	.....	.....
Hides and Leather	18	.00	18	.00
Other Products of Animals	344	.02	18	.00
Anthracite Coal	6,537	.48	6,728	.52
Bituminous Coal	106,999	7.77	107,578	8.33
Coke	1,272	.06	939	.07
Iron Ore	3,742	.27	9,473	.73
Copper Rock	841,139	61.06	855,465	66.26
Other Ores and Concentrates	.....	.....	.....	.....
Base Boullion and Matte	.....	.....	.....	.....
Clay, Gravel, Sand and Stone	59,783	4.34	45,932	3.56
Crude Petroleum	.....	.....	186	.01
Asphaltum	.....	.....	142	.01
Salt	712	.05	449	.04
Other Products of Mines	53,022	3.85	39,592	3.07
Logs, Post Poles and Cordwood	164,500	11.94	94,546	7.82
Ties	1,889	.14	6,734	.52
Pulp Wood	861	.06	2,317	.18
Lumber, Timber, Box Shooks, Staves and Headings	24,472	1.78	20,388	1.58
Other Products of Forests	1,074	.08	447	.04
Refined Petroleum and its Products	5,846	.42	5,282	.41
Vegetable Oils	.....	.....	18	.00
Sugar, Syrup, Glucose and Molasses	908	.07	868	.07
Boats and Vessel Supplies	.....	.....	.....	.....
Iron, Pig and Bloom	1,233	.09	788	.06
Rails and Fastenings	791	.06	565	.04
Bar and Sheet Iron, Structural Iron, and Iron Pipe	2,165	.16	835	.07
Other Metals, Pig, Bar and Sheet	27,023	1.96	19,469	1.51
Castings, Machinery and Boilers	977	.07	3,016	.23
Cement	2,275	.17	2,385	.19
Brick and Artificial Stone	3,243	.24	1,977	.15
Lime and Plaster	713	.05	791	.06
Sewer Pipe and Drain Tile	90	.01	206	.02
Agricultural Implements and Vehicles other than Automobiles	315	.02	310	.02
Automobiles and Auto Trucks	150	.01	215	.02
Household Goods and Second Hand Furniture	300	.02	328	.03
Furniture (new)	.....	.....	8	.00
Beverages	190	.01	304	.02
Ice	440	.03	452	.03
Fertilizers (all kinds)	41	.00	49	.00
Paper, Printed Matter and Books	59	.01	54	.00
Chemicals and Explosives	7,278	.53	4,391	.38
Textiles	19	.00	.....	.....
Canned Goods (all Canned Food Products)	205	.01	110	.01
Other Manufactures and Miscellaneous	25,035	1.82	20,599	1.60
Merchandise—All L. C. L. Freight	15,888	1.15	16,307	1.27
Total	1,977,510	100.00	1,977,510	100.00

ADDITIONS AND BETTERMENTS

Year Ended December 31, 1925.

Engineering	\$ 5.45
Land for Transportation Purposes	Cr. 25.56
Grading	612.72
Bridges, Trestles and Culverts	3,456.15
Ties	188.79
Rails	43.08
Other Track Material	38.07
Track Laying and Surfacing	35.37
Crossings and Signs	18.34
Station and Office Buildings	Cr. 1,277.25
Fuel Stations	Cr. 111.12
Shops and Enginehouses	Cr. 1,392.10
Steam Locomotives	Cr. 11,276.28
Freight Train Cars	Cr. 11,218.85
Work Equipment	Cr. 1,796.91
Total	Cr. \$ 22,700.10

HANCOCK & CALUMET RAILROAD

Bridges, Trestles and Culverts	\$ 1,721.20
Other Track Material	543.51
Track Laying and Surfacing	67.38
Crossings and Signs	17.63
Station and Office Buildings	Cr. 124.00
Total	\$ 2,225.72
Total M. R. R. R. and H. & C. R. R.	Cr. \$ 20,474.38

EQUIPMENT OWNED DECEMBER 31, 1925.

Locomotives	18
Passenger Train Cars:	
Combination Car	1
Freight Train Cars:	
Box Cars	42
Flat Cars	64
Gondola Cars	2
Coal Cars	31
Ore Cars	859
Caboose Cars	7
	1,005
Miscellaneous Cars:	
Tool Cars	2
Snow Plows	5
Boarding Cars	10
Cinder Cars	2
Ice Cutter	1
Other Cars	1
	21
Total Number of Cars	1,027

EQUIPMENT CHANGES

Year Ended December 31, 1925.

Additions:

None.

Deductions:

2 Locomotives	\$ 11,276.28
2 Box Cars	1,635.99
12 Ore Cars	8,250.46
4 Caboose Cars	1,332.40
1 Snow Plow	1,796.91
	24,292.04
Net Deductions	\$ 24,292.04

Reserve for Accrued Depreciation on Equipment.

Balance from Previous Year	\$504,926.41
Depreciation on Locomotives	Cr. 2,143.79
Depreciation on Freight Cars	20,407.73
Depreciation on Passenger Cars	72.39
Depreciation on Work Equipment	Cr. 584.83
	<u>\$522,677.91</u>

MILEAGE OWNED AND OPERATED

Main Line Owned:	Mileage
Houghton, Mich.....to Calumet, Mich.....	14.41
Calumet, Mich.....to Copper Range R. R. Crossing.	1.18
St. Mary's Jct., Mich.....to Pt. Mills, Mich.....	9.19
Keweenaw Bay, Mich.....to Mile Post 29, Mich.....	29.00
Franklin Jct., Mich.....to Quincy Mine, Mich.....	2.00
To various Mines and Industries	2.17
 Total Owned Mileage Operated	 57.95
=====	=====
Leased Lines:	
Hancock & Calumet R. R.:	
Main Line, Hancock, Mich., to Ahmeek, Mich.....	19.86
Branch Lines to Mines and Industries.....	9.18
 Total Leased Lines	 29.04
 Total Mileage Operated	 86.99
=====	=====
Owned But Not Operated:	
Main Line, Mile Post 29 to Riddle Jct., Mich.....	6.57
Branch, Peppard Jct., Mich., to Mass, Mich.....	2.82
 Total Owned and Operated	 9.39
=====	=====
 Total Owned and Operated	 96.38

SAINTE MARIE

GENERAL BALANCE SHEET DECEMBER 31, 1925.

ASSETS

Investment in Road and Equipment:

Road	\$132,362.12
Equipment	500.00
Total	\$132,862.12

Current Assets:

Cash	\$ 415.73
Miscellaneous Accounts Receivable	23,900.11
Total	\$ 24,315.84
Grand Total	\$157,177.96

LIABILITIES

Capital Stock:

Common	\$ 75,000.00
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Non-Negotiable Debt to Affiliated Companies:

The Duluth, South Shore and Atlantic Rail- way Co.	\$ 28,931.06
M., St. P. & S. Ste. M. R'y Co.	28,931.06

Total	57,862.12
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Current Liabilities:

Audited Vouchers Unpaid	20,915.84
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Unadjusted Credits:

Tax Liability	3,400.00
Grand Total	\$157,177.96

UNION DEPOT COMPANY**EQUIPMENT OWNED DECEMBER 31, 1925.****Miscellaneous Cars:**

Snow Plow	1
Total Number of Cars	1
	=====

MILEAGE OWNED DECEMBER 31, 1925.

Main Line .....	.53
Yard Tracks	1.97
Total Mileage Owned	2.50